

Entrepreneur Education, Learn Before the Leap: A Study on UAE Entrepreneurs (EELL)

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ABSTRACT The prime objective of the current study is to analyse the success rate of entrepreneurs who had formal entrepreneurship education. The second purpose of this paper is to find the factors determining (from education) the success of entrepreneurship education. Entrepreneurship education has grown significantly as manifested in the growth student enrolment and production of formal entrepreneurship institutions. United Arab Emirates (UAE) is not an exception to these developments in higher education. The scope of the current study is limited to UAE. In UAE there are differences in the education specialisations across universities from a single course to a combination of different specialisations. On the other hand, the number of students' interest towards entrepreneurship formal education is increasing day by day. This new phenomena in the study of entrepreneurship is really helping the success of entrepreneurs is a question to argue. Many people in UAE market are still questioning whether entrepreneurship is worth the investment, and whether entrepreneurship formal education enhances the skills and abilities to completely run the business in a successful manner. The current study has been conducted on 140 practicing entrepreneurs in UAE with formal education in order to find the significance of formal education in increasing the success rate of entrepreneurship.

INTRODUCTION

Undeniably, entrepreneurship holds the key to sustainable socio-economic growth and development. An entrepreneur, by definition, takes financial risks in the face of uncertainty to set up an enterprise that will generate revenue. Through entrepreneurship, the national objectives of any country of poverty reduction and employment generation are met. Indeed, entrepreneurship is an issue of particular interest in industrialised nations for it fosters robust economic development. For this reason, entrepreneurship education and training provide budding businesspersons with the knowledge and skills required to calculate financial risks judiciously, and in so doing, launch successful ventures.

Indeed, there is a positive association between entrepreneurial success and economic outcomes (Van Praag and Versloot 2007). Some research studies explored the increased levels of entrepreneurship that can be reached through

education (European Commission 2006) and especially entrepreneurship education. Entrepreneurship education is promoted and implemented into school curricula in many of the European countries (European Commission 2006) and the United States (Kuratko 2005). The main reason for starting these programs from school education is that entrepreneurship skills can be taught and are not fixed personal characteristics.

Admittedly, entrepreneurial talent is not innate but acquired through education and mentoring. The training comprises three categories. First, entrepreneur identification, where one's potential and ability is identified. Second, entrepreneurship as a subject, which teaches skills such as business plan preparation. Finally, entrepreneurship as an activity to train entrepreneurs to execute their business plan successfully. Additionally, businesspersons also learn the skill of teamwork, which will enable them to excel in international entrepreneurship. Training also equips entrepreneurs with the insight to explore opportunities and innovate solutions through start-ups.

Entrepreneurship education has grown significantly as manifested in the growth student enrolment, production of formal entrepreneurship institutions and interuniversity business

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competitions. United Arab Emirates (UAE) is not an exception to these developments in higher education. The scope of the current study is limited to UAE. In UAE there are differences in the education specialisations across universities from a single course to a combination of different specialisations. On the other hand, the number of students' interest towards entrepreneurship formal education is increasing day by day. This new phenomena in the study of entrepreneurship is really helping the success of entrepreneurs is a question to argue. Many people in UAE market are still questioning whether entrepreneurship is worth the investment, and whether entrepreneurship formal education enhances the skills and abilities to completely run the business in a successful manner.

Based on the above research questions the prime objective of the current study is to analyse the success rate of entrepreneurs who had formal entrepreneurship education. The second objective of this paper is to find the factors determining the success of entrepreneurship education. The remainder of this article is organised as follows. The next section provides an overview of literature on entrepreneurship education in general and followed by hypotheses. Then the research method, and results are discussed. Finally, the conclusion and directions for future research are presented.

Review of Literature

Ryan et al. (2011) researched on the entrepreneurial potential of an individual with context to UAE entrepreneurship. After the study including multiple variables such as gender and nationality was conducted, they found that education is also playing an important role in influencing the entrepreneurial potential in individuals in general and UAE Emirati in particular. In contrary to this, Alvi and Sharma (2017) found through their research that most of the start-up entrepreneurs are self-motivated and inspired to become individuals than being driven by academic brilliance. Even gender does not play a big role in entrepreneurship (Majumdar 2013), but Zeffane (2014) found that education and formal training could train the people to focus more on the activities, which are important to increase the entrepreneurship potential.

