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### **Platis Magdalena**

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Contemporary universities face new challenges and opportunities in the context of the dynamic environment. Therefore, a modern university must become entrepreneurial, which means that it has to behave according to the following characteristics: autonomy, innovativeness, risk taking, proactiveness, competitive aggressiveness. This paper explains the above mentioned features and demonstrate that an entrepreneurial university is the most appropriate one of a sustainable institution.

Keywords: entreprenorial university, sustainable institution, education for life.

JEL classification: I20.

### 1. Characteristics and Opportunities for the Entrepreneurial Universities

The Entrepreneurial University is a non-traditional institution which runs an independent activity on its own risk, being strongly involved in the economic and social development of the region where it is located. All the resources the University uses are allocated creatively, including the human resource which may be distributed and re-distributed among departments according to the institutional needs and economic reasons.

The characteristics of the entrepreneurial university are the following:

- a) autonomy;
- b) innovativeness;
- c) risk taking;
- d) proactiveness;
- e) competitive aggressiveness;

#### a) Autonomy

Universities are autonomous higher education institution created according to the national legislation in the country. Either public or private, universities have internal documents to apply such as University Charta, interval documents regarding the didactical activity, the research activity, different procedures for all the processes that take place in the academic area.

Magna Charta Universitatum is a simbolic document proposed in 1986 by Bologna University to 80 European Universities which decided about a comitee to create this document content. The purpose of it is to establish the fundamental values of the university tradition and to encourage a strong cooperation relationship among European Universities. The same idea had then generated a new document well known as the Bologna Declaration, signed in 1999 by 29 European Countries which started a profound restructuring process of the higher education system. Therefore, university is declared as:

- an autonomous institution which produce and transmit culture through research and education;

- an independent unit from a moral and intelectual point of view, not affected by political or economical reasons;

- a free institution meant to develop research and education for future generations in order to allow them to respect the equilibrium requirements of natural environment and of life;

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## b) Innovativeness

Universities act on an interesting market where competition is increasing year by year. We assist of several changes regarding the candidates' options for higher education not necessarly from a domain to another, but from an university to another, even if it is located far away from the first one. In addition many ranking system classify faculties and Universities according to specific criteria which absolutely affects the near future of the institution (eg. Times Higher Education Supplement).

Therefore, Universities must be innovative. They need to accept the change and to create the new in education and research as long as it is for a better off position on the market.

Innovativeness is linked to the ability to change things. In the education system, innovativeness concretizes in one or several of the following:

- Innovation in the area of the information and communication technologies. This is very important for compatibility reasons with advanced universities and it implies two aspects:

- firstly, the university as an institution has the obligation to use these technologies, to participate at their innovation;

- secondly, the university through teaching must use these technologies in the students' education;

- Innovation in the area of interactive teaching methods. This means that an entrepreneurial university which is innovative must not only use TIC in teaching, but give up at traditional teaching and use new and modern teaching methods like project-based learning or problem-based learning, etc.

- Innovation in the management activities. This means that an entrepreneurial university is open to the idea of progress and understands the need of quality in education. Therefore, the new academic management is that management which supports the quality culture and develops it through procedures, standards and criteria for quality assurance toward a quality management system in the university.

- Innovation in the area of small processes that take place in the administrative departments. This means that every person is responsible of his/her work and must find better ways of doing it; every small improvement in the area of secretary, accounting, acquisition, human resource etc. is in fact a small innovation.

## c) Risk taking

In the New Economy, universities are facing uncertain environment and have to make decision in different risk conditions. Therefore, the academic management for the entrepreneurial university is also a risk management.

The main factors of risk for universities are the following:

- Internal and external competition. There are many universities that organise same activities much better than other universities. An entrepreneurial university must be an active one able to admit the gap between itself and other universities in order to adopt measures to improve its own activity.

- Competition in the area of research project. National and European funds are allocated for research projects, but they are never sufficient compared to the needs or to the number of the projects. Therefore, an entrepreneurial university accepts it can not always win in reaserch competition and continue to improve the proposals for a better evaluation in the future selection.

