

Perceptions of barriers may keep budding entrepreneurs from building businesses

April 7 2021, by Matt Swayne



A Penn State Berks-led research team built an entrepreneurship model that includes more than just business skills. The team said lessons should cover entrepreneurial skills, but also address the students' intentions to start a business and their perceptions of the barriers they might encounter when starting that business. Credit: UNSPLASH-LINKEDIN SALES SOLUTIONS

Teaching people to become entrepreneurs requires more than just passing on entrepreneurial skills, according to a team of Penn State Berks-led researchers. Would-be entrepreneurs also need to understand—and negotiate—the barriers that they might face.

In a study, researchers built a multidimensional model to measure the effectiveness of entrepreneurship education. The model not only includes teaching entrepreneurial skills, but also addresses the students' intentions to start a [business](#) and their perceptions of the barriers they might encounter when starting a business.

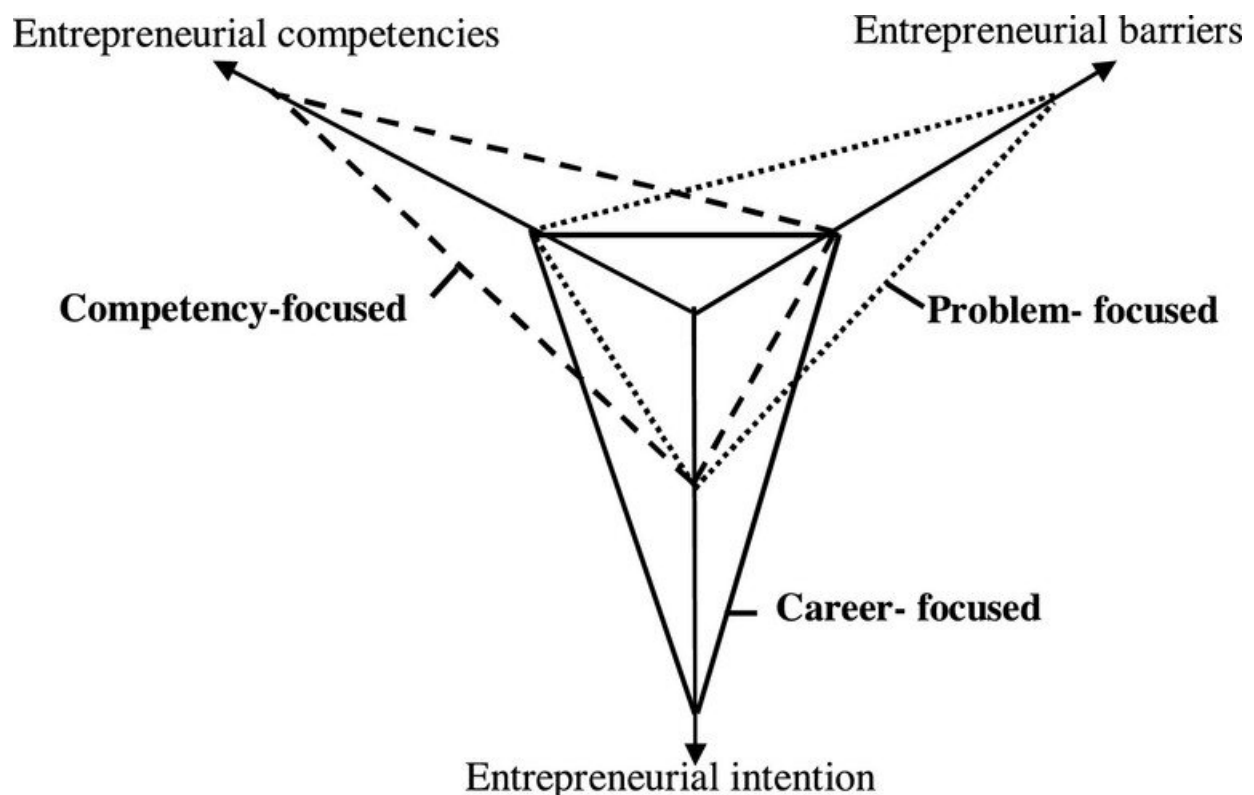
"There are a lot of studies in the literature that focus on, for example, how entrepreneurship education influences the students' competence in starting a business," said Abdullah Konak, professor of information sciences and technology. "But, our model does not look at it from one perspective. We look at it from three perspectives—competencies, intentions and barriers. What we found was that entrepreneurship education helps to increase the students' skills. If those skills help to reduce the barriers, then it increases their intentions to start a business."

