

# INTEGRATION OF ENTREPRENEURSHIP INTO HIGHER EDUCATION AS A PREMISE FOR YOUTH WELL-BEING IN LITHUANIA AND LATVIA

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## **Abstract**

The purpose of this article is to highlight the aspects of integration of entrepreneurship into higher education in Lithuania and Latvia. The promotion of youth entrepreneurship as a means of improving youth well-being in these countries has recently attracted increasing attention from scholars and policy makers. The integration of entrepreneurship into higher education is one of strategic pathways in the improvement of the quality of higher education and the promotion of youth effective participation in labour market. It is argued in the article that integration of entrepreneurship into higher education is supposed to be the factor of the development of Lithuania and Latvia's socio-economic situation. Models of youth's entrepreneurial competencies are highlighted theoretically and some empirical insights on which competencies students from Lithuanian and Latvian universities would like to have acquired are provided.

**Keywords:** *entrepreneurship, higher education, youth, well-being.*

## **Introduction**

The quality and relevance of higher education are inter-dependable with the demands of socio-economic context of a country or region. According to the Lisbon strategy for growth and employment, Europe needs to stimulate the entrepreneurial mindsets of young people, encourage innovative business start-ups, and foster a culture that is friendlier to entrepreneurship. The important role of higher education in promoting more entrepreneurial attitudes and behaviours is now widely recognised. So, on the one hand, higher education is supposed to be the factor of the development of socio-economic situation. On the other hand, the quality of higher education depends much on the demand for it and recognition from

the labour market and stakeholders. That means that the integration of entrepreneurship into higher education is one of strategic pathways in the improvement of the quality of higher education. The tendency reflects the EU priorities in general and is relevant for Baltic countries in particular.

The idea of the integration of entrepreneurship into higher education is especially relevant for Lithuania and Latvia that have similar historical background, transition period and traditions in higher education, and are currently seeking to re-arrange their educational systems. Transformation of society and industry in Lithuania and Latvia requires new approaches in higher education to prepare students for such transformations. Higher education must be at the core of society's response to these powerful forces. Social innovations and corresponding skills should be used in all sectors of education and training, because these skills are essential for global citizenship. In this article after a presentation of the connection between higher education and entrepreneurship some methods to improve it are provided.

Studies (Entrepreneurship in Latvia and Other Baltic States, 2013) show that since the beginning of economic recession in Lithuania and Latvia in 2008, the younger generation – i.e. those just leaving school and looking for their first real work experience have many difficulties. This is true in the short term because due to the lack of job options in their domain, students are forced to take jobs below their skill levels or be unemployed. This situation has also long-term repercussions, as an early period of joblessness can affect a person's earnings and employability for life. On the other hand, transformation of society, industry requires new approaches in higher education to prepare students thus ensuring the quality and well-being of their life.

The promotion of entrepreneurship in higher education as a means of improving youth well-being has recently attracted increasing attention from scholars. The literature on academic entrepreneurship (Peredo & Chrisman, 2006; Shaw & Carter, 2007; Alvord, 2015) has identified specific resources and capabilities associated with entrepreneurship development in higher education. These studies have provided classifications or lists of resources and capabilities that likely foster students' new venture creation and development. However, entrepreneurial opportunities in higher education are heterogeneous and as such may require unique sets of resources to be exploited. The article is sought to discuss the issues of higher education in Lithuania and Latvia with respect to integration of entrepreneurship.

**The aim of the present study** is to highlight the preconditions for the integration of entrepreneurship into higher education.

**The specific objectives of the article are:**

- 1) to discuss the context of higher education in Lithuania and Latvia with regards to youth entrepreneurship;
- 2) to highlight theoretically the concept of youth entrepreneurship in higher education and highlight the models of entrepreneurial competencies;
- 3) to disclose empirically the entrepreneurial competencies that students in non-business studies from Lithuanian and Latvian universities would like to acquire during the study process.

