



Original Research Paper

Entrepreneurship education: A study of selected private higher educational institutions in Ghana

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This study sought to examine the effort by private higher educational institutions to contributing towards unearthing and developing potential entrepreneurs. It investigated the model of entrepreneurship education being employed and how it is financed. Data was gathered from sampled private higher educational institutions which were randomly selected. A questionnaire was sent to each institution, and given the opportunity to elect personnel to complete the questionnaire on its behalf. It was revealed that the model adopted for entrepreneurship education was the basic model creating the need to adopt other higher level models if the needed results were to be achieved. Students have been the targeted group of entrepreneurial education but this is a marginal number compared to the rest of the population. Financing of entrepreneurial education was observed to be a major challenge in any effort to adopt more efficient models and expand on the scope of the beneficiaries. The study recommended that new forms of financing arrangements should be explored with the aim to ensuring that entrepreneurship education attains the ultimate objective of empowering individuals to stimulate both personal and national economic growth. It is expected that entrepreneurship education would continue to be a main domain in tertiary education, and that tertiary educational institutions will take the leading role in spearheading entrepreneurship education of the informal sector. These noble objectives can however be attainable if issues of financing are appropriately addressed.

Key words: Education, finance, entrepreneur, entrepreneurship education

INTRODUCTION

The quest for education has seen significant increment in enrolment in higher educational institutions. The inability of public tertiary institutions to accommodate all qualified applicants led to the entrance of private investors in tertiary education (Adu, 2009). Notable among such entrants are the denominational/non-denominational religious bodies. In Ghana, this has resulted in a number of such institutions and these currently dominate the private higher educational sector. Although the focus has been on ensuring that students after completing secondary/high school education can continue and obtain tertiary education, this has resulted in a huge gap being created regarding those who could not continue their education to the tertiary level (Manuh et al, 2007). Thus a need for ingenuity on the part of stakeholders to ensuring that these

students obtain a kind of education that will enable them contribute to the society. Hence, the relevance of entrepreneurship education in modern times.

As a noted feature which may have been inherited from our colonial masters, Ghana's traditional system of education seem to have been tilted towards providing manager and supervisors for industries (that hardly exist today) rather than equipping graduates with skills for life. This is evident in the fact that "...parents want their children to become doctors, lawyers, engineers but usually do not encourage their children to start their own businesses...[and also] the education system as it is now was sometimes divorce from the business needs of the society hence the educational system always encouraged people to become employees for other" (Ghana News

Agency, 2011). The recent rising graduate unemployment situation attest to this and also brings to the fore the need for amendment in the kind of educational philosophy being pursued.

The situation has led to the introduction and promotion of entrepreneurship education which seeks to address graduate unemployment and improvement in the skills of those in the informal sector. The expectation has been that governments will spearhead the entrepreneurial revolution to enhance economic growth. However, current economic predicaments indicate that governments cannot single handedly take on this mantle. This calls for a collaborative effort from civil society. Hence, the important role of tertiary education in spearheading entrepreneurship education cannot be overemphasized. This paper explores how private higher educational institutions are addressing the issue of entrepreneurship education.

MATERIALS AND METHODS

Entrepreneurship

Entrepreneurship denotes putting into action the entrepreneurial skills that one has acquired. It is defined as "the visualization and realization of new ideas by insightful individuals, who are able to use information and mobilize resources to implement their vision." (Opoku, 2011). This objective is achieved by the entrepreneur who is defined by the Webster's New World Dictionary as "one who organizes and manages a business and undertakes the risk for the sake of profit" (<http://www.merriam-webster.com/dictionary/entrepreneur>). Arogundade (2011) defined an entrepreneur "as an innovating individual who has developed an ongoing business activity where none existed before" (pg. 27). Meredith (1983), as quoted by Arogundade, (2011) made the following observation about who an entrepreneur is:

....an entrepreneur as a person or persons who possesses the ability to recognize and evaluate business opportunities, assemble the necessary resources to take advantage of them and take appropriate action to ensure success. Entrepreneurs are people who constantly discover new markets and try to figure out how to supply those markets efficiently and make a profit. He [she] is a person that searches for change, responds to change, and exploits change by converting change into business opportunity (p.27).

