



Educating for entrepreneurship: talent, innovation and risk

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Many recent pieces of economic analysis show that the revolution of digital technologies and global competition have accelerated technological progress and reduced considerably the life cycle of many products and technologies. In the main economies of the world, the strong link between creativity, entrepreneurship and innovation becomes apparent.

Hence the conviction is spreading that entrepreneurs play a crucial role as active stakeholders of social and economic change, identifying and taking existing opportunities on the market, opening and creating new ones and capitalising these opportunities generating new business that creates jobs. In this sort of finding new ways of doing things, they stimulate change improving efficiency or productivity in an economy.

**We will either find a way
or make one.**

***Anníbal Barca
(before crossing the Pyrenees
on his way to Rome, 3rd century BC)***

Many people have a biased image of an entrepreneur. If we asked them, most would probably talk of the founder of a successful technology-based company who has managed to create a big corporate empire. An entrepreneur is still generally considered to be a visionary individual, risking it all and overcoming great difficulties on their quest for wealth. For some, they become almost heroes – for others, a sort of lonely predator.

However, reality is quite different, and the creation of a new business is often the result of much talent, experience and systematic efforts by restless people devoting much time and enthusiasm to turn an idea or an invention into something marketable.

One should therefore ask for the reasons for which a society has entrepreneurial spirit and particularly for the main motivations of creating a new business. As we are all aware that innovation and entrepreneurship are not just the result of some brilliant idea but also the outcome of complex processes of invention, development and commercialisation of products, we shall think that talent should become the most determining trigger of a society's entrepreneurial drive.

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However, when asking about the reasons for the creation of businesses, answers are often less obvious than one could presume. A priori, we could think that entrepreneurs are basically motivated

by economic needs, the wish to make money, social recognition or independence thanks to having an own business. In fact, some authors distinguish between entrepreneurs according to their motivations, as they believe that creativity and innovation capacity are different for each case. If the search of independence outweighs the quest for wealth, it should not come as a surprise that economic performance is different. The kind of motivation is therefore not irrelevant.

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If we consider that people decide to set up a business for very different reasons, it will probably be necessary to understand these motivations for a better perception of the determining mechanisms of entrepreneurship. However, different studies show that the main reason for which people start a business has less to do with making big money, being famous, enjoying a high status, seeking adventure or improving the world but, for different reasons, they do not want to go on working for anybody else.

This wish of personal independence is obviously associated to what could be considered a higher social goal related to more well-being as new or unsatisfied needs are catered for. Many entrepreneurs are forced to act because their aspirations at their present job are not satisfied. This drive will probably be stronger as potential entrepreneurs become aware that their ideas have a much higher value than their salary at their present company and that talent retention mechanisms at that company do not work properly.

Hence an entrepreneur is, generally speaking, someone convinced to find a new way of doing things or a new product or service to offer. Being an entrepreneur therefore means to be alert of opportunities, willing to take risks and open to change. All this requires energy, optimism and a certain degree of vision, boldness and of course skill. Entrepreneurial behaviour is the result of both personal characteristics and the influence

of the environment. Both of them necessarily interact with each other as, no matter how an entrepreneurial person is, they will need a context providing them with access to proper resources. Likewise, many studies show that availability of resources per se is never enough to drive the creation of new businesses.

Generally speaking, it is said that personal factors affecting the likeliness to develop a business are related to family history, psychological profile, educational level and previous professional experience of the entrepreneur. Numerous evidence confirms that readiness to create a new business is intimately related to family history – most entrepreneurs have a relative being a businessperson or freelancer. The most common explanation is that such people act as a role model and can further provide the new entrepreneur with material support.

Studies also show that, both in Europe and the United States, people in their midlife with high qualifications and previous working and specific experience are the most active entrepreneurial group, being most likely to succeed and creating companies demanding skilled and well-paid labour. It becomes clear that some skills required for an entrepreneur can also be acquired when working as an employee, especially if people have experience in managing and supervising taskforces, expertise in consumer analysis and knowledge of technological and market features of the industry in which they want to create their business.

