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### **EXPLOITING GROWTH POTENTIALS OF FIRMS: ENTREPRENEURIAL MANAGEMENT EDUCATION AS A NEW APPROACH**

**Dr Kerstin Wagner, Professor of Entrepreneurship  
Swiss Institute for Entrepreneurship  
University of Applied Sciences Chur**

Comercialstr. 22; CH-7000 Chur  
Switzerland

Tel: +41 81 286 39 82 Email: [kerstin.wagner@fh-htwchur.ch](mailto:kerstin.wagner@fh-htwchur.ch)  
Website: [www.sife.ch](http://www.sife.ch)

**Dr Markus Seitz, Director of Studies  
Executive MBA HSG  
University of St. Gallen**

Holzstrasse 15b; CH-9010 St. Gallen  
Switzerland

Tel: + 41 71 224 2711 Email: [markus.seitz@unisg.ch](mailto:markus.seitz@unisg.ch)

**Dr Andreas Ziltener, Professor of Management  
Swiss Institute for Entrepreneurship  
University of Applied Sciences Chur**

Comercialstr. 22; CH-7000 Chur  
Switzerland

Tel: +41 81 286 39 73 Email: [andreas.ziltener@fh-htwchur.ch](mailto:andreas.ziltener@fh-htwchur.ch)

## Abstract

In the course of globalisation, managers as well as entrepreneurs act within dynamic and cross-linked markets. The complexity of markets and environments is steadily growing, organisation structures develop into more flexible hierarchies and market mechanisms are reflected in corporate structures. Firms do increasingly search for managers with entrepreneurial mindsets and characteristics far beyond the traditional role of a manager as a trustee and optimizer. A typical manager will change to an entrepreneurial manager or corporate entrepreneur. In contrast, nascent entrepreneurs plan to sharpen their entrepreneurial sensitivity, but also to professionalize their management and leadership abilities.

Business schools' and universities' education offerings and advanced trainings do not sufficiently account for recent developments of dynamic and globalised market. Two different concepts still do co-exist: the traditional management education and the entrepreneurship education. On the one hand, management education, in particular the (Executive) Master of Business Administration (EMBA), provides a valuable range of knowledge, necessary for managers to become more efficient. The job of a manager is to analyse and deal with issues related to strategy, leadership, finance, human resources, tax, markets, products, customers and competition. On the other hand, there is entrepreneurship education aiming at the realisation of new ideas and the identification of new business opportunities. It seeks to provide the knowledge and skills to encourage entrepreneurial activity. Entrepreneurship education promotes the set up of new ventures and supports general employment prospects of graduates by developing an entrepreneurial orientation within existing firms (Kuratko, 2005).

The core topics of management and entrepreneurship are located in the wide field of general management. But there are considerable differences in managerial and entrepreneurial competencies and the intention of managers and entrepreneurs. The intention of entrepreneurs is not to learn how to manage a firm or become a manager, but to learn how to find and realise appropriate opportunities (Fayolle, 2006).

By using a dataset from an empirical survey of 219 participants of entrepreneurship and EMBA programs at five universities in Switzerland, we empirically analyse if

- there are differences in motives between participants of managerial and entrepreneurial education programs,
- there is a relationship between motives, entrepreneurial intentions and the selection of a entrepreneurship or management education program, and
- both groups differ in the entrepreneurial leadership and the administrative management abilities.

As a result, there are three main issues in order to increase the efficiency and sustainable success of both managerial and entrepreneurial education: a) the matching of applicants and educational programs in the pre-education phase, b) the individual benefit for participants in the education as well as c) a careful evaluation of graduates on a regular basis in the post education phase.

Encouraging the formation of new firms, problem-based coaching and transfer-oriented mentoring of entrepreneurs are especially important in times of a poor state of the economy. Conceptualizing, implementing and evaluating managerial and entrepreneurial education in line with the programs' goals and participants' needs is thus essential, no matter whether their contents are addressed to managers, entrepreneurs, entrepreneurial managers or corporate entrepreneurs.

## 1. Introduction

According to an ongoing globalisation, managers as well as entrepreneurs act within dynamic and cross-linked markets. The complexity of markets and environments is steadily growing, organisation structures develop into more flat hierarchies and market mechanisms are imported into corporate structures. Firms do increasingly search for managers with entrepreneurial mindsets, experiences and competencies, which go far beyond than the traditional role of a manager as a trustee and optimizer. A typical manager changes into an intrapreneur, entrepreneurial manager or corporate entrepreneur (Stevenson, 1999). Instead, persons with entrepreneurial intentions and nascent entrepreneurs plan to sharpen their entrepreneurial sensitivity, but also to professionalize their management and leadership competencies and abilities.

