

An Experiential Learning Approach to Teaching Entrepreneurship in Business Education

ABSTRACT

This paper makes a case for the use of experiential learning where a team-based project (business venture) functions to create opportunities for learning entrepreneurship capabilities. Specifically, the team-based-experiential instructional strategy provides the platform for student to apply business concepts, practice communication and social skills in a low threat environment. We employed a multi-method qualitative approach (observations and reflective journals) to document students' interactions over a period of 13 weeks. Results indicate that the experiential learning processes enabled student project teams to develop an understanding and appreciation of the entrepreneurial skills needed to run a successful business. The value of this paper lies in the knowledge that experiential learning allows would-be entrepreneurs to predict and explain the behavior of the world around them and to construct expectations for what is likely to occur next.

Key words: Experiential learning, team processes and entrepreneurial capacities

The desire to increase innovative behaviors especially in small business organizations has prompted the proliferation of entrepreneurship courses in the business and higher education sector (Hegarty & Jones 2008) with particular focus on successful teaching and learning methods in the field of entrepreneurship (Colins, Smith & Hannon 2006; Henry, Hill & Leitch 2005). This surge in entrepreneurship learning has led to the growing research into entrepreneurial education (Garavan & O’Cinneide 1994; Gibb 1993). Specifically, entrepreneur education is expected to address societal development that is vital for ensuing professional relevance, student employability (Cuthbert 1994) and start-ups.

Given the above, there is a steady stream of literature on entrepreneurship education that argues for a departure from the traditional lecture-centered, passive learning approach used in traditional business disciplines to one that is action-oriented (Jones & English 2004). In particular, the focus is on the acquisition of particular entrepreneurial skills rather than the acquisition of knowledge and the ability to analyze entrepreneurial challenges (Grant 1986). In fact, as far back as 1990, Kirby & Mullen (1990) suggested that graduates require integrated programs that teach a “practical skills set” representing a radical overhaul in business and management curricula. A review of literature also suggests that while there have been studies carried out on entrepreneurial attitudes and intentions amongst students in higher education (Dabic, Montoro-Sanchez, Basic, Novak, Romero-Martinez & Steiner 2010; Hatten & Ruhland 1995; Turner & Selcuk, 2008; Uslay, Teach & Schwartz 2002), there is limited research that examine the processes of developing students’ entrepreneur capabilities and skills in higher education through experiential learning. To bridge this gap, the present research investigates and documents students’ entrepreneur learning processes in a team environment.

Entrepreneurship and Experiential learning

Many studies suggest that entrepreneurial learning is experiential in nature (Deakins & Freel 1998; Sullivan 2000) as the values and behavioral patterns of entrepreneurs are ‘caught’ not ‘taught’ (Raven 1977). There is an acknowledged need for work of an interpretative and processual nature to explore

entrepreneurial development (Deakins 1996) and the nature of entrepreneurial learning which is capable of both theoretical and practical application (Rae & Carswell 2001). Additionally, research has shown that entrepreneurial capabilities can be developed through learning (Rae & Carswell 2000) and experience gained through life, education and work plays a central role in learning (Fry, Ketteridge & Marshal 2009). Such form of learning is aligned with Kolb (1984)'s concept of experiential learning whereby understanding is derived from and continuously modified by our own knowledge, ideas, beliefs and practices which in turn are shaped by our experiences. Often, it involves doing and reflection (Cope & Watts 2000); 'learning by copying, learning by experiment; learning by problem solving and opportunity taking; and learning from mistakes' (Gibb 1997: 19). This form of action learning and reflective practice allows for continuous building and amending of new understandings, experiences, actions and information (Fry et al. 2009: 10). The changed schemata allows for deep learning to take place as people actively construct their knowledge (Biggs & Moore 1993). Given the above, we can expect that through successful entrepreneur learning, student-entrepreneur acquire the skills, knowledge and abilities required in different stages of business development that can be applied in the actual working environment.

Business venture approach to learning

An effective entrepreneurial education involves creating an environment in which students learn first-hand how to deal with ambiguity and complexity and finding ways of solving and anticipating problems (McMullan & Long 1987). In this paper, we employ a business-venture approach to learning not only to expose students to opportunities to deal with ambiguity and complexities inherent in entrepreneurship but also to track the development of the process of entrepreneur learning. In particular, in the business venture, the student teams took an idea from initial conception to product development and sales. This includes idea generation, market research, product evaluation and selection, design and development. This involves student teams brainstorming for product ideas and feeding off one another's ideas to create a list of potential products and finally narrowing it down to one product to be launched. Market research and analysis were conducted before the students teams decided on their would-be product. A business plan

was then formulated to help the teams organize their processes more effectively. Overall, the students used the business venture approach to learn entrepreneurship capacities and skills including raising capital through shares, launching and selling their product, facing challenges inherent in a competitive business situation and engaging employability skills/competencies required to start a business.

