

# WorldSkills competitors and entrepreneurship: Research Brief

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## DuVE

Find a Future commissioned a suite of six projects, carried out by SKOPE, under the banner *Developing and understanding Vocational Excellence (DuVE)*. The purpose of these projects is to better understand how participation in the WorldSkills Competition, through WorldSkills UK, contributes to Find a Future's aim of promoting skills development and improving the skills base in the UK. Further information on the projects can be found at:

[www.vocationalexcellence.education.ox.ac.uk](http://www.vocationalexcellence.education.ox.ac.uk)

## Developing vocational excellence

Earlier research<sup>i</sup> found that WorldSkills training helped competitors develop the necessary confidence, self-esteem and people skills to become entrepreneurial. Building on these findings, in this project we focus specifically on the entrepreneurial experience of young people who have represented the UK at WSC.

## Who is an entrepreneur?

We define entrepreneurship as the process of the discovery, evaluation, and exploitation of opportunities to create future goods and services.<sup>ii</sup> Thus, the study focuses on:

- entrepreneurship (firm creation or self-employment);
- intrapreneurship (entrepreneurship within existing organisations); and
- latent entrepreneurship (potential entrepreneurs)

Creating firms is generally associated with being an entrepreneur. In this study we refer to self-employed individuals as entrepreneurs. Intrapreneurs are individuals involved in the discovery of ideas or opportunities to create value, including activities that lead to the establishment of a new and self-financing organisation within an existing firm.<sup>iii</sup> Latent entrepreneurs are individuals who declare a preference for self-employment over employment,

## Abstract

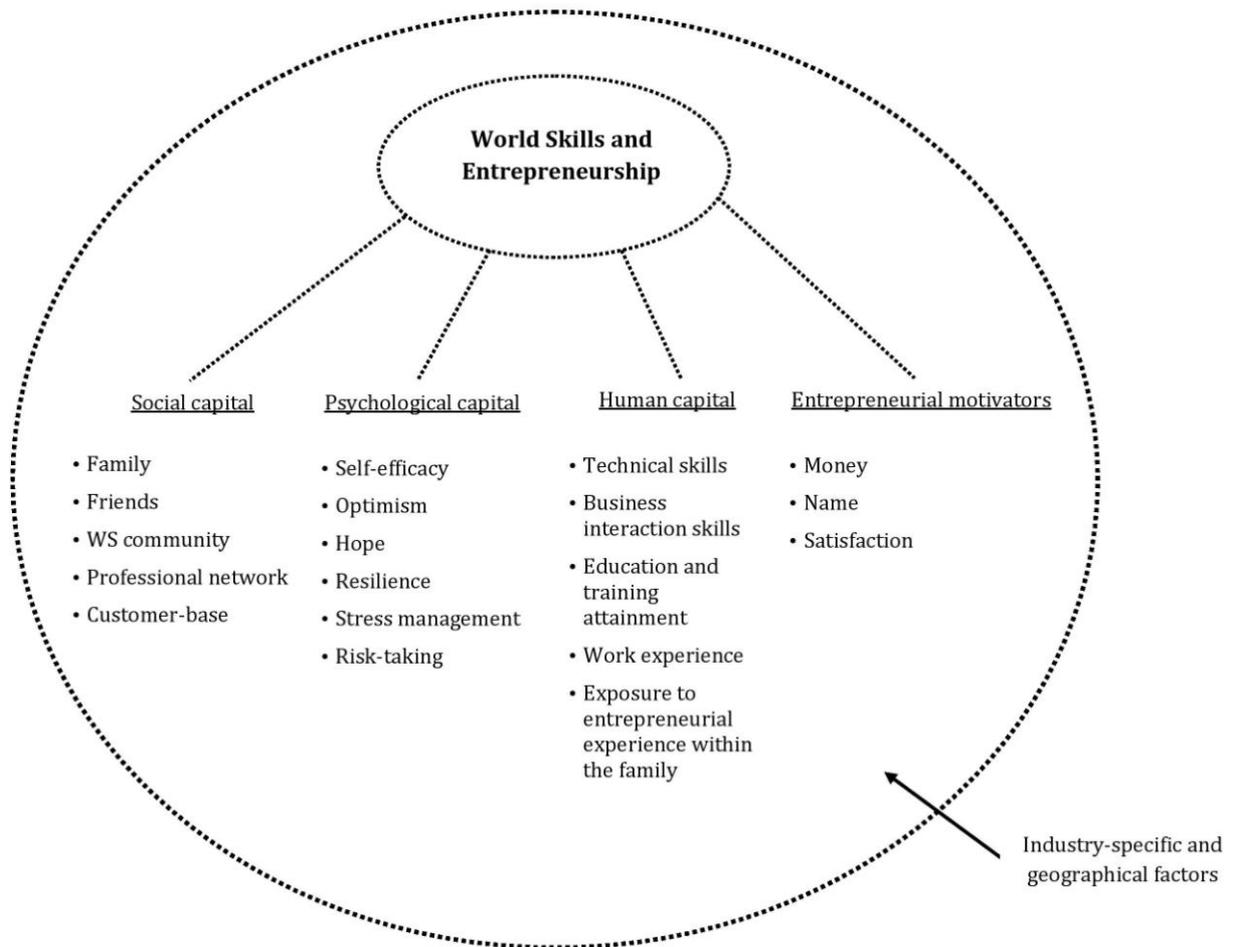
This project examined entrepreneurial experiences of those young people who represented the UK at WorldSkills Competitions (WSC). We aimed to understand how and in what contexts WorldSkills competitors discovered, evaluated, and exploited opportunities to become entrepreneurial.

