The Modern American Entrepreneur: Characteristics, Formative Legislation, and Modern Education

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The Modern American Entrepreneur:
Characteristics, Formative Legislation, and Modern Education

Dissertation
Presented in Partial Fulfillment of the Requirements for the Degree of
Doctor of Philosophy
Lynn University

By
Jeremy S. Office

Lynn University
2011
THE MODERN AMERICAN ENTREPRENEUR:
CHARACTERISTICS, FORMATIVE LEGISLATION, AND MODERN EDUCATION

Office, Jeremy S., Ph.D.
Lynn University, 2011

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The Modern American Entrepreneur:
Characteristics, Formative Legislation, and Modern Education

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This research began by exploring traits and characteristics of the American entrepreneur. It continued by offering a history of these individuals, focusing primarily on the history of laws and regulations which have both positively and adversely affected the practice of entrepreneurialism in the United States. Current laws that affect entrepreneurship, along with the current state of entrepreneurial education in business schools, are explored in depth. This study concludes that the current system of business regulations and entrepreneurial education are flawed and that their failings have produced generations of business students who are unable to reach their full potential. A brief discussion follows that describes improvements that must be made to both business education systems and business regulatory structures in order to ensure that America's future business leaders and innovators may work and produce at their full potential.
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CHAPTER 1: THE ENTREPRENEUR

Introduction

This research study first explores the traits and characteristics of the American entrepreneur. Examination begins by examining the theoretical basis and definitions of this class of businesspeople, starting with an exploration of the work of Richard Cantillon (1730), John Stewart Mill (1848), Jean-Baptiste Say (1817), and other early 17th century economists and thinkers, who are generally considered to have introduced this term into general usage. According to these thinkers, entrepreneurs are great men of business, who are naturally attracted to the risk inherent to venture and entrepreneurial work.

Next is the work of Frank Knight (1921), Martin Casson (1982), and Harvey Leibenstein (1978), the latter of whom originated the “x-efficiency theory” model, which primarily argues that entrepreneurs are affected by the same forces as anyone else in the business community. From this, the study launches into an exploration of the relatively modern work of Baumol (1990), who defined a series of distinct categories of entrepreneur.

In addition to theoretical bases, the core concept of behavioralism is thoroughly analyzed, the main idea being that entrepreneurs exhibit distinct behavioral characteristics that have been studied over time. These ideas are more recent than those of the theoretical thinkers, and include the works of Max Weber (1930) and David McClelland (1961), who argued that while entrepreneurial actors are not adverse to risk, they are too resistant to change. This section concludes with a brief explanation of the
modern-day work of DeNoble (1999), who posited that entrepreneurial success was self-perpetuating.

This study also explores certain specific characteristics shared by entrepreneurs, including “self-efficacy,” as presented by Leibenstein (1978) and refined by Krueger and Dickson (1994). It also reveals that entrepreneurs exhibit individualism, a characteristic detailed by Winslow and Solomon (1988) and Cole (1989). Brockhaus (1982) defends the idea of entrepreneurs as “risk-takers” but also their highly focused nature including a dominating sense of confidence and urgency. Also presented is a complete exploration of the work of Carland and Carland (2000) who argued that entrepreneurs are deeply self-aware and exhibit a powerful drive toward entrepreneurial behavior.

Following this exploration, the research offers a history of these pioneers, focusing primarily on the history of laws and regulations which have affected the practice of entrepreneurialism in the United States. These laws include the 1811 General Incorporation Statute, the Commerce Clause to the U.S. Constitution, and critically, the passage of the Sherman and Clayton Antitrust Acts. Also included are the formation of the Federal Trade Commission, the Environmental Protection Agency, the Occupational Safety and Health Administration, and the Consumer Product Safety Commission. The resulting conclusion is that, despite the good that these agencies and laws may have produced for the general public, they are mighty barriers to the work done by entrepreneurs, and their existence poses a threat to the continued commercial viability of American free enterprise.
This document also identifies how the current system of business education, so dominated by these regulatory constrictions, works to inhibit American entrepreneurial success. The research also considers the work of Havnes and Skjekkeland (2007), who argued that entrepreneurial education, as a function of the individualistic traits held by these venture professionals, is automatically hampered by inconsistency and ambiguity. In addition, as entrepreneurs are highly creative and individualistic, educational goals are difficult to quantify.

This research demonstrates that there is a great deal of student interest in entrepreneurship programs in business schools. However, studies have shown that these programs are limited by the lack of available experienced faculty, their focus on unnecessary group work, and the findings of Levenburg (2006) and Heriot and Simpson (2007) that effective entrepreneurial education is something which is possible, but is entirely dependent on business students’ ability to establish themselves creatively, as well as upon entrepreneurs being allowed to operate freely in a way that will enable them to live up to their greatest productive potential.

Theoretical Definitions

There is a comprehensive history, from the 17th century to the present, of various theoretical perspectives that have contributed to the public perception of the entrepreneur. Behavioralism is also explored as a method of defining the tendencies and behavior of the entrepreneur with an emphasis toward the types of personality traits that these members of the community possess.
Though entrepreneurism is seen by many as arising out of classical economics, there are many different interpretations of this term. According to Filion (1997), the French scholar Verin (1982) wrote that the modern definition of *entrepreneur* “acquired its current meaning in the 17th century” (Filion, 1997, p. 3). Richard Cantillon, the obscure 17th century thinker known to some as the first great economic theorist, was the originator of the term. Others credit John Stewart Mill (1848) with introducing the term *entrepreneurship* into economic discussion. Mill (1848) contributed much to the growing idea that the primary difference between a manager and an entrepreneur was the bearing of risk, as the entrepreneur, being the only person taking on the risk of the new venture, would assume all of the profit or loss.

Along with Jean-Baptiste Say, the 18th century classical liberal economist, the term *entrepreneur* came to mean risk takers “because they invested their own money” into new and risky enterprises (Boone & Kurtz, 2008, p. 205). In addition, Filion describes Cantillon’s distinct view: entrepreneurs were those who “bought a raw material—often a farm product—at a certain price, in order to process it and resell it at a certain price” (Filion, 1997, p. 3). As a result, the term came to define “people who seized opportunities with a view to making profits” and assumed the inherent risks (Filion, 1997, p. 3).

Modern thinkers, such as Waddock and Post (1991, cited by Murthy, 2006), point to entrepreneurs as “catalytic change agents, who can combat intractable problems in a capitalistic society” (Murthy, 2006, p. 15). According to Louis-Jacques Filion (1997), early economists who attempted to define entrepreneurism were “mainly interested in
understanding the role played by the entrepreneur as the motor of the economic system,” and from this view, early economists “viewed entrepreneurs as ‘detectors’ of business opportunities” (Filion, 1997, p. 4). Frank Knight (1921) described the environment in which entrepreneurs work as inherently uncertain, but argued that they were rewarded appropriately by profits that they generated from the activities and ventures that they began (Knight, 1921, p. 280-81). Knight’s theories suggest that an entrepreneurial decision, by virtue of the uncertainty involved, is any decision in which the individual bears complete responsibility for any possible error. Hoselitz (1952, cited by Welsch, 2004) observed entrepreneurial individuals as having a “higher level of tolerance for uncertainty, ambiguity, and risk,” which enabled them to operate at a high capacity even in situations of great financial insecurity or doubt (Welsch, 2004, p. 32).

Casson (1982) argues that entrepreneurs are pivotal to the economy of any society because they are inextricably linked to economic development. He argues that while the demand for a steady stream of new entrepreneurs stems from “the need to adjust to change,” the supply of entrepreneurs is limited, “first by the scarcity of the requisite personal qualities, and secondly by the difficulty of identifying these qualities when they are available” (Casson, 1982, p. 32). In this way, these highly valuable members of the community are in low supply because it is difficult to identify these individuals, much less educate and train them to operate at their highest potential.

In a similar vein to Casson, economist Harvey Leibenstein (1979) created the “x-efficiency theory model”, which has been used widely to measure the efficiency of ways in which entrepreneurs use available resources. This was a departure from the ideas of
neoclassical economic theory, which argued that “every decision making unit is independent of all other decision making units” (Leibenstein, 1979, p. 20). Leibenstein’s (1979) work argues that while “such units interact within the market and the price system,” there are no other interactions between these individuals (p. 21). Leibenstein’s (1979) theory is predicated on the idea that the interactions between working decision making units take place in the context of “pressure, emulation, personal competition,” or other influences, and that entrepreneurs are influenced as much as any others in this system (p. 23).

It was not until 1968 when Baumol (1968, cited by Welsch, 2004) distilled various theories of entrepreneurism into two distinct types: the entrepreneur-business organizer and the entrepreneur-innovator, that a more coherent model of entrepreneurs began to take shape (Welsch, 2004, p. 32). The term entrepreneur-business organizer can be used to describe the high-risk change agents presented by Say (1803) and Knight (1921). Conversely, the term entrepreneur-innovator can be used to describe the nationally crucial innovators who were lionized by Schumpeter.

**Behavioralism**

In conjunction with the economic theorists, entrepreneurs have been studied for more than sixty years by behaviorists, psychologists, psychoanalysts, sociologists, and scholars of similar disciplines. This line of academic inquiry begins with Max Weber (1930), who presented the “Calvinist value system” held by entrepreneurs as fundamental to their behavior (Joseph, 2003, p. 11). Weber (1930) also added to the work of Schumpeter (1934) in arguing that entrepreneurs were innovators and independent people
who served an important role as business leaders and thus carried a sense of formal authority in their behavior (p. 67). In addition, while many participants in the business world prefer stability, change is the currency of the entrepreneur, and as Michael Mintrom (2000) writes, "by creating (or threatening to create) change, entrepreneurs...force other people out of their comfortable routines...to think differently about things and make new decisions" (Mintrom, 2000, p. 98). In this way the entrepreneur is pivotal in preventing stagnation across industry.

David McClelland (1961, cited by Stevenson, 1985) was a major voice in tying behavioral science to entrepreneurship. He argued that "an entrepreneur is someone who exercises control over production that is not just for his personal consumption," and presented as an example "an executive in a steel-producing unit in the USSR" (Stevenson, 1985, p. 45). In this example, McClelland is not distinguishing between the employee-manager and the owner-manager when he considers the entrepreneurial character. This idea has gained much traction among companies who wish to instill entrepreneurial characteristics in their workforce.

In the years following the publication of McClelland’s work, behavioral science has dominated the field of entrepreneurship. Some pivotal research that has presented the specific qualities and traits which are shared by entrepreneurs will now be explored.

*Self-Efficacy*

A wide variety of techniques can be used to determine personality traits shared by entrepreneurs. One widely-used metric is DeNoble’s (1999) "entrepreneurial self-
efficacy” construct, which measures a person’s “belief in their own abilities to perform
the various skills required to pursue a new venture creation” (p. 1). DeNoble’s study
presented a measure of entrepreneurial self-efficacy that “specifically addresses
entrepreneurial tasks (as distinct from managerial tasks)” (Etemad, 2004, p. 128). Gist
(1987, cited by Etemad, 2004) found that such individuals will “gradually develop…self-
efficacy through prior cognitive, social, and physical experiences,” and that successful
performances of entrepreneurial tasks “can alter expectations [and] help to strengthen
their self-efficacy,” which can allow an individual to “maintain their efforts until their
original goals are met” (Etemad, 2004, p.128). These findings indicate that successful
entrepreneurialism can lead an individual to have greater confidence in future
entrepreneurial activities.

Etemad (2004) argues that the research shows that “self-efficacy is a conceptually
sound, empirically robust predictor of initiating and persisting in a variety of goal-
directed behaviors” such as starting a business venture (Etemad, 2004, p. 128). Krueger
and Dickson (1994, cited by Etemad, 2004) write that any increase in “self-efficacy
promotes strategic risk taking by increasing the perception of opportunity” and
decreasing the “perception of threat” (Etemad, 2004, p. 128). Self-efficacy is achieved
primarily through gaining hands-on experience, and as such, “any successful experience
pertaining to high-level business planning” will translate into increased self-efficacy.
(Etemad, p. 128). This kind of hands-on experience can also be achieved through
“developing and presenting an effective business plan” for a small enterprise (p. 128).
According to Krueger and Reilly (2000, cited by Acs & Audretsch, 2003), “optimistic causal attributions,” such as effective training and positive experiences, will “encourage increases in self-efficacy” (Acs & Audretsch, 2003, p. 114). For this reason, individuals with high “entrepreneurial training and experiences...may already possess strong levels of self-efficacy, thanks to their prior experience in creating new business ventures” (Etemad, 2004, p. 128).

**Individualism**

Other qualities that are inherent in the entrepreneur are varied. Entrepreneurs in general have a need for achievement and a strong capacity for innovation. These individuals enjoy challenges and are unafraid of taking risks. In addition, Peay and Dyer (1989) identify a need for power as indicative of the entrepreneur, and Winslow and Solomon (1989, cited by Wells, 1998) postulate that “entrepreneurs are sociopathic in that their perception of themselves is that they are ‘different’ when compared to the general population” (Wells, 1998, p. 31). This sense of exception is guided in part by their confidence in their ability to “influence outcomes and to provide constant attention to their environment” as well as potential opportunities and pitfalls (p. 31).

Entrepreneurs are also described as “risk takers,” and in the pursuit of business risks, these people are “opportunistic and visionary; innovative and creative,” as well as “adaptive and change-oriented” (Baker, 2003, p. 759). According to Brockhaus (1982, cited by Baker, 2003), entrepreneurs are both individualistic and highly focused on the well being of the enterprise. These individuals are “individualistic” not in a behavioral sense, but in terms of how “their ‘individualistic’ characteristics impact” their business
and marketing decisions (Baker, 2003, p. 759). Brockhaus (1982, cited by Baker, 2003) believes that as a function of the entrepreneurial personality type, business, financial, and marketing decisions will inevitably be “simplistic because of [their] limited expertise “and “haphazard and unstructured because they are reactive to events and intuitively individualistic” (Baker, 2003, p. 759). For these reasons, the entrepreneur is prone to decisions that are apparently irrational and have a “predominantly short-term focus” (p. 759).

Balancing out their “individualistic” nature is the observed quality that entrepreneurial individuals are “highly focused...around the enterprise’s well being” (Baker, 2003, p. 759). This quality is marked by how the entrepreneur is constantly concerned with ensuring the future viability, safety, and survival of the enterprise. While these individuals may appear to be highly oriented toward the customer and establishing a reliable and loyal customer base, the “dominating preoccupation of the entrepreneur is to maintain positive revenue and cash flows toward profit” (Baker, 2003, p. 759). This view suggests that the main goal of the entrepreneur is a “lack of finance limitation,” and this priority can often manifest itself in a sense of being “obsessively self-centered about the enterprise’s profit margin and expansion” (Baker, 2003, p. 759). This commitment to profit can be considered in tandem with considerations of the motivation with which these individuals move through the business world.

In addition, the psychology of entrepreneurs can be traced to a sense of confidence and urgency, as well as their being strongly attracted to challenging work. These feelings alone do not necessarily drive individuals to entrepreneurship, but rather it is often these
attitudes and perspectives “combined with dissatisfaction with a previous work experience” that lead them to pursue this path (Gartner, 2004, p. 79).

