

# **Entrepreneurship as a Dynamic system and the Holistic Approach to Its Development**

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**Karine Oganisjana, Dr. paed., University of Latvia**

# The main directions of today's work

1. Disclosing the essence of entrepreneurship
2. Understanding how entrepreneurship can be developed in study process
3. Analysis of the entrepreneurship promoting potential of competence-oriented higher education
4. Analysis of an interdisciplinary task for fulfilling the entrepreneurial dispositions of secondary school students

# What is entrepreneurship for?

For personal fulfilment and development, active citizenship, social inclusion and employment (Commission of the European Communities, 2005).

# Entrepreneurship has been widely researched in:

- economics;
- management;
- business;
- sociology;
- anthropology;
- psychology;
- education politics.

# The PhD thesis

“The development of students’  
enterprise in study process”

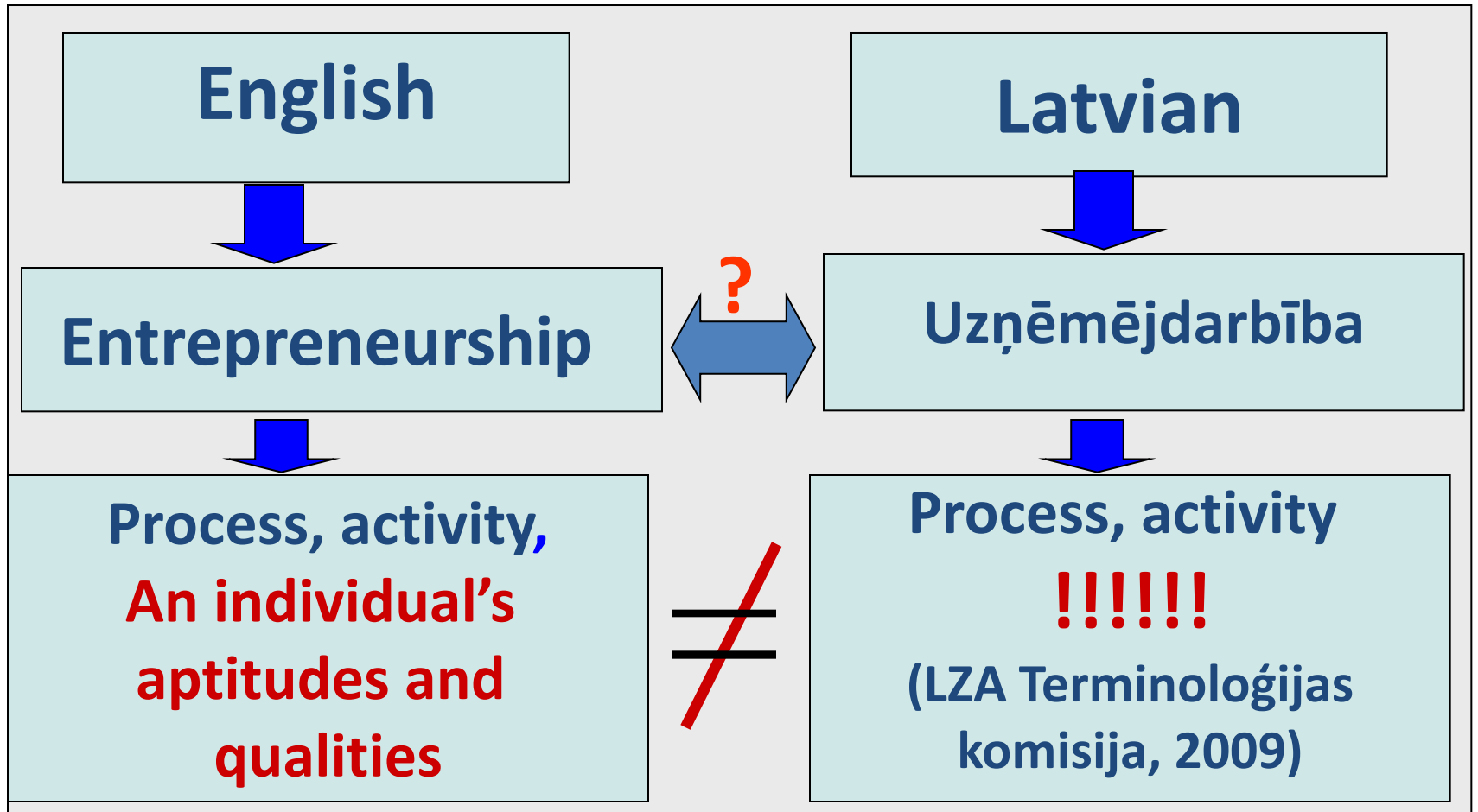
# The aim of the research

To study the matter of enterprise and develop its pedagogical conception, elaborate and test students' enterprise promoting learning model in study process.

