# Education of entrepreneurship or entrepreneurial education?

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Abstract: Today's dynamically changing economic and social situation towards the still higher expectations of professional nature from graduates makes it more and more difficult to reduce the existing so called educational mismatch. This mismatch of qualifications of graduates and employers' needs arising from job positions characteristics is the challenge for university authorities when it comes to educational policies planning. Nevertheless, with the closer analysis of what actually the expectations could mean, it may be stated that it is the level of overall entrepreneurial personal attitude in the sense of flexibility, ability and readiness to work, adjustment to changing work and bright and open attitude towards the changing professional world. Therefore, the entrepreneurial orientation of education should help in an appropriate direction of academic teaching policies. This is not necessarily to be obtained through offering courses of entrepreneurship, but according to students' expectations, there is a need to adjust the educational methods to the market requirements. The paper presents insights into the analysis of what is expected from and what is provided by the higher education, as well as an example of a case study of entrepreneurial HRM classes presented during the international conference "HEInnovate: Supporting Institutional Change in Higher Education", held at Ruse University 'Angel Kanchev', Bulgaria, 14-15 June 2018.

Key words: entrepreneurship, innovation, university, education, HEInnovate

JEL Classification: A200, O320, L260

# I. Introduction

In the theory of organization and management it is assumed that each organization means as much as the intellectual potential, abilities, motivations, willingness to take initiatives and creativity of the employees within it (Fudaliński, 2013). Human potential, understood in terms of the organization's capital, is expressed in the functioning of the organization. The effectiveness of the organization's operation depends on the quality and efficiency of the work of the people who create it. Therefore, the better the qualifications of people creating the organization, the greater the potential benefits of such people. In turn, taking into account the diversity of the work of different people in the organization, different qualifications are required in various positions, hence it can also be concluded that an appropriate adjustment of competences of workplaces to the potential of personnel is also important.

The increasing potential of employees resulting from increasing professional ex-

perience favors the growth of intellectual capital, in particular within the knowledge-based economy (Dokurno, 2012). In addition, the development of resources affects the creation of values in the organization. This is due to the transformation of one resource into another during the operational activities of an organization. The effectiveness of the organization's functioning is expressed precisely in the dynamics of these very transformations of resources.

Human capital structure has been defined and distinguished into the following fundamental components (Dokurno, 2012):

- the level of qualifications and competences resulting from knowledge, talent and creativity,
  - experience,
- the level of motivation resulting from mental competence,
  - health,
- the level of culture in a given population expressed in methods of creative thinking, principles of ethical behavior, and aesthetic criteria.

The level of qualifications, as well as competences is a key component of human capital. The higher this level, the better for the enterprise. Increasing the level of competences, thus, increases the value of human capital. The importance of human capital, in the context of organizational development, results from the intellectual factor that decides about innovation. The issue of the characteristics of intellectual resources in the organization refers to the phase of creating innovative solutions, as well as the phase of innovation implementation.

The increasing potential of employees resulting from increasing professional experience favors the growth of intellectual capital, in particular within the knowledgebased economy. In addition, the development of resources affects the creation of values in the organization. Innovative processes that should take place in enterprises oriented to development and strengthening of competitive advantages require appropriate staff, but also an appropriate culture of innovation and entrepreneurship. In the conditions of increasing complexity, variability and hostility of the environment, organizations richer in resources achieve a higher level of innovation (Pichlak, 2012). Investments in human resources in the enterprise, leading to the increase of dynamics and the efficiency of transforming resources owned into products or services to operate are therefore desirable from the point of view of the efficiency of the company's operation. An important element of innovation is investing in human capital and its effective use (Kosała and Żur, 2004). Higher education affects the acceleration of economic growth through the accumulation of resources of physical and human capital, and it is also a complementary factor to the increase in labor productivity (Żyra 2014). Universities play a key role in raising the level of competencies of human resources in organizations and at the same time represent the stage of higher education preceding the entry of graduates into the labor market. Thus, the competences in which students are equipped are defined as professional.