Business schools' and universities' offering of business education and advanced training do not account enough for recent developments of dynamic, globalized market. Two different and separated concepts still do co-exist: the traditional management education and the entrepreneurship education. Management education, in particular the (Executive) Master of Business Administration (EMBA), provides a valuable range of knowledge, necessary for managers to become more efficient, by using a considerable base of advanced knowledge, skills and competencies. Some programs have unique features, but have a common base within the curriculum of the programs required for effective performance in managerial roles (Baruch and Blenkinsopp, 2007). The job of a manager consists in analysing and dealing with different business issues like strategy, leadership, financial, human, technical, legal, market, product, customer and competition related issues in an efficient way.

Entrepreneurship education is aiming at the realisation of new ideas and the identification of new business opportunities. It seeks to provide the knowledge and skills to encourage entrepreneurial activity. Entrepreneurship education promotes the set up of new ventures by students and supports general employment prospects of graduates by developing an entrepreneurial orientation within existing firms (Kuratko, 2005). While entrepreneurship education is focussing on the realisation of new opportunities, management education focuses on the best way to operate with existing processes and structures. New business entry is a fundamentally different activity than managing existing business (Gartner and Vesper, 1994).

The core competencies of management and entrepreneurship are located in the wide field of general management, but there are considerable differences in managerial and entrepreneurial competencies in the one hand and the intention of managers and entrepreneurs in the other. The intention of entrepreneurs is not to learn how to manage a firm or become a manager, but to learn how to face problems and find appropriate solutions (Fayolle, 2006).

Traditional executive MBA students choose a program according to the following criteria: First, a valuable range of knowledge necessary for effective performance of managerial roles is provided. To reach managerial positions or to progress faster on managerial ladders is to graduate in a MBA as it still today the flagship of business education (Baruch and Blenkinsopp, 2007). Second, recent studies indicate, that MBA graduates can significantly improve their level of earnings (Merritt and Chambers, 2004; Moldoveanu 2008). Although the evidence suggests, that the financial value of the MBA has declined with the rising numbers of graduates entering the market each year, but the return of investment is still positive. Even accounting the full cost of studying and the outfall of earnings during the studies, an MBA helps to improve income (Baruch and Blenkinsopp, 2007). Third, performance assessment of potential EMBA students is made to test the abilities in general, but applicants are only rarely chosen due to real or potential entrepreneurial leadership qualities and business administration abilities as a selection criterion (Mintzberg, 1991). Participants of entrepreneurship education, in particular those in the field of vocational training, choose to participate in courses due to their general interests as well as desire and plans to set up an own business.

While career choice is one indicator for the selection of a program, we indicate that certain entrepreneurial and professional motives, entrepreneurial intentions as well as management and leadership abilities are also relevant indicators for the selection of programmes. There is a close link between career selection processes and motives, as they both are the outcome of personality (such as personal characteristics), socio-demographical and environmental influences. While career choice selection processes focus more on external selection criteria, motives are more internally driven.

Different entrepreneurial and professional motives could indicate that participants are choosing suitable programmes for themselves. According to the established entrepreneurship literature,

motives could be *i*) self-realisation and independency, *ii*) enhanced status and income; *iii*) economic contribution and impact, *iv*) upholding tradition and securing income. While motives of an entrepreneur are often identical with the goals of the new firm (or evolve out their of personal motives), personal goals of manager are often different to firm goals. It also indicates, that even if a traditional manager is not an entrepreneur, it does not explain by which motives he is driven by.

In this paper, we discuss the nature of individuals career selection and program selection processes of entrepreneurship and MBA students of advanced vocational training and investigate the relationship between these factors. The central hypothesis of this paper is, that entrepreneurial and professional motives, intentions and experiences as well as socio-demographic characteristics do not make a significant difference between the participants of both programs. Both programs attract typical types of people of the other group and vice versa. This has an impact on the content and structure of entrepreneurship and management education programs.

By using a dataset from a empirical survey of 219 participants of entrepreneurship and EMBA programs in 2008, we empirically analyse if

- there are differences in motives between participants of managerial and entrepreneurial education programs,
- there is a relationship between motives, entrepreneurial intentions and the selection of a entrepreneurship or management education program, and
- both groups differ in their the entrepreneurial leadership and the administrative management abilities.