# The key concepts of this field

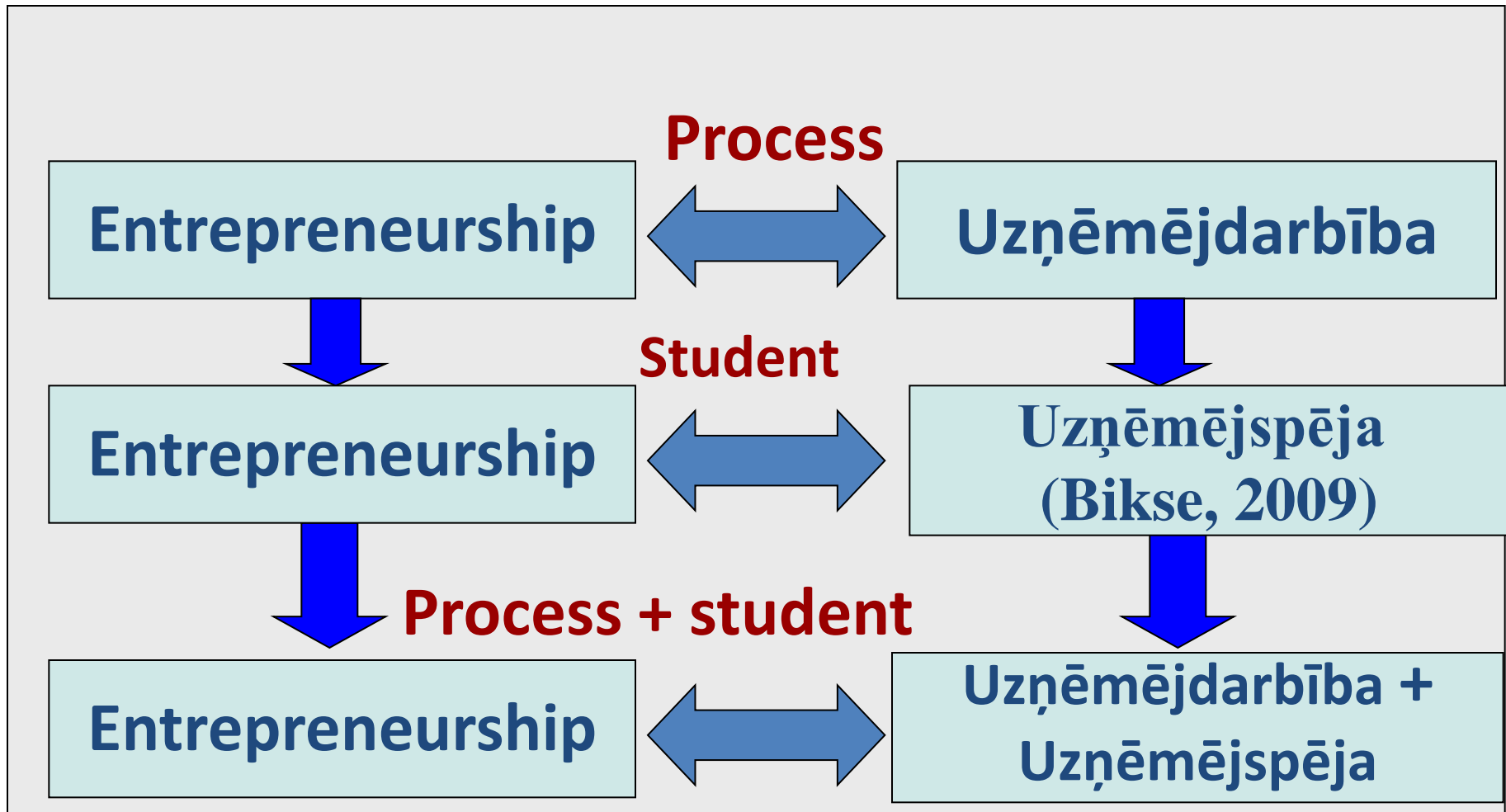
- Entrepreneurship;
- Enterprise;
- Entrepreneur;

