

Experiential learning activities in undergraduate school: fostering entrepreneurship and employability from the first year

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Nowadays entrepreneurship is of vital importance to the employability of European youngsters and is considered an essential competence for personal development and self-fulfilment. The education system has a crucial role in providing the competencies that individuals need to adapt to change in the social, economic and technological contexts. Being a competence, entrepreneurship could be developed in adequate learning environments, especially if in relation to the development of management skills and using experiential activities.

Considering the above, the goal of this work is to discuss the theoretical and situational foundations, and the design, of an entrepreneurship educational project developed by first year students in a higher institute for tourism. The learning activities consist of planning, implementing and self-evaluating a micro-business developed by the students within the campus. It is also our goal to study the perception of the students regarding the impact of those activities on their induction, on the acquisition of management and entrepreneurship competences, on their academic success and employability potential.

This research found that experiential education can be viewed by the students as facilitating management and entrepreneurship competences development and is considered motivating. The research also concluded that entrepreneurship competences are considered important to academic success in other scientific areas, not all directly related to management. Finally, students find that this first year experiential education project in entrepreneurship can improve their employability.

Key-words: employability; entrepreneurship; experiential education.

I. Introduction

Timmons (1994, in Morrison, 1999) refers to entrepreneurship as a ‘silent revolution’ that will be more important in the 21st century than the industrial revolution in the past. Entrepreneurship is now considered to have more than an economic relevance and affecting different aspects of society. The ‘entrepreneurial society’ is characterised by perpetual change, which transforms people’s working lives to embody entrepreneurial characteristics, such as innovativeness, risk-taking, and independence and, to foster it, the most fundamental change has to occur within the education system (Flores and Gray, 2000, in Connolly, 2006).

In the ‘*Green Book Entrepreneurship in Europe*’ the European Commission points out that ‘to appreciate entrepreneurship, society must value and celebrate successful entrepreneurs and tolerate failure. Positive attitudes towards entrepreneurship are particularly important among those on whom today’s and future entrepreneurs depend, such as schools, universities, investors, local communities, regions, business organizations, business advisers and the media’ (European Commission, 2003, p. 21). Education in entrepreneurship increases the chances of start-ups and self-employment and enhances individuals’ economic reward and satisfaction (European Commission, 2006).

In this paper we will discuss the theoretical and situational foundations, and the design of an entrepreneurship educational project developed by undergraduate students at Estoril Higher Institute for Tourism and Hotel Studies (ESHTE). We will also present the results of a descriptive research of students’ perceptions. In section II we will analyse the definition of ‘entrepreneurship’ and the profile of the entrepreneur. In sections III and IV we will present the background to ESTHE’s project in what concerns European, national and local policies, focusing on entrepreneurship education and the importance it assumes in fostering employability. Sections V and VI are dedicated to discussing the main theoretical foundations of the project, mainly the validity and characteristics of entrepreneurship education and of experiential activities, in higher education. In sections VII and VIII we will present the project’s design and discuss the descriptive research conducted and its results. The conclusions and implications for future results are presented in section IX.

II. Entrepreneurship and entrepreneurs

Etymologically ‘entrepreneurship’ comes from the french word ‘*entrepreneur*’ created by Jean Baptiste Say in the 17th century to designate the individual that possesses distinctive characteristics to identify people’s needs and at the same time has the skills to satisfy them through new businesses assuming inherent risks (Kaplan and Warren, 2007).

Historically considered the role of the businessperson in the economy (Bull and Willard, 1995 in Connolly, 2006), entrepreneurship has been gaining a broader meaning. Hisrich *et al.* (2005, p. 8) defend that 'entrepreneurship is the process of creating something with value by devoting the necessary time and effort, assuming the accompanying financial, psychic, and social risks, and receiving the resulting rewards of monetary and personal satisfaction and independence'.

The European Commission defines entrepreneurship as 'the mindset and process to create and develop economic activity by blending risk-taking, creativity and/or innovation with sound management, within a new or an existing organization' (European Commission, 2003, p. 6).

In what concerns the profile of an entrepreneur, (Smith, 2007) considers improbable that entrepreneurship could be explained by a stable characteristic that differentiates some people from others in every situation but more likely by a tendency of certain people to respond to opportunities. Within the framework of key competences for European citizens, entrepreneurship is also not seen as a distinct psychological characteristic but rather as an interaction of different skills, knowledge, affective factors and personal qualities (European Commission, 2004).

