

RAZVOJ MODELA PREDUZETNOG UNIVERZITETA NA PROSTORU ZAPADNOG BALKANA

DEVELOPING THE MODEL OF ENTREPRENEURIAL UNIVERSITY IN THE WESTERN BALKAN REGION

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ABSTRACT

University education in the times of turbulent changes in the environment requires a significant step forward in terms of implementing programs and methods that support entrepreneurial spirit and creativity. It seems that all reforms of educational systems in the past were basically focused on how to redesign and improve existing programs in order to make education more efficient and effective. But, apart from the application of good curriculum and innovative methods in educational process, fundamental changes in the way universities are functioning are required. Universities are expected to be entrepreneurial, students and teachers are expected to be more innovative and proactive, while the interaction of the universities and broader community should follow entrepreneurial models and patterns. In the process of evolution of the role of the university, a step forward has to be made towards transforming the university from being primarily the creator of knowledge to becoming the key institution in the process of spreading and capitalisation of knowledge. Entrepreneurial university as the antithesis of the “ivory” university should be the institution of prime social importance.

The paper analyse the recent developments as well as experiences of the Western Balkan countries. Developments in

numerous countries have shown that significant efforts are required to transform the universities into active participants in the dynamic and innovation-orientated development of society.

Keywords: entrepreneurial university, education, knowledge

Ključne reči: Preduzetni univerzitet, edukacija, obrazovanje

SAŽETAK

U vremenima koja su ispunjena turbulentnim promenama, od univerzitetskog obrazovanja se očekuje da, svojim programima i metodama izvođenja nastave, konstantno podržava preduzetnički duh i kreativnost. Najveći broj reformi obrazovnih sistema u prošlosti je u osnovi bio fokusiran na to kako poboljšati obrazovne programe i na taj način učiniti obrazovne procese efikasnijim i efektivnijim. Ali, pored dobrih programa i inovativnih metoda u realizaciji nastave, potrebne su i suštinske promene načina funkcionisanja univerziteta. Univerziteti treba da budu preduzetni, a studenti i nastavnici inovativni i proaktivni. Interakcije univerziteta i šire zajednice i okruženja treba da prate preduzetne modele i obrasce. U okviru procesa evolucije

univerziteta, važna je transformacija univerziteta kao kreatora znanja u instituciju koja širi znanje i doprinosi kapitalizaciji znanja. Preduzetni univerzitet kao antiteza okoštalom univerzitetu, treba da postane institucija od primarnog društvenog značaja.

Ovaj rad analizira dosadašnja iskustva zemalja Zapadnog Balkana, čija praksa pokazuje da su potrebni značajni naponi kako bi se univerzitet transformisao u aktivnog učesnika dinamičnog i inovativno orijentisanog razvoja društva.

UNIVERSITY EDUCATION AND RELEVANT EU POLICIES

Dynamic changes of information and communication technologies, globalisation of business operations and increasing competition, bring tremendous challenges to the leaders of the new millennium. In this context, the role of knowledge becomes crucially important for processes of market positioning and sustainable development under the conditions of unpredictable environment.

Majority of reforms of educational systems in the past failed because they were basically focused on redesigning and improving of existing programs in order to make university education more efficient and effective. University education in the times of crisis and turbulent changes in the environment requires a significant step forward in terms of abandoning traditional methods of teaching and implementing methods that support entrepreneurial spirit, creativity and intuition. Apart from the application of innovative methods in educational process, fundamental changes in the way of functioning of university are required. University is expected to be entrepreneurial, students and teachers are expected to transform into entrepreneurs, while the interaction of the university and broader community should follow entrepreneurial models and patterns.

Instead of being heavily supported by other participants in the society through endowments or budget appropriations, university should grow into an institution which supports others and contributes to the development of society and its wellbeing. Capitalisation of knowledge should enable transformation of the university into an institution of primary social importance. Having in mind complexity of these processes, the need towards permanent improvement of capacities of all participants in the educational processes should be pointed out which has to provide opportunities for educational processes to be better defined and efficiently realised.

