

PERSPECTIVES OF UNIVERSITY GOVERNANCE FOR THE DEVELOPMENT OF ENTREPRENEURSHIP

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Abstract:

In the current context, the university is seen as an engine for changing those models of government and leadership able to transforming it into an entrepreneurial university. This strategic perspective is not an isolated one, but a massive one that is imposed for more and more universities. Similarly to business entities, universities need to find a dynamic to adapt to the demands of the knowledge-based economy. Thus, they must develop appropriate strategies to develop intellectual capital and create value in the local community and society. These new requirements of the knowledge-based economy create a growing pressure on universities and implicitly generate major mutations in their governance. In this sense, we believe that academic governance needs to be directed so as to improve the relationship between intellectual capital and performance management. We aim to present the roles of great influence attributed to universities and to argue the need for the development of entrepreneurial initiatives. We will look at both the opportunities and the difficulties faced today by universities on several levels. We support the relevance of this analysis to the idea that universities focused on entrepreneurship, technological development and research have a strong impact on the local economic environment. Actually, the economic development is produced through the entrepreneurial ecosystem created in these universities, start-ups created by students and spin-offs developed in research universities. We will approach a series of strategies that need to be applied by universities that are interested in becoming more active in the field of entrepreneurship.

Key words: university, knowledge-based economy, entrepreneurship, governance, strategy.

JEL classification: M10, M12, M13

1. TRENDS REGARDING UNIVERSITIES IN THE KNOWLEDGE ECONOMY

The new order of the knowledge-based economy has led to considerable changes in the level of business organizations and public administration institutions. Achieving knowledge-based economy standards is assessed through complex tools such as the World Bank's Knowledge Assessment Methodology and the Lisbon Charter developed by the World Economic Forum and the Innovative Union Scoreboard developed by the European Union (Leon, 2017). Some components of these metrics focus on the analysis of what is happening at national level, while others focus on determining the contribution of companies and the reaction to their development. Existing assessment tools of universities in the knowledge economy should be continuously innovative, depending on the changing global environment.

Universities work, like business organizations, in a context of unpredictability, an area marked by emerging rivalry, to attract and hold the best talent, as well as the growth of new needs that must be met immediately (Bejinaru & Baesu, 2013). The significant and pressing modernization of the university considered a prerequisite for the university to take on a crucial role in society and the knowledge-based economy - has forced the reconfiguration of the university. Strategic thinking and understanding of the importance of knowledge as a strategic resource become imperative for universities (Brătianu & Bejinaru, 2017). The stake is the ability of higher education to visibly integrate into a knowledge-based society globally, based on its adaptation to significant demands, eg increasing interest for graduates, expanding the need to enhance collaboration between the university and industry, and the redesign of learning, the need to adapt

research techniques to the interdisciplinary character of real issues of contemporary society (Hapenciuc et al., 2016).

The competitive advantage of several universities, to integrate didactic activities with research, is behind the benefit of leveraging through university-industry partnerships to accelerate technological development. For all intents and purposes, each industrialized nation seeks to change the networks between these two segments at a target of the innovation system, and the idea of a "triple helix" - which is the link of cooperation between government, universities and industry - becomes topical (Ghinea et al., 2017). Research in the field recommends the existence of four necessary components for the equation, and not just the assumption that universities can be the engines of development: national administration, subnational administration, business organizations and universities (Lupan, 2008).

Universities are seen as the nucleus of development and innovation all over the world, which has to integrate its achievements into the national advancement framework. Recently, the most innovative breakthroughs that have affected the economy can be linked directly or indirectly to universities either through research and dissemination of knowledge, or through university-industry partnerships that have allowed employees and organizations to cooperate to create innovation (Bejinaru & Iordache, 2010).

The transformation of markets, institutions and technologies leads to gradual changes in educational programs and the teaching process. Data on educational outcomes will prove to be more accessible, changing the paradigm of what higher education contributes to. The role of academic activity is changing and expanding, depending on changes in global economic and social plans. Researchers strive to progress in different areas of expertise, taking into account the ultimate goal of meeting any requirements that could reasonably be expected. The challenge is to attract the best scientists, given that they want to work in a prosperous and liberal environment (Bejinaru, 2017c).