Team-based approach to learning

The use of team-based learning as an instructional strategy is in line with business operations and performance (see Katzenbach & Smith, 1993). Senge (1992) notes that improved performance in the workplace is a result of the collective intelligence of a team, which exceeds the sum of intelligence of individual members while Michaelsen, Knight & Fink (2004) proposed that team-based learning is an instructional strategy relevant to the facilitation of active and deep learning amongst students. This is because team-based learning provides student teams with opportunities to apply business concepts and processes in a non threatening context. The focus of team-based learning is about learning to use concepts rather than learning about concepts and therefore a more student-centered approach to learning. In sum, team-based approach to learning is an action-based approach that goes beyond what is traditionally known to work in formal education because it explores how members of a team learn to work successfully in entrepreneurial ways in the real world of business. The student teams studied in this paper resembles project teams in that they are time-limited, produce one-time outputs and perform work that involves the application of knowledge, judgment and expertise to the solution of a unique problem (Cohen & Bailey 1997).

While there were many possible benefits attributed to team-based learning, there is a lack of empirical studies showing a relationship between team learning processes and team outcomes (Johnson & Lee 2008). An informed understanding of the learning process mechanisms that are related to team performance will enable researchers to control factors that have a negative impact on team performance and promote factors that have positive impacts (Fiore, Cuevas, Schooler & Salas 2006). In the business

venture, the learning process mechanisms took the form of a business venture where the student teams take an idea from initial conception to product development.

METHODOLOGY

The participants for this study were 16 undergraduate students enrolled in the course 'Working in Teams' at the Business School of a large tertiary institution in Australia. There were four males and 12 females in the class and their average age was 20. They were mainly final year students in business and commerce and would have basic knowledge of finance, marketing and other management majors when enrolled in this course. The 16 undergraduates were grouped randomly into two teams of eight and one group happened to be an all-female team.

The preparation phase requires students to read the appropriate chapters of the Business Skills program each week to guide them through the business venture. Conceptual frameworks in the area of team work and team effectiveness were introduced in the weekly lecture prior to their activity. Like real-world entrepreneurs, the teams 'learned by doing' and 'trial and error' as well as problem solving and discovery (Deakins & Freel 1998). The hands-on, experiential approach provides opportunities for students to experience situational awareness required about when, how and why particular knowledge and skills are appropriate, and in what circumstances' (Dall'Alba 2009: 40).

There was guidance and feedback provided to the teams from a group of mentors made up of existing entrepreneurs and business facilitators. In the assessment phase, the teams were graded on their business plan, the annual report plus presentation including a journal where each student had to reflect on their learning processes both as an individual and as part of a team.

In this study, the perspectives and reflections of team members provided the foundation for its description and interpretation through both quantitative and qualitative research methods. The dynamics of the team

and their interactions were observed and recorded (through videotaping) in the weekly meetings. Additionally, surveys were completed by all student participants three times (T1, T2 and T3) during the 13-week semester, using a 7-point Likert scale ranging from strongly disagree (1) to strongly agree (7). The questions relate to the understanding entrepreneurship learning and team processes. These areas include: team processes, team environment, conflict, team performance, team innovation and creativity, team decision-making, team members' satisfaction, changes in team work and team mentoring. There is also a small section for comments at the end of the questionnaire. A semi-structured interview was also conducted of all students at the end of the semester to capture the students' reflection on the group processes and entrepreneurial learning. The transcripts of the interviews were used to analyze and evaluate the students' experiential processes. Such processes were also captured through their reflections in the learning journal.

RESULTS

Team Processes and Entrepreneurial Learning

An analysis of the surveys and interviews indicated that more than 90% of the students had a very positive learning experience about team processes and entrepreneurial capacities having undertaken this real business venture. Through the business venture, they acquired learning from the collaboration they had with one another in the team as well as their mentors particularly in the area of communication and management of conflict. Results show that major issues in the process of learning entrepreneurship include dealing with initial conflict, communication difficulties and overcoming discouragements and start up challenges. In the process, they learned about their own strengths and weaknesses and the extent of shared understanding of team members in terms of the capabilities and differences each member brings to the team.

Communication: In the area of communication, the two teams used different approaches ranging from face-to-face at their weekly meetings, emails, sms and for one team, a face book account. Both teams

adopted a decentralized pattern of communication where everyone is given a chance to share their opinions and ideas. In most cases, the teams adopted a collaborative style so as to get the task done on time and to achieve their objective of getting a good grade for the course.

The Face book was really good because you like could see the communication between everyone, so everyone knew what was going on because it has the conversations between everyone, so that was really good.