**The methods** used in the article are: analysis of scientific literature, analysis of empiric study data.

### **The context analysis of higher education in Lithuania and Latvia with regards to youth entrepreneurship**

EU's entrepreneurship strategy includes entrepreneurship education at all levels of education and job creation as a focus for action. High unemployment and lack of appropriate entrepreneurial skills as well as entrepreneurship education frustrate youth in Lithuania and Latvia. At least 30 percent of the unemployed in these countries are youth; the situation is particularly tough for young women looking for a job (<http://countryeconomy.com/unemployment/>). Young people face serious challenges in finding employment – not only because of the scarcity of jobs relative to the number of new entrants in the job market, but also because of their lack of appropriate education. The enrollment in higher education has decreased as well, and even this enrollment is not translated into higher employment rates and wages for young people. This is in part because Baltic educational system has been geared toward preparing students to serve in the public sector, which used to be – but is no longer – the primary employer of new graduates. Much of the material taught in universities has become obsolete, it odds with the demand for modern skills and critical thinking (Entrepreneurship in Education in Baltic Sea Region, 2015). Overhauling higher education system in Lithuania and Latvia is essential in order to prepare its young labor force for the country's evolving market economy, one that is adopting new technologies and increasingly connected to global financial and commercial networks.

Interest in the Lisbon strategy in Lithuania and Latvia has been demonstrated (Baltic countries participation in the European Union open method of co-ordination processes: impact assessment on public administration and public policy, 2014). Efforts to implement the Lisbon strategy are being made by universities and governance bodies. Some projects were started in various universities and faculties and aimed at implementing specific actions of the Lisbon strategy. Such efforts may lead to the forging of a system of equivalence between the current system and ECTS. Academic programmes rarely take into account the needs of the labour market as well as demands from students. Employers are rarely engaged with institutions on curricula development, placements for students in the entrepreneurial sector, and staff exchanges. Higher Education has concluded formal agreements to develop new programmes that meet the demands of major sectors in the economy, namely entrepreneurship. In technical faculties (Engineering, Science, etc.) some forms of cooperation between universities and industry exist resulting from consultation services offered by those faculties. The universities have established a large number of specialised centres in different fields to serve the community and enhance links with industry.

Against this background, cooperation between universities and entrepreneurial sector of economy rarely exist in Lithuania and Latvia. Particularly problematic is the recruitment of Baltic scientific and technological staff. The most talented are recruited into the corporate sector because of better remuneration packages. The rest are usually not sufficiently prepared for working as an entrepreneur. At the university level, in these countries the share of entrepreneurs is the lowest worldwide (Entrepreneurship in higher education, especially within non-business studies, 2010). Education in educational fields is expensive and requires scarce specialist expertise. The cooperation with the governmental and private sector as well as with international higher education institutions to provide high quality education at tertiary levels is to be sought.

One feature lacking in the higher education is the mobility between institutions within the Baltic countries. Although degrees and number of years are harmonised across institutions,

it is unusual to allow for students to change their university during the course of studies. Nevertheless mobility is available in post-graduate studies, so that any student from a Baltic university can register for a Master or Doctorate programme at any university in the Baltic countries. The goal is to prepare every student to be an added value to the European society. The strengths can be explained as follows: tradition of linkages between major industries and the knowledge infrastructure, and open, participative governance with mechanisms in place for cross-departmental coordination.

Opportunities for higher education improvement by the integration of entrepreneurship are aimed at involving the society at large. This aim is reached by the enabling objectives: to produce high quality graduates and strong research-based highly ranked academic institutions; to motivate stakeholders to continuously improve, modernise, and finance higher education institutions and their programmes; to enhance the creativity and innovation skills of younger generation to play a role in the development and management of the production and service sectors in line with the economic development plans; to create higher education institutions and programmes in a way that they are attractive for expatriates from neighbouring countries to come to study in the Baltic countries; to foster the use of technology and facilitate lifelong-learning; to develop to the highest possible level all branches of science.

### **Theoretical preconditions of the development of youth entrepreneurship in higher education**

Meeting the challenges of a transformation into a more sustainable social and economic model, is characterized by profound changes in the European society concerning the way people do business, develop cities and design their homes, but also the way people build and govern societies and their daily lives. The current generations of young people are at the heart of it, as they grow up and get educated in the society of new paradigms where, contrary to the situation their parents and grandparents faced, rapid population ageing is a reality and sustainability is at the top of the agenda, especially with rapid development of emerging economies. Entrepreneurship skills are important in order to meet these challenges in our rapidly changing world especially for young people, who have to be able to live successfully under these challenges.

In a broad sense, entrepreneurship should be considered as a general attitude that can be usefully applied in all working activities and in everyday life, such as creativity and innovation (Sarri & Trihopoulou 2010). Regarding entrepreneurship as an individual's ability, it means to turn ideas into action. It includes creativity, innovation and risk taking, as well as the ability to plan and manage projects in order to achieve objectives (Ronstad, 2015).

