

# Learning & Employability

SERIES ONE

## Entrepreneurship and higher education: an employability perspective

---

Neil Moreland



## Learning and Employability Series 1 and 2

The Learning and Employability series is primarily intended for staff in higher education institutions who are considering the enhancement of student employability. The publications will also be of interest to colleagues new to the area as well as those who are already engaged in developing employability and who wish to broaden their understanding of the topic.

In response to demand we have updated and reissued a number of titles from the first series of Learning and Employability, originally published by the Learning and Teaching Support Network (LTSN) and the Enhancing Student Employability Co-ordination Team (ESECT). We welcome suggestions for new titles in the series: email [employability@heacademy.ac.uk](mailto:employability@heacademy.ac.uk).

Titles currently available are:

### SERIES 1

**Employability and higher education: what it is – what it is not** (Mantz Yorke)

**Employability: judging and communicating achievements** (Peter Knight and Mantz Yorke)

**Embedding employability into the curriculum** (Mantz Yorke and Peter Knight)

**Entrepreneurship and higher education: an employability perspective** (Neil Moreland)

**Employability and work-based learning** (Brenda Little and ESECT Colleagues)

**Pedagogy for employability** (The Pedagogy for Employability Group)

### SERIES 2

**Work-related learning in higher education** (Neil Moreland)

**Employability for research postgraduates** (Janet Metcalfe and Alexandra Gray)

**Employability and part-time students** (Brenda Little)

**Ethics and employability** (Simon Robinson)

The series editor is **Professor Mantz Yorke**.

The Employability Research and Publications Advisory Board reviews all Higher Education Academy Employability publications, and comprises **Professor Mant Yorke** (Chair), **Professor Peter Knight** (Open University), **Professor Lee Harvey** (Sheffield Hallam University), **Brenda Little** (CHERI), **Professor Kate Purcell** (University of the West of England), **Jane Artess** (Graduate Prospects), **Rob Ward** (Centre for Recording Achievement) and **Val Butcher** from the Higher Education Academy.

Copy-editing has been undertaken by **Dr Donald Millar** (formerly of the University of Leeds) and **Peter Thomas**.

The Learning and Employability series is being extended by the Higher Education Academy and will reflect changing challenges and priorities in the relationship between higher education and the many work opportunities likely to need – or benefit from – graduate or postgraduate abilities.

The views expressed in this series are those of the authors and not necessarily those of the Higher Education Academy.

# Contents

Summary	2
1. Why entrepreneurship?	3
2. What is Entrepreneurship?	4
2.1 Entrepreneurship Defined	
2.2 Entrepreneurship and the self-employed	
2.3 Entrepreneurship and intrapreneurship	
3. The rationale for entrepreneurship in higher education	7
3.1 Forces external to higher education – 1: globalisation, risk, and the need for reflexivity	
3.2 Forces external to higher education – 2: think-tanks, NGOs, and policy influencers	
3.3 Forces external to higher education – 3: government policy and activities	
4. Educational thinking about entrepreneurship: ‘employability plus’	12
4.1 HE curriculum and positioning for entrepreneurship	
4.2 HE curriculum for entrepreneurship: programmes and awards	
4.3 HE curriculum for entrepreneurship: contents, learning and teaching experiences	
5. Conclusion	16
5.1. The desirability/necessity for entrepreneurship as an outcome of higher education	
5.2 Further help and information	
References	18
Notes	20

## Summary

Leadbeater (2000: 227) argues that in the 19th Century, a culture of cleanliness was created to cope with the demands of social and economic change. Today, though, 'To adjust to the increasingly knowledge-driven economy, we have to do the same for curiosity and creativity'. Entrepreneurship is one expression of that drive to create a knowledge society.

This paper argues that entrepreneurship can be seen as a special form of employability. When universities and colleges promote employability, they are also promoting elements of entrepreneurship. However, if this is to lead to self-employment, more is needed. Students need to understand what it means to be self-employed, what sources of help are available and where the main pitfalls lie.

Higher education already does something to meet these needs but provision is restricted and not, in practice, equally available to all students. The lack of systematic research in this area means that there is a shortage of evidence about interesting and effective practices; about 'quality signals' – indicators that provision is of the highest quality; and about the connections between entrepreneurship, employability and mainstream higher education curricula in all subject areas at postgraduate and undergraduate levels.

This paper adds somewhat to our knowledge of what is being done and, in the process, indicates that further engagement with entrepreneurship is highly desirable. The briefing paper begins the task of connecting entrepreneurship – which can be seen as an add-on available to a selection of science and business students – to mainstream undergraduate and postgraduate practice.

A distinctive feature is the recognition that while entrepreneurship often shows up in the form of self-employment, it can also take the form of innovative and creative activity by employees in larger enterprises. We use the neologism 'intrapreneurship' to refer to this and begin to consider how higher education might encourage it.

Of course, as with employability, entre- and intra-preneurship are continuing achievements. Schools and higher education may contribute to innovative and creative practices but they need to take on new forms and to grow throughout life if the benefits are really to be appreciated.

In sum, we argue that it is a mistake to see entrepreneurship as an add-on, offered to a few. Rather, we argue that it will be fostered by approaches to employability such as those described by ESECT<sup>1</sup>. More, then, needs to be available for those who are interested in entrepreneurship as self-employment. Further enquiry may suggest that more is needed to develop notions of intrapreneurship and we know that more generally needs to be done to enhance higher education's contribution to student employability<sup>2</sup>. However, we already

know enough to see how we might confidently proceed. Accompanying research and evaluation will help us to fine-tune our approach.