III. European and portuguese education policy on entrepreneurship

According to the 'Green Book Entrepreneurship in Europe' (European Commission, 2003), entrepreneurship is important because: it contributes to job creation and growth; increases competitiveness; unlocks personal potential; and, contributes to society (through *eco-efficiency* and social cohesion). It's a challenge for Europe to build a climate in which entrepreneurial initiative and business activities can thrive.

In February 2006 a set of recommendations on entrepreneurship education was outlined by the European Commission (2006) with the aim to enhance the role of education in creating a more entrepreneurial culture in Europe. School education should stimulate young people's awareness of entrepreneurship as an option for their future and help them to be more creative and self-confident in whatever they undertake. Regarding universities and technical institutes, the European Commission recommended that these should integrate entrepreneurship as an important part of the curriculum. 'Entrepreneurship develops in an environment that encourages active forms of learning' (European Commission, 2006, p. 8).

Câmara (2006) argues that Portugal faces a serious problem because it should have more entrepreneurs and fewer managers. Though managers are important, it is entrepreneurs who seek opportunities. Câmara (2006) also considers that the educational system is not fostering intellectual independence and does not stimulate entrepreneurship.

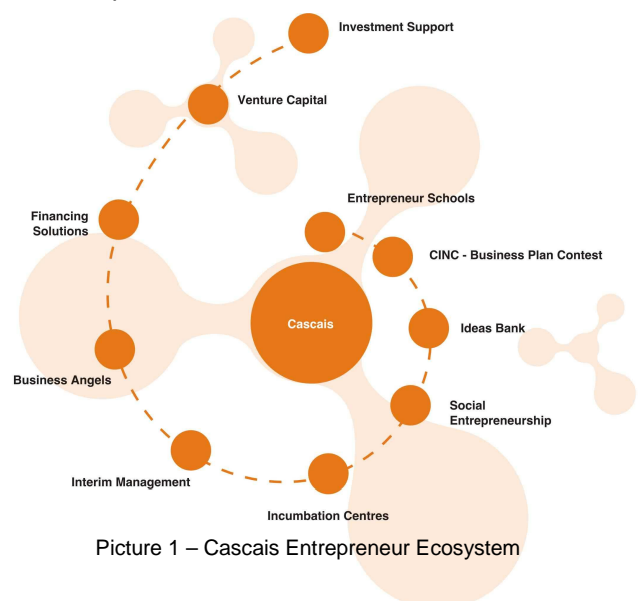
The importance of this issue to Portugal is well patent on the XVII Portuguese Government Program in which the Government states its intention to support young entrepreneurship through the introduction of entrepreneurship in curricula at different levels of education (Presidência do Conselho de Ministros, 2005).

IV. Entrepreneurship in Cascais municipality

In Portugal the concern with entrepreneurship stretches to local authorities. Cascais municipality is commonly considered a best-practice in what concerns fostering entrepreneurship.

In September 2006 Cascais Municipality created DNA¹ Cascais in partnership with IAPMEI (Portuguese Agency for SME's) and BPI Bank, to develop the 'DNA Entrepreneur Ecosystem' (see picture 1), a multidimensional approach to entrepreneurship. In its first year the DNA Agency established contacts with 300 potential entrepreneurs. 150 projects were presented by entrepreneurs, representing 20 million euros of investment intentions. 32 new businesses were implemented - more than 6.7 million euros invested and 138 new jobs created, most of them in the tourism sector (Andrez, 2007).

One of the dimensions of 'DNA Entrepreneur Ecosystem' is the partnership with secondary and undergraduate schools that includes teachers' training, support to entrepreneurship extra-curricular



Picture 1 – Cascais Entrepreneur Ecosystem

¹ DNA means Development of New Attitudes.

activities, and business ideas contests for students. Some of the lessons learned so far with this project are that the sooner we foster entrepreneurship in schools the better, and teachers have to leave their comfort zone in order to develop an entrepreneurial attitude in their students (Andrez, 2007).

The Estoril Higher Institute for Tourism and Hotel Studies (ESHTE) has been one of DNA's partners since the creation of the agency. However, ESHTE's concern with entrepreneurship goes further than that partnership and in 2006 the theme was included in the curricula of 4 of its 5 undergraduate courses. The goal is to increase students' attitude towards career opportunities after graduation and thus increasing employability.