Thus "an entrepreneur is an individual who establishes and manages a business for the principal purpose of profit and growth. The entrepreneur is characterized principally by innovative behavior and will employ strategic management practices in the business" (Carland et al., 1984, p. 358). Entrepreneurship denotes an activity that aims to implement and administer new ideas and innovations undertaken by a person who has been

endowed with, developed or imparted and is willing to take whatever risk that may be encountered with the anticipation of being successful.

Entrepreneurship education

The idea of entrepreneurship education emanated from the argument whether entrepreneurship skills are passed on through the genes, meaning that certain individuals possess these skills or that one can be trained and taught to gain entrepreneurial skills. Others were of the opinion that one's nationality and/or culture determines the kind of entrepreneurial skills that one may possess. This is hilariously depicted in the following observation by Heeboll (1996):

The English were against and found that entrepreneurs arise by themselves just like fluff. The Germans were for and found that entrepreneurs are created through goal-oriented and hard work in well-structured courses. The French discussed the question and found both pros and cons. (pg. 3)

Propositions by the notable management guru Peter Drucker in the mid-80s and research conducted by Gorman, et al (1997) indicated that entrepreneurial skills can be taught. This revolutionized the thinking then and called for a relook at the entrepreneurial concept and most especially how to inculcate such skills in the quest to develop future entrepreneurs. Kuratko (2003) in his writing credits Katz (2003) as having "developed the most comprehensive chronology of entrepreneurship education" (p.12).

Vesper (1999) unearthed the various models of entrepreneurship education when he observed that "Entrepreneurship in universities has so far been developed as an add-on to business education, first as an elective course, then more courses, and finally as a concentration, major or program. So far it has largely been tucked in and around the existing core."

The course model

One model of entrepreneurship education involves the teaching of courses in entrepreneurship as part of the graduate or undergraduate program that a student reads at the university. The focus of this model is to teach such skills to university students, especially business students, the requisite entrepreneurial skills.

Concentration/major or program model

This model is aimed at developing a program that will lead to a degree being awarded in entrepreneurship. Such a model involves varied courses taken in entrepreneurship and other business related courses all aimed at ensuring that the student gains a solid foundation. This is differentiated from the course model in that, the former

required a student to take a course or two in entrepreneurship during the course of his studies.

Solomon, et al., (1994) as quoted by Kuratko (2003) indicated that this model formed the foundation of entrepreneurship education. They observed as follows:

....the reality of entrepreneurship education as a force in business schools began in the early 1970s. USC launched the first MBA concentration in entrepreneurship in 1971 followed by the first undergraduate concentration in 1972. From there, the field of entrepreneurship began to take root. By the early 80s over 300 universities were reporting courses in entrepreneurship and small business and by the 90s that number grew to 1,050 schools.

The seminar/training program model

Although this program falls under the teaching of entrepreneurship skills concept, the focus is on short-term courses or training programs aimed at prospective and current entrepreneurs. Such programs are run by various tertiary institutions, non-governmental organizations as well as some governmental agencies.

Objectives of entrepreneurship education

The importance of entrepreneurship in the globalized world cannot be overemphasized. However, to developing countries, it is of essence and relevant to its development goals. The following passage sums up the relevance of entrepreneurship:

Wealth and a high majority of jobs are created by small businesses started by entrepreneurially minded individuals, many of whom go on to create big businesses. People exposed to entrepreneurship frequently express that they have more opportunity to exercise creative freedoms, higher self-esteem, and an overall greater sense of control over their own lives. As a result, many experience business people, political leaders, economists, and educators believe that fostering a robust entrepreneurial culture will maximize individual and collective economic and social success on a local, national, and global scale.

In line with the above, entrepreneurship education is aimed at achieving certain objectives. Arogundade (2011) identified the following objectives from the work of Paul (2005).

To offer functional education for the youth that will enable them to be self-employed and self-reliant.

Provide the youth graduates with adequate training that will enable them to be creative and innovative in identifying novel business opportunities.

To serve as a catalyst for economic growth and development.

Offer tertiary institution graduates with adequate training in risk management, to make certain bearings feasible.

To reduce high role of poverty.

Create employment generation.

Reduction in rural-urban migration.

Provide the young graduates with enough training and support that will enable them to establish a career in small and medium sized businesses.