## I. Why entrepreneurship?

Two main factors lie behind the requirement for Higher Education to take entrepreneurship in its various forms more seriously. The first factor is the overwhelming importance of single person enterprises to the UK economy, such enterprises usually being defined as being run by entrepreneurs. At the beginning of 2002, there were an estimated 3.8 million enterprises in the UK (DTI, 2003a:4). Only 7,000 of these enterprises were large, defined as having 250+ employees. Indeed, only 34,000 enterprises of the 3.8 million employ 50 or more workers. Against that, 68% of all companies in 2002 were single person companies, totalling 2.6 million companies (Weir, 2003). Sole trader status, involving a single entrepreneur, is thus numerically the dominant type of business organisation. As one of the major outcomes of Higher Education is the preparation of graduates to participate fully in the world of work, Higher Education needs to recognise and take on board more fully the significance and incidence of self-employment for the employability aspects of the HE curriculum.

At the same time, it has become increasingly recognised that, 'the education system's potential contribution to making Britain a more entrepreneurial society could be significant but is currently neglected' (HM Treasury, 2002). This is certainly the position of the Labour Government, and particularly the Treasury, which sees small businesses, especially those that grow and employ others, as a major driving force for change in the economy. The 1997 HESA returns note that, 'only 1 percent of graduates become self-employed as against the 55 per cent entering employment'. The situation is not bleak, however, for a 1994 survey of the Shell Technology Enterprise Project (STEP) work placement scheme members suggest that at least 45–48% of graduates are potentially interested in establishing their own business. This implies a large and significant graduate interest in business start-up, but one that has to be cultivated and assisted to reach fruition. The opportunities and support necessary to establish more small businesses amongst graduates are thus essential. At the same time, the range of programmes and awards leading to awards in enterprise and entrepreneurship, whilst impressive, is still very small, and to be found in less than a third of Higher Education Institutions.

The full set of appendices that support this paper are to be found at [www.heacademy.ac.uk/1433.htm](http://www.heacademy.ac.uk/1433.htm). Included at the same website are fuller treatments of the main sections of the briefing paper (for example, on intrapreneurship). In addition, several appendices provide useful supplementary data sets relevant to the briefing paper. Appendix 1 provides the extended bibliography used in the research and writing process. Appendix 2 provides a table of employment trend statistics which show that entrepreneurship in higher education is part of a wider movement towards occupations

requiring graduate-level capabilities. Appendices 3, 4 and 5, derived from UCAS listings, catalogue all the undergraduate and postgraduate awards where the title includes either entrepreneurship or enterprise within it. Most of these awards are linked to another named subject as well, indicating a subject focus to the entrepreneurship studies undertaken with the programmes of study. Appendix 6 contains a listing of a sample of entrepreneur and enterprise modules drawn from the websites of selected universities to indicate that much is going on in supporting students in their studies to consider self-employment that does not lead to named awards in entrepreneurship and enterprise. Appendix 7 contains a description of the Graduate Enterprise initiative, whilst Appendix 8 contains a brief account of the Shell LiveWire programme which is designed to support young people aged 16-30 in considering self-employment as a viable occupational future. Appendix 9 briefly describes the network of science enterprise centres established with central funding from the Office of Science and Technology.

Finally, readers who wish to go straight to the initial consideration of entrepreneurship in the higher education curriculum might like to start with Part 4 of this Guide.

## 2. What is Entrepreneurship?

### 2.1 Entrepreneurship Defined

---

Cantillon first used the term entrepreneur in 1734 to describe a person who bears the risk of profit or loss. In effect, 'entrepreneurs come from all walks of life and have all sorts of backgrounds' (NCE 2003). Because of this, an acceptable definition needs to concentrate upon what an entrepreneur does. On that basis, entrepreneurship initially may be defined as, 'the process of uncovering and developing an opportunity to create value through innovation' (NCE 2003).

This definition of entrepreneurship is useful for the emphasis it places upon:

- Identifying an opportunity for innovation and change, such as setting up a new firm, possibly in a niche market not currently served or served insufficiently;
- Creating a good or service that is valuable (exchangeable for money);
- Having, or developing the capacities (skills, abilities and aptitudes) necessary for success; and
- Being committed to taking up the opening – a form of 'dispositional autonomy'.

Such a definition allows us to locate entrepreneurs across all sectors of society, and not just the economy. Ball (1994) for instance, uses the term 'policy entrepreneur' to refer to a person who identifies and sponsors a development in social or government policy or service provision. Other examples are social entrepreneurs, minority ethnic and female entrepreneurs, and eco-entrepreneurs.

The National Commission on Entrepreneurship (2003) suggests that entrepreneurs typically have all or some of the following characteristics:

- Vision
- Adaptability
- Persuasiveness
- Confidence
- Competitiveness
- Risk-taking
- Honesty
- Perseverance
- Discipline
- Organization
- Understanding

These are in accord with earlier studies of the personal characteristics of entrepreneurs, which saw such traits coalesced into three broad sets, namely (1) personal values such as honesty, duty, responsibility and ethical behaviour; (2) risk-taking propensity; and (3) the need for independence, success and achievement.

The concern with entrepreneurship is thus a subset of employability, given that employability has been defined as:

A set of achievements, understandings and personal attributes that make individuals more likely to gain employment and be successful in their chosen occupations (Yorke, 2004: 7).

