

CHALLENGES AND OPPORTUNITIES FACED BY ENTREPRENEURIAL UNIVERSITY. SOME LESSONS FROM ROMANIA AND LITHUANIA

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The paper investigates the challenges and opportunities that entrepreneurial university faced in the present context, focusing on some characteristics of Romania and Lithuania. Emerged as a concept that is designated to enhance the university's competitiveness, by integrated more efficient the business environment requirements, with the particularities of the higher education process, entrepreneurial university concept still raise a lot of comments. A large literature has developed around the concept. However, countries from Eastern and Central Europe constitute a particular example, as long as their experience in a market economy is limited. It is in the intention of this paper to explain some of these characteristics and why this hybrid concept is fragile in demonstrating the efficiency of higher education.

Keywords: entrepreneurial university, higher education, competition

JEL classification: L26, L29, I23, A23

1. Towards an entrepreneurial university: some reasons

The concept of entrepreneurial university emerged as a response to a fast changing business environment and to the necessity to delivered graduates more capable to solve more and more complex problems that business face in the era of globalization.

Entrepreneurial university is, also, a mixture between a new form of management and the old style university, a combination of new and old practices in a revised, up-to-date form of organization. As Clark pointed out, *„entrepreneurship, is not a management posture that serves only new ventures in science and technology; it operates throughout the university. Its remit includes the protection of traditional fields necessary for a high level of competence. Entrepreneurial transformation not only builds new foundations for collegiality and autonomy, but also new foundations for sustainable achievement across the many fields of research, teaching, and student learning that a particular university encompasses”* (Clark, 2001:21).

A number of causes have determined changes in viewing universities as something else than an ivory tower in which some bizarre people is looking for the absolute true.

The society development induces major changes after the Second World War, especially starting with the '80. The crisis of that period determined new orientation through technology; new specialization emerged in the curricula of universities. Traditional areas of study entered in competition with new, attractive specialization that gave to the graduates a greater employability. Especially in the last two decades, the concepts like “knowledge based economy” imposed a strong relation between information technology and the society. Turning from fundamental research to the development of applied research and make available education in forms of delivery agreeable to companies and public sector organizations determined a new approach of the role of the universities (Gibbons, 1998). More than that, adopting “the entrepreneurial behavior”, a university “...stresses a forward-looking orientation, a willingness to seek out the new frontiers of knowledge” (Clark, 2001:22). Stanford is typically featured as an example among universities generating innovations that lead to new technology-based firms; Stanford entrepreneurial activity is often treated as virtually synonymous with the birth of Silicon Valley (Lenoir et al. 2004).

A larger access to education, especially to higher education, induced a growing competition among universities, from how to attract more students to how to receive more funds. Globalization of higher education, via internet and modern technologies increased the competition.

Financing a larger number of higher education institutions started to become a real challenge for governments and private organization, imposing establishing performance criteria that should distribute limited resources to unlimited needs. The limitation of financial resources constituted an important factor that determined many universities to turn to entrepreneurial characteristics, in order to attract more funds from industry. As knowledge is becoming an increasingly important, crucial, part of innovation, the university, as an institution that produces and disseminates scientific and technological knowledge, is much more important to industrial innovation(Marquesa, Carac, Diz, 1998).

The changes that labor market has come across the last decades created new pressures on higher education activity. Graduates are asking not only for those knowledge, skill or capabilities necessary for a larger and longer employability. More than that, they are asking for those knowledge, skills or capabilities required for adapting to different jobs or for “a package” that permit to enter into the world of business. In this context, those universities

capable to demonstrate a strong cooperation with business environment are considered to be more connected to the real world, and are more attractive for students than traditional universities.

In the present context, the dynamism of the society constitutes opportunities for entrepreneurial universities. All the causes briefly examined above are, in fact, opportunities that determined universities to orient to a more entrepreneurial behavior.

Nevertheless, there are some challenges that entrepreneurial universities face, especial in the last two decades, characterized by tremendous transformations in the entire society.

One pressure is coming from the difference between the dynamic of this two domains: industry and higher education. Enterprises are more flexible than universities, and, more than that, universities are “producing for the future”, as long as enterprises produce for the present. Entrepreneurial universities are more vulnerable than traditional ones, as long as the path of changes in a university curricula can't be done so easily as the environment dynamics is asking for Universities' capacity to adapt to the market requirements can imbalance its identity.

Another threat appears to come from the structure of the university. As Clark pointed out “...*traditional or entrepreneurial, old or new, the university is thereby turned uniquely into a bottom heavy form of organization. The work does not get done unless the various local academic tribes do it*” (Clark, 2001:22). The academics are those who have to transform the university into a functional entrepreneurial entity and they have to consider that this is in their interest, personal and professional. Without this believes, management is less power and the success of such venture is hazardous and less efficient.

