

The Importance of Mediation in the Development of Entrepreneurial Minds

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Abstract: The current unemployment of young adults in developing countries such as Ecuador is partially due to the collapse of the social security system, the increase in time of workers' contributions to the retirement system, and the economic crisis. Assisting youth in creating their own labor market opportunities through developing entrepreneurial competencies is a possible partial remedy to the unemployment situation in the country. However, the main problem in establishing these competencies in business classes, where there is a gap between the theory of entrepreneurship and the simulation, and between the simulation and the entrepreneurial reality. To fill this gap, we are proposing a pedagogical model that merges students' entrepreneurial traits and curiosities with guidance and experience from teachers and entrepreneurs to develop business projects, taking advantage of business opportunities to facilitate employability in the local area. This model draws upon Vygotsky's (1978) concepts of Zone of Proximal Development and Mediation, Lantolf and Poehner's (2011) concept of Dynamic Assessment, and Béchard and Toulouse's (1991) Pedagogical Model in Entrepreneurship.

Key words: Entrepreneurial Minds, Zone of Proximal Development, Mediation, Dynamic Assessment, Simulation, Pedagogical Model

Resumen: El actual desempleo en los jóvenes de países en desarrollo como Ecuador se produce por el colapso de la seguridad social, el incremento del tiempo de aportación al sistema de pensiones para la jubilación y la crisis económica. Es así que, existe una urgente necesidad de desarrollar competencias de emprendimiento en los estudiantes universitarios. Sin embargo, el principal problema en el campo del desarrollo de una cultura de emprendimiento en la educación superior, está en la brecha que existe entre teoría y simulación, y entre simulación y los emprendimientos reales. Para cubrir esta brecha, proponemos un modelo que une las mentes empresariales de los estudiantes con la guía y experiencia de docentes y emprendedores que desarrollan sus proyectos de negocios, tomando ventaja de las oportunidades del medio para facilitar la empleabilidad en las áreas, social, productiva, cultural y tecnológica. Este modelo se basa en los conceptos de Vygotsky (1978) sobre la Zona del Desarrollo Próximo y la Mediación, el concepto de Lantolf y Poehner (2011) de Evaluación Dinámica, y del Modelo Pedagógico en Emprendimiento de Béchard and Toulouse (1991).

Palabras clave: Mentas emprendedoras, Zona de Desarrollo Próximo, Mediación, Evaluación Dinámica, Simulación, Modelo Pedagógico.

Introduction

The current unemployment in young adults in developing countries such as Ecuador is due to the collapse of the social security system, the increase in workers' contribution to the retirement system, and the economic crisis. According to the Instituto Nacional de Estadísticas y Censos (INEC, 2017), which is the institution that provides official demographic and social information in Ecuador, the unemployment rate in June of this year for youth (labor force ages 15-24) was at 9.6 percent and for young adults (labor force ages 25 -34) was at 5.9 percent. Additionally, for the same age groups, the underemployment rates were at 23.5 percent and at 20.9 percent respectively, which is higher compared to the national average.

Entrepreneurship has been an adaptive strategy that youth use in the face of widespread unemployment. In fact, youth in Mediterranean countries in south Europe (Italy, Greece, etc) have been shown to be more entrepreneurial than youth in richer countries like Germany or Denmark (Hatfield, 2015; Walther, 2006). Therefore, there is a necessity to develop entrepreneurial competencies in higher education students. However, the main problem with current teaching practices and curricula of business development is that there is a gap between the theory of entrepreneurship and the simulation, and between simulation and the entrepreneurial reality. In this sense, educators are challenged with designing effective learning opportunities for students to foster entrepreneurship in higher education programs (Kuratko, 2005). Based on Kuratko's (2005) analysis, several fundamental aspects must be taken into consideration when students learn business concepts: business plans, students' business start-ups, consultation with practicing entrepreneurs, computer simulations, behavioral simulations, interviews with entrepreneurs, environmental scans, live cases, and field trips. In the Ecuadorian context, the majority of the courses in entrepreneurship in higher education lack the connection between theory, simulation, and reality that is needed to assist youth in creating their own labor market opportunities.