In this discussion of entrepreneurship, we shall take the 'chosen occupations' to be self-employment, although an entrepreneurial cast of mind can be a considerable asset in any employment (Gibb, 2002) and is the basis of 'intrapreneurship'. Generally, the typical outcomes of an entrepreneurial higher education can make graduates attractive to companies concerned to utilise the talents and capacities of talented creative graduates.

Of course, higher education can help students develop an entrepreneurial cast of mind, to appreciate some of the practicalities of an entrepreneurial life and to take the first steps to self-employment.

Achievements in this field, though, are not dependent solely upon higher education. In reality, the identification of opportunities for self-employment and the establishment of new companies can arise from a wide range of possibilities such as:

- Higher education academic studies
- Work experiences as part of their degree studies
- Work experiences outside their degree studies, and
- Family and leisure experiences.

Whatever the origin of an entrepreneurial proposal, its likelihood of reaching fruition can be enhanced by the opportunities to research, discuss, try out and enlist practical help and support from higher education, often in collaboration with government agencies such as Business Link ([www.businesslink.gov.uk](http://www.businesslink.gov.uk)).

## 2.2 Entrepreneurship and the self-employed

---

The self-employed constitute the largest category of entrepreneurs. Whilst some people become self-employed because they cannot find work, others view self-employment as a positive career choice, based upon the identification of market niches/opportunities and (often) a desire to be their own boss. Others see self-employment as a career strategy, an aspect of their career path that embraces portfolio working – a working life of different and varied jobs (Griggs, 1997). The statistics for spring 2002 show that one in ten of the working population is self-employed. Of these, one quarter is female. Self-employment rates increase with age (Weir, 2003). The average earnings of the self-employed are £121 per week higher than for employees (as of December 2002). 30% of the self-employed are in skilled trades, with another 18% in real estate, renting and business activities. Managers and senior officials comprise 14% of the self-employed, often bought in by firms on short-term consultancy contracts. Community, social and personal workers comprise another 10% of the self-employed.

## 2.3 Entrepreneurship and intrapreneurship

---

Intrapreneurship is entrepreneurship by employees in existing organisations (Antoncic and Hirsh, 2002: 7). Intrapreneurship involves innovation that departs from previously accepted organisational and behavioural patterns. Intrapreneurship thus refers not only to the creation of new business ventures within existing companies, but also to other innovative activities and orientations such as the development of new products, services, technologies, administrative techniques and strategies.

Intrapreneurship thus has a number of dimensions, these being:

- Capacity for creating new products, services or business processes from existing ones
- Risk-taking and a change orientation
- Pro-activeness, and
- Competitive aggressiveness towards rivals.

The concepts of entrepreneurship and intrapreneurship have a historical lineage that can be traced back to Joseph Schumpeter (1934) and his view of entrepreneurship as a disruptive process leading to the establishment of new organisations and productive processes. If graduates want to work in such innovative intrapreneurial environments,

then it is important for them to develop and utilise a variety of capabilities, such as:

- Initiative
- Working independently
- Team-working
- Working under pressure
- Communication skills,
- Time management
- Adaptability
- Attention to detail
- Taking responsibility and decisions
- Planning, coordinating and organizing.

It should be obvious that these capabilities are increasingly promoted in higher education in general, a point repeatedly made in ESECT papers (see [www.heacademy.ac.uk/866.htm](http://www.heacademy.ac.uk/866.htm)). At the same time, these capabilities are not necessarily regularly and explicitly associated with developing entrepreneurship and intrapreneurship.

### 3. The rationale for entrepreneurship in higher education

In this section we elaborate the general analysis of the forces encouraging higher education to pay more attention to employability and entrepreneurship. Three major external sources of pressure or drivers are considered here. In the next section we consider educational rationales for promoting entrepreneurship, understood as a special form of employability in higher education.

#### 3.1 Forces external to higher education – I: globalisation, risk, and the need for reflexivity

It is clear that the last decades of the twentieth century saw the emergence of globalisation, flexible forms of capitalist accumulation and consumerism as key descriptors of economic life. Whilst the term and realities of 'globalisation' are contested, it is possible to define globalisation in outline as being:

The closer integration of the countries and the peoples of the world which has been brought about by the enormous reduction of costs of transportation and communication, and the breaking down of artificial barriers to the flows of goods,

services, capital, knowledge and (to a lesser extent) people across borders. Globalisation has been accompanied by the creation of new institutions that have joined with existing ones to work across borders (Stiglitz, 2002: 9).

One of the outcomes of globalisation for individuals is that:

A predominant social demand is now becoming even greater than before: an impressive demand for capability that consists of autonomy, adaptability to innovation, the ability to work in groups, acceptance of responsibilities, competence based upon attitudes that guarantee the maintenance and renewal of skills (Lozano, 2002: 145).

Consequently, a society that needs to survive on knowledge creation and innovation in the global marketplace does not need to simply institutionalise periods of instruction (periods of compulsory schooling, for example), but to foster higher and lifelong learning processes, capacities and attitudes in the context of raising the general skill levels of the working population. This can be seen in the table presented in Appendix 2. The data, drawn together by the National Skills Task Force established by the Labour Government in 1998, looks at the long-term changes in skill level requirements of the British economy.