Instruments that have been used to determine entrepreneurship traits include tests that quantify the entrepreneurial psyche as marked by either a cognitive or managerial style. These two characteristics may be considered the “initiating factor” in that they can predict the outcome of entrepreneurship in the creation of any new venture. According to Carland and Carland (2000), entrepreneurs represent the “initiating force,” and are those who “see the opportunity, the challenge,” as well as those who take that challenge (p. 2).

In a cognitive sense, entrepreneurs are known for their emphasis on “immediate discovery, awareness, rediscovery, or recognition of information in various forms, comprehension or understanding” (Meeker, 1969, cited by Carland and Carland, 2000, p. 6). These characteristics are indicative of the way that they obtain, store, and utilize information. For this reason, “cognition appears to be the foundation upon which all else is built” and, along with the individual, is seen as “the initiating factor to any outcome” (Meeker, 1969, cited by Carland and Carland, 2000, p. 6). This sense of cognition is coupled with all the entrepreneur’s “skills, knowledge, abilities, creative impulses, and experiences,” which are the qualities that are the “culmination of who we are,” and as such will accurately reflect the thought process of the entrepreneur (Meeker, 1969, cited by Carland and Carland, 2000, p. 6).

In addition to cognition, entrepreneurs must be considered in the context of their entrepreneurial drive. Carland, Carland, and Stewart (1996, cited by Lockwood et al., 2006) found that “entrepreneurship is best understood as an individual drive...toward
entrepreneurial behavior,” and that the “entrepreneurial psyche” can be considered as a combination of factors in the personality of the entrepreneur, such as “the need for achievement, the propensity for risk taking and innovation” (Lockwood et al., 2006, p. 2). These authors demonstrated that these factors are normally distributed and that the varying strengths of these characteristics combine to form the totality of the entrepreneur’s behavior.

In 1997, Raymond Smilor developed an approach, which indicated that four abilities would be required of twenty-first century entrepreneurs. Presented as “elements of skill for inclusion and reflection,” these skills are: “(1) the ability to create meaning; (2) skills in the orchestration of talent; (3) sufficient confidence and capacity to embrace chaos and (4) the ability to accelerate personal and team learning” (Smilor, 1997, cited by Welsch, 2004, p. 34).

From this brief study of the characteristics of the entrepreneur it may be argued that entrepreneurs are highly focused and independent business people whose success is largely dependent on their focus, individual drive, and past successes. Against this backdrop, entrepreneurs have been increasingly subject to a complex web of laws and regulations governing the establishment and maintenance of business enterprises. The regulatory environment tends to restrict the freedom of business owners to manage their operations as they would like. The major milestones in American business regulation and legislation show that while the entrepreneur was free to pursue relatively unlimited success in the first two centuries of American history, by the twentieth century these pivotal individuals were unnecessarily held back by legislative and bureaucratic means.
CHAPTER 2: HISTORY OF BUSINESS LEGISLATION IN THE U.S.

As a profile of the modern American entrepreneur has been developed, the history of American business legislation and its impact on entrepreneurs will now be explored. The history of U.S. legislation affecting entrepreneurs from the 19th century to the present begins prior to the Civil War. During this period, the U.S. federal government’s primary roles in business consisted of backing the national currency, guaranteeing contracts, providing public land to private interests, and maintaining the due process of law. As America became increasingly industrialized, existing state laws governing general incorporation by special act saw greater prominence, and lawmakers began to work to ensure that incorporation was made simple for organizations and individual entrepreneurs alike (Madsen, 2001, p. 48).

One notable early entrepreneur, who benefitted from early incorporation laws, was John Jacob Astor. Born the son of a butcher, Astor moved from England to America and soon learned the essentials of the fur trade. His big break came in 1786 when he took a job with a New York fur merchant, and soon he had established his own fur business in New York State. He made his fortune in the fur trade, as well as in real estate. As Axel Madsen (2001) writes in Astor’s biography, Astor’s American Fur Company, which would dominate fur sales in the United States by 1830, began humbly in 1808 with trading posts in the Midwest and in the Great Lakes region, as well as in the Pacific Northwest. Throughout the 19th century, the American Fur Company was one of the biggest companies in the United States, and would come to hold a complete monopoly.
over the sale of furs. Astor was able to use the money he gained from his fur company to invest in land, resulting in Astor’s being the richest man in the United States by his death in 1848 (Madsen, 2001, pp. 256). A Forbes magazine article estimated Astor’s net worth to be $110.1 billion in 2006 dollars (Forbes, 2007, p. 1).

**Early Statutes**

Astor’s wealth and that of other early capitalists can be attributed, in part, to the overall lack of regulatory structure surrounding business, but also to the sense of entrepreneurial opportunity that marked the young American nation. America in the 18th and 19th centuries had a wealth of resources, and under business-friendly laws, entrepreneurs were free to exploit these to further the fledgling nation’s economy.

Werner and Smith (1991) describe several specific early American statutes and laws that helped businesses and entrepreneurs. They mention specifically the “1811 general-incorporation statute,” which, though it was enacted as “an emergency measure to encourage investments in enterprises that would produce thread for household weaving” during embargoes of European thread during the War of 1812, would remain law long after that crisis had passed (p. 106).

The 1811 statute was “the first effective general incorporation law for business corporations,” and furthered “the evolution toward standardization of charters and the process for their approval” (Werner & Smith, 1991, p. 106). This law had been preceded by acts for “commonplace general incorporation...for schools, churches, municipalities, and the like,” and “built on the practice after 1800 of using provisions from existing charters as models for new ones” (Werner & Smith, 1991, p. 106). In creating a legal
atmosphere that was favorable to the establishment of new businesses and business associations, this law was expanded with the “1838 general incorporation statute for banking, the so-called ‘Free Banking Act’” and other state incorporation laws which became the primary vehicle for businesses and individuals who sought benefits for their ventures (Werner & Smith, 1991, p. 106). Under these laws, manufacturing and railroads expanded hugely.

American government in Washington began to regulate business following the 1824 Supreme Court decision in Gibbons v. Ogden. According to Ralph Rossum (2001), this case ruled that “Congress’s power to regulate commerce extended to the regulation of navigation” (Rossum, 2001, p. 167). The case in question involved steamboat operator Thomas Gibbons, whose business was being targeted by a steamboat monopoly run by Aaron Ogden. “Ogden, who had secured a franchise…to operate steam ferryboats across the Hudson River…found that his boats were facing unauthorized [and illegal] competition from a passenger steamboat owned by Thomas Gibbons,” despite the laws of New York, which had granted Robert R. Livingston and Robert Fulton the exclusive right to operate steamboats in the Hudson (Rossum, 2001, p. 168).

In this case, the Marshall Supreme Court (1801-1835), with respect to the power of Congress to “regulate commerce…among the several states,” argued that Congress had sole oversight of commercial navigation, and claimed that to lose this power “would restrict a general term, applicable to many objects, to one of its significations,” and that commerce was more than just traffic, but “intercourse,” and so the Commerce Clause empowered Congress to regulate “all commercial intercourse between nations, and parts
of nations, in its branches,” which necessarily could not exclude any laws regarding navigation, transportation, and the laws governing both (Rossum, 2001, p. 173).

Furthermore, “the Congress’s exercise of the power to regulate navigation under the Commerce Clause was longstanding,” and “exercised from the commencement of the government…with the consent of all” (Rossum, 2001, p. 171). In so doing, the Supreme Court ruled that Congress held the sole authority to regulate interstate transportation. The direct impact of this ruling was essentially anti-monopolistic, and acted to expand the number of steamship companies as well as to promote nationwide steamship travel and commerce. As the nation expanded, companies which arose to meet new technologies such as telegraphs, telephones, oil, and airplanes relied on the protection afforded them under this ruling to do business across state borders.

*Regulation after the Civil War*

Following the Civil War, there was little regulation of businesses and of entrepreneurs and except for a small number of transportation and financial enterprises, the U.S. federal government exercised little control over industry. The Fourteenth Amendment, passed in 1866, was designed to protect citizens against deprivation of property without due process and provided citizens, especially newly freed slaves, equal protection under the law. By the latter decades of the 19th century, this amendment was interpreted by the Supreme Court to protect returns on intangible assets like stocks and bonds, and by this point the “due process” that this constitutional amendment had been designed to protect was being interpreted to mean judicial review of law.
According to Emerson (2003), the Fourteenth Amendment was used first “to incorporate almost all of the fundamental rights in the Bill of Rights” into its “due process clause, thus making these rights applicable to the states as well as the federal government” (Emerson, 2003, p. 26). The “due process provision…protects persons from being deprived of life, liberty, or property,” as well as outlining the steps that must be followed so that people are ensured of these rights (Emerson, 2003, p. 26). In addition, its equal protection provision requires that no person be denied “the equal protection of the laws,” and though it does not prohibit all differences in treatment, it requires that “these distinctions be reasonable, not arbitrary or invidious” (Emerson, 2003, p. 26). Most importantly, the Fourteenth Amendment covered “corporations, as well as individuals…under the ‘due process’ provision,” and under this amendment “the federal government must not violate due process or equal protection” for corporations or groups of entrepreneurs (Emerson, 2003, p. 26).

Through Congress’s protection of commerce and the widespread interpretation of the Supreme Court’s constitutional protection of individual rights to include corporate entities, state regulation of business was all but removed by the 1880s. Despite strict laws regarding incorporation and corporate registration, regulation remained limited, and thus provided a fertile environment in which entrepreneurism could thrive.

One prominent entrepreneur of this period was Andrew Carnegie, who founded the Carnegie Steel Company, which became “the largest and most profitable industrial enterprise in the world” by the 1890s (Madoff, 2010, p. 65). This growth continued until
the time of its sale to oil magnate J.P. Morgan in 1901, who then founded the corporation U.S. Steel.

Nasaw (2007) presents one key moment in Carnegie’s life. In 1891, the steel tycoon and widely-known philanthropist was attacked in the press as being an “anti-Christian phenomenon, a social monstrosity, and a grave social peril” by the Methodist bishop Hugh Price Hughes (Nasaw, 2007, p. 352). Hughes argued that the laws which protected corporations, those which had allowed Carnegie to become the wealthiest man in America, were unnatural. He likened them to protective tariffs exercised against nations and claimed that these laws were pushing the nation toward a polarized state, with “millionaires at one end...and paupers at the other end,” and declared that even “so excellent a [philanthropist] as Mr. Carnegie is too dear at that price” (p. 352).

Carnegie’s rebuttal was succinct: Millionaires were good for society, he declared unambiguously, as they created “wealth that made its way...into everyone’s pocket.” In addition, Carnegie declared that industrialization had not witnessed “growing impoverishment of the masses,” but rather that “poverty, want, and pauperism [were] rapidly diminishing quantities,” and that working men were receiving “much greater compensation for their services than they ever did,” so that the greater the number of millionaires in a particular country, the greater “the condition of the masses” (Nasaw, 2007, p. 352-3). While working conditions were abhorrent at this time in much of the country, there is no doubting Carnegie’s accuracy with regard to the nation’s overall wealth, was fostered and built by great entrepreneurs of this period. According to figures from the Minneapolis Federal Reserve, during the years 1870-1910, the American Gross
National Product (per capita) more than doubled, from $5,000 to $10,500, outpacing the growth in American population, which grew from 60 million to just over 100 million (Minneapolis Fed., 2010, p. 1).

Business Trusts

The 1890s also saw the introduction of various business trusts which thrived under a system in which a few businesses could exercise near-complete control over any industry that was based in some specific commodity. According to John Steele Gordon (2004), these trusts were born out of the rapidly expanding corporate world, which had moved away from the state incorporation laws and had begun to seek ways to bypass the outmoded regulation which forbade companies from “owning property in other states or [owning] the stock of other corporations” (Gordon, 2004, p. 258).

John D. Rockefeller’s Standard Oil Company of Ohio was the first company to skirt state laws which tried to limit the scale of companies, and in 1879 a Standard Oil attorney, C.T. Dodd, devised an innovative type of trust agreement designed to bypass Ohio state regulations which forbade corporate ownership of stock in other firms. Rockefeller and his associates developed an innovative way of organization which “combined their disparate companies, spread across many states, under a single group of trustees” (Gordon, 2004, p. 261). In addition, under a secret agreement, all of Standard Oil’s “existing stockholders formed a new organization...known as the Standard Oil Trust,” a group of separate companies which were ostensibly independent but practically united under the corporate head (Martin, 2010, p. 81).
As a result of this management and organization system, Standard Oil was able to bring in massive and unprecedented profits by exercising a great deal of control over prices. Their “huge economies of scale” made possible by their control over almost all oil refined in the United States allowed them to also “pressure railroads and other suppliers of goods and services” to give them bargains (Linfo.org, 2010, p. 1). As a result of this unprecedented success, Rockefeller’s Standard Oil was able to expand into international markets, particularly in Asia and Western Europe, and before long it was selling more oil abroad than in the United States. Rockefeller added to his personal fortune through investments in manufacturing and shipping, and by his death in 1937, of a “heart attack…[which] lapsed into a coma,” he had long been the richest person in the world (Chernow, 2004, p. 674).

As a reaction to the success of Standard Oil, many other industries followed the model begun by the entrepreneurial Rockefeller. Trusts were established in over two hundred other industries, including railroads, coal, steel, tobacco, sugar, and meatpacking. Trusts known by name included the Cotton Oil trust and the Linseed Oil trust. This period saw such vast and rapid concentration of wealth and business power that by 1890, an alarmed American public demanded the passage of compensatory legislation, which eventually came in the form of the 1890 Sherman Antitrust Act.

**The Sherman Antitrust Act**

William Letwin (1981) explains that the Sherman Act had its foundations in the English Common Law, but these laws were not always anti-monopolistic. For centuries the common law “supported an economic order in which the individual’s getting and
spending were closely controlled by kings, parliaments, and mayors, statutes and customs," but by the 19th century the _laissez-faire_ attitude prevailed, and the United States saw enormous wealth creation from an entrepreneurial class of capitalists (Letwin, 1981, p. 19). The laws changed again after the creation of the trusts. The purpose of the Sherman Act was to block any combination of business entities which could act artificially to stop competition, such as monopolies or price fixing.

Crucially, the Sherman Act did not prohibit "innocent monopolies...or those achieved by merit," but rather stopped acts in monopolistic industries to artificially preserve their dominance, whether through "nefarious dealings" or other monopolistic tactics (Letwin, 1981, p. 6). As Gilmor (2002) explains, the purpose of the [Sherman] Act is not to protect businesses from the working of the market; it is to protect the public from the failure of the market. The law directs itself not against conduct which is competitive, even severely so, but against conduct which unfairly tends to destroy competition itself" (Gilmor, 2002, p. 58).

This legislation, while initially strong, was dismantled by the Supreme Court in its decision in 1895 to arbitrate on the side of the E.C. Knight Sugar Company in _United States v. E.C. Knight Company_. According to Lawrence Friedman (1985), in this case "the government moved against the American Sugar Refining Company" and defended Knight, a sugar company which had been “dominating the industry” that had been “reaching out to...acquire the stock of four Pennsylvania refiners,” the company’s only competitors (Friedman, 1985, p. 465). At the time of the case, the E.C. Knight Company controlled 98 percent of the sugar refining industry and was able to set market prices with
impunity. According to Friedman (1985), "the Knight case gutted the Sherman act [and] the court spoke for big business" (Friedman, 1985, p. 465).

