

## ENTREPRENEURSHIP IN UNIVERSITY

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**Abstract.** The entrepreneurship – concept known for over two centuries, is extensively promoted in academic and business environment in the last decades, as a key factor of the competitiveness and economic growth.

In a broader sense, the entrepreneurship defines a behaviour characterized by the emphasis on innovation, on the creation of new business or to make changes in existing organizations in order to obtain useful results. Initially applied in business, entrepreneurship is present today in all spheres of economic and social life, materialized through all kinds of projects: for disadvantaged regions, humanitarian and environmental projects etc.

Based on these general considerations, the paper aims presenting relevant aspects of academic entrepreneurship, with emphasis on the relationship between entrepreneurship and modern management systems implemented for quality assurance in university education and research.

**Keywords:** entrepreneurship, entrepreneurial university management, quality and innovation in education and research

### 1. Introduction

The concepts entrepreneur and entrepreneurship are used with different meanings. The term „entrepreneur” - in translation - the person who does something, was introduced in the early 18th century, by the Parisian banker Richard Cantillon, who approached entrepreneurship in terms of assuming risk. Meaning given of the term entrepreneurship by the most researchers is based on ideas developed by Schumpeter [11]: in the schumpeterian sense, the entrepreneur is the person who wants and can turn a new idea into a successful innovation.

The term innovation is used by Schumpeter in a broad sense: making changes based on a new idea or application of old ideas in a new situation. A similar definition describes entrepreneurship through the process of discovery, evaluation and exploitation of opportunities [12].

Finally, it can be added the combination of entrepreneurship and the process of creating a new enterprise, the entrepreneur is one who does this [6].

Based on these definitions, some features of entrepreneurship can be formulated: the existence of new ideas and solutions; their application in socio-economically specific situations; obtaining useful results; risk taking. Verstraete and Fayolle [13] identify four paradigms typical of entrepreneurial processes: creating an organization (not reduced to a single enterprise creation,

expressions emerging organizational or boosting an organization are most appropriate), detection – build –exploitation a business opportunity, creating value, innovation. These elements do not exclude, but rather combine: the first is the most common element of entrepreneurship, but can not be viewed only with respect to the other, they it can incorporate.

To summarize, one can say that the word “entrepreneurial” defines behaviour: associated to persons (entrepreneurs) and to organizations (entrepreneurial organisations), it defines a distinctive feature, a behaviour characterized by an emphasis on innovation, the exploitation of opportunities [3]. Its materializations are multiple: entrepreneurship implies creating a firm, achieving a change or a project.

The specific studies give large spaces to identify the characteristics of the people who make something. "Entrepreneur is a person whose economic horizons are vast and whose energy is sufficient to barge tend routine and to innovate" Schumpeter states. His/ her crucial skills are: creativity, risk taking and, not least, the determination and the high degree of motivation. Contractor motivation is given not only by possible gains associated with the risk assumed, there are a combination of subjective factors such as desire for power, success, spirit of adventure, or simple pleasure to create and give life to original ideas.

In relation to the skills of entrepreneurs, the

difference between entrepreneurs and managers is the subject of many studies. Starting with the definitions of the two concepts - the manager leads an organization, the entrepreneur does more, has a vision, takes risks, creates and manages a business - many researchers concluded that an entrepreneur can be a manager, but not every manager has entrepreneurial skills [14]. Regarding this idea, it is useful emphasizing that the entrepreneurial skills are important for any manager, especially in the context of the growing importance of organizational changes as key factors of competitiveness: entrepreneurial skills are the defining features of a good manager. As Drucker says, entrepreneurship is a dimension of management [3].

The assertion that developing and maintaining in competition of any organization involve entrepreneurial behaviour is illustrated by two examples. Within the existence of well-known companies Apple, not just the manufacturing of the first personal computer defines an entrepreneurial behaviour, but further the technological and organisational changes, which allowed the company to stay as a serious competitor, by continuously improving its performances. Another notorious example is the 3M Company (Minnesota Mining and Manufacturing Company), in which entrepreneurship is fostered throughout the organization: the company has developed mechanisms to stimulate creativity and involvement of employees at the implementation of ideas. Such a climate is called generically intrapreneurial [7, 8].

In addition to exposure above, it should be noted that entrepreneurship is not limited to business. During the last decades, the concept has expanded the creative resolution of problems of society. Ultimately, proactive attitudes, initiatives embodied in community projects, environmental protection, the creation of non-profit foundations, political and trade unions etc., fall in social, culture and politics entrepreneurship.

