

## Study shows importance of universities in producing entrepreneurs, boosting economy

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Associate Professor Erik Monsen speaks with the University of Vermont's Entrepreneurship Club about Sap Maple Water, a new maple-based soda and seltzer developed and sold by recent alumni of UVM's MBA in Sustainable Entrepreneurship (SEMBA) program. Credit: Sally McCay, UVM

The number of college graduates willing to start new businesses—the largest producer of private sector jobs over the past 25 years—could depend heavily on the entrepreneurial focus and structure of the universities from which they graduate, according to a new study.

The forthcoming article in the *Journal of Small Business Management* suggests that experiential entrepreneurship education that guides students through the process of starting their own firm, as opposed to more theory-based curriculum, increases confidence and the likelihood they will become entrepreneurs. It also found that students graduating with higher levels of perceived self-efficacy were more likely to found their own firm than join an existing one.

While previous studies have focused exclusively on the attributes of entrepreneurs and the reasons they start businesses, "Founder, Academic, or Employee? A Nuanced Study of Career Choice Intentions" compares the entrepreneurial intentions of students planning to become founders with those of students planning to work as an employee at an existing firm, and with those desiring to enter academia and become professors at colleges and universities.

"People become entrepreneurs because they think they are good at it and are going to be successful, but students don't always feel that way when they graduate," says Erik Monsen, the Steven Grossman Endowed Chair in Entrepreneurship at the University of Vermont. "Our findings show the need for more goal-specific programs that give students the confidence that founding one's own firm can be a controllable and potentially successful career. Founding or working in start-ups is one possible solution to keeping our best and brightest here in Vermont. Colleges and universities can play an important role in convincing students that the non-corporate path is a viable option."

## **Majority of Students Still Planning to Join Existing Firms**

Overall, 55.1 percent of respondents said they planned to work for an existing firm; 32.3 percent aspired to start their own firm; and 12.6

percent wanted to become an academic. Using data from a survey of 15,866 college and university students from 13 European countries, Monsen and co-author Philipp Sieger, assistant professor at the University of St. Gallen in Switzerland, found that a strong desire to found a company, although critical, must be accompanied by the perception that a student can be successful at doing so and that they can control the outcome.

Monsen says these beliefs are acquired through hands-on experience in the classroom and fostered by faculty, family and friends who are encouraging of the founder option. "If you have never done something before it's scary, so I try to give students a feeling of control by equipping them with tools that they can practice with in the classroom with real life technologies and researchers," says Monsen who has students in his Entrepreneurship and Commercialization course hold a trade show.

Surprisingly, academic employment was also attractive to students with some entrepreneurial intentions and strong controllability perceptions, possibly due to the entrepreneurial aspects of academia such as conducting independent research, convincing funding organizations to provide the required financing, and the ability to create products and take them to market, despite repeated rejection from those who do not see the value in their radical new ideas.

"Founding one's own firm likely involves high workload, responsibility burdens, and financial pressure, which might lead to stress, lack of a private life, the loss of psychological wellbeing, or even burnout," writes Monsen. "These aspects are likely to decrease an individual's freedom and self-directedness; consequently, students might perceive that being a founder might not necessarily allow one to control one's own fate. This, in turn, lowers the founding option's attractiveness for individuals with high perceived controllability."

## Practicing What you Preach

Business schools across the country have been adding entrepreneurial-based courses to meet the desire of millennials to escape the yoke of big corporations and start their own independent firms. The percentage of students who start companies after graduation has increased significantly in recent years following a sharp drop off. Startups currently account for nearly all of the net new jobs and almost 20 percent of gross job creation in the U.S., according to the Ewing Marion Kauffman Foundation.

Monsen, a former aerospace engineer and entrepreneur, was hired to teach entrepreneurship to undergraduates and graduate students in UVM's new MBA in Sustainable Entrepreneurship (SEMBA) program. Part of his hands-on approach involves students working on commercialization projects and as consultants for researchers on campus needing help bringing new technologies to market. For example, he collaborates with UVM SPARK VT program, which provides commercialization grants, as well as training and support, for innovative UVM researchers.

"This allows them to learn the process and say 'wow' this isn't that bad after all. I think I can actually control the outcomes."

As universities struggle to find new sources of revenue, Monsen sees value in teaching future professors, especially those in STEM fields, how to bring products to market to reap the rewards via intellectual property rights.

"Hiring entrepreneurial assistant professors is key because you want them to be able to get products out to market and have an impact on the world," says Monsen. "As college revenue shifts to commercial revenue streams, for better or worse, we're going down that path of corporatization of universities, and we need to equip our young

professors and graduate [students](#) going into academia to deal with it better."

Monsen adds that while many believe that entrepreneurship is about making money, the motivation to act entrepreneurially doesn't necessarily have to be a profit-driven.

"Some academics feel better about non-profits, so if you can change how they see the world of entrepreneurship they might get excited about it and find something that fits their personality and allows them to do some social good," says Monsen. "It's a matter of finding a way of being entrepreneurial that is attractive to them. Maybe it's just changing the value you are creating from financial to social."

**More information:** Founder, Academic, or Employee? A Nuanced Study of Career Choice Intentions, DOI: 10.1111/jsbm.12181

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