

The Impact of Academic Content on Entrepreneurship & Establishing Businesses

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Abstract: *Entrepreneurship is a dynamic process of vision, change, and creation. It requires an application of energy and passion towards the creation and implementation of new ideas and creative solutions. Essential ingredients include the willingness to take calculated risks, formulate an effective venture team, marshal the needed resources, build a solid business plan, and, finally, the vision to recognize opportunity where others see chaos, contradiction, and confusion (Kuratko & Audretsch 2009).*

The primary objective of this study is to analyze the entrepreneurial attitudes among undergraduate university students and analyze the factors that may influence their behavior or potential towards establishing businesses & entrepreneurship. Moreover, this study attempts to identify the impact of the academic content taught at different faculties in regards to the entrepreneurial attitude of the students.

Therefore, the study attempts to identify whether education and academic content taught at faculties correlates with entrepreneurial attitudes among students & whether it has a positive or negative association. In other terminology, the study attempts to discover whether academic content at certain faculties catalyzes entrepreneurial spirit among students and increases their tendency & potential to initiate their own businesses or not.

Keywords: *Entrepreneurship, Business plan, University students, Academic Content, Entrepreneurial attitude.*

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I. Introduction

Three thinkers were central to the inclusion of entrepreneurs: Joseph Schumpeter, Frank Knight and Israel Kirzner. Schumpeter suggested that entrepreneurs – not just companies– were responsible for the creation of new things in the search of profit. Knight focused on entrepreneurs as the bearers of uncertainty and believed they were responsible for risk premiums in financial markets. Kirzner thought of entrepreneurship as a process that led to discovery (Investopedia Staff: "The Definition of Entrepreneurship" 2018)

In order to assess the significance of entrepreneurship, we must initially define the term 'entrepreneur'. An entrepreneur is basically someone who creates a new business in the face of risk and uncertainty for the purpose of achieving profit & growth by identifying vital opportunities and assembling the necessary resources to capitalize on them. Whilst many individuals come up with great business ideas, most never execute or act on their ideas, however, entrepreneurs do (Scarborough & Cornwall 2016).

Economist Joseph Schumpeter stated that entrepreneurs are more than just business creators; they are change agents in society. Entrepreneurs are responsible for the process of creative destruction, in which they create new ideas and new businesses that make existing ones obsolete, is an indication of a dynamic & vibrant economy (Scarborough & Cornwall 2016).

High levels of entrepreneurial activity translate into high levels of business formation & destruction which results in a more flexible economy that is capable of adapting to structural changes in the competitive landscape (Scarborough & Cornwall 2016).

II. Research Hypotheses

The study's main hypothesis supports the fact that there is a higher tendency & potential among Business Administration & Management students towards entrepreneurship and establishing their own start up.

These students have the advantage of having a detailed education in business administration and knowledge about entrepreneurship. Students are provided with some materials related to entrepreneurship, how to create a business, and how to achieve competitive advantage, how to establish a feasibility study & a business plan, in addition to creating a business model & a prototype.

Due to this advantage they have over other students studying different disciplines, there could be a greater motivation & potential for Business Administration & management students to initiate their own businesses since they have received & obtained the theoretical knowledge and only practical application remains.

H1: There is a positive correlation/association between Business Administration & Management students and entrepreneurial attitudes, and they have a greater potential & tendency to initiate entrepreneurship & own business.

On the other hand, we will also attempt to assess whether the entrepreneurial attitude is present among students in other faculties or not. This will be achieved by interviewing students from other faculties including mass communication, engineering, pharmacy, and computer science.

H2: There is a negative association between Non-Business Management students and entrepreneurial attitude. In simple terms, Non Business students have a lower potential to initiate their own start-ups compared to students who have actually studied Business Management & entrepreneurship.

III. Literature Review

Entrepreneurship is crucial to human beings as the world is evolving and future is always uncertain & unpredictable. Innovators are always striving for success and searching for opportunities. Utilizing unique talents and thinking “outside the box” are the main characteristics of entrepreneurs.