As to psychological aspects, part of the research in entrepreneurial psychology indicates that certain traits inherent to personality may lead to a more entrepreneurial behaviour, but other studies consider these traits to be the result of the influence of other factors on behaviour. From this perspective, entrepreneurship is not just an inherent feature but essentially an ability that can be acquired and developed. Personality therefore has a specific role but forcibly interacts with development, context and opportunity. It seems difficult to identify a typology of the ideal entrepreneurial personality, though studies of

technology-based entrepreneurs reveal that this character is rather associated to a sort of behaviour far from speculation and irrational risk-taking. Taking advantage of talent therefore comes with readiness to take responsibility to find solutions to problems, set realistic challenges and take calculated risks as well as demand of a high degree of personal satisfaction.

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But, what relevance do educational level and talent management have for a society? The relation between education and entrepreneurship is apparently more complex than at first glance. Public notoriety of some very successful entrepreneurs without a university degree have created the image that going to university does not make more entrepreneurial people. In fact, no PhD is needed to be a successful entrepreneur, but studies carried out in different settings show that once the effect of other socioeconomic variables such as gender, age, race, previous income level and branch of activity are considered and singled out, the higher the educational level the higher is also the readiness to set up one's own business.

One should also think that if time and cost-intensive higher education did not produce evident advantages to create a new business, it would hardly be understandable how the boom of specific courses offered by numerous universities and organisations could exist. One could sometimes even ask if there is not more educational offer than entrepreneurs in our society!

The need for high-quality education seems to be very clear. Significantly, research shows that those starting a business not only care for learning the information contained in specific entrepreneurship programmes but also tend to attend programmes related to the kind of activity connected with the business they create.

In fact, the educational system not only can help acquire and develop the entrepreneurial capacity

of people but it also can contribute notably to reduce obstacles to entrepreneurial initiative from different perspectives as there are different matters that can pose a barrier to entrepreneurial attitude. Apart from bureaucratic, administrative and of course financial issues, one aspect imposing biggest restrictions on entrepreneurship is an unfavourable institutional framework consisting of social attitudes, values, rules and habits. This poses one of the biggest obstacles to entrepreneurship in our society to the point that entrepreneurs and business did not enjoy enough social consideration until very recently.

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Creating a general state of mind more positive towards entrepreneurship requires redefining attitudes of society members and increase their opportunities to create a business, which in turn demands continuous efforts and collaboration by the educational sector, the financial system and media so they also become involved in introducing changes in knowledge, attitudes and social behaviour.

As to education, there are programmes ever more present and widespread in Catalan universities trying to encourage entrepreneurial spirit and business creation through subjects and specific curricular activities. It is to be expected that this offer will increase with the implementation of the European higher education space, aimed at improving professional capacity-building, and that job access opportunities for students will foster the acquisition of such competencies. In secondary school, different initiatives are implemented to create a framework favourable to entrepreneurship by raising curiosity, creativity and innovative spirit among schoolchildren, such as visits to companies and simulations of business creation and management.

Such educational innovations become a crucial mechanism to encourage a change of attitude towards entrepreneurs, rejecting the most conservative view, accepting business failure and strengthening this figure as a legitimate, feasible and positive option. Of course, such actions to generate talent and disseminate entrepreneurial culture should be reinforced by media as tools to transmit mainstream cultural values as well as by local economic promotion agencies and university business incubators, disseminating business initiatives and organising events for social recognition and entrepreneurship awards, which also encourages the creation of role models for potential entrepreneurs. From this perspective, initiatives such as the Day of the Entrepreneur are valuable.

As has been mentioned, motivation is another element largely studied by psychological approaches to entrepreneurship. It is usually connected to the spirit to take risk and the search of alternative income. An element that probably encourages this is the quest for independence, self-realisation and practical and autonomous implementation of one's own ideas, all of which should be stimulated during education. By disseminating role models, aspirations and expectations can emerge from this professional alternative to further develop it, which can also contribute to foster creative mindsets.

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The dissemination of values and ways of thinking and doing related to entrepreneurship will most probably help to demonstrate its legitimacy and appeal as a professional option. However, some critical aspects in creating an entrepreneurial spirit, such as avoiding excessive dislike of risk and disproportionate punishment of failure as well as the ability to foster creativity, talent and personal initiative, are further points in the

educational system affecting the personality of schoolchildren that need to be well settled far before entering university.