For the purpose of facing upcoming challenges, it is essential to extend leadership. Intellectual and visionary leadership is necessary for two reasons worth noting: firstly, to exclude the ideological boundaries linked to the entrepreneurial vision of the world and the university; and, moreover, to bring this into the specific context of the university itself and of today's culture, mission and strategy (Shattock 2009). Entrepreneurial change is done through actions, not through strategic statements and more in academia. Leadership is an idea to be won, not officially attributed to it (Watson 2010). An essential challenge will be to produce successful entrepreneurs and to assemble little by little a culture of innovation compensation in each division, as opposed to a protective culture. It will require the ability to identify specialists for potential change and to assemble working groups around them, to empower them and protect them. The common goal is thus built up by the power of example and reward. New types of leadership are needed to understand future difficulties (Gibbs et al., 2012).

National level experts see new energy retention points, and the challenge is determined by the need to co-create new contributions with the groups they speak with. In order to achieve authenticity, accreditation bureaus must give clear rules of consistency. Changing funding is a huge issue to be tackled, prompting questions about the cost of education and research, and delicate issues about cross-sponsorship and executive incentives. Much should be done to make social order better maintained and fair, with regard to disadvantaged groups and also between generations.

A transparent academic leadership is necessary for a better future evolution. For the purpose of creating a stronger impact, universities should apply communication strategies in order to share the knowledge they create. Leadership transparency is a must for any institution, especially for universities. When leadership transparency is ensured for employees and stakeholders it stimulates mutual trust and efficient collaboration (Bejinaru, 2017a, 2017b; Prelipcean & Bejinaru, 2016).

2. ENTREPRENEURSHIP - A CHALLENGE FOR ACADEMIC GOVERNANCE

Entrepreneurship is an idea for which many definitions are used. However, two common points of view consider that entrepreneurship applies to both individuals and organizations and

relates to the innovative, prospective and resource-creating use of resources. A useful definition of the entrepreneurial university was given by Gibb (2013): Entrepreneurial Higher Education Institutions are designed to provide employees and students with the opportunity to achieve innovation and creativity in research, teaching and use of cross-border knowledge. They effectively contribute to improving the learning process in a societal environment characterized by a high level of uncertainty and complexity and are dedicated to creating a public value through an open engagement process, mutual learning, discovery and exchange with all stakeholders from society (Gibb, 2013). The definition emphasizes the empowerment of individuals in their research work, their inventiveness and commitment to their reaction to learning and social involvement. Being an entrepreneurial organization of higher education depends, to a large extent, on people and the creative methods of doing things. The definition is valuable for the operationalization of the entrepreneurial higher education institution and has suggestions on the hierarchical functions and discipline within the unit (Jameson and O'Donnell, 2015).

As a result of the competition of higher education institutions, other organizations see business opportunities and provide so-called solutions for less demanding access to the world-class group. Another model is to get the title of an entrepreneurial university. Through an International Accreditation Board, recognition of achievements, advancement in rankings and adherence to a university meeting that recommends excellence and commitment to entrepreneurship (Bejinaru, 2016) can be achieved.

3. GOVERNANCE STRATEGIES FOR THE DEVELOPMENT OF THE ENTREPRENEURIAL UNIVERSITY

The emergence of an entrepreneurial university approach is not accidental, but is well founded. Universities "stimulate innovation and entrepreneurship in a unique way - to create educational value and provide their students with new economic opportunities for their local economies" (Nadu, 2017, p. 20). Universities receive a major role in economic development by providing highly trained and skilled young entrepreneurs as well as new know-how and technologies. They offer entrepreneurial education "as a way to develop the entrepreneurial mentality of graduates, to encourage students to become independent workers and to create technology transfer mechanisms" (Mudde et al., 2016).

