Quality of entrepreneurship education as a key factor in youth business development

Calidad de la educación empresarial como un factor clave en el desarrollo juvenil en negocios

Galina KOSHARNAYA 1; Ludmila ORLOVA 2; Elena DANILLOVA 3; Ekaterina SHCHANINA 4; Natalya KORZH 5

Received: 26/03/2018 • Approved: 10/05/2018

Contents
1. Introduction
2. Literature review
3. Discussion and conclusion
4. The study findings
Bibliographic references

ABSTRACT:
The article presents scientific findings aimed at identifying mutual influence of business education and youth entrepreneurship as a crucial component of the economic and social system. It emphasizes the importance of youth entrepreneurship for the formation and development of effective regional innovation systems; it is related to identification of focal areas in modern education for fundamentals of entrepreneurship as a basic component of youth education and orientation in the market economy environment and the development of business culture of the population are updated.

Keywords: business education, youth entrepreneurship, innovative ventures, start-up, small innovative enterprises

RESUMEN:
El artículo presenta hallazgos científicos destinados a identificar la influencia mutua de la educación empresarial y el emprendimiento juvenil como un componente crucial del sistema económico y social. Enfatiza la importancia del emprendimiento juvenil para la formación y desarrollo de sistemas efectivos de innovación regional; se relaciona con la identificación de áreas focales en la educación moderna para los fundamentos del emprendimiento como un componente básico de la educación y orientación de los jóvenes en el entorno de la economía de mercado y se actualiza el desarrollo de la cultura empresarial de la población.

Palabras clave educación empresarial, emprendimiento juvenil, emprendimientos innovadores, puesta en marcha, pequeñas empresas innovadoras

1. Introduction
To date, the study of youth entrepreneurship from the standpoint of innovation (modernization) concept is of particular interest, since it is youth who are a social group that is the most dynamic, receptive to change and prone to risk, and also has innovative capacity and creativity.
The interest of society and its individual institutions (in particular, of higher education) in youth entrepreneurship is associated with several reasons. First, youth entrepreneurship builds up leaders with a high level of social responsibility highly demanded by society. Second, for the educational system oriented toward a ‘mass, average, theoretical’ personality (which is promoted by national educational standards), a modern system of practical individual development is needed with a focus on a high level of freedom of choice and intellectual mobility, as well as on practical implementation of knowledge, which requires individual development systems. Third, it is not only professional competence that is required by society, but also multivariate professional development that assumes ‘professional multipolarity’ of an individual.

Thus, youth entrepreneurship is a promising trend in the development of a university academic work, as well as a professionalization sphere for students and completion of competences that are in demand in the labor market. In this situation, two objectives are taking on particular importance: to provide conditions and means for preparing students for possible entrepreneurial activity and to increase the preparation level as much as possible. The need for training young people for entrepreneurial activity is flagrant today. Possession of knowledge and ways of performing entrepreneurial functions contribute to improving graduates’ competitiveness in the labor market, to ensuring readiness to start their own business, rather than just being employed as wage earners. Development of youth readiness for adaptation to ever-changing economic and social environments, acquisition of relevant economic and legal expertise and knowledge for this purpose along with the development of personal qualities necessary for entrepreneurial activity is one of the compelling social needs.

Goal of the research: to identify to what extent college graduates are focused on starting their own business, how they evaluate the received occupational education in terms of its relevance for entrepreneurial activity.

Objectives: to consider the problems the youth entrepreneurship development is facing, to assess the role of education and professional competence as factors that either contribute to or impede starting a business, to show the pivotal role of higher educational institutions in the development of youth entrepreneurship.

Scientific novelty: specific features of youth business education have been identified; subjects of modern business education (the government and educational institutions with different status) and its forms have been singled out (comprehensive education in schools, colleges and higher institutions, training in specialized business schools, further education and qualification courses).

Research hypothesis: for future and emergent entrepreneurs with insignificant social and labor experience, there are problems of practical incompetence for treading a new unusual ground and a lack of knowledge and information in terms of independent entrepreneurial activity.

Most of the interviewed entrepreneurs are assumed to have higher education, but their business area is often inconsistent with the education received with reference to the specifics of the regional labor market.