Other skills associated with entrepreneurs include cash & asset management, financial literacy, as well as exceptional interpersonal skills.

Many owners of start-ups and entrepreneurs argue that studying Business management has absolutely nothing to do with the entrepreneurial attitude in youths; while others have stated that education in general is not correlated to any entrepreneurial sense as traditional schools and faculties do not teach their students how to become creative or innovators. Many entrepreneurs & Business owners who didn't study Business Management cite Mark Zuckerberg as their influential & role model; the 33 years old founder and CEO of Facebook; with a net worth of over \$66 Billion, studied psychology & computer science with no background whatsoever in Business Management. (Forbes 2012: The World's Most Powerful People)

Although obtaining a degree in Business Management and/or entrepreneurship cannot guarantee or assure a start up's success; it might however play a really vital role in adding to your business skills including risk management, managing cash flow, understanding & overseeing the market in which your business operates and many other opportunities. Studying Business Management can provide you with extra credibility & competitive advantage over your rivals.

IV. Methodology

The study's data collection process relied mainly on primary data obtained from self-administered surveys & questionnaires with students. The surveys targeted a total of 200 individuals; Business Management & Non-Business Management students aged from 18 to 22. These surveys were conducted & handed out in a Private Egyptian University in the city of Giza. The study's data is cross-sectional analysis; in other terms, the data was collected at a single point in time rather than over a period of time.

Furthermore, the data will be processed & analyzed using a statistical analysis and processing software “SPSS”. This software will serve the study's purpose by analyzing the association & relationship between the research's variables.

The independent variable within this study is: Educational background (academic content & knowledge provided) or faculty and the dependent variable is Entrepreneurial attitude & the tendency to initiate a startup or own business.

In order to validate the research's hypotheses, the data was gathered and inserted to SPSS after applying the most appropriate statistical technique in accordance to our data, samples, and required objectives. To test the accuracy & validity of the study's hypotheses, the following statistical tools were used: *Mean*, *Anova*, *Beta*, and *Adjusted R square*. These statistical tools will indicate whether there is an association between the independent & dependent variables or not.

A simple & comprehensive questionnaire was designed & conducted that basically covers all the aims & objectives of this study. The questionnaire's principal target is to determine the association between faculty, academic content and entrepreneurial attitude.

Data Collection:

I. Demographics:

| Gender | |
|---------|-----|
| Males | 117 |
| Females | 83 |
| Total | 200 |

| Age | |
|--------------|-----|
| 18 Years Old | 10 |
| 19 Years Old | 30 |
| 20 Years Old | 53 |
| 21 Years Old | 89 |
| 22 Years Old | 18 |
| Total | 200 |

| Faculty | |
|-------------------------|-----|
| Business Administration | 100 |
| Pharmacy | 24 |
| Computer Science | 22 |
| Mass Communication | 29 |
| Engineering | 25 |
| Total | 200 |

II. Questionnaire data processing:(Business Management Students):

| Statement | Strongly agree | Agree | Moderate | Disagree | Strongly disagree | Mean |
|--|----------------|-------|----------|----------|-------------------|------|
| Do you believe your faculty provides relevant knowledge that may assist you to become an entrepreneur? | 30 | 45 | 14 | 10 | 1 | 3.93 |
| Do you think you have a competitive advantage over non-business students due to having comprehensive business Knowledge& fundamentals of Entrepreneurship? | 26 | 44 | 21 | 9 | 0 | 3.87 |
| Would you prefer becoming an Entrepreneur/business owner rather than being a traditional employee? | 26 | 41 | 25 | 8 | 0 | 3.85 |
| If you become an entrepreneur, would you apply the knowledge that you've been provided with in the faculty of Business Administration? | 28 | 51 | 17 | 4 | 0 | 4.03 |
| Do you consider yourself as a Creative person/innovator? | 25 | 42 | 30 | 3 | 0 | 3.89 |
| Are you willing to be fully responsible for an entity with its employees? | 35 | 40 | 19 | 6 | 1 | 4.00 |