The article is structured as follows; the next section discusses the nature of EMBA and entrepreneurship education programs as well as the factors, which influence the outcomes such as motives, intentions, and career and program selection processes. We provide empirical evidence from Swiss participants of both programs. We conclude with a summary, followed by policy and education implications.

## **2. Theoretical Background**

The conceptual framework of the empirical study draws on the analysis of the influence on career choice, which are established from exogenous and endogenous contextual situations. Studies of the selection process for certain education program, as well as career preferences, are mainly based on socio-demographical approaches, personality traits, actual disposition of individual human capital and entrepreneurial/professional motives. More studies concentrate on the impact of the characteristics of an entrepreneur on managerial or entrepreneurial performance, than of prospective manager (Chimo-Vugalter and Lerner, 2007). When taking a look at both streams of education, there are differences in their evolvement and their history.

Both types of education have their roots in the US, where business management education evolved in the early twentieth century. In the 1970s, MBAs have been established within business schools in the UK, and later in the 1980s in other European universities. Today, there are over 120'000 graduates in the US and over 10'000 in the UK each year (Baruch and Blenkinsopp, 2007). Business education is very heterogeneous as it varies between full-time and part-time, executive and consecutive, case-study vs textbook based, etc. The decision to enroll on a (executive) MBA program includes a major financial undertaking. Therefore, the perceived impact on future career prospects will play a significant role in decision-making. MBA students choose according to different criteria:

Firstly, a valuable range of knowledge necessary for effective performance of managerial roles is provided. To reach managerial positions or to progress faster on managerial ladders, graduating in a MBA is the flagship of business education (Baruch and Blenkinsopp, 2007).

Secondly, recent studies indicate, that MBA graduates can significantly improve their level of earnings (Merritt and Chambers, 2004; Moldoveanu 2008). Although evidence suggests that the financial value of the MBA has declined with the rising numbers of graduates entering the market, its return of investment is still positive. Even accounting for the full cost of studying and the loss of earnings, an MBA helps to improve income (Baruch and Blenkinsopp, 2007). In the annually published Financial Times Ranking on MBA programs, the increase of income is still the most relevant criteria.

Third criteria, performance assessments of potential MBA students are made to test the abilities to eventually graduate in a MBA programme. Often, performance assessments of participants are not made according to certain management and leadership abilities. Applicants are only rarely chosen

due to real or potential entrepreneurial leadership qualities and management abilities as a selection criterion (Mintzberg, 1991). Hence, even with no formal professional qualifications and no fulfilling of a managerial role, the MBA is a prerequisite for managerial tasks and the closest alternative and a proxy for such a career (Baruch and Blenkinsopp, 2007).

Entrepreneurship education was first held at Harvard Business School in 1947 and now is well established in many European universities for advanced vocational training. Entrepreneurship education seeks to raise the awareness for entrepreneurship and to provide the knowledge and skills to encourage entrepreneurial activities. Entrepreneurship education has been widely established at European universities since they also play a key role in developing academic spin-offs. What makes entrepreneurship education distinctive, is the focus on the realisation of new opportunities, while management education focuses on the best way to operate with existing processes and hierarchies. A new business entry is a fundamentally different matter, than managing an existing business (Gartner and Vesper, 1994). Such education does also include courses dealing with soft-skill development e.g. negotiation, leadership, creative thinking and opportunity identification (Kuratko, 2005).

Because education and training supports the creation and establishment of new ventures, it is obvious, that courses and programs are much closer connected to real business activities than other traditional academic disciplines. Action-oriented teaching is given through the development of business plans for (their own) start-ups, which allows students to integrate accounting, economics, finance, marketing, and other general business subjects.

Target groups of entrepreneurship programs are not only reduced to those who intend to start up a business- nevertheless, it is to be assumed, that the number of students planning to become self-employed, is relatively high in those programs of advanced vocational training.

Occupational careers of managers and entrepreneurs are developed through the interaction of individual and organisational career logics (Gunz 1989). Baruch and Blenkinsopp, (2007) analyse the benefit of management education according to career orientation (general managers, entrepreneurs). For general managers, management education is an obvious career choice, except the organisation places no attention to further management education. Even if those who have reached their present position without formal qualifications only based on experience and track records, there is a trend towards higher qualifications as an essential entry requirement. On the other hand, entrepreneurs' benefits out of management education are closely related to their input in the firm. In small firms, where the professional and technical expertise of the entrepreneur is the major competitive advantage, management education is of limited benefit. With company growth, the entrepreneur could more contribute to running the business and benefits from education may make significant contribution to firm's performance (Baruch and Blenkinsopp, 2007).