In conclusion, it can be stated that the spirit and entrepreneurial activities are part of organizations and human existence. They play an increasingly role in contemporary society, as key factors of progress, related to the actions for improving performances and quality in all areas of social and economic life. Given this potential, the development of the entrepreneurial thinking and culture is reflected in strategies and policies pursued at regional, national and institutional

levels, with different materializations. In this study there are presented entrepreneurship relevant issues at university level and the link between university entrepreneurship and quality management in education and research.

## **2. Universities and entrepreneurship**

The entrepreneurship is a current problem in universities and has multiple ways of achievement.

The universities concern for entrepreneurship is primarily found in emphasis on developing entrepreneurial skills of students and of other beneficiaries, through the educational projects and programs that universities run. Entrepreneurial skills complement the skills profile that universities currently developed, with emphasis on the ability to solve problems, to initiate and develop business, in respect with the university mission in the knowledge based economy.

In this context, a special place is taken by the study programs and education projects on entrepreneurship, whose efficacy is measured typically by the number of new firms or social and cultural projects, initiated by graduates. Another approach is in terms of entrepreneurial dimension of the university management, characterized by emphasis on organisational changes and the approach of the changes in higher education institutions as a continuous process of innovation, adaptation and learning.

Changes in university cover all sides of the specific activities, services and processes performed. Ongoing adaptation of study programs to the socio-economic requirements, diversifying and increasing their attractiveness, developing the academic research, superior capitalization of research and its results, finding alternative sources of funding and effective use of financial resources, participation in community projects etc., are current issues of universities everywhere.

A systematic approach to these problems includes the promotion of new models of university management - entrepreneurial management.

Given the previous conceptual details, university entrepreneurial management may be defined simply: a managerial way open to innovation, to improve performances in order to ensure the university continuous adaptation to requirements. Higher education institutions in USA were the first to have adopted entrepreneurial management models.

In Europe, the administrative mechanisms

promoted by universities were lesser extent market-oriented factors: only in the last decade, the educational reform, undertaken under the Bologna process, has introduced new principles of management, including adaptability, flexibility and efficiency.

Entrepreneurial dimension of university management has been developed as a normal reaction to the external environment and competitive dynamics, in terms of education services and research, requirements and quality standards, reducing the funds available, etc. One can say that, especially after 1990, the running with the demands has become, for universities too, a condition of existence.

The entrepreneurial dimension of the university can covers all aspects of its mission.

In the education domain, entrepreneurial attitude means a greater diversification of the education offer and its continuous adaptation to the market needs.

Different from the past, when changes in the universities education offer were rare, today the adaptation to the requirements is a continuous process of change, which includes not only developing new study programs, but also their continuous improvement and, when appropriate, the conservation or liquidation of existing programs. High rate of renewal and change of the structure of study programs, diversification in the types of activity (full time, distance learning and lifelong learning), are indicators reflecting the entrepreneurial behaviour of the university.

In the academic research domain, entrepreneurial attitude is reflected as a finality of the preoccupation for improving the performances of the research activities, for achieving the excellence in the university research.

The paper does not propose to discuss about the research excellence, which is the subject of previous studies of the authors [4]. We say only that research excellence means more than the development of individual research studies, or in ad hoc teams formed within the academic structures. High performance of research excellence reflects its recovery by disseminating research results and their transfer to the companies, by supporting and enhancing the quality of education programs, by developing the scientific and technical heritage of the university, etc.

The number of newly developed curricula based on the results of university scientific research, the number of technical works that have

been patented, and especially the direct effects of academic research on the economic progress of society are key indicators that measure the entrepreneurial dimension of the university research.

One can add to these aspects the increase of the university involvement in solving community problems, whose dynamic rate also reflects the strengthening of the university entrepreneurial attitude.

The development of the entrepreneurship in university, with its main materializations reviewed above, implies a new model of university management, including increasing university autonomy, the emphasis on quality, customer orientation, continuous improvement, etc. In the European Area of Higher Education, the implementation of these principles is discussed in the context of the Bologna process and the concerns for quality assurance in education and research.

### **3. The relation between university entrepreneurship and the quality assurance in education and scientific research**

In a broader sense, the quality in education and scientific research defines the satisfaction of requirements of the interested parties – students, graduates, employees, employers, society, and socio-economic environment in general – through the services and processes performed by the university [10].

The quality is obtained by implementation of modern management systems, which ensure the organizational frame and the instruments for planning, control and continuous improving of performances.