I have learnt how others and more importantly I as a person interact within a group. I have found that I am often a problem or conflict resolver and that as a group, we use a lot of compromising to dissolve any of the issues that may occur. I have also found that a task-based team is most relevant to our team as everyone is delegated a certain role. This makes it much easier to get things done.

Conflict management: In the area of conflict management, the interviews and journal entries suggested that there were some disagreements over the final product to be chosen and misunderstanding over the roles to be performed by different individuals. The open-ended surveys indicated that both teams favored collaboration when managing disagreements. The excerpt below is an interesting observation by a student in Team 1.

Several group members are not fulfilling their role responsibilities. They are ignoring and remaining silent. There is definite tension within the group as these few members are aware that a problem exists although they do not bring it up. These members tend to adopt an avoidance style of resolving conflict. As a result, the leader of the team chooses to accommodate the situation by simply taking on the responsibilities of the slack group members. Certain group members are trying to compromise by realizing that some group members are not fulfilling their responsibilities as they would like to achieve a good grade. They attempted to compromise by helping those who do not want to do the extra work.

Entrepreneur skills: Besides being aware of what works or not works in areas of communication and conflict management, the team members felt that they had developed skills in business planning, marketing and sales, finance and understanding that entrepreneurship entails taking risk and dealing with

setbacks such as unexpected turn of events and responding quickly to changes and thriving on a hectic pace to meet production and sales datelines. More importantly, the business venture has given them a glimpse of the challenges involved in starting a business which include good time management, a need for effective communication, commitment, motivation, hard work and long hours, being flexible with plans and having a plan B when things go wrong. The triumphs and struggles of the team members are succinctly articulated in the following excerpts:

Overall, my experience was a positive one even though new challenges were presented to me and the team. The composition of the team is important and the work ethics that each member brings to the team.

I think a big challenge with our team was the timeline. It took us a few weeks to actually come up with a product and then having to put everything behind and focus on selling the product. From the start, we should have come up with a much clearer time line, so that we could get it all put together.

The project shows us all the setbacks you can incur in business. I learned that there is a number of things you actually have to do to run a successful business – how to create a product, how to market a product and create a target audience and how to effectively sell the product in the end.

Mentoring: The experiences brought in by the industry mentors added another dimension to their entrepreneurial learning which has been invaluable in bringing their products from creation to the point of sales as illustrated in the following excerpt:

We realized we were not getting anywhere with our business. Evan (one of the mentors) came along and save the day. He gave us suggestions on how to make the product works based on what we have and the resources we have and how we could still go back to what we wanted originally in the product. So instead of having a page of student discount vouchers, we landed up with a booklet based on the number of businesses that we have gotten.

Triumphs and struggles: More importantly, the business venture gave the students a glimpse of the challenges involved in starting a business which include good time management, a need for effective

communication, commitment, motivation, hard work and long hours, being flexible with plans and having a plan B when things go wrong. The triumphs and struggles of the team members are succinctly articulated in the following excerpts:

Things will change along the way. Definitely make sure that you get everything in writing or an email when you make a sales deal with anyone. Also to have backup plans which are very effective when something gets turned down. It is about having to take the tough road sometimes to get people more accountable for what they are doing.

The project shows us all the setbacks you can incur in business. I learned that there is a number of things you actually have to do to run a successful business – how to create a product, how to market a product and create a target audience and how to effectively sell the product in the end

By the time the two teams concluded their businesses, they realized that not all budding businesses are necessarily rewarded with success. However, it has been a worthwhile journey as this project gave them an opportunity to experiment, explore and experience a real business venture in a company setting and to reflect on some of the theories of team work learned in this course. The results indicate that students found the team-based learning approach both educational and enjoyable.

The course was really enjoyable a lot of the time but hard work though. University has been rather theoretical most of the time so this was one of the first really hands-on things to do and it was good that we could use most of the business skills learnt in other courses to put to bear in this venture business.

I have learnt to deal with different people in the team and got to learn more about myself. Now I know I can go to the business world, even if I had that little bit of real world experience from this venture. I know how to get a product out to the market and the processes involved. I learned firsthand things like ‘to-do-list’ and be more organized; people may not like it but it is important for the company.

DISCUSSION AND CONCLUSION

This study sheds some light on the relevance of studying the dynamics of teamwork and the knowledge structures that each team possesses such as shared knowledge, skills, attitudes, the team’s objectives, team

processes, team work components, communication, coordination, roles, behavior patterns and interactions that can lead to effective teamwork (Cooke, Kiekel, Salas, Stout, Bowers & Cannon-Bowers 2003). More research is needed to continue to tease out entrepreneurial learning from both an experiential and cognitive approach. While entrepreneurial learning is basically 'caught' not 'taught' (Raven 1977), the understanding of team dynamics should allow people to predict and explain the behavior of the world around them, to recognize and remember relationships among components of the environment and to construct expectations for what is likely to occur next (Rouse & Morris 1986). This might help to elevate some of the uncertainties associated with embarking on a business venture and allow students to apply business and course concepts in a low threat environment.