V. Entrepreneurship education

For some time entrepreneurship was considered un-teachable, but international experience demonstrates that elements of entrepreneurship can be taught and learned (Gottlieb and Ross, 1997). Entrepreneurial skills and behaviours can generally be developed and acquired (Timmons et al., 1985 in Connolly, 2006). From his research on recent graduate entrepreneurs, Connolly (2006) concludes that some skills and characteristics, such as the drive to succeed, creativity and intelligence are not learnable but other skills needed to become self-employed are learnable.

Brown (2000, in Jones 2007) notes that when choosing a curriculum an entrepreneurship educator should consider the following learning goals:

- to develop ideas by recognizing business opportunities, researching the market, conducting a self-assessment of personal creativity, conducting a feasibility study and identifying various business entry strategies
- to prepare to start a business by assessing personal resources and financial status, researching and evaluating the risks, writing a working business plan and approaching others for money and other resources
- to build a business by allocating resources, using marketing strategies and managing money and personnel.

In fact, entrepreneurship education should not be taught from a traditional lecture-centred perspective. A different learning environment is required for entrepreneurship education within a university setting (Gibb, 2002 in Jones, 2007).

VI. Experiential education and higher education

Experiential learning has been discussed and described both as a process of learning and as a method of instruction. Cross (1994, in Cantor, 1995) reminds us that experiential learning has been around since the beginning of time. However, the construct of experiential learning as an education process is credited to John Dewey's. Dewey showed that individuals can create new knowledge and transform themselves through a process of learning by performing new roles (Fenwick, 2001).

Stevens and Richards (1992, in Cantor, 1995, p. 116) argue that 'experiential education can be defined as immersing students in an activity (ideally, closely related to course material) and then asking for their reflection on the experience'. Anthony *et al.* (1990, in Cantor, 1995) identified six features of an experiential activity: learner-centred and student-directed; emphasis on problem solving, discovery, and inquiry; practical applications of course content; focus on holistic understanding; perception-based; and, emphasis on the heuristic process – learning about learning. Cantor (1995) refers to research findings that support the motivational benefits to learners by active and participative learning.

In what concerns experiential education in higher education 'it is possible to maintain academic integrity and yet build a climate in which students can experience the body of knowledge and skills within a subject, in an active and collaborative manner, wherein they are challenged to master and learn, and where they also have an opportunity to gain those reasoning, decision making, cultural, social, and leadership skills so badly needed in today's and tomorrow's societies' (Cantor, 1995, p. 5).

VII. The entrepreneurship educational project at ESHTE

ESHTE's Entrepreneurship Project started in 2006 within *Business Management*, a first year subject in the curriculum of four undergraduate courses: Hotel Management; Cookery and Food Production; Leisure Management and Tourism Entertainment, and Tourism Management. The project answers to two of the subject's goals: to discover and develop entrepreneurial characteristics and attitudes; and to identify the resources and skills necessary to self-employment. Though the project emerged from the partnership with DNA Agency, ESHTE adapted it to the higher education context because the model was originally developed for secondary education.

ESHTE's Entrepreneurship Project is an experiential education project that occurs in 4 phases:

- 1st phase - 6 hours *immersion session* on entrepreneurship. During the first half of the day, students organized in randomly created groups are presented with several activities and challenges. The main themes are: entrepreneurial characteristics and attitudes; creativity; business ideas generation; business planning. On the

second half of the day, students organized in their chosen groups (2 to 4 students each) are asked to transfer the learning activities developed during the morning to a mini-company project, from idea generation to a synthetic business-plan, considering a total investment of 40 euros.

- 2nd phase – 1 week for the *start-up* of the mini-company. During this week students have to obtain all the resources they need to implement their mini-company, have to establish contacts within the school community and externally with sponsors, providers and so on, and (if it is the case) they have start manufacturing the goods they'll be selling.
- 3rd phase – *Entrepreneurship Fair*. Business Management teachers in articulation with the school's public relations office (responsible for the logistics and communication of events in campus) organize a one-day event, assuming the form of a Fair, where students present and sell their products and services to customers (teachers, students and school personnel either from ESHTe and from a secondary level professional school that shares the facilities, and invited visitors). Each group has to install a stand and prepare other areas (if necessary) to market their products and services for at least 3 hours according to the business plan previously developed. In the end, each group has to dismantle their stand and clean the area.
- 4th phase – *Reflection and self-evaluation*. During one week after the Fair, each group of students has to produce a report, documenting on the experience from the group's point of view and self-evaluating in terms of business results and management decisions. This document must also include a personal reflection from each individual on how this learning experience changed his knowledge and attitude about the resources and skills necessary to run a small business.