The table in Appendix 2 shows that low-skill occupations (unskilled or semi-skilled occupations) declined as a percentage of all occupations from 40% in 1971 to 35% in 1998. The extrapolated percentage for 2009 is that such occupations will decline further to form 34% of the total occupations. Intermediate skills (skilled manual and technician level occupations) too have shown a smaller reduction over the same period (1971-2009) so that such skill level occupations will form 40% of all occupations in 2009. Finally, high skill occupations (graduate level occupations) show a different trend in that these types of occupations have increased in proportion since 1971, and are expected to continue to grow so that they will constitute 26% of all occupations by 2009. Overall, higher skill level jobs will rise from a fifth of all jobs in 1971 to a quarter of all jobs by 2009. The trend therefore is for skill levels to steadily increase, with a corresponding increase in demand for graduate level qualifications and characteristics such as reflexivity.

That is, a key outcome of higher and lifelong learning processes is the capacity to be reflexive about situations and predicaments experienced by people. Reflexivity may be defined as routinely thinking about – and analysing – existing experiences and perspectives in a way that enhances one's comprehension of them and that helps a person to respond to those experiences and perspectives, producing learning and possibly behavioural change. Reflexivity is thus a key aspect of the USEM model for embedding entrepreneurship within a curriculum designed to promote the employability (see Yorke and Knight, 2004) of graduates. Increasingly, however, in a global world characterised by increasing uncertainty, one such application of reflexivity, is in the management of risks. In risky circumstances,

The task of risk management is to anticipate outcomes of risk situations and to incorporate uncertainty into decision-making. Risk management implies that

undesirable outcomes can sometimes be avoided, and where unavoidable, can be mitigated if connections between cause and effect are made properly (Lozano, 2002: 18).

Perceiving the risks allows one to develop alternative strategies or courses of action that minimise risk and failure should one decide to press ahead with self-employment and establish a private business.

The argument is then four-fold. First, that learning to judge and take risks is a necessary component of entrepreneurship. Secondly, this process involves reflection. Thirdly, that higher education programmes designed to promote good, complex learning can promote both (Knight and Yorke 2002). Finally, that there is the implication that higher education programmes must support students in the early days of their studies and gradually confront them with complex, in-the-world activities that encourage risk assessment and reflection in their studies. Gibb (2002) makes a number of very useful suggestions about things that can be done in the mainstream curriculum to promote these outcomes.

## 3.2 Forces external to higher education – 2: think-tanks, NGOs, and policy influencers

---

There are many ‘think-tanks’, and other non-governmental organisations (NGOs) concerned to promote or support initiatives which encourage the development of an efficient and effective economy. Although they are often concerned with entrepreneurship, their remit runs wider – to employability, education, lifelong learning and the nature of citizenship. For example:

The key asset on which our society rests, economically and socially – knowledge – is created and shared by millions of individual investments across our working lives. How do we encourage millions of people, many of whom hated formal education, to see participation in the circulation of ideas and knowledge as exciting, rewarding and easy? (Leadbeater, 2001: 229).

This is a helpful reminder that while higher education can assist in the development of an entrepreneurial cast of mind, it takes a concatenation of circumstances and drivers to produce entrepreneurs.

One of these organisations is the Council for Industry and Higher Education (see [www.cihe-uk.com](http://www.cihe-uk.com)) established ‘To advance all kinds of learning through the fostering of mutual understanding, co-operation and support between higher education and business’. Its recent publication, *The Value of Graduates* (CIHE, 2003) points out that ‘the more you learn, the more you earn’, and are less likely to be out of work. Additionally, the report

suggests that a 'degree has become an essential prerequisite for a wide range of occupations with labour market boundaries within organisations now less rigid and more permeable than even a few years ago'. *The Value of Higher Education* report also says that,

In a knowledge age the UK rightly values graduates. Evidence suggests that they ... can bring a high-level of skills and understanding and can grow their jobs even when those jobs did not specify that a graduate was needed.... The UK needs more graduates in every walk of life so we can generate the wealth and international competitiveness on which a high quality of life for everyone depends.

Another non-governmental organisation is the Higher Education Policy Institute which published the report on the *Demand for Graduates* (Aston and Bekhradnia 2003). This states that over the next decade, 80% of all new jobs created will demand graduate level capabilities. Entrepreneurs – graduates who start their own businesses – are included in this total.

The National Skills Task Force (NSTF, 2000, 2002) has produced a number of reports germane to the skill needs of the economy and the potential of Higher Education to assist in addressing such needs. For present purposes, the main points are the continuing importance of the development of a 'high quality "mixed economy" system of vocational education and training at Levels 2, 3 and 4 which increases participation and attainment, promotes progression and offers a wide opportunity for all to acquire higher level skills and underpinning knowledge' (NSTF, 2002: 6).

The Government, too, has also established the Sector Skills Development Agency ([www.ssda.org.uk](http://www.ssda.org.uk)) to lead the skill and productivity drives considered necessary for the UK to compete in the global economy. The Sector Skills Councils that are established alongside it have the job of working nationally to identify sector skill needs, including 'high level skills' such as entrepreneurship, and work with the Regional Development Agencies to promote entrepreneurship in the regions.

These and other agencies external to government continue to play an important role in ensuring matters get on to, and remain, in the public agenda for higher education – Higher Education is expected to consult with Sector Skills Councils and Regional Development Agencies on the development of foundation degrees and to work more closely with them in general.