Friedman’s (1985) view can be seen as based on the opinion of Chief Justice Fuller, who purposefully drew a distinction between attempts "to monopolize 'manufacture'...and attempts to monopolize 'commerce,'” ruling that "to apply the Sherman act to 'manufacture' might affect the autonomy of the states” (p. 465). The Court held that the federal government could not use the power it had to regulate interstate commerce to break up the sugar monopoly. As a result of this opinion, fifty or more other trusts were established by 1897.

In New Jersey in 1889, a law was established which allowed companies chartered there to hold stock in other companies, and thereafter monopolies began to form so-called holding companies. These were primarily initiated by banks in addition to corporations, and according to Heller and Fein (1997), this began a period in which banks would purchase other banks. They explain that “although bank holding companies are not banks in the sense that they do not have the power to take deposits, they may engage in nearly every other activity in which a bank may engage” (Heller & Fein, 1997, p. 1-2). The non-bank holding companies which sprouted up during this period of relatively lax regulation included the Northern Securities Company. By 1904 they had effectively monopolized every rail company between Chicago and California.

According to Eliot Jones (1921), “The Northern Securities Company was incorporated in New Jersey in November, 1901, to bring under a common control the Northern Pacific Railway and the Great Northern Railway” (p. 399). As the Northern
Securities Company was “to be a holding company...it shortly acquired, by giving its own stock in exchange, more than nine-tenths of the stock of the Northern Pacific and more than three-fourths of the stock of Great Northern,” the natural effect of this arrangement being the end of competition between these two massive railroads (Jones, 1921. p. 400). Under arrangements similar to those which produced bank holding companies and massive railroad monopolies through sale of stock, almost two hundred dominant monopolies controlled the majority of business in the United States by this time.

*Trust-Busting*

After the assassination of William McKinley, Theodore Roosevelt ascended to the presidency and quickly showed his intent to force these vast monopolies to dissolve for interests of the public good. During Roosevelt’s first term there was widespread speculation which drove up stock price in the Northern Securities Company, a railroad trust formed by J.P. Morgan, J.D. Rockefeller, and others. When the stock severely declined, there was much public anger over the power and persuasive influence of this immense new company. In response, the Justice Department filed a lawsuit against Northern Securities at the request of President Roosevelt. Menez, Vile and Bartholomew (2003) present this company as having acted “to restrain trade among the several states and therefore violate the antitrust laws” (p. 54). Writing in the 5-4 majority opinion against the monopolistic railway holding company, Justice Harlan, explained that [T]he mere existence of such a combination and the power acquired by the holding company...constituted a menace to, and a restraint upon, the freedom of commerce which
Congress intended to recognize and protect, and which the public was entitled to have protected. (Menez, Vile & Bartholomew, 2003, p. 54).

As a result of this ruling, the following seven years, first under Roosevelt and again under Taft saw forty-four other cases in which the courts ruled against massive holding companies. These cases culminated in 1911, when the Supreme Court ordered the breakup of both the American Tobacco and Standard Oil trusts. In their deliberations, the court ordered that any company which exercised an “unreasonable restraint” on commerce and competition was to be forbidden. Interestingly, under this ruling, the court left legal leeway for companies which exercised “reasonable restraint.” This was another iteration of the same difficulty that had plagued enforcement of the Sherman act, as companies scrambled to identify loopholes faster than regulators and legislators could drum up support for anti-competitive measures.

The passage of the Clayton Act soon followed in 1914. This act was designed to add additional measures to the existing antitrust legislation through seeking to prevent practices, which would allow companies to become anticompetitive in the future. According to Schnitzer and Langran (2007), this act “was introduced and drafted by Henry Clayton,” and prohibited “primary-line price discrimination… [like] where goods are sold at a higher price in one area and a lower price in another,” as well as local price cutting to eliminate competition, rebates, and the interrelated boards of directors that had become common in rich companies (Schnitzer & Lagran, 2007, p. 84).

Significant to this discussion of entrepreneurship, the Clayton Antitrust Act resulted in organized labor being defended by the federal government for the first time in
American history. Under the provisions of the Clayton Act, the use of court injunction against labor was restricted; the act also "legalized peaceful strikes, picketing, and boycotts." More importantly, the majority opinion in this case declared that "the labor of a human being is not a commodity or article of commerce" (Hamilton, 1915, p. 634).

This same year saw the establishment of the Federal Trade Commission, an independent government agency whose principal objective was consumer protection and the removal of business practices which would inhibit competition. One example was the Great Northern Holding Company (Ward, 1986, p. 1-7). Ward (1986) writes, the Federal Trade Commission Act, as envisioned by the House of Representatives, proposed "an administrative agency, independent of the executive branch, that would take over the information-gathering functions of the Board of Corporations," but with an "investigative scope [that would cover more than] the bureau, and...would...be empowered to require annual and special reports from corporations engaged in interstate commerce" (Ward, 1986, p. 1-6).

In addition, this act stated that "if the commission believed that the information it collected was beneficial for the proper functioning of the economy, it could make such information public" (Ward, 1986, p. 1-7). This was seen by the House sponsors as the primary purpose of the bill, as they believed that publicity could be used effectively to encourage proper business practices and to discourage improper conduct. The FTC was also to "assist the courts in framing appropriate decrees, once an antitrust violation had been established" (p. 1-8). According to the American Bar Association (1981), the FTC has broad powers to "collect information for studies and reports," and would often submit
such information to the Congress and to the American public “as an antitrust instrument in its own right” (ABA, 1981, p. 85).

The 1914 establishment of the FTC was in many ways the beginning of the government’s increasing regulatory oversight of American businesses. It was perhaps necessary that the FTC be established to regulate the economy and predatory business practices, but this agency was authorized to publicize American business failings was a clearly punitive measure designed to punish successful American businesses as well as the entrepreneurs who made American business so successful. In addition to the laws designed to defend the individual laborer (as under the Clayton Act), the establishment of the FTC saw American business increasingly under the “thumb” of the American government.

Further government regulation of industry took the form of legislation that mandated sanitary practices in meatpacking which resulted in the Pure Food and Drug Act. These, along with the laws mandating child labor reform, were perhaps necessary, but the punitive manner in which they were handed down did much to dampen the entrepreneurial spirit in the U.S. as it forced dependence on the centralized federal government. Though child labor reform was introduced under Woodrow Wilson, this law was ruled unconstitutional by the Supreme Court and true child labor reform would not be enacted until 1941, with the passage of the Executive Order 8802, or the Fair Employment Act, which also prohibited racial discrimination in America’s war industries (Brooks, 2000, p. 398).
President Franklin Roosevelt’s New Deal, enacted to restore the American economy after the Great Depression of the 1930s, effectively made the U.S. federal government the largest regulator of business. This legislation reformed the securities and banking industries and injected billions of dollars into the economy through massive employment programs. According to Leuchtenberg (1963), the New Deal provided relief to the unemployed workers and impaired farmers, while promoting an active recovery of the economy, which had been ruined by the Great Depression (p. 335). The third tier of Roosevelt’s New Deal was a sweeping series of reforms of business and financial practices, which were launched through the National Industrial Recovery Act (NIRA) that enforced “federal regulation of maximum hours and minimum wages in various industries...[and] stipulated the right of industrial workers “to organize and bargain collectively through representatives of their own choosing”—a historic shift away from the government’s traditional refusal to guarantee...the right to organize” (Kennedy, 2001, p. 151). Title II of the NIRA established and funded the Public Works Administration (p. 237).

According to George Knepper (2003), the NIRA forced “hundreds of industries to formulate codes of fair competition,” and “Section 7(a) of this law...guaranteed workers the right to organize and bargain collectively with their employers” (Knepper, 363). He explains that “by placing its blessing on union organization, the federal government set off a spurt of activity as workers flooded AFL officers seeking to join a union” (p. 363). This immense demonstration of federal and worker power against business can rightfully
be considered as a measure that, though it was helpful during this difficult time, was
detrimental for entrepreneurs in the long-term. Though the workers were placated, it is
common knowledge that the American economy did not fully recover from the Great
Depression until after the outset of the Second World War, which required another huge
injection of federal funds.

Fortunately, since the war, the federal government has moved away from the
intense regulation and castigation of industry that it exhibited during the first half of the
twentieth century. In the decades following the Second World War, Washington has
exercised a more limited role in the national economy, with the exception of military
spending and the construction and maintenance of the national system of highways.
Otherwise, the level of regulation has been relatively low, allowing many independent
and strong entrepreneurs to operate at the best of their ability. Naturally, exceptions
remain to this low level of regulation, including the SEC Acts of 1933 and 1934, Civil
Rights Legislation, the Consumer Product Safety Act, the Americans with Disabilities
Act, the Environmental Protection Agency, OSHA, Sarbanes Oxley Act, and others, but
companies and individuals have reacted easily to these measures.

After World War II, a lot of federal regulation was replaced by a system of
commissions that governed private business behavior. This development was considered
positive for business, as these commissions were faster and cheaper than legal
proceedings. But most commissions have enforcement powers that can issue cease and
desist orders. They can also issue burdensome regulations. More importantly, these
commissions gained much industry expertise (and were thus able to operate more efficiently.)

Business Regulations Since 1970

Although this paper has shown that there has been a widely-expanding federal bureaucracy to regulate industry, this apparatus has seen a pushback from industry that has often mitigated its effect, to the benefit of entrepreneurs. Horwitz (1989) writes that corporations have "funded a large number of scholarly projects critical of regulation," including one infamous study by the American Enterprise Institute which estimated the cost of the expanded level of intervention during the 1970s at $100 billion (Horwitz, 1989, p. 207). This was due to the introduction of the Occupational Safety and Health Administration (OSHA), the Environmental Protection Agency (EPA), and the Consumer Protection Agency (CPA), as well as the series of direct initiatives designed to curb inflation; the federal government took a direct hand in the regulation of private industry. Organizations such as the American Enterprise Institute and others, who opposed these costly regulatory measures, continue to serve as allies to entrepreneurs.

By the end of the 1970s, severe inflation accompanied by excessive social programs and the spate of new business regulations (as well as the increasing federal budget deficit) ended this expansion of federal power. It was during this period that the government began to deregulate several major industries, including the airline, railroad, trucking, television, radio, and telecommunications industries. Since 1980, there has been a massive display of deregulatory action by the government, which has been very beneficial for the American entrepreneur (Feldstein, 1995, p. 408).
In this section, it has been shown that in many ways “progressive” legislation is a hindrance to entrepreneurship. Entrepreneurs thrive in an atmosphere of freedom to pursue new and innovative business ends, and being paralyzed by regulatory agencies is an easy way to force an innovative enterprise to change or to ruin it outright before it is able to reach its fullest and most optimum success. Despite the positive measures provided through government-based regulatory agencies and by the existence of populist protective legislation, these pose significant barriers to the work done by entrepreneurs, and their existence presents a threat to the continued commercial viability of America.

In the following section, it will be shown that, just like these laws, modern entrepreneurial education poses just as much of a threat to the viability of this most vital class of Americans. Through a rigorous structure and forced group cohesion, entrepreneurial education in its current form may actually be working to turn generations of young businesspeople away from entrepreneurial ambition.
CHAPTER 3: MODERN ENTREPRENEURIAL EDUCATION

Philosophical Foundation

19th century philosopher and psychologist William James offers perspectives that are still relevant with regard to specific business ideals. James’ philosophy provides guidelines for practicing businesses in a manner that satisfies both morality and capitalism, while embracing multiple perspectives and presenting a sense of “social good” (James, 1890, p. 294). Weick’s business education themes and recommendations will be explored, as they relate to the teaching of modern entrepreneurialism.

As presented by Cynthia Weick (2008), James’ most salient point is the idea of pragmatism. Beginning with the idea that philosophy ought not to be a lofty ambition consigned to the intellectual elite, Weick (2008) explains how James felt that “everyone can and should wrestle daily with philosophical questions,” but that during this daily and popular practice, thinkers should explore ideas only when coupled with fact and rationality (p. 89). Out of this belief comes what Weick (2008) describes as “James’s pragmatic method” (p. 39). Weick (2008) believes that James is actually making the point that “we should focus on ideas that make a difference in our lives” (p. 98).

With regard to James’ impact on business education, Weick (2008) argues that business practitioners, educators and students “can and should think philosophically and focus on decisions that actually have consequence in [their] lives” (p. 91). Further, everyone in business should seek truth through the “active solicitation of the viewpoints of others,” and through the “testing and retesting of ideas in the world” (Weick, 2008, p. 92). In this way, Weick (2008) describes James as seeking to provide a sense of
coherence to the complicated and often-intractable problems that characterize the business world in general and entrepreneurialism specifically. She explains that through the use of James’ philosophy, one may extrapolate that “solutions to business problems can be viewed as hypotheses that we formulate and test, and from which we observe findings” (Weick, 2008, p. 93). From this rigorous and scientific point, the businessperson or entrepreneur will make decisions based on these findings and the cycle begins anew. She emphasizes that business decisions have much practical consequence around the world but that “the world of business is messy” and that “decision making in business is often deeply interwoven with complex technological, political and social change” (Weick, 2008, p. 94).

With regard to business education and entrepreneurialism, Weick (2008) explains that no business syllabus would be complete without instilling five key characteristics in students. The first of these five tenets of business education is that business students be made to “think philosophically: to ask why things are as they are and to consider the value of alternatives” (p. 94). The second point is that business students be made cognizant of the “far-reaching and long-term consequences” of business practices. The third demands that business students be “equipped with a philosophical process they can use to face messy and complex business issues” and to optimize good as opposed to only ensuring short-term gain (Weick, 2008, p. 95).

The fourth tenet is that business students must be “encouraged to foster a business climate that is open to multiple perspectives and truth seeking through open dialogue” (Weick, 2008, p. 95). The final point is more germane to this discussion of
entrepreneurialism, as Weick (2008) requires that business students be “stimulated to embrace their responsibility for inventing the future,” and believes that business education ought to “catalyze their interest in taking risks and believing in ideas that are ahead of their time” (p. 95). Weick (2008) also argues that James’ pragmatism calls for a sense of risk to be instilled in young business students, who should be encouraged to “become doers and risk takers—individuals who pride themselves in inventing the future by changing the past” (p. 96). Weick (2008) acknowledges that these traits are taught in business and entrepreneurial education, but contends that William James would have it that “innovation, entrepreneurship, and business management [skills]...be required of all business students” (p. 96).

Academic Assistance Programs

How effective are the programs that currently exist to help foster entrepreneurialism among America’s students and young people? Heriot and Simpson (2007) present a qualitative research study that focuses on one university’s pursuit of a comprehensive entrepreneurship program, defined by these authors as “a program with more than simply an academic interest...[but] one which emphasizes service, outreach, and research” (Heriot & Simpson, 1991, p. 428). They explain that that there is a continued, if not increasing interest in entrepreneurship and entrepreneurial pursuits among business students, and feel it is critical that more programs be established and that those that are available be taught by formally trained entrepreneurship educators.

