

Entrepreneurship: from education to innovation

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Abstract: There are a lot of factors, both internal and external (social, financial, technological, political, legislative, demographic) that influence the activity of a company. Its adaptability and flexibility are decisively influenced by the entrepreneur's education, but also by the group he leads and by the innovative spirit that exists at the organizational level. The local and global information flows provide support for the development of businesses that once seemed impossible. The entrepreneur has the capacity to take major risks, to identify opportunities and to ensure the company's sustainability. The paper aims at presenting some aspects regarding the current level of entrepreneurship and the way in which education and innovation influence it.

Key words: entrepreneurship, innovation, education, entrepreneurship factors, growth

JEL Classification: L26

Introduction

The entrepreneurial environment is influenced by external and internal barriers, and therefore the process of identifying and recognizing thereof represent important elements that can help foresee unfavourable situations and find innovative solutions to overcome such situations and create conditions that can help improve performance. The paper aims at presenting some aspects regarding the current level of entrepreneurship and the way in which education and innovation influence it. The authors intend to show the way in which experiences lead to the acknowledgement of some present opportunities and the finding of innovative elements that facilitate the sustainability of the company's activities. Also, some causal elements that ensure the success of a business by emphasizing the entrepreneurial, technical and managerial abilities are presented. These are influenced by the quality of education and the way in which the organization creates training conditions for its employees.

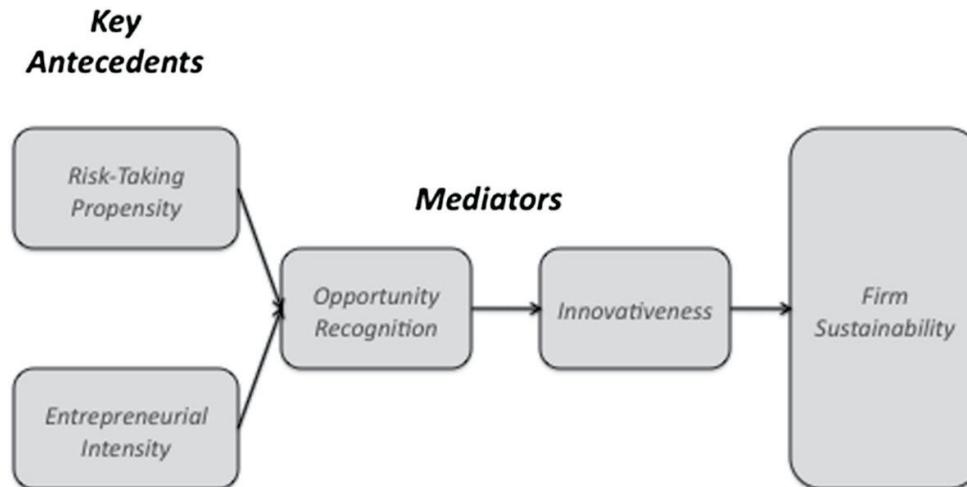
Entrepreneurship: from risk taking to the company's sustainability

Entrepreneurs are looking for the meanings of their attitudes towards business and

act either by the desire to create profit or by being enraptured by the beauty of the business. The impediments that arise in the entrepreneurial initiative are also related to the fear of failure, but also to the lack of entrepreneurial education. It is obvious that entrepreneurship is built on access to information but also on using thereof where it is needed. However, "fear of failure can have a profound effect on entrepreneurial choices. While commonly viewed as an obstacle to be overcome, some anecdotal accounts also describe the motivating power of fear of failure, highlighting it as a key to their success." (Morgan et al., 2016, p. 1).

There are some key elements that contribute to the entrepreneur's evolution and company performance. The process of acknowledging the opportunities and innovation represent components that contribute to the company's sustainability and these relations are outlined in the model presented by Gundry who highlights the relationships that exist between: key antecedents and mediators and firm sustainability (Fig. 1).

