

ENTREPRENEURIAL UNIVERSITY: DEVELOPING AND INTEGRATING THE THIRD MISSION IN HIGHER EDUCATION INSTITUTIONS

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Abstract:

The modern university which activates in a highly competitive market and is mostly assisted and not financially supported by the state must find tools with which to be competitive and prestigious. It is necessary to identify the managerial and scientific opportunities with which to build the best resources in order to fulfill its mission. This study presents the role of the university in the economic and social environment supported by the mission undertaken by three components: teaching, scientific research and the social function and to what extent the third mission of the modern university is seen as a necessity in the context of current economic and social context by the universities of Romania. The method used was the content analysis of the mission of universities in Romania presented in the University Charter and its correlation with the analysis models on entrepreneurship and academic entrepreneurial management offered by the specialized literature.

The conclusion is that more than 60% of universities in Romania formulated their mission by considering the three components and that understanding and building entrepreneurial culture is a condition of the successful fulfillment of the mission of the modern university.

Keywords: *entrepreneurial university, the third mission of the modern university, entrepreneurial culture, entrepreneurial management*

JEL Classification: I23, I25, M14

1. Modern University and the entrepreneurial approach

The university, the oldest modern, traditionalist institution, holder of strong cores of knowledge and innovation, is now placed in a position to identify solutions to the many facing problems. University stakeholder expectations are changing rapidly as a result of structural changes in the economic and social environment. The business environment and the industrial sector require graduates who have a complex set of qualifications and skills. Students are placed in a position to acquire a large volume of knowledge and have high expectations related to the insertion in the labor market both during their studies and after graduation. The society expects solutions from the academic environment to the complex problems faced in conditions in which the government supports less financially the universities.

Today modern university is called to fulfill several functions, namely the teaching, scientific research and more recently, the social function and to contribute to economic development. Successful performance of the functions of modern university requires its approach of the entrepreneurial orientation. Achieving the third function will ensure, as recent studies claim, the competitiveness and prestige of higher education. Whereas now, public higher education tends to be assisted rather than supported by the government, fulfilling the third mission involves the identification and use of tools designed to highlight the results of scientific research and providing the necessary financial resources for research and development activities in universities, involved staff motivation, increase the prestige of the university in the local community.

According to British researchers Molas-Gallart & al. (2002), accomplishing the third mission of the university requires implementing the following activities: technology trading, entrepreneurial activities, advisory councils, marketing facilities, research based on contract, non-academic collaboration for scientific research, mobilities of teaching staff

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and industry, placements of students and other links with the labor market, activities of non-traditional education and training, aligning curricula to social needs, dissemination of research results in nonacademic environments.

The entrepreneurial university should not be understood literally as a Ltd., but as an organization in which is recognized the importance of business culture and entrepreneurial management. To better understand this concept, Scarlat & al. (2012, p.675) propose two approaches to basic management: administrative management, in which the objectives, strategy and organizational management are set according to available resources and entrepreneurial management, in which the university strategy is oriented to opportunities regardless of resources available at the time. According to Scarlat & Brustureanu (2009, 2012), the traditional university promotes the administrative management and the entrepreneurial university implements the entrepreneurial management which seeks managerial and scientific opportunities in order to meet the mission.

Studies completed with some models on entrepreneurship and entrepreneurial management vs administrative management belong to the following researchers: Brustureanu (2002), Scarlat (2003), Scarlat & Simion (2003), Scarlat & colab. (2005), Scarlat & Brustureanu (2009, 2012), Scarlat, Brustureanu, Borangic, Popescu (2012). Howard Stevenson realized the entrepreneurship model centered on the core concept of opportunity (Stevenson, 1983, Stevenson & Gumpert, 1985; Stevenson & Jarillo, 1986, 1990), and Burton Clark (1998) and made studies on entrepreneurial universities. Clark (2000) describes the work of entrepreneurial university as a flexible activity using existing creative resources to engage in economic and social development of the region and to adapt to the demands of the business environment by considering the corresponding parameters of collections and costs.