although still employed at the time of the study (and were not exhibiting any intrapreneurship traits); they are potential entrepreneurs.

## How does WorldSkills experience facilitate the discovery, evaluation, and exploitation of opportunities to create future goods and services?

A variety of individual and contextual factors influence the development of entrepreneurship. This study identifies four individual-level factors - social capital, psychological capital, human capital, and entrepreneurial motivation - and two contextual factors - industry-specific conditions and geographical context - that may be associated with how WorldSkills competitors discover, evaluate, and exploit opportunities to create future goods and services. The conceptual framework (Figure 1) sets out the main concepts that we examined in this study and the presumed relationship between them.

Figure 1. The conceptual framework



## Participants

We interviewed a sample of 40 WorldSkills competitors to learn about their entrepreneurial experience and motivations and how their training for and participation in WorldSkills might have contributed to these. We aimed to understand how and in what contexts young people who have achieved excellence in selected vocational professions - by virtue of their selection as WS competitors - utilise psychological capital, human capital, and social capital to become entrepreneurs or intrapreneurs).

We collected qualitative and quantitative data and employed a combination of thematic and statistical techniques for the data analysis. The sample of 40 participants included 30 entrepreneurial individuals: 13 entrepreneurs; four intrapreneurs; and 13 latent entrepreneurs. Ten competitors interviewed were not interested in entrepreneurship. The study participants covered all of the six WorldSkills sectors: Construction and Building Technology, Transportation and Logistics, Manufacturing and Engineering Technology, Information and Communication Technology, Social and Personal Services, Creative Arts and Fashion.

The majority of the study participants (29) lived in England. Of the others, eight competitors lived in Northern Ireland, one in Wales and one in Scotland. One competitor lived abroad. Eight participants were female and 32 were male, with ages ranging from 21 to 39. The participants represented different WSC year groups and all medal categories.

This study has two limitations. First, it relied on self-reporting. Second, it gathered data from 40 non-randomly selected competitors, and the findings cannot necessarily be generalised to the population of WorldSkills UK competitors or to WorldSkills competitors in general. Thus, the findings should be interpreted as illustrative for understanding the relationship between WorldSkills experience and the development of entrepreneurship.