The project has a 40% weight on the students' end classification at the subject. Referring to the two learning goals, evaluation values: entrepreneurial behaviours (innovation, risk-taking, overcoming obstacles); the application of the knowledge learned during the semester to the experiential activity (marketing, finance, operation and human resources management); and, the capacity to reflect on the experience (for example: the profit of the mini-company is not an evaluation criteria, but the ability to reflect on how the group's decisions affected the profit, is).

After 3 semesters since the first Fair (almost 300 students involved), it is easy to conclude on the achievement of the learning goals, since more than 90% of the students completed the activity successfully. However, it was evident from informal conversations with the students, after the activities, that there were other dimensions of results that should be described. A valuable clue to what these results could be may be found in Cantor's (1995) reasons why experiential learning is a necessary component of formal instruction in colleges and universities: college student is becoming more complex and demanding more varied modes of learning; increase completion rates; benefits for student career decision making and development, optimizing the chances for students to more easily enter their chosen professions.

VIII. Descriptive research

VIII.1. Methodology

This study used a questionnaire to describe students' perceptions on a set of issues after having participated in ESHTe's Entrepreneurship Project. The population is 1st year students of the subject Business Management that participated in the Entrepreneurship Project in December 2007. The sampling was by convenience, 64 from 80 students responded to the questionnaire. 16 students did not respond because they were not present in the classroom when the questionnaire was applied. The students inquired are 18 to 51 years of age (mode = 20 years old) and the following distribution by gender: 64% female; 36% male.

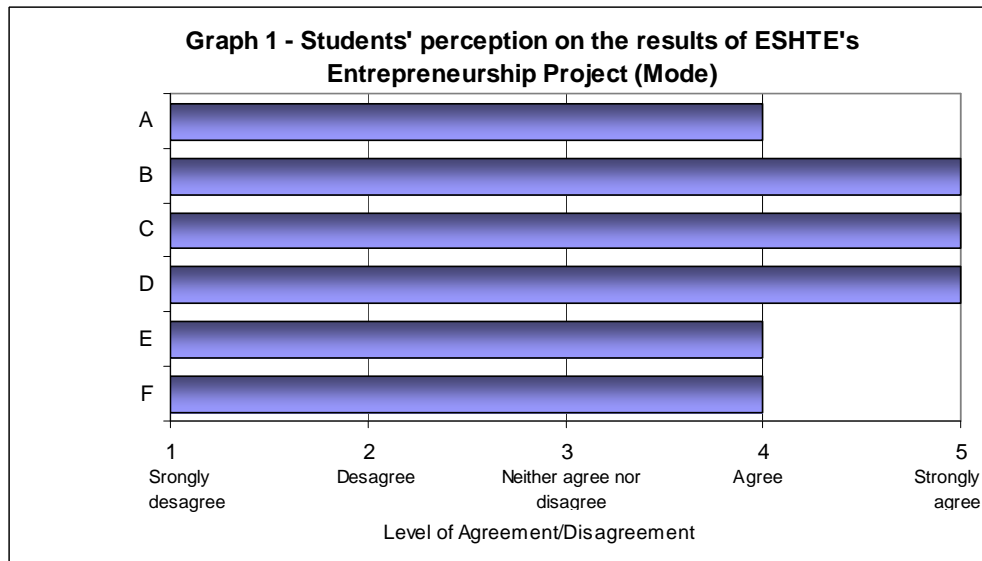
The questionnaire was applied 1 week after the event and the respondents not identified. The 8 items in the questionnaire can be grouped into four categories: biographical (2 questions); benefits of the experiential education activity (3); importance to students' induction and academic success (2); benefits to career decision making/employability (1).

VIII.2. Results

In graph 1 it is possible to analyse student's perception on the results of ESHTe's Entrepreneurship Project. The item related to employability (A) had a high result (mode = 4 'agree'). 46.9% of the students inquired agree that ESHTe's Entrepreneurship Project develops relevant competences to improve employability.

In graph 1 we can also see that the 3 items (B, C and D) related to the education methodology had the highest results (mode = 5 'strongly agree'). In fact, most of the students that answered the questionnaire strongly agree that the education methodology used in the project facilitates the acquisition of management (51.6 %) and entrepreneurship (53.1%) competences. 45.3% of the students inquired also strongly agree that the education methodology used motivates learning Business Management. It is also possible to see on graph 1 that items

related to students' induction (E and F) had also high results (mode = 4 'agree'). 60.9% of them agree that participating in ESHTe's Entrepreneurship Project improves contacts network within the school community and 42.2% agree that participating in the Project allows better identification with the culture of the school.

