

ENABLING ENTREPRENEURSHIP

Moving Mountains, Entrepreneurship
Through Higher Education

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Sources of Prosperity

Inherited Prosperity

- Prosperity is derived from selling **inherited** natural resources or real estate
- Prosperity is constrained by the amount of resources available, and is ultimately **limited**
- Focus gravitates towards the **distribution of wealth** as interest groups seek a bigger share of the pie



- **Government** is the central actor in the economy as the owner and distributor of wealth
- Resource revenues allow **unproductive policies and practices to persist**
- Resource revenues support **distortive subsidies**

Created Prosperity

- Prosperity is derived from **creating valuable products and services**
- Prosperity can only be created by **firms**
- Prosperity is **unlimited**, based only by the innovativeness and productivity of companies and subsidiaries operating in the economy
- Creating the **conditions** for productivity and innovation is the central policy challenge



- **Companies** are the central actors in the economy
- **Government's** role is to create the enabling conditions to foster private sector development

Shifting Responsibilities for Economic Development

Old Model

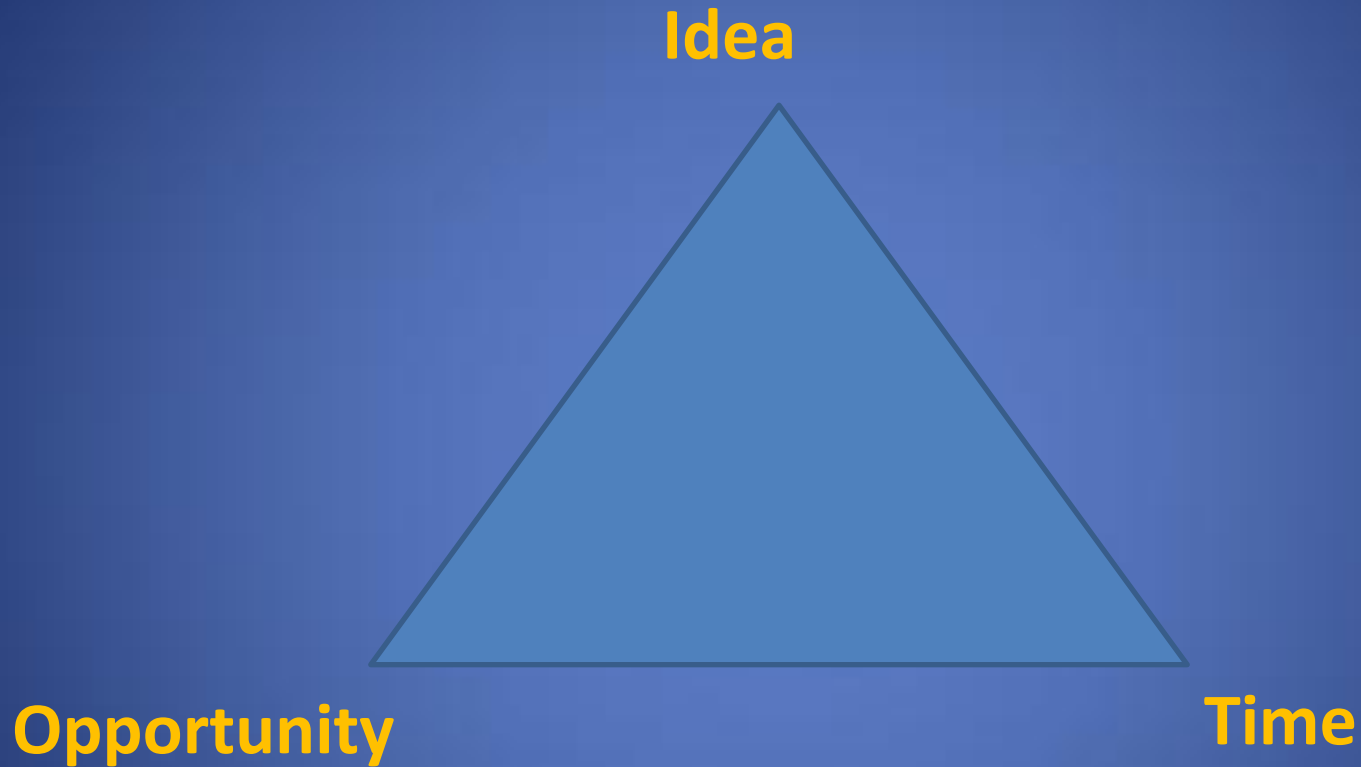
- **Government** drives economic development through policy decisions and incentives