Continuous improving represents one of the fundamental principles in quality management. Its achievement involves systematic improving, on one hand, for removing the identified malfunctioning/ problems and, on the other hand, changes based on innovation, that lead to new performance levels [9]. In other words, bringing in the novelty is part of the modern management systems that universities have implemented for quality assurance and improving.

The quality management systems include mechanisms and instruments that make possible and efficient the processes of changes in universities. In this respect, of utmost importance are the following issues:

a) The promotion of innovative strategies, for continuous improvement of university performances, services and processes.

The strategy and policies at university level are developed by the top management and play an important role in ensuring the coherence of changes, together with the mobilisation of teams/ human resources involvement for their achievement.

In the education domain, for example, the strategic objectives aim to better satisfy the requirements by designing new study problems or redesigning the present ones, by efficient use of resources, by increasing the students and employers level of satisfaction, harmonizing the study programs at European level, etc.

b) The implementation of new structures, processes and tools for planning, control and improving quality, by which bringing in the novelty gets a rigorous,

systematic meaning.

The quality managements systems in universities include procedures for study programs starting-up, development, monitoring and evaluation, as well as new university structures, as interface with the socio-economic environment, quality assurance departments and quality assurance boards, etc.

Similarly, to the education activity, the performances in academic scientific research depend on the management structures and instruments developed at university level for performing scientific research, planning and evaluating the research results, intellectual property protection, technologic transfer, etc. These issues are complex and represent the subject of a distinct study.

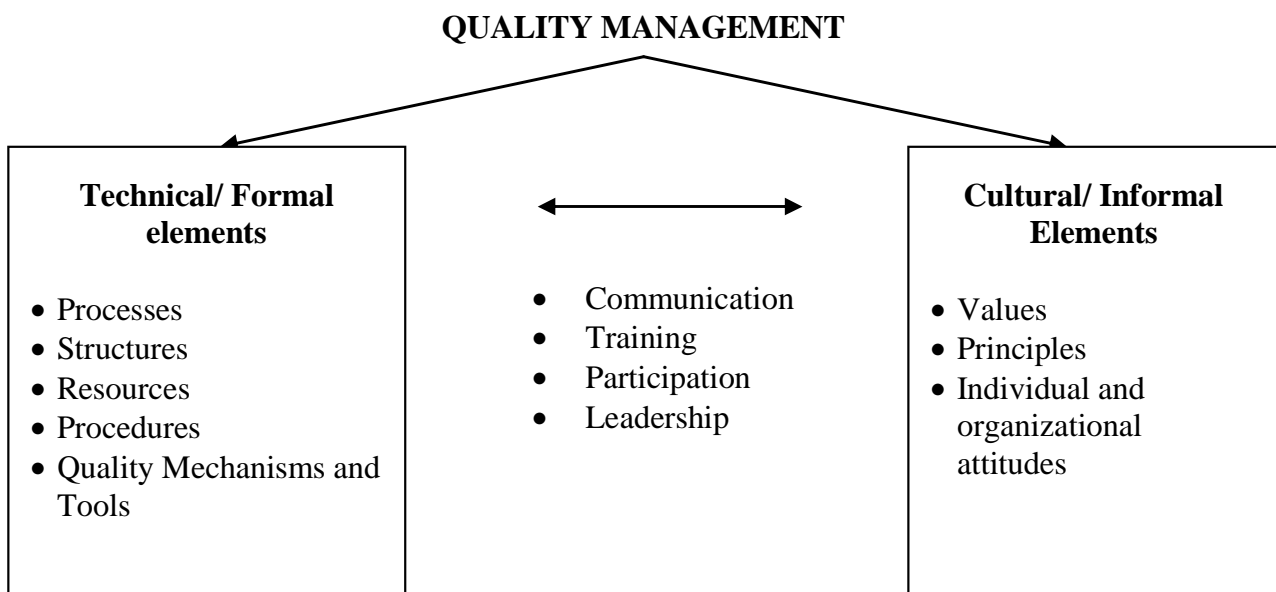


Figure 1. Congruence between formal and informal parts of the quality management

At the same time, it should be emphasized that the changes achievement are not due to the new structures created by the university: bringing in novelty is successful only through the involvement of faculties and departments, of academic community members.

The quality management systems may bring forward the generalization of preoccupation for improvement within the entire organization.

c) The development of an organisational culture leading to better acceptance of novelty and changes.

It is widely acknowledged that universities have always excelled through stability and rigidity. The new values of the modern university management, the openness to changes, the emphasis on quality and efficiency, are issues to be defined, disseminated to and assumed by the academic community members. Achieving changes in the organizational culture is, nevertheless, the most difficult challenge of the top management, on which depends the success of the entrepreneurial university implementation.