According to Shepherd and Douglas (1997), most modern entrepreneurial education falls into one of four categories. The first, the Old War Stories approach, is
based on entrepreneurs leading lectures of students and young people in which they tell inspiring stories of their success. Shepherd and Douglas (1997) malign this approach due to its emphasis on abstract notions of these successful individuals’ “experience, intuition, and judgment,” and describe how these lectures often fail to cite the contribution of the larger organization or environments which likely play a great part these individuals’ success (p. 3-4).

The second category is the Case Study approach, which argues that successful entrepreneurship is incumbent on “controlled and conscious thought processes” (Shepherd & Douglas, 1997, p. 4). Proponents of this approach argue that successful entrepreneurship is a matter of developing the proper ”mindset,” and that success is doled out to only those who take the time to properly orient themselves toward appropriate innovation and risk-taking behaviors. Detractors to the case study approach argue that idea formulation cannot be separated from action in any situation.

The third category, the Strategic Planning approach, is often described as having emerged out of the relationship between business and psychology popularized by General Electric in the 1970s and 1980s. Out of this alliance, Venkataraman (1997, cited by Hitt, 2002) describes how economists recognized that a supportive attitude toward “wealth creation…aligns well with the potential impact of entrepreneurship on an economy…as firm performance (organizational wealth) is an antecedent of social wealth” (Hitt, 2002, p. 30). Wealth-oriented objectives include the breaking down of business goals into a conscious and coherent plan, often in the form of a business plan. This approach is criticized by Meyer (2001), who argues that its emphasis on cataloguing goals is often counterproductive. Meyer questions whether this approach has been incorrectly validated
by the prevalence of business plans in modern business culture, and wonders whether there is actually any positive relationship between business plans and performance. Shepherd and Douglas (1997) also argue that this approach is useless given how business plans, by their very nature “only extrapolate known trends” (p. 4).

The fourth category is the *Generic Action* approach, and under this premise students are taught that only “market forces, such as bluffing, price deterrence, and the timing of entry” must dictate action (Heriot & Simpson, 2007, p. 27). This approach allows the individual little influence over events and holds that the entrepreneur can only react to market forces. According to Shepherd and Douglas (1997), this approach levies less pressure on the entrepreneur than the others. They argue that once a given business approach is formulated, “there is no need for initiative, ‘only’ implementation” (Shepherd & Douglas, 1997, p. 5). Under this approach, the entrepreneur has little responsibility beyond “scanning the market... [and drawing] appropriate conclusions necessary to move in the right direction” (Heriot & Simpson, 2007, p. 28). Shepherd and Douglas (1997) ultimately argue against teaching under this premise, arguing that it ignores the art of entrepreneurship in its emphasis on rote science and robotic responses.

Jack and Anderson (1998, cited by Henry, Hill and Claire, 2003) echo this sentiment, believing that the “teaching [of] entrepreneurship is a bit of an enigma since the actual entrepreneurial process involves both art and science” (Henry, Hill and Claire, 2003, p. 90). While the “science” of entrepreneurial education appears to be teachable through a standard pedagogical approach, as it involves “business and management functional skills,” these authors argue that the “art” aspect, which “relates to the creative and innovative attributes” of the individual entrepreneur, is “inductive, which contrasts
with the rational deduction” indicative of traditional business practices and resource management. (Henry, Hill, & Claire, 2003, p. 92). In addition, Saee (1996) presents the teaching of entrepreneurship as similar to the teaching of sculpture, explaining that while some entrepreneurs have much natural talent and succeed easily, others must work very hard with no assurances of similar success.

**Business Ethics**

Future Doctorates of Business (PhDs and DBAs) are similar to managers, in that they must be prepared to meet the changing demands and requirements of business education, and explains that many of these changes may be satisfied through a greater emphasis on business ethics education. Schools of the future will have more students and faculty and that demand for diverse competence in research and education will be of extreme importance. It is necessary that ethics issues be at the center of educational discourse. Giacalone (2004) argues that the current norms of business and entrepreneurial education tend to produce individuals who “know how to play the end game of wealth creation,” but who have “no objective for the non-financial, collective improvement of our world” (Giacalone, 2004, p. 418).

Ghoshal (2005, cited by Sison, 2008) has categorized business educators as out of touch, and professionals whose academic distance provides them “with explicit denial of any role of moral or ethical consideration in the practice of management” (Sison, 2008, p. 20). Mitchell (2007) writes that it is precisely the business professor’s academic influence and standing that demands they instill the germ of ethical behavior in their students, and to do otherwise would be irresponsible. The difficulty, then, comes in reconciling
business ethics with the risk-taking that is necessary in entrepreneurism and in entrepreneurial education.

Methods of Entrepreneur Program Evaluation

According to Havnes and Skjekkeland (2007), governments across the industrial world will seek programs that emphasize entrepreneurship in an effort to renew and strengthen their economies. Their paper for the Journal of Enterprising Culture explores an entrepreneurial support program that was underway in Norway at the time of publication. They found that these programs of entrepreneurial education and training are often hampered by “inconsistent and ambiguous goals” which complicate the objective measurements that are “required for evaluation” (Havnes & Skjekkeland, 2007, p. 340). They found that in addition, complications tend to arise from how goals for entrepreneurial programs are often specified “in quantitative [terms], others in qualitative terms,” and are affected by the lengthy “incubation period between cause and effect,” that is, the period between entrepreneurial education and entrepreneurship (p. 342).

These authors explain that one of the key qualities to consider about entrepreneurial programs is that their “processes are highly creative,” and thus difficult to quantify, but this creativity is necessary when used toward “processes where new opportunities are exploited for business purposes” (Havnes & Sjekkeland, 2007, p. 342). As there are few distinctions between entrepreneurial work that creates a separate entity and similar work that goes on within a single large firm, these authors define entrepreneurial work as the process which: (1) “identifies the opportunity to create or improve profits of a firm”; (2) “reorganizes available resources to exploit the
opportunity;” or (3) “implements new or modified business ventures within the framework of legal and cultural values for conducting business” (Havnes & Sjekkeland, 2007, p. 343). They stress that the “entrepreneurial process is a period of investment, which must be recovered through the exploitation phase” and that “the main focus of the firm must shift” from creativity to efficiency once the venture is proven (Havnes & Sjekkeland, 2007, p. 344).

Havnes and Sjekkeland (2007) broaden the idea of entrepreneurial education, expanding it beyond business school to include on-the-job training and government support programs for entrepreneurs at extant firms and businesses. In their study of one such undertaking in Norway, Havnes and Sjekkeland (2007) first show their criteria for assessment, explaining that any regimen of entrepreneurial promotion must “assess whether or not money is wisely spent,” and the data gleaned from a study of such programs may be used to improve future entrepreneurial support programs (p. 345). They are concerned that many of the reports that are generated from such audits contain much sensitive and confidential industry information and are “therefore not readily available and most often not written with the general research interest in mind” (Havnes & Sjekkeland, 2007, p. 346). In addition, they emphasize that any program designed to promote entrepreneurship must include cost-benefit information that can be used to determine whether it has been effective and efficiently run, but warn that a “well-conducted program may have low cost efficiency if it has been based on wrong premises or unrealistic program goals” (Havnes & Sjekkeland, 2007, p. 347).

Havne and Sjekkeland (2007) also warn that it is difficult, if not impossible, to rate any entrepreneurial support program with objectives that are ambiguously defined,
explaining that any program which seeks to, as an example, “improve conditions for starting new enterprises” is defining an aspirational goal for evaluation, “but fail to explicitly define what is meant by ‘improved condition’” (p. 344).

Entrepreneurial Education Beyond Business Majors

According to Levenburg, Lane, and Schwarz (2006), business majors may not be the only students who can appreciate the message delivered by entrepreneurship programs. Their work utilized a survey to validate this claim. Based on this study, it was found that “many non-business majors also possess entrepreneurial characteristics and perceive the need for entrepreneurship curricula” (Levenburg, Lane & Schwarz, 2006, p. 272). These authors conducted a study of 728 students at Grand Valley State University in Michigan.

They used a 5-point Likert scale for survey questions designed to determine how much, if any, drive the students had toward a future in which they would be self-employed. Of those who participated and were asked about their entrepreneurial ambitions, “38.7% chose strongly agree and 34.9% chose somewhat agree” and through a combination of these two figures Levenburg et al. determined that a total of 73.6% of their respondents “indicated that they wanted to be self-employed and 59.1% expressed a desire to start their own venture” (p. 274). These authors conclude that the data shows that there is a “clear indication of overall interest in entrepreneurship across the university’s student population, both inside and outside the business school” (Levenburg, et al, 2006, p. 275). In addition, they found that the students who expressed the greatest
interest in starting a business (outside of the School of Business) were in the Nursing School and the School of Social Sciences.

Further refining their results, Levenburg, et al. (2006) conducted a second survey, designed to determine whether the multidisciplinary students who had already expressed an interest in self-employment or starting their own business would have any interest in a specific entrepreneurship program. These students were asked if “a new venture program is offered to provide the basic skills and applied work, I would be most interested in [choice of time commitment]” (Levenburg, et al., 2006, p. 277). Based on the responses, these researchers showed that “the majority of entrepreneurial-oriented students... wanted to take courses in entrepreneurship,” though few wanted entrepreneurship taught as a major with a hefty time commitment (Levenburg, et al., 2006, p. 279). This data also suggested that students in every major believed that an entrepreneurship curriculum would “support their already-selected majors... rather than [as] a stand-alone or second major” (Levenburg, et al, 2006, p. 281).

Upon analyzing these results, it becomes apparent that there is significant interest in entrepreneurship across academic disciplines. Levenburg, et al. (2006) were surprised to see this spirit among those in the social sciences, but were quick to postulate that “entrepreneurial aspirations, as well as the perceived need for entrepreneurship training and education, may be most fervent outside the business school” (p. 281). They indicate that if business schools wish to serve an interdisciplinary student population, they may need to “reevaluate their definition of market scope to evaluate the roles [business departments] may play in supporting diverse academic majors,” perhaps through “developing... curriculum and courses that are flexible enough to foster the dreams of
students whose hearts and academic majors lie outside the business school” (Leveburg, et al., 2006, p. 283).

A related study conducted by Heriot and Simpson (2007) published in the Journal of Entrepreneurship Education, describes the five-year process that one college used to develop a comprehensive program of entrepreneur education. It is important to note that the school used in this study had no history of entrepreneurial education. It is explained that this study is relevant given the “continued interest in entrepreneurism that exists” (Heriot & Simpson, 2007, p. 25), and that this study is offering the reader a template for constructing their own entrepreneurship promotion program.

Heriot and Simpson (2007) begin by explaining that “in 1980 fewer than twenty colleges and universities offered courses in entrepreneurship, while today more than 1,600 universities [offer] at least one course” in this field (p. 26). They describe this growth in entrepreneurship programs as phenomenal, and point to “the arts, engineering, life sciences, and the liberal arts” as fields in which much of this growth has taken place (Heriot & Simpson, 2007, p. 27). They also distinguish typical entrepreneurship programs and training with the comprehensive entrepreneurship program that is the subject of their study. A comprehensive program of entrepreneurship is “a program with more than simply an academic interest...beyond simply adding courses to the curriculum,” but rather is one which emphasizes “service, outreach and research objectives” (Heriot & Simpson, 2007, p. 28).

Heriot & Simpson (2007) describe how it is necessary to “recruit faculty who are prepared to teach elective courses and sections of entrepreneurship courses that” do not have traditional prerequisites that are found in most upper-level business courses (p. 31).
In addition, in an effort to attract the interest of students from non-business fields, these authors recommend that administrators establish “unique and creative course designs in field such as accounting,” which will also encourage and challenge “the academic community to step out of their comfort zones” (Heriot & Simpson, 2007, p. 32).

Finkle (2007) explains that “entrepreneurship education continues to play a vital role at universities and colleges throughout the world,” despite many factors that may indicate the contrary, such as the economic crisis, increased competition from companies doing their own in-house entrepreneurship training, and a decrease in the number of foreign workers seeking U.S. entrepreneur training (p. 1). To this end, he conducted a qualitative study of market trends for entrepreneurship programs and faculty.

Finkle (2007) shows that in the six years prior to his study, there have been many new positions (as well as candidates to fill them) in the field of entrepreneurship. He explains this by citing that “first the number of doctoral programs has increased significantly,” along with “a significant increase in the number of layoffs, which may have increased the number of people entering doctoral programs in entrepreneurship” (p. 5). In addition, there had been an increase in the number of “endowed chairs in the [entrepreneurship] field,” as well as increased interest among undergraduate college students with “the number of colleges and universities...offering courses related to entrepreneurship [having grown] from a handful in the 1970s to over 1600 in 2005” (Finkle, 2007, p. 7).

Student Interest in Entrepreneurship
Finkle (2007) shows that among those students he studied between 1990 and 2005, “the number of candidates who classified entrepreneurship as their primary field increased from 5 to 33,” an increase of 560% (p. 8). In addition, during the same fifteen-year period, “the number of candidates that listed entrepreneurship as their secondary and tertiary field increased from 15 to 40%,” an increase of 167% (Finkle, 2007, p. 9). When he considers the institutionalization of the field, Finkle (2007) reveals that “from 2002 to 2005, the percentage of positions that were advertised as primary entrepreneurship positions increased from 44 to 83%” (p. 10).

Steve Michael and Leela Balraj (2003) present a strong argument for the existence of multiple and joint degree programs for undergraduates and graduate students. They explain that it is widely believed both that “today’s graduates will change profession many times before their retirement,” and that jobs current graduates will have in the future have likely not yet been created (p. 131). They explain that it is for these reasons that the number of joint degree programs is increasing in U.S. popularity.

Michael and Balraj (2003) define a joint degree program as “an academic program offered in collaboration between at least two autonomous degree-granting institutions which leads to an award of a...degree” (p. 135). This is a distinct concept from a collaborative degree, which is based on cooperation between a school and some business or technical institute that does not have the power to grant degrees. They further specify that a “community college that combines resources to offer the first two years of a degree program with a neighboring university where students complete the remaining portion of their program” is not a joint degree, but a collaborative program. (Michael & Balraj, 2003, p. 138).
What is the purpose of such a degree? Michael and Balraj (2003) explain that institutions establish structures for awarding joint degrees with other institutions to “(1) meet the need of a changing profession; (2) restructure existing degree programs to become more interdisciplinary; (3) as a response to enrollment needs; (4) as to enhance the specialization nature of some degree programs” (p. 137). One good example of such a program can be seen through the changing world of library services. These authors explain that “because of technology and the resultant automation,” the librarian has been transformed into someone with expertise in information management, and “to be successful, today’s librarian requires different skills and education from those of a generation ago” (Michael & Balraj. 2003, p. 141). In response to this need, many library science programs offer joint degrees with the information sciences.

E-Business Courses

Of considerable importance in the world of entrepreneurship are recent advances in remote and e-business practices and the development of educational curricula for the purpose of advancing e-business education. This is relevant to this study because many of the same lessons that researchers have presented as beneficial in the propagation of effective e-learning education can be directly applied to entrepreneurship education and training. In addition, much of the entrepreneurship that has been explored can be facilitated more efficiently through the internet.