- Competition in the professors' selection which according to the internal process, in one university may be better trained professors than in another one.

- Difficulties (too much bureacracy) in the acquisition processes which sometimes take too much time and the equipments ordered become less useful.

# d) Proactiveness

An entrepreneurial university must be a sustainable institution which continuously expand its factors of succes. Proactiveness in education system allows universities to create strategies for a durable positioning in relation to competition.

Either the client is the student or the company, the university with an entrepreneurial behavior acts in order to get the succes through client's satisfaction. Thus, the logical chain is one of the following:

(1) Student oriented  $\rightarrow$  quality oriented  $\rightarrow$  student satisfaction  $\rightarrow$  comittment to the student  $\rightarrow$  students' value  $\rightarrow$  success of the university.

(2) Organisation oriented  $\rightarrow$  quality oriented  $\rightarrow$  organisation satisfaction  $\rightarrow$  comittment to the organisation  $\rightarrow$  organization's value  $\rightarrow$  success of the university

"Student/organisation oriented" is a starting point in defining the proactive strategy. The client's needs must be well understood as well as his/her expectations and requirements. Many questionaires are used by universities to study these requirements, and then the conclusions are disseminate to all the responsible factors in order to generate concrete effects.

"Quality oriented" is an important step for the clients and the client's decision-making process takes into account the prices involved in education, the utility of the studies and the skills and competences generated at the end.

"Client satisfaction" is easily observed in the tendency of choosing again the same university for continuing the training, if the client is the student and for recruting employees from the graduates, if the client is the company.

"Comittment to the client" is a phase according to which the university must develop a relatively stable relationship with the client, to adapt the promisses regarding the important educational needs.

"Client value" is a real indicator on the value of the university. The client value may be observed in some aspects like: how easily the student finds a working place, how easily the graduate can develop a carreer, what kind of welfare the graduate achieves after a while, how is the company evolving after hiring some of the graduates etc.

"University success" is the final phase of the whole process of creating proactive strategies. The success itself is not a stable position, but a dynamic one, an entrepreneurial university being preoccupied of improving the success.

# e) Competitive aggressiveness

A company can create a competitive advantage in three major ways:

- practising a lower price;

- helping the customer to reduce other costs;

- adding benefits in order to make the offer more attractive;

An entrepreneurial university must be competitive agresiveness. This means that its offer must become visible much more competitive than the competitors' offer:

- processes better organised in the universities;

- more quality in teaching;

- more prestige added to the diploma;

- more attractivity for the study programs;

- more famous professors;

- better known visiting professors etc.;

Therefore, the entrepreneurial universities are the universities which will exists in a future rapidly changing environment. The future university will be able to better manage the economic dynamism and the lack of resources, to succesfully face the new opportunities.

The opportuinities for the entrepreneurial universities include:

- Globalisation process with its many consequences. For the higher education, globalisation means that the student is able to study in a virtual library spread all over the world, that he/she can contact a professor from a long distance, that he/she will be professional qualifiet for a global labour market. At the same time, globalisation means that one country culture may be expanded in a region; therefore, universities have a major role to protect the cultural identity.

- Mass higher education development. Many Universities are not yet prepared for a large scale of education being confronting with a severe lack of classrooms or some overload of others, lack of qualified professors etc. More than that, the lifelong learning process is a continuing one and has already started. Therefore, modern universities must actively adapt to this demand, to find proper teaching methods for new educational forms.

- Increasing gap between individuals regarding their different access possibilities to higher education.

Study programs have becames more and more expensive. Many young people do not afford to pay for higher education, meaning tuition and living cost in a different city. An alternative seem to be the long distance education, but it is also not tuition free. Entrepreneurial universities have to find strategies to allow access to all individuals no matter their incomes, their origins are, but only their abilities for study.

- Public financing. This is a new opportunity for universities to prove their active, flexible and strategic management. For many universities public financing is the most important financial resource, but the public funds are decreasing year by year. The modern universities must adapt to this challenge and behave like a company which has to manage itself in a competitive market. Therefore, an alternative for financial resurces has already been used by many universities: funds from research, cooperation with other faculties within the same university, optimum dimensioning of the member of students, costs diminishing etc.