Figure 1 presents the bound between the

technical or formal aspects of the quality management and the informal elements, which characterise the quality culture. The schema distinguishes also, the main ways for achieving the congruence between the two parts: communication, training, personal implication, against leadership manifestation into the university.

Figure 2 better illustrates the complexity of modern management systems, in which innovation

The innovation quantum and the ways novelty is brought in may be different from a university to another, reflecting the quality management system maturity.

The concept of Total Quality Management (TQM) is used in both theory and practice for defining a system of excellence from this point of view. TQM represents a systematic way for leading the organization results, which involves new management strategies, organizational culture and infrastructure changes, instruments and techniques for bringing together all the academic community members in cooperation, aiming to continuous improving of quality defined by the client [5].

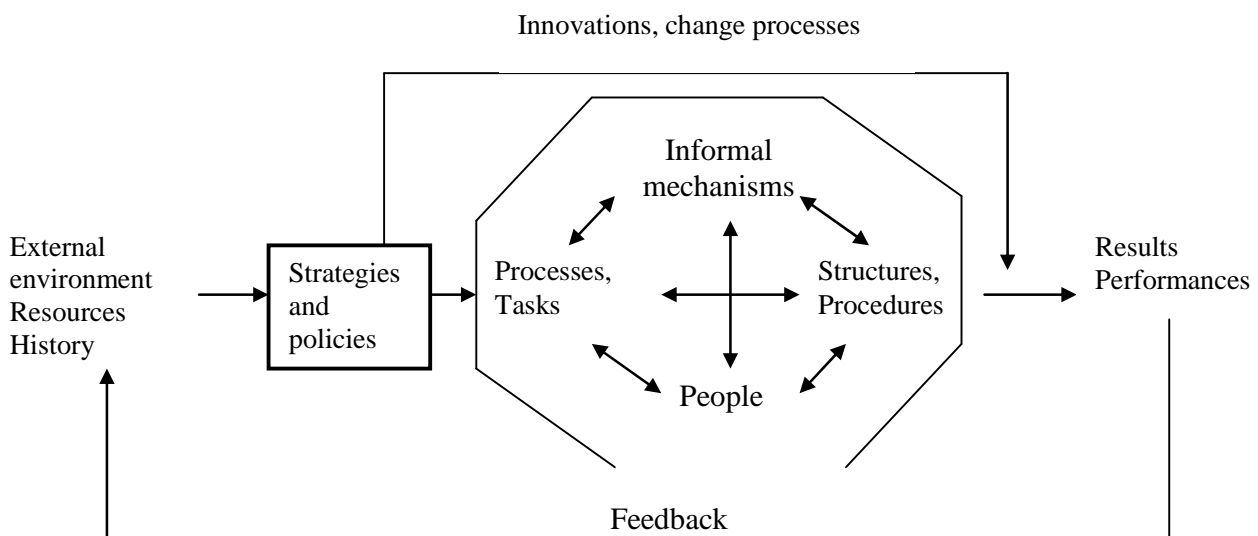


Figure 2. Innovation - part of the modern management system of the modern system management

As it results from this definition, the development of the entrepreneurial dimension is an essential component of the modern university management systems, which requires the following conditions for an efficient operation: appears as an essential factor for continuous adaptation of the organization to the requirements

The scheme illustrates that such a system includes all processes and organization structures and emphasizes also the important role of human resources, including informal attitudinal aspects. Finally yet importantly, it presents distinctly the organisation strategy as a management tool which ensures the coherence of the innovation actions.

- understanding the way in which the quality approach interacts with the organisation strategy and ensure its performances improvement;
- wide involvement of the university staff in

the process of quality achievement and improvement within the organization;

- using the instruments for planning, control and improving, to back-up a systematic quality approach and to improve quality with useful effects for the organization.

#### 4. Conclusions

Entrepreneurship refers to persons and organizations and defines the emphasis on innovation, opportunity exploitation.

The development of the organization entrepreneurial behaviour has an important role in the modern economy and represents one of the modern management system components.

Entrepreneurship is important for universities as well and implies promotion of new management models: entrepreneurial university management.

This is a present-day issue for all universities: within the European Higher Education Area, the implementation of new models is related to the attention for quality assurance in education and scientific research, integrated in the Bologna process.

The quality management systems involve mechanisms and instruments that make possible and efficient the changes in universities. Through their implementation the organizational and methodological frame for improvement is assured, bringing forward the entrepreneurial spirit.

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