The unique and unmistakable principle of an entrepreneurial university is that it allows all staff, students, external partners and groups to influence important changes in their general environment and thereby directly engage in such changes through their own private actions. The emphasis is on creating hierarchical DNA to enable the university to act in an entrepreneurial manner in all disciplines and at all levels. "Creating an entrepreneurial university is a transformational opportunity to develop a truly relevant and innovative organization capable of respond flexibly to the needs of stakeholders and society in ways that have a real and lasting impact, while increasing the attribution of graduates and student experience "(Jameson & O'Donnell, 2015, p. 72).

Thus, to become entrepreneurial, active learning is needed. Various contemporary pedagogues (eg project-based, active learning or independent learning) should be applied. There are different methods that can be provided as: specific programs; good emerging practices should be shared between educators to ultimately become integrated into day-to-day pedagogy. Also, non-traditional learning environments (real-life situations outside the classroom) should be available to all students (Nadu, 2017).

Throughout an official document elaborated by OECD (Organisation for Economic Co-operation and Development) "Entrepreneurship Education: A Guide for Educators" are supported some attributes of entrepreneurship teachers:

- They reward individual initiative, assuming responsibility and assuming risks.
- They are ready to accept failure and to integrate it during the learning process.

- They teach how to diminish risks. Failure is an accepted outcome of the entrepreneurial activity, even if it costs time, effort and financial resources.
- Entrepreneurial teachers possess very good skills for team-working.
- Entrepreneurial teachers are good at networking. They are used to exchanging experiences and ideas with colleagues and peers during regular meetings they organize.
- Entrepreneurial teachers are innovative regarding pedagogical tools and use various methods.
- Entrepreneurial teachers empower their students and grant them the responsibility of their own learning process, for example in the case of letting them to propose their own courses.
- Along the assessment process, entrepreneurial teachers are opened to any type of methods while getting to the right solution.
- The entrepreneurial teachers are using technology and social media support for the class teaching and learning. They are willing to test new methods, new technology and computing tools that contribute to enhance the learning process.
- Entrepreneurial teachers use social environments for their peer learning and knowledge transfer.

In accordance to the ideas presented above, the entrepreneurial university is considered able to face social challenges throughout research innovation, knowledge transfer, teaching and learning, governance and external relations (European Commission and OECD, 2012).

A different and closer approach to the economic sphere, which has proven to be overwhelming in business-university talks, supports the emphasis placed on their role in innovation and regional financial improvement by translating research into business results. From the traditional perspective, innovation is derived from academic knowledge, but today a contrasting perspective states that social issues are being researched in search of scientific solutions. Etzkowitz (2000, 2004) places universities in a so-called innovation system as a triple helix in which academia, businesses, and government cooperate. In this knowledge infrastructure, entrepreneurial universities turn into entrepreneurship innovations, knowledge transfer and technology marketing (Mudde et al., 2016).

However, it is obvious that a university can not achieve an advanced level of entrepreneurship in a single day. Research has shown that it is an authoritative change procedure of 10 to 15 years. In a report on 20 universities, Gjerding (et al., 2006) argued that for such a successful procedure, top-down leadership is needed to allow for bottom-up initiatives "by supporting a culture of intra-entrepreneurship". In addition, Nelles and Vorley (2009) stated that an entrepreneurial transition should be managed on five components. They argue that the realization of an entrepreneurial architecture requires the advancement of authoritarian structures, communication and coordination systems that provide assistance in properly interlinking different activities - including vision, strategies and considerations for hierarchical culture, which is the most difficult change. Recently, two Volkmann & Audretsch (2017) researchers at the Jackstadt Entrepreneurship and Innovation Research Center at Wuppertal University made a structural presentation of the three main pillars of entrepreneurship in 20 European Higher Education Institutions (Bejinaru, 2017a, 2017b).

Many studies and reviews that focus on the concepts and practice of entrepreneurial universities and academic entrepreneurship link them to the marketing of science. Indeed, there is a strong causal relationship between university-led scientific innovation and economic benefits. In this respect, the new entrepreneurial strategy must motivate this type of university staff to work closely with industry to build entrepreneurial mentality within the university and community at all levels (Jarohnovich & Avotiņš, 2013, p.124).