To inculcate the spirit of perseverance in the youth and adults which will enable them to persist in any business venture they embark on.

Create smooth transition from traditional to a modern industrial economy.

The objectives of entrepreneurship education can also be derived from what the education as a whole entails. In his work on "Entrepreneurship Education – Emerging Trends," Kuratko (2003) identified the following as the core areas that should characterize entrepreneurship educational programs/courses:

skill building courses in negotiation, leadership, new product development, creative thinking and exposure to technological innovation.

awareness of entrepreneur career options.

sources of venture capital.

idea protection.

ambiguity tolerance.

the characteristics that define the entrepreneurial personality.

challenges associated with each stage of venture development.

In addition, the following learning tools should be embodied in the program/course:

business plans.

student business start-ups.

consultation with practicing entrepreneurs.

computer simulations .

behavioral simulations.

interviews with entrepreneurs, environmental scans

"live" cases

field trips, and the use of videos and films.

Financing of Entrepreneurship Education

The issue of educational financing has been a contentious issue for stakeholders in the midst of economic downturns and unemployment. The recent demonstrations in the UK about increment in higher education fees have helped fuel the debate. Financing of education takes a critical look at who finances the educational bill: the government, the institutions, or the parents (guardians/sponsors).

Traditionally, public higher educational institutions have been financed through tuition fees and other charges. (Sturm, 2005; Fielden and Lockwood ,1973; Baskin ,1965). Private universities have, however, not been spared either. This has led to financing becoming a very important and considerable component to the survival of private universities. Paying lecturers, maintaining existing infrastructure, recruiting more lecturers and other facets of

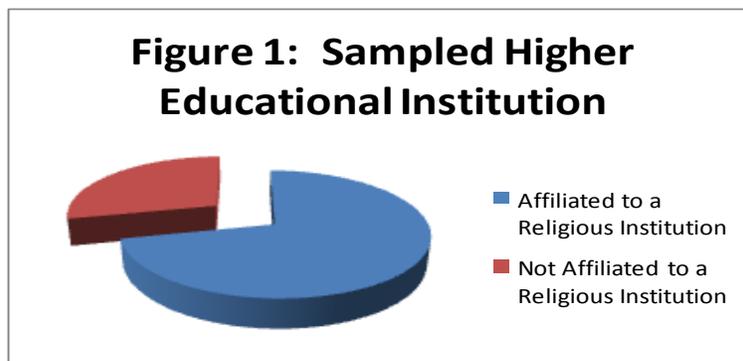


Figure 1: Sampled higher educational Institution

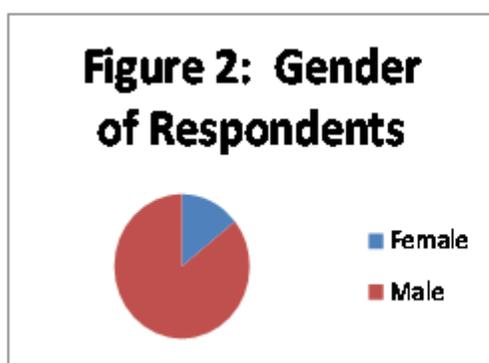


Figure 2: Gender of Respondents

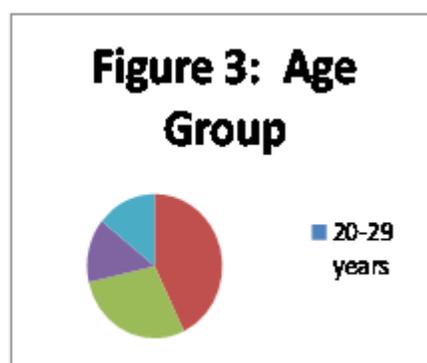


Figure 3: Age Group

a university cannot be achieved without financing. Financing of tertiary institutions have been difficult due to the prevailing economic situation, increased demand for higher education, inadequate facilities, and costs involved in managing such institutions. (Atuahene, 2008). This situation pertains to both public and private higher educational institutions. In Africa, this problem is more widespread and can be attributed to the following situations.