Before we examine the empirical study, in the following section the contextual situation for the selection of a program from a theoretical point of view is described.

### **Contextual Situation**

The relevance and impact of socio-demographic variables, such as parental occupation, gender, education, human capital, work experience, and psychological profile in explaining entrepreneurial careers, have often been studied. (Delmar/Davidsson 2000). Research on family backgrounds shows a strong relationship in becoming an entrepreneur. Empirical evidence for the influence of the parental role model and preference for self-employment career has been reported in various studies (Scott/Twomey 1988; Scherer et al. 1989; Dunn/Holtz-Eakin 2000; Parker 2004). According to Bird (1993), it is the choice of the entrepreneurial path that distinguishes entrepreneurs from managers. Research on female business starters shows a substantial overrepresentation of males among business founders in most countries (de Wit/van Winden 1989; Davidsson 1995; Matthews/Moser 1995; Reynolds et al. 2004). Scherer et al (1990) refer to studies which have established that women have lower perceptions of self-efficacy for careers in which they are underrepresented.

From the human capital perspective, an individual's ability to start a company is not decisive, but rather the commercial potential of that individual's human capital resources with respect to various career alternatives (Becker 1964, 1976; Mincer 1974; Schultz 1960). Adopting this approach with regard to entrepreneurs and the decision to start a company, human capital components take on a central role. Preisendörfer and Voss (1990) distinguish between industry experience and entrepreneurial experience. Industry-specific human capital is required due to the critical importance

of product, service and market-relevant knowledge; and an ability to gauge market potential for building up a company and its products.

Entrepreneurs with vast experiences in their industry will always have a more mature network of relevant industry contacts. Prior entrepreneurial experience is one of the most consistent predictors of future entrepreneurial performance (Singer 1995). It has to do with decision-making in the face of unknown risk potential, with leading employees and with cultivating relationships with suppliers, customers and business partners. Experienced entrepreneurs are more likely to avoid mistakes than entrepreneurs with no prior entrepreneurial experience. Empirical studies show a clear relationship between (higher) education, industry experience or background and entrepreneurial performance (Schmidt-Rodermund and Silbereisen 1999; Brandstätter 1999; Brüderl et al. 1998). The general significance of qualifications and experience clearly shows a positive relationship between the duration of professional education/training of the founder and the probability of starting a company. Hinz (1998) concludes that individuals with a graduate degree are more inclined towards entrepreneurship and likely to start a company, although the relationship is not linear. Entrepreneurs tend to be individuals with a more hands-on educational background (vocational school, technical college, etc.) than an academic background. Empirical studies have not conclusively shown whether a university degree increases the prospect of success of an entrepreneurial venture (Brüderl et al. 1998). There is no doubt to the positive impact of industry experience; or inversely, of the negative impact of an entrepreneur, having a little or no industry experience. Looking at entrepreneurship from the standpoint of human capital, it shows that prior (industry and entrepreneurial) experience increases both, the likelihood of starting a new venture and the prospects for the success. Brüderl et al. (1998) characterise the profile of a potentially successful entrepreneurial individual thus: *“Knowledge of and experience in the industry in which the start-up company is to operate, prior experience as an independent business person, preferably in the same industry as the start-up company; entrepreneurial/independent parents; solid business management competency”*.

Human capital approaches provides substantial insights to explain entrepreneurial activity. The individual consciously assesses his or her human capital resources as to their potential for a positive financial impact if applied in an entrepreneurial scenario. The decision to enter self-employment is thus the result of a conscious decision taking into account one's competencies and experience.

Based on the career preferences, on socio-demographic variables and certain personality characteristics, the entrepreneurial and professional motives evolve

### **Entrepreneurial and Professional Motives**

Taking in account all determinants of personal characteristics, there is a wide range of attitudes; out of which entrepreneurial intentions and motives evolve. Much of the literature has been devoted to identifying and describing entrepreneurial drivers and why individuals plan to become entrepreneurs or not. From an economic perspective, it is argued, that an individual will choose to become self-employed, if the expected life-time utility from self-employment is greater than the life-time utility from dependent employment. Entrepreneurs can be defined as persons who are creative in finding ways to add their own wealth, power, and prestige. According to Baumol (1990), individuals choose to be entrepreneurs when or because their utility (from wealth, power, and prestige) is maximized by doing so. There is evidence, that non-monetary reasons for being self-employed play a much greater role, than monetary aspects. There is doubt on the suggestion, that people mainly choose self-employment as a means of gaining higher income, than they could achieve as a normal employees (Douglas/Shepherd 2002; Parker 2004).