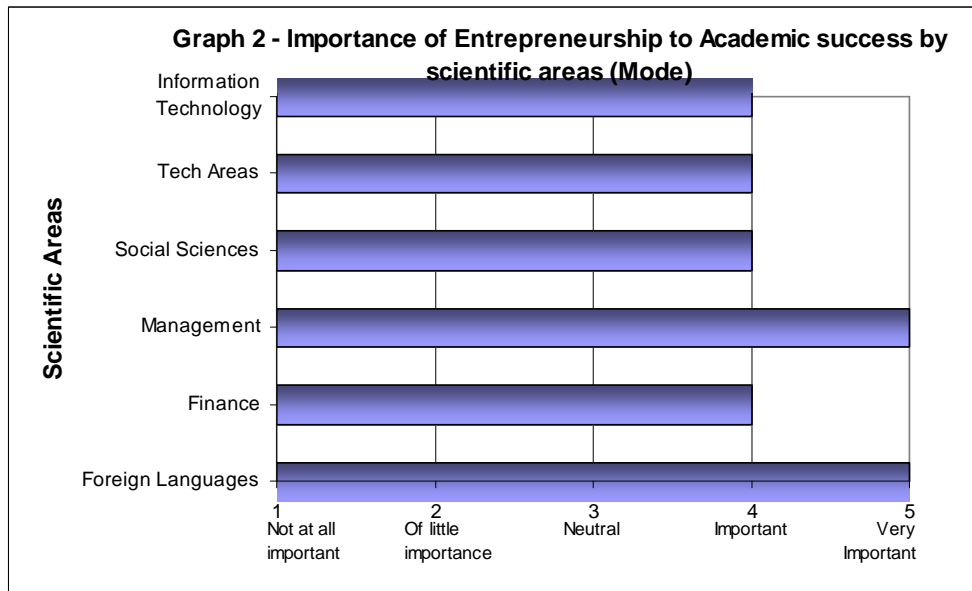


Source: authors

Legend of Y axis:

- A ESHTe's Entrepreneurship Project develops relevant competences to improve employability
- B Education methodology used in the Project facilitates the acquisition of entrepreneurship competences
- C Education methodology used in the Project facilitates the acquisition of management competences
- D Education methodology used in the Project motivates learning in the subject Business Management
- E Participation in ESHTe's Entrepreneurship Project improves contacts network within the school community
- F Participation in ESHTe's Entrepreneurship Project allows better identification with the culture of the school

In order to understand students' perception on the benefits of entrepreneurship competences to academic success, students' were asked to identify the level of importance of those competences to the success in all subject areas in their curriculum.



Source: authors

In graph 2 we can see that students consider entrepreneurship competences very important to academic success in Management and Foreign Languages (note that our students are being prepared to work in the Tourism sector), and important to academic success in all other areas of their curriculum.

VIII.3. Limitations

We recognize limitations to this research. Firstly, the questionnaire was not sufficiently comprehensive and, eventually, some pertinent questions were not included. Secondly, being a descriptive research of students'

perceptions it is not adequate to draw conclusions, for instance on the probability of students following the path to entrepreneurship and self-employment.

IX. Conclusions and implication for future research

The design of ESHTe's Entrepreneurship Project reflects the goals Brown (2000, in Jones 2007) considers important to entrepreneurship education, mentioned in section V, and the features of an experiential activity identified by Anthony *et al.* (1990, in Cantor, 1995), mentioned in section VI. Our work concurred with Timmons *et al.* (1985, in Connolly, 2006) and Gottlieb and Ross (1997) that entrepreneurial skills can generally be developed and acquired. The results of this research also found that this methodology can be viewed by students as facilitating management and entrepreneurship competences development. The results of our research are coincident with the advantages of experiential learning in higher education Cantor (1995) identified. Considering students' perceptions, we can conclude the following: experiential education methodology is considered motivating by undergraduate students; entrepreneurship competences are considered important to academic success in other scientific areas, not all directly related to management; and, experiential education in entrepreneurship can improve employability.

We consider pertinent for future research to study and explain possible gender differences in what concerns the results of an entrepreneurship experiential education activity, due to the fact that the majority of students in higher education is female. It is also relevant to study the impact of such a project in students' intentions towards self-employment comparatively to students that did not participate in such a project, and comparatively to students from other courses and schools.

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