# ENTREPRENEURSHIP COMPETENCES ACQUIRED DURING PRACTICAL PLACEMENT. QUALITATIVE ISSUES

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Abstract: The paper presents a part of a larger research concerning the contribution of practical placement to the acquisition of entrepreneurial competences. The participants were 182 academics, employers and graduates from 22 countries who answered a questionnaire concerning two parts: the first dealing with the evaluation of the level of importance and of the level of achievement of entrepreneurial competences and the second with the opinions of the participants concerning the entrepreneurial culture of the hosting companies, the ways these companies ensure the development of entrepreneurial competences of the students hosted in practical placement, the changes needed in the university curricula in order to increase entrepreneurship and employability of the graduates, the role of the enterprises in developing entrepreneurship via practical placement.

*Keywords*: entrepreneurship, competences, entrepreneurial education, practical placement, higher education, employability.

#### **1. INTRODUCTION**

Entrepreneurship is becoming more and more important for the economies of a country because it creates technological progress, jobs, wealth, and shapes the global cultures (Ireland, Webb, 2007). As an economic behaviour, entrepreneurship is related not only to the founders of great companies but characterizes all individuals that create jobs for other individuals in small and medium size enterprises. From this point of view, there is a distinction to be made between entrepreneurship and self-employment, the latter being considered rather a lifestyle.

Large enterprises need on a smaller scale the entrepreneurship of all their employees, but for medium and small size companies, which employ most of the graduates, it is vital for all the employees to be entrepreneurial and contribute to company's survival on the market. the Universities with are concerned the entrepreneurial education because this increases the employability of their graduates as well as the probability that they open an independent business at the end of their studies. There are study programs dedicated to entrepreneurship in the majority of European and American universities, but it seems that it is not enough and that entrepreneurial education should be generalized, i.e. included in all study programs, in general and higher education. Thus education enables individuals to become proactive, independent and self-reliant as actors in the economy. In the frame of the partnership between university and the hosting company/ organization, practical placement is meant to complete the education provided by the university with a fresh breath of real-life, to provide learning situations that empower future professionals to adapt quicker to the requirements of work.

For the students, practical placement is an opportunity to learn hands-on the day-to-day problems of an enterprise and to acquire the practical skills needed to adapt to the professional life. But does practical placement teach them anything about entrepreneurship? Do the hosting companies promote an entrepreneurial culture? The obvious answer is yes, if the company is a business-oriented one. In many organizations that host students in practical placement entrepreneurship is not a priority - such as in administration.

The European Union is concerned about the change in mentality needed for making Europe more competitive in the global economy and considers that entrepreneurial education has to be generalized at all levels (ETF, 2008). Several European funded projects addressed the issue, but there is an increasing need to generalize entrepreneurial education (EEE, 2006). The EUE-Net (European University-Enterprise Network) project (2008-2010) promoted an international research meant to identify the way practical placement of the students contributes to the acquiring of the entrepreneurial competences (EUE-Net, 2003/2007).

#### 2. METHOD

The research conducted in the frame of EUE-Net project during 2010 consisted of a survey based on a questionnaire referring to the entrepreneurial competences and to the opinions of the respondents - academics (68), graduates (79), and employers (35) from 22 countries - on the university-enterprise issues related to entrepreneurial partnership in developing competences.

The questionnaire consisted in demographics and 23 specific items organized in two distinct parts: the first dealing with the evaluation of 14 competences on two 5 step scales – one referring to the level of importance and the other to the level of achievement of the respective competences; the second part consisting in 7 open-ended questions.

The questionnaires were filled-in anonymously either on-line, in a dedicated database on the website of the project, either in .doc format and sent to the research team. The online and the .doc versions were identical. The sample was a convenience one, based on the recruitment made by the partners of the project working in universities and enterprises in 22 countries.

The results from the first part (evaluation of the importance and achievement of the entrepreneurial competences) will not be presented here. The present paper will discuss the main topics identified in the answers to the 7 open questions. A detailed report on the whole research was published recently (Luca, David, 2010).

## **3. RESULTS AND DISCUSSION**

The main topics will be presented and discussed for each question.

Q 17 - "Do the hosting company/ enterprisepromote an entrepreneurial culture?" What respondents give as examples of "entrepreneurial culture" are rather aspects of organizational culture related to making the management more "human", a way of improving productivity, organizational climate, motivation, satisfaction, or well-being at work, not necessarily entrepreneurial culture. For some respondents, entrepreneurship and employability overlap. Entrepreneurship means often joining an existing business, being fitted into the requirements of such a job, not necessarily creating one's own business. Large companies (the most frequent hosts of practical placement) promote initiative, autonomy, but not necessarily "small business entrepreneurship". There are "employee-specific entrepreneurial competences" specific to large companies which are different from those in independent entrepreneurship and small-size business. Some universities also encourage a sort of "internal entrepreneurship" for the academics (i.e. have an entrepreneurial culture) in order to renovate the didactical process, but this doesn't necessarily mean that the students' entrepreneurial spirit will improve as a result. Other universities have study programs dedicated to small enterprise management which prepare specialists for this sector.