The article is based on the working definition provided by Gibb, Haskins, & Robertson (2013, p. 94): "Entrepreneurship in higher education is designed to empower staff and students to demonstrate enterprise, innovation and creativity in research, teaching and studying as well as pursuit use of knowledge across boundaries".

An obvious, and perhaps significant, benefit of entrepreneurship is that it creates employment for the young person who owns the business. This is especially the case in an economy subject to rationalization, change and restructuring. Many experts believe that this could bring back the alienated and marginalized youth into the economic mainstream (Curtain, 2000; White and Kenyon, 2000). There may also be a direct effect on employment if new young entrepreneurs hire fellow youth from the 'dole' queues (Curtain, 2000). In this way, entrepreneurship could help address some of the sociopsychological problems and delinquency that arise from joblessness.

Youth entrepreneurship also promotes innovation and resilience as it encourages young people to find new solutions, ideas and ways of doing things through experience based learning (OECD, 2001; White and Kenyon, 2000). In certain circumstances, young entrepreneurs may be particularly responsive to new economic opportunities and trends. This is especially important given the on-going globalization process. It is increasingly accepted that youth entrepreneurs can present alternatives to the organization of work, the transfer of technology, and a new perspective to the market (White and Kenyon, 2000).

Effective youth entrepreneurship education prepares young people to be responsible, enterprising individuals who become entrepreneurs or entrepreneurial thinkers and contribute to economic development and sustainable communities. The dominant view in the literature is that young people in Lithuania and Latvia have a negative attitude towards self-employment, especially in the informal sector (Dombrovsky & Ieva, 2005). It is generally argued that young Lithuanian and Latvian people prefer formal employment to self-employment because of the 'white collar' mentality that they acquire from school.

Alvord (2015) suggest that business start-up for pre-entrepreneur youth is likely to involve the following stages in higher education:

**The formative stage:** This relates to the various factors (including environmental) that influence the development of the desire to become an entrepreneur as well as attributes and attitudes that are highly correlated with entrepreneurial success. At this stage, it is important to encourage young people to acquire appropriate entrepreneurial skills, motivations, attitudes, attributes, behaviours, and values.

**The developmental stage:** This relates to the more specific learning and targeted skill development that will equip and prepare an individual to move to the start-up and launch of a business venture. These are learning skills and strategic skills. Learning skills relate to the willingness and ability of a person to acquire information, knowledge, and experience from the world around them that is relevant to their entrepreneurial success. On the other hand, strategic skills relate to how a person sees the world, envisions what is possible/desirable, and identifies entrepreneurial opportunities in the world around them.

**The start-up stage:** This refers to the specific skills that are relevant for a successful entrepreneur who is looking to advance an entrepreneurial venture to a period of growth and expansion. These are tactical skills for start-up. Tactical skills are important to conceptualizing a business, developing a business plan and establishing, launching, and operating a business. The start-up stage also requires access to credit or finance for youth entrepreneurs.

In the domain of entrepreneurship, previous research has studied models of competencies that are required for initiating and managing of new business. Onstenk (2003) maintains that proper entrepreneurial competencies are required to successfully start, operate and ensure the new business in the marketplace. From an educational perspective, scholars are primarily concerned with the development of individual-level competencies for entrepreneurship (Bird, 2002). So, the following question arises: what competencies for entrepreneurship should individuals be able to manifest when facing an entrepreneurial venture? More specifically, from educational and higher education perspectives, the question is: what competencies for entrepreneurship should universities address in their curricula for undergraduate and graduate programmes.

Recognizing that certain competencies are important for the entrepreneur to have, while others can be accessed or employed, these competencies can be divided into two categories (Henry, Hill, & Leitch, 2003):

- Competencies one should have: capacity to plan, communication, marketing, interpersonal, basic management, quantitative/analytical, personal effectiveness, team building and leadership.
- Competencies one can access/employ: specialized management talent, advanced planning, specialized marketing advice/services, record keeping, legal, accounting, research, technical, financial/financing, information management, and so on. Other needs relate to access to working capital; access to new technologies and equipment; and new product development and value addition.

