THE FRAMEWORK OF STATIC AND DYNAMIC COMPONENTS – AN EXAMINATION OF ENTREPRENEURIAL ORIENTATION AND UNIVERSITY ABILITY TO TEACH ENTREPRENEURSHIP

Entrepreneurship is a vital part of the economic progress of today’s society. Recognizing the significance of the field, universities are exploring different ways of teaching entrepreneurship. Recent explosion of entrepreneurial activity, and the prominent role of knowledge in the “new economy” has prompted a shift in expectations about the role universities should play in developing tomorrow’s entrepreneurs through effective entrepreneurial education (National Governors Association, 2000c). Whereas some attempts have been made to educate entrepreneurs (Badawy, 1998; Mallick & Chaudhury, 2000; Solomon & Fernald, 1991), traditional education methods were found to be largely ineffective (e.g. Feldman, 2001; Gibb, 1987; Harris et al., 2000; Raffo, Lovatt, Banks & O’Connor, 2000).

This paper posits that entrepreneurial education consists of two components: static (i.e., theory) and dynamic (i.e., applied knowledge). Employing only theory to teach entrepreneurship is found to be ineffective and insufficient (Gibb, 1987; Harris et al., 2000). It is further advanced that the university institutional culture also contains dynamic and static elements. Building upon the view that university culture influences the effectiveness of the university education (Gibb, 1987; Hyland, Sloan & Beckett, 2002; Klofsten, 2000; Raffo et al., 2000), this paper discusses the need for universities to become entrepreneurially oriented, thereby increasing the effectiveness of their entrepreneurial education activities. Universities, because of their stable institutional character are more likely to teach the static body of knowledge. Unfortunately, since entrepreneurship is still evolving as a field (Eisenhardt & Companys, 2002), this body of knowledge is seen as insufficient for training future entrepreneurs. In order to be entrepreneurially oriented, university organizational culture must become more innovative, proactive and risk-tolerant (Miller, 1983).

Entrepreneurial orientation with its dimensions of innovativeness, proactiveness and risk-taking is anticipated to have a positive effect on the organizational culture at the university. A conceptual framework is presented which provides for a greater understanding of entrepreneurial education by examining the relationships between the degree of university’s entrepreneurial orientation, static and dynamic components of university culture, and the entrepreneurial teaching effort.

This paper argues that the more entrepreneurially oriented the university is, the greater its ability to effectively teach entrepreneurship. Entrepreneurial orientation can be a significant asset to the university by introducing a culture of innovation, proactiveness and risk-taking tolerance. This culture will also culminate a more flexible university environment, greater industry presence (i.e. less ‘red tape”) and hence a more current and effective entrepreneurship training program. The significance of this conceptual framework is multi-fold. First of all, it increases our understanding of entrepreneurship education. Secondly, this framework illustrates the significance of the institutional culture, and its role in the development and delivery of education services. A responsive, flexible university culture has many benefits to offer to the university and the community. Finally, increasing our understanding of the teaching methodology needed for new and still developing fields of knowledge, will further contribute to a better and more effective exploitation of tomorrow’s opportunities by the university community.