



ENTREPRENEURIAL AND CORPORATE HIGHER EDUCATION INSTITUTIONS: UKRAINIAN AND WORLD PRACTICE

O. Kuzmenko

Borys Grinchenko Kyiv University,
18/2, Vorovskogo Street, Kyiv 04053 Ukraine
olya-kuzmenko@mail.ru

Abstract. The article is devoted to the new mission and tasks of the higher education institutions in the knowledge-based society. It is actualized the necessity to arrange the interconnections between the educational institutions, state, society and business at the expense of the coordination of the universities' activity, local and regional needs and potential of the knowledge economy. It is analyzed the notion "entrepreneurial university" as the higher educational institution that gets the resources for its activities from different sources and takes an active part in cooperation with the industry. It is also observed the notion "corporate university" as the educational center in the structure of the company that ensures staff training and is the center of the entrepreneurial culture. There is also a short characteristic of the development of the entrepreneurial values in the Ukrainian educational space.

Keywords: entrepreneurship, corporate education, corporate university, business education.

The classical university, the main tasks of which are traditionally defined through Humboldt's education, research and culture, in the XXI c. feels the imbalance with its surrounding more and more. According to Burton Clark, it cannot be a success in the maintenance of the balance between social demands and own answers on them (2004, p. 199). The researchers conclude if the universities keep their traditional form they will turn out in the constant imbalance. Therefore, the new challenges stimulate the higher education institutions to the material changes that transform them in deferent new forms such as:

- centers of knowledge and innovations;
- education and expertise catalysts of the economical development on the local level;
- centers of the concentrated human capital – those talented people who can produce innovations;
- centers of the open exchanges of the knowledge, educators and experience etc.

The President of the Ukrainian Academy of Sciences Paton, Boris thinks that the interaction of the universities, scientific organizations and high technological enterprises should be oriented today to the forming and development of the innovational economic cluster for given region or field" (2011, p. 3). This idea is developed by different international associations, including European Union, that encourages cooperation in the triad "science – business – state" as the main resource of the renovation of the region and as the method of the overcoming the barriers on the way of its development in the state's measures. Different document proof this thesis. For example in "European Higher Education in the World" (2013), it is emphasized on the necessity of the balanced interaction between universities and business in order to satisfy different local and regional needs. In other European Commission's paper "Supporting growth and jobs – an agenda for the modernization of Europe's higher education systems" (2011, p. 8) it is distinguished such key tasks for all countries in the sphere of higher education:

- to stimulate the development of entrepreneurial, creative and innovational skills in all disciplines and in all three cycles;
- to strengthen the knowledge-transfer infrastructure of higher education institution and enhance their capacity to be engaged in start-ups and spin-offs;
- to encourage partnership and cooperation with business as a core activity of higher education institutions;
- to promote systematic involvement of higher education institution in the development of integrated local and regional development plans, and target regional support towards higher education-business cooperation.

One of the most popular scientific theories that substantiate the new role of the universities in the modern society is the theory of the *Triple Helix*. Its author – Professor Henry Etzkowitz (2008) has said that innovational development is realized through the dynamic of the relationship between university, industry and government both on the national and regional levels. The university in this model is the leader and mediator between state and business enterprises. The scientists note that university should not today narrow its tasks only to teaching and researching, they should begin to transfer the technologies into the industry. Therefore, the new academic task is the capitalization of the knowledge. According to the model of the Triple Helix preeminently the universities become new centers of the generation of the technologies and new forms of the entrepreneurship. One more their task should be to prepare the entrepreneurial leaders that can open their own firms in which the products and technologies will be commercialized and become useful for industry.

Taking into consideration all that was said it is the necessity to study such models of the higher education institutions that in present-day conditions are the most corresponding to the problems that are set by the society to higher education. The term “higher education institutions” encompasses all types of tertiary institutions, including applied science, institutes of technology, business schools, engineering schools, colleges of higher education, professional schools, polytechnics, academies (European Higher Education in the World, 2013, p. 2). So the aim of this article is to distinguish their missions and main tasks in the context of the modern conditions of the knowledge-based economy; to comprehend the specificity of the development of the entrepreneurial values in the national educational space.