It is often believed that the lack of experience and entrepreneurial skills is the main factor hampering entrepreneurship. As has been said, it is commonplace to find many schools and universities with curricula including subjects related to business, or they offer placements allowing students to get in touch with business. Besides, many other institutions contribute to encourage the development of such abilities, organising numerous workshops or training courses.

Such initiatives intend to instil confidence into people in connection with their professional skills and their ability to set up a business and contribute positively to developing entrepreneurial initiatives in our country. Although recent studies show that previous professional experience, expertise in creating businesses and having worked previously in the same industry as the new business are the most decisive factors of entrepreneurial success in Catalonia, many entrepreneurs acknowledge that this external influence also becomes a key driver of motivation.

It is revealing that one factor limiting the effect of such actions to improve the institutional framework developed by the educational system is that the pedagogic and teaching tradition often still reflects the needs of current employment, thus focusing on contents and the acquisition of knowledge rather than skills and practice. This demonstrates the lack of appropriateness of approaches to entrepreneurship by benevolent and protectionist academics.

One of the main drivers of social change is currently the use of technology. Knowledge incorporated into digital technologies and its use in production, commercialisation, consumption and leisure is leading to the advent of new economic, social and educational patterns. Innovations require today a wider and more diverse knowledge base, so entrepreneurs are faced with an increasingly complex environment. They therefore need to know how to take advantage of the different

sorts of knowledge within their reach and take part in those collective learning processes enlarging their knowledge base. The challenge of a conventional educational system whose goal is to promote an entrepreneurial spirit among its learners is thus considerable. In this more complex setting, successful entrepreneurs having based their business on the strategic use of innovative technologies will need to be in fact the main agents setting up and implementing training programmes intending to effectively help entrepreneurial people.

If the person is the most relevant factor in the knowledge economy, as skilled labour is the primary driver and disseminator of new knowledge, entrepreneurship becomes an essential mechanism to create and pass knowledge in a country. Recent studies on entrepreneurship in Catalonia show that, as people wish to take advantage of their knowledge and become entrepreneurs, a business opportunity and hence a new innovating organisation emerges. In such cases of start-ups, the innovation process will develop out of knowledge brought in by the entrepreneur, and the diversity of organisational patterns making possible the application of digital technologies encourages this process.

This evolution is requiring new organisational and work patterns throughout the world. New competitive companies are networking and organising themselves in multidisciplinary taskforces of variable geometry, breaking up traditional barriers of functional areas. Specialisation based on knowledge and direct communications allow to set up specific taskforces for each project. This flexibility requires creative, talented, responsible leaders with self-programming and teamwork skills, a sense of risk and a will for ongoing learning. It is such skills that should be fostered by the educational system of a society willing to improve its welfare indicators through a more entrepreneurial population.

The lack of relational culture can also pose a significant obstacle to creating businesses, as social networks, based on trust and mutual respect, allow to get in contact with other stakeholders,

detect opportunities, create partnerships and encourage knowledge transfer. At the beginning of the creation process it is commonplace that entrepreneurs use their groups of reference as points of access to new social networks. This informal learning process is based on a set of skills that need to be developed during the educational cycle as, in order to make sure business growth and consolidation, they will need formal links with time to reach business agreements and develop corporate networks and new forms of social relations.

An evidence of the big importance given to relational culture as a driver of success is that many public bodies supporting entrepreneurship base their material and financial efforts on encouraging such networking actions. But one cannot fall prey to the temptation of believing that knowledge and skills are less important than their

address books. Innovation processes are certainly interactive and collective, so entrepreneurs do not innovate on their own. But in fact, most successful entrepreneurs did not start with large social networks. Hence it is more about the level of qualification, previous experience, capacity to absorb and assimilate knowledge from outside, knowing how to take advantage from business opportunities and a wise choice of interactions rather than simple closeness between entrepreneurs and a given environment or mere size of their relational networks.

Better productivity will be based on creating new value-added jobs and knowing how to add more value to current ones in the future. If Catalan society as a whole devotes more efforts to investing in talent, many ideas should become a tangible reality, and those others having seen the light can yield a better social performance.

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