

Difference in Entrepreneurial Learning Cycle: in Special context of Small Size Enterprises



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Abstract

Learning is a lifelong process. Every individual keeps on learning in his or her whole life span. The aim of learning is to acquire knowledge or skill. Learning also may involve a change in attitude or behaviour. Learning can be seen on one hand as a process of making meaning from experience & on the other hand as primarily about the cognitive process of acquiring & structuring knowledge. In simple language the act, process & the experience of gaining knowledge, is learning. A person's knowledge is a result of experience, and no two people have identical experiences. Even when observing the same event, two people react differently; they learn different things from it.

Same way Entrepreneurial learning is often described as a continuous process that facilitates the development of necessary knowledge for being effective in starting up and managing new ventures. However, although there have been extensive efforts in investigating the potential learning effects of entrepreneurs' experiences. This Study tries to find out what is the basic difference between learning process of entrepreneurs in manufacturing sector and service sector. Study also strives for the factors those are helpful for entrepreneurs to manage their business. Case study method will be used for the research because beyond the quantitative statically results, case study evaluations can cover both process and outcomes and they can include both quantitative and qualitative data. A qualitative approach with semi-structured interviews will be adopted for investigating various issues related to entrepreneurial learning.

Key Words: Entrepreneur, Entrepreneurial learning.

Introduction

“Learning is a never-ending journey, not a destination. Learning is a process not an event” (Learning in 2002- research on the future of Learning & Business). To define learning, it is necessary to analyze what happens to the individual. For example, an individual's way of perceiving, thinking, feeling, and doing may change as a result of a learning experience. Thus, learning can be defined as a change in behaviour as a result of experience. This can be physical and overt, or it may involve complex intellectual or attitudinal changes which affect behaviour in more subtle ways. According to Charles Handy “Real Learning is a not what most of us grew up to thinking it was. Learning is not something you do, not something you watch. Information is not instruction.” Learning is not telling, it's an active process. Learning comes up in many shape & size. (1) Cognitive learning it's related to the understanding of individuals. This deals with the reading, computer based training, case studies & question-answer sessions. (2) Affective learning it changes the attitude, beliefs, feelings it is a process of self discovery. (3) Behaviour learning, it deals with behavioural observation. In this case mistakes are wonderful teacher.

We account for learning as the process by which people acquire new knowledge, including skills and specific competence, from experience or by observing others, and assimilate and organize them with prior knowledge

in memory to make them retrievable for use in routine and non-routine action (Anderson, 1982). In this sense, significant relationships exist among prior knowledge, learning processes used to acquire, assimilate, and organize new knowledge in memory; and action. Knowledge acquisition is the process of extracting and structuring information and channelling it to processes that accumulate new knowledge. People acquire knowledge in three ways: by direct experience, by observing the actions and consequences of others, and by explicit codified sources such as books, papers, etc. With each context, the intensity and speed of acquisition influences the quality and capacity of learning. The more efficient the effort, the more quickly an individual can accumulate and refine knowledge. For learning to yield an advantage, people must assimilate and organize newly formed knowledge (Anderson, 1982; Bower, 1977; Kolb, 1984). Assimilation refers to the process through which people process and interpret newly acquired information to derive meanings and form relationships in memory (Mandler, 1967).

This assimilation more tightly couples underlying knowledge, deepens understanding, and facilitates future learning and action. By gaining experience in a certain domain, a person's accumulated knowledge will contain more concepts and become more interconnected, thereby increasing proficiency. Over time, individuals complete actions that rely on knowledge in this domain more efficiently and with less conscious effort (Katz, 1982).

Entrepreneurial Learning

Deakins (1996) stated that "We do not understand how entrepreneurs learn, yet it is accepted that is learning experience from merely establishing a new enterprise. The learning process that is involved in the business and enterprise development is poorly understood, there is now need for refocusing research away from emphasis on successful entrepreneurs or picking winners, to identify key issue in the learning and developmental processes of learning."