Data Analysis & Research Findings:

After processing the data obtained from our samples and analyzing it via SPSS, the following results were obtained:

Model Summary

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1 | .490 ^a | .240 | | .199 |

The above table “Model Summary” highlights the strength of the relationship or association between the model and the dependent variable. R represents the linear correlation between the observed and model-predicted values of the dependent variable. Moreover, R Square, the coefficient of determination, is the squared value of the multiple correlation coefficient. And eventually, Adjusted R Square interprets the correction of R squared that penalizes the addition of extraneous predictors to the model.

| ANOVA | | | | | | |
|-------|------------|----------------|----|-------------|-------|-------------------|
| Model | | Sum of Squares | df | Mean Square | F | Sig. |
| | Regression | 22.174 | 5 | 4.435 | 5.927 | .000 ^b |
| | Residual | 70.336 | 94 | .748 | | |
| | Total | 92.510 | 99 | | | |

Analysis of Variance, also known as “Anova” is a parametric statistical method/technique to compare several data sets. It is best applied whenever there are more than 2 populations or samples present that are meant to be compared.

Coefficients^a

| Unstandardized Coefficients | | | | | | Standardized Coefficients | |
|-----------------------------|---|-------|------------|-------|--------|---------------------------|--|
| Model | | B | Std. Error | Beta | t | Sig. | |
| 1 | (Constant) | .697 | .717 | | .973 | .333 | |
| | Do you think you have a competitive advantage over non-business students due to having comprehensive business Knowledge & fundamentals of Entrepreneurship? | .253 | .098 | .237 | 2.575 | .012 | |
| | Would you prefer becoming an Entrepreneur/business owner rather than being a traditional employee? | .175 | .112 | .164 | 1.561 | .122 | |
| | If you become an entrepreneur, would you apply the knowledge that you’ve been provided with in the faculty of Business Administration? | .468 | .113 | .380 | 4.159 | .000 | |
| | Do you consider yourself as a Creative person/innovator? | -.153 | .120 | -.129 | -1.272 | .206 | |
| | Are you willing to be fully responsible for an entity with its employees? | .071 | .105 | .069 | .677 | .500 | |

Independent variable: Knowledge & academic content taught in the faculty of Business administration & Management.

The above results indicate a strong association between our independent & dependent variables. As we’ve assumed previously, our first hypothesis H1 was substantiated and confirmed. The analysis of variance and adjusted R² indicate that the academic content and fundamentals of Entrepreneurship & Business Management provided at the faculty of Business Administration is actually influential to many students who eventually decide to pursue entrepreneurship as their career.

III. Questionnaire data processing: (Non Business Management Students):

| Statement | Strongly Agree | Agree | Moderate | Disagree | Strongly Disagree | Mean |
|--|----------------|-------|----------|----------|-------------------|------|
| Do you believe it is possible to become an entrepreneur/business owner without having any Business Management knowledge? | 0 | 4 | 19 | 46 | 41 | 1.86 |
| Do you think you have a competitive advantage over Business Management students due to having diversified Knowledge in other disciplines? Statement | 7 | 35 | 39 | 18 | 1 | 3.29 |
| Would you prefer becoming an Entrepreneur/business owner rather than being a traditional employee? | 13 | 33 | 36 | 18 | 0 | 3.4 |
| If you were to establish your own Business, would you hire a consultant or someone who is specialized in Business Management to assist you in managing the entity? | 39 | 43 | 11 | 7 | 0 | 4.14 |
| Do you consider yourself as a creative person/innovator? | 18 | 44 | 34 | 2 | 2 | 3.74 |

| | | | | | | |
|---|----|----|----|---|---|------|
| Are you willing to be fully responsible for an entity with its employees? | 22 | 46 | 27 | 5 | 0 | 3.85 |
|---|----|----|----|---|---|------|