## 3.3 Forces external to higher education – 3: government policy and activities

---

In the 2002 Pre-Budget Statement, the Chancellor of the Exchequer said that the United Kingdom suffers from ‘a weak enterprise culture’. According to the Chancellor, ‘the number of people involved in starting businesses in the UK is about half that of the US’ (HM Treasury, 2002: Para. 3.35). Consequently, the UK needs to embrace more fully ‘a culture of enterprise with proper incentives for entrepreneurial, risk-taking individuals and businesses’ (ibid.). This theme was reiterated in the 2003 Budget statement where the Chancellor said that, ‘the Government is taking action to raise levels of skills in the workforce, including strengthening the links between education, enterprise and employment’ (HM Treasury, 2003: Para 17).

Those concerns are developed and supported by the creation of a Council for Graduate Entrepreneurship which is created jointly by the Department for Education and Skills and the Small Business Service<sup>3</sup>. Two of the key assumptions underpinning the foundation of this Council are:

- Higher education students are unaware of the advantages of establishing their own businesses and becoming self-employed.
- The links between universities and their local business support organisations are often attenuated or absent.

In some universities, such concerns may be being addressed systemically through named award provision at undergraduate and postgraduate levels. Appendices 3, 4 and 5 at [www.heacademy.ac.uk/1433.htm](http://www.heacademy.ac.uk/1433.htm) show that just over 40 universities have awards at either undergraduate or postgraduate level, with over 90 awards in Entrepreneurship and over 80 in Enterprise. Other developments, notably the development of student ‘progress files’ (QAA, 2001a, 2001b) should provide the opportunity for students to be reflective about their achievements, capabilities and occupational goals and help them to plan and act accordingly.

Concurrently, H.M. Treasury asked Richard Lambert to ‘examine how the long-term links between British business and universities can be strengthened to the benefit of the British economy, (Lambert, 2003: 5). After an interim report of findings the final report was published in December 2003 at [www.hm-treasury.gov.uk/media/ea556/lambert\\_review\\_final\\_450.pdf](http://www.hm-treasury.gov.uk/media/ea556/lambert_review_final_450.pdf). In the interim report, Lambert (2003:8) comments that whilst the business respondents were agreed that graduates were generally now better prepared for the world of work, for many business respondents there was a ‘lack of an effective mechanism for industry and universities to identify future skill requirements and to influence course design’. These sentiments were particularly expressed by small and medium enterprises (SMEs). Two points follow. If there is more to be done to secure student employability, then, by extension, there is more to be done to secure all forms of

entrepreneurship, including intrapreneurship. SMEs' concerns may well be with entrepreneurship because entrepreneurship is so crucial to their success and survival. One of the issues the Lambert group explored is the 'extent and effectiveness of current mechanisms by which university programme design, teaching and provision is influenced by the needs of business' (Lambert, 2003: 1), by which is meant all businesses – small and large. White Papers such as *The Future of Higher Education* (2003a) and *Twenty-first Century Skills* (2003b) have made it clear that enterprises should be more involved in these areas of curriculum design. This should be helpful for those keen to make sure that the contribution which HE in general makes to student employability is highlighted in new programmes and existing programmes, and for those anxious to improve support for students and graduates interested in self-employment and other forms of entrepreneurship.

Other parts of Central and Local Government, too, have a role to play. The Department of Trade and Industry, for instance, launched its strategy plan in September 2003, based on the pledge that the Department will 'help people and companies to become more productive by promoting enterprise, innovation and creativity' (DTI, 2003a:1). Indeed, the Government is attempting to utilise similar strategies (supporting entrepreneurship, innovation and change) for the renovation and renewal of public services: 'the outstanding fact that differentiates public entrepreneurs from ordinary managers and politicians is their ability to alter the existing allocation of scarce public resources in fundamental ways' (Antoncic and Hirsch 2003: 8).

## 4. Educational thinking about entrepreneurship: 'employability plus'

### 4.1 HE curriculum and positioning for entrepreneurship

---

The Dearing Report (1997) re-emphasised the importance of higher education preparing students for the world of work. Consequently, one of the tasks of higher education should also be to help individual students to 'position' themselves in relation to self-employment or intrapreneurship. That is, individual HE students should be supported in identifying and in considering self-employment as an option. Whilst some subjects, on the face of it, may be more immediately appropriate for self-employment than other subjects – business studies as against ancient history, for example – the general experience of higher education, regardless of subject, can contribute strongly to successful self-employment.

Students intent on self-employment, moreover, would benefit greatly from university

provision to assist them in deciding their futures, whether this be in the form of core or optional career orientation modules or out-of-class activity that provides the opportunities to brainstorm opportunities, market research them, develop business plans, and discuss such plans with existing entrepreneurs and enterprise mentors as part of their consideration and preparation for a self-employed future. This form of positioning involves practical preparations as well as intellectually appropriate real analysis of business futures.

## 4.2 HE curriculum for entrepreneurship: programmes and awards

---

In the late 1980s, the Department of Employment, concerned to bring higher education and industry into a closer relationship, sponsored the Enterprise in HE initiative, where monies were provided to universities to engage in curriculum development and processes designed to promote a greater sense of enterprise (resourcefulness, energy, imagination and responsibility) in their students. Enterprise activities, often considered as synonymous with entrepreneurship, could be:

- Focused (specified modules or activities with specific groups of students oriented towards the establishment and nurturing of new businesses) or
- Dispersed (the promotion of the diverse achievements that make for success in the labour market in general).

As Hartshorn (2002: 151) notes, 'collectively, we call these achievements 'employability'. In practice, the two approaches (focused or dispersed) are usually complementary: focused modules, provision, and programmes benefit enormously from the dispersed, employability-enhancing work and it, in turn, benefits from the input of those who have participated in entrepreneurial activities, including those arising from the connections with other agencies, businesses and other enterprises that are created through enterprise programmes.