# Linguistic mismatch

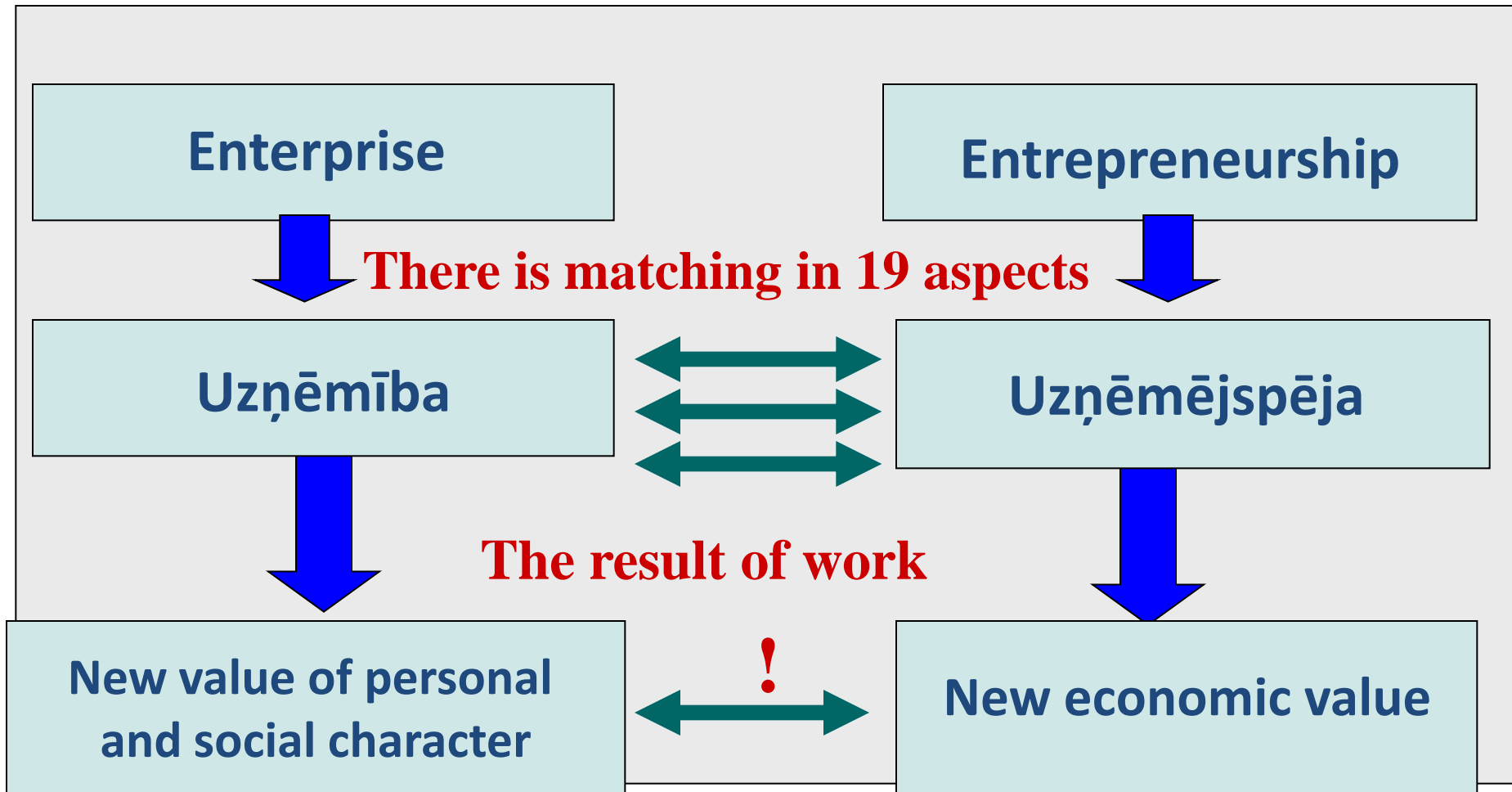




# The solution of this linguistic problem



# The comparative analysis of the concepts of “enterprise” and “entrepreneurship”



# Enterprise and entrepreneurship (1)

"Enterprise is about having ideas and using initiative, resourcefulness and determination to generate something of value-even when things may be difficult and uncertain. It is taking advantage of what might be, rather than accepting what will be. In a business setting it is called entrepreneurialism, but you also need enterprise to run a club, a household, a good classroom or to help yourself and others" (Kearney, 1999).

## Enterprise and entrepreneurship (2)

Enterprise and entrepreneurship are rather close to each other. Enterprise is a broader concept than entrepreneurship, as it encompasses all the scope of individual's activities, while entrepreneurship concerns mainly economics.

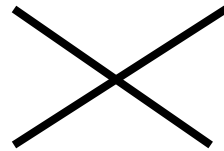
# Entrepreneurship (enterprise)

- **process** (Schumpeter, 1934; Shane & Venkataraman, 2000; Bygrave, 1993; Drucker, 1993; Virtanen, 1997; Curran & Stanworth, 1998);
- **combination of aptitudes, different qualities and personality traits** (Davies, 2004; Korunka et al, 2003; Faltin, 2001; Kearney, 1999; Wennekers & Thurik, 1999; Brockhaus, 1982; McClelland, 1961; Hornaday & Bunker, 1970);
- **behaviour** (Stevenson, 2000; Carton et al, 1998; McKenzie et al, 2007; Hébert & Link, 1989);
- **combination of an individual's different qualities and behaviour** (Gibb, 2007, Hollenbeck & Whitener, 1988; Gartner, 1988; Herron & Robinson, 1993; UNESCO, 1994).

# Contradictions between entrepreneurship theories

## Achievement motivation

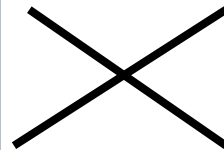
David McClelland (1961)



William Bygrave (1993)  
Robert Brokhaus (1982)

## Taking risks

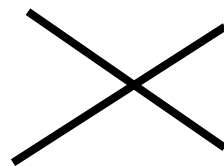
(Knight, 1942;  
Hornaday & Bunker, 1970;  
Bosma et al., 2002)