Ronstad (2005) suggested a set of fourteen skills to be developed. Some of these skills included creativity, ambiguity, tolerance, opportunity identification and venture evaluation, career assessment, networking, etc. Bird (2002) distinguishes the following competencies required by entrepreneur: initiative, systematic planning, creativity and innovation, risk taking and risk management, problem solving, persistence, quality performance, information management, persuasion and influencing abilities. He points that entrepreneurs, who have networking and team building skills are more successful than entrepreneurs, who do not possess these skills. Hood, Young (1993) maintain that four primary areas must be developed for entrepreneurial success. These areas focus on content, skills, mentality and personality. By asking 100 leading entrepreneurs they found that content areas are those mainly addressed on business education, such as finance, marketing etc. The most important skills are leadership, human relations. Mentality factors include creativity, ambiguity, and vision. Personality traits refer to ability to work hard, be self-confident and responsible.

Man, Lau, & Chan (2002) identified a set of entrepreneurial competencies that includes *opportunity, relationship, conceptual, organizing, strategic, and commitment* competencies. The opportunity competencies are related to identifying, assessing and seeking market opportunities. The relationship competencies embrace the ability to build, keep and use networks with stakeholders. The conceptual competencies refer to creative thinking, innovative behaviour, assessment of risk etc. The organizing competencies are related to managerial functions such as planning, organizing, leading and controlling. The strategic competencies deal with setting, evaluating, and implementing strategies of a venture. The commitment competencies are the abilities that drive the entrepreneur to work hard and face the difficulties involved in sustaining the business.

Higher education institutions provide a distinct institutional incubator environment that likely influences the evolutionary path of competence development. While the identification and resolution of competencies are the central concern of researchers, the academic entrepreneurship process may be inhibited by a lack of business experience and commercial skills among academics (Alvord, 2015). This is compounded by possible conflicts of interest with other university tasks such as research and teaching (Mustar et al., 2006).

Therefore the model provided by Twaalfhoven, Suen, & Prats et al. (2001) is relevant for Lithuania and Latvia's higher education. Entrepreneurship is integrated into education sciences on three levels:

1. The "consulting" model, with the focus on establishing relationships with the local business community, whereby higher education institutions provide services for local business community.
2. The research-oriented model, with the focus on academic research, the creation of new ideas about entrepreneurship practices, and the development of new pedagogical tools.
3. The teaching/practice-oriented student development model, with a wide range of courses

for students, business plan competitions, internships, and strong connections with active business-people to encourage students to establish spin off and start-up firms.

Entrepreneurship is the art of to be able to turn ideas into action. This implies creativity, innovation, risk taking, and the competence to plan and manage projects in order to achieve proposed objectives. In this context some of the most important aspects are to be considered. First, the entrepreneurial spirit is universal, as it has been shown through the growth of interest in entrepreneurship around the world in the past few years and that newly created companies, and family businesses are job creators, support social innovation and economics. The second objective of entrepreneurial education is to assure that the potential workforce, i.e., people that do not intend to set up their own company, but work in businesses started by others, know entrepreneurial approaches. The third objective of entrepreneurial education is to prepare individuals for their future career as entrepreneurs by strengthening their entrepreneurial competencies and attitudes which are needed for managing new businesses successfully. Therefore integration of entrepreneurship in higher education in Lithuania and Latvia should have to be implemented in a systemic approach.

### **Students' opinion on entrepreneurial competencies in higher education in Lithuania and Latvia**

The empiric study guiding question is as follows: what is the Lithuanian and Latvian students' opinion on teaching of entrepreneurship in higher education? The exploratory type of the comparative study (Phillips, 2006) was applied within the present empirical study. The exploratory type of the comparative study aims to generate new hypotheses and questions. The exploratory methodology proceeds (Phillips, 2006):

- 'conceptualisation' in Phase 1,
- detailed description of educational phenomena in the countries to be investigated features in Phase 2,
- the data collection in Phase 3,
- explanation through the development of hypotheses in Phase 4,
- re-consideration of the initial questions and application of the findings to other situations in Phase 5.

The method of data collection was group discussion. Group discussion is identified as a critical conversation about a particular topic, or perhaps a range of topics, conducted in a group of a size that allows participation by all members (Rabinowitz, 2015). When the group numbers eight or more, a leader or facilitator, whether formal or informal, is almost always helpful in ensuring an effective discussion. A group discussion may not have a specific goal – many group discussions are just that: a group kicking around ideas on a particular topic (Rabinowitz, 2015).