Burton Clark (1998), the author of the entrepreneurial university model, in a research conducted over a period of three years (1994-1997) in five Western European universities identified five key elements of the process of institutional transformation of university in the turbulent market conditions with a focus on university entrepreneurship, namely:

- (i) the strengthened steering core;
- (ii) the expanded developmental periphery;
- (iii) the diversified funding base;
- (iv) the stimulated academic heartland;
- (v) the integrated entrepreneurial culture.

Mintzberg believes that in the entrepreneurial school case, the strategy is the outcome of the identification of opportunities. "In the entrepreneurial mode, strategy making is dominated by the active search for new opportunities" (Mintzberg, 1998, p. 133).

The concept of opportunity in the business world defined by Stevenson (1983) is a key element also in the scientific research area because the applied research is effectively oriented to opportunity, the research results reaching in the market. Stevenson (1985) believes that the entrepreneurial approach is correlated with the size of the organization in the sense that a well managed, developed business is often accompanied by a reduced capacity to identify and capitalize an opportunity.

The entrepreneurial model of an organization based on the concept of opportunity developed by Stevenson (1990, p 23-25) is based on six components:

- an organization is entrepreneurial in the extent in which it seeks the identification of opportunities regardless the resources which are currently held;
- the entrepreneurship in the organization depends on the attitude of individuals within it regardless of the organizational pyramid level;
- entrepreneurial behavior of the organization is positive to the extent that employees are keen to identify opportunities, are prepared to undertake this task and are rewarded for it;

- organizations who make conscious effort to mitigate the negative consequences of a failure when pursuing a particular opportunity will present a greater degree of entrepreneurial behavior;

- success rate and entrepreneurial behavior of employees will empower employees to exploit opportunities;

- organizations facilitating the emergence of internal and external informal networks progressive allocation and sharing of resources will have a higher level of entrepreneurial behavior.

Allen Gibb (2005) sets out a model of integration of entrepreneurship in higher education in which can be found the followings:

- understating at the level of the entire university the importance of entrepreneurship and the adoption of such activity as an activity that meets the university's mission;

- setting up the logistics required to implement the entrepreneurship with emphasis on the establishment of a technology transfer office or center;

- encouraging innovativeness in scientific research field in each university department in accordance with the specific of the managed activity;

- supporting a professional environment for research and development excellence by identifying research topics, the allocation of free time of staff researcher who wants to get involved in the activity of trading the intellectual property, rewarding the research and development activity;

- undertaking activities leading to the generation of ideas, research topics and to organize joint university-stakeholder activities, investment in academic associations, activities to acquire practical skills by teachers as a result of working visits conducted within private organizations;

- staff engagement in activities of entrepreneurship teaching courses.

2. What can be done for the university to meet the third mission?

Starting from the literature studied, namely the models built by Clark, Stevenson, Gibb, Brustureanu (2002), Scarlat (2003), Scarlat & Simion (2003), Scarlat & colab. (2005), Scarlat & Brustureanu, (2009, 2012), Scarlat, Brustureanu, Borangic, Popescu (2012), some relevant aspects that may come off on how modern universities should consider restructuring the university management to successfully complete the third mission are:

- transition from administrative management to entrepreneurial management, in which the university's strategy is oriented towards managerial and scientific opportunities regardless of the resources available at that time;

- motivating the teaching and research staff to identify the scientific opportunities and support the development of entrepreneurial behavior at the university level;

- create a professional environment for research and development excellence;

- developing entrepreneurial culture as the foundation of competitiveness and prestige of the university;

- initiating construction of internal and external informal networks progressive allocation of resources and sharing of resources with university stakeholders;

- identifying research opportunities able to highlight the internal resources of the university and leading to local and regional economic development as a result of insertion of intellectual property in the industrial environment;

- creating the necessary logistics for transferring academic research results to industrial environment.

3. Do the universities from Romania assume the third mission of the modern university?

In this study we aimed to examine whether the third mission of the modern university is seen as a necessity in the current socio-economic context of the universities in Romania. For this purpose we started from the classification of universities according to the provisions of art. 193 p. (3) and art. 193 p. (6) from the Education Law no. 1/2011 on the three categories: advanced research and education universities, education and scientific research universities, and universities focused on education and we analyzed the contents of this mission undertaken by the University Charter.