Based on a great number of various empirical studies, four major entrepreneurial motives can be distinguished, which can also be seen as professional motives (Schumpeter 1952; Parker 2004; Lafuente and Salas 1989; Frank et al. 1999; Freiling 2006, Douglas and Shepherd 2002):

- a) self-realisation and independency,
- b) economic contribution and impact,
- c) enhanced status and income;
- d) upholding tradition and securing income.

Schumpeter (1952) was one of the first to identify entrepreneurial motives as major drivers to characterise entrepreneurial types. A family of motives is the joy of creating something new and of self-realisation. Here, the main motivating force is the realisation of own ideas. Recent studies also

support the importance of independence, the single most important reason for entrepreneurship (Parker 2004).

The second motive has to do with a strong desire for success and the joy of finding new solutions as major drivers for becoming self-employed. These are bound up with an interest of having an impact on economy and society and taking responsibility of other people and the entrepreneurial risk by solving problems. This motive is characterised by a growth orientation.

The third motive, enhanced status and income, is the desire for heightened prestige, status, increased income and/or the fulfilment of certain needs. It is the desire to establish its "own empire". The fourth motive is of preserving structures and upholding or continuing certain traditions, often manifest in the continuation of family businesses over several generations. Also belonging to this family of motives, the considerations of security in the form of income are relevant. It is also the nature of occupation, in a way reflecting the fact that self-employment is the only mode of employment in some occupations (e.g. forestry) (Parker 2004).

In the following empirical work, we test whether these motives are only to be found with entrepreneurs or can also be identified with (prospective) managers, identifying how the different motives are considered by both groups.

### **3. Empirical Work/ Methodology**

A survey was conducted with EMBA and entrepreneurship participants attending advanced vocational training programs in Switzerland (n=219). Advanced vocational training does play an important role in the Swiss academic environment, in terms of a substantial secondary education for each personal, academic and professional development. We choose the two different target groups of the sample. Based on a written questionnaire, the students of the two target groups are surveyed. In the survey, chosen Entrepreneurship programs do not only focus on entrepreneurship contents, they also include thematic issues (such as medicals, lawyers, engineers, and other commercial occupational groups etc.) and contain strong issues of entrepreneurship (such as business planning, idea generation). In this group, 92 students are surveyed.

The second group consist of 127 participants in general management programs (EMBA) in St. Gallen, Zurich, Rapperswil and Chur. In general, EMBA students are required to have an academic degree, several years of work experience and a management position for at least two years. In addition, Executive MBA students have to pass an assessment test before enrolling on a program.

#### **Sample description**

The sample composition is shown in table 1. It shows that respondents were predominantly male. The study further indicates an overall average age of 34, while an average MBA student is 38 years old and the entrepreneurship student age 29. The current job status and work experience of the samples are also congruent with the age profiles of the respondents. MBA students are more likely to have employment experience- over 60% have work experience of 10 years and more- and almost all were doing paid work (employed or self-employed). In contrast, 56% of entrepreneurship participants are still in education of a first degree (Bachelor, Master or Ph.D), and their table of work experience shows a very mix picture.