The group discussion questionnaire included the following key questions:

- How do you understand the concept of entrepreneurship?
- How do you understand the concept of entrepreneurship with regards to the higher education?
- What entrepreneurial competences would be important for graduates in higher education (non-business studies) in order to start their ventures?
- How do you understand entrepreneurship with respect to life skill in today's changing world?
- How could entrepreneurship effect the well-being of your life?

The interpretive paradigm was used in the empirical study. The interpretive paradigm aims to understand other cultures, from the inside through the use of ethnographic methods such as informal interviewing and participant observation, and establishment of ethically sound relationships (Henry et al. 2003). The interpretive paradigm creates an environment for the development of any individual and helps them to develop their potential (Lūka, 2008). The core of this paradigm is human experience, people's mutual everyday interaction that tends to understand the subjectivity of human experience (Lūka, 2007). The paradigm is aimed at understanding people's activity, how a certain activity is exposed in a certain environment, time, conditions, i.e., how it is exposed in a certain socio-cultural context (Lūka, 2007). Thus, the interpretive paradigm is oriented towards one's conscious activity, and it is future-oriented. Interpretive paradigm is characterized by the researcher's practical interest in the research question. The researcher is the interpreter.

After the answers were received the content analysis has been carried out. Informants' answers of a similar meaning were combined to so-called categories. In other words, similar opinions were joined under a generalized label. After the qualitative research procedure there appeared possibility to calculate the frequencies of categories that show the distribution of separate opinions in the objective population. Such a calculation empowered to find out dominating and uncommon opinions.

The present empirical study involved 32 students (Non-business study programme) from two universities in Lithuania (N=14) and Latvia (N=18). Students' cultural and educational experience emphasized the significance of each student's opinion on research question (Luka, Ludborza, Maslo, 2009) within the present empirical study. It should be noted that opinion is determined as individual's view based on awareness and attitudes (Lūka, 2007, 104). The group of research participants (field of study and work, etc.) was considered to be homogeneous.

Having generalized informants' answers the following tendencies were disclosed (see Table 1).

**Table 1.** Group discussion results

Question	Lithuania	Latvia
1. How do you understand the concept of entrepreneurship?	Capacity to start own business (12) Earning money and making profit of any activity (11) Career challenges (8) Ability to manage a new venture (8) Personal competitiveness on the labour market (5) Creating personal financing security (5)	Capacity to start own business (18) Capacity to generate ideas for new ventures (16) Capacity to make profit (16) Ability to respond to change (10) Capacity to make personal career changes (7)
2. How do you understand entrepreneurship higher education?	Starting new venture (non-profit or for-profit) (14) Managing social enterprises (12) Tackling some social issue (7) Advance in career (6) Project-based activity (6)	Starting new venture (for profit or non-profit) (18) Project activity (17) Providing services for community (12) Recognition of social problems and tackling them (11)