Jabeen (2017) revealed that the youngsters of the UAE view entrepreneurship as their first career choice, and they do not receive much formal education in entrepreneurship in their high school. Hence, this can be a good place to explore, as the social structure can play an important role and the deciding factor behind the career choice of an individual based out of the UAE. Ferreira et al. (2017) investigated the entrepreneurial motivations and the degree to which they can impact an individual to make the decision regarding investing in an idea (Pittaway and Cope 2013) to become successful in entrepreneurship only having a good knowledge is not sufficient but qualification plays an important role.

Entrepreneurship formal education and training alone cannot create a diversified and knowledge-based economy (Yagoub 2017) and the success of entrepreneurship education and training requires comprehensive strategies over a long period of time. Similar study was conducted by Ogbari et al. (2018) on university entrepreneurship education in Nigeria found that university education inspires the students positively to pursue the aspirations to become entrepreneurs.

Especially in the current time of recession, there is more need of entrepreneurs, who can not only establish themselves as leaders but also create more job opportunities for others. Given the succession of literature concerning the success of entrepreneurs, the current study has been undertaken to find out the role of educational qualification.

Hypotheses

After taking into consideration the above theory and the objectives of the current study, the below hypotheses have been formulated.

H₀₁: Entrepreneurs' success is not associated with entrepreneurship formal education.

H₀₂: There is no positive association between the factors of success and entrepreneurship education

METHODOLOGY

The research evaluated the impact of the entrepreneurship specialisation (in this study it is called formal education) on the success fac-

tors of entrepreneurship. A structured questionnaire has been prepared and tested and adjusted after the questionnaire was used in a pilot study with 21 practicing entrepreneurs. The results of this pilot study have been used to validate the questionnaire and make some changes in the questions based on the results of the pilot study. The respondents in this study are the practicing entrepreneurs in the United Arab Emirates (UAE). UAE is one of the fast emerging economies in the world with a strong success rate. Microsoft Excel and SPSS software have been used to analyse the results of descriptive statistics, standard deviation, correlation and R-squared. This study is based on convenient random sampling technique to collect data. Data collection was a challenge for this study and responses were collected through hard copies of the questionnaire. Mostly, it is like a schedule method of data collection than questionnaire method after taking the prior permission and appointment from the entrepreneurs, asked the questions like an interview and filled the answers. It took more than one year to collect the data from working entrepreneurs due to their availability and convenience.

OBSERVATIONS AND DISCUSSION

Data was analysed using inferential tests, specifically regression analysis. Survey research design was adopted for the present paper where data was collected from a sample size of 140 respondents (practicing entrepreneurs with the formal education from various schools, universities and institutions across the world) comprising 85 males and 55 females, to determine the strategic impact of formal entrepreneurship education on entrepreneurial success. The questionnaire was self-administered to the respondents who willingly filled the research questionnaire. Correlation, R-square and regression analysis were adopted in this study. The researchers established that the respondents were well informed about the background and the purpose of this research and they were kept up to date with the participation process and regime. Every respondent was offered the opportunity to stay anonymous and his or her responses were treated confidentially. Consent was obtained

from the appropriate authorities where copies of questionnaire were distributed.

The results are consistent with contemporary studies like Jabeen et al. (2017). As per the study conducted by Zeffane (2013), there is a strong potential among UAE youngsters towards entrepreneurial skills, and the current study contributes to the potential entrepreneurs. Results disclosed in Table 1 depict that the number of respondents in the age bracket between 36-45 are 75 out of 140, and this indicates that most of the entrepreneurs are middle-aged people. The second majority is of the age of group of 26-35. Male respondents are 85 out of a total number of 140 and academic qualification is bachelor's, which is represented by 73 respondents out of 140. The surprising fact is that the formal education, that is, entrepreneurship specialisation in their academic qualification is possessed by only 4 respondents out of 140, and this is equal to just 2.8 percent. This indicates that the awareness and requirement for entrepreneurship specialisation to become an entrepreneur is negligible criteria. Most of the respondents in this study are successful and continuing the busi-

