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# How Entrepreneurs Benefit From a Growth Mindset

Article | Monday, August 28, 2023

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When entrepreneurship students focus on value creation, not just venture creation, they develop skills they can use throughout their careers.



- Students who develop a growth mindset toward entrepreneurship believe they can continue to develop their entrepreneurial ability all their lives and use it to create positive

societal impact.

- Few students have the ability or resources to start their own companies, so schools should not judge the success of entrepreneurial programs by the number of businesses students have launched.
- Instead, schools should focus on helping students identify opportunities for value creation and articulate the purpose behind their entrepreneurial activities.

It's the sought-after holy grail for business schools with entrepreneurship programs: ensuring that students think entrepreneurially and seek to create value for society. One way schools can achieve this goal is by helping students develop growth mindsets toward entrepreneurship. Such mindsets encourage them to believe that—with time, effort, and the right strategies—they will be able to improve their entrepreneurial ability throughout their lives and use it to create positive societal impact.

To appreciate how very important this belief is, it's necessary to understand how mindsets work. According to American psychologist Carol Dweck, all individuals develop opinions about human abilities and characteristics and **whether or not they can be changed**. For instance, someone might believe that people cannot change their levels of intelligence, even if they invest time and effort in the attempt. That person, according to Dweck, is said to have a fixed mindset about intelligence. An individual who believes that intelligence can be changed is said to have a growth-oriented mindset.

We all have mindsets across dozens of domains. For example, someone can have a growth mindset toward athletic ability, but a fixed mindset regarding artistic ability. Someone else can have a fixed mindset about computer science ability, but a growth mindset about creativity.

The good news is that **mindsets can be changed** through short online experiments, practical exercises, and **strategies** that help people improve their entrepreneurial abilities. Additional **findings and resources** enable teachers to develop mindset cultures in their classrooms, and these tools are both scalable and cost-effective.

Our focus is specifically on how business schools can encourage students to adopt growth mindsets toward entrepreneurship. There is **good evidence** to suggest that developing such mindsets forms the beginning of a cognitive chain of events that spurs students' self-efficacy toward this effort. It also sparks their interest in carrying out entrepreneurial pursuits both academically and professionally throughout their lives.

## A New Set of Metrics

Too often, business school leaders judge the success of their entrepreneurship programs by counting how many students make investor pitches, participate in business plan competitions, or launch new enterprises. However, few if any of these activities lead to viable startups.

The launch metric in particular shows a clear disconnect. While there certainly are successful student startups that come out of entrepreneurship programs, most students will not launch businesses while they're in school, or even immediately after they graduate. Of the startups that begin in entrepreneurship programs, only a small number continue to progress after students leave campus.

To some extent, that's because even students who are interested in entrepreneurship typically aren't ready to start new businesses. The average age of a startup founder is between 30 and 40 years old, and most students are much younger. In addition, students are resource-constrained, and most of them are inexperienced about industries, markets, customers, and opportunities. Thus, most students are ill-prepared to contemplate launching a firm.

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For many schools that want to achieve sustainability goals, another metric of success is whether entrepreneurship students create businesses with societal impact. But achieving such impact usually requires a large-scale business effort that isn't possible within a semesterlong class.

Given these realities, it is not difficult to see why business schools struggle to teach entrepreneurial thinking, make a positive societal impact, and meet their program goals.

## A Focus on Growth

We believe that schools will be more successful on all these measures if they take a different approach. Instead of focusing on "made-up" startups that will disappear once students graduate, schools could adopt a growth mindset toward entrepreneurship. They could teach students to view entrepreneurial action as a skill that they can improve—and that they can activate in different contexts, different markets, and different stages of their careers. We have three suggestions for academic leaders:

**First, take a broader perspective.** Make sure that both students and program administrators understand that entrepreneurship is not just about starting businesses. Just as important, stop pretending that metrics associated with student-launched businesses are realistic. Instead, encourage students to articulate the purpose behind their entrepreneurial efforts. Share

videos by popular authors such as Simon Sinek and Guy Kawasaki, who advocate that entrepreneurs “start with why” and “make meaning” as they create businesses with societal value.

When business schools take such a broad approach to entrepreneurship content, both students and programs are more likely to achieve societal impact. They will focus on creating value—not just starting businesses.

**Second, dig deeper.** Encourage students to spend more effort on identifying opportunities that relate to societal impact and sustainability. Show them that value creation can go beyond venture creation.

For example, when asking entrepreneurship students to brainstorm ideas, instructors should make it clear that these ideas do not have to be related to business startups. Instead, professors could ask students to come up with three ideas—one that focuses on a gap in the marketplace, one that solves problems students have experienced in their own lives, and one that identifies a needed innovation. These ideas could relate to jobs students currently have or would like to hold someday.

**Encourage students to spend more effort on identifying opportunities that relate to societal impact and sustainability. Show them that value creation can go beyond venture creation.**

On a related note, when schools organize pitch competitions, they also should have students focus on value creation, not just venture creation. As an example, schools could require all ideas to be tied to one of the United Nations Sustainable Development Goals (SDGs). Many millennial and Generation Z students are already interested in SDG issues such as eliminating poverty and addressing climate change. Once students have identified opportunities to address these problems, they can undertake efforts to organize their ideas and conduct market research to discover how they can make their ideas a reality.

**Third, encourage students to look beyond their careers.** Career centers typically focus on helping students find internships and jobs, but work is only one part of life. What else will students spend time on after graduation? Volunteer opportunities? Service trips? Charitable engagements? Through these activities, students can make important contributions to their communities and society as a whole.

## A Shift in Education

As part of promoting a growth-mindset mentality, schools can assess students’ baseline attitudes at the start of any entrepreneurial program. After providing students with opportunities to engage with customers and explore new market ideas, teachers can ask

students to reflect on what they've learned. Frequently, students will recognize that these activities have enabled them to grow in their entrepreneurial skills and abilities.

Over time, students with growth mindsets toward entrepreneurship will be able to see beyond the educational content they mastered in school. They will apply entrepreneurship principles in meaningful ways to everything they do, whether they're running small businesses, working in large corporations, or volunteering in their communities. Therefore, when schools focus on value creation in their entrepreneurship programs, they foster a growth mindset that graduates can employ for the rest of their careers, leading them to take every opportunity to create positive societal impact.

But if schools are to focus on value creation, they will need to make subtle pedagogical shifts. In fact, they will need to apply a growth mindset to entrepreneurship education.

This means that schools will have to change their attitudes about what success and failure look like for their entrepreneurship programs. When they do this, they will stop considering students as "products" and employers as "customers." Instead, they will view students as "value creators." As they make this shift, schools will take more holistic views of societal impact and how it can be created through entrepreneurial action.

When schools embrace this new way of thinking about value creation, they can develop metrics that are realistically achievable and more applicable to the larger world. Our hope is that, going forward, more schools will make the effort to orient their mindsets, and the mindsets of their students, toward growth.

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