

Teachers' Entrepreneurial Competence and Knowledge of Business Management

Veronica Capote, MTTE¹, Amparo Vedula-Dinagsao, PhD²

Abstract: *Entrepreneurship education is part of the country's strategic response to meet the challenge of rising employment levels and access to employment opportunities. This study involves forty Technology Livelihood Education Teachers in the public secondary high school. Findings revealed that most of the teachers do not have business experience nor formal training in entrepreneurship education. Few have backgrounds in business and teachers' entrepreneurial competence is considerably adequate. On the other hand, specific knowledge in business management needed by an entrepreneur is also assessed. It examined the overall picture of entrepreneurship education practices and working methods as well as the entrepreneurship education skills. The findings may inform the teacher education institutions and curriculum writers to include this specific knowledge in the curriculum to provide a quality education in the field of entrepreneurship. Thereby, implementing entrepreneurship education successfully and creating successful entrepreneurs that will indeed uplift our country's economy.*

Keywords: entrepreneurship education, entrepreneurial competence, competencies, teaching and working methods in entrepreneurship

1. Introduction

The heightened recognition of Entrepreneurship Development as the socio-economic seed bed that develops and enables the country's human capital resources to ground fuel global economies puts Entrepreneurship Education as the new generation course (Globalization 2009). Entrepreneurs are the backbone of a country's economy. The Philippines is an entrepreneurial country. Small and medium-sized enterprises, account for 99 percent of all business establishments and 60 percent the exporting firms. According to the Department of Trade and Industry, SME's employ about 55 percent of the labor force and contribute 30 percent to total domestic sales volume (F.M. Bernardo III, 2008).

Thus, entrepreneurship education and training are among the key drivers in the process of building a stronger culture of entrepreneurship and entrepreneurial mindsets (European Union 2008). According to Global Entrepreneurship Monitor (GEM 2008) there is wide agreement on the importance of entrepreneurship for economic development. Entrepreneurs drive innovation: they speed up structural changes in the economy and force old incumbent companies to shape up thereby making an indirect contribution to productivity. Entrepreneurship education, development and training are recognized as one among the concrete answer for a vibrant and productive economic societies. Therefore, the provision of suitable infrastructure, adequate resources, and qualified academic staff, innovation and lifelong learning are central to its implementation (McClelland, et.al).

Teachers cannot teach how to be entrepreneurial without themselves being entrepreneurial (European Commission June 2013). Thus, the researcher felt the need to assess the entrepreneurial competence of teachers who are to teach entrepreneurship so that effective and successful implementation of entrepreneurship education program is achieved. The framework of the study is anchored on the premises that if educational system is to breed entrepreneurs as the future economic movers, it is but appropriate that the learning sources or the educators should be well equipped

and sensitive to the needs of the learner. In order to do this the level of entrepreneurial competence of teachers is assessed including the teachers knowledge in business management as well as the levels of teaching practices they used in teaching entrepreneurship.

2. Theoretical Considerations and Brief Literature

Entrepreneurial competencies are defined as individual characteristics that include both attitudes and behaviors, which enable entrepreneurs to achieve and maintain business success. Man et al. (2002) defined entrepreneurial competencies as higher-level characteristics encompassing personality traits, skills and knowledge, which can be seen as the total ability of the entrepreneur to perform a job successfully. Six major competency areas are identified in their work: **opportunity seeking:** this category of competencies comprises of the entrepreneurial activities in spotting opportunities, actively seeking new opportunities, and developing the opportunities, **human relation:** this group of competencies relates to person-to-person or individual-to-group based interactions, e.g., building a context of cooperation and trust, using contacts and connections, persuasive ability, communication and interpersonal skill (Man et al., 2002), **conceptual:** the ability in making cognitive and analytical thinking, learning, decision making and problem solving, sustaining temporal tension, innovating and in coping with uncertainty and risk belong to this category (McClelland, 1987; Bird, 1995), **organizing:** the ability to lead, control, monitor, organize, and develop the external and internal resources towards the firm's capabilities through the entrepreneur's organizing competencies in different areas, **strategic:** this category of competencies requires the entrepreneur to have a vision or a big picture in their mind for their business, to have clear goals to achieve, or to formulate and implement strategies to achieve these vision and goals and **commitment:** has a strong competency in totally committing, determining and dedicating, as well as taking proactive actions towards their responsibilities and duties.

In addition, Zimmerer et al. (2008) suggest that entrepreneurs should possess the knowledge with respect to these six guidelines: (1) knowing the business in depth, (2) developing a solid business plan, (3) managing financial resources, (4) understanding financial statements, (5) learning to manage people effectively, (6) monitoring constantly.