It was found out that two models of the higher education institutions can be observed in the context of the entrepreneurship. The model of the entrepreneurial university is connected with those universities that want to be the active players on the market of the educational services. They transform their structure and gradually acquire the features of the corporations. In the model of the corporate universities, the educational centers are observed as those that were founded on the basis of the different business-structures. These corporate universities demonstrate that in the knowledge-base society the generation of the new knowledge stops being only academicians` activity. In both cases, entrepreneurship becomes the main distinctive features for these models. As Stevenson (2013) has said the “entrepreneurship” is the pursuit of opportunity beyond the resources you currently control.

The analysis of the papers has shown that the entrepreneurship in the universities began to form in Europe in the end of XX century because of the reduction of the state financing of the higher education; increase of the numbers of students and diversity of their requires; formation of the interconnections between higher education, local / regional needs and business. Therefore, it can be said that the appearance of the entrepreneurial universities has become the inquiry answer to these tendencies. First of all these universities increased the excess to the higher education giving different educational services and producing “useful knowledge” for all comers; they also began serving the interests of the external institutes and organization at the expense of both academics and students were becoming the entrepreneurs.

Estimating the activity of the entrepreneurial university we can said that it looks like “clever structure” that can react to its surroundings at the expense of the sensors that are monitoring the changes of the external parameters and has adaptive ability to interpret them ensuring the structural reaction. The entrepreneurial university can be identified through such criterion (Burton, 2004):

- an extended developmental periphery – professional and interdisciplinary project oriented scientific centers that are engaged in the supporting of the external connections on the university periphery;
- a strengthened steering core – as the service of the quick reaction that is producing structural answers;
- a diversified funding base that ensures real autonomy – it is achieved at the expense of the fact that the university stops being dependent on one source of financing (as usual on the state financing). Its new task is to find discretionary funds at the expense of increasing of the money inflow from the second source (scientific activities, grants and patents) and the third source (contracts with the commercial companies, local authorities, charitable funds, profit from the different educational services, tuition fees, denotations from the graduates etc.);
- a stimulated academic heartland. The basic university structural units are the bearers of the organization`s values, its entrepreneurial culture. In the entrepreneurial university they should enter into cooperation with the external surroundings and independently look for the sources of the profit;

- an entrepreneurial culture. The ideas and practice cooperate with each other and therefore cultural and symbolic sides of the university activities are especially important in the cultivating of the institutional identity and special reputation.

By way of example of the European entrepreneurial universities can be retraced how to change the classical comprehension of the idea of university and corresponding interpretation of its mission and main functions. So there is the idea of the “participated” university (the University of Twente, Netherland); the idea of the useful knowledge, strategic researches and knowledge transfer (the University of Strathclyde, Scotland and the Chalmers University of Technology, Sweden) etc. The mission of the entrepreneurial university can be distinguished as in the University of Warwick (Great Britain) – to serve the society at the expense of the giving of the educational services.

In Ukraine the confirmation of the entrepreneurial values in higher education only begins. The conservative of the native universities and unreadiness of the educators to make cardinal changes often prevent this process. Nevertheless, the leading Ukrainian universities are trying to act towards constrictive changes. For example, Taras Shevchenko National University of Kyiv has taken part in the “MERCURY” project that was called “Towards the model of the university of the entrepreneurial and research type in higher education system of Ukraine, Russia and Moldova”. The project was realized in the framework of the EU program TEMPUS-IV (2009-2012). Taras Shevchenko National University of Kyiv and 13 other participants (among them – universities, banks, committees, companies and agencies from Russia, Ukraine, German, Poland, Spain and Moldova) have created the Intellectual Property Management Offices and Offices of the International Research Collaboration (Androschuk et al., 2011, p. 34-43). One of their tasks has become fundraising, in other words, searching of money, human, material and informational resources (by requesting donations from individuals, business, charitable foundations, or governmental agencies) that organization cannot ensure itself and that are necessary for the realization of the certain project or its activity on the whole.

The discourse dedicated to the corporate university is connected with the educational centers based on the business enterprises. In the world practice the idea of such corporate universities has risen from the American business schools (mid. XX c.), that were the first ones which realize in full measures the pragmatic ideals of the practical oriented education. In 1955, the American company General Electric opened the first corporate university Crotonville one of the main tasks of which was the managers training. So we can make the conclusion that founding of the separate educational units in the structure of the business enterprise was caused by the necessity not only to react on the nowadays reality (as it was at business schools) but also to satisfy the needs of the perspective practice.