Figure 1. Entrepreneurial Transition from Risk to Firm Sustainability (Gundry, 2014, p. 8)



Identifying opportunities also means taking responsibility, and this implies the entrepreneur's independence and ability to make important decisions at crucial moments. Taking risks in the development of a business, but also the optimal management of the resources, represent elements that define, by excellence, the spirit of a successful entrepreneur. At the level of an economic system we can talk about a variety of visions of entrepreneurs and that is why such diversity sets forth the conditions for the emergence of a successful business. In this respect, "Entrepreneurs for whom autonomy or independence is a dominant motive for becoming self-employed probably have limited growth ambitions for their business. Entrepreneurship is likely to be a vehicle to serve the freedom-related needs of the individual as it enables a lifestyle in which one can decide oneself on goals, methods, and time scheduling. However, autonomy-driven entrepreneurs may still increase diversity in the economy just because they do things in their own way." (Hessels et al., 2008, p. 326).

On the other hand, the competition regulates the functioning of the economic systems and eliminates from the game ideas that have no finality.

In the formation of an entrepreneur, one must take into account the economic, cultural and social factors which decisively influence the entrepreneur's evolution because they are closely linked to the values of the individual and of the society in which he evolves. The personal values and values required by the society may be compatible or contradictory. Starting from here, any entrepreneur can shape a type of behaviour that will facilitate business development or, on the contrary, lead to failure. Systems of personal values are also accentuated by the vision, the mission and the attitude of those who assume the entrepreneurial attitude. The social and economic context in which an entrepreneur emerges influences the set of abilities he builds, but, equally, his behaviour in various situations. We can also talk about situations where an entrepreneur can change decisively the company (Facebook - Mark

Elliot Zuckerberg, Alibaba - Jack Ma, Google - Larry Page and Sergey Brin), influencing the education of its members and the value sets at the system level. But most entrepreneurs are influenced by the socio-economic environment that shapes them. We can therefore speak of two categories of entrepreneurs, context creators and entrepreneurs as members of some contexts. In fact, "many factors affect entrepreneurs' decisions to pursue a new business instead of accepting a job in paid employment. Leaving aside personal considerations, this study categorizes factors affecting entrepreneurship into three groups: Social, cultural, and economic. Although these factors interact among them, this section presents their effect entrepreneurship separately. Socially, the structure and social development of a country is an important factor, as well as culture. Strictly focusing on social issues, literature often refers to Schumpeter's (1934) social climate. This concept involves the sociological, economic, and institutional climate of the society where entrepreneurs perform their activity. These factors include social values, training, economic freedom degree, and institutional quality. Therefore, a suitable social climate stimulates entrepreneurial activity, enhancing economic growth and job creation." (Castaño et al., 2015, p. 1496).

The entrepreneurial attitude can also be influenced by the sense of ownership and the social status that an individual desires. The variety of entrepreneurial activities that appear in the evolution of the society offers the entrepreneur an increasingly important role, contributing from the perspective of society to important economic results for it. It is certain that profit is not only a reward for assuming uncertainty, but it is also a mean

through which the individual defines his social position on the one hand and provides services to the society by performing social responsibility activities. The availability of resources, the number of competing companies using limited resources, the status of the entrepreneur, represent factors that contribute to the process of encouraging / discouraging the progress of society.

Entrepreneurship becomes a source of innovation and change for a dynamic society, encouraging economic competition. However, "innovative entrepreneurship" is a related phenomenon. Mayhew et al.(2012) use this term when they focus on innovative entrepreneurship in contrast to replicative entrepreneurship. Whereas the latter refers to business start-ups based on (copy of) old ideas, the innovative entrepreneur provides new products or services. These authors argue for the need for research that takes account of innovative entrepreneurship to a greater extent, in particular in studies of entrepreneurship education." (Støren, 2014, p. 799).