Table 1: Demographic analysis

<i>Descriptive statistics (Demographics)</i>		
<i>Categories</i>		<i>Number of responses</i>
<i>Age</i>	Below 20	3
	21-25	10
	26-35	35
	36-45	75
	46 above	17
<i>Gender</i>	Male	85
	Female	55
<i>Academic Qualification</i>	High school	35
	Bachelors	73
	Masters	32
<i>Formal Education of Entrepreneur</i>	Ph.D.	
	Yes	4
	No	136
<i>Marital Status</i>	Married	60
	Not married	80
<i>No. of Years of Experience as an Entrepreneur</i>	Less than 5	75
	6-10	15
	Nov-20	25
<i>No. of Employees in the Business</i>	20 +	25
	No employees	42
	01-Jan	51
	16-30	30
	30+	18

ness successfully in the market. There may be business organisations that have not received their targeted profits, but there are no occurrences in this study that businesses are suffering huge losses and are still marking their presence in the market. With this observation and taking into consideration the fact that only 2.8 percent formally specialised in entrepreneurship education. These results are consistent with Jabeen et al. (2017) as these authors also found that most of UAE entrepreneurs have not attended any formal education and training. In UAE, students from specialisations like hospitality and tourism (Ahmad 2015) are not interested to take entrepreneurship as one of the specialisations. This study may change the perception of UAE youngsters towards entrepreneurial ventures.

In this study, the respondents were questioned on their satisfaction levels on various success factors of entrepreneurship (Table 2). The study found that most of the factors risk

measured in terms of standard deviation is less than 1, for example, 0.549 to 0.992, except number of employees which above of 1. This study neglects this factor, as number of employees alone will not have any direct impact on the success of the business, but the factors like, social skills (.723), reputation for honesty (.747), achieve recognition (.572), achieve economic payoff (.733), freedom (.608) and independence (.670).

For the results of correlation (presented in Table 3) among the select variables of formal education, number of years of experience, turnover, achieve personal growth, achieve satisfaction, recognition and economic growth, most of the variables were positive except for those associated. The variables of personal growth and economic payoff are negatively associated.

The first hypothesis (results presented in Table 4) of the present work states that there is no significant association between entrepreneurs' success and the entrepreneurship formal education. Table 5 is a model summary. It shows how much of the variance in the dependent variable (entrepreneurs' success) is explained by the model (elements of the entrepreneurship formal education). The R square value is 0.75, expressed by a percentage. This means that the model (the control variables of the entrepreneurship formal education, which affect the entrepreneurial success) explains 7.5 percent of the variance in entrepreneurial success factors. The adjusted R square shows 0.74 while the standard error estimates designate 0.91104, which signifies the error term that was not captured in the model. Therefore, based on these results, the study rejects the null hypothesis 1 of this study and accepts that there is an association between entrepreneurship education and success of entrepreneurship.

Table 6 shows the assessment of the statistical significance of the result. The ANOVA table tests the null hypothesis to determine if it is statistically significant. From the results, the model in this table is statistically significant ($\text{sig} = .000$) in which the F -value is equal to 17.672 and the p value less than 0.05. The results in Table 6 demonstrate which of the variables included in the model contributed to the prediction of the dependent variable. The study is interested in comparing the contribution of each independent variable the formal education of

Table 2: Entrepreneurship Success Factors

<i>Factors</i>	<i>Std. deviation</i>
Form of business	.802
No. of employees	1.248
Achieve personal growth	.622
Achieve recognition	.572
Achieve job satisfaction	.749
Achieve economic payoff	.733
achieve family business	.778
Have flexibility in life	.716
Avoid gender discrimination at workplace	.992
Family financial needs	.687
Freedom	.608
No limit for growth	.679
Independence	.670
Good management Skills	.622
Charisma, friendliness	.549
Satisfactory government support	.564
Appropriate training	.679
Access to capital	.733
Previous business experience	.736
Support of family and friends	.758
Marketing/Sales promotion	.733
Good product at competitive price	.563
Good customer service	.632
Hard work	.641
Position in society	.698
Maintenance of accurate records	.687
Ability to manage personnel	.698
Social skills	.723
Political involvement	.758
Reputation for honesty	.747