The ability to learn is essential in developing entrepreneurial capabilities. Through successful learning, the skills, knowledge and abilities required in different stages of business development can be acquired, so that they can be applied subsequently. Therefore, learning is considered central to the process of entrepreneurial development. This is particularly critical in an ever-changing dynamic marketplace, and it is even argued that entrepreneurship is essentially a process of learning and so in order to understand entrepreneurship; we must first understand how the entrepreneur learns, individuals like attitudinal, emotional, value and personality-based factors, which stimulated and deepen the learning process. Entrepreneurial experience is suggested by the majority of the literature as being crucial for entrepreneurial learning. Entrepreneurial learning is often described as a continuous process that facilitates the development of necessary knowledge for being effective in starting up and managing new ventures. Comparing opportunity recognition between novice and experienced entrepreneurs, Baron and Ensley (2006) research suggest that "one key thing they acquire is increasingly focused and refined mental frameworks for identifying business opportunities. In other words, through their experience in founding new ventures, repeat entrepreneurs acquire cognitive frameworks that are increasingly helpful to them in "connecting the dots" between seemingly unrelated changes or events and in detecting meaningful patterns in these links. In short, the cognitive frameworks developed by experienced entrepreneurs assist them in recognizing opportunities that others overlook, and in selecting those opportunities most likely to yield positive financial outcomes."

Previous conceptualizations concentrate on the accumulation of experiential knowledge by entrepreneurs (Cope; Politis, 2005), learning asymmetries and their effect on entrepreneurial action (Corbett; Rae & Carswell), and the mechanisms that entrepreneurs employ to acquire, assimilate, organize, and use entrepreneurial knowledge (Young & Sexton, 1997). Building on this work, we define entrepreneurial learning as the process by which people acquire new knowledge from direct experience and from observing the behaviours, actions, and consequences of others; assimilate new knowledge using it practically.

Methodology

This Study tries to find out what is the basic difference between learning process of entrepreneurs in manufacturing sector and service sector. Different business provides different type of learning from experience.

Different industry provides different learning. Study will investigate whether different conditions of SMEs, change the whole learning process or not. Study also strives for the factors those are helpful for entrepreneurs to manage their business.

The main objectives that the researcher proposes to attain are:

1. To understand how circumstances, which may differ greatly from SSE to SSE can affect the nature of entire learning process.
2. How Entrepreneurs learn to manage their business.

The study is based on primary data collected from the field by the researcher according to a systematic research design. The design is descriptive. Since this study is aimed at addressing the phenomenon of entrepreneurial learning, a qualitative approach with semi-structured interviews was adopted for investigating various issues related to entrepreneurial learning. Descriptive case study is ideal to extract feelings, emotions, motivation, perceptions or self-descriptive behaviour. This method includes an array of interpretive techniques which seeks to describe, decode, translate, and otherwise come to terms, with the meaning and the frequency of certain more or less naturally accruing phenomena in the social world.

The first stage of the research was to conduct interviews of entrepreneurs. For getting authentic findings the researcher used case study method because beyond the quantitative statistical results, case study evaluations can cover both process and outcomes because they can include both quantitative and qualitative data. In this research, six districts that are fairly economically developed like Ajmer, Bikaner, Jaipur, Jodhpur, Kota, and Udaipur are covered. Research included interviews with the entrepreneurs who had minimum ten years experience in small size enterprises. Some points like family background, education, critical incidents in which learning has occurred were central to the study; a number of probing questions were used to extract incidents and outcomes of learning involved. Some typical questions were as follows:

- Can you recall any events or moments in which you have learnt something important before you started your business and during its development?
- What have you learnt from this particular event?
- How significant was this event to the future development of your business?
- What makes you capable of handling the situation well?

Total, 60 successful interviews were conducted and the participants represented diverse industries, including manufacturing, education, engineering and professional services etc. The researcher examined raw data using many interpretations in order to find linkages between the research object and the outcomes with reference to the original research questions. Throughout the evaluation and analysis process, the researcher remained open to new opportunities and insights. The case study method, with its use of multiple data collection methods and analysis techniques, provided researcher with opportunities to triangulate data in order to strengthen the research findings and conclusions.

The tactics used in analysis forced the researcher to move beyond initial impressions to improve the likelihood of accurate and reliable findings. The researcher categorized, tabulated, and recombined data to address the initial propositions or purpose of the study, and conducted cross-checks of facts and discrepancies in accounts. Specific techniques included placing information into arrays, creating matrices of categories, creating flow charts or other displays, and tabulating frequency of events.