The pressures of expansion and "massification" that have added large numbers of students to most African academic institutions and systems

The economic problems facing many African countries that make it difficult, if not impossible, to provide increased funding for higher education

A changed fiscal climate induced by multilateral lending agencies such as the World Bank and the International Monetary Fund

The inability of students to afford the tuition rates necessary for fiscal stability and in some cases, an inability to impose tuition fees due to political or other pressures

Misallocation and poor prioritization of available financial resources, such as the tradition of providing free or highly subsidized accommodations and food to students and maintaining a large and cumbersome non-academic personnel and infrastructure, among others. (Taferra and

Altbach, 2004, pg.41-50).

In the midst of the above conditions, there is the need to fund entrepreneurship education. The funding required would be categorized into two aspects: Paying for the entrepreneurship education by the student/beneficiary and investing in the personnel to render the entrepreneurship education.

The research was conducted through the use of a questionnaire. Seven (7) private higher educational universities situated in the Greater Accra Region of Ghana were randomly selected for the research. Five (5) of the sampled institutions were affiliated to various religious denominations whilst the remaining two (2) were privately owned with no linkage to any religious denomination. This is shown in Figure 1. The prominence given to institutions with a religious affiliation was because many of the privately owned universities were started by a religious denomination, have been at the forefront of private higher education within the country, and have been in existence for a comparable number of years: the oldest having been in existence since 1979.

A questionnaire each was sent to each institution to solicit information regarding the research. The respondents for this research comprised six males and one female with majority of them falling between the age group 30-39 years as shown in Figure 2 and 3.

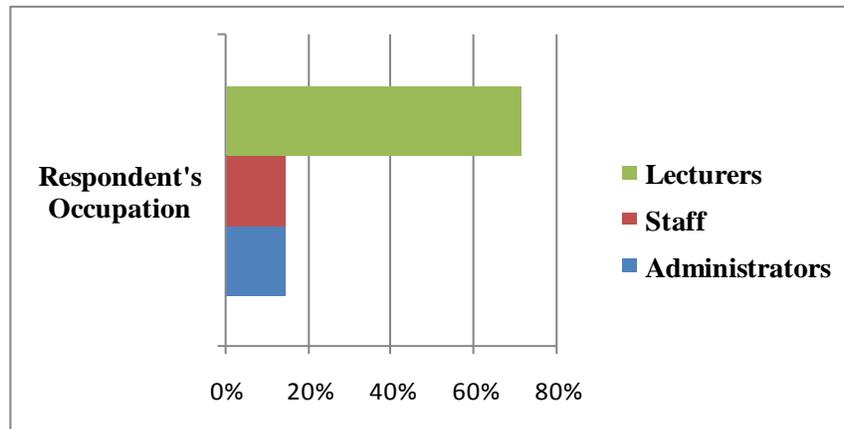


Figure 4: Respondent's Occupation

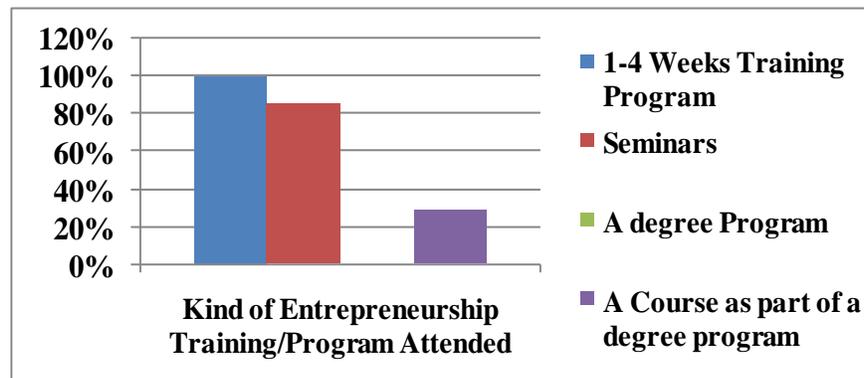


Figure 5: Kind of Entrepreneurship Training/Program attended

One of the respondents was an administrator, another a staff and the rest were lecturers and majority of them had worked between 1-5 years, Figure 4.

In a quest to determine if the respondents had a knowledge in entrepreneurship, they were asked if they had attended any form of entrepreneurship program and what form it took. All the respondents affirmed that they had attended an entrepreneurship training program mainly in the form of seminars.

