

≈ SUMMARY ≈

ACTION MEANS MORE THAN WORDS: HOW EFFECTIVE CAN A GLOBAL ACTION-LEARNING PROGRAM FOR ENTREPRENEURSHIP EDUCATION BE? A COMPARISON OF THE OUTCOMES IN SINGAPORE, CHINA, KOREA AND NEW ZEALAND.

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Principal Topic

We review the effectiveness of the same action-learning entrepreneurship program in four countries.

Methodology/Key Propositions

Entrepreneurship educators are torn between the demands of industry for developing specific and practically relevant knowledge, and the academic requirements for a well-grounded widely applicable education. Entrepreneurship education has been identified as a critical factor in preventing future high levels of long term unemployment, and there is evidence of a strong correlation between educational level achieved and high income over a lifetime (De Faoite,D., Henry,C., Johnston ,K., Van der Sijde,P, 2003). In order to create greater community involvement, academia must move closer to the reality of the work place. Greater collaboration between the academic and business communities has been advocated for many years (Cochrane, 1988; Forcht, 1991; Gabor, 1991; Goodlad, 1987; Orr, 1993; Portwood, 1993; Reed, 1993; Warwick, 1989; White, 1993). A need exists for more interaction between educational environments and external organizations so that current business thinking can be introduced into schools (White, 1993).

Based on a new method of community-based business education we propose a model to guide action learning in entrepreneurship education to match the future requirements of workplace-specific skills transfer to the needs to motivate students to extensive outside-of-the-classroom participation. In the SIFE (Students in Free Enterprise) program, students are empowered through an elaborate system of program design and personal involvement of business leaders, to teach members of their communities about free market principles, entrepreneurship and good governance. The students are free to pursue their own projects, and they come together annually in 48 countries, to present their work to senior executives of leading organizations. CEOs of HSBC, Managing Partners of KPMG, Chairmen of Unilever, Presidents of Wal-Mart, Directors of PepsiCo, Country Managers of Philip Morris, and many more business leaders spend time with these students to review their projects and to select the best-performing team in each country as national champion. That team then participates in a SIFE World Cup, in 2005 in Toronto and in 2006 in Paris, paid for by corporates, to benchmark each countries' results against the other national champions.

We have collected data from more than 200 students in these four countries, all SIFE participants, to test for the effectiveness of this action-learning program. We have also collected data from faculty members who serve as student advisors and from corporate executives who have worked with these student teams, to determine the quality of their work and the levels of entrepreneurial activity.

We are using the results of this work to comment on the applicability of the PETE (Practical Entrepreneurship Teaching Engagement) model (Mueller, Thornton, 2005). The PETE model describes ingredients of an interactive action learning program and seeks to explain that the presence of these factors, by using the SIFE work as an example, can improve the effectiveness of action learning.

Results and Implications

Students show extraordinary commitment to this action-learning work, mainly being motivated by the opportunity to meet and impress potential future employers, dedicating hundreds of hours to teach entrepreneurship principles to members of their communities. They feel that their expectations have been met or exceeded, and they are willing to recommend this work to other students. The students do not receive academic credit for this action-learning work, making their commitment even more remarkable.

Senior executives and faculty members report generally favorably on the results of these student projects and the new skills developed. Faculty value this approach significantly more than traditional in-class projects, such as case competitions. Faculty members confirm the significant student effort and the community benefits resulting from it.

Corporate leaders appear to accept the performance of these students as *prima facie* evidence of entrepreneurial competence, and anecdotal evidence supports the conclusion that these SIFE students are rated highly as potential junior management recruits by these corporate executives. Executives appreciate the rich content of these student-managed projects and appreciate the performance.

There are significant differences in how students in different cultures view the overall program outcomes, suggesting that although the program is highly effective overall, adaptations are required to fine-tune the model in different countries.

The results of this work support the PETE (Practical Entrepreneurship Teaching Engagement) model for effective entrepreneurial action learning: By (a) creating a sense of *belonging*, (b) *challenging* the students to managerial work outside the classrooms, (c) crafting a *competition* model where student teams compete for significant rewards, (d) *connecting* students to corporate leaders through personal interaction, (e) creating a *signal* effect within schools, markets and stakeholders, and (f) generating a *sustainable* community benefit, a high level of student engagement is achieved, and corporate executives confirm the entrepreneurial achievements of these participants.

We conclude that SIFE stimulates students emotionally while developing critical managerial skills in the context of demonstrable outcomes. In all four countries, SIFE students report significant gains in practically-relevant skills.

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