

Contents lists available at ScienceDirect

The International Journal of Management Education

journal homepage: www.elsevier.com/locate/ijme



Is entrepreneurship education reproducing social inequalities among adolescents? Some empirical evidence from Israel



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ARTICLE INFO

Article history: Received 3 February 2014 Received in revised form 25 April 2014 Accepted 25 May 2014 Available online 22 June 2014

Keywords: Entrepreneurial education Junior achievement Israel

ABSTRACT

Evidence of the impact of entrepreneurship education on adolescents, as distinct from general education, on attitudes or perceptions of entrepreneurship has remained relatively inconclusive. Moreover, very little research has been conducted regarding the question whether socio-economic background has an impact on effectiveness of entrepreneurship programs in general and in schools in particular. In this paper we focused not only on the general efficacy of teaching entrepreneurship to adolescents, but we also examined if socio-economic status has a moderating effect on this process.

Longitudinal data were gathered from 19 schools located in different socio-economic environments in the center of Israel, sampling 630 matched pairs of students half of which participated in the "Doing Business" program operated by Junior Achievement Israel, and the other half that functioned as a control group.

Findings showed that when controlling for socio-economic school environments, the program was very effective for pupils in schools located in middle and high socio-economic environments. For pupils from low socio-economic environments, on the other hand, the program seemed to change their entrepreneurial attitudes in the wrong direction. In terms of self-efficacy, perceived feasibility and perceived desirability, participating pupils actually ranked lower after having taken part in the program. Thus, the data show that while the program is very effective for middle and upper class adolescents, encouraging them to become more entrepreneurial, it is detrimental to pupils from lower socio-economic environments, which value themselves with less self-efficacy and see entrepreneurship as less feasible and desirable when they finish the program. Moreover, even their business knowledge does not seem to have improved significantly.

We recommend creating entrepreneurial education programs that are geared specifically to the needs of pupils from lower socio-economic environments.

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1. Introduction

Entrepreneurship is viewed by many as an engine of economic growth; encouragement of entrepreneurial behavior by means of entrepreneurial education is discussed in academic as well as in popular literature (De Grez & Van Lindt, 2013; Van Praag & Versloot, 2007). Research has demonstrated that entrepreneurship can be taught (Drucker, 1985; Kuratko, 2005; Peterman &

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Kennedy, 2003) and that entrepreneurial intentions are a vital part of future entrepreneurial behavior (Collins, Hanges, & Locke, 2004; Krueger, Reilly, & Carsrud, 2000; Markman & Baron, 2003; Zhao, Seibert, & Lumpkin, 2010). Therefore studying the efficacy of teaching entrepreneurship is important and there is an increased awareness of the necessity of entrepreneurship education all over the world (Pittaway, Rodriguez-Falcon, Aiyegbayo, & King, 2011). Despite the recognition that education and prior entrepreneurial experiences influence people's attitudes towards starting their own business, evidence of the impact of entrepreneurship education, as distinct from general education, on attitudes or perceptions of entrepreneurship has remained relatively inconclusive. Following Filion (1994) and Gasse (1985), who maintain that the ideal stage to acquire basic knowledge about entrepreneurship and to foster a positive attitude towards entrepreneurship is during childhood and adolescence, our study concentrates on entrepreneurship education in high schools, by focusing on the most prominent and widest spread program for high school students that exists in Israel, named the "Junior Achievement Israel" (JAI) program.

The initial aim of this study was to examine the impact of the JAI program on adolescent high school pupils. More specifically, we wanted to examine whether participation in the program increases self-efficacy, knowledge, intention and perception of feasibility regarding entrepreneurship among high school pupils that participate in the program. Moreover, we wanted to examine whether entrepreneurship education within the JAI framework was equally effective for all or whether socio-economic background moderated the process.

Very little research has been conducted regarding the question whether socio-economic background impacts effectiveness of entrepreneurship programs in general and in schools in particular. Falck, Heblich, and Luedemann (2012), state that an individual's entrepreneurial identity is shaped by parents and peer groups and that entrepreneurial intention during adolescence is a good predictor of actually becoming an entrepreneur. Therefore, it is important to examine whether the socio-economic status of the family has a moderating effect on effectiveness of entrepreneurship programs in schools. Especially since entrepreneurship and self-employment can be a path for economic advancement for those from lower socio-economic status. Tackling the relation between socio-economic environment and effectiveness of entrepreneurship education can create social mobility and the opportunity to escape an intergenerational cycle of poverty.

The following part of the paper is devoted to explaining the context of our study. In the third part we relate to the literature and develop the hypotheses followed by part four describing data collection, demographics of the sample and measures. The fifth part discusses the results of the study, followed by the conclusion.

2. The context

Junior Achievement (JA) is a "not for profit" organization which was established in 1919 in the United States, originally for the purpose of helping children from rural communities to move to the cities while learning about production and commerce. In time, the organization started focusing on entrepreneurial education for youngsters, by means of volunteers, businesses and the education system. Today, the JA program targets children at different age groups, providing them with experiential learning that enable them to develop the skills they need to experience the realities and opportunities of work and entrepreneurship in the 21st-century global marketplace.¹

Around 1960 the organization became international and today it reaches over 10 million students in 121 countries.² The organization, which enlists help of more than 400,000 volunteers, enables youth to experience the different stages of entrepreneurship and the development of a product and its accompanying business. The pupils usually work in groups under the auspices of volunteers.

JA Israel (JAI) was established in 1998. The Israeli organization which is called in Hebrew "Young Entrepreneurs" operates the "Doing Business" program, which is one of several offered by the international JA organization. In 2013, some 3000 Israeli pupils participated in the Doing Business program. The program, which operates in Israel in middle schools, high schools, and youth centers all over the country, encompasses one school year. In the course of the program the pupils establish business ventures, and thus learn and practice the entrepreneurial process from initial business concept to implementation, including how to operate and manage the business, work as a team, raise capital, choose a product, conduct a market survey, write a business plan, and engage in production, marketing, and sales. At the end of the school year, the business ventures compete in regional, national and international competitions, based on the product they have developed during the year. The pupils, who develop the goods and services themselves, are responsible for the ventures' development and financial success. An educational advisor from their school, a volunteer business mentor and a university student who acts like a trainer, assist the adolescents. The program operates in accordance with the leadership guidelines set by and under the professional supervision of JAI.³

2.1. Entrepreneurship in Israel

Since the 1990s, Israel has emerged as a global center of innovation and growth (Saxenian, 2006; Senor & Singer, 2009). At the end of the 20th century, around one million Eastern European Jews, mainly from the former Soviet Union, started arriving

¹ https://www.juniorachievement.org/web/ja-usa/home Accessed January, 26, 2014.

² https://www.jaworldwide.org/inside-ja/Pages/Our-Locations.aspx. Accessed January 26, 2014.

³ http://www.yazamim.org.il/plan/. Accessed January, 26, 2014.

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