### The propensity to become entrepreneurial: entrepreneurial motivation, industry-specific factors, and geographical contexts

Entrepreneurial motivation is defined as the willingness to become an entrepreneur. There was large variation in the motivating factors that led young people into entrepreneurial activity or made them determined to become self-employed in the

future; some named a single motivating factor, others mentioned more than one. Extrinsic rather than intrinsic factors motivated entrepreneurial activity in the sample interviewed, with money and reputation being at the top of the list. Two-thirds of the entrepreneurial individuals said that making more money was an important consideration. The majority of entrepreneurial competitors had been entrepreneurial before they became involved with WorldSkills; they were self-employed, intrapreneurs or latent entrepreneurs. In other words, strong entrepreneurial motivation often preceded participants' engagement with competitions.

The cultures and structures of different industries were important when looking at the propensity of competitors to become self-employed. The geographical location of a business was also central to an understanding of the specifics of firm creation and development as entrepreneurs do not exist in a vacuum, but in the context of their local and national geographies. In this study the relevance of geography was intertwined with the sector of economic activity. For example, in the business of selling car parts, the location was viewed purely as a matter of convenience since most of the transactions were completed online. However, for floristry or wall and floor tiling, the location emerged as a relevant theme because metropolitan areas provided more and better opportunities for entrepreneurs.

### Psychological capital and entrepreneurship

Psychological Capital is defined as an individual's positive psychological state characterised by self-efficacy, optimism, hope, and resiliency.<sup>iv</sup> In this study, self-efficacy is identified with confidence; hope is identified with willpower. We administered a questionnaire to measure PsyCap, and the analysis showed that the average PsyCap scores were highest for intrapreneurs (5.39) and entrepreneurs (5.38) and lowest (4.77) for those who were not interested in entrepreneurship.

We asked participants to think of one experience that had the strongest influence on developing each of the components of psychological capital: self-efficacy, optimism, hope, and resiliency. Ninety-five per cent of the participants named WorldSkills as the most important lifetime experience that had developed their self-efficacy:

*You're more assertive with what you need to tell [customers] because you're confident in what you're telling them. It helped me confidence-wise to know my trade more, be able to talk to customers, bosses, new people. I*

*would never have talked to normal people before and when I've gone through the cycle, I was doing demonstrations and workshops; it was a real confidence boost in general to do it.*  
(Entrepreneur)

However, only 34% of participants considered WorldSkills experience to be their most influential lifetime experience for developing optimism, resiliency, or hope. For the majority, the most important influences on the development of these three characteristics were related to their childhood/parents, workplace experience, school experience, health-related issues, or religious beliefs.

Of those who recognised WorldSkills as the most important influence on the development of each of the four psychological characteristics, the majority were entrepreneurial.

### Social capital and entrepreneurship

Participants identified five networks as the most important for their professional success: family networks, friendship networks, professional networks, customer networks, and WorldSkills community networks (which sometimes overlapped with friends and professional contacts). Competitors recognised professional networks as the most important for their professional success, followed by family networks. Nearly half of the respondents talked about the value of the WorldSkills networks for their professional success. While the professional and WorldSkills community networks were considered important by similar proportions of entrepreneurial and non-entrepreneurial individuals, these two groups differed in their reliance on friends and family. Nearly twice the proportion of entrepreneurial individuals recognised friends and family as relevant networks for their professional success compared with non-entrepreneurial individuals.

Social capital was associated with a number of benefits for entrepreneurs including: improving the chances of survival and growth of new businesses; allowing access to potentially valuable information; giving access to advice and encouragement; providing emotional support to entrepreneurs; giving increased access to financial resources; and developing trust.