RESULTS AND DISCUSSION

The sampled institutions all indicated that they do run a program in entrepreneurship and it entailed a course that is undertaken by students as part of their undergraduate program (Figure 5). This was a three credit hour course taken in the last year of the undergraduate studies. The course description for the course Entrepreneurship and Small Business Management is given below:

A study of the theory and practice of initiating a business venture and organizing the necessary resources. This

course provides students with an understanding of the business planning techniques, economic analysis, financial analysis, market analysis and human resource analysis which are utilized in conceiving and launching a new business. The course also provides an understanding of the risks and rewards associated with entrepreneurship. Examines the principles and problems of operating a small business after it is established. Topics covered include a procedural system for establishing a new business, providing physical facilities, financing, organizing, marketing and managing of the small businesses. The course would include class project in which students work in teams to write business plans with the aim of attracting support for venture capital.

This confirms Vesper's (1999) observation that entrepreneurship education at the higher institution has entailed a course to be taken by students as part of their programs. This is in line with the course model and depicts that the level of entrepreneurship education has not developed as expected. Thus institutions offerings a single course as part of their undergraduate program could be regarded as emphasizing on basic entrepreneurship

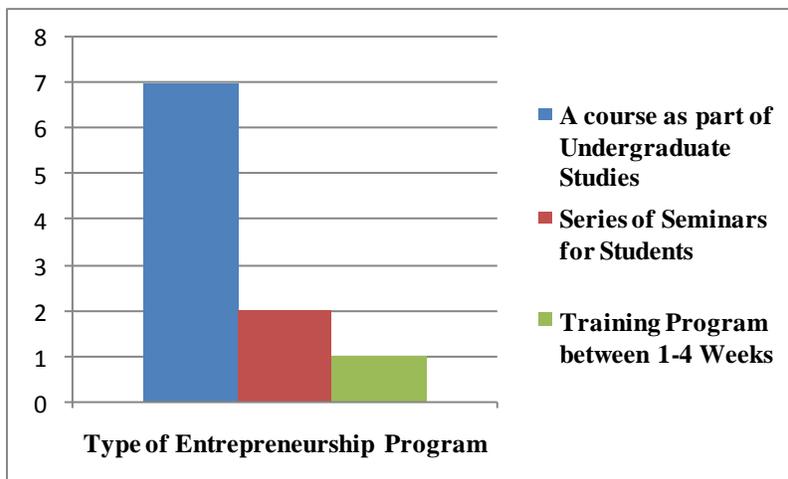


Figure 6: Type of Entrepreneurship Program Conducted by the Institution

education as the higher level models have not been explored. An interesting observation was that the course offered in entrepreneurship at the higher institutions was only available to students pursuing programs in business administration. Thus, students in other disciplines missed out on such a fundamental and important education, confirming the observation that “even at the University level, entrepreneurship education should not be limited to those at the business school alone since nursing students and others studying the other sciences could also become entrepreneurs in their fields of study” (Ghana News Agency, 2011). Wilson (2008) observed a similar trend in Europe and noted that “the majority of entrepreneurship courses are offered in business schools. Entrepreneurship needs to be expanded across the campus – particularly to the technology and science departments, where many innovative ideas and companies originate” (p. 106).

Students, enrolled in the institutions are the main beneficiaries of such entrepreneurship courses. With the exception of one institution which runs programs for participants (which comprises of students and other interested persons from the public), the rest do not have any other programs tailored towards the rest of the community besides the courses that students take as part of their undergraduate programs (Figure 6). The society at large, therefore, was not a beneficiary of the entrepreneurship education programs run by higher educational institutions. This mishap calls into question what the various educational institutions aim to achieve if they concentrate on only students at the expense of the larger society and what benefits they hope to achieve, if any at all.

Due to the entrepreneurship education model adopted, financing has been primarily from the tuition fees paid by the students and the participants attending entrepreneurship seminars/training programs (Figure 7).

This form of financing, though fairly adequate for the current model, would be inadequate should the other more efficient models of entrepreneurship education be implemented. Bearing in mind the core areas that should characterize entrepreneurship educational programs/courses as outlined by Kuratko (2003), it would be unimaginable that such form of financing would be adequate not to mention the additional funds needed in providing the learning tools that complements an effective entrepreneurial education.