Little research has analyzed in-depth the relationship between entrepreneurial development and higher education. Unfortunately, business programs in higher education pay little attention to the use of communication and information technologies, cognitive processes, collaborative learning, personal growth, business ethics, or the development of critical thinking (Bécharde & Grégoire, 2005). Current efforts to develop business competencies in students are not enough to develop real business ideas in the local area. Higher education institutions often struggle to provide authentic entrepreneurial perspectives and challenges that the entrepreneurial students will have to face in the real business world. In this sense, Bécharde and Grégoire (2005) state that students must interact with "an entrepreneur who has paid the price, faced challenges, and endured the failures" (p. 589). In higher education in Ecuador, educative models in entrepreneurship are experimental and need to be consolidated (Robayo, 2009). To sum up, in the field of entrepreneurial development in higher education in Ecuador there is a gap between the theory of entrepreneurship and the simulation and between simulation and the entrepreneurial reality.

In the higher educational system, it is necessary to create a pedagogical bridge to connect the theory of entrepreneurship with the simulation of it, and to connect the simulation of entrepreneurship with the actual reality of it in local conditions. The goal of teaching entrepreneurship should be to develop real competencies in students that can be directly applied to personal and local circumstances. Our objective is to merge students' entrepreneurial traits and curiosities with guidance and experience from teachers and real entrepreneurs to develop business projects, taking advantage of business opportunities to

facilitate employability in the social, productive, cultural, and technological areas. At the same time, mediation between the teachers, entrepreneurs, and students can help students develop competencies to create business ideas, incorporating not only profit-making activities but also social responsibility initiatives. These business ideas will respond to real situations in different contexts, going beyond presentation in the classroom.

Entrepreneurial Development Model

Entrepreneurship in higher education tends to be taught in two phases: (1) a theoretical and (2) a simulation part. Here it is important to clarify that in Ecuador these classes are taught to the majority of higher education students, regardless of their chosen majors or focus of study. The theoretical framework provides a description of the historical analysis of entrepreneurship and a presentation of the structure of the business plan. The simulation phase is the application of innovative business plans that contribute to the solution of problems and that meet market needs. However, in the transition from theory to practice, students experience a gap wherein they do not develop core entrepreneurial competencies, such as initiative for developing businesses, systematic planning, creative thinking, innovation, risk taking and risk management, problem solving, persistence, quality performance, information management, and persuasion and influencing abilities (Eduxir & CBSE, 2017). Therefore, it is necessary to develop an ideal model to connect theory and practice in entrepreneurial courses and programs in higher education in Ecuador.

The following Entrepreneurial Development Model (EDM) in higher education (Figure 1.1) has been developed to offer a real connection between theory and praxis.