In recent years, two distinct schools of thought have developed with regard to e-business education, both “fast-cycle” curricula development processes, which are “research-driven and stakeholder-driven” initiatives. Fedorowicz and Gogan (2001)
explored courses for advancing internet-driven business at Bentley College. They found that there were several key impediments to establishing effective e-business courses, including the fact that “some professors feel that accelerated expectations for curriculum development and professional development activities conflict with their research agendas” as well as “lack of time, resource limitations and...inflexible bureaucratic processes” (p. 319).

The research-driven method of curriculum places an emphasis on “field research on leading-edge topics” such as e-business entrepreneurship through a program of online courses driven by current research (Fedorowicz & Gogan, 2001, p. 324). The stakeholder-driven curriculum process, by contrast, builds a curriculum based on the “identification of stakeholder needs and preferences” with regard to IT work in an effort to offer students an early emphasis on core needs in the business world (Fedorowicz & Gogan, 2001, p. 325). By placing a strong emphasis on the practical “real world” business needs of current students, this method of curriculum design forces students to recognize the needs of their future industry. Work by Slater and Narver (1998) shows that both the research-driven and stakeholder-driven approach are equally relevant to entrepreneur education, as an emphasis on the rigors of e-business training are analogous to the pioneer entrepreneurial spirit.

Beyond the idea of straightforward stakeholder-based e-business education, some schools have had difficulty in determining which aspects of e-business their business students should be taught. While many e-business courses focus on web design, data interchange, and authentication policy and tools, Etheridge, Hsu and Wilson (2001) found that “no consensus exists regarding the number and nature of courses that should
comprise an e-business curriculum” (p. 328). While some business schools have embraced business courses with a focus on the potential of the internet, others still “remain skeptical as to whether a separate program or degree for e-business is justified” (Etheridge, et al., 2001, p. 328).

Among firms with dedicated e-business courses, controversy remains over the emphasis that should be placed in these courses on different aspects of business education. There is controversy with regard to whether e-business programs should focus on “technological aspects, such as web design,” or whether they should cover “more traditional business topics, such as entrepreneurship and the basics of running a business on the Web, including tracking finances and inventory” (Etheridge, et al., 2001, p. 328).

Etheridge, et al. (2001) also found that among a variety of MBA programs, there is a wide disparity on the emphasis of the program, with the dividing line drawn between those programs which “emphasize traditional business topics in an e-business setting” and those which “adopt a more technical approach [and] require students to attain a level of competence in programming, networks and communications, and system design” (p. 331). A strong technical aspect of these business courses is sound preparation for entrepreneurship, as can be seen in the case of Google and other major engineer-founded internet companies. Due to this strong division, there are now joint degree programs being offered that cover both the technical and business-entrepreneurial aspects.

**Criticisms of Entrepreneurial Education**

In the late nineteen-sixties, business education was often inflexible and fostered an atmosphere of student dissatisfaction. In his 1969 article about the state of business
schooling in the United States, Thomas L. Wenck of Michigan State University presented several distinct criticisms regarding business education. He argues that these courses “have relatively tightly structured requirements for graduation” and it is this “inflexibility and lack of choice” that he blames for the overall lack of student satisfaction (Wenck, 1969, p. 630). To this point, he argues that business courses should have fewer required courses for graduation but maintain their current level of course options, so as to better provide students with a degree of give and take that would help them learn a broader variety of business topics.

During this time, ideas presented in business schools leaned heavily to works of theory rather than pragmatic and practical business education. Wenck (1969) acknowledges that accommodations must be allowed for pure business research, but argues that these schools should be delivering lectures and courses based on “applied research [which] would furnish the substance which would permit increased normative [practical] instruction in our classes” so that business students may make more immediate business contributions (p. 629).

With regard to business ethics, Wenck (1969) argues that “to leave the teaching of business ethics as an integral part of each business course is to relegate the subject to the back burner where the heat is on low or off,” meaning that at the time he felt that these lessons were ineffective when contextualized in a wider business course (p. 631). He also was among the first scholars to recommend that business ethics be expanded into their own separate courses. Kent (1990) writes favorably about the integrated approach, and indicates that it offers several advantages: first, professors who teach both traditional business and practical entrepreneurship will have another incentive to maintain
"familiarity with the…most up-to-date research" (Kent, 1990, p. 117). Second, the integrated approach can eliminate “gaps and overlapping” in business education that would arise under independent programs of entrepreneurial education (Kent, p. 118).

**Scientific Method Criticisms and Desegregated Learning**

Decades before the criticism provided by Wenck, in an article published in the *American Journal of Economics and Sociology*, Francis Neilson (1945) decries what he describes as the “infusion of the scientific method” into business and general education, suggesting that the methods of the scientist as different from what is necessary for education of various types, including entrepreneurship. Neilson (1945) argues that while the scientific method had been most useful when used by “inventors of appliances, manufacturers of machines, and mechanics” (p. 119), and other technical occupations which would make use of the modern equivalent of vocational training, it is no less crucial to the whole of this educational intent.

Neilson (1945) defends against critics who argue that the introduction of a rigid and reason-based system of logic and science into education, particularly business education, would necessarily reduce the value of the individual worker. Among these critics is Dewey (1944), who argues that “the zeal for the practical and the utilitarian has resulted in displacement of a liberal education by one that is merely vocational, one that narrows the whole man down to that fraction of his being concerned with making a living” (p. 5).

By contrast, desegregated learning is a far more advanced system of education which promotes higher levels of learning and education, while pursuing opportunities that
can be accomplished with minimal costs and complexity. Fuentes, Freeman, Crown, Kypuros and Mahdi (2006) explain that by higher level of learning they mean that “students are able to explain what they have learned in their own terms and apply it to problems that are out of the context in which the concepts were learned” (p. 17). Modes of desegregated learning involve restructuring existing pedagogies and breaking down structures of segregation that exist in education.

Pedagogy vs. Andragogy

Before desegregated learning is explored, it is important to understand what is meant by pedagogy. Tim O. Peterson (2006) argues that the word is archaic, as the “word pedagogy refers specifically to children and assumptions for teaching children” and fails to “encompass the needs of adults common” in modern management and entrepreneurial classrooms (p. 113). Peterson wishes to “ensure congruence with the emerging management teaching methods” and proposes that to do so, the business world adopt “the term andragogy…which focuses on the adult learner and the creation of an independent, adaptable individual” (p. 113). It is important to remember that neither of these terms is an actual technique, but rather a philosophy of learning and a teaching mindset.

Peterson (2006) feels that the term pedagogy is indicative of education through repetition instead of dynamic analysis, where “instead of preparing students to work on their own, a pedagogical mind-set simply looks to fill empty, passive minds with the instructor’s knowledge” (p. 114). This method of education, then, goes against advanced management and business strategies which focus on “learning for application and work in
the real world” (p. 114). Peterson (2006) is unique in arguing that *pedagogy* “acts like a shackle holding [business] education to past notions of learning...[and] binds management educators to principles of learning developed for children” (p. 115).

What sets *andragogy* apart from *pedagogy*? Peterson (2006) explains that a pedagogical teaching paradigm is “predicated upon the concept of dependency...[in which] students are assumed to know little [and] instructors provide pupils with the necessary information” (p. 115). Using this system, it is argued that the result is a pupil who is utterly reliant on the instructor. By contrast, under Peterson’s (2006) androgogical system, the instructor “would not be considered simply a conveyor of information...[but] mentors and guides who help students develop” through a process of “learner-centered education” in which the ultimate goal is to develop businesspeople and leaders “capable of adaptation, free inquiry, and self-sufficiency” (p. 116).

This idea is backed up by the work of Knowles (1977), who argued that in the “teacher-learning transaction,” adults have a “self-concept of a self-directing personality,” they bring a “wealth of experience to the learning process,” arriving at a learning opportunity “ready to learn,” and they are oriented toward immediate application of new knowledge (Knowles, 1977, p. 44). As it is clear that there are many differences between adult business learners and adolescent learners, Peterson’s call for a change to *andragogy* is appropriate.

With regard to systems of effective classroom segregation, meaning means through which classes of business students can be separated to achieve learning outcomes, Fuentes, Freeman, Crown, Kypuros and Mahdi (2006) present several modes that must be overcome if business students, as well as students of entrepreneurism, are to achieve
higher learning outcomes. The first is the “segregation of course content” into single, semester-long classes. While this system does “allow students greater flexibility in scheduling courses,” this comes at the expense of students “retaining and integrating concepts from one course to another” as well as with “looking at problems holistically” (Fuentes, et al., 2006, p. 18).

Fuentes, et al. (2006) also present the “segregation of educational problems” as a pressing issue in education for business. This research conveys that “a significant amount of the innovative design and research in industry and academia is taking place at the boundaries” of traditional business fields, so the separation of educational problems into familiar, staid categories is detrimental to students in general (p. 21). They add that “most real-world problems are multidisciplinary in nature,” so “universities need to expose and prepare students to work in multidisciplinary teams and to feel comfortable crossing traditional boundaries” such as those that separate traditional business and entrepreneurial education.

In addition, education is segregated by setting, as “most of the current programs in higher education focus only on the hours that students spend in the classroom [while] overlooking the many opportunities for guided learning in other settings” besides the lecture hall (Fuentes, et al., 2006, p. 21). In this regard, entrepreneurial education in the workplace setting can be offered as beneficial extracurricular work, removed from the classroom and theory.

Finally, students are grouped by age and taught by classification, a state which Fuentes, et al. (2006) present as “segregated student involvement” (p. 21). They explain that “although segregation by classification is viewed as a practical solution for courses
that assume prerequisite skills, introducing interaction among these groups could be beneficial," as older students may guide younger students into more competitive fields such as entrepreneurship education (p. 23).

**AACSB Business Policy Course and Future Emphases**

One study conducted in 1983 by Eldredge and Galloway attempted to determine how many business schools required a business policy course in programs overseen and accredited by the American Assembly of Collegiate Schools of Business (AACSB). Of 198 people, “190 or 96 per cent” reported their business courses as requiring such accreditation (Eldridge & Galloway, 1983, p. 85). This is in stark contrast to the few business courses that required this accreditation twenty-five to fifty years before the 1983 study (Eldridge & Galloway, p. 87).

Eldredge and Galloway (2006) found that most business policy courses were “three-semester-hour, senior-level courses...usually taught by the academic department responsible for teaching...management,” but were often delivered with an emphasis on small business and entrepreneurial management (p. 86). A total of 16% of the average business policy course is devoted to management games and case studies, and according to these researchers, “the use of management games will be more prevalent in the future,” along with “the areas of international business and nonprofit management” (p. 87). They predict that these courses will see “the lessening of reliance on cases...and there may be a shift to more of an emphasis on strategic considerations” and an attempt to develop more of a theoretical basis for these lessons (p. 88).
Of the students who participated in this 1983 survey, "113, or 57% indicated that they had specific changes" that they would like to see be made to business and entrepreneurial education. Of these, the most frequently mentioned change is an "increased emphasis on entrepreneurial business management...motivated to a large degree by the increased emphasis on international aspects of business policy" (Eldredge and Galloway, 2006, p. 89). Other changes that would be appreciated by the surveyed students included a "greater emphasis on strategic considerations, nonprofit organizations, or on small business and entrepreneurial problems" (Eldredge & Galloway, 2006, p. 90).

Group Work

Student attitudes toward group work vary considerably. Scribner, Baker, and Howe (2003) examined attitudes held toward group work among undergraduate marketing and general business majors in an attempt to uncover "the extent to which working in student projects [aids] groups in acquiring necessary skills and compare the degree to which these skills...add value to their future career development" (p. 59). They found that (1) both students and alumni have "positive attitudes toward group project experiences while in college;" (2) such involvement does "lead to critical interpersonal and team support skill acquisition," and (3) any skills acquired during group work is "instrumental in career development" (Scribner, Baker, & Howe, 2003, p. 63). While these results seem to indicate that group work is an excellent path to future business success, the authors concede that the skills being so "instrumental" to future careers can be "attributed somewhat to the saliency of group/team participation...[since] on average
[participants] had been involved with 5.2 team projects” over the year prior to the study. (Scribner, Baker, & Howe, 2003, p. 62).

While the majority of students felt group work was beneficial, this study also revealed a great deal of student complaints regarding undergraduate business school group work. The participating students would “oftentimes complain about participating in group projects...[and] indicate that because group work has become so common in business courses,” they would be assigned to multiple groups every semester (Scribner, Baker, & Howe, 2003, p. 62). Citing enduring time constraints and pressure from multiple extracurricular activities and jobs, these findings indicate that many students found it extremely difficult to devote an appropriate amount of energy to each group to which they were assigned. In addition, they would complain of “having a ‘free rider’ or ‘social loafer’ in the group,” a member who “consumes without using his or her own resources” (Scribner, Baker, & Howe, 2003, p. 63).

Of particular importance to any student who wishes to pursue an entrepreneurial career or corporate career with entrepreneurial trappings is the existence of business school curricula designed to prepare students to compete in cross-functional business environments. A cross-functional business environment is one in which individual workers have the ability and responsibility to integrate many different areas of the business in their problem-solving, and are required to “draw from a variety of disciplines in order to solve the complex, global problems that the business community faces on a daily basis” (Anthony, 2002, p. 26). Accordingly, business schools are “reengineering their programs to better provide for and reflect the high demand for a [cross-functional] workforce” that exists in American corporate culture today (Anthony, 2002, p. 25).
Changing a given school’s curriculum from a model that emphasizes pedagogical learning to one that trains business students to operate in a cross-functional manner can pose difficulties for universities that “continue to be functional in nature” (Anthony, 2002, p. 26). In a poll of undergraduate business programs accredited by the AACSB, “it was found that less than five percent of [business] schools had formally addressed the need for cross-functional curricula (Anthony, 2002, p. 27).

Content varies within schools implementing these programs. At the University of Dayton, for instance, “business faculty attempt to (1) give students the opportunity to study financial concepts and techniques and apply these tools to business assessments; (2) provide students with opportunities to study the thought and theory of marketing strategy development; and (3) provide students with opportunities to build confidence in their ability to assess strategy” while also implementing effective financial analysis at their firms (DeConinck & Steiner, 1999, p. 44).

**Accelerated Degree Programs and Regulations**

According to Singh and Martin (2004), in recent years many students have begun pursuing accelerated business degree programs. These programs require students to be in the classroom for longer hours for “as much as eight hours per session.” However, these classes are completed in less time than the standard fourteen weeks; sometimes in as few as five weeks (Singh & Martin, 2004, p. 300). These accelerated business courses have the same “academic contact time—about 45 hours per semester—as a traditional course,” with some including “substitute team projects, field work, or intern-type assignments” (Singh & Martin, 2004, p. 301).
Singh and Martin’s (2004) study of a significant sample of undergraduate business students found that accelerated programs are popular largely due to the support of “part-time students and students who work full time” (p. 299). The study was conducted from an administrative perspective, and found that “most students liked the idea of four sessions and 10-week modules, with classes running for an extra 45 minutes” (Singh & Martin, 2004, p. 301). In addition, results suggested that many of the students would “encourage a person they knew to attend [their] university” if an accelerated class program were introduced. (Singh & Martin, 2004, p. 303). Students who participated in classes while working full time showed overwhelming support for this type of program. In contrast, students who paid their own tuition were not enthusiastic about the proposal. These results are unsurprising: students employed on a full-time basis “generally prefer programs that move them along as quickly as possible,” while students who are paying their own tuition must pay their bills more rapidly and would prefer an arrangement involving payment over a longer period of time. (Singh & Martin, 2004, p. 301). Beyond these two types of students, there are other groups, including those whose employers pay their tuition, those whose education is paid for by a scholarship, and those who obtain student loans, as well as those who work part-time. That being said, student priorities generally indicate the speed at which students will seek to complete a given program of entrepreneurial study.