The role of higher education in the process of establishing a national human capital is crucial. The actual weight of the creation of intellectual capital and inspiring interaction in an environment of higher education falls on institutions of higher education. As regards the effects of education - universities should properly profile the silhouette of graduates themselves and the effects of education should take into account social expectations (Geryk, 2014). More and more often in literature the need to relate the learning outcomes to the expectations of the environment is mentioned. In this context, therefore, the role of key stakeholders such as enterprises and public administrations, seems to be important. The teaching process, thus, focused on how best to prepare graduates to enter the labor market, should obviously be focused on equipping graduates with the features expected by employers (table 1), but one should not forget also about the overall development of the student.

**Table 1.** The skills lacking in graduates in the eyes of employers in Poland.

Skills / Abilities	Indications of interest
Ability to combine theory with practice	42%
Customer service skills / customer contact	39%
Ability to solve problems	34%
Ability to organize work	33%
Knowledge of foreign languages	28%
Interpersonal skills	23%
Ability to work in a group	22%
Ability to adapt to changes in the environment	22%
Creativity	20%

Ability to operate machinery and equipment	11%
Computer and Internet literacy	10%
Ability to learn quickly	7%

Source: (Jelonek M. et al., 2012)

Trying to group the competencies expected by employers, the following groups can be divided:

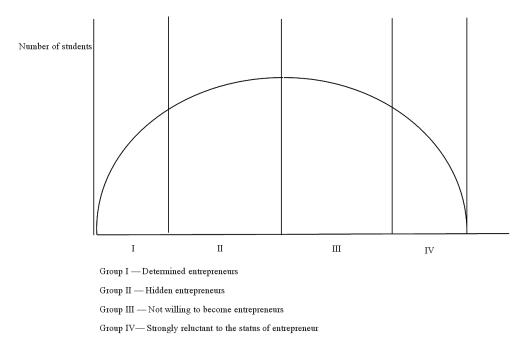
- ability to self-organization,
- interpersonal skills,
- work in a group.

Graduates are not necessarily expected to be fully prepared for immediate operational activities after being recruited. Features and general knowledge and attitudes of a candidate are expected more than direct, detailed expertise, because it can be provided at the first stage of work as a training. Employers expect from recruited people such potential, which will ensure that after getting acquainted with the specifics of work and accommodating to them, the employee will effectively perform the tasks assigned.

The level of education and its quality expressed by the results of training can prove that traditional forms of teaching in the form of lectures should be replaced by classes where joint solving of problems from real life would take place. Also there should be replacement of mere knowledge of data with assistance in their interpretations by the students and proposing solutions. For the current guidelines for teaching to meet market expectations, the information from the market is needed. As a further step it is necessary to compare this information on the required characteristics and candidates' potential to work

with the existing teaching process at universities. The didactic process may indeed have an impact on what kind of candidates leave the university for the labor market. It is therefore important to determine to what extent the positive intervention and change in the field of teaching is possible in order to meet the needs of the labor market. However, beyond the fact of preparing future graduates for this market, it is also important to prepare young people for life and work in a global and competitive society (Kusio, 2015).

Work engagement is important not just for the organizations but also for employees. Work engagement is characterized by positive, fulfilling and work-related state of mind, which should in the end lead to job satisfaction (Holloway et al., 2018). The more future graduates can learn about this, the more entrepreneurial and engagement-oriented features they may obtain, which the universities should also provide. It is necessary, therefore, to keep this in mind, while structuring the local, academic educational policies that entrepreneurially featured teaching methods could be of value for both preparing the future entrepreneurs and future engaged employees. As has been evidenced (Wissema, 2005) even though the declarations may be strongly optimistic as regards setting up companies, there is a limited number of those serious and determined entrepreneurs among students (Fig. 1).