Taffi, 1981; Друкер, 2004;  
Korunka et al., 2003;  
Davies, 2004; Palmer, 1971

## Personality traits (Joseph Singer & Henry Bloch, 1990)

Reserved, Bold,  
Conservative,  
Idealistic, Dominant



Frank, Sensitive  
Innovative,  
Realistic, Tolerant



# Paradoxes in entrepreneurship research

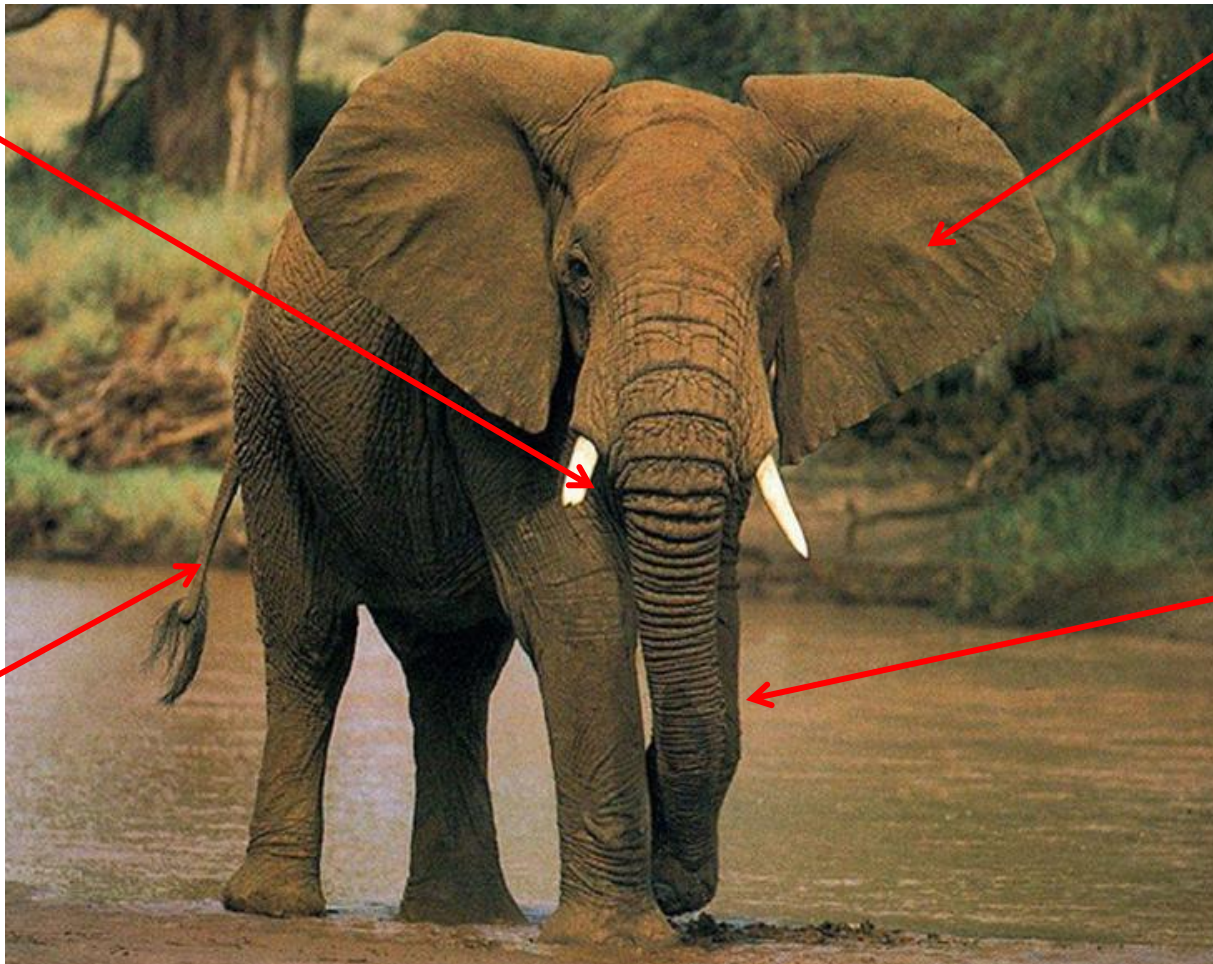
## The portrait of Entrepreneurs

**Dominant**, Considerate, **Controlled**, **Reserved**, Curious, Organized, Decisive, Persuasive, Energetic, Easygoing, Intellectual, Stable, Sincere, Modest, Logical, Loyal, Quick, Involved, Observant, Quiet, Confident, **Bold**, Understanding, Ingenious, Efficient, Diplomatic, Stimulating, Open-Minded, Perceptive, Practical, Painstaking, Serious, Persevering, Cheerful, Persistent, **Idealistic**, Friendly, Patient, Thoughtful, Calm, Dependable, Objective, Clear-thinking, Conscientious, Tactful, **Independent**, Forward-looking, Soft-spoken, **Sensitive**, Disciplined, Mature, Responsible, Analytical, Imaginative, **Creative**, **Frank**, Committed, Determined, Factual, Sympathetic, Enthusiastic, **Realistic**, Reliable, Thoughtful, Agreeable, Systematic, Cooperative, Intelligent, Adaptable, Warm, **Tolerant**, Mainstream, Scientific, Outgoing, Goal-oriented, Trouble-shooter, Effective, **Conservative**, **Innovative**, Gracious (*Singer & Bloch, 1990*).