Difficulties in promoting entrepreneurship are not limited to the United States. Klapper, Laeven, and Rajan (2003) argue that across European nations, entry and startup regulations create a business atmosphere which they describe as “neither benign nor welfare improving” (Klapper, Laeven & Rajan, 2003, p. 28). In their empirical study of
more than three million European firms, these researchers found that entrepreneurship and startup regulation hampers the creation of new firms, “especially in industries that naturally should have high entry” (p. 28).

In their 2004 study, Klapper, Laeven, and Rajan utilized “the Amadeus database, a new, comprehensive database on private and publicly traded firms in 34 countries in Eastern and Western Europe,” and after excluding countries with incomplete information and coverage, based their findings on “3.4 million firms in 21 countries” (p. 12). From this information, they found that the average entry rate for new firms, meaning startup costs as a percentage of per capita GDP, was 13.3%. This ranged from 19.2% in Lithuania to 3.5% in Italy, with Eastern European countries having an average rate of 15.7% and Western Europe having an average rate of 11.9% (Klapper, Laeven, & Rajan, 2004). In addition to the entry rates, “the direct costs of setting up a new business, expressed as a percentage of per capita GNP in US dollars, vary from... 86% in Hungary to... 1% in Finland and the UK, with the average at 20%” (Klapper, Laeven, & Rajan, 2004, p. 3). The Hungarian rate was described as “excessive” (p. 13).

With regard to the effect that regulation has on the establishment of small businesses and the fostering of an entrepreneurial spirit, this research argues that while “entry regulations [do] serve the public interest by preventing fraud,” those that advocate this regulation do not address the problem of ‘causality,’ which they describe as “the possibility that countries with generally low entrepreneurship may not be sufficiently motivated to press for the repeal” of regulations that may hamper entry (Klapper, Laeven, & Rajan, 2004, p. 4).
To tease out the salient information, Klapper, Laeven and Rajan (2004) focused their research on industries in the business sector with “cross-industry, cross-country interaction effects,” so as to avoid regulations which would hamper the growth of new businesses in countries that have particularly stringent regulation (p. 6). Strict barriers to entry were identified as the reasons for slow business growth, especially in countries with less-developed financial systems where individual entrepreneurs have less access to credit. They also found that “labor regulation hampers entry in labor-intensive industries,” as the “cost of compliance with regulations inhibits entry” and “small firms may not be able to afford to keep their employees through downturns and thus might ‘underhire’ in the face of regulation” (Klapper, Laeven, & Rajan, 2004, p. 23).

In the face of this “excessive” regulation, Klapper, Laeven and Rajan (2004) believe that legislators should “note that competition has disciplinary effects that outweigh any possible screening benefits from entry restrictions” and that “entry regulations especially hurt countries that are more developed and less corrupt” (p. 28), such as those that have more strictly enforced regulations.

Studying entrepreneurship shows there are many kinds of activities, some illegal and criminal that plainly qualify as entrepreneurial behavior. Lockwood, Teasley and Carland (2005) surveyed felony prisoners who had been serving sentences in a federal prison in the Midwest. At the time, their participants had been taking an entrepreneurship class in prison, and all had expressed a desire to “go straight” after they had served their time. The entrepreneurship class was taught by an inmate who had extensive entrepreneurial experience. Inmates were provided with textbooks and educational
material obtained from academic institutions. The majority of the felons interviewed were serving time for dealing in illegal drugs and narcotics. Seventy-five percent (75%) of the felon respondents revealed that they considered their criminal activities business behavior, with some revealing that they felt “selling drugs is like a business,” because “business is anything that has supply and demand” (Lockwood, Teasley & Carland, 2005, p. 11).

Lockwood, Teasley and Carland’s (2005) research identifies two key points. First discussed is recidivism. According to a study conducted in 2000 by the U.S. Justice Department, “one of every fifteen people in the U.S. is incarcerated” (p. 4). The main result of this enormous expansion of incarceration in the U.S. has been a growth of the prison population while the crime rate has decreased. They posit that this enormous expansion in criminal incarceration has had an enormous impact on the rate of U.S. entrepreneurship, in addition to the “cost to society of criminal activity, plus the lost wages due to imprisonment of convicted workers and the cost of providing welfare for their families” which places a stress on government budgets (p. 5). The authors theorize that “increased exposure to training and educational programs in prison,” such as the entrepreneurial program undertaken by their subjects, “would result in a lower rate of recidivism” (Lockwood, Teasley, & Carland, 2005, p. 7).

Upon administering an abbreviated version of several psychological tests, including the Myers-Briggs Type Indicator (MBTI), the Carland Entrepreneurship Index (CEI), and the Jackson Personality Inventory (JPI), Lockwood, Teasley, and Carland (2005) found that the results they gleaned from these inmates could have been expected in any sample
of entrepreneurs, managers, or other stalwart members of society. It is clear from this research that entrepreneurial behavior and criminal behavior are similar. This research reflects darkly upon the ideas that have been posited, but can indicate that those with an independent spirit may choose to live within society’s rules or outside of them.

*Improvements to Entrepreneurial Education*

Though many different types of people may find success through entrepreneurship, it is most important to consider what reforms to the entrepreneurial education might allow more people to pursue this crucial work. After all, Calvin Kent (1990) argues that one formed consensus “concerning entrepreneurs is that their productive activity is individualistic rather than social” (p. 31). From this it may be argued that entrepreneurs will thrive under an economic system which allows them the fullest freedom to pursue their own productive activities, free of constraint by educational bureaucracy or government oversight. Kent (1990) argues that despite the prevalence of ‘entrepreneurial’ traits—determined by personality tests—programs of entrepreneurial education should nonetheless seek to “encompass the greatest possible proportion of American youth,” as perhaps a subset of economic training (p. 36).

Entrepreneurial education, if it is to move beyond broad programs of education, should “focus on developing innovation, risk-taking imagination, and problem solving,” and entrepreneurial students, if they are to be successful, must “be presented with open-ended satiations that require them to work through problems and situations with changing conditions” (Kent, 1996, p. 37). Any program of entrepreneurial education must also positively reinforce success while framing failure as a temporary learning experience.
In addition, Kent (1996) argues that entrepreneurial education must discourage the idea of “getting the right answer,” an attitude which removes the student from the creative thinking which is so necessary in entrepreneurial and venture work (p. 34). Most important among these improvements to entrepreneurial education is a comprehensive construction. As has been shown, while students are enthusiastic about specific classes in entrepreneurship, Kent writes that dedicated classes in entrepreneurship are often unnecessary. Instead, this author indicates that students who are driven to entrepreneurship may require only encouragement and the infusion of necessary entrepreneur skills across a wide range of business programs.

Furthermore, improvement in university entrepreneurial training programs can be achieved at the organizational level. Schwalb’s (2009) report on a meeting of Colorado Governor’s Innovation Council explains several ways improvement can be made in this regard. The first is that business schools and universities, in general, must “raise awareness of entrepreneurship initiatives,” as some participants suggested that “entrepreneurial communities feel alienated from education centers” (Schwalb, 2009, p. 40). To this end, it is recommended that schools create stronger alliances with the local business community, and work harder to raise entrepreneurial opportunity awareness among business students. (Schwalb, 2009).

To better “facilitate collaboration and information sharing” among local businesses and business schools, Schwalb (2009) suggests there are “several areas of overlap among campuses” and local business organizations that can be used to “facilitate information sharing concerning common endeavors” (p. 40). Schools and students could take
advantage of these areas of overlap through the creation of entrepreneurial networks, clubs, business plan competitions, university-sponsored venture funds, and other activities designed to spur entrepreneurial interest among students. Community engagement may also take the form of entrepreneurship education that recruits local entrepreneurs to teach descriptive and academic entrepreneurial skills to students. In other programs, experienced entrepreneurs may teach students how to implement an entrepreneurial approach to solving specific problems (Schwalb, 2009, p. 41).

In addition to programs of entrepreneurial community outreach, entrepreneurial education can be improved at the university level by the development of a “pan-campus network focused on entrepreneurial education issues” (Schwalb, 2009, p. 26). This network would provide substantial oversight to any college programs that include entrepreneurial education. Schwalb (2009) explains that “a unified voice could be particularly helpful in identifying issues which require high-level university administrative and/or state government attention,” and its presence would reflect the need among business schools to “reward faculty entrepreneurial engagement so that such activity becomes part of the incentive system” for professors and other faculty (Schwalb, 2009, p. 41).

This reward system for emphasizing entrepreneurial education can be implemented in a variety of ways. Positive solutions can range “from providing ‘service’ credit for faculty who assist the entrepreneurial community, to the creation of a ‘professional practice’ category of credit, to explicit inclusion of such activity as favorable” in faculty review for tenure (Schwalb, 2009, p. 15). In this way, Schwalb (2009) is arguing for a
forum that could both analyze current entrepreneurial initiatives and advocate for further education in entrepreneurship at the state and university level.

An excellent way for an entrepreneurial education program to raise awareness of local businesses and facilitate student collaboration with these businesses is through the establishment of “a clearinghouse of entrepreneurship education initiatives...[which] would provide a point of entry for those external to the university in identifying relevant initiatives in resources” (Schwalb, 2009, p. 41). This organization could assist in connecting business students to individuals and companies outside the university in a way that would provide students with the hands-on experience they need to understand the day-to-day operations of a startup or entrepreneurial enterprise.

If there are insufficient resources with which to establish such a clearinghouse, Schwalb (2009) proposes a “grassroots effort” through which educators may “raise awareness...of local entrepreneurship initiatives” with the cooperation of local Economic Development Offices, which may “provide points-of-contact” for entrepreneurial students (Schwalb, 2009, p. 41). Finally, Schwalb argues that an efficient way through which entrepreneurial initiatives may be presented to business students and other interested parties is through the establishment of a “policy forum,” which meets regularly to “focus on sustaining awareness of existing initiatives, building awareness of new initiatives, and identifying areas in which a policy analysis or advocacy is needed” (Schwalb, 2009, p. 41).

*Corporate Opposition to Entrepreneurial Education*
Thus far, various arguments against the current form of entrepreneurial education have been presented that claim that entrepreneurial education fails in one way or another to properly support individuals wishing to become entrepreneurs. Much of this research supports big business and its role as a bulwark against unnecessary regulation that can stifle entrepreneurship. Various arguments against the modern corporate structure and its opposition to necessary and beneficial entrepreneurial promotion will be discussed below.

Some critics argue that corporations possess the ability to use their advantage to advocate against the teaching of entrepreneurial skills altogether. According to Erkkila (2000), entrepreneurship education will necessarily “increase business involvement in education,” with two competing goals (p. 84). The first is for business interests to advance their own free enterprise ideology, and the second is “to get good, obedient workers” (Erkkila, 2000, p. 84). The idea that Erkkila (2000) conveys is that business leaders will oppose entrepreneurial education for the reason that such education tends to emphasize “critical thinking, adventure, and initiative,” qualities and goals that will make workers “more difficult to control” (p. 84).

In an article that describes the actions of some current corporate leaders with regard to entrepreneurial education, John Hughes of the Coleman Foundation sums up this idea by explaining that “you don’t see a lot of large corporations funding that type of [entrepreneurial] education, because they think they’ll be encouraging their people to leave” (quoted in Erkkila, 2000, p. 85).
Other authors attribute opposition to entrepreneurial education to a concern for individual business students. The first of these, the false promise arguments, maintain that entrepreneurial education “belongs to the trend of marketization of education, which, again, is part of globalization” (Erkkila, 2000, p. 85). It is argued that the “promotion of free enterprise and business values in education,” as well as the “hidden curriculum of business” has been considered to be ethically questionable, as the contents of most entrepreneurship education programs are rarely tied to the bigger picture of the impact that businesses may have on the world (Erkkila, 2000, p. 86).

Molnar (1996) considers how businesses will often entice business schools to promote their products and practices, and describes how this “commercial penetration” is performed in order to “portray a partial, often inaccurate account of business interests and impacts” (p. 43). Molnar (1996) cites a study of banking interest outreach to business schools that promoted the idea that “free enterprise is the symbol of a nation which is healthy and treats its citizens fairly” (Molnar, 1996, p. 43-44), a view that may be palatable to many business students, but is also one which tends to de-emphasize entrepreneurial independence.

In a similar vein, Nelson et al. (1993) argue that, instead of independent-minded entrepreneurial thinking, modern business schools should “require a course in free enterprise, not in economics,” emphasizing “myths about the virtues of American business leaders, the appropriate power of corporations, and the threat of government interference in business” (p. 366). While the argument against the over-regulation of business has been previously expressed, Nelson’s (1993) research raises a good point of
the corporate indoctrination of students against their own best entrepreneurial ends. Neither of these modes of regulation and standardization is best for the propagation of entrepreneurship which is necessary to ensure an economically healthy nation.

**Mythological Arguments**

There are two primary mythological arguments posed by those who oppose entrepreneurial education. The first is the *myth of saturation* and the second is the *myth of capital starvation*. According to Watts (1987, cited by Light & Rosenstein, 1995), the “myth of saturation maintains that the American economy has no room for additional entrepreneurs,” and that accordingly, “it makes no sense to redirect more workers into entrepreneurship if the market already has all the entrepreneurs it can absorb” (Light & Rosenstein, 1995, p. 222). This idea is supported by some sound logic, as there must be some limit on the number of self-employed entrepreneurs that any national economy can support. Though not everyone has the talent to become a successful entrepreneur, nor should they try, it is spread as tried-and-true fact in business courses in a way that helps push potential independent and dynamic entrepreneurs into wholly dependent corporate work.

In addition, according to Light and Rosenstein (1995), the *myth of saturation* is presented to business students in such a way that “tells people that all the opportunities” in their community are already occupied, and that the only way “to make space for one’s own business is to drive out... whoever else is already running a business in your neighborhood” (p. 226). Light and Rosenstein (1995) argue that at best, the saturation myth “encourages defeatism and resignation,” and at worst it “encourages intergroup
hostility, looting, and arson” (p. 226). They maintain that this theory must be debunked and removed from the business curriculum because its removal “is an essential part of harnessing creative energy that is now wasted on hatred” (p. 227).