Education for entrepreneurship, which has been recognised as a basic skill in the process of permanent (life-long) learning, is of special importance. This is the reason why education for entrepreneurship has been promoted and practically implemented in educational system of the EU countries at all levels of both formal (from primary to university education) and informal education. It is defined by the EU Expert group not only as a process of preparation, education and trainings for creating business, but in a wider context as a process of developing entrepreneurial way of thinking, entrepreneurial skills and certain personal characteristics and qualities which do not directly refer to creation of business. Entrepreneurship is treated as a way of thinking which can be applied in everyday life in almost all fields of life and work. The aims of such education are to raise awareness on the importance of taking over responsibilities for own future careers, abandon the “getting a job” and accept “create your own job” philosophy, as well as to develop and promote entrepreneurial qualities (creativity, pro-active orientation, responsibility for results achieved, accepting changes as a way of life).

The importance of entrepreneurship education has been emphasized in many EU documents. Regarding the aims of educational system, EU has given priority

to intensifying efforts on establishing relationships among educational institutions and companies, as well as to strengthening entrepreneurial spirit through educational and training system. The EU Forum on entrepreneurship training held in 2003, elaborated the issue of entrepreneurship education in both formal and informal system of education as well as in companies. The three major recommendations of the Forum were defined in the following way:

- It is necessary to develop entrepreneur-led educational system
- It is necessary to create a comprehensive strategy which involves all levels of formal and informal education as well as all relevant participants in the educational process
- Entrepreneurship has to be treated as a basic set of skills which are constantly being improved in the process of life-long learning.

In the final remarks, the EU Expert group concluded that apart from the fact that numerous activities had been undertaken at various levels of education, many of them were not integrated in appropriate programmes, nor are they a part of a unique concept. One thing is for sure, educational system should be prepared for challenges, first of all in terms of creation and development of the appropriate concept of education with a long-term component.

In this context, the important topics are:

- To which extent educational system responds to the challenges of time and turbulent environment?
- Does it produce human resources and intellectual capital able to solve existing economic and social problems?
- What should be done (changed) in order to make educational system more effective and efficient in carrying out its main mission?

MODEL OF ENTREPRENEURIAL UNIVERSITY

A comprehensive analysis of the development and improvement of the university education is in fact multidimensional. It is absolutely clear that the development requires much more than good curriculum, and in that context internal and external factors that transform the role of the university are of special importance. The basis for understanding and further development of university education can be found in the interaction of universities (academies), business entities and state institutions. Known as “Triple Helix”, it illustrates the three major forces in society (academic, business and state) in the context of the process of knowledge capitalisation. In this model the three sides initiate and create mutual institutions so as to improve the exchange of knowledge and resources and strengthen innovativeness and competitiveness. The concept of traditional university gives way to the model of the university which does not take knowledge in absolute sense, but puts it within a context of innovative learning and in a close interaction with the business environment and external partners.

In order to understand the new model of entrepreneurial university, it is good to have an insight into a well known concept of innovative university launched in the USA. The example of Stanford University is the most important, revolutionary one. After the World War II, the model demonstrated how strengthening of the relationships with the market brought stable growth and development. The concept of entrepreneurial (entrepreneurship-orientated) university has been introduced at European universities in a great deal, but the discussion on its implementation raised numerous issues. The difference between the American and the European concepts originates from cross-cultural and economic diversities. American universities are more oriented towards private funding,

endowments, R&D contracts which significantly participate in the income and influence their internal organisation, structure, processes and corporate culture. European universities are dominantly funded by the states` funds, which affects their internal organisation which is not enough market-orientated. Constant and close contact with the market is a “must” for the American universities, while for European universities market orientation is not crucial for economic sustainability.

Developments in numerous European countries in the last few years have shown that significant efforts are required to transform the university from the passive (“ivory tower”) into active participant in the social processes. Danish government launched in 1995 an idea that society should change from being dominated by a “culture of employee-ship” (which was characteristic of educational system in 1970s and 80s) into a “culture of self-employment and entrepreneurship”. Within that context the university was recognized as the institution which is closely connected with the environment and whose research and development potentials and results have to contribute to economic growth and development.

The issue of adequate concept of the university education is connected with the issue of the role of the university in a future dynamic and innovation-orientated development of society. The model of entrepreneurial university, which is based on redefined concept of education at all levels, is required. A predominant form of education based on teaching should be enlarged to scientific and research projects and full valorisation of knowledge through processes of commercialisation and capitalisation of knowledge. In other words, in the process of evolution of the role of the university a step forward has to be made towards transforming the university from being the creator and preserver of knowledge to becoming the key institution

in the process of spreading and capitalisation of knowledge.