# What is the elephant?

**Big ears**

**Tusk**

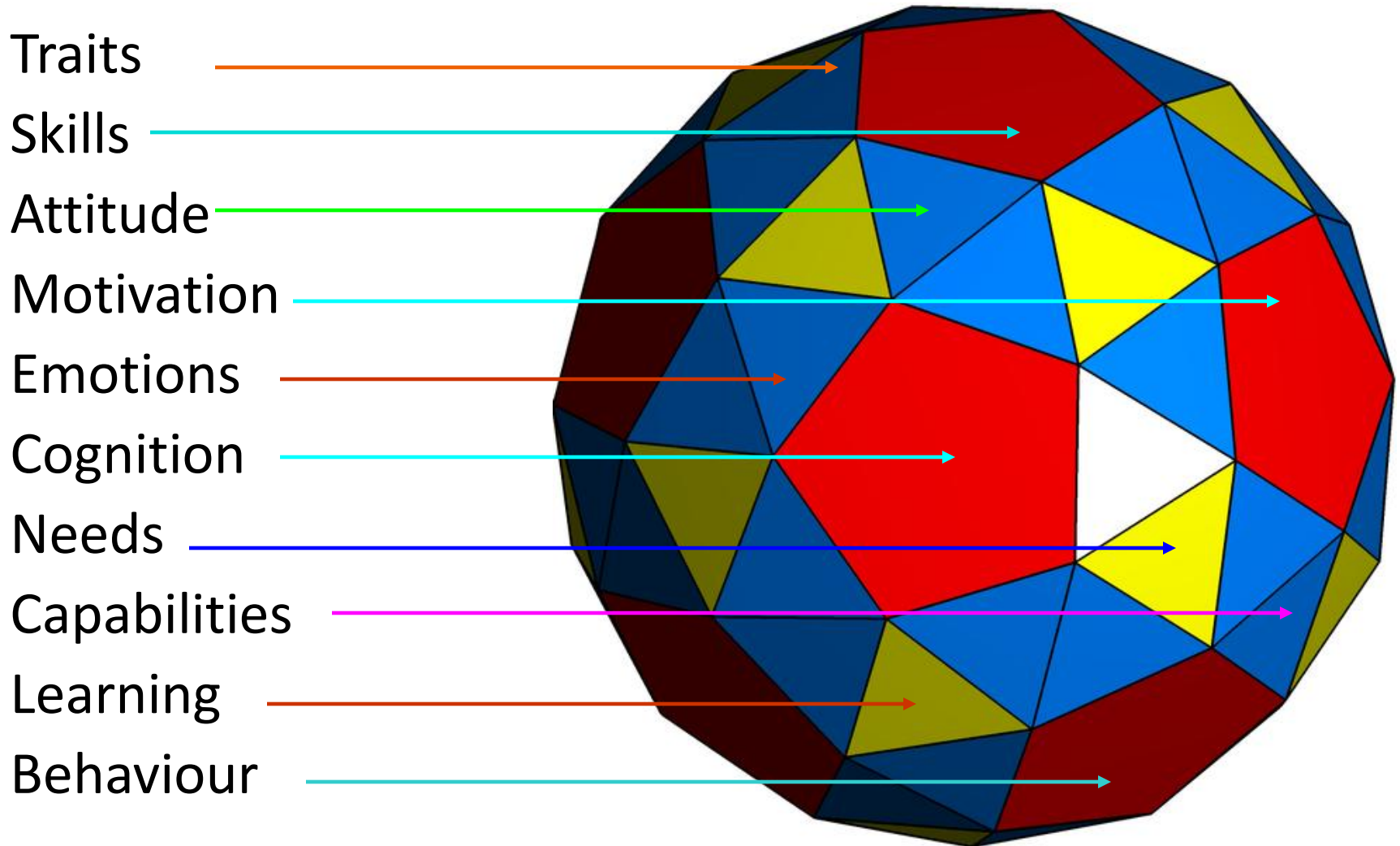


**Trunk**

**Thin tail**



# Entrepreneurship as a dynamic system



# Entrepreneurship **is not** and **is**

- Entrepreneurship **is not** achievement motivation, risk taking, specific knowledge, personality traits, etc, If we substitute the essence of entrepreneurship by any of them.
- Entrepreneurship **is** achievement motivation, risk taking, specific knowledge, personality traits, etc, if we view the concept of entrepreneurship as a system of them and of other elements of entrepreneurship.

# Peculiarities of any system

- A whole is more than the sum of its parts; a whole has qualities which are independent and different from the properties of its parts (O'Коннор & Макдермотт, 2006; Allwood, 1973; Olsen, 1968; Smith, 1963; Durkheim, 1950).