The second mythological argument is the myth of capital starvation, which explains to business students and other potential entrepreneurs that starting a business “will require vast financial resources” (Erkkila, 2000, p. 91). According to Sudhir (1994, cited by Light & Rosenstein, 1995), “the poor are hopeless and fatalistic,” and poor youth will often believe the falsehood that starting a legitimate firm or small business “requires initial capitalization that is far beyond their ability to acquire, now or in the future” (Light & Rosenstein, 1995, p. 219). This is not true. In the United States, there are a wide variety of resources available to the poor and middle classes to assist them in becoming members of the entrepreneurial class, including micro-enterprise development grants, private equity, venture capital and entrepreneurial training and counseling for veterans of the U.S. armed forces.

In addition, according to Light and Rosenstein (1995), as “the myth of capital starvation will tell people that entrepreneurship requires a great deal of money to begin, people conclude that they have no chance” to start a small business of their own (p. 227). These authors present capital starvation as particularly destructive to poor communities, as this myth will often “encourage invidious rumors that purport to explain how [successful] entrepreneurial immigrants started in business,” (p. 227), implying that companies were established using illicitly gained funds. Light and Rosenstein (1995) further explain that “when these patently false rumors exacerbate intergroup tensions,
then what started as the myth of capital starvation turns to hatred and violence” (p. 226). They explain that in the same communities, if the underprivileged were “properly educated, the same energy could create new businesses in crime-wrecked, dilapidated cities” (p. 226).

From this evidence, it has been shown that entrepreneurial education must divert from the world of the rote and the academic into the sphere of practical work and action. As has been established, those with entrepreneurial tendencies are sufficiently independent to be stifled by the traditional classroom. Through the implementation of effective community outreach programs, business students who are prone to entrepreneurial work may both help new businesses to flourish, thereby assisting their communities, while also learning the basics of startup management. The movement of expansion of entrepreneurial education out of the classroom is a pivotal measure with regard to properly cultivating the talents of these essential individuals.
CHAPTER 4: LYNN UNIVERSITY’S BUSINESS MANAGEMENT PROGRAM

While the professional goals of Lynn University’s students have often included pursuing a career in business, the current economic crisis has unquestionably intensified both their educational interest and career plans. Obviously the current situation is, in many ways, dreadful. Virtually every day the majority of economic forecasts and predictions grow even grimmer. In the present, as in the past, there is however, one distinguishing quality inherent in both the American economic system and within the culture itself that has fostered both domestic prosperity and global economic dominance. The ability to innovate combined with an entrepreneurial spirit has always been, and continues to be, America's primary advantage in the global economy. America's capitalist system and values are uniquely designed to support, encourage, and reward these types of activities. Simply, entrepreneurship fosters economic growth.

From the nation’s origins, through the industrial revolution, to the emergence of modern technologies, America has been primarily successful through invention and innovation. While entrepreneurship is essential to American business, formal education and training in this area is still underdeveloped. In both the business and academic communities, this specific field requires dedication and concentration. While many individuals with relevant knowledge and skills have chosen to become entrepreneurs, both the theory and practice of entrepreneurship would be enhanced by the emergence of more collegiate curricula in this field.
Recently, numerous universities throughout the country have added the option of some variation of an entrepreneurial education for their business students. Some schools have included merely isolated courses, while others have pursued entire programs with this specific concentration. This is a trend that will likely continue as entrepreneurism and innovation continue to be identified as one of the United States’ last remaining competitive advantages in the global marketplace. The following outlines a proposal for a specialization in entrepreneurship under Lynn University’s Business Management Program. The inauguration of this program will ensure that Lynn remains on the forefront of this trend.

The educational journey for business students provided by Lynn University begins with extensive coursework designed to empower students with a complete understanding of general business concepts and current trends. Within these first business courses, students will participate in a guest speaker series giving them the opportunity to learn firsthand from the experience of successful business persons. Next, the curriculum will provide an overview of financial analysis and economics. These courses are structured to provide an introduction to more difficult concepts which will be examined in-depth throughout the program. Students also gain a complete grounding in current business methods. This course identifies and explains techniques currently utilized for strategic decision making within business. Knowledge gained by students through the duration of these courses can be employed in many different facets of business as well as across all industries. These initial business college courses culminate in the capstone experience which concentrates on business ethics. Ethics has been chosen as a capstone course due to the recent
emergence of a dire need for more focus on this topic in all collegiate business programs. The need for ethics coursework to be included in all business programs became apparent during the 1990s and 2000s. Throughout these two decades numerous industries have been plagued by unethical and illegal business activities and scandals. Through research it was proven that graduating college seniors in many cases had very little if any ethical education and made business decisions primarily based on their own perceived potential benefit, overlooking even severe detriment to others. As a result, all MBA students at Harvard are now required to complete a significant amount of coursework in ethics. This major academic change aims to avoid the occurrence of unethical behavior or business scandals that are detrimental to the public. Lynn University’s awareness of this trend and the importance of all business students having a firm ethical and moral foundation have led to the creation of this capstone course experience. Students will not only build this strong ethical foundation but also demonstrate their ability to make difficult business decisions in an ethical manner. Ethics is deemed so important that students must demonstrate their mastery of this topic in order to proceed further into the business program at Lynn.

After the completion of the initial core business courses, students are to choose a general area of study. They may choose from: Finance, Marketing, or Management. Students interested in specializing in entrepreneurship will choose to major in Management. The management major offers educational goals designed for those who intend to enter the workforce in a management position. The curriculum begins with a course in the legal environment of business (strategically placed after ethics, as some business practices may be legal but unethical). The legal environment of business
offers a complete examination of laws affecting the ways business is conducted. This includes historical and present analysis of the United States legal system, including both civil and criminal law. This course provides all students with a comprehensive background in law, essential knowledge in any business arena. Students are also required to complete a course on human resource management. This course further builds on the knowledge of the legal system by examining effects and constraints of federal and state laws and regulations and governmental agencies on businesses and human resource managers. This course focuses on providing a comprehensive study of the practices of modern manpower management. Areas of concentration include employee recruitment, placement and development, performance appraisal techniques, comprehensive employee tracking systems, employee benefits design, and training program design and evolution. After completing the human resource management course, students must undertake project management. This course requires students to recall and apply knowledge and skills gained in previous disciplines, including finance, accounting, statistics, and business methods. Students will be empowered with skills necessary to make strategic business decisions while in the position of a project manager. Students are evaluated on the success or failure of their projects, which is based on the decisions they make. The final core management course is management information systems. This course also requires students to utilize information previously learned in a variety of disciplines, including computer science and operations management. The coursework teaches students how to encompass the latest technical tools in the strategic decision making process. The skills acquired during the coursework are essential for competing in today’s business world with the
constant expansion of computerized information systems. This completes the required coursework for the management major. At this juncture students choose their specialization in Entrepreneurship, Aviation Management, or Global Enterprise.

The entrepreneurship specialization consists of six courses which encompass many of the skills necessary to become a successful entrepreneur. The first course will be Small Business Management. Next, students undertake what may be the most important aspect of entrepreneurism, New Venture Financing. Students will also complete a course called 21st Century Business Innovation. Next, students will enroll in Business Plan Creation. Following the business plan creation program, students will be required to complete a course on Selling. Finally, in order to graduate, students must complete the Capstone course necessary for the specialization in entrepreneurship.

The Small Business Management course will empower students with all of the necessary financial skills and knowledge an entrepreneur would need in order to successfully manage and operate their own business from a financial standpoint. The course will include a clear listing and description of all human resources needs and requirements. This course will also identify the best strategies that can be implemented to successfully manage all finances, including bookkeeping, asset management, reinvestment, short term investment, long term investment, liquid cash needs and usage, and retirement/exit strategies.

New Venture Financing is another important course offering because without financing it is nearly impossible for any new venture to begin. In the course students
will be taught the most efficient and beneficial way to complete a valuation of their new venture. Students will also learn the ins and outs of gaining financing from a variety of sources. All potential financing sources and strategies for new businesses will be discussed and analyzed in detail. These will include personal financing, friends and family, angel investors, new venture capital, bank loans, and other financing options. The primary goal of this course will be to empower students with the tools necessary to conduct a professional evaluation of their business and to identify possible avenues to gain financing.

In this 21st Century Business Innovation course, students will be introduced to some of the newest trends in technology usage related to business management. The key characteristic of the course will be its evolutionary nature. Each semester the course will be re-tooled and updated to reflect the most recent technological advances. This will enable the students to become competent using many of the newest software programs, devices, and networking and advertising tools which utilize new technologies that will enable them to better run a business.

Throughout the business plan creation program, all students will learn how to complete a professional and potentially financeable business plan. Students will learn these skills and concepts in group context. Each group will create a new venture plan throughout the semester to develop their own individual business idea.

The course based on selling will provide students with professional selling techniques necessary to sell most anything, including themselves. Students are expected to gain a formal understanding of the skills necessary to become a successful
sales professional. To facilitate this understanding of professional selling techniques, students will be exposed to principles of interpersonal communication, as well as the role of ethics and morality in the business environment. They will also learn the science of strategy as a form of effective communication. These skills are essential to all professional careers in business, even for those who never have direct sales responsibilities. Business majors and entrepreneurs should, and must, know how to strategically sell.

Finally, students will utilize skills that had been previously acquired throughout the Capstone course as well as learn new skills and techniques currently being used in the creation of a complete professional business plan. They will be required to complete their own professional and potentially financeable new venture. Students should possess all knowledge associated with the design, organization, and implementation of a new venture. Throughout the Capstone course, students will be required to form, create, and operate a successful new business. All startup, operations, and harvesting strategies will be designed and implemented by the students in order to successfully complete this program.
## College of Business and Management

Table 4-1  
*Proposed College Curriculum*

<table>
<thead>
<tr>
<th>University Course</th>
<th>College Courses</th>
</tr>
</thead>
<tbody>
<tr>
<td>BUS 498 Internship</td>
<td>BUS 1 Exploring Business (with Speaker Series Embedded)</td>
</tr>
<tr>
<td></td>
<td>BUS 2 Financial Analysis</td>
</tr>
<tr>
<td></td>
<td>BUS 2 Business Economics</td>
</tr>
<tr>
<td></td>
<td>BUS 3 Business Methods</td>
</tr>
<tr>
<td></td>
<td>DJCL4 Ethics Capstone</td>
</tr>
<tr>
<td>Management</td>
<td>12 Credits</td>
</tr>
<tr>
<td>------------------------------------------------</td>
<td>------------</td>
</tr>
<tr>
<td>BUS 2__  Legal Environment of Business</td>
<td>3</td>
</tr>
<tr>
<td>BUS 350 Human Resource Management</td>
<td>3</td>
</tr>
<tr>
<td>BUS 435 Project Management</td>
<td>3</td>
</tr>
<tr>
<td>CMS 315 Management Information Systems</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Marketing</td>
<td>12 Credits</td>
</tr>
<tr>
<td>MKT 250 Principles of Marketing</td>
<td>3</td>
</tr>
<tr>
<td>MKT 305 Consumer Behavior</td>
<td>3</td>
</tr>
<tr>
<td>MKT 350 Marketing Communication</td>
<td>3</td>
</tr>
<tr>
<td>MKT 430 Marketing Research</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Finance</td>
<td>12 Credits</td>
</tr>
<tr>
<td>BUS 2__  Legal Environment of Business</td>
<td>3</td>
</tr>
<tr>
<td>BUS 311 Corporate Finance</td>
<td>3</td>
</tr>
<tr>
<td>BUS 3__  Financial Markets and Institutions</td>
<td>3</td>
</tr>
<tr>
<td>BUS 3__  International Money and Finance</td>
<td>3</td>
</tr>
</tbody>
</table>
Table 4-3
Management Specializations

<table>
<thead>
<tr>
<th>Specialization in Entrepreneurship</th>
<th>18 Credits</th>
</tr>
</thead>
<tbody>
<tr>
<td>BUS 310</td>
<td>Small Business Management</td>
</tr>
<tr>
<td>BUS 3_</td>
<td>New Venture Finance</td>
</tr>
<tr>
<td>BUS 3_</td>
<td>21st Century Business Innovation</td>
</tr>
<tr>
<td>BUS 4_</td>
<td>Business Plan Development</td>
</tr>
<tr>
<td>BUS 4_</td>
<td>Capstone Experience</td>
</tr>
<tr>
<td>MKT 3_</td>
<td>Negotiations and Professional Selling</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Specialization in Aviation Management</th>
<th>18 Credits</th>
</tr>
</thead>
<tbody>
<tr>
<td>AVM 102</td>
<td>Aviation History</td>
</tr>
<tr>
<td>AVM 3_</td>
<td>Aviation Technology</td>
</tr>
<tr>
<td>AVM 330</td>
<td>Aviation Industry</td>
</tr>
<tr>
<td>AVM 331</td>
<td>Aviation Regulation and Law</td>
</tr>
<tr>
<td>AVM 4_</td>
<td>Air Traffic Basics Course</td>
</tr>
<tr>
<td>AVM 481</td>
<td>Aviation Seminar</td>
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<table>
<thead>
<tr>
<th>Specialization in Global Enterprise</th>
<th>18 Credits</th>
</tr>
</thead>
<tbody>
<tr>
<td>BUS 3_</td>
<td>Organizational Dynamics</td>
</tr>
<tr>
<td>BUS 3_</td>
<td>Managerial Economics</td>
</tr>
<tr>
<td>BUS 3_</td>
<td>Multinational Firms</td>
</tr>
<tr>
<td>BUS 4_</td>
<td>International Comparative Management</td>
</tr>
<tr>
<td>BUS 4_</td>
<td>Consultant &amp; Change Management</td>
</tr>
<tr>
<td>BUS 4_</td>
<td>Capstone Experience</td>
</tr>
</tbody>
</table>
Small Business Management
Learning Objectives

This course will empower students with all of the necessary financial skills and knowledge entrepreneurs would need in order to manage and operate their own business from a financial standpoint. The course will include a clear listing and description of all up-to-date human resources needs and requirements. This course will also identify the best strategies that can be implemented to successfully manage all finances, including bookkeeping, asset management, re-investment, short-term investment, long-term investment, liquid cash needs and usage, and retirement/exit strategies.

<table>
<thead>
<tr>
<th>Topics/Goals</th>
<th>Legal Formation of Business</th>
<th>Financial Organization</th>
<th>Supply Chain</th>
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<tbody>
<tr>
<td></td>
<td>Options for Business</td>
<td>Types of Financing</td>
<td>Management Options</td>
</tr>
<tr>
<td></td>
<td>Organizations</td>
<td>Options</td>
<td>Strategic Options/Goals</td>
</tr>
<tr>
<td></td>
<td>Detriments and Benefits</td>
<td>Different Financial</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Current Trends</td>
<td>Structures</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Strategic Financing</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Human Resource Management</th>
<th>Accounting and Taxation</th>
<th>Finances</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment Options</td>
<td>Requirements and</td>
<td>Profitability/Reinvestment</td>
</tr>
<tr>
<td>Needs and Requirements</td>
<td>Regulations</td>
<td></td>
</tr>
<tr>
<td>Regulations</td>
<td>Strategies and Available</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Resources</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Bookkeeping</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Techniques</td>
<td></td>
</tr>
</tbody>
</table>

Figure 4-1. Small Business Management Learning Objectives.
New Venture Finance

Learning Objectives

Investigate how most of the conventional principles of corporate finance can be used to analyze the financing needs of new ventures, and discuss/explain the shortcomings of these models for new ventures. Learn the overall concept of risk and risk-based valuation as an alternative approach to complete the valuation of early stage companies. Students will develop the new tools, skills, and perspectives necessary for addressing the planning needs for a new venture.