In the case of **the 12 universities of advanced research and education** from the first category of universities in Romania there were the following aspects:

- Most universities have stated in the undertaken mission structure specific elements of the third mission of the modern university namely supporting the local, regional and national community by building a culture of action based on systematic and innovative knowledge, on proactive attitude and participation, on scientific and technological competence, organizational competence, on lifelong learning and innovative culture, on culture of personal development.

- It is also used the concept of innovative university as a synonym for entrepreneurial university with an emphasis on human capital, on producing knowledge scientific research, on technological innovations and adaptations which determines the economic growth of the country. Technical and medical universities assume responsibility through specific activities of creation, innovative exploitation of knowledge and its transfer to society, scientific research activities, exploitation and dissemination of their results, development, innovation and technology transfer designed to facilitate economic, social and cultural technological progress.

- In the mission statement, most of the universities in this category, by achieving goals, put in the forefront the scientific research activity and its valorification according to community needs, then the activity of supporting the academic community.

- There are universities that have made the mission from the need to train specialists in their fields of activity, and the mission related to scientific research and sustainable relationship with the community is made without purpose pinpoint.

- The technological transfer, entrepreneurial university management tool, is found in the mission statement of some technical and medical universities in this category.

In the case of **the 22 universities of education and scientific research** in the second category of universities in Romania there were the following aspects:

- The share of universities which stated in mission structure specific elements of the third mission of the modern university is less than the share of universities from the first category.

- The relevant elements which emphasize the attributes of the third mission of the modern university are training and education in the spirit of flexibility and innovation, transparency and legality, academic and professional performance, adaptability to changing labor market area, partnership, cooperation and communication with civil society, training human resources so as to be able to generate and transfer knowledge to society, provide services in the profile of skills for the own community and society.

- There are universities that took into account in formulating the mission all three components: training of specialists able to quickly integrate in the competitive environment, scientific research in the areas of interest at contemporary performance level, transforming the university in the middle of education resource center and services offered to community.

In the case of the universities from the category of those focused on education, we have noticed that most of them, although they were not classified in the category of focused on research universities, they included in the mission all three relevant aspects of modern university mission.

4. Conclusions

In the conditions of competitive market specific to higher education, ensuring the competitiveness and increasing the prestige of the university are only obtained by assuming by the academic management the complex mission of modern university with particular emphasis on the third mission, the social and the contributing to local, regional economic development as a corollary of the other two missions of teaching-learning and scientific research.

The fulfillment of the third mission involves accepting the change in the functioning of mechanisms specific to university environment, the transition from traditional university with an administrative management to a modern, innovative and entrepreneurial one, with a new culture, the entrepreneurial culture. The awareness and acceptance of entrepreneurial spirit at the individual level and at the level of the entire functional system of the university, recognizing the importance of entrepreneurial culture are the first steps towards increasing the expected results through the assumed mission.

Although most universities in Romania took into account relevant aspects of the modern university mission, there are discrepancies between the mission and results as only a small part of the possible tools which can ensure competitiveness of the university are used. The activities of disseminating the results of scientific research, consultancy, research on contract are prevailed activities partly responsible for stakeholder expectations of the university.

The commercialization of scientific research results specific to the academic environment, a source of income to support the activity of research and development in universities and means to ensure the growth of competitiveness of the economic agents from the industrial environment is an activity very little present in the portfolio of activities with which the university meets the third mission. The number of technology transfer centers, technology information centers, business and technology incubators belonging to universities is very low compared to the number of existing universities in the higher education market today. It requires a rethinking of the university management through accepting in a greater extent the entrepreneurial approach to all today's existing tools to the reach of universities.

Enhancing individual and collective creativity, the passion to work effectively for the good of society, the ability to anticipate and to approve the change, entrepreneurship, combining rigorous academic study with the enthusiasm of innovation are just some strengths identified in the mission made by prestigious universities worldwide that can be considered as starting points for Romanian universities in building the approach to competitive modern universities.

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