The Triple Helix model (Figure 1) is part of the regional innovation framework, universities assuming a major task as knowledge producers and disseminators. Regardless of the policies developed in accordance with the triple-helix model, very few changes in government behavior were made, since the three-helix approach was more statically connected, similar to a "holistic measure", not a real basis for strategy. As the triple-helix hypothesis suggests in a knowledge-based

economy, those communities with entrepreneurial universities should progressively demonstrate the interest in developing knowledge for industry and society (Lupan, 2008).



Figure 1. Representation of the conceptual model of Triple Helix

In fact, we can observe the deviations from this rule and the uneven spread of research and development (C-D). The third role of universities - to cooperate with the surrounding ecosystem, in addition to teaching and conducting world-class research, remains in the top of academic and industrial relations (Prelicean & Bejinaru, 2016). The arrangement may be to extend this third role to creativity and the interdisciplinary support for talented individuals. This also requires reconsidering new activities in the context of long-term, more dynamic and closer business-to-business collaborative efforts (Jarohnovich & Avotiņš, 2013; Scutariu, 2013).

The main function of the university has always been to teach, giving graduates to society who become both job seekers and employers, i.e. job creators. The complementary role has been to develop research. The effect is that nowadays, in the knowledge-based economy, this process generates both academic writings and publishing and patents and innovations for companies. In this way, entrepreneurial activity in the academic field connects research results with pragmatic results for the society. The vast flow of knowledge has begun to convey the results of university research through multiple channels. Building on this, new companies are supported by the marketing of multidisciplinary research results (Boscoianu et al., 2018; Schulte, 2004).

The University must simultaneously perform three missions that might otherwise be contradictory: teaching, research and entrepreneurship (Mahdi, 2016). In this sense, the entrepreneurial university represents a self-managed incubator which struggles to develop all its missions in the same time (to teach, to research and to entrepreneurship) while offering a comfortable environment for the academic community (academics, students and staff) to identify, explore and exploit innovative and creative ideas which might be converted into start-ups, spin-offs or other type of novel business (Bejinaru et al., 2018; Kirby et al., 2011).

At this point it is relevant to reference the present and future national and European Union's strategies which focus on strengthening the education system and its impact in society. The main purpose is that education and training providers must have the right vision in order to adopt a dual model including the business sector which will ensure a better connection and adaptation to market and employers' needs (Bejinaru 2017a, 2017b). In this way, our universities could increase their contribution to the creation of economic and social value and to boost their impact in the advancement of our economy. The research direction for universities which are providing students with the necessary abilities should be driven by strategic thinking and thus the development of knowledge-based strategies should be accomplished at the top managerial level, which is the Rectorate.

4. PERSPECTIVES FOR ENTREPRENEURSHIP IN ACADEMIC ENVIRONMENT

In a globalized world, comparative reporting of universities in the educational sphere has indeed become an institutional practice. However, there is no single validated solution to help transform them into an entrepreneurial university, precisely because this educational niche is very different from classical theoretical education. To be successful, this type of entrepreneurial education needs the involvement of the local community, investors, needs mentors and business people, and it is necessary to create a true ecosystem that is especially sensitive to the changes in students' expectations, changes in the economy and the changing needs of the community (Bejinaru et al., 2018).

In conclusion, we recall some of the changes that we consider necessary and which stakes are the progress of universities: to increase the relevance of education and research; the transfer of knowledge and training the abilities necessary for graduates to become successful in their profession; to strengthen the education-research-business triangle; to increase the capacity of meeting economic needs by generating self-financing mechanisms. Encouraging entrepreneurship in universities can be successful if this field is understood and appreciated as a valuable career opportunity and those who will go in this direction will not be stigmatized in case of failure. This would be two critical aspects to the development of entrepreneurship, which are related to the culture of Romanian society, which is also built by our educational system, and in this sense the perception needs to be changed and corrected.

In the process of continuous adaptation, universities are focusing more on their traditional teaching, learning and research missions. Today, society demands much more types of contributions from universities. These organizations need to develop their third mission, which is to provide services to society and to be active in the triple helix: university-administration-industry. Thus, universities should become more active towards the development of students' generic and entrepreneurial skills and stimulate their intent to entrepreneurship, especially in a country with an emerging economy, such as Romania.

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