2. Literature review

In recent years, there has been an upsurge in the interest of researchers in the phenomenon of youth entrepreneurship, as well as in the analysis of the young entrepreneur personality and of regional specific features and prospects for the entrepreneurial activity development.

viewed in various aspects: as part of a system of continuous socioeconomic or additional occupational education; the culture of youth entrepreneurship is presented in the works of R. I. Malikov, A. G. Komarov, S. Yu. Bogdanova (2014). In the paper by E. M. Akulich (2000), business education is reported to be also an integral part of general secondary education and an essential factor for successful integration of youth into society.

2.1. Research methodology
The study aimed at assessing the factors affecting the youth entrepreneurship development was conducted:
- based on analysis of various entrepreneurial activity aspects throughout Russia (the legislative framework for business development, analysis of problem situations of youth entrepreneurship in business education, identification of focal areas in modern education for fundamentals of entrepreneurship, special aspects of youth entrepreneurship in the context of improving the efficiency of innovation);
- based on secondary analysis of earlier sociological research on the declared subject.

2.2. Research findings
The results of a survey conducted by the All-Russian Public Opinion Research Center (VTsIOM) show that “the desire to become an entrepreneur is more often found in students, whereas it disappears over the years. Young people do not fear the problems of business development in Russia as they are prone to risk and tend to engage in business activity more often than the older generation. Interestingly, 67 % of the Russian youth planning to start businesses fall within the 18-24 age range. Yet, once the student period is over, this desire fades. According to VTsIOM data for 2013, 23 % of Russians manifest the desire to start a business. The wish to set up a business is peculiar first of all to the residents of medium-sized cities – 32 % and to young people aged 18 to 24 years – 46 %.

The largest increase in entrepreneurial activity was observed among young people aged 25 to 34; the index of their entrepreneurial activity was 14.6 % in 2016 (compared to 10.7 % in 2013 and 9.8 % in 2014).

The share of young people aged 18 to 24 in early entrepreneurship was 16.9 %. This indicator value increased compared to 2014 (12.5 %), but significantly decreased compared to 2013 (21.6 %). In 2016 in Russia, the highest entrepreneurial activity is found in academically trained respondents. In 2016, the share of academically trained respondents changed little, if at all, in comparison with the indicators of 2014 and amounted to 39.2 % and 43.9 %, respectively. In 2016, Russia had a world lead in the education index (VTsIOM, 2018).

Numerous sociological surveys suggest that more than half of graduates would like to be self-employed, rather than to work for hire. Thus, in particular, the results of a questionnaire survey among 548 graduates of general and elementary vocational education establishments indicate that the overwhelming majority of young people – 79 % – commit their future to entrepreneurial activity. At the same time, 52 % dream of becoming private business owners, and 27 % would opt for being employed by such businesses. At the same time, graduates value their preparedness for entrepreneurial activity at quite a low rate – at the level of 14 % and 17 %, respectively. The survey has also found that in schools that do not provide such training, students would like to receive it (Bobritskaya et al., 2017).

In this situation, two objectives are of particular importance: to provide conditions and means for preparing students for possible entrepreneurial activity and to upgrade their qualification in these terms as much as possible.

The annual outflow of goal-oriented youth from Russia in 2015 alone amounted to 357,535 people aged 20 to 24; there is no effective infrastructure operation to support and develop youth entrepreneurship; the information support of youth entrepreneurship is insufficient; there is a lack of knowledge and fundamentals of entrepreneurship; there is no sufficient level of intellectual property protection (the Concept, 2018).
Against this background, the surge in interest in entrepreneurship education is quite natural. Life continuously raises questions about who entrepreneurs are, what they should do and what competencies they should possess in order to be successful. According to a survey conducted in 2013 within the framework of the Global Competitiveness Report, 79% of the entrepreneurs surveyed deemed it necessary to develop and implement special programs for entrepreneurship education in formal instruction in colleges and universities. According to the Global University Entrepreneurial Spirit Students Survey (GUESSS) project conducted in 2013-2014, over 30% of Russian students stated a willingness to prioritize their instructional time with various courses and programs on entrepreneurship (Rubin, 2014).

On an annual basis, the research team of the Siberian Institute of Management, a branch of the Russian Presidential Academy of National Economy and Public Administration, conducts research on problems of the youth entrepreneurship development in Novosibirsk. In 2014, a high level of potential entrepreneurial activity was found in young people – 78.6%. However, they were facing an inadequate level of proficiency and knowledge – 88%. Young people felt the need to learn the fundamentals of entrepreneurship – 35% and business planning – 53%.