The use of team-based learning provides student teams with an opportunity to apply business and course concepts and practice communication and social skills in a low threat environment. Secondly, it provides insights into the nature and use of a collaborative learning approach bringing together would-be entrepreneurs (undergraduate students), existing entrepreneurs and other business facilitators who acted as mentors for the student teams. And finally, this study shed some light on the relevance of using shared mental models to better understand the dynamics of teamwork and the knowledge structures that each team possesses such as shared knowledge, skills, attitudes, the team's objectives, team processes, team work components, communication, coordination, roles, behavior patterns and interactions that can lead to effective teamwork.

The experiences brought in by the industry mentors added another dimension to the entrepreneurial learning by helping the student project teams accomplish their project goals by bringing the product from creation to the point of sales. The mentors took the student by the hand by taking them through understanding and learning first hand, what the real business is and how the business operates. The areas of contributions extended by the industry mentors include: financial advice and analysis on pricing, costing, scenario analysis; sales pitch and marketing; how to do a good business plan; strategic thinking

such as adjusting strategy “on the fly”; techniques for reaching a group consensus; creating a value proposition and communicating this to customers; time management; getting the teams focused on the outcome while still considering all other options. Findings from the open-ended surveys conducted indicated that a large majority of the students agreed that the mentors provided them with support, feedback and specific strategies for achieving their group objectives.

While the mentor relationship with the student project teams were not long-term, their partnership with the student project teams allows for experimentation and reflection to take place thereby allowing deep learning to occur (Graham & O’Neill 1997). Mentorship in the context of the student entrepreneur is a ‘protected relationship in which learning and experimentation can occur and potential skills developed and results measured in terms of competencies gained rather than curricular territory covered’ (Sullivan 2000: 169).

Comments on our experience in this research: The growing literature on entrepreneurship as a field of study reflects the widespread recognition of its significance and relevance to higher education learning. Team-based learning is one of many approaches that allow entrepreneurial learning to take place where opportunities and social experience are provided for team members to exercise responsibilities and start their own business and to observe relevant role models (Peterman & Kennedy, 2003). This research suggests that having student teams develop their own company and product provides them with an opportunity to apply many of the business skills and teamwork concepts in a very real way. The mentors being a facilitator and guide helped foster engagement in the learning process where their experience and maturity enable the teams to surmount obstacles along the way. The group task was complex enough to require skills across several management areas and collaboration among students over a significant time of at least a semester.

Studies done by Kotey (2007) have shown that teaching effective group work requires providing time at the onset for group members to formulate their group norms and conflict resolution procedures;

monitoring performance of individual group members by encouraging the group to keep records of the group processes and to evaluate performance of their members; ensuring that students are developing the relevant group skills by assessing their participation in the group process; and providing students with an opportunity to reflect on their learning from the group processes (p.653). All these processes were displayed in this study as student teams undertook this business venture in a team setting.

The business plan, reflective journal and annual report plus presentation allowed for many of the management and team working skills to be captured. However, the issue of the most effective approach to entrepreneurial learning has raised discussion and debate especially on the issue of how to encourage the development of the qualities of entrepreneurship through a teaching program and therein produced capable, skilled and enterprising individuals (Collins & Robertson 2003). This is because not all student participants necessarily enjoyed the entrepreneurial processes as they found out that there are obstacles to surmount along the way. Using student reflection journals may go some way towards overcoming this issue since it offers the promise of enabling various different life experiences to be examined vis-a`-vis the resource profile of the student at any given point in time. The other challenge relates to the importance of time management skills and the perceived unequal share of work needed to put into this entrepreneurial venture within a very short time span of a 13-week semester.

In sum, although this study demonstrates that students can develop certain aspects of entrepreneurial skills in a team setting where they learn skills and abilities required to accomplish the task successfully, our findings and experience in facilitating the process of experiential learning show that more research is needed to continue to tease out and track the processes that are involved in entrepreneur learning. Ability to track these processes will assist higher education teachers to develop a better quality curriculum that is geared towards providing students with innovative learning opportunities which, in turn, will help them become effective entrepreneurs in the real world.

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*Dr Caroline Wong

University of Queensland Business School, University of Queensland

e-mail: c.wong@business.uq.edu.au

Dr Oluremi B. Ayoko

University of Queensland Business School, University of Queensland

e-mail: r.ayoko@business.uq.edu.au

*Author for correspondence