**Table 1: General Characteristics of Sample**

	EMBA	Entrepreneurship	Total
<b>Sex</b>			
Male <sup>a</sup>	107	62	169
in %	85.6	69.7	79.0%
Female <sup>a</sup>	18	27	45
in %	14.4	30.3	21.0%
<b>Age</b>			
Mean	38.3	28.5	34.2
Min.	29	19	19
Max.	55	60	60
<b>Highest level of graduation</b>			
Secondary school diploma	1	3	4
in %	0.8	3.5	1.9
High school diploma	0	33	33
in %	0	38.4	15.6
Post-secondary (vocational school) degree	32	6	38
in %	25.6	7.0	18.0
Post-secondary (university) degree	72	35	107
in %	57.6	40.7	50.7
Doctoral level	20	9	23
in %	16.0	10.5	13.7
Missing	2	6	8
<b>Current job status</b>			
Employed	108	14	122
in %	87.8	15.7	57.5
Currently unemployed	3	0	3
in %	2.4	0	1.4
Self-employed	10	6	16
in %	8.1	7.6	7.5
Temporary employed	2	19	21
in %	1.6	21.3	9.9
Student/-in	0	50	50
in %	0	56.2	23.6
Missing	3	4	7
<b>Work experience (in years)</b>			
No work experience	0	42	42
in %	0	46.7	19.5
Up to one year	0	7	7
in %	0	7.8	3.3
1-3 years	2	10	12
in %	1.6	11.1	5.6
3-5 years	4	10	14
in %	3.2	11.1	6.5
5-10 years	42	11	53
in %	33.6	12.2	24.7
More than 10 years	77	10	87
in %	61.6	11.1	40.5
Missing	1	3	4
<b>Total frequencies</b>	125	89	214

Note:

<sup>a</sup> First row shows frequency; second row shows percentage within group.



With regard to the entrepreneurial attitudes of the sample and the rate of nascent entrepreneurs results show very mixed results in both groups (table 2). Nascent entrepreneurs are identified according to the Global Entrepreneurship Monitor (GEM) project. They are classified as nascent entrepreneurs if they are alone or with others actively involved in starting a new business that will at least partly belong to them; and they should not have paid full time wages or salaries for more than three months to anybody (Reynolds et al. 2004). Nascent entrepreneurs are in the stage of preparing activities, searching a firm location, organizing a start-up team, developing a business strategy, or negotiating for financial capital. In this stage, it is not defined whether nascent entrepreneurs will ever actually start their own firm. Although the share of nascent entrepreneurs is higher in the entrepreneurship group (68%) and less participants of the MBA group already have made entrepreneurial experiences in the past. In both groups there is a number of students already running their own business (7-8 %).

**Table 2: Entrepreneurial experience**

	EMBA	Entrepreneurship	Total
<b>Nascent entrepreneurs</b>			
Yes	26	61	87
in %	20.6	67.6	40.3
No	100	29	129
in %	79.4	32.2	59.7
Missing	1	2	3
<b>Own business running</b>			
Yes	10	6	16
In %	8.1	6.7	7.5
No	117	86	203
in %	91.9	93.3	92.5
<b>Entrepreneurial experience in past</b>			
Yes	27	22	49
in %	21.6	25.0	23.0
No	98	66	164
in %	78.4	75.0	77.0
Missing	2	4	6
<b>Total frequencies</b>	<b>127</b>	<b>92</b>	<b>219</b>

Note:

<sup>a</sup> First row shows frequency; second row shows percentage within group.

Concerning the motives of entrepreneurs, there is evidence that non-monetary reasons play a much greater role than monetary aspects. There is quite some doubt on the suggestion that people mainly choose self-employment as a means of gaining higher income, than they could attain as employees (Douglas/Shepherd 2002; Parker 2004).

We tested whether these originally entrepreneurial motives can only be found with entrepreneurs or also can be identified with (prospective) managers. We also analysed the different motives within both groups. Based on a great number of several empirical studies, the entrepreneurial motives given are also being seen as professional motives. Agreement on motives was surveyed in both groups, prospective entrepreneurs and prospective managers concerning:

- a) Motive 1: self-realisation and independency
- b) Motive 2: economic contribution and impact
- c) Motive 3: enhanced status, prestige and income
- d) Motive 4: continuing tradition and securing income, nature of occupation

Statements are measured on agreement reflecting these four motives, by a 1 (strongly disagree) to 4 (strongly agree) Likert scale. The majority in both groups correspond with the statement which is reflecting motive 2 (taking responsibility for entrepreneurial risks, carry out impact on economy and society, growth orientation, problem solving). In second place, both groups agree to the statement reflecting motive 1 (Realization of own ideas, creation of something new, joy of self-realisation, importance of independency). Surprisingly, even the MBA students prefers the motive of self-realization more than the motive of gaining higher income, heightened status and prestige (motive 3), which is ranked as 3rd preferred motive.

Most interesting, comparing statements on agreements reflecting the four motives, between the two groups, there are interestingly no statistically significant results between the manager and the entrepreneur group (table 3). Although the two groups have selected totally different education and training modules, and also both heading for different careers, the motives do not differ between them.