The Russian national study GUESSS 2013/14 covered 4,578 students from major universities. The study showed that 65% of the graduates wanted to become entrepreneurs.

The students put a lack of experience in business first, which probably reflects the theoretical bias of education, the lack of opportunity to participate in some entrepreneurial projects in the period of training. The students identified the lack of entrepreneurial education – 48.2% as the crucial factor hindering the formation of entrepreneurial intentions (GUESSS, 2018).

Based on an expert survey conducted in the Penza Region, entrepreneurs distinguished professional knowledge (30.5%) among the factors that positively influenced the formation and development of their entrepreneurial activities. According to the survey, two-fifths of the independent entrepreneurs (40.7%) believed they needed to be well-trained in order to make their lives successful (Kosharnaya et al., 2008).

The results of pilot testing carried out at the premises of a secondary general school in Yoshkar-Ola have shown positive dynamics in the formedness level of students’ readiness for entrepreneurial activity.

The elective course ‘Fundamentals of Entrepreneurial Activity’ was developed and tested in the educational process for the students of the 9th grades. The course was designed to help students acquire present expertise, knowledge and skills in entrepreneurship at the stage of pre-profile training.

While this course was taught, an improvement in the adolescents’ embracement of this activity area was noted. The number of affirmative answers to the question “Will business knowledge and skills prove useful in your future life?” increased from 30.0% to 78.0%. The direct question of the questionnaire “Has the course you studied factored into your decision when choosing the subject orientation?” was answered by 54.5% of the students to indicate a certain degree of the course influence on their professional identity (Uskov, 2007).

This experiment has shown that it is children who should become the object of entrepreneurial education. However, due to the fact that most parents have never been engaged in entrepreneurship themselves, they may educate children in a completely different paradigm implanting values that would contravene with entrepreneurship. Therefore, it is necessary to create an artificial business environment in re-socialization institutions. These are, first of all, social educational institutions, such as secondary schools, specialized secondary and higher educational establishments. Only communication with people who have an entrepreneurial view of various aspects of life will help a person to consciously and voluntarily choose the path of entrepreneurship.

In 2017, at the premises of Ogarev Mordovia State University, a research of young people’s entrepreneurial attitudes was conducted. Two focus groups of 32 students were organized. When asked “Are courses or programs for entrepreneurship education necessary?”, the
respondents displayed a lack of knowledge in entrepreneurship and the need to gain it. They were ready to attend supplementary courses and business schools. At the same time, the study participants placed high demands on the level and quality of the knowledge transmitted, since business activity is associated with risk. Any error may yield losses. The entrepreneurship course, according to the respondents, needs to be taught in all areas of training, since entrepreneurial competencies are essential for any professional regardless of the kind and scope of the occupational self-fulfillment. When asked “Can universities become an environment for promotion of entrepreneurship?”, the focus group participants gave the following answers: “Yes, they definitely can”, “Everything is already there, but there is poor communication outreach. Universities should become the main platform for the development of youth entrepreneurship.”

The scarcity of knowledge does not allow one to consider youth entrepreneurship as a sphere of professional self-fulfillment. The respondents attributed the presence of high risk in entrepreneurial activity to the lack of knowledge in such areas as: financial management, legal coverage of organizations, market forecasting and research, fiscal legislation, business accounting and audit.

Thus, the focus groups respondents have arrived at a consensus. Universities should become the main platform for the development of entrepreneurship among young people.

What can a university do to develop student entrepreneurship? With all the existing problems, the problem of involving students in entrepreneurship could and should be solved. This is evidenced by the experience of the Penza State University of Architecture and Construction, where senior students majoring in various subjects are taught specialized courses ‘Fundamentals of Entrepreneurship’, ‘Business Theory’, ‘Career Technology’, whereby the students master the theoretical foundations of entrepreneurial activity. For students majoring in economics, a practical module of an intensive specialty introductory course system has been developed and introduced for many years already. It includes training and defense of term thesis ‘My Career’, practical business training ‘Career Technology’, development and use of professional curriculum vitae to obtain employment. In addition, for many years as part of the Institute of Economics and Management, there is self-governing Institute of Student Leaders where more than 20 student firms fulfill their potential within the Business Administration, Business Management, Management in Science, Management in Culture and other faculties (Reznik & Igoshina, 2010).