Continued Table 1

3. What entrepreneurial competences would be important for graduates of higher education (non-business studies) in order to start their ventures?	<p>Strategic competency (13):</p> <ul style="list-style-type: none"> <li>• Vision setting</li> <li>• Goal setting</li> </ul> <p>Conceptual competency (10):</p> <ul style="list-style-type: none"> <li>• Self-efficacy</li> <li>• Strong initiative</li> <li>• Motivation</li> <li>• Ambition</li> </ul> <p>Organizing competency(10):</p> <ul style="list-style-type: none"> <li>• Planning and organizing</li> <li>• Problem solving and decision making</li> <li>• Examining and assessing</li> <li>• Principles of business</li> <li>• Financial management</li> </ul> <p>Commitment competency (8):</p> <ul style="list-style-type: none"> <li>• Ability to work hard</li> <li>• Willingness to take risks</li> </ul> <p>Opportunity competency (8):</p> <ul style="list-style-type: none"> <li>• Marketing</li> <li>• Establishing client-customer relationship</li> </ul> <p>Relationship competency (7):</p> <ul style="list-style-type: none"> <li>• Networking</li> <li>• Ability to initiate collaborations</li> <li>• Ability to negotiate with competitors</li> </ul>	<p>Strategic competency (18):</p> <ul style="list-style-type: none"> <li>• Develop vision and strategy, plan ahead, set goals and standards, sell ideas</li> </ul> <p>Commitment competency (17):</p> <ul style="list-style-type: none"> <li>• Strong motivation to compete</li> <li>• Capacity to make an impact</li> </ul> <p>Conceptual competency (15):</p> <ul style="list-style-type: none"> <li>• Address complex situations</li> <li>• Decision making</li> <li>• Ability to be analytical, weigh risks</li> </ul> <p>Opportunity competency (12):</p> <ul style="list-style-type: none"> <li>• Ability to capture opportunity</li> <li>• Ability to identify and satisfy client's needs</li> </ul> <p>Relationship competency (11):</p> <ul style="list-style-type: none"> <li>• Good interpersonal and communicational skills</li> <li>• Ability to influence others</li> <li>• Ability to work with various stakeholders</li> </ul> <p>Organizing competency (9):</p> <ul style="list-style-type: none"> <li>• Ability to direct, lead, delegate, motivate, plan and schedule work, develop program, prepare budget</li> <li>• Ability to lead, coordinate, control, monitor, and organize internal and external resources of the business such as finance and human resources</li> </ul>
4. How do you understand entrepreneurship with respect to life skill in today's changing world?	<ul style="list-style-type: none"> <li>• New ways of thinking (12)</li> <li>• New ways of working (11)</li> <li>• Critical thinking, problem solving, decision making (10)</li> <li>• Teamwork (9)</li> </ul>	<ul style="list-style-type: none"> <li>• Creativity and innovation (18)</li> <li>• Learning to learn (16)</li> <li>• Effective communication (15)</li> <li>• Collaboration (teamwork) (10)</li> </ul>
5. How could entrepreneurship effect the well-being of your life?	<ul style="list-style-type: none"> <li>• ICT literacy (12)</li> <li>• Tools for working (10)</li> <li>• Ability to live in any country of the world (8)</li> <li>• Personal and social responsibility (5)</li> </ul>	<ul style="list-style-type: none"> <li>• Ability to use information and communications (10) technology literacy</li> <li>• Life and career (9)</li> <li>• Cultural awareness and competence (4)</li> </ul>

Both Lithuanian and Latvian students understand the concept of entrepreneurship, its importance in nowadays world. The study participants emphasized that entrepreneurship is first of all about starting new venture and developing personal business. Entrepreneurship, according to the informants' mind, is needed for career goals and changes in career path. The Lithuanian and Latvian students pointed that entrepreneurship is related to financial income and profit.

Both Lithuanian and Latvian students would like to get more information about entrepreneurship in the field of entrepreneurship in general. Nevertheless, informants stressed

that in Lithuania and Latvia there are a lot of opportunities to start own venture. However, the study participants stressed that they lack knowledge on how to establish organisation (for profit or non-profit and what is the difference between them), how to manage its activity. Therefore the respondents wished to have consultations with business development experts on the issues of establishment of organisation, budget management, administration etc. Moreover, the students expressed the demand for project management competences.

The competencies listed by the study participants were structured according to classification of entrepreneurial competencies provided by Man et al. (2002).

The study participants both from Lithuania and Latvia gave the priority to Strategic competency. According to informants, vision setting skill is vital for entrepreneurs, who are going to start their own venture. Vision helps to start business and motivates to set specific goals.

The study participants from Lithuania gave the second place to Conceptual competency. Students pointed that self-efficacy as a person's belief in their own ability and task-specific self-confidence is of a major importance for future entrepreneurs that will help them to set more difficult goals, take negative feedback more positively etc. According to the study participants, entrepreneurs should possess strong initiative, be motivated and ambitious. While the Latvian participants mentioned Commitment competency. To their mind, entrepreneurs must have strong motivation to compete with others and make an impact and provide support.

According to the students from Lithuania Organizing competency is the third in a list of most important entrepreneurial competencies. Students emphasized that organizing competences are the core competencies for entrepreneurs. These are the abilities to plan and manage business, to solve problems and take decisions, to control, assess the results and provide feedback on them as well as to manage the budget and resources. Successful entrepreneurs can work methodically and effectively allocate time and resources. Successful entrepreneurs are knowledgeable in assessing financing needs, determining risks, and identifying sources of capital. They are competent at accounting and money management, managing cash flows and preparing estimated and projected balance sheets. Research participants from Latvia gave priority to Conceptual competency. These entrepreneurs are often very confident in their capabilities to perform well and enjoy seeking out new opportunities. Ambitious entrepreneurs are motivated, persistent, and persevere even in the face of difficult challenges. These entrepreneurs are patient and persistent, passionate and driven. They embrace new challenges while striving to exceed set expectations and standards.