Teachers are mainly interested in individual-level competency as one attempt to help students become more skilled and motivated to start and succeed in new ventures (Bird, 2002). Thus, a common concern among academics is to get students to become more entrepreneurially and more innovative for such purpose. To do so, one of the goals of entrepreneurship education is to instill in students the development of entrepreneurial competencies as to be better prepared for an entrepreneurial life. Knowing what competencies need to be developed is crucial in trying to meet the training needs of people in each phase of the entrepreneurial process. Previous studies have suggested that entrepreneurship education has to be oriented to intervene in each stage of development, which include: awareness, pre-startup, startup, growth, and maturity (Henry, Hill, and Leitch, 2005a, 2005b).

A number of writers have pointed out that a particular feature of teaching skills is their interactive nature. Solomon (2007) notes that educational institutions are moving towards more of knowledge-sharing role where class discussion and guest speakers are becoming more popular. Gartner (2008) uses stories of entrepreneurship and suggests that more attention should be paid to the stories that entrepreneurs tell about themselves. Neck and Greene (2011) pointed out that a classroom discussion, as engaging as it may be, is not the same as a case study discussion. according to Gibb (2005, 2011), the pedagogy applied to the entrepreneurship education should be built on the active role of the learners in the learning process, and thus, on non-traditional teaching methods.

3. Methodology

In this study the mean, standard deviation, frequency and percentage was used to determine the level of entrepreneurial competency of forty Technology and Livelihood Education Teacher of the First Congressional District of Bukidnon of seven selected public secondary school namely: Alae National High School, Manolo Fortich National High School, Libona National High School, Sankan National High School, Talakag National High School, Kinawe National High School and Dalirig National High School. All forty teacher-respondent are teaching entrepreneurship subjects.

A self rating questionnaire is used to determine entrepreneurial competence based on the competencies identified by Man et al., (2002). Table 1 shows the level of entrepreneurial competencies of teacher-respondent in terms of opportunity seeking, human relations, conceptual, organizing, strategic and commitment. Another set of self rating questionnaire is used to determine the levels of business management knowledge and skills based on Zimmerer et al (2008). Table 2 shows the entrepreneurial

competence of teacher-respondents knowledge in business management.

The levels of teaching practices in entrepreneurship education is examined thru a list of 20 practices and working methods were enumerated to get an overview of how often teacher-respondent used these practices and working methods to carry out entrepreneurship education in their work. Table 4 shows the teaching practices of entrepreneurship education.

4. Result and Discussion

The study revealed that the entrepreneurial competence of the respondent based on opportunity seeking, human relations, conceptual, organizing, strategic and commitment is relatively high with the overall mean of 3.02 (considerably adequate). However it is important to note that some of the respondents are inadequate in the competencies mentioned.

In opportunity seeking competence 27 percent were inadequate. Kuratko (2005) said that entrepreneurship educators should have the same innovative drive that is expected from entrepreneurship students. It was also suggested by Heinonen (2006) that the starting point is that the teacher also has to act in an entrepreneurial way in discovering opportunities and innovatively exploiting them. In addition, Azarcher (2010) said that entrepreneurship teachers as role models need an entrepreneurial spirit characterized by independence, risk taking, success seeking, creativity and internal locus of control. In human relations competence 32 percent were inadequate. Man et al., (2002) was cited in the study of Kaur and Bains (2013) that the key success factor for an entrepreneur has been found to be his capabilities to work with others. In conceptual competence 22 percent were inadequate. This competency is equally important for entrepreneurial success.

Another competency that is needed to be a successful entrepreneur is organizing competency. It is revealed in the study that 22 percent of the respondents were inadequate in managing and organizing resources. Dixon et al.(2005) in their study agrees that failure of some academy based enterprise to produce goods and services on time may be due to at least in part to instructors' deficiencies in planning and organizational competencies, lack of problem solving competencies, failure to use previous knowledge and experiences to make proper decisions and inability to prioritize problems. In strategic competency, few (17%) were inadequate and a few more (10%) were inadequate in commitment competency.

On the other hand, the respondents' knowledge in business management was very low. Most of the respondents (64%) have little knowledge. This means that the respondent in general does not have knowledge in marketing promotions and positioning, business planning, translating strategy into action to achieve organizational objectives, problem solving and decision making in business environment using PEST and SWOT analysis, implementation of promotional strategies and tracking marketing resources, financial management, preparation and interpretation of financial reports, and planning and controlling production parameter.

Malata (2011) stressed the importance of management skills, planning practices and knowledge of the entrepreneur and the business ability to realize intentions and opportunities. Sony and Iman (2005) entrepreneurial competencies includes management skills, industry skills, opportunity skills and technical skills.

This study also examines the overall picture of entrepreneurship education practices of the respondents. The mean, standard deviation and frequency were used to determine the levels of teaching practices. This is shown in Table 4.1 The most frequently utilized method are discussion of current financial news with the learners, introduction of local businesses as an example, considering different economic effects of different actions with learners, talking about entrepreneurship related topics with the learners, using other teaching material related to entrepreneurship, directing the learners how to manage their own finances, showing the importance of the relationship of entrepreneurship to hobbies, and giving a project to learners to enhance creativity and innovativeness. It seems that the teacher-respondents frequently used discussion methods in their practices. Perhaps teachers find these methods an easy way to teach entrepreneurship.