- Systems can generate new qualities which aren't typical for any of its component. By dividing a system into its components and analysing each of them, it's impossible to foresee the peculiarities of the whole system (O'Коннор & Макдермотт, 2006).

# The approach in this research

Not to try to find out which of the theories is better than others but maximally integrate them all, as they are feasible within certain limits and, therefore, reflect only some of entrepreneurship aspects.

# Theory of Holism by Jan Smuts (1927)

In order to research entrepreneurship as a system, there were three things to be done:

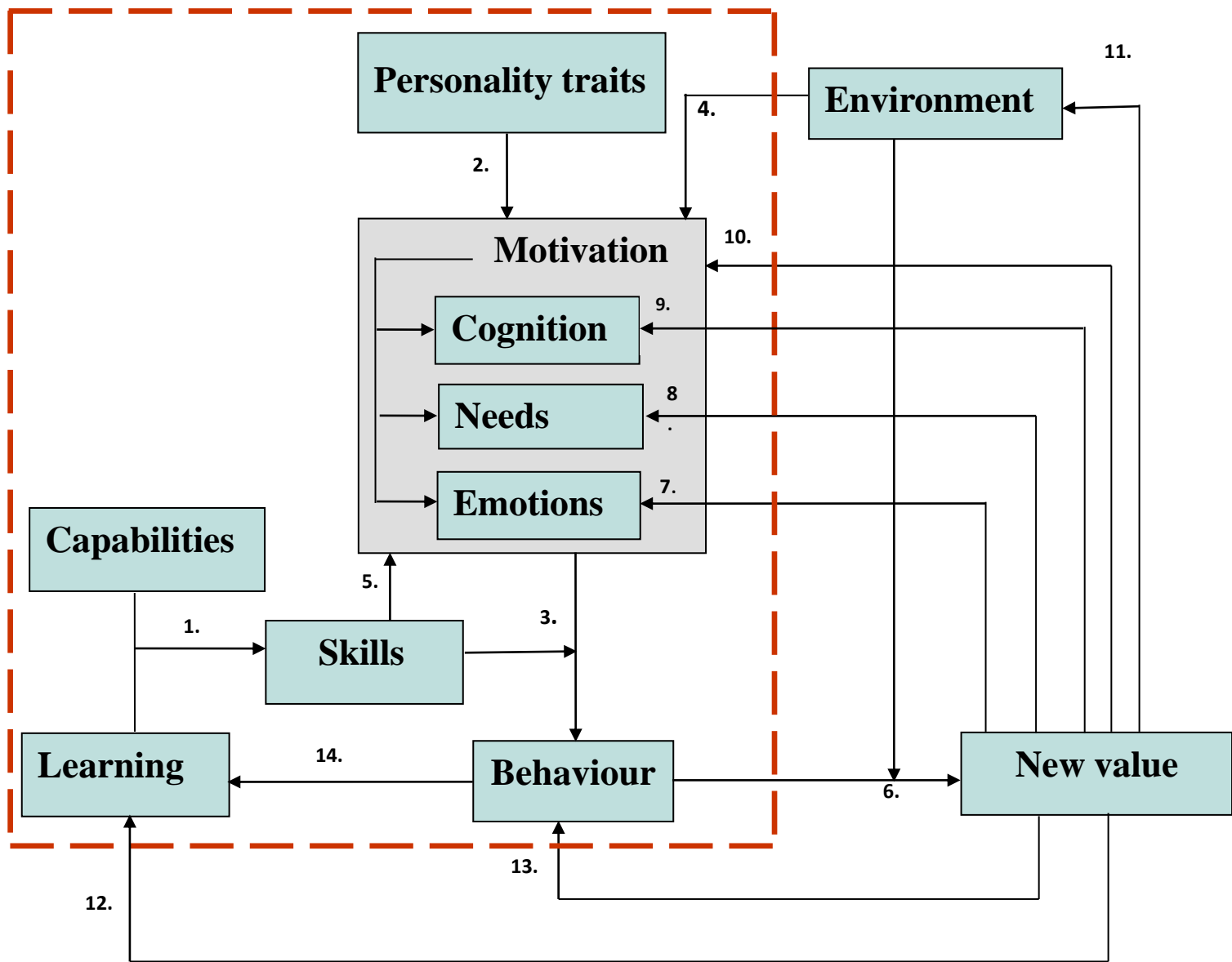
- To determine the components of entrepreneurship.
- To research and reveal the character of links among the components.
- To show in what way they function together as a whole.