One manifestation of focused activity is the development of specifically named enterprise and entrepreneurship programmes and awards. An indication of the level of current provision is shown in Appendices 1, 2 and 4. The existence of entrepreneurship studies in universities where awards are not named is more difficult to quantify, especially in universities that utilise modular degree systems. Appendix 5, which contains an indicative sample of modules from other universities, shows that there is a lot of activity at the module level. Entrepreneurship is certainly under-represented by the data in Appendix 5 but it would take a substantial enquiry to get a more accurate picture of modular provision. That picture would still exclude voluntary activities such as Shell LiveWire (Appendix 7), operating outside the curriculum, sponsored sometimes by Careers Services, sometimes by student unions, clubs and societies, and sometimes by external agencies.

Data in the appendices suggest that,

- Such named programmes and awards at either undergraduate or postgraduate level are provided by less than one third of the total number of higher education institutions.
- Few higher education institutions use the enterprise or entrepreneur awards widely, preferring instead to retain the awards in a small number of subject areas.
- The preferred subject areas tend to be business or science related subjects.
- Most enterprise and HE award titles are part of dual-subject awards – awards where the title specifies more than one subject in recognition of the balance of studies undertaken in the programme leading to the award.

To re-emphasise, we do have to be careful in interpreting these appendices, for much more is going on within Higher Education than our data shows. Universities may argue that a dispersed approach to entrepreneurship and enterprise – primarily through work to enhance employability in general – means that students do have the opportunity to develop the achievements that go with an entrepreneurial cast of mind, but within the context of the more traditional HE subject curriculum. However, we are not yet so confident that universities and colleges have mastered the employability agenda as to suggest that all students are experiencing good, dispersed provision relating to employability. Many HE students may well be being denied the opportunity to engage intellectually with enterprise and/or entrepreneurship studies, and to have such engagement recognised in their award title.

## 4.3 HE curriculum for entrepreneurship: contents, learning and teaching experiences

---

So, what should higher education be doing about entrepreneurship? We start from the ESECT position that:

- Caring about good learning, teaching, assessment and curriculum is consistent with caring about enhancing student employability.
- Good learning, teaching, assessment and curriculum practices foster achievements valued in the labour market, including entrepreneurship. (Knight *et al.*, 2003.)

Unfortunately, there currently is no system-wide audit available of the actual extent to which such assumptions are accepted, or the ways that such assumptions have informed curriculum development and implementation or learning processes. We therefore suggest, on the basis of ESECT's work on employability, a two-stage account of what HE can do to foster entrepreneurship, principally in the form of self-employment.

First, there is the dispersed provision to enhance employability in general. Amongst the things that ESECT has commended are:

- Organizing the curriculum explicitly to promote the complex outcomes of learning that

employers value (knowledge about and experience of as well as key/generic skills).

- Assessing and recognizing these complex outcomes.
- Personal Development Profiles or Progress Files including a career future focus.
- Organising work experience as an integral part of HE programmes.
- Assessment of Prior Experiential Learning, particularly in relation to previous and current occupations.
- Capitalising on students' other life experiences and achievements, such as voluntary work.
- Extending and integrating careers provision with mainstream programmes.
- Enterprise and Careers clubs and programmes.

Secondly, there should be focused provision to support self-employment. Some research has been carried out (for example, Hartshorn, 2002, in the North East of England) into higher education notions of enterprise, which suggests that enterprise and entrepreneurship are being fostered (in descending order of significance) through:

1. Generic skill development
2. Personal knowledge development
3. Small Business awareness
4. Business start-up, and
5. Enterprise in the community (Hartshorn, 2002:156).

A general concern for employability takes care of the first two. In order to promote the last three, higher education institutions, taking advice from employers, Regional Development Agencies and Sector Skills Councils, will want to consider ways of making widely available to all undergraduates things such as:

- Specialised work experience and matching assessment methods – patchwork assessments (Winter 2003) – for example.
- Enterprise and incubator clubs.
- Instruction on necessary information sources (about enterprise and start-up schemes, taxation, legal and associated requirements).
- Modules on design, marketing, stock control, innovation, networking, etc.

We also mention here three curricular and extra-curricular activities by way of illustration. One example is Graduate Enterprise (Appendix 7), whilst another is organised by Shell LiveWire (Appendix 8). Appendix 9 in turn describes the network of Science Enterprise Centres committed to developing more enterprising science students.

## 5. Conclusion

### 5.1 The desirability/necessity for entrepreneurship as an outcome of higher education

---

Although there is evidence that a significant minority of graduates would be willing to consider entrepreneurship as a route to employment, the proportion of graduates who establish their own businesses and become self-employed is very low.

Building upon that willingness, higher education needs to review and develop further the opportunities it makes available to its students so as to enable them to consider entrepreneurship and self-employment as an option upon graduation. We have identified some ways of beginning to do that.

Higher education can support greater self-employment and can contribute to entrepreneurship and employability in general. It cannot guarantee the outcomes, although it can increase the chances of certain sorts of outcomes arising. Nor does the story end with higher education. Employability and entrepreneurship need to be continuously refreshed throughout a person's working life. Despite the Performance and Innovation Unit's 2001 report on workforce development, we are conscious that we ought to know more about this development process and consider more sophisticated ways of supporting continued employability and entrepreneurship.