It was through ability, motivation, and opportunity that social capital was activated. A few participants acknowledged that WorldSkills put competitors in environments where opportunities to network were high, thus helping to develop the confidence and communication skills that contributed to expanding individuals' social networks:

*[WorldSkills] gives you the right tools to go and network, you can ask questions and you feel confident asking the questions. It puts you where high profile [professionals] would be, like designers to go and work with them, you would never get that anywhere. You go and you use what you can to make the most of that opportunity so it's not wasted and you keep in touch with those people just through meeting them, all the judges and designers. [Entrepreneur]*

### Human capital and entrepreneurship

For the purposes of this study, human capital comprised five elements: education and training attainment, technical skills, business interaction skills, work experience, and exposure to entrepreneurship within the family. We discussed family networks in the previous section. WorldSkills was perceived as the major contributor to two of these five elements - technical skills development and business interaction skills development.

Eighty-eight per cent of all interviewees acknowledged the influence of WorldSkills on the development of their technical skills.

The way WorldSkills competitors approached the people around them and their own work seemed to be crucial for their successful self-employment. We referred to these skills as business interaction skills or people skills. Some interviewees talked about the approaches to work used in the process of competitor training. This included rejecting routine approaches and adopting unconventional ways of thinking, being organised, taking responsibility for paperwork, seeking excellence in everything, and seeking to work with people who are perfectionists.

### Challenges of self-employment

Study participants did not think self-employment was an easy career path, even though 26 out of 40 competitors had either seriously contemplated or had already started their own business. Becoming self-employed was associated with a number of challenges. Sustaining business activities was also perceived as a tough task. Latent entrepreneurs talked about the challenges they expected to encounter in the future as they planned to start a new business. There were commonalities in how WorldSkills competitors perceived the problems they faced or expected to encounter at the time of becoming self-employed or at the time of expanding the business. The availability of start-up capital, the skills required in managing finance, paperwork, the client base and workload, and finding resources to

employ new staff were amongst the challenges related to entrepreneurial career.

### Conclusion

Through our research we sought to examine how WorldSkills competitors recognised and took advantage of opportunities to create future goods and services. Specifically, we were interested in how, if at all, WorldSkills experiences facilitated the process of the discovery, evaluation, and exploitation of entrepreneurial opportunities. Linking entrepreneurial experiences with WorldSkills was not a simple task; the majority of study participants saw some connections between the two experiences, but not all of these connections were easy to pin down.

A variety of individual and contextual factors influenced the development of entrepreneurship amongst WorldSkills competitors interviewed for this study. We established links between these WorldSkills competitors' social capital, psychological capital, human capital and how the competition experience contributed to the enhancement of different aspects of these three types of capital as well as to the development of entrepreneurial motivation. Our research findings suggest that training for and participation in WorldSkills enabled entrepreneurship by developing competitors' social networks, psychological characteristics, and technical and business interaction skills. However, it also emerged that the majority of entrepreneurial competitors had been entrepreneurial before they became involved with WorldSkills; they were self-employed, intrapreneurs or latent entrepreneurs. In other words, strong entrepreneurial motivation often preceded participants' engagement with competitions.

The full report for this project is available at: <http://vocationalexcellence.education.ox.ac.uk/wordpress/wp-content/uploads/2015/06/Project-5-WorldSkills-competitors-and-entrepreneurship.pdf>

<sup>i</sup> Mayhew, K., James, S., Chankseliani, M., & Laczik, A. (2013). *A Report to the National Apprenticeship Service of Project 3 of the DUVE suite of projects*. Oxford, UK: University of Oxford. <http://vocationalexcellence.education.ox.ac.uk/our-research/project-3/>

<sup>ii</sup> Shane, S., & Venkataraman, S. (2000). The Promise of Entrepreneurship as a Field of Research. *Academy of Management Review*, 25(1), 217–226.

<sup>iii</sup> Financial Times Lexicon. (2013). Definition of intrapreneurship. <http://lexicon.ft.com/Term?term=intrapreneurship>

<sup>iv</sup> Luthans, F., Youssef, C. M., & Avolio, B. J. (2007). *Psychological capital: developing the human competitive edge*. Oxford; New York: Oxford University Press.