Model Summary

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1 | .496 ^a | .246 | | .206 |

ANOVA

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|-------|------------|----------------|----|-------------|-------|-------------------|
| 1 | Regression | 18.216 | 5 | 3.643 | 6.135 | .000 ^b |
| | Residual | 55.824 | 94 | .594 | | |
| | Total | 74.040 | 99 | | | |

Coefficients^a

| Unstandardized Coefficients | | Standardized Coefficients | | | | |
|-----------------------------|--|---------------------------|------|-------|--------|------|
| Model | B | Std. Error | Beta | t | Sig. | |
| 1 | (Constant) | 3.255 | .662 | | 4.916 | .000 |
| | Do you think you have a competitive advantage over Business Management students due to having diversified knowledge in other disciplines? | .027 | .095 | .028 | .286 | .775 |
| | Would you prefer becoming an Entrepreneur/Business owner rather than being a traditional employee? | .223 | .087 | .241 | 2.555 | .012 |
| | If you were to establish your own Business, would you hire a consultant or someone who is specialized in Business Management to assist you in managing the entity? | -.400 | .089 | -.405 | -4.493 | .000 |
| | Do you consider yourself as a creative person/innovator? | .047 | .093 | .046 | .509 | .612 |
| | Are you willing to be fully responsible for an entity with its employees? | -.199 | .103 | -.189 | -1.941 | .055 |

Independent Variable: Academic content & knowledge provided by faculties other than Business Management.

According to our data analysis of Non Business Management students, the outcomes of statistical analysis indicate that there could be a remarkable association between non Business Management students and entrepreneurial attitudes.

Contrary to what we've assumed on our second hypotheses H2; there turned out to be some sort of a correlation between non Business Management students and entrepreneurial attitudes.

This might be elaborated by the fact that many of these students have a potential towards entrepreneurship or to initiate their own businesses. For instance, many students in the faculty of pharmaceutical sciences are willing to initiate their own pharmacies and medical companies.

In addition, it has been observed that students in the faculty of Mass Communication do actually study the basics & foundations for managing a media entity. This indicates that the attitude towards entrepreneurship and establishing businesses is also present among student from faculties other than Business Administration & Management.

V. Conclusion

In accordance with the conducted statistical analysis; it has been substantiated & confirmed that there is a strong correlation between the academic content provided by the faculty of Business Administration and entrepreneurial attitudes among its student. In other terms, there is a higher tendency of becoming an entrepreneur as well as establishing & managing a Business entity among Business Administration students compared to other faculties; which justifies the study's first hypothesis H1.

Contrarily, the study's second hypothesis H2 wasn't fully affirmed; due to a possible association present between other faculties and entrepreneurship and the students' tendency to establish businesses. This contributed to a new finding which supports the fact that education and academic content are not always a catalyst of entrepreneurial attitudes & that many Business owners & entrepreneurs don't necessarily have to be Business Administration graduates.

Although correlation doesn't necessarily mean causation, however it has been proved that academic content is extremely crucial in terms of building the students' attitudes towards leadership, creativity, and entrepreneurship.

VI. Research Limitations

Similar to several other studies, this study has its limitations including the scale, region, population & sampling etc. The study was conducted on a small scale; a single educational entity/institute in Egypt, therefore the data & results obtained are limited to this particular entity which expresses & conveys the views and attitudes of its students. Thus, the research findings may vary if the study is to be conducted on a larger scale and in a different region.

VII. Recommendations

- Academic boards and universities' administration should pay more attention to enhancing academic content and supporting entrepreneurial attitudes.
- Universities should put into consideration teaching Business Management & Entrepreneurship to all students as a core compulsory course regardless of the faculty and specialization. (students must be taught the fundamentals of Managing an entity)
- Universities must encourage extracurricular activities that influence creativity, innovation, and leadership in students.

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