The need for adequate funding is therefore paramount if entrepreneurship education would attain its expected impact on the society and aid in economic development. Unachuckwu (2009) commenting on the significance of finance to entrepreneurial education noted the “need for substantial funds for teachings in practical terms for entrepreneurial education; for financing start-ups and expansion of business ventures in order to produce successful entrepreneurs” (p.221). The various respondents identified government, corporate (private) sponsorship as the main form of financing that is needed to transform the program and to ensure its viability.

Conclusion and Recommendations

The research identified two main problems with the kind of entrepreneurship education existing in the sampled higher educational institutions in Ghana. These are the model of entrepreneurship education being employed, and secondly the level of financing available. There is the need to review the current model and to adopt the higher level models of such as those of the Program and Seminar Models. Also, there is the need to expand the target group to include other members of the society such as the self-employed (small and medium scale enterprises), and the unemployed.

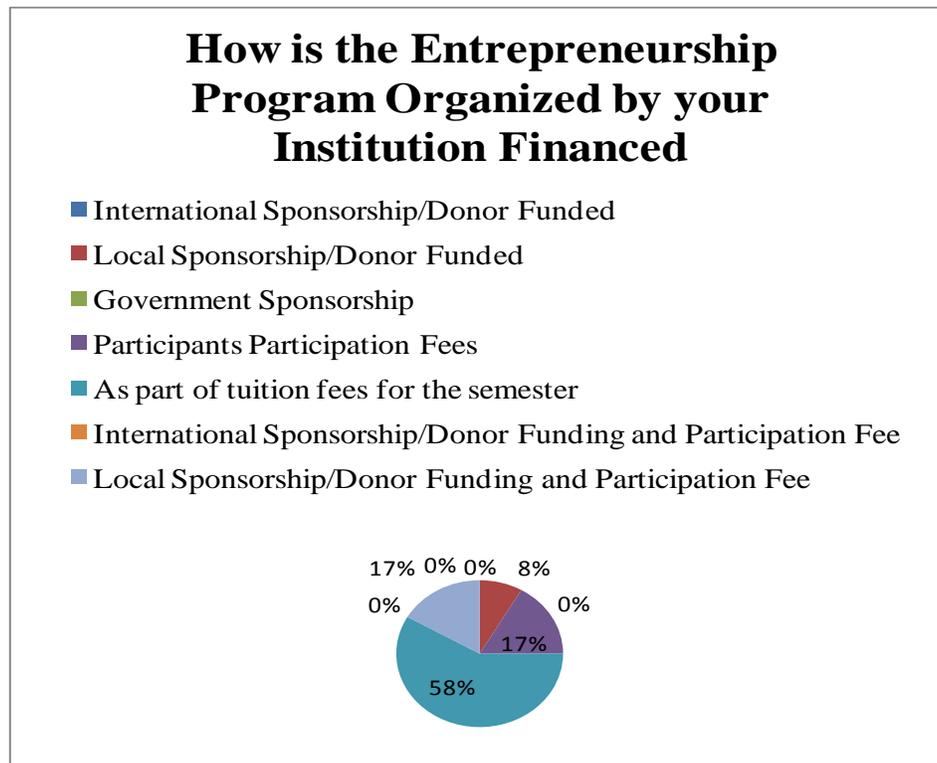


Figure 7: How is the entrepreneurship program organized by your institution financed

It is expected that the adoption of a much better model would have a direct impact on the level of funding. The number of persons to be enrolled will increase and the corresponding income as well. This notwithstanding, efforts should be put in place to secure both government and corporate sponsorship. This inevitably will lead to a much broader focus on what entrepreneurship education entails.

It is inline with the above prevailing conditions that the following recommendations are proffered to ensure better financing of entrepreneurship education.

New models of entrepreneurship education should be developed with focus on the Ghanaian society and addressing entrepreneurship issues that confront the nation

Centers for Entrepreneurship Education should be established in educational institutions to plan programs outside the normal curriculum to incite interest and assist in providing the needed tools to aid in entrepreneurship education.

Governments and corporate bodies should be encouraged to see tertiary institutions as their development partners to reduce unemployment through entrepreneurship education and should be encouraged to finance such programs.

Tertiary institutions should set up funds to finance some of the entrepreneurial ideas and innovations of their students and trainees. This will enhance the importance

and perception about such programs.

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