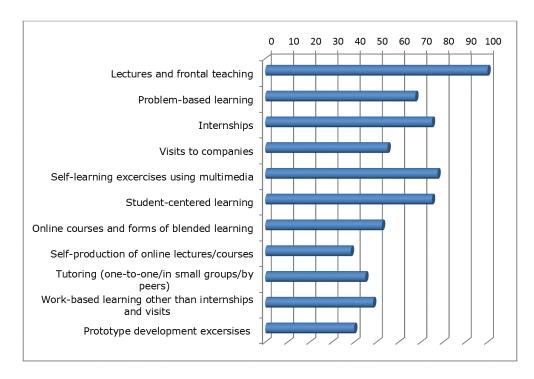
Source: (Wissema J. G., 2005)

**Figure 1.** Number of entrepreneurs in various age groups.

# II. Presentation of a case study

According to OECD/EU 2017 report on Polish entrepreneurship teaching and learning, most national HEIs offer a large range of learning opportunities to facilitate innovative educational methods. However lecture style learning remains typical with

the increasing role of interactive-driven elements. Work-based learning methods are still much less frequent in Polish HEIs (Fig. 2). This underlines that the model of higher education supports knowledge transfer rather than stimulating and developing mindsets (OECD/EU, 2017).



Source: (OECD/EU, 2017)

**Figure 2.** Teaching methods used at Polish HEIs (Responses "regularly used" or "primarily" for the question: "To what extent are the following teaching methods used at your HEI?").

An example of education aimed at raising the level of entrepreneurship of students is the course "Human Resources Management", which is run by this paper's author regularly at the University of Economics in Krakow. The course is attended by students representing such fields of study as: Management, Accounting and Controlling as well as International Logistics.

## Idea of the teaching method

The idea of the entrepreneurial class -Human Resources Management based on setting up a business aimed at students achieving entrepreneurial attitudes as well as skills, apart from knowledge related to the human resources management. Thus the classes, though fundamentally oriented towards providing students with HRM knowledge, also allow to obtain the extra value - the entrepreneurial skills and attitudes. Students' assessment depends on how well they elaborated projects prepared in four or five persons groups where the foundations of a business plan are made. The projects of students are mainly focused on the topics related to the HRM perspective: the organizational structure, planning the personnel with the specified number of employees, as well as the range of duties, etc. The expected post-course results are the "ready-for-business" plans concentrated on HRM. The parts of this plan are among others the organizational structure of the start-up, the labor card with duties of the planned personnel, the proposals of job offers for the three levels of the positions (production level, specialist level, managerial level), plan of personnel evaluation and plan of personnel development. Additional extra course outcomes are research results of the potential future employers' ideas on how the HRM for small businesses should look like in the future. This is the effect of examining students. The idea of such kind of the class organization was the reason for observation of students' expectations of the classes on one hand, and, on the other hand, of the personal awareness of the necessity for more intense involvement of such kind of students' activities which would lead to their better entrepreneurial performance during classes. Still many students have observations that classes should be more practical-oriented. Also according to the research – every year there are people whose intention is to set up a company. Such intentions are not very changeable throughout Europe as observed year by year and this does not exclusively refer to students, but also other representatives of academic society such as young academics. The classes were therefore an opportunity for improving students' entrepreneurial attitudes.

## Effects

The activities undertaken so far were course preparation, course materialization, its adaptations and its evaluations. The total number of groups (constituted of around 5 students each and sporadically 6), which successfully finalized the course is more than 100. Each group finalized the exercises with the project: ready-forbusiness concepts of planned start-ups of different branches (cafes, cinemas, restaurants, logistic companies, accounting offices, etc.) The variety of start-up companies is very wide and the concepts have been very interesting. Also there have been made series of presentations of the ideas that have been elaborated by the groups.

The positive students' assessment of the course itself can be observed. The positive reaction of the overall process of teaching is the effect of the method of this course preparation. This underlines the need for more concentration on students work in a more entrepreneurial way. The possibility of giving them the freedom in deciding the branch of the start-, as well as their own ideas of its organization makes it easier to obtain the self-satisfaction and the willingness to work on these ideas.

## <u>Future</u>

The main idea of the course cannot change as the HRM course is a part of the study program. At the beginning of the course there have been concepts by students of the same branch for companies which had been changed after the experiences, so students wanted to copy the ideas between groups. Also at the beginning there have not been any examples of possible spin-offs, so this could be more helpful for

students and help for the future.