Commitment competency was emphasized by the Lithuanian students at the fourth place. Successful entrepreneurs are competent in both executing strategies that promote their products and establishing client/customer relationships. Successful entrepreneurs are well versed in risk management and can take into account legal considerations. They manage uncertainty by mitigating rates, protecting intellectual property, and determining liabilities. They stay apprised of business laws and regulations, and determine ways to protect themselves against loss. Latvian students distinguished Opportunity competency, which relates to the ability to recognize opportunity, ability to capture opportunity, ability to identify customers' needs.

Lithuanian students named some skills that belong to Opportunity competency. In their opinion, entrepreneurs need skills to analyse market tendencies, offers and demands, focus on clients' needs and satisfy them. Both Lithuanian and Latvian respondents mentioned Relationship competency. To their mind, entrepreneurs with strong networking skills are

perceived as trustworthy, can negotiate with competitors, establish business connections with partners, and identify mutual goals. Latvian students named Organizing competency as well. To be successful, entrepreneurs must understand the basic principles of business.

Research participants demonstrated high interest in the issue of entrepreneurship. Both Lithuanian and Latvian students expressed a certain need for more information about entrepreneurship in general and start-up in particular. Informants stressed that they would like to learn more about the opportunities to start own ventures (no matter for-profit or non-profit). Therefore during the study process they would like to acquire competencies that are important for starting their own business. The most valuable important competencies – Strategic, Conceptual, Commitment competencies, etc. – were mentioned both in Lithuania and Latvia.

Both Lithuanian and Latvian students pointed that they could learn to set up their own businesses if they can test their ideas in an educational, supportive environment. However, entrepreneurship competence is relevant not only for those who would like to start/carry up a business but for all who would like to support changes in individual, collective, economic and social environments. Therefore students both from Lithuania and Latvia noted that entrepreneurship is an important tool for effective life in today's world. In the opinion of the study participants, young people with entrepreneurship skills are more likely to set up their own companies. In order to equip students with necessary entrepreneurship skills education programmes should offer students the tools to be creative, to solve problems efficiently, to analyse a business idea objectively, and to communicate, cooperate, lead, develop and evaluate projects. One of the best options for making such improvements in higher education is to build partnerships, from education institutions, and private sector to train teachers and engage the expertise of practitioners and local networks also for improving the curriculum and entrepreneurship learning. One of the important factors with a long positive impact of entrepreneurship education is the engagement from the community and cooperation of many involved actors.

### Conclusions

- The idea of the integration of entrepreneurship into higher education is especially relevant for Lithuania and Latvia that have similar historical background, transition period and traditions in higher education, and are currently seeking to re-arrange their educational systems. Moreover, the process of rapid economic convergence of the EU countries forces the HE in these countries to be competitive not only on local market but on international market as well. That means that universities in Lithuania and Latvia have to re-think their models of the preparation of the graduates, as well as of organising the study process and research work.
- Opportunities for higher education improvement by the integration of entrepreneurship are aimed at involving the society at large. This aim is reached by the enabling objectives: to produce high quality graduates and strong research-based highly ranked academic institutions; to motivate stakeholders to continuously improve, modernise, and finance higher education institutions and their programmes; to enhance the creativity and innovation skills of younger generation to play a role in the development and management of the production and service sectors in line with the economic development plans; to create higher education institutions and programmes in a way that they are attractive for expatriates from neighbouring countries to come to study in the Baltic countries; to foster the use of technology, and facilitate lifelong-learning; to develop to the highest possible level all branches of science sciences.

