

≈ SUMMARY ≈

ENTREPRENEURSHIP AND EDUCATION IN SINGAPORE

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Principal Topic

Singapore has consistently been rated as one of the world's most competitive economies but it lags behind in global comparisons of entrepreneurship. Entrepreneurial activities have been strongly recognized as "the way" to higher growth and job creation. Being a small country rich in human capital, it is important for Singapore to build an entrepreneurial culture so as to optimize its human capital. The main objective of this project is to study whether higher education helps entrepreneurs to be more successful in their business and to provide a basis for future research on whether the current tertiary education system is conducive for producing entrepreneurs. Four hypotheses tests have been carried out in this study.

The first hypothesis tested on whether there is a positive relationship between higher education and the chances of winning an E50 award (an award recognizing entrepreneurial excellence); the second hypothesis tested on whether highly educated founders of businesses take a shorter time to achieve success; the third hypothesis was to find out whether highly educated founders of SMEs who won E50 awards are younger than non-highly-educated founders; and the fourth hypothesis explored whether there is a gender bias among the successful SMEs in Singapore. The results of the tests on the four hypotheses all showed that there was no significance.

This drew us to believe that higher education, age and gender may not be the factors determining success of businesses after all. Success of the business may be due to the experience of the founders which is supported by the argument of Olsen and Johannessen (1994) that experience and the competency level of the entrepreneur are the most influential to the future success of the new ventures. In this case, factors that determine competency level may or may not necessarily be high education but rather some inborn traits of the entrepreneur or skills acquired through experience.

We are aware that success of a business is also highly dependant on uncontrollable factors like market conditions and economic conditions. Recent unexpected happenings like terrorists' attacks, for example 911; and epidemic like SARS, had affected businesses globally and many businesses, no matter how stable or how good the founders are, were not able to withstand the fluctuating changes.

The results of our tests were not able to prove that higher education affects the success of entrepreneurship. However, judging by the comments from some respondents, education is still important in their business except that one has to know how to apply the knowledge attained through education in order to achieve success. Thus, this brings us to conclude that theories learnt in education are of little use in entrepreneurship if one does not have the necessary experience and knowledge of how to apply the theories.

A subset of our study also demonstrated that the widely held perception that polytechnic students are more entrepreneurial than the university students is no longer valid. The results from our survey showed that, in fact, university students exhibit a higher level of entrepreneurial

spirit, although the difference is not significant. We believe that the perception may have been valid in the past but changes in the environment, such as the recent recession and the surge in the unemployment rate, has changed the mindset of the university students.

Most Singaporeans do possess some element of entrepreneurial streak in them, as evident in the findings that majority of them have the intention to start their own business. However, there are some other reasons holding them back, such as the lack of capital, inadequate knowledge on starting up, lack of business contacts and the risk of business failure.

The major barriers to an entrepreneurial culture, as identified by both the polytechnic and university students, are an over-emphasis on academic excellence, a rigid curriculum structure and the society's low tolerance for failure. Thus, it can be inferred that in order to create an environment that encourages entrepreneurship to flourish, steps must be taken to revamp the educational system to encourage greater creativity and innovation.

Most respondents indicated that they do not find Singapore an attractive place to start a business venture due to its small market, the saturation of markets and high costs of doing business. However, there are others who feel that its political and economic stability, a strategic location, a well-developed infrastructure and the high spending power of Singaporeans make it an ideal place to start a business venture.

Students are generally unaware of the government assistance schemes. A possible explanation is that the schemes are new initiatives implemented by the government. Hence, the level of awareness of these schemes is still at the growing stage. However, students expressed that they are encouraged by the schemes to become entrepreneurs when they know that such schemes exist.

Investigation of the demographics shows that the traditional views on the link between gender and entrepreneurship no longer hold in Singapore context. Males and females are equally likely to become entrepreneurs as females from the younger generation are becoming more educated and independent.

Another traditional view on the link between family influence and entrepreneurship has also lost its stand. We have concluded that family influence is not a major factor in influencing people's desire to set up their own business. Hence, family members or relatives do not serve much as role models to potential entrepreneurs.

Lastly, birth order is still an influencing factor in determining a person's level of entrepreneurial spirit. This is due to the fact that the first-borns are more mature and independent, and possess certain level of leadership trait, which are all vital to the creation of an entrepreneur.

For personality traits, we identified leadership skills and risk-taking propensity as the two most obvious traits that differentiated potential entrepreneurs from their counterparts. This is not surprising, except that leadership is not commonly researched on in entrepreneurial studies. Innovativeness and interpersonal skills are also crucial in the making of an entrepreneur, and these traits have not been dampened by the rigid education system, which is undergoing a major overhaul.

A comparison between the polytechnic and university students shows that, surprisingly, there are no differences in the three common traits: risk-taking propensity, innovativeness and leadership skills. Instead, polytechnic students are more perseverant and opportunistic, whereas university students are more independent and possess better interpersonal skills. This may be attributable to age differences and the differences in tertiary education system.

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