The case of Massachusetts Institute of Technology (MIT) is indicative as it has produced numerous entrepreneurs among its faculty and alumni. The 4000 of firms that MIT graduates founded accounted for at least 1.1 million jobs worldwide and generated \$232 billion in revenues. If MIT-related companies were a nation, it would be the 24th largest economy in the world . MIT has transformed economy of Massachusetts-a changing it from the economy which was based on low-profit industries to the economy based on high technologies. Educational processes on MIT are focused on providing quality and quantity of information, knowledge and skills for launching business enterprises, providing support in the process of recognising business opportunities and defining new projects, developing capacities for qualitative assessment of concrete business projects, improving knowledge and skills in the process of identification of business problems and finding solutions for such problems. However, what differentiates this institution from the others is the fact that programmes and enriched with the following contents and activities :

- Developing various models of university-industry relations
- Extension of academic consultation into the formation of new firms. It means generating concrete projects – enterprises, business incubator centres, innovation centres, science parks within universities.
- In collaboration with Harvard Business School, MIT invented the venture capital firm and filled a gap in the “innovative environment” in the region by providing business advice and seed capital to academics who might not otherwise have taken steps to found the firm.

In the Danish magazine *Mandag Morgen* (December, 2003), a thesis was launched

that the Danish university should copy the MIT model. The director of the MIT Entrepreneurship centre, Kenneth Morse, said that visionary ideas and pragmatic approach to innovations and entrepreneurship are the result of the spirit that prevails at MIT and added that the inventing brilliant new technology will not do if it is merely locked up in the “ivory tower” of the institution. The job is not done until the innovation has been transformed into global product and sales (profit).

In that context, the entrepreneurial university is:

1. An institution that generates money,
2. An institution where it is legitimate to refer to students as customers,
3. An institution where teachers and the administrators will be rather alike and often educated at the same universities
4. An institution that find a way to live in close contact with the outside world that we are supposed to teach our students about.

The concept of entrepreneurial university focuses university as the institutions, which sees its environment as a market in which it behaves in an appropriate way. Applying “bottom-up” approach, it is necessary to constantly treat the issue of where the chances for further development are, how university can survive and how to find sources of financing for the activities of the university? Entrepreneurial university is the antithesis of the university as “ivory tower”. University of the future means evolution of the “ivory tower” to entrepreneurial paradigm.

At European universities which are mainly funded from public budget, more prominent are the attitudes that development and improvement of education processes and entrepreneurial behaviour can be achieved only within a transformed university. The entrepreneurial university demands not only innovative approaches to learning but also fundamental change in how these

institutions operate. In this context, the European entrepreneurial university can mean three things:

1. The university itself, as an organisation, becomes entrepreneurial;
2. The members of the university (faculties, students, employees) are turning themselves into entrepreneurs;
3. The interaction of the university with the community, the structural coupling between university and region, follows entrepreneurial patterns.

Trying to elaborate the process of transformation of the “ivory tower” into an entrepreneurial university, several steps can be identified. The first entails empowerment of management at all levels as well as strengthening of managerial skills to be able to be faster, more flexible and more focused when reacting to challenges which refer to increasing and changing needs. The second step entails introduction of more flexible structures for both “peripheral functions” as well as for academic departments, having in mind crucial importance of establishing intensive relationships and communication with external subjects in terms of projects, technology transfer and patent rights. The next step refers to providing financial sustainability of the university so as not to be dependent on one source of financing. Probably the most important step refers to establishing of strong entrepreneurial culture at universities and accepting certain values of entrepreneurial culture from all participants within the educational process.

How the concrete outcomes of the educational process can be identified at the university with business orientation? Success and concrete results of the process can be measured by objectively verifiable indicators like: number of business ideas (projects) generated during the process of studying, quantity and quality of generated new businesses (enterprises) after the completion of the process of studying, number of university based spin-offs,

venture capital enterprises established by universities, recognition of students, as future associates, by the business environment, degree of engagement of university fellows in realisation of the current business projects at the university. It is necessary to point out that there is a strong relation between the success of some projects (which means the success of individual/team) and the quality (capacity) of the education program and institution. All that gives an additional impulse and contribution towards improving image of the educational institution as a recognised “producer” of entrepreneurs and entrepreneurial managers who are capable to change the world and by their creative behaviour contribute to its progress.

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