- Diversification of the educational offer. Criteria of efficiency and quality assurance in higher education impose a correct dimension of the current study programe (eg: no more than 50 students for a Master course). An entrepreneurial university is developing a horizontal line which means diversification of the study program, even joint programs with other partner universities.

As a consequence, an entrepreneurial university is the only structure capable to resist in a changing environment. Its management is a complex type of management which includes many components: risk management, strategic management, quality management, change management. Briefly, the characteristics of the entrepreneurial university may be observed in the following manner:

- Characteristics of behavior:
- autonomy;
- innovativeness;
- risk taking;
- proactiveness;
- competitive aggresiveness;
- Characteristics of strategies:
- flexible;
- adaptive;
- market oriented;
- client relationship management;
- global.

## 2. Entrepreneurial University as a sustainable institution

When some or all factors of influence change a rigid structure fail being unable to face the dynamic conditions. On the other hand, a flexible structure is easy to face the new stimuli from

the economic environment. Thus, the only flexible structure in the higher education is the entrepreneurial university. It generates a solution to the resource administration, capitalizing the opportunities and creating values for the clients.

Two dimensions of the entrepreneurial character of the modern university can be identified, like:

- Behavioral dimension:
  - Reaction to the changing factors;
  - Resource evaluation;
  - Action to opportunities;
  - Changing reality into profitability;
- Attitudinal dimension:
  - Looking for new challengies and opportunities;
  - Accepting and managing the risk;
  - Creative changes;
    - Consistency in action.

At the present, most of the universities understand the importance of being entrepreneurial. Some of them even start to behave like this. There are several degrees or levels of entrepreneurship in education, which means the contemporary universities have an entrepreneurial behavior, to some extent.

Therefore, a concept of elasticity might express the entrepreneurial level of the university. **Action elasticity of changing factor** is the sensibility of variation of the actions the university takes as a consequence to a changing factor:

- Actions at the university:
  - New study programs;
  - Different markets;
  - New teaching methods;
  - New learning objectives;
  - New partnerships;
  - New agreements;
  - Stronger relationship with the business community
    - New management principles;
- Changing factors in the market place:
  - Legislative changes;
  - Clients' needs;
  - Competition;
  - Economic factors (purchasing power, real incomes, inflation);
  - Demographic factors;
  - Social factors;
  - Cultural influences.

In order to better define the action elasticity of changing factor, both the actions and the changing factors need to be quantitative expressed. For instance, some quantitative factors might be: number of candidates which increase or decrease, level of income which also increase or decrease and some quantitative actions might be: number of Master programs, number of Cources, number of partnerships or agreements etc.

The level of action elasticity of changing factor can be:

- No action elasticity (or low), then no adaptive solutions to the environment => no entrepreneurial position;

- Medium action elasticity, then some adaptive reactions to the market => a beginning entrepreneurial behavior;

- High action elasticity, then many adaptive reaction to the stimuli => a clear entrepreneurial behavior and attitude.

At present many universities are placed in the middle position of medium action elasticity which means a beginning of the entrepreneurial behavior for the universities. In order to extend this attitude, the academic management must be toward an **entrepreneurial culture** in the university community.

Any change in an university must be adapted to its culture. If changes became too visible in a higher education institution, the rigid management may want to step back and leave things run as before, but an entrepreneurship – oriented management accepts the challenge and innovates, risk takes and becames competitive aggressive on the market.

Therefore, the entrepreneurial culture is very important in universities. It leads to:

- A set of new principles and implications;
- A system of applied principles to practice;
- A mechanism of understanding the entrepreneurship.

The entrepreneurial university is the only sustainable structure for the future environment. Why? Simply, because no change affects an entrepreneurial university since the ability to change and to generate it is its strenght.

An entrepreneurial university is a sustainable institution because:

- University is a strategic actor on the market;
- Science is kept competitive for the companies;
- Industries needs valuable universities;
- University is always looking for new opportunities;
- Students are not trained for a single job, but for a global market;
- Specialists from practice are encouraged to come for some lectures for the students.

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