Q 18 - "Do the hosting companies encourage employees to try new ideas?" Continually searching for novelty is an important feature of entrepreneurship, even if not for entrepreneurial behaviour only; it is rather a larger feature, related to creativity. Employees' initiative is important for the success and survival of any company, not only for those in small business. For larger companies, this is a part of company philosophy, something that is "natural" as long as the company defines itself as a learning organization. In order to stimulate the initiative and creativity of the employees, things are sometimes done formal: the participation of any employee in the process of innovation is facilitated by strategies, procedures, and adapted infrastructure. For some respondents, the key to promoting innovation with employees is simply money. Financial incentives are useful for motivating people to come with new ideas. Students in practical placement can also be involved in this process and in some companies this is a regular practice. For them, it could be a first contact with real life in secure conditions of being only an intern.

Q 19 – "Do the hosting company/ enterprise foster and sustain innovation?" Fostering, sustaining, promoting innovation are synonyms for the same process of continuous renewal of the activities, processes, products of an organization. Mainly in the business area, innovation means keeping pace with the field and remaining competitive in a dynamic world.

• Employees are considered valuable resources in whom the wise company invests training and for whom it develops infrastructure, procedures and uses systems of incentives.

• For the universities is important to place students in enterprises that foster innovation, making of this a way of preparing well trained graduates.

• In some happy cases, students are part of this process and learn hands-on how innovation leads to business success and personal accomplishment.

However, some respondents consider that the hosting enterprises have no interest in sustaining innovation among students in practical placement. The reason is a simple one, in the opinion of an academic: "because a company is not interested to develop the entrepreneurial culture of its employees, they will leave the company :)".

Q 20 – "Please describe the way the company ensures the development of entrepreneurial competences and skills for the students in practical placement" The answers were structured on three categories of opinions, ranging from explicit development of entrepreneurship to total absence of such thing.

• The hosting companies explicitly develop entrepreneurial skills by: formally recognizing the individual's contribution and by teaching students how to take manageable risks and sometimes even about failing.

• The hosting companies implicitly develop entrepreneurial skills by: providing topics for bachelor and master thesis; by individual work or involvement in organizational projects, where (they) can work with more experienced employees; requiring projects that provide maturity, independence, intellectual ability, contacts with others

• The hosting companies do not develop entrepreneurial skills at all. Doing internships at medium or bigger sized businesses or at institutes, NGOs has nothing to do with entrepreneurial competences. Companies just accept students as ballast and they do not pay any attention to raising possible employees. Companies prefer the students to participate in the regular jobs that the company has already undertaken. Usually on practical placements interns are trained to be good employees, and not entrepreneurs.

Q 21 – "What are the changes you consider necessary for the universities operate in their curricula in order to increase the graduates' employability?" The main changes the universities should operate are related to several aspects such as: changes in vision of academia about the aims of higher education; changes in curricula concerning the competences and the contents taught; changes in teaching methods; a closer cooperation with the enterprises. The university should prepare the students for the practical placement and carefully and responsibly choose the hosting companies. Career centers should increase their role in preparing the students for the world of work in order to increase their employability.

Q 22 – What are the changes you consider necessary for the universities operate in their practical placement policies in order to increase the graduates' employability? Due to the fact that the employability of the graduates is becoming an increasing concern for universities, the respondents consider that some changes are needed at the level of practical placement policies. For example, practical placement should become compulsory for all study programs and be at least 1 semester long, on the basis of a long term partnership with hosting companies. Again the career centers are expected to play a role in organizing a centralized internship as well as providing support for the transitional stage to employment. Pedagogical aspects of the practical placement should be improved by:

• Motivating students to be useful and personally involved in the activities and results of the hosting company.

• Improving the training of supervisors from the university – valuing more the supervising teachers in terms of position and incentives and establish dedicated positions and specific training for teachers in charge of placement supervision.

During practical placement, university or teachers should control students' work and ask periodical reports about practical placement.

Q 23 – "Which could be the role of the companies/ enterprises in the development of the entrepreneurial competences of students?"

One idea gathered the quasi-general agreement of the employers: companies should be more involved in curriculum design by suggesting new study programs, subjects. teaching methods and by generally strengthening the university-enterprise cooperation. The new curriculum should define planed specific competences to be acquired during the practical placement. The preparatory phase of the practical placement should start at university, with the help counselling of entrepreneurship and an experienced person. Great expectations of academics towards the enterprises are to be considered too:

• Making entrepreneurial competences a standard part of any practical placement.

• Giving the students individual projects on which they can work before, during and after the placement.

• Organizing company workshops that improve entrepreneurial skills.

• Giving feedback to students at the end of practical training.

• Bringing specialists in university (for case studies and conferences).

The students, as mature educational partners have to play an important role in all these changes.

## 4. CONCLUSIONS

Apart from the increasing concern of university with employability, which is considered a key indicator of the quality of education, entrepreneurship will become an important issue in the next years. Nowadays, practical placement is considered to contribute to the increase of employability, but not necessarily the entrepreneurship. Some companies of promote entrepreneurship of the employees and students to be incorporated in this culture when in placement, but entrepreneurial competences are not targeted by the practical placement explicitly. In order to enrich the experience of practical placement, the partnership between universities and enterprises has to be strengthened. Universities have to operate changes in the curricula (by consulting the economic partners), making the entrepreneurial competences a part of the all study programs. They also have to improve the practical placement policies, procedures, follow-up and pedagogical issues.

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