New Model

- Economic development is a **collaborative process** involving government at multiple levels, companies, teaching and research institutions, and institutions for collaboration

A triangle for Entrepreneurship









A mixed bag of Entrepreneurship

- Entrepreneurship is **more than a business area; it is a 'life skill'** (Frank *et al*, 2005).
- Increasingly seen to **play effective roles in industrial renewal and economic growth** in the face of a declined traditional industrial sectors (Dahlstrand (2007).
- Firmly assert a **knowledge based activity** in place of industry and manufacturing streams, a change 'as great as the industrial revolution' itself (Galloway *et al*, 2005).

➤ The entrepreneurial economy of today which is promoted everywhere is comparable to the industrial capitalist economy observed by Schumpeter in 1947 because innovation and creation and exploitation of invention are in the core of its essence (Galloway *et al*, 2005).

➤ Is it a mindset **OR** setting minds.

➤ Entrepreneurship = Enterprise, Really ?

➤ Entrepreneurship ! A snake oil ?

Entrepreneurship, Educational Prerequisites

- Young graduates increasingly aspire to establish new business start-ups or become self-employed.
- Governments on the other side aspire to maintain political stability, economic growth, and sustain social and human development through the creation of appropriate job opportunities.
- The two strands, the individual and the government, confront different but interrelated sets of challenges.
- For example, changes in international arena, such as internationalization, globalization, WTO, and politics in general add layers of difficulty in addressing these challenges

- Conformity to international standards is extremely important in order to achieve meaningful and beneficial international interactions.
- This is no longer a choice but a prerequisite to business sustainability.
- This has brought a new order to the business landscape worldwide.
- In order for governments and individuals to build their business capacity they need to respond appropriately to national and international requirements.
- They need to enhance their operations and improve their methods of delivery in all aspects.

Business Schools: the role and the challenges.

- For many decades, business schools have occupied a central place in the preparation of business persons and experts in the wider spectrum of business and economics and beyond.
- Nevertheless, business education has also been the recipient of skepticism and debate.
- A central argument has been evolving around the area of adaptability of business education to current times and the foreseeable future.

- In a recent report by the US National Centre on Education and The Economy (2007) it was acknowledged that the core problem of the US education and training systems is their unsuitability for current times as these were ‘built for another era’
- It was suggested that institutions of higher education, and in particular business schools, hence need to exert more effort in improving students’ capabilities both at the analytical and synthesis levels.
- In addition, they need to establish systems of creativity and innovation, and encourage self-discipline and flexibility to adapt to an increasingly frequently changing labour market.
- *This is now more so because of the world financial meltdown.*

- Many argue that traditional business education is no longer economically and socially viable.
- As international competition places its firm grip on varied daily life interactions, the business field has to respond accordingly.
- While this is going on, the role of entrepreneurship and SMEs in economic growth and social development gathers more momentum and becomes increasingly influential.
- Perhaps increasingly celebrated and much talked about are creativity and innovation.
- Less innovative and less creative economies are doomed to fail.

- Countries that are unable to respond appropriately to the changes in business landscape may find themselves lagging behind.
- Worse; may lose any competitive advantage they may have.
- Or may end up with weak locally-driven economies that in longer terms become a burden rather than a driving force for social development.
- It is not therefore surprising that the conventional wisdom about how companies and nations are run is now seen to require overhauling too.
- Business schools are hence expected to help build capable management workforce, one that is able to cope with this ever-increasing challenges.

Can business education deliver?

- Questions concerning the viability and suitability of business courses and its overall role have been featuring increasingly.
- Business schools now educate ‘managers with a 1908 product that uses a 1950 strategy’ (Mintzberg & Gosling, 2002)
- In its report on business schools in 17 Arab countries, the UNDP (2005) concluded that the whole issue of intended learning outcomes (ILOs) of business education is in need of refinement to reflect international requirements in the field.

➤ A refinement is needed to ensure appropriate match between curricula and the needs of business, and higher-level cognitive skills.

➤ The UNDP report called for more innovation and creativity which are seen to be enhanced by freeing the design of business programs from the stifling constraints that are usually centrally imposed by authorities at universities and ministries of higher education.