**Table 3: Entrepreneurial motives**

Importance of ...	N		Mean <sup>a</sup>		Std dev.		Rank <sup>b</sup>		t-test for equality of means	
	EMBA	Ent.	EMBA	Ent.	EMBA	Ent.	EMBA	Ent.	t	Sig.
Realization of own ideas, creation of something new, joy of self-realisation, importance of independency (motive 1)	127	89	2.72	3.01	0.82	0.79	2	2	2.647	0.009
Taking responsibility for entrepreneurial risks, impact on economy and society, growth orientation, problem solving (motive 2)	127	89	3.13	3.19	0.76	0.78	1	1	0.521	0.603
Increased income, status and prestige, acknowledgement in a responsible position (motive 3)	127	89	2.32	2.33	0.81	0.89	3	3	0.26	0.979
Preservation of structures, continuation of certain traditions, e.g. family business, connection of professional and private life (motive 4)	127	89	1.72	1.91	0.82	0.91	4	4	1.560	0.120

Note:

<sup>a</sup> Statement were measured by a 1 (strongly disagree) to 4 (strongly agree) Likert scale and the mean indicates the selected frequency by each group for the agreement of the statements.

<sup>b</sup> Ranks reflect agreements with items on scale (grades 3 and 4)

Finally, we analyse if entrepreneurial leadership or administrative management abilities (Maucher, 2007; Krueger, 2000; Malik, 2007) can be identified with the right match to each group (table 4). Results clearly indicate that both groups rate entrepreneurial leadership abilities higher as long as the variables have a nexus to change management abilities. Concerning questions 4 to 6, displaying strategic planning, both groups rate the administrative management abilities much higher. However, with regard to the entrepreneurial leadership abilities over all, the MBA participants rate the entrepreneurial leadership

abilities in both categories significantly higher (soft and hard factors). The results indicate that within the group of MBA participants, there are a large number of people with transformational management abilities. Instead, in the group of entrepreneurship participants, only a low number of people tend to have transactional management abilities. Those findings show evidence of a high level of mixture of entrepreneurship students with management and transactional skills as well and vice versa.

**Table 4: Leadership abilities**

	EMBA	Entrepreneurship	Total
1) When identifying new ideas and starting a new project, most important is...			
... to concentrate on internal competencies and problems	40	37	77
in %	32.5	42.5	36.7
<b>... be open-minded for new developments</b>	<b>83</b>	<b>50</b>	<b>131</b>
<b>in %</b>	<b>67.5</b>	<b>57.5</b>	<b>63.3</b>
Missing	4	5	9
2) When conceptualising a new project, most important is...			
<b>... to design a holistic forward oriented strategy</b>	<b>114</b>	<b>67</b>	<b>147</b>
<b>in %</b>	<b>91.2</b>	<b>78.8</b>	<b>86.2</b>
... to work out all relevant details	11	18	29
in %	8.8	21.2	13.8
3) I esteem work situations, where ...			
... clear expectations and norms do exist.	24	22	46
in %	19.2	25.6	24.2
<b>... freedom and individual initiative is given</b>	<b>101</b>	<b>64</b>	<b>165</b>
<b>in %</b>	<b>80.8</b>	<b>75.4</b>	<b>75.8</b>
4) I have the motivation to...			
<b>... to design something unstructured so far.</b>	<b>48</b>	<b>36</b>	<b>84</b>
<b>in %</b>	<b>38.4</b>	<b>41.9</b>	<b>39.8</b>
... to reach my defined targets in any case.	76	50	126
in %	61.6	58.1	60.2
5) When trading off something, I rely on...			
... the rational calculation of advantages and disadvantages	83	53	136
in %	66.4	61.6	64.5
<b>... my intuition</b>	<b>42</b>	<b>33</b>	<b>67</b>
<b>in %</b>	<b>33.6</b>	<b>38.4</b>	<b>45.5</b>
6) Success is owed to...			
<b>... my charisma and enthusiasm.</b>	<b>66</b>	<b>52</b>	<b>118</b>
<b>in %</b>	<b>52.8</b>	<b>61.9</b>	<b>56.5</b>
... my professional competence	59	32	91
in %	47.2	38.1	43.5

#### 4. Results

The empirical analyses clearly underline the fact that needs of participants are much more individual than only a distinction that is made based on the educational type of an entrepreneur or a manager. A clear distinction of the two different groups of persons is not possible.