Knowledge and flexibility are elements that support the economic competition through which poor areas can be developed at the level of a society. Entrepreneurship is closely linked to the development of small and medium-sized enterprises (SMEs), these are actually the key nodes in the development of an economy. Businesses based on copying an old idea are often doomed to fail and this is the reason why the innovative entrepreneur has the opportunity to offer new products and services because his activity is based also on a consistent research component where entrepreneurial education plays an essential role. We can talk here about the evolution from old-market products to new

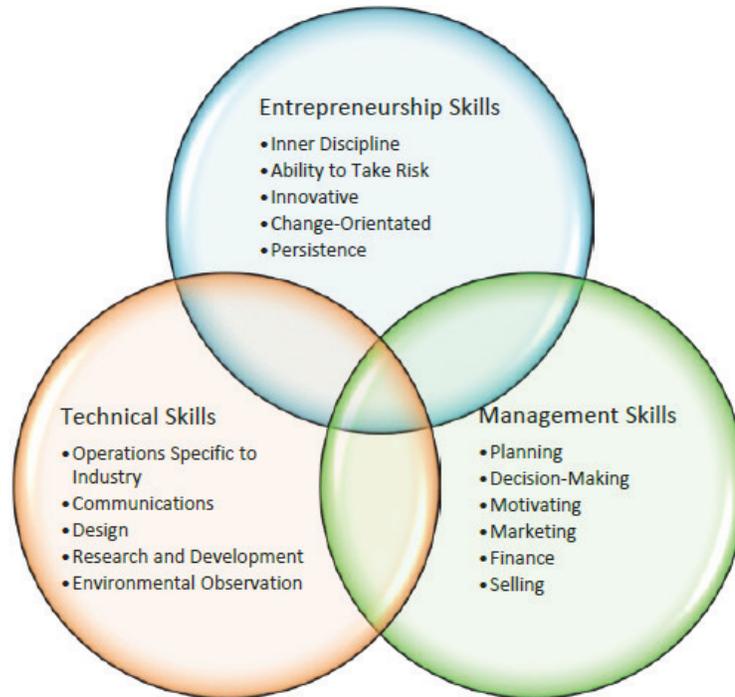
markets-new products. This leap is also facilitated by the education that the company is committed to ensuring both its employees and its clients. In the current context, it is imperative that the individual is concerned as well about his own education because self-knowledge plays an important role in finding optimal educational solutions.

The risks taken by an entrepreneur concern job instability, investing his own financial resources without guarantee of recovery, developing business on a market where competition is hard and the lack of qualified labour. In addition to the micro-economic factors, we must also take into account the fact that the entrepreneur's activity can be discouraged by macroeconomic factors: the dynamics of the economy, the evolution of inflation, the increase of the interest rate, the lack of facilities related to the access to capital, the burdensome legislation, etc. Knowledge is becoming a driving force that contributes to economic growth, and the process of generating knowledge is also connected to the way in which educational policies are implemented at macroeconomic level. "However, as knowledge became the driving force underlying economic growth and performance, a new and significant economic

role for the university emerged. However, just undertaking scholarly research in basic disciplines did not suffice in generating sufficient knowledge to contribute to economic growth and performance. The emergence of the entrepreneurial university was the need to create new interdisciplinary fields and research areas devoted to providing solutions to specific societal problems and challenges, along with a series of mechanisms and institutions dedicated to facilitating the spill over of knowledge from the university to firms and non-profit organizations." (Audretsch, 2014, p. 320).

The entrepreneurial abilities (inner discipline, ability to take risk, innovative, change-oriented, persistence), the technical abilities (communications, operations specific to industry, design, research and development, environmental observation) and the managerial ones (planning, decision-making, motivating, marketing, finance, selling) may be the result of an educational system in which entrepreneurship universities, the business environment and the state are the main actors that facilitate the consolidation of such abilities. The system of abilities presented by Cooney is self-evident (Fig. 2).

Figure 2. The system of abilities (Cooney, 2012, p. 7)



In designing a business, a key role is held by the identification of consistent business ideas followed by the creation of a business plan in which the market, legislation and resources occupy a very important place. The decisions of the companies to develop businesses are influenced by external and internal barriers. The availability of qualified workforce, lack of competition, the economic climate and the legislation contribute decisively to the success of a business. Anticipating economic evolution, analysing the demographic trend, foreseeing some unfriendly moments, represent elements that make the difference between the successful entrepreneur and the entrepreneur who fails in business.