There is an obvious starting point in higher education. In this paper, we have begun to distinguish the different sorts and levels of taught provision. However, there is a need to consider in finer detail the different expectations we might have of the contributions that can be made to employability and entrepreneurship by:

- Foundation degrees and Higher National Diplomas (HND).
- First cycle programmes (Degrees)
- Second cycle or taught masters' programmes
- Third cycle or doctoral programmes.

The European Commission (2002) has already developed a vision of the contribution that research training might make to the development of a European knowledge economy.

Two of the competences that it expects researchers to develop and use are:

- Managing projects and leading: being entrepreneurial, whether in self-employment or when working for with-profit or non-profit enterprises.
- Developing foresight, which includes anticipating-risk studies, preparing actions to reduce those risks, and knowing ways of dealing with crises that do arise.
- The suggestion is that work needs to be done to sketch out a developmental sequence to provide dispersed and focused provision to encourage entrepreneurship in all its

forms, and most immediately in its self-employment form.

## 5.2 Further help and information

---

There is a lot of good information and support for new businesses available to budding entrepreneurs. Apart from the references and bibliography sections for literature, every University and Institution of Higher Education has a careers service able to direct enquirers to advice and support available locally. As well as the various examples of projects and support described in the Appendices, there are many other resources. The Department of Trade and Industry, for instance, has just published their No Nonsense Guide to Rules and Regulations (DTI 2003b) available free to all prospective entrepreneurs from their website [www.dti.gov.uk](http://www.dti.gov.uk). Other good starting places include the following websites:

**[www.businesslink.gov.uk](http://www.businesslink.gov.uk)** A Government agency offering help and advice

**[www.sbs.gov.uk](http://www.sbs.gov.uk)** The Government Small Business website

**[www.ukonlineforbusiness.co.uk](http://www.ukonlineforbusiness.co.uk)** Designed specifically for electronic commerce

**[www.fsb.org.uk](http://www.fsb.org.uk)** The Federation of Small Businesses site

**[www.chamberonline.co.uk](http://www.chamberonline.co.uk)** The website of the British Chambers of Commerce

## References

- Antoncic, B. and Hirsch, R.D. (2003) Clarifying the Intrapreneurship concept. *Journal of Small Business and Enterprise Development* **10** (1) 7-24.
- Aston, L. and B. Bekhradnia (2003) *Demand for Graduates: A Review of the Economic Evidence*. London: Higher Education Policy Institute.
- Ball, S. J. (1994) *Education and Reform: A critical and post-structural approach*. Buckingham, Open University Press.
- Council for Industry and Higher Education (2003) *The Value of Higher Education*. London: CIHE.
- Dearing, R. (1997) *Higher Education in the Learning Society*. London: DfES.
- Department for Education and Skills (DfES) (2003a) *The Future of Higher Education* (White Paper). London: DfES.
- Department for Education and Skills (DfES) (2003b) *Twenty First century Skills* (White Paper). London: DfES.
- Department of Trade and Industry (DTI) (2003a) *Prosperity for All*. London: DTI.
- Department of Trade and Industry (DTI) (2003b) *No Nonsense Guide to Rules and Regulations*. London: DTI.
- European Commission (2002) General Report: Chapter III: *The Community Economic and Social Area: Section 7: Enterprise Policy*. Available at <http://europa.eu.int/abc/doc/off/rg/en/2002/somm010.htm>
- Gibb, A. (2002) Creating conducive environments for learning and entrepreneurship: living with, dealing with, creating and enjoying uncertainty and complexity. *Industry and Higher Education*, **16** (3) 135-148.
- Griggs, J. (1997) *Portfolio Working: A practical guide to thriving in the changing workplace*. London: Kogan Page.
- Hartshorn, C. (2002) Understanding notions of enterprise in the higher education sector: *Industry and Higher Education* **16** (3), 149-158.
- HM Treasury (2002) *Pre-Budget Statement*. Available at [www.hm-treasury.gov.uk/pre\\_budget\\_report/prebud\\_pbr02/report/prebud\\_pbr02\\_rep\\_chap3.cfm](http://www.hm-treasury.gov.uk/pre_budget_report/prebud_pbr02/report/prebud_pbr02_rep_chap3.cfm)

HM Treasury (2003) *Budget Statement: Building a Britain of economic strength and social justice*. Available at [www.hm-treasury.gov.uk/Budget/bud\\_bud03/bud\\_bud03\\_index.cfm](http://www.hm-treasury.gov.uk/Budget/bud_bud03/bud_bud03_index.cfm)

Knight, P. et.al (2003) Briefings on Employability 3: *The contribution of learning, teaching, assessment and other curriculum projects to student employability*. Available at [www.heacademy.ac.uk/1434.htm](http://www.heacademy.ac.uk/1434.htm).

Knight, P. and M. Yorke (2002) *Skills Plus: Tuning the Undergraduate Curriculum*. Available at [www.heacademy.ac.uk/945.htm](http://www.heacademy.ac.uk/945.htm).

Lambert, R. (2003) *Lambert Review of Business-University Collaboration*. London H.M. Treasury. Available at <http://www.lambertreview.org.uk> and [www.hm-treasury.gov.uk/media/06729/lambertemergingissues\\_173.pdf](http://www.hm-treasury.gov.uk/media/06729/lambertemergingissues_173.pdf)

Leadbetter, C. (2000) *Living on Thin Air: the new economy*. London: Penguin.

Leadbetter, C. (2001) Learning and Work – Authorship. In Wilson, D. et al. (eds.) *The Future of Learning for Work*. London: CIPD.