Although the share of the nascent entrepreneurs is higher in the entrepreneurship group, more participants of the MBA group have already made entrepreneurial experiences in the past. In both groups, there are certain percentages of persons already running their own business. There are ambitious managers with entrepreneurial intentions (nascent entrepreneurs) and ambitious entrepreneurs without it.

The conclusion is that there is a need for a much more customized and more mixed curriculum for people which will neither start from scratch with a new business nor fulfill pure administrative management tasks (entrepreneurial managers or corporate entrepreneurs).

The study also shows that there are no significant differences in entrepreneurial motives between the two groups of prospective entrepreneurs and prospective managers. Even the ranking of the agreements with the statements reflecting the different motives shows very similar results between both groups. In particular, the role of taking responsibility for entrepreneurial risks, carry out impact on economy and society as well as a strong problem solving and growth orientation, is ranked very highly by managers possessing the desire of self-realisation.

There is strong empirical evidence that non-monetary reasons play a much greater role for entrepreneurs. Results now also indicate, that the role of income, prestige, status and power, does also play a less important role to managers, than stated before (3<sup>rd</sup> rank).

With regard to transformational and transactional management abilities, it depends on the question of hard or soft factors. Participants of both groups are inclined to rate entrepreneurial leadership abilities (transformational management) higher as long as change management is concerned and administrative abilities (transactional management) when strategic planning is concerned. EMBA participants do generally attain more importance to the entrepreneurial leadership abilities than the entrepreneurship students do.

Concerning the adequate contents for each education stream, entrepreneurs should mainly learn more about practical competencies, such as financial and legal basics, acquiring customers, negotiating for financial capital or developing a business strategy. An efficient manager needs to learn management methods and principles. The new target group of "entrepreneurial managers" or "corporate entrepreneurs" as synthesis needs an appropriate education with topics such as innovation, business development and change management.

## **5. Conclusions and Implications**

There are three main issues in order to increase the efficiency and sustainable success of both managerial and entrepreneurial education: a) the matching of applicants and educational programs in the pre-education phase, b) the individual benefit for participants in the education as well as c) a careful evaluation of graduates on a regular basis in the post education phase.

a) Pre education: Participants of managerial and entrepreneurial education differ in terms of their competencies and experiences, their personalities and work-styles as well as their motivations and intentions. Since all participants come from different socio-demographic backgrounds, they have different needs and expectations towards their educational programs. The application process can be used to collect personal data about individual dispositions, expectations and needs of all different applicants, for example by means of psychological tests, assessment centers, interviews, case studies, etc. The assessment of applicants' eligibility, potential and performance has to be conducted according to an efficient matching process such that applicants' expectations and needs can be matched with the objectives of the educational programs offered. In addition, customized coaching and mentoring services can be derived from the assessment data. And finally, an efficient assessment and matching procedure provides valuable feedback about the program's market positioning and the effectiveness of related marketing efforts.

b) Education: The value of managerial and entrepreneurial education is not only due to the contents taught and trained, respectively an appropriate body of knowledge, competencies and capabilities. It is also based on the broad variety of participants' own experiences and industry specific know-how. Therefore the individual benefit of a managerial and entrepreneurial education is closely related to the usage of the network offered and the exchange of experiences, ideas and information among the participants.

Hence, neither the experienced "edutainment" nor participants' satisfaction during the program are sufficient quality measures, but the sustainable transfer of learning, i.e. the degree of knowledge and scientific methods, competencies and capabilities participants are able to apply to their company and industry. An evaluation of educational programs should thus not be limited to monitoring the program's input, i.e. satisfaction with professors, contents, infrastructure and administration. Instead, the quality of

further education ought to be evaluated through an output-oriented, institutionalized process of quality management.

c) Post education: Following an educational program, its sustainability and impact are to be evaluated. To what extent stated learning goals were achieved, and participants' individual needs and expectancies were satisfied, can be easily assessed. But to evaluate the long-term sustainability and impact of a managerial and entrepreneurial education can be intricate, as quite some time may elapse between the respective educational program and a start-ups' subsequent success. Despite this delay and the resulting difficulties to evaluate a program's impact on subsequent startup success, this feedback is essential for the continuous development of an educational program.

Encouraging the formation of new firms, problem-based coaching and transfer-oriented mentoring of entrepreneurs are especially important in times of a poor state of the economy. Conceptualizing, implementing and evaluating managerial and entrepreneurial education in line with the programs' goals and participants' needs is thus essential, no matter whether their contents are addressed to managers, entrepreneurs, entrepreneurial managers or corporate entrepreneurs.

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