Traditionally, much of entrepreneurship education offers students lessons to develop skills, for example, offering them an understanding of finance, marketing, intellectual property and team management, Konak added. However, the acquisition of these skills may not directly lead people to start businesses.

"There are a lot of reasons why people don't want to become entrepreneurs, but one of those reasons is that they see barriers," said Konak, who is also an Institute for Computational and Data Sciences associate. "Maybe they're not sure on how to start a business, maybe they're worried it will take too much time, maybe they think they don't know the domain well enough—there are a lot of issues."

According to the researchers, who report their findings in a recent issue of *Studies in Educational Evaluation*, lessons can be designed so that they not only teach entrepreneurial skills, but also show that barriers may not be as daunting as the students believe.

"For example, take a simple step, like registering a business," said Konak. "One lesson we use is to have the students go to a government website and search for company names and whether the business they are visualizing is registered. Then, the students learn the steps of what it takes to register a business in Pennsylvania. This is a very simple assignment, but I think it helps them remove a [barrier](#)."



The entrepreneurial triangle includes teaching skills, addressing intentions to start a business and recognizing perceptions potential barriers. Credit: Penn State

Entrepreneurism helps the economy in several ways, said Konak, who worked with Haibin Liu, associate professor at the Institute of Employment and Entrepreneurship Education at Northeast Normal University, who was also the paper's first author, and Sadan Kulturel-Konak, professor of management information systems and the director of Flemming Creativity, Entrepreneurship and Economic Development (CEED) Center at Penn State Berks. Liu visited Penn State Berks between 2018 and 2020 to collaborate with Kulturel-Konak and Konak on entrepreneurship education.

First, entrepreneurship drives [economic development](#) and growth, he said.

"There is a real strong connection between well-being of people, economic growth and entrepreneurial activity," said Konak.

"Entrepreneurial activity is how we grow the economy—not just in the U.S., but globally. A lot of people might think of entrepreneurship as just a money-making activity, but it's actually about growing the entire pie for everyone."

He added that entrepreneurship education can also help established businesses by training employees to become more innovative workers.

"Our goal in entrepreneurship education is not just about starting up businesses, but it's actually about instilling an innovative mindset in our students," Konak said. "That's the broader goal of entrepreneurship education."

The researchers collected data from 416 college students at two different campuses of a major Chinese university located in China. The students were business, engineering and social sciences undergraduate students who participated in a four-month entrepreneurship education program. The participants were asked a series of questions about their

participation in entrepreneurship [education](#) programs, their intentions to become an entrepreneur and their understanding of entrepreneurial barriers.

Penn State Berks has a long history of [entrepreneurship](#) studies, said Konak. The Flemming Creativity, Entrepreneurship, and Economic Development Center (CEED) Center, for example, was established in the fall of 2011 to inspire an entrepreneurial spirit and innovative thinking in the Penn State Berks local community.

In the future, the team plans to continue to develop and refine these models of [entrepreneurship education](#).

More information: Haibin Liu et al, A measurement model of entrepreneurship education effectiveness based on methodological triangulation, *Studies in Educational Evaluation* (2021). [DOI: 10.1016/j.stueduc.2021.100987](#)

Provided by Pennsylvania State University

Citation: Perceptions of barriers may keep budding entrepreneurs from building businesses (2021, April 7) retrieved 26 April 2024 from <https://phys.org/news/2021-04-perceptions-barriers-budding-entrepreneurs-businesses.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.