- Business education is plagued by overemphasis on analysis at the expense of both integration and developing wisdom as well as leadership and interpersonal skills;
- Or teaching the wrong things in the wrong ways, and perhaps to the **wrong people**, or at least at the **wrong time** in their careers (Pfeffer & Fong,2002)

➤ Universities are required to “define, redefine and justify the role of education, management and business in shaping economic, social and cultural bonds and to educate managers for this task” (Starkey *et al*, 2004),

➤ They are also required to provide evidence and intellectual capital to improve the practice of management and thereby aid the development of regional and national economies’ (Pfeffer & Fong, 2004).

➤ Trank & Raynes (2003) argue that business schools may have trapped themselves in a deprofessionalisation process, a game chosen by business firms, leaving them victims rather than active participants,

➤ Or as alternatively argued by Bailey (2003) "enablers of deprofessionalization or, in some instance, purposeful 'institutional entrepreneurs' who willingly participate in the oversimplification of business knowledge for profit.

Research findings

- Conventional methods of learning need overhauling and updating.
- What is required is more creativity and innovation and more entrepreneurial educational programs.
- Currently there is the heavy reliance on foreign management theories and models.
- Solving societal problems effectively is critically linked to the educational system.
- Most programs are inadequate to meet the demands of contemporary business and economics.

- Evidences indicate that the effectiveness of these programs is generally low due to inadequate needs analysis, irrelevant curricula, non-participative training techniques and lack of reinforcement.
- Development of students' higher level skills, such as those involving evaluation and critical analysis are not encouraged by the predominant teaching methods used and they are not properly assessed.

➤ **Some Recommendations.**

- Oman continues to suffer lack of job opportunities for the increasing mass of young citizens existing general education.
- Furthermore, job opportunity in the oversaturated government sector is no longer an option.
- This calls for active engagement of individuals in both private sector and also in self-employment.

- To overcome such challenges there is a pressing need for educational and training systems that are responsive to micro-level individual cognition, affect and behaviour in the search for work, jobs and careers among young people.
- Concerned institutions both public and private need to reassess their business programs in many areas including visions, missions, and intended learning outcomes.

- Design and offer courses/programs like New Enterprise Program and Graduate Enterprise Program
- Programs in Colleges and Universities can include courses in entrepreneurship and small business management, a few even providing a major/concentration in the field.
- Cultural barriers to entrepreneurship' need to be taken seriously and addressed with due care
- Develop a few success stories of Omani and other regional entrepreneurs and to include these in middle and high school texts (eg. in social studies)

- ✓ Decision makers may find it helpful to undertake research that addresses the core challenges that confront initiation and growth of SMEs in the country and to examine existing initiatives and also regulations and procedures.
- ✓ Global Entrepreneurship Monitor Model (GEM) can serve as a tool to determine the economic impact and the determinants of national-level entrepreneurial activity in Oman and hence we recommend benefiting from this comprehensive entrepreneurship model.

- **Beyond education.**
- **Current emphasis:**
- To have economic and financial stability
- To reshape the role of the Government in the economy and to broaden private sector participation
- To diversify the economic base and sources of national income
- To globalize the Omani economy
- To upgrade the skills of the Omani workforce and develop human resources

Some suggestions

- There seems to be no coordination at the national level
- A national body dedicated for entrepreneurship can be set up at any ministry that will coordinate and support various services offered by different organizations.
- Conduct a detailed review of the effectiveness of current programs

Entrepreneurship enabling Environment

Make young Omanis skillful, education ++

Make private sector more engaged and attractive

Enhance the market, develop an integrated financial market

Create sufficient regulatory framework, intellectual property-rights, competition policy.

Propositions

- *P1.* By Adopting sectoral planning Oman will be more effective in aligning educational and training systems with national development goals.
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- *P2.* By integrating planning for educational and training systems with policies promoting entrepreneurship training and market entry the country will encourage expansion of human capital and growth of the domestic market.
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- *P3*. By integrating planning for educational and training systems with policies governing use of migrant workers will achieve a better fit between opportunities and demands for young nationals seeking employment
- *P4*. By Adopting educational and training systems that focus on empowerment, encourage life-long learning and career planning, and facilitate entrepreneurship, Oman will produce a workforce better equipped to cope with the challenges of changing national and global market environments.

A story of 3 falcons