Lozano, J. M. (2000) *Ethics and Organizations*. London: Kluwer Academic Publisher.

National Commission on Entrepreneurship (NCE) (2003) *Creating good jobs in your community*. Washington D.C.

National Skills Task Force (NSTF) (2000) *Skills for All: Research Report of the National Skills Task Force*. London, DfES.

National Skills Task Force (NSTF) (2002) *Delivering Skills for All. The Second Report of the National Skills Task Force*. London, DfES.

QAA (2001a) *Policy statement on a progress file for Higher Education*. Gloucester, Quality Assurance Agency for Higher Education. Available from [www.qaa.ac.uk/academicinfrastructure/progressfiles/default.asp](http://www.qaa.ac.uk/academicinfrastructure/progressfiles/default.asp)

QAA (2001b) *Guidelines for HE Progress Files*. Gloucester, Quality Assurance Agency for Higher Education. Available from [www.qaa.ac.uk/academicinfrastructure/progressfiles/default.asp](http://www.qaa.ac.uk/academicinfrastructure/progressfiles/default.asp)

Schumpeter, J. (1934) *The Theory of Economic Development*. Boston, Mass: Harvard University Press.

Stiglitz, J. (2002) *Globalization and its discontents*. London, Penguin Books.

Weir, G. (2003) Self-employment in the UK labour market. *Labour Market Trends*, London,

Office for National Statistics, 441-452.

Winter, R. (2003) Contextualizing the Patchwork text: Addressing problems of Course work Assessment in Higher Education. *Innovations in Education and Teaching International* **40** (3), 112-122.

Yorke, M. (reprinted 2006) *Employability in higher education: what it is – what it is not*. York, Higher Education Academy and ESECT Learning and Employability series

Yorke, M. and Knight, P.T. (reprinted 2006) *Embedding Employability in the Curriculum*. York, Higher Education Academy. Learning and Employability series

## Notes

1. There are three series of papers at [www.heacademy.ac.uk/866.htm](http://www.heacademy.ac.uk/866.htm) which outline ESECT thinking: the Learning and Employability Guides, the Briefings, and the Perspectives series.
2. A 'toolkit' of resources is available at [www.heacademy.ac.uk/866.htm](http://www.heacademy.ac.uk/866.htm)
3. See [www.sbs.gov.uk](http://www.sbs.gov.uk)

## Enhancing Student Employability

There are many definitions of what it is to be 'employable' and views on the processes that develop this attribute. The Learning and Employability Series offers a wide range of perspectives on the employability of graduates, based on the premise that, in higher education, 'employability' is about good learning.

One of many definitions of employability is:

'A set of skills, knowledge and personal attributes that make an individual more likely to secure and be successful in their chosen occupation(s) to the benefit of themselves, the workforce, the community and the economy.'

ESECT was an initiative to support the higher education sector in its efforts to develop highly skilled, employable graduates who can contribute effectively to national prosperity in the 21st century.

ESECT consisted of individuals with extensive experience of employability issues. The team comprised representatives of stakeholder organisations including the National Union of Students (NUS), the Association of Graduate Recruiters (AGR), the Association of Graduate Careers Advisory Services (AGCAS), the Centre for Recording Achievement (CRA) and the Higher Education Academy. It drew on the expertise of key researchers and practitioners in the field including Professor Peter Knight, Professor Lee Harvey, Brenda Little and Professor Mantz Yorke.

ESECT was funded by the Higher Education Funding Council for England between October 2002 and February 2005.

The Higher Education Academy is progressing the work to enhance the employability of graduates developed in partnership with ESECT.

To find out more visit the Higher Education Academy Employability web pages:

[www.heacademy.ac.uk/employability.htm](http://www.heacademy.ac.uk/employability.htm)



Higher education institutions are coming under increasing pressure to ensure their graduates have relevant employability skills. Institutions are also being encouraged to help students develop enterprise skills so that more graduates have the confidence and knowledge to set up businesses.

Senior managers and academics are looking for support at all levels to embed employability and enterprise into the higher education experience.

The Higher Education Academy is committed to helping institutions improve the employability and entrepreneurship of all students. The Academy has worked with a number of partners to provide a range of tools and resources in these areas.

The Higher Education Funding Council for England (HEFCE) funded the Enhancing Student Employability Co-ordination Team (ESECT) to help the sector engage with the employability policy. Its work began in September 2002 and finished at the end of February 2005.

ESECT dovetailed its plans with those of the Academy to provide a one-stop-shop on employability matters. The priority was to strengthen links with others committed to enhancing student employability.

Published by:  
The Higher Education Academy  
Innovation Way  
York Science Park  
Heslington  
York YO10 5BR  
United Kingdom

Tel: 01904 717500  
Fax: 01904 717505  
Email: [enquiries@heacademy.ac.uk](mailto:enquiries@heacademy.ac.uk)  
[www.heacademy.ac.uk](http://www.heacademy.ac.uk)

Entrepreneurship and higher education: an employability perspective  
Learning and Employability Series 1  
ISBN: 1-905788-03-7  
Price: £10.00  
© The Higher Education Academy, April 2006

All rights reserved. Apart from any fair dealing for the purposes of research or private study, criticism or review, no part of this publication may be reproduced, stored in a retrieval system, or transmitted, in any other form or by any other means, graphic, electronic, mechanical, photocopying, recording, taping or otherwise, without the prior permission in writing of the publishers.

To request copies in large print or in a different format, please contact the Higher Education Academy.