On the other hand, arranging of fieldtrip and inviting an entrepreneur to take part in the classroom instruction were never practiced at all. Teachers find it difficult to arrange field trip since there is a need to seek for approval from higher office, it takes time and most of all it brings high risk to students.

Stories about entrepreneurs, completing business idea as an assignment, organizing a theme day related to entrepreneurship, learning games and providing a venue for learners to create marketing and other material for a business are some of the methods that are practiced sometimes.

5. Recommendation and Conclusion

Entrepreneurial competence and knowledge in business management is an important factor of success in entrepreneurial endeavor therefore teachers should also possessed these competencies since they are to teach entrepreneurship. Considering the results of the study, it is suggested that there is a need for constant development in teacher training in order to improve teaching with in the field of innovation and entrepreneurship and to keep up with the demand from the world surrounding.

Most of the practices that are utilized in the study are only those that are found inside the classroom. It is recommended that teachers should also used teaching methods outside the classroom such as fieldtrip and exposure to the real business world. Perhaps, there should be a training and or seminar about teaching methods that promotes interactive learning in entrepreneurship education.

References

[1] Azarcher, S. (2011), Teacher Training Course and Preparation Smart Teachers for Schools. Australian

- Journal of Basic and Applied Sciences, 5(11), pp1245-1250.
- [2] Bird, B. 1995. Towards a theory of entrepreneurial competency. *Advances in Entrepreneurship, Firm Emergence and Growth*. 2, 51-72.
- [3] Bird, B.(2002). Learning Entrepreneurship Competencies: Directed Learning Approach, *International Journal of Entrepreneurship Education*. 1.pp. 203-227.
- [4] Dixon, R. et al.(2005). "The Critical Competencies Require Instructors from Institution-Based Enterprises: Jamaican Study", *Journal of Industrial Teacher Education* Vol.42, No.4
- [5] Gartner, W.B., (2008) "Variations in entrepreneurship", *Small Business Economics*, Vol. 3 No. 4, pp.351-61.
- [6] Gibb, A. 2005. Towards the entrepreneurial university - entrepreneurship education as a lever for change. *National Council for Graduate entrepreneurship*.
- [7] Gibb, A. 2011. Concepts into practice: meeting the c development of entrepreneurship educators around an innovative paradigm: The case of the International Entrepreneurship Educators' Programme (IEEP). *International Journal of Entrepreneurial Behaviour & Research*, 17, 146-165
- [8] Heinonen, J. (2006), an Entrepreneurial Approach to Entrepreneurship Education: Mission Impossible, *Journal of Management and Development*, 25 (1).
- [9] Henry, C., Hill, F., and Leitch, C.(2005a) Entrepreneurship and training: Can Entrepreneurship be taught? Part1. *Education and Training* 47 (2), 98-111.
- [10] Henry, C., Hill, F., and Leitch, C.(2005b) Entrepreneurship and training: Can Entrepreneurship be taught? Part 2. *Education and Training* 47 (3), 1588-169.
- [11] Kaur and Bains (2013). *Journal of Business Management and Social Sciences* Vol.2 No.11. www.borjournals.com
- [12] Kuratko, D.F (2005), The emergence of Entrepreneurship Education: Development, Trends and Challenges, *Entrepreneurship Theory and Practice*, 29 (5), 577-597.
- [13] McClelland, D. C. 1987. Characteristics of successful entrepreneurs, *Journal of Creative Behavior*. 21(1), 18-21. pp.219-233.
- [14] Neck, H.M. and Greene, P.G. (2011), "Entrepreneurship Education: Known worlds and new frontiers", *Journal of Small Business Management*, Vol. 49 No.1, pp. 55-70.
- [15] Malata, J.S. (2011), The Role of Entrepreneurial Competencies on the Success of SME's in Tanzania: The case study of Ilaka and Tameke
- [16] Man, T., Lau, T. and Chan, K.F. (2002). The competitiveness of small and medium enterprises. a conceptualisation with focus on entrepreneurial competencies. *Journal of Business Venturing*, Vol. 17 No.2, pp.123 142.
- [17] Solomon, G. (2007), An examination of entrepreneurship education in the United States", *Journal of Small Business and Enterprise Development*, Vol. 14 No. 2, pp.168-82.
- [18] Sony, Heru Priyanto. and Iman, Sandjojo. 2005. Relationship between entrepreneurial learning, entrepreneurial competencies and venture success:

empirical study on SMEs. *Int. J. Entrepreneurship and Innovation Management*. 5(5/6), 454-468.

- [19] Zimmerer, T.W., Scarborough, N.M. & Wilson, D. 2008. *Essentials of Entrepreneurship and Small Business Management*. Fifth Edition. New Jersey: Pearson Prentice Hall. Business and Information 2012(Sapporo, July 3-5)