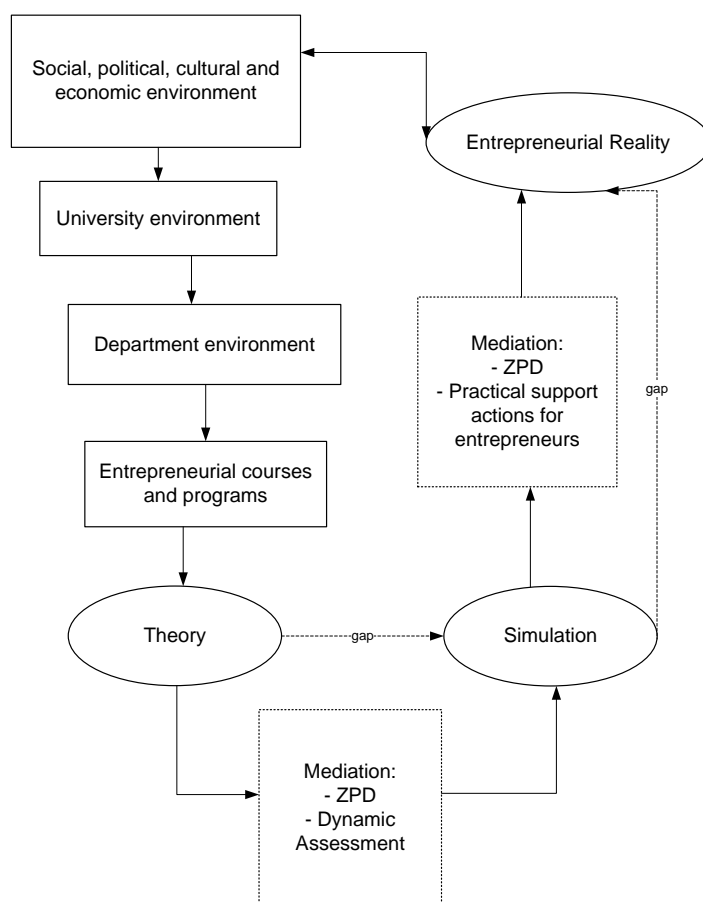


Figure 1.1. Entrepreneurial Development Model in Higher Education

The EDM specifies that the educative process is designed in a specific context, which is determined by the specific social, political, economic, and cultural environment. This environment influences the specific characteristics of universities and departments, including how they approach teaching business and entrepreneurship. In this context, entrepreneurial courses and programs improve the conceptualization of business and promote the development of business competencies. The model we are proposing draws upon (1) Vygotsky's Zone of Proximal Development (ZPD) and mediation; (2) Lantolf and Poehner's (2011) concept of Dynamic Assessment (DA), and (3) Béchard and Toulouse's (1991) Pedagogical Model in Entrepreneurship. Vygotsky (1978) defines ZPD as "the distance between the actual developmental level as determined by independent problem solving and the level of potential development as determined through problem-solving under adult guidance or in collaboration with more capable peers" (p.86).

Therefore, to help students develop a more unified, continuous, and coherent understanding of entrepreneurship, mediation needs to be present. From a sociocultural perspective, mediation is the key component of human activity. In the case of the development of entrepreneurial minds, mediation occurs between students, teachers, and real entrepreneurs. As Vygotsky (1981) argues, human activities and mental functioning are mediated and facilitated by tools, cultural practices, artifacts, and language. In this sense, entrepreneurial classes must be interactive, where teachers, learners, and entrepreneurs are active participants in the construction of knowledge and understanding the concepts of business. Finally, Béchard and Grégoire (2005) allude to the importance of mediation when they mention that the main purpose of a pedagogical model of entrepreneurship is to "transmit theories related to feasibility studies and business planning" and that the "university's traditional role, its resources and its practices work in favor of an approach based on the teaching theories. However, professors play several roles (role models, facilitators, and resource persons) which are coalesced in collective, individualized, and personalized teaching strategies" (p. 8-9).

DA is another aspect of mediation for teachers to consider as they assess students' conceptual understanding of entrepreneurship. As Lantolf & Poehner (2011) state, "assessment and instruction exist in a dialectical relation to the provision of mediation attuned to the ZPD, [which] allows for the identification of emergent abilities, and at the same time supports their development" (p. 13). In this context, teachers and entrepreneurs who work as mediators should provide assistance that will help students internalize the concepts of entrepreneurship and competences related to entrepreneurship, such as negotiation, leadership, new product development, creative thinking, and exposure to technological innovation (Solomon, Duffy, & Tarabishy, 2002), not only in theory, but also in practice by doing simulations and creating real businesses. DA seems to be an ongoing "development-centered" (Poehner, 2007) approach of collaboration to help learners improve their understanding of business development.

In the business reality, mediation through teachers and business professionals is presented as practical support actions for entrepreneurial students, including practice communities, sponsorships, incubators of enterprises, business clubs and contests, among others. These actions allow students, teachers, and entrepreneurs to share not only skills, but also knowledge and understanding of businesses. These activities also offer students the opportunity to develop and demonstrate business competencies in the current competitive world.

Conclusion

The youth unemployment situation in Ecuador could potentially benefit from more coordinated efforts to assist youth in developing entrepreneurial competencies and creating their own labor market opportunities. Unfortunately, current efforts in higher education to develop business competencies in students are not effective enough to develop reliable and feasible business ideas in the local area. The Entrepreneurial Development Model (EDM) offers insights into how teaching entrepreneurship development in Ecuadorian universities could be more effective. This model emphasizes how to merge students' entrepreneurial traits and curiosities with teachers' and entrepreneurs' experience through mediation using ZPD and DA to ultimately develop in youth the skills and abilities needed to create and sustain local business opportunities.

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