Without any doubt, "...a decision by a firm to grow its business is initially influenced

a range of External Barriers (or influencing factors). Concerns about matters such as the availability of skilled labour, lack of competition, favourable government policy and economic climate, supportive legislation and easy access to markets all contribute to an entrepreneur / management team deciding to grow the business." (Cooney, 2012, p. 2). It is not enough just to identify internal and external barriers in building a favourable entrepreneurial environment, but it is essential to find ways in which entrepreneurs can act on these barriers either by minimizing their effect or by cancelling them. It is obvious that each of these barriers appears in a wider socio-economic context in which each stakeholder influences the emergence of such barriers (Fig. 3). Here's how: the labour market

is influenced by social conditions, and also by the demographic trends, competition is dependent on the number of actors and their activity, the quality of government policies is determined by the political decision-makers, but also by the force of the civil society. The economic environment is the result of several factors (legislative facilities, access to markets, social issues, etc.). We mentioned here some of the external barriers and whose effect can be minimized or how they can be

eliminated. Identifying the internal barriers can help avoid situations that are sharpening the entrepreneurial climate. Knowing the motivational factors, individual behaviours, determining the quality of funding, identifying organizational issues, analysing the causes that lead to decreasing of the level of sales and scanning the poor environments are elements that can help minimize or eliminate internal barriers.

Figure 3. Presentation of external and internal barriers (Cooney, 2012, p. 2)



Entrepreneurship and education

An important role in entrepreneurship is played by education in creating the conditions for the manifestation of the entrepreneurial spirit. We cannot develop an entrepreneurial spirit if education remains only at the discretion of some individuals who are in charge punctually of educational activities. This is about creating an educational system

in which individuals and institutions must behave based on very clearly defined rules that are stable at the level of some strategic plans. Not knowing the following: demographic developments, economic dynamics, global society trends represent elements that can jeopardize business development strategies and, consequently, educational policies. The education cult must become a rule both at the level of individuals and at the level of

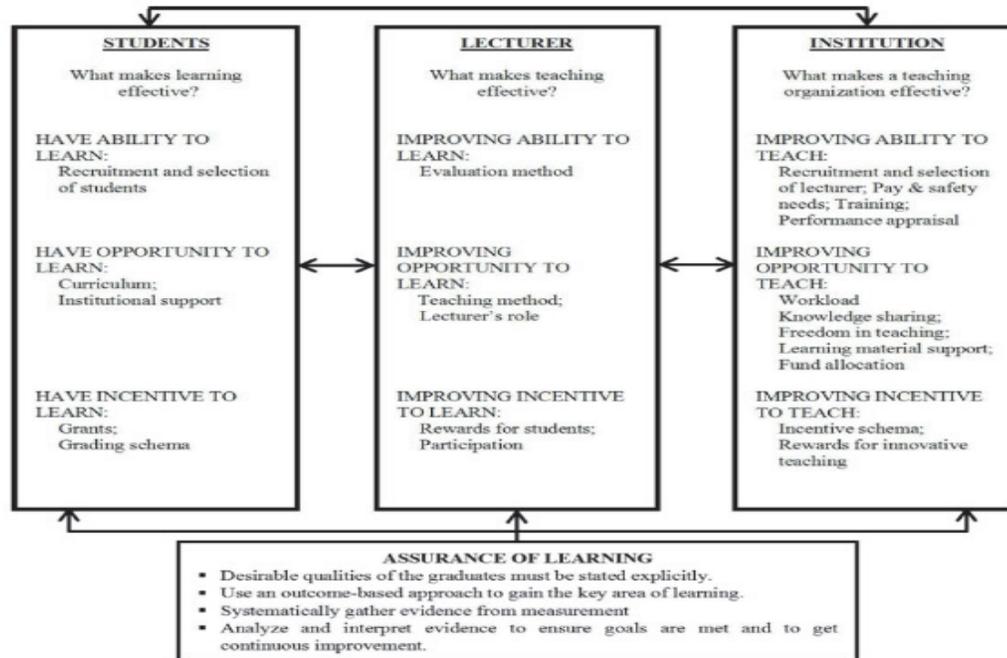
society, because in the age of total computerization, individuals will work in networks with a dynamism difficult to anticipate, and therefore making real-time decisions will impose on one hand access to information, and on the other hand a permanent education. Future society will require decisions making (often in real time), and therefore software packages must be created in relation to the requirements of those who use them, and user education must enable the possibility to use such products. The role of universities has increased in relation to the evolution of economic forces contributing to the dynamics of the organizational performance. It is obvious that the accumulation of knowledge is not done for their thesaurus but for their use in improving economic activities by educating the workforce and creating a favourable innovative environment.