Many times, entrepreneurial university concept induces the idea of profit. Seeking profit tend to be, in some cultures, less appropriate to education, that supposed to have more altruistic objectives. For the management of entrepreneurial universities, looking for profit can transform easily into a goal itself, forgetting the fact that entrepreneurial mean more an attitude, a culture than a set of indicators or abstract figures in the sheet balance. As Davies mention, “...*the entrepreneurial culture is generally characterized [...] by the ability to evaluate those ventures, learn collectively from experience, and transfer the essence of experience across the university*” (Davies, 2001: 27)

2. Some characteristic of the entrepreneurial behavior of the universities in Romania and Lithuania

Despite their differences in geographical characteristics, Romanian and Lithuanian higher education are not so different in their essence. Both countries are coming after 50 years of communist, a period that inhibited any form of autonomy. Starting with '90, higher education system suffers tremendous transformation. Private universities emerged, the number of students exploded and stakeholders become more interested about the performance that higher education institutions can guarantee.

Lithuania is a one of the Baltic countries, with a population of 3,369,600 inhabitants. There are 22 universities in Lithuania, and one third of them have been established after 1991, the year when Lithuania proclaims its independence after the collapse of the former Soviet Union.

With a population almost seven times larger than Lithuania, Romania's higher education system evaluated after 1990 in a similar way. Many private universities were established after the Revolution. According to official data, in Romania are 107 higher education institutions (universities): 54 state universities, 27 private universities accredited, 21 authorized private universities and 5 private universities in process of accreditation. There are around 738 000 students in Romania, comparing to 195 000 students in Lithuania. Even though there are a lot of comments⁵⁴⁸ which consider that there are too many students, it is interesting that in relative terms, Romania has significant fewer students per 1000 inhabitants (33) than Lithuania (60) and even less than the European average (38).

In both countries, the reform in the higher education introduced elements minted to develop entrepreneurial attitude for universities. Requirements established for promotion, accreditation and other assessments criteria for higher education institutions and for faculties, were choose in order to promote a vision capable to create synergy between research and learning, between industry and educational system. This synergy was consider to be powerful enough for creating a new class of graduates, more oriented to market economy principle, more competitive for the labor market, more independent for taking risks, and more willing to assume an entrepreneurial behavior.

However, many universities from both countries viewed this opportunity as a threat, as an abandonment of classical conception of what should be a university and as a threat to their job security. Fear from new, fear from competition was not only a feature of the beginning of the reform, unfortunately becomes a permanent condition that undermined the good aspects of establishing a real entrepreneurial attitude of universities.

It is not less true that for the management of some universities the concept of entrepreneurial university was misunderstand. It was considered to be similar with having a profitable activity, and gaining profits was the principal goal of their entities. Especially private universities, forced also by the legislation, transformed a qualitative concept into a quantitative goal.

548http://epp.eurostat.ec.europa.eu/portal/page?_pageid=1996,39140985&_dad=portal&_schema=PORTAL&screen=detailref&language=en&product=Yearlies_new_population&root=Yearlies_new_population/C/C1/C11/caa10000, view at 26/04/2008

It should be mentioned that it is very difficult to transform, even after 20 years of democracy, universities from Romania and Lithuania into entrepreneurial institutions. Entrepreneurial behavior is not only the responsibility of universities; it should be a result of cooperation, at least between industry and higher education system. In both countries, industry itself faces tremendous transformation, and the business environment is still in its infancy, having problems in understanding the fact that universities can be a partner for them (Zaharia, Zaharia, Gardu 2008). The demand for knowledge is still large in universities from Romania and Lithuania, and the research is still poor. Financing research in universities is one of the most dramatic and complex aspects in higher education, not only because the funds for research have been very small, or because the culture for research is still confused. The private business environment is not interested in research that can be developed by universities and industry is still convinced that the main purpose of a university should be education, not research (Zaharia, Zaharia, Gardu, 2008).

3. Conclusions

Entrepreneurial university is a powerful concept that determines a symbiotic link between research in universities and industry, and emerged as a result of the growing role that higher education institutions play in social and economic development. Entrepreneurial university is, also, a mixture between a new form of management and the old style university, a combination of new and old practices in a revised, up-to-date form of organization.

A lot of reasons stayed at the foundation of turning universities to an entrepreneurial culture or attitude: the growing competition in a more globalized world, the shortage of governmental resources oriented to research university, an increasing demand coming from students not only for a longer employability, but rather for an attitude that permit to enter in the world of business.

However, entrepreneurial university is vulnerable, as long as there are important differences between the two systems and the dynamic of the business environment is much stronger than that of higher education institutions.

Countries like Romania and Lithuania are at the beginning of transforming this concept into reality. The transformation is imposed by the dynamic of market forces and by the necessity of reform in higher education.

Though, it seems that neither universities nor, most of all, industry is prepared to act in the spirit of a fruitful, long-term relationship. Economic difficulties, the immaturity of the market economy in these countries induce a high vulnerability in what should be a partnership.

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