The planned activities are to improve the course with more precise elements to be implemented by the students which would be still more adaptive to the new methods of HRM techniques and according to the most recent HRM achievements.

For the purposes of streamlining the organization of the course, it may also be helpful to equip students with knowledge derived from the exemplary solutions worked out, but to the extent that they do not limit the level of self-planning skills of students. It is about the kind of materials that students prepare, based on the logic of peer thinking, and this could make it faster for them to be able to create organizational structures, plan the number of employees and full-time jobs, or design pay systems.

During the current classes there were no major difficulties in running the course, perhaps with the exception of lack of time. For this reason, in the future it is necessary to pay more attention to the time discipline of the course.

### **III. Conclusions**

As indicated by Lopez (2015) one of the structural changes observed in our social model is citizens' awareness of their identity as a collective, or as a sum of differentiated minorities, conscious of their helplessness before the public and economic powers, and their willingness to act. This emerging reality is based on the core values of the entrepreneur: initiative, autonomy and responsibility. The entrepreneurial attitudes are still more important as human capital personified in the form of educated, experienced, motivated and highly skilled workers should be the essence of innovation processes in organizations where citizens are employed. Proper management of human resources is of paramount importance for the growth of innovation in a specific company by increasing its ability to generate and then absorb innovation, and thus the use of emerging competitive advantage (Kusio & Zelek, 2015). Today's organizations need employees who will create intellectual capital necessary to strengthen their competitiveness. Welleducated employees, representing a high level of skills and competencies are an important asset of the organization. They are defined in the literature as knowledge workers (Borowiecki, 2015). Expectations of the environment can also mean the expectations within the local dimension, as well as the further dimension represented by further environment. The attitudes and expectations which in the perception of employers include the candidate's overall potential is a result of the educational process that takes place during the entire period of study. The demand for a certain potential of candidates for the job, and at the same time students, may determine, to some extent, the way classes are conducted. Teaching, therefore can, to some extent, influence shaping characteristics that are desired by the labor market. As there is the possibility of obtaining improvement in the quality of candidate's potential in the context of the teaching process changes, such changes should be considered especially if they lead to an improvement in the learning by the students, as well the shape that will have a positive impact on their adoption by the labor market. As adjusting teaching process to the economy requirements is adequate to obtaining higher market position of the university, the academic competitiveness may be the effect of individualization of the learning process, competitive academic curricula, modern syllabi and creative teaching methods (Makieła, 2014).

Entrepreneurship is recognized as a multi-definitional concept. Two dimensions of this concept can be indicated and according to OECD/EU (2017) these are:

- Innovation
- Value creation.

Employers expect such skills and potential for appropriate apprenticeship to the profession. What is required from graduates to a greater extent is: manners, courtesy, self-presentation and taking care of an image, entrepreneurship, creativity, innovation, inventing new solutions, punctuality. Thus, it becomes important not only what exactly the candidate knows about the specific work and such candidates' readiness may be characterized as their entre-

preneurship abilities.

Universities can act as providers of complementary knowledge to the workers, especially to those with already well-established experience. In the changing economic environment, universities can work with companies providing adequate knowledge to students, graduates, employees. Raising the level of entrepreneurship in the field of knowledge, skills and attitudes can be achieved directly by students' participation in entrepreneurship courses. It can also take place, indirectly, by way of going to regular classes, but in a way that can be defined as an educationally entrepreneurial egg. As a result of conducting HRM entrepreneurial classes the author managed to observe the following results, confirming this regularity:

- Students learn better and are more attentive if their own ideas are engaged in the course and those ideas are approved;
- The regular academic courses may also be of entrepreneurial nature though the core course theme is not entrepreneurship;
- Some ideas and concepts of the start-ups are very interesting, but it is sometimes difficult to make students convinced about the need to proceed with interesting ideas;
- There are different attempts to the conceptualization of start-ups by full-time and part-time students;
- There are still infrastructural problems with adequate classrooms and equipment for the specific course organizations.

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