# Qualitative content analysis and the components of entrepreneurship (1)

<b>The components of entrepreneurship</b>	<b>Criteria</b>
<b>1. Personality traits</b>	Purposefulness (6)
	Openness to the real life challenges (7)
<b>2. Abilities</b>	Analytical capabilities (5)
	Creativity (6)
	Abilities to deal with difficulties (6)
<b>3. Skills</b>	Organisational skills (5)
	Social skills (5)
	Problem solving skills (6)
<b>4. Motivation</b>	Achievement motivation (7)
<b>5. Emocijas</b>	High emotional stability (3)

# Qualitative content analysis and the components of entrepreneurship (2)

<b>The components of entrepreneurship</b>	<b>Criteria</b>
<b>6. Needs</b>	Need for self actualization (4)
	Need for appreciation (3)
<b>7. Cognition</b>	Thinking (9)
	Self concept (4)
	Attitudes (5)
<b>8. Learning</b>	Experiential learning (3)
<b>9. Behaviour</b>	identification and new idea generation (6)
	Realization of opportunities and the generated ideas (7)
	Orientation in changing environment (6)



**The holistic structural–functional model of entrepreneurship**

**(Oganisjana, 2010)**

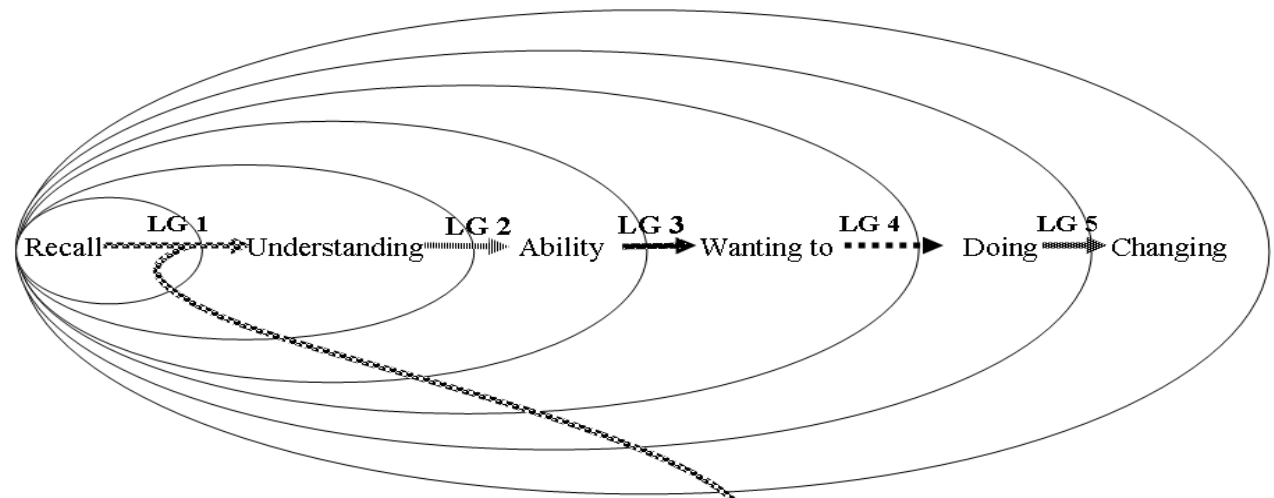


# The holistic definition of entrepreneurship

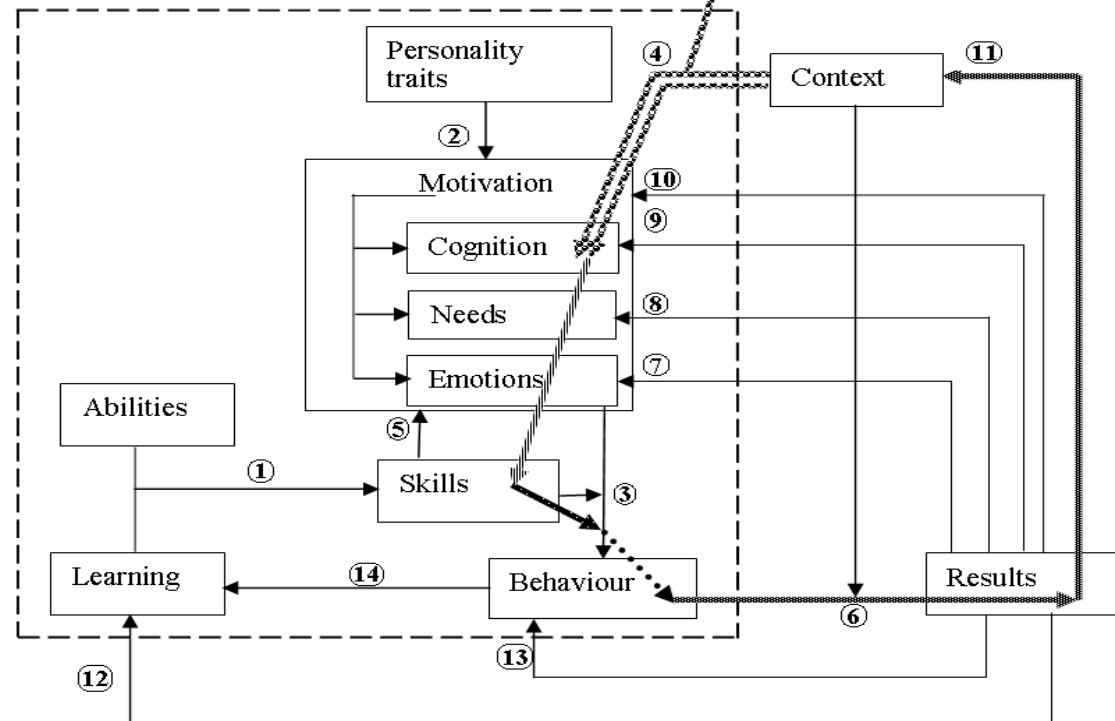
Enterprise is a dynamic system of individual's causally interrelated personality traits, motivation, cognition, needs, emotions, abilities, learning, skills and behaviour, on the basis of which an individual or a group of individuals interact with the environment for identifying, generating and realizing opportunities into new values.

# How do entrepreneurs learn?

- by doing;
- reflecting;
- from their own mistakes;
- based on their own experience;
- solving real life problems.



The projection of the five learning gaps (LG 1, 2, 3, 4, 5) of HEI students (Light & Cox, 2005, p.47) on the largest learning cycle of “The holistic structural functional model of entrepreneurship”