- From an educational perspective, scholars are primarily concerned with the development of individual-level competencies for entrepreneurship. The following question from educational and higher education perspectives has been formulated: what competencies for entrepreneurship should universities address in their curricula for graduate programmes specifically in Educational sciences. Competence-based education can be designed to promote entrepreneurial activity among university students. However, while the identification and resolution of competencies are the central concern of researchers, the academic entrepreneurship process may be inhibited by a lack of business experience and commercial skills among academics. The integration of entrepreneurship in higher education in Lithuania and Latvia should have to be implemented in a systemic approach.
- Empiric study participants demonstrated high interested in the issue of entrepreneurship. Both Lithuanian and Latvian students expressed a certain need for more information about entrepreneurship in general and social entrepreneurship in particular. Informants stressed that they would like to learn more about the opportunities to start own ventures (no matter for-profit or non-profit) in the field of education. Therefore during the study process they would like to acquire competencies that are important for starting their own business. The most valuable important competencies – Strategic, Conceptual, Commitment competencies, etc. – were mentioned both in Lithuania and in Latvia.
- Both Lithuanian and Latvian students pointed that they could learn to set up their own businesses if they can test their ideas in an educational, supportive environment. However, entrepreneurship competence is relevant not only for those who would like to start/carry up a business but for all who would like to support changes in individual, collective, economic and social environments. Therefore students both from Lithuania and Latvia noted that entrepreneurship is an important tool for effective life in today's world.

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## INTEGRATION OF ENTREPRENEURSHIP INTO HIGHER EDUCATION AS A PREMISE FOR YOUTH WELL-BEING IN LITHUANIA AND LATVIA

### Summary

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The promotion of entrepreneurship in higher education as a means of improving youth well-being has recently attracted increasing attention from scholars. The literature on academic entrepreneurship (Peredo & Chrisman, 2006; Shaw & Carter, 2007; Alvord, 2015) has identified specific resources and capabilities associated with entrepreneurship development in higher education. These studies have provided classifications or lists of resources and capabilities that likely foster students' new venture creation and development. However, entrepreneurial opportunities in higher education are heterogeneous and as such may require unique sets of resources to be exploited.

The purpose of this article is to highlight the aspects of integration of entrepreneurship into higher education in Lithuania and Latvia. The idea of the integration of entrepreneurship into higher education is especially relevant for Lithuania and Latvia that have similar historical background, transition period and traditions in higher education, and are currently seeking to re-arrange their educational systems.

Transformation of society and industry in Lithuania and Latvia requires new approaches in higher education to prepare students for such transformations. Higher education must be at the core of society's response to these powerful forces. Social innovations and corresponding skills should be used in all sectors of education and training, because these skills are essential for global citizenship. The article is sought to discuss the issues of higher education in Lithuania and Latvia with respect to integration of entrepreneurship.

The aim of the present study is to highlight the preconditions for the integration of entrepreneurship into higher education.

The specific objectives of the article are:

- 1) to discuss the context of higher education in Lithuania and Latvia with regards to youth entrepreneurship;
- 2) to highlight theoretically the concept of youth entrepreneurship in higher education and highlight the models of entrepreneurial competencies;
- 3) to disclose empirically the entrepreneurial competencies that students in non-business studies from Lithuanian and Latvian universities would like to acquire during the study process.

The methods used in the article are: analysis of scientific literature, analysis of empiric study data.

In this article after a presentation of the connection between higher education and entrepreneurship some methods to improve it are provided.

From an educational perspective, scholars are primarily concerned with the development of individual-level competencies for entrepreneurship. The following question from educational and higher education perspectives has been formulated: what competencies for entrepreneurship should universities address in their curricula for graduate programmes specifically in Educational sciences. Competence-based education can be designed to promote entrepreneurial activity among university students. However, while the identification and resolution of competencies are the central concern of researchers, the academic entrepreneurship process may be inhibited by a lack of business experience and commercial skills among academics. The integration of entrepreneurship in higher education in Lithuania and Latvia should have to be implemented in a systemic approach.

Empiric study participants demonstrated high interested in the issue of entrepreneurship. Both Lithuanian and Latvian students expressed a certain need for more information about entrepreneurship in general and social entrepreneurship in particular. Informants stressed that they would like to learn more about the opportunities to start own ventures (no matter for-profit or non-profit) in the field of education. Therefore during the study process they would like to acquire competencies that are important for starting their own business. The most valuable important competencies – Strategic, Conceptual, Commitment competencies, etc. – were mentioned both in Lithuania and in Latvia.

Both Lithuanian and Latvian students pointed that they could learn to set up their own businesses if they can test their ideas in an educational, supportive environment. However, entrepreneurship competence is relevant not only for those who would like to start/carry up a business but for all who would like to support changes in individual, collective, economic and social environments. Therefore students both from Lithuania and Latvia noted that entrepreneurship is an important tool for effective life in today's world.

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