Topics/Goals

<table>
<thead>
<tr>
<th>Sources of New Venture/Startup Financing</th>
<th>The Role of Financial Modeling</th>
<th>Conventional New Venture Valuation</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Personal/Friends and Family--Importance</td>
<td>• Overview</td>
<td>• Various Conventional Strategies</td>
</tr>
<tr>
<td>• Bank Loans</td>
<td>• Why It Is Necessary</td>
<td>• How to Complete Formal New Venture Valuation</td>
</tr>
<tr>
<td>• Grants</td>
<td>• Major Requirements</td>
<td></td>
</tr>
<tr>
<td>• Venture Capital/Funds</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Mezzanine Funds</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Angel Investors</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Non-Conventional Funding</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Impacts of Risks</th>
<th>Risk Based Valuation</th>
<th>Harvesting</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Evaluate Nature of New Startup Risks</td>
<td>• Components of Risk Based Valuation</td>
<td>• Various Harvesting Options</td>
</tr>
<tr>
<td>• Impacts of Financing Strategy</td>
<td>• How to Complete Risk Based Evaluation</td>
<td>• Impacts of Choice on Financing</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Venture Capital</th>
<th>Private Equity</th>
<th>The Actual Deal</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Role</td>
<td>• Roles</td>
<td>• Detailed Discussions of Various Forms of “The Deal”</td>
</tr>
<tr>
<td>• Design</td>
<td>• Goals</td>
<td></td>
</tr>
<tr>
<td>• Attraction</td>
<td>• Strategy</td>
<td></td>
</tr>
</tbody>
</table>

Figure 4-2. New Venture Finance Learning Objectives.
In this course students will be introduced to some of the newest trends in technology usage related to business management. The key characteristic of the course will be its evolutionary nature. Each semester the course will be re-tooled and updated to incorporate the most recent technological and environmental advances. This will enable the students to become competent using many of the newest software programs, devices, and networking and advertising tools which utilize new technologies enable students to better run a business.

### Topics/Goals

<table>
<thead>
<tr>
<th>New Era Transformations</th>
<th>Marketing</th>
<th>Social Networking</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Analytics to Social Businesses</td>
<td>• Environmental Changes</td>
<td>• Facebook: Create Pages and Groups</td>
</tr>
<tr>
<td>• Service-Oriented to “Green” Companies</td>
<td>• Customer Satisfaction to Customer Value Management</td>
<td>• Twitter: Interact with Content and Advice</td>
</tr>
<tr>
<td>• Networking Partners, Suppliers, and Customers</td>
<td>• Trends: Collaboration, Manage Uniqueness, Handling Complaints</td>
<td>• YouTube: Uniqueness</td>
</tr>
<tr>
<td>• Create and Sustain Business Value</td>
<td>• The New P’s (People, Position, Plan, Patience, Profit)</td>
<td>• LinkedIn: Build a Network Brand</td>
</tr>
</tbody>
</table>

*Figure 4-3. 21st Century Business Innovation Learning Objectives.*
Students will acquire all skills and techniques currently used to create a complete professional business plan. They will be required to establish their own complete business. Students should possess all knowledge associated with the design, organization, and implementation of a new venture.

### Topics/Goals

<table>
<thead>
<tr>
<th>Need for a Business Plan</th>
<th>Executive Summary</th>
<th>Business Model</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Personal</td>
<td>• Uses</td>
<td>• Potential Models</td>
</tr>
<tr>
<td>• Professional</td>
<td>• Tone</td>
<td>• Needs</td>
</tr>
<tr>
<td>• Financial</td>
<td>• Description</td>
<td>• Strategic Designs</td>
</tr>
<tr>
<td>• Operational</td>
<td>• Creation</td>
<td>• Management</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>The Market</th>
<th>Marketing and Advertising</th>
<th>Operations</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Defined</td>
<td>• New Venture Advertising</td>
<td>• Designs</td>
</tr>
<tr>
<td>• Characteristics</td>
<td>• Techniques</td>
<td>• Strategic Goals</td>
</tr>
<tr>
<td>• Targets</td>
<td>• Strategies</td>
<td></td>
</tr>
<tr>
<td>• Growth (In Different Areas)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Financials</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Complete Financial Overview</td>
</tr>
<tr>
<td>• Design</td>
</tr>
</tbody>
</table>

*Figure 4-4. Business Plan Development Learning Objectives.*
Negotiations and Professional Selling
Learning Objectives

This course provides students with professional selling techniques necessary in order to sell anything, including themselves. Students are expected to gain a formal understanding of the skills necessary to become a successful sales professional. To facilitate this understanding of professional selling techniques, students will be exposed to principles of interpersonal communication, as well as the role of ethics and morality in the business environment. They will also learn the science of strategy as a form of effective communication. These skills are essential to all professional careers in business, even for those who never have direct sales responsibilities. Business majors and entrepreneurs should, and must, know how to strategically sell.

Topics/Goals

<table>
<thead>
<tr>
<th>The Role/Importance of Selling</th>
<th>Selling Yourself</th>
<th>Ethics in Selling</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Every Business Interaction Is a Sale</td>
<td>• Make Desired Impression</td>
<td>• Ethical Relationships</td>
</tr>
<tr>
<td>• Concept of the “Raving Fan”</td>
<td>• Personality Modeling</td>
<td>• Legal Issues</td>
</tr>
<tr>
<td>• Career Paths</td>
<td>• Diversity of Roles</td>
<td>• UCC- Universal Commercial Code</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>The Selling Environment</th>
<th>Strategic Knowledge Needed</th>
<th>Communication</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Salesperson Trends</td>
<td>• Company</td>
<td>• Effective Communication</td>
</tr>
<tr>
<td>• Buyer Trends</td>
<td>• Products/Services</td>
<td>• Communication Styles</td>
</tr>
<tr>
<td>• Technology Trends in Selling</td>
<td>• Competition</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Market</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Features, Advantages, Benefits (FAB) Approach</td>
<td></td>
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</tbody>
</table>

*Figure 4-5. Negotiations and Professional Selling Learning Objectives.*
Entrepreneurship Capstone
Learning Objectives

Students will utilize skills previously acquired as well as learn new skills and techniques currently used to create a complete professional business plan. They will be required to complete their own professional and potentially financeable new venture. Students should possess the knowledge associated with the design, organization, and implementation of a new venture. Throughout this capstone course, students will be required to develop, design, and present a viable business. All startup, operations, and harvesting strategies will be designed and professionally presented by the students in order to successfully complete this program. In the end, the capstone is about getting students out of the classroom and into the real world.

Topics/Goals

<table>
<thead>
<tr>
<th>Entrepreneurial Environment</th>
<th>Mindset</th>
<th>Opportunities</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Understanding Favorable and Unfavorable Factors</td>
<td>• Creating Expectations</td>
<td>• Identifying Opportunities</td>
</tr>
<tr>
<td>• Actual Case Work for Existing Businesses</td>
<td>• Creating Value</td>
<td>• Creating Viable Businesses from These Opportunities</td>
</tr>
<tr>
<td>Business Planning</td>
<td>• Leadership</td>
<td></td>
</tr>
<tr>
<td>• Actual Operational Planning</td>
<td>• Establishing the “WOW” factor</td>
<td></td>
</tr>
<tr>
<td>Compliance and Ethics</td>
<td>Harvesting</td>
<td></td>
</tr>
<tr>
<td>• Legal Forms</td>
<td>• Creating and Evaluating Value</td>
<td></td>
</tr>
<tr>
<td>• Licensing</td>
<td>• Harvesting Decisions and Processes</td>
<td></td>
</tr>
<tr>
<td>• Regulation</td>
<td></td>
<td></td>
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<tr>
<td>• Taxation</td>
<td></td>
<td></td>
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<tr>
<td>• Ethical Issues in New Venture Creation</td>
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</tbody>
</table>

Figure 4-6. Entrepreneurship Capstone Learning Objectives.
CHAPTER 5: CONCLUSION AND RECOMMENDATIONS

This work has shown that entrepreneurs are self-aware, self-effective risk takers whose individualism is matched only by their drive to succeed. Despite this widely-held understanding, there is no consensus with regard to the tools that are necessary to help these people achieve their first entrepreneurial successes, and no agreement on which specific circumstances serve to inhibit such success among energetic people with new ideas.

In exploring the system of entrepreneurial education in the United States and elsewhere, this work has considered how the current American system, replete with business-inhibiting regulation, was built out of the regulatory atmosphere that began in American law following the Civil War. The current regulatory atmosphere in the United States is a major cause for concern. The vast increase in regulations on new businesses serves only to protect entrenched firms while discouraging beneficial entrepreneurial growth. While many will argue that these regulations are necessary to protect both consumers and society as a whole, it is not the place of government to discourage the new positions, markets, and jobs that are created by energetic and savvy businesspeople.

There is also a great deal of controversy in entrepreneurial education, especially with regard to its focus. Few will argue that since the commercialization of the internet, we are living in a new era. As the internet has revolutionized the way that business is done, particularly with regard to the establishment of new firms, some have argued that business education should only focus upon leveraging the internet to cater to entrepreneurial needs. Others will argue that these courses should maintain their focus on
more traditional elements of business establishment. These controversies continue to wax and wane in academic circles in business schools around the country, but few will argue that entrepreneurs remain valuable to the continued prosperity of the U.S. and the world as a whole.

In just the last thirty years, examples abound of savvy and active entrepreneurs whose work has changed the world. In 1976, Bill Gates dropped out of Harvard to devote all his time to his fledgling startup computer software company Microsoft, and soon released BASIC, the first mass-market computer programming language. That same decade, Steve Jobs and his Apple Computer partner Steve Wozniak developed and released the first line of mass-marketed personal computers. Both Microsoft and Apple began as passionate, small-scale operations, but were able to grow into the technology giants they are today.

Facebook is a recent example of the entrepreneurial phenomenon, and is indicative of the power of entrepreneurial growth. Facebook founder Mark Zuckerberg (and others) founded the company from a Harvard dorm room in 2004. The social networking site can now boast more than a half a billion members, and has radically changed how people socialize online.

While the efforts of Gates, Jobs, and Zuckerberg in founding massive and sprawling multibillion dollar businesses might appear self-serving, entrepreneurship is also crucial for making the world a better place. Though blockbuster pharmaceutical medications—which require years of expensive testing prior to FDA approval—remain the purview of wealthy pharmaceutical companies, entrepreneurs often make their mark on medicine and public health through revolutionary medical devices. For instance, though Diavibe, an early-stage medical device company based out of Providence, Rhode Island, was only
founded in 2010, they have already raised over $250,000 in private funding from investors interested in their drug-free technology designed to reduce the pain of medical injections.

As these examples show, entrepreneurs are at the world’s forefront of innovation and creativity. It is not difficult to see that the primary role of business education, for the benefit of society as a whole, depends upon the fostering of the beneficial entrepreneurial spirit. This argument is not a matter of ideology, it is in the economic interest of both schools and society at large to provide entrepreneurial individuals with the freedom, education and training necessary to allow them to maximize both their future productivity and future profits.

In addition to nurturing growth, communities and academic institutions must also strive to dispel myths which remain regarding entrepreneurial enterprise. This report has shown that there are two major myths about entrepreneurialism—the myth of saturation and the myth of capital starvation—both of which have outlived any legitimacy they may have once had. The myth of saturation argues that there is simply no more room for entrepreneurs, or that the American market has more entrepreneurs than it needs. This is patently false. Every generation has its revolutionary ideas and concepts, ideas which must be nurtured and helped to fruition. There will never be a time where there are too many entrepreneurs; in fact, the extra competition will only add to the power and profit to be gained from the best ideas.

The second myth that must be guarded against is that of capital starvation. This idea, argues that starting a business requires far more resources than any young entrepreneur can hope to command, is false, and poses an unnecessarily discouraging factor in modern
business. Just as the cost of starting a business has dropped dramatically due to the internet and desktop publishing, the resources available to energetic entrepreneurs have increased. Resources such as micro-enterprise development grants, private equity, and venture capital all but ensure that if an idea has sufficient merit, the necessary funding can be secured.

Even for schools and other organizations which do not operate under these dangerous myths, a proper outreach structure must be established to help business students to embark on their entrepreneurial journey. Community outreach programs, if properly designed and implemented, force students to understand that entrepreneurship is not merely academic. Fledgling entrepreneurial organizations depend on close contacts and on the support of the community to succeed during their first years. Starting a new business, no matter how good the idea, is based on practical concepts, like people and community support, just as much it is based on knowledge of managerial and entrepreneurial theory.

Although learning to avoid such myths and training for superior community outreach are both excellent routes to entrepreneurial growth, there remains a great deal of opportunity for future research in this field. First, future entrepreneurial growth would be best aided by a sensible and reliable metric for identifying the individuals among a class of business students who most possesses traits that would make them a successful entrepreneur. This work has shown that these skills and traits include (1) independence; (2) self-confidence; (3) creativity, and (4) a tolerance for failure. Of these, confidence and independence is the most easily tested, and are most supported in the psychological literature.
Future surveys might be given to a wide spectrum of business students, and be designed to test their failure tolerance and self-confidence. Subjects might be asked to gauge their level of agreement with a series of statements based on the work of Dodd (1998), whose confidence analysis metric asked subjects to answer to which degree they agreed with statements like, “I am satisfied with myself.” Although creativity is not as easily determined through five-point Likert scales, future research might draw on Eckblad and Chapman’s (1983) Magical Ideation Scale for an accurate measure of that variable. Through more accurate testing and psychological profiling, the students most likely to benefit from a strong entrepreneurial education may be identified early on in their business classes. Testing will not only save money for business schools—through only teaching specific entrepreneurial techniques to appropriately receptive students—but will also prove useful for pushing students who are less likely to become entrepreneurs toward more technical or administrative educations.

In the pursuit of a business and academic world that is more conducive to entrepreneurial activity, education is only half the battle. To create a world where the entrepreneurial spirit, and indeed, any good idea, can be given full bloom in the marketplace, it is crucial to enact legislative reform that rewards entrepreneurial activity. Although passing such legislative reform will be the job of the next generation of lawmakers, helpful examples abound. In 2010, President Barack Obama signed into law a bill which provided billions of dollars in tax breaks, tax credits, and other incentives which would assist small businesses. This is only a first step: further laws should extend these protections indefinitely, crafting an environment which is helpful to the establishment of entrepreneurial enterprise for future generations.
Additional research should also seek to reconcile general entrepreneurship with the more specific range of business and management education. This subtle shift in focus, hand-in-hand with psychological testing, would allow educators and business schools to more effectively reach effective students. Through such profiling, business education can be split between students likely to start their own businesses, and those who are most likely to work at existing firms. Identifying useful potential entrepreneurs is crucial. By singling out and cultivating these highly valuable and specialized individuals, America and the global economy as a whole stand to benefit greatly. If every stakeholder in government and education recognized the importance of supporting existing and nascent entrepreneurs, the benefits would be enormous.
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