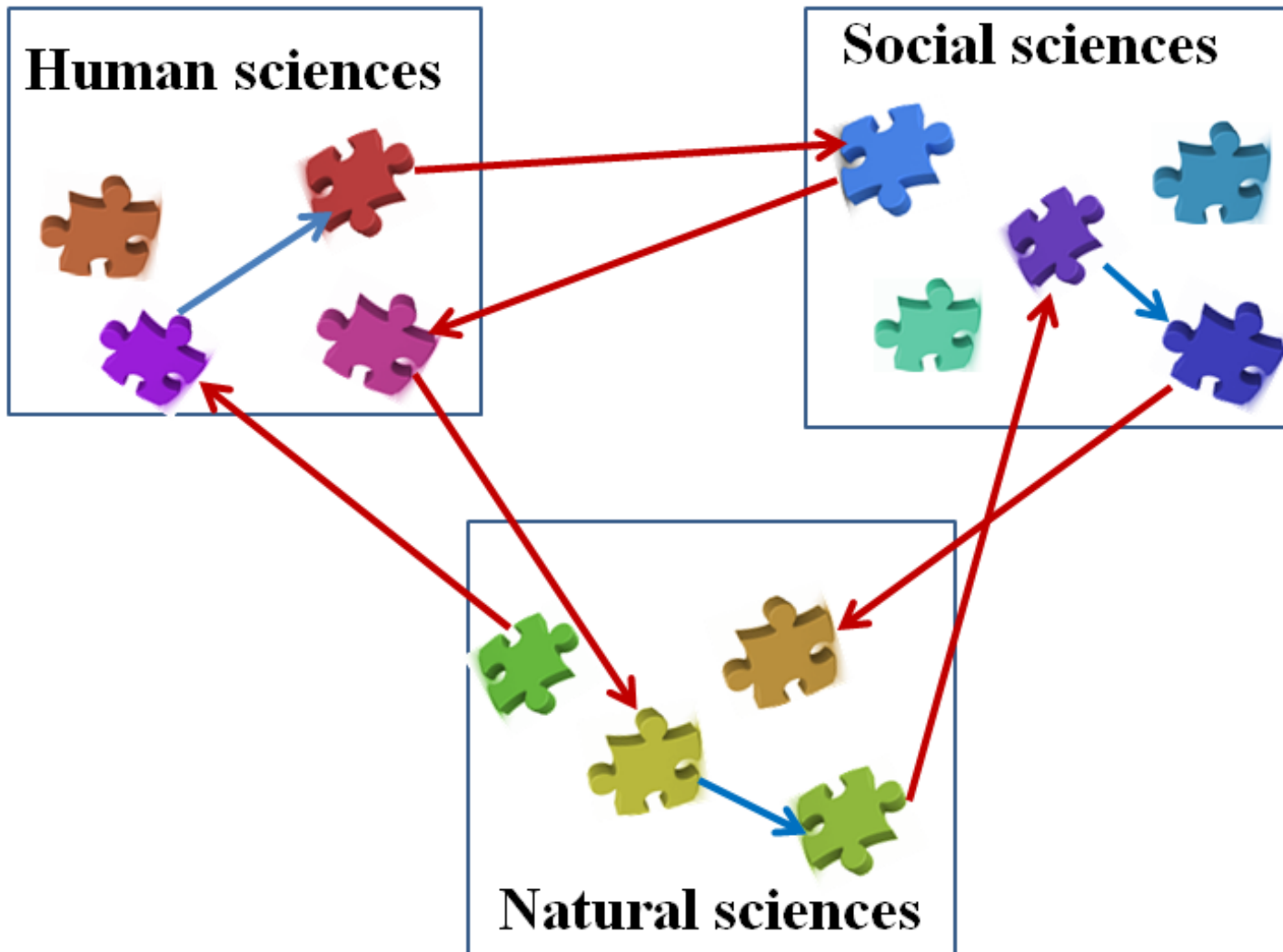


# How **can't** entrepreneurship be developed effectively?

When subjects are translated into formalised courses for teaching, they are often "full" of subject "content". Entrepreneurship outcomes largely remain peripheral (Hannon, 2006) and episodic (Kearney, 1999; Oganisjana, 2006).

# How should entrepreneurship be developed?

- Training for entrepreneurship by necessity must actively deal with the multiplicity of becomings, which is life (Hjort & Johannisson, 2007).
- For that it is essential to build multidisciplinary learning environment, build projects and programmes across disciplines (Wilson, 2008) and make students members of cross-curricula teams (Shacklock et al., 2000).
- Entrepreneurship should be taken out of the "locker room of economics", and based "within a wider interdisciplinary context with a pluralistic and diffused view of society" (Gibb, 2002),



**The model of opportunity identification and creation  
in cross-disciplinary teaching and learning environment  
(Oganisjana & Koke, 2011)**

# Organising teaching and learning according to “The holistic structural–functional model of entrepreneurship”



On a hot summer day (+30 °C) in Jurmala Helen saw a plastic bubble with a man who was trying to keep his balance inside it and “walk ” in the Baltic sea.

# Environment → “Cognition”

## *Physics, environment*

*(analytical, research and problem solving skills)*

1. How did the man feel inside the bubble? Wasn't the air temperature inside the plastic ball higher than +30 °C due to the greenhouse effect?

## *Biology, geometry, algebra, chemistry*

*(analytical and problem solving skills)*

2. How long can a man “walk” in such a ball before he starts to feel the lack of oxygen?



# Environment → “Emotions”

## *English and other languages*

*(language competence and culture of expressing emotions)*

3. Guess how that plastic bubble is called in English; for that use the riddle created by the author:

It's a transparent sphere but it's not a soap bubble,  
It may hold a child inside but it's not a cradle,  
People in it will laugh even when they fall.

This funny plastic bubble is called a **water...**

Express your feelings and tell if you wish to “walk” in such a waterball in different languages you study.

# Environment → “Needs”

## *Social learning, languages, cross-cultural learning* *(analytical, social and language skills)*

**4.** Conduct a research on the role of joy in human’s life? Make a conclusion whether people really need different sources of joy and analyse whether it is worth thinking over the creation of future businesses connected with it. Use proverbs from different countries.

### **Latvia**

We have to take care of a “little boy”, that is “little joy”. We aren’t acquainted with him very well.

Mums jāsaudzē tāds mazs puisītis - prieciņš, mēs viņu maz pazīstam.

### **Russia**

Кто людей веселит, за того весь свет стоит.

He who joys people will always be supported by the whole world.

### **Japan**

One moment of intense happiness prolongs life by a thousand years.



# “Motivation”

*History, sports, economics*

*(analytical, social and research skills)*

5. Conduct a research on the 35-century history of the development of the ball as a source of amusement, sports, joy and business? In the end make a conclusion whether it is correct to think: “There is nothing left for me in this area. Everything has already been done before me”.

**“Motivation” → “Skills” → “Behaviour”**

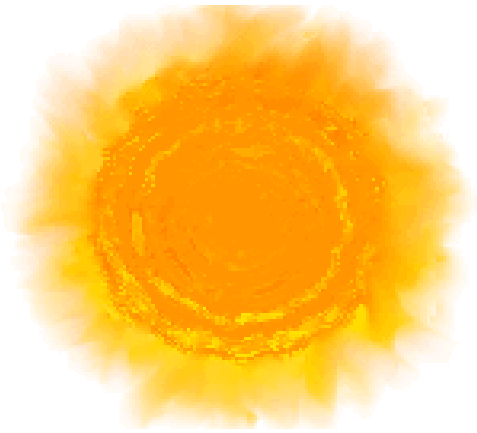
***Geometry, drawing, design, psychology***  
***(creativity, analytical and social skills)***

**6.** Create other means of amusements for moving in different environments being inside or on the “transportation equipment”. Draw the design and present it showing that it really will be wanted and used by people.





Karne Oganisjāna, University of Latvia,  
Faculty of Education, Psychology and Art,  
21 October 2011



**Thank you for attention!**