Table 3: Correlation among the Success Factors of Entrepreneurship

<i>Correlations</i>								
	<i>Formal education on entrepreneurship</i>	<i>No. of years of experience as an entrepreneur</i>	<i>Turnover personal growth</i>	<i>Achieve recognition</i>	<i>Achieve job satisfaction</i>	<i>Achieve economic payoff</i>	<i>Achieve family business</i>	<i>Achieve</i>
Formal education on entrepreneurship	1							
No. of years of experience	.059	1						
Turnover	.040	.085	1					
Achieve personal growth	.194	.082	-.073	1				
Achieve recognition	-.345*	.122	-.111	.320*	1			
Achieve job satisfaction	.106	-.151	.229	.533**	.248	1		
Achieve economic payoff	.024	.183	.050	.497**	.066	.604**	1	
Achieve family business	.212	.337*	.162	.138	.328*	.185	.454**	1

* Correlation is significant at the 0.05 level (2-tailed)

** Correlation is significant at the 0.01 level (2-tailed)

Table 4: Model summary of the association between entrepreneurial formal education and entrepreneurship success

<i>Model</i>	<i>R</i>	<i>R square</i>	<i>Adjusted R square</i>	<i>Std. error of the estimate</i>	<i>Change statistics</i>				
					<i>R Square change</i>	<i>F change</i>	<i>df1</i>	<i>df2</i>	<i>Sig change</i>
1	.282	.075	.075	.91104	.075	17.672	2	379	.000

Table 5: ANOVA

<i>Model</i>		<i>Sum of squares</i>	<i>Df</i>	<i>Mean square</i>	<i>F</i>	<i>Sig.</i>
1	Regression	29.467	2	19.467	16.552	.000b
	Residual	309.1123	345	.844		
	Total	338.5793	389			

A Dependent Variable: FB.

B Predictors: (Constant), FD, FC

Table 6: Coefficients

<i>Model</i>	<i>Unstandardised coefficients</i>		<i>Standardised coefficients</i>	<i>T</i>	<i>Sig.</i>
	<i>B</i>	<i>Std. error</i>	<i>Beta</i>		
(Constant)	2.253	.182	.291	12.411	.000
Achieve job satisfaction	.252	.041	.282	5.501	.000
Achieve economic payoff	210	.043	.235	5.461	.001
Achieve family business	.223	.010	.282	5.501	.000
Have flexibility in life	.216	.042	.222	6.421	.000
Avoid gender discrimination at workplace	.305	.048	.278	5.222	.000
Achieve job satisfaction	.298	.139	.297	6.984	.000
Achieve economic payoff	.212	.042	.344	5.334	.000
Achieve family business	209	.130	.223	5.341	.000

entrepreneurship. Therefore, beta values are used for the comparison. In this table, the largest beta coefficient is .291, which relates to level of interdependence between entrepreneurial formal education and entrepreneurial success.

Therefore, the researchers can ensure that the present study rejects the following null hypotheses, that is, *H02: There is no positive association between the factors of success and entrepreneurship education.*

CONCLUSION

From the above results the authors can conclude that entrepreneurial formal education plays a key and integral role in overall entrepreneurship success. Although, to learn how to become an entrepreneur is not a rocket science, as anybody who is passionate to initiate any economic activity, can try to inculcate the entrepreneurial skills for establishing an enterprise, but the rate of success matters. The formal education in entrepreneurship provides the skills to handle different scenarios and critical situations. This study highlights the importance of formal education requirement in the discipline of entrepreneurship especially to those aspiring to become entrepreneurs, that is, learn before leap.

RECOMMENDATIONS

The above conclusion is consistent with the previous empirical studies. Existing literature emphasises that formal education for entrepreneurial activity and economic outcomes. Policy makers also believe that increased levels of entrepreneurship are especially through entrepreneurship formal education subjects. The key finding of this research is that although the youngsters of the UAE view entrepreneurship as their first career choice, they do not receive much formal education in entrepreneurship in their high school. The authors can emphasise that schools and colleges can be a good place to explore the society and understand the existing structure, which in turn helps in deciding the career choice of an individual based out of the UAE.

LIMITATIONS OF THE STUDY AND FUTURE SCOPE

The current study has some limitations. One cannot generalise the results of this study to the entire world, as this study sample is taken only from one emerging economy, that is, UAE. The researchers support and recommend that the present title has potential to explore many more permutations and combinations. There is a lot of scope to enhance the topic with studies on emerging economies, emerged economies and difference between two, higher education qualified entrepreneurs and non-qualified entrepreneurs are some suggestions from the researchers' end.

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