The Entrepreneurial Curriculum - Equipping Graduates for a Career in the SME Sector

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Abstract: This paper considers the mutually advantageous relationship that can exist between the University and the SME sectors. Such a relationship is explored through the notion of the Marketing/Entrepreneurship paradigm. The author shares good practice through drawing upon their experience of developing and running shared SME and University programmes.

INTRODUCTION

The Marketing/Entrepreneurship Interface symbolises a model through which both marketers and entrepreneurs can find a common focus. The literature has identified many commonalities between the two disciplines and seeks to develop research to achieve entrepreneurial marketing in the SME sector. The Marketing/Entrepreneurship Interface has aided our understanding of how small firms operate and undertake marketing activities. From the perspective of an academic institution it is paramount that this understanding and knowledge are taken back into the teaching being provided for students.

In the teaching environment, academia has been criticised as being neglectful of such an important area as the small business sector, with many texts focusing on the larger organisational structure, thereby assuming that the small firm is merely a smaller version of its larger counterpart (Curran & Stanworth, 1987). Academia has also been criticised for providing industry with graduates who whilst theoretically strong are lacking in practical skills (Linklater, 1988, Middleton & Long, 1990). Therefore many small firms have been slow to employ graduates especially given that graduates are additionally often perceived as being too costly. The barriers to accepting graduates include such issues as cost; short-term contribution; and reluctance on the part of the owner manager to relinquish control (O’Brien & Deans, 1995). In the last few years this pattern has started to change, with a growing number of small firms now employing graduates and...
actively becoming involved with the university sector, but this is still at a low level. (Carter & Collinson, 1999)

ADDRESSING THE ISSUES IN THE CURRICULUM

Over the past 25 years the higher education system in the UK has been substantially expanded, reflecting a broad shift away from an elite system and towards mass higher education (Smithers & Robinson, 1985). Since 1964, there has been an increase in student numbers of 250 per cent and it is estimated that there are currently over 1 million students studying in the UK (Dearing, 1997) A result of the expansion of the higher education system has been an increased supply of graduates to the labour market, which has coincided with a decline in the ‘Milkround’, the traditional base for graduate recruitment. Between 1994 and 1995 there was a 19% decline in the Milkround in the 'old' universities, and a consequent rise in the proportion of graduates going to alternative activities (University of Strathclyde, 1996). An analysis of first destination statistics shows that graduates are now entering a wide range of jobs and employers, and no longer just those traditionally associated with graduate recruitment.

As the proportion of graduates recruited by traditional employers has fallen, attention has focused on other sectors, in particular SMEs, as both the most likely employers of the increasing numbers of graduates and also the sector most likely to benefit from their high skill levels. Recent initiatives by the Department for Education and Employment (DfEE) have attempted to encourage the recruitment of graduates by SMEs and to make the sector more attractive to graduates (Employment Department, 1995). As yet, however, few SMEs employ graduates (Westhead, 1997). Data compiled by the Institute of Employment Studies demonstrates that the traditional bias of graduates towards employment in large firms still remains. In total, 76% of graduates in employment are employed in firms with more than 25 employees. In firms with less than 25 employees, graduates account for only 8% of the workforce, compared with 14% in firms with more than 25 employees (Court et al, 1995). The relationship between graduates and the SME sector is, however, more complex than indicated by recruitment patterns. Graduates are not only an important means of increasing skill levels in small firms, they are also an important group of potential small business owners (Millmore, 1996).

Notwithstanding the barriers to graduate employment, it is important that, as educational institutions operating in an economy where 96% of all firms are
classed as small to medium sized, we equip our students with the correct
skills and knowledge required in the small firm sector. Given this, it is
essential that as academics we fully appreciate the realities of the small firm
sector and the specific skills required of graduates going into this sector. In
a recent study, empirical data demonstrated that graduates do have an
important entrepreneurial role to play in the small firm. Owner managers
were using their graduate employees not only as a source of new ideas but
also as a way of providing an objective viewpoint of the firm’s direction and
strategy (O’Brien & Clark, 1997) However, they also highlighted key areas
where graduate skills need to be improved in order to be more suited to the
small firm environment. One notable criticism was in the area of project
management skills, with graduates often being perceived as being too
compartmentalised in their approach to problem solving. This method of
working can be directly linked into their academic careers, where
historically students are taught in a departmental structure with little overlap
between disciplines (O’Brien & Clark, 1997)

In the case of the small firm environment, where owner managers and
employees alike need to be multi task oriented, graduate employees need to
be able to view an issue from the overall project level and not constrain
themselves to any one single element. In line with this, some of the
entrepreneurial courses now being offered in UK universities are delivered
at the cross disciplinary level. This environment is much more akin to the
workplace, in which members of a team are likely to come from very
different subject backgrounds - and not just from a single discipline.

From the perspective of the individual subject areas, one key amendment
required in curriculum design is the integration of SMEs. The Dearing
Committee in 1997 urged UK institutions to develop their links with SMEs
on a more formal basis and encouraged SMEs likewise to develop
relationships with their local universities. One example of this development
in the Glasgow area is the Profit Through Knowledge programme run by
Glasgow Opportunities in conjunction with the five universities located in
the city.

This programme is designed to place students in small firms at some point
during their university career. The programme which has been running now
for two years has had a high success rate. One of the key benefits from the
participating firms’ perspective is that they have access to areas of expertise
which otherwise they could not access due to financial and time resources.
The participating students have also benefited from the programme through
real life experience of their knowledge whilst still developing their studies at university. One key success factor of the programme is the number of students who upon graduation are then subsequently employed by their host company. This increase of graduate employment has been one indication of the impact of the scheme on the SMEs involved, with many indicating that participation in such programmes enables a more accelerated growth within the firm (Collinson & Quinn, 1999).

Programmes such as the one mentioned above are crucial in developing further links between both the university and SME sectors. It is not only the student’s learning which is enhanced but also that of the owner manager. The area of life long learning is not solely the domain of the university sector. The local enterprise trusts and government departments, charged with offering advice and training to the SME sector, can also benefit greatly from links with the university sector. The key focus for all those concerned is the raising of skills levels. A lack of skills in particular areas of management within the SME can hinder their growth and further development. The lack of relevant skills on the part of the graduate can limit their choice of career. It is therefore imperative to both groups that this skills gap be bridged.

One method of bridging such a gap has been through integration of SMEs in both curriculum design and the teaching process. SME participants do tend to be from the more established as opposed to newer firms however. Notwithstanding this, there have been various successes with using this form of integration (Williams & Turnbull, 1999). Students are introduced to the idea of running their own business as a possibility at some stage in their career and have direct access to real life issues. On the other hand the SME participants feel that they have something to offer both in acting as role models to students and in nurturing an entrepreneurial spirit in them (Williams & Turnbull, 1999). The SMEs can also benefit through having students work on specific in-depth projects for them in their final year, normally in the form of their dissertation.

CONCLUSION

It is clear that the way ahead for both the university sector and the SME sector is through closer collaboration. In a competitive market universities can attract good students through promoting the relevance of their courses to future employment. Integration of these very employers in the teaching programme makes such courses more attractive to the discerning student.
Employers on the other hand can ensure that the graduates are leaving university with the skills they require of them and can have an impact on the actual curriculum design. Academia can be assured that it is offering the correct package for two of its key target markets, namely students and their SME future employers.

REFERENCES


University of Strathclyde (1996), *Careers Service Annual Report 1995*, University of Strathclyde.