Learn about management of business

Entrepreneurs that were included in this research process all had at least ten years of experience, so they were able to rank the factors from which they learn about the management of the business. Mr. Sanil said, “I learnt to manage my business from my good and bad experiences”. Mr. Trilok believes, “My experiences taught me to run a business”. Mr. Choyal said, “I learnt to manage my business from books, real life stories, interaction with different people, motivational seminars and experience.” Mr. Ravi said, “It is experience that teaches you how to manage business. These experiences may be positive or negative, but both are good teacher for an entrepreneur”. Mr. Vijay believed, “I learnt to manage business through my study and experience. When business is started many things take place and you learn from all of them”. Mr. Mohit said, “I learnt to manage business through my training and experience, there are lots of things to learn”.

Experience, no doubt this factor has first position, followed by books and journals. Seminars, training and development programs were also good source of learning management. Sometimes observing working pattern of other companies, team work were good teacher for entrepreneurs. Some cases showed that entrepreneurs learnt to manage their business from their previous jobs.

Table 1: Learn about Management of Business

S. No.	Factors	Rank
1.	Experience	1
2.	Reading Books/Journals	2
3.	Seminars, Training and Development Programs	3
4.	Observing working Pattern of others	4
5.	Team work	4
6.	Previous Job	4

Difference in Learning Process

The researcher tried to find out the difference in the learning process of entrepreneurs in different sectors. These entrepreneurs were related to different sectors. These sectors can be divided into two. First was the manufacturing sector and second service sector. Those firms which were related to any manufacturing process like auto parts, machines etc were put in manufacturing sector, they were not directly related to their end users of the product. Those firms which were providing service to the customers and they were directly related to the end users of the product like education institutes, restaurants etc. were included in service sector.

In this categorization, 33(55%) responding entrepreneurs were from the manufacturing sector and 27(45%) were from the service sector.

Entrepreneurs related to manufacturing industry focused more on technical issues, and those from the service sector focused more on behavioural issues. Mr. Shashikant Singhi who is in education sector says, “I used to shout people, and the organization, I was associated with, purely related to people. I had to face many failures, just because of my aggressive behaviour. I understand my fault and learnt to manage people without losing my temper. I believe that to create a healthy working environment, everybody in your team should feel comfortable and then they will give their best. After that I have a team of 700 employees”. Entrepreneurs related to manufacturing sector had to undergo some training whether formal or informal. Mr. Choyal said, “I did diploma in engineering drawing it is helpful in the business”. He further gave an incident which was related to technical learning. Mr. Choyal said, “Once, I wanted to design a new machine, the project was very

costly, my father suggested that first identify the requirement of the buyers then design it, otherwise it would be a heavy loss project. I thought my father did not want to invest money in the project that was the reason he gave me the advice, how would buyers give advance order without any physical design. After a long discussion I decided to take opinion of prospective buyers and changed the design according to their requirement. The machine was a success project and I got advance orders of machines. Opinion of buyers helped me a perfect model. I understood that before designing a machine, it is necessary to understand the need of prospective buyers”. Those entrepreneurs were from service sector they developed their skill by dealing with different type of customers. Although, both sectors included product and service, but proportions of both the factors was different in different sectors. For example, education industry was more related to the human aspect, so there was more content of behavioural learning but manufacturing of auto part was more related to technical aspect, so there was greater technical learning rather than behavioural. Service sector entrepreneurs decided their product according to the customers they customized the product. In this process they understood needs of different people. Manufacturing sector entrepreneurs were also working according to the customers but the proportion was less than service sector. Entrepreneurs related to service sector had to deal with different types of people and they learnt from day to day life but those related to manufacturing sector, they generally learnt from their success and failures.

Conclusions

The study tries to explore the learning process of entrepreneurs in small size enterprises of Rajasthan. In this, the researcher considered various aspects that influence the entrepreneurs’ learning process. Entrepreneurs ranked the factors from which they learnt about management of business. Experience, is on top most position, followed by seminars, training and development programs. Book and journals are also good source of learning management. Sometimes, observing the working pattern of other companies, teamwork is good teacher for entrepreneurs. In some cases, we find that entrepreneurs learnt to manage from earlier jobs.

According to different businesses need different techniques and different type of knowledge. There is difference in learning process. Entrepreneurs related to manufacturing sector, emphasized more on technical issues, and those related to service sector, focused more on behavioural issues .Although, both sectors included product and service but proportions of both the factors was different in different sectors. For example education industry was more involved with the human aspect, so there was greater content of behavioural learning, but manufacturing of auto part was more related to technical aspect, so there was more technical learning rather than behavioural.

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