In 1961 McDonalds founded its own corporate University which was called Hamburger University. Its mission was interpreted through the dissemination of the company’s ideology in all countries that had this trade name. Nowadays there are 7 Hamburger Universities in the world. The active foundation of such corporate universities began at the end of the XX century, when they appeared in Disney, Coca-Cola, Motorola, Procter&Gamble, General Electric, Oracle, Toyota etc. Each university differed from others by its own distinctive features but all of them tried to find out the most perspective employees, to make them adherents of the corporate culture and to ensure their career. Nevertheless, it should be noted that the mission of the corporate universities does not come only to the employees’ training. It is provided for that corporate university should have influence on the competitive recovery of the company and help in the realization of its long-term strategy. Accordingly its main tasks are: to train the workers of all levels; to be the center of the innovation; to be the center of the entrepreneurial culture; to consolidate the staff’s experience and to ensure its spreading; to create the organization that are capable of self-education.

In Ukraine as Forbs has noted the corporate university – is still a metaphor which means only the complex of the educational programs and trainings for the employees (Isakova and Shkarpova, 2013). The most perspective educational centers that are trying to realize the idea of the corporate universities are such ones:

- PrivatUniversity, which was founded by Privat Bank in 2003. Its mission is to form open base of the effective native business-technologies for the Ukrainian business development;
- Career Development Program, which was founded in 2012 in the structure of the EPAM Systems – one of the biggest IT company with world name that specializes in the creating and development of the software and IT consulting. Besides the managers and average executives, the perspective students are involving to the educational program.

- Ernst & Young Business Academy was created in 1995 and oriented to giving the educational services for corporate universities of the leading companies in different segments of the market.
- Deloitte Academy, founded in 2011. Its mission – to help clients in solving the assigned task and achieving the results at the expense of the increasing of the professionalism, getting the necessary competence by both company employees and external clients.
- DTEK Academy (DTEC – the largest Energy company in Ukraine) founded in 2010 – is the single center of the knowledge system management at all production enterprises of the holding. Its mission is to train the managers of the middle and higher links in order to prepare 80 % of the leading managers in the company and only 20 % invite from outside.

Conclusion

Making conclusion it should be noted that the contribution of the higher education in the personal development of each student and overall job placement can be strengthened with the help of the strong and effective connections between education, research and business that include three sides of the knowledge triangle. Therefore, the future of the universities – is to become the net players in the structure of the economic cluster, the main task of which is to promote competitiveness of the company, field, region and country. The most suitable form for realization of these tasks is the models of the corporate and entrepreneurial university.

The analysis of the notion “entrepreneurial university” has shown that it can be understood as: the higher educational institution, that can find additional finance resources for ensuring of its activities; the university, that uses innovational methods in teaching-learning process; the institute of higher education that has got close connections with the industry. The notion “corporate university” means the educational center that provides company with the qualified staff in the long-term perspective and also serves as the mean of the forming and realization of the staff strategy of the company.

The mission of the modern university is to ensure the competitive recovery of the university or company; develop different branches of the industry; contribute to region’s and country’s modernization. Its main characteristics are: entrepreneurship; ensuring of the getting useful knowledge and competences; close connections between educational institution (which represent the unity of the science and education), business enterprise and region / state authorities which cause the forming of the clusters.

World practice can be very useful for those Ukrainian universities and companies which are trying to change their out-of-date strategy of the activity and become serving the society’s needs.

References

- Androschuk, G., Bodyul, T., Butnik-Siverskiy, A., Vieru, L., Guagash, P., Himenko, O. et al. (2011) *Research and Entrepreneurial University*, Kyiv: T.A.T. Grup.
- Burton, R.C. (2004) *Sustaining Change in Universities: Continuities in Case Studies and Concepts*, England: McGraw-Hill International.
- Etzkowitz, H. (2008) *Triple Helix. University-Industry-Government Innovation in Action*, London: Routledge.
- European Commission (2013) *Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. European Higher Education in the World*. Brussels.
- European Commission (2011) *Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. Supporting growth and jobs – an agenda for the modernisation of Europe's higher education systems*. Brussels.
- Isakova, D. and Shkarpova, E. (2013) Corporate university by Ukrainian - what is it. [online] *FORBES*, (4). Available at: <http://forbes.ua/magazine/forbes/1350316-chto-takoe-korporativnyj-universitet-po-ukrainski> [Accessed: 30th April 2014].
- Stevenson, H. (2013) *Entrepreneurship is a pursuit of an opportunity beyond the resources currently controlled*, Available at: <http://bigthink.com/videos/a-new-definition-of-entrepreneurship> [Accessed: 30th April 2014].