Universities play a major role in the development of youth entrepreneurship. With a large amount of information, universities direct their efforts towards creation and development of innovative technologies. The role of universities in the development of human capital cannot be overestimated. University activities promote the development of culture, technology and society.

According to the law ‘On Education in the Russian Federation’, higher educational institutions should become a platform for innovative development of society. Expertise of future professionals should be formed using innovative project methods of education and upbringing. Innovation in this case is inextricably linked with the process of entrepreneurial activity, that is, introduction of something new to improve the quality of life in society. The need for innovative project training methods is also outlined in the Concept of Social and Economic Development of the Russian Federation until 2030.

Carrying out this activity, one can talk about such socially significant results as: development of project-oriented thinking in young people, of project management skills, and of project culture in the student community; increased social responsibility, activity and creativity of youth. In turn, the synergistic effect will be to form a professional approach to the activities of the younger generation in terms of youth entrepreneurship.

Today, the diversity of cooperation forms between universities and business has been actually reduced to two standard tools: establishment of specialized departments and efforts to secure R&D orders under commercial agreements. Currently, they turn out to be becoming a setback to university innovation. Thus, it is through specialized departments that large companies engage human resources that yet have to be rerecorded, for which reason society can lose potential innovative entrepreneurs. In turn, a commercial agreement
also has its risks and limitations: the customer receives a product that is not ‘refined’ and is not introduced by the developer, while the contractor does not have the opportunity to fully commercialize their competencies and intellectual property.

The Federal Law No. 217-FZ, adopted in August 2009, allowed state-financed scientific and educational establishments to create business entities – small innovative enterprises (SIEs) – in their institutional structure. SIE establishment by universities is a new mechanism that will enable universities to reach a new level of innovation support. A number of amendments adopted in 2013 provided an impetus to the SIE development in Russian universities.

Improvement in the situation with SIEs, implementation of the ‘5-100 Project’ (a competitive growth of Russian universities among the major global research and educational centers), establishment of a flagship universities network create great opportunities for invigorating young people’s innovative activities in universities. However, as of today, the issue of entrepreneurship is relevant both at the national and regional level; in this situation, the essential task of development is assigned to young people, since it is the younger generation that has grown up in new realities and perceives entrepreneurial activity as the basis for material prosperity and professional growth. Not least important is the fact that the youth community is characterized by a high degree of openness to changes; it is easily accustomed to new conditions and distinguished by creativity and innovative thinking. Yet, entrepreneurial ability is not limited to the energy of entrepreneurial activity; it is bound to be complemented by education, experience, knowledge, skills and abilities, as well as propensity for self-organization. It is for such creative young people who dream of their own businesses that the education aimed at launching one’s own start-up is of the main interest.

According to the results of a survey conducted in 2011 by the Innovation and Technology Center of the Belgorod State Technological University named after V. G. Shukhov (7,570 students and postgraduate students were covered by the survey), 68 % of the respondents would like to start their own business. At the same time, 82 % of them admitted a lack of knowledge and skills in innovative entrepreneurship and expressed a wish to gain those (Shapovalov et al., 2014).

In the course of a survey conducted in the Republic of Mordovia in 2015, the respondents had to estimate success and failure factors in the development of youth entrepreneurship. 150 young self-employed entrepreneurs aged 18 to 35 were interviewed. Among the respondents, the majority had university degree (75 %) or even an academic distinction (3 %). The education component is important; thus, according to the respondents, successful business activity largely depends on education (68 %) and its quality (78 %). The major failure factor in youth entrepreneurial activity was a low quality of education.

In this regard, the respondents’ point of view regarding the dependence of a successful career on education and its quality is of interest. More than half of the respondents (68 %) believe that there is a direct relationship between a successful career and education, while more than half of the respondents (78 %) note a correlation between a successful career and the quality of education (professional competence) (Shubina, 2017). The findings show that the quality component of education, from the perspective of the majority of respondents, is of great importance in professional activity.

There is a need to develop the education component, in particular, to give training courses on entrepreneurship not only within the framework of the existing curricula, but also to introduce these courses into the educational process at the level of the general curriculum at higher and specialized secondary educational establishments. This process will not only improve the general level of culture in the student community, but will also interest and motivate young people to engage in entrepreneurial activities, as well as