The concept of an entrepreneurial university (i.e. Stanford University, University of California, Cornell University) becomes a reality of the modern world where there are areas of research that offer solutions to the economic and social problems of the society. "The role of the university has continued to evolve along with the underlying economic forces shaping economic growth and performance. The centuries old tradition of the Humboldt University, with its guarantee of freedom and independence for scholarly inquiry resulting in the celebration of knowledge for its own sake remained prevalent as long as economic performance was largely shaped by factors that had little to do with the activities of universities—physical capital and unskilled labor." (Audretsch, 2014, p. 319). Facilitating institutions are established and such institutions manage the relationships between universities and the business

environment. The framework for effective learning for entrepreneurial education involves a set of connections between institutions, teacher, and student. The process of improving the skills becomes a rule at the level of the three entities (institution, teacher and student). Ensuring learning conditions is not limited to the university, it becomes a general framework of development at the level of society where the individual, family, firm, university, state are catalysts of the educational response (Fig. 4).

"Students today increasingly recognise that in the current economic climate most jobs are rarely "for life". The world of employment is changing, "permanence and longevity of employment are no longer a significant feature of career paths: traditional career paths have disappeared" (Fallows and Steven, 2000). This widely held view has led to speculation that there will be continuing growth in self-employment as a career option for individuals at different stages in their life. Some of this growth may be due to significant changes in the work environment such as: continued organisational delayering; increasing globalisation forcing the creation of leaner, more flexible and adaptable businesses that require fewer employees." (Collins et al., 2004, p. 455).

Figure 4. The framework of effective learning for entrepreneurship education (Ghina et al., 2015, p. 7)



Self-accomplishment, the possibility of high earnings, being independent, hiring family members can be factors that stimulate the entrepreneur's interest in his work. On the other hand, elements of dissatisfaction can counterbalance the already fragile balance of his behaviour. Here he is dealing with business failure, pressure of responsibility, career insecurity, and costs related to the use of experts, ethical deviations from other competitors, tensions in family relationships, health risks.

Social acknowledgement occupies an important place in the set of motivating elements that emphasize the entrepreneur. More than generating profit, entrepreneurship is related to risk assumption, uncertainty, and incomplete information regarding the

influence of conjunction factors which can lead to great failures. Entrepreneurial learning means the critical analysis of one's own experiences and also the experiences of others, implying the shaping and reshaping of some activities. It takes place "without direct influence of rationally planned objectives and involves relatively high-levels of risk and uncertainty. The key issue here is that learning is not only embedded in the firm's existing activities but entails shaping and reshaping of these activities, gaining legitimacy, acquiring and exploiting social interactions. The issue of entrepreneurial learning and education is the need to recognise and develop more reflective, experiential forms of learning, emphasising the importance of the reflective practitioner, the significance of

critical events, and the importance of learning as a social practice.” (Higgins and Elliott, 2011, p. 4)

Conclusions

Starting from the analysis the authors undertook in this paper it results the importance of education for the emergence of successful entrepreneurs. Visionary skills make them identify new opportunities in creating products and services and find new ways to promote and distribute them. The innovative spirit becomes not only a necessity, but also a reality both at the level of laboratory research and at the level of the means of promotion. We can actually speak of a learning enterprise and, at the same time, of an enterprise

that innovates. Education and innovative spirit are in symbiosis both at the individual level and at the company level. Taking risk is a necessary but not enough condition to achieve optimal results. There are several ingredients needed to be successful, and these are: education, innovative spirit, organization and motivation of employees. As source of innovation and change, entrepreneurship is becoming a key element in the development process, contributing to raising the awareness of the importance of small and medium-sized enterprises. Entrepreneurial spirit represents a dynamic process and not a static phenomenon, and therefore coordination, innovation, optimal allocation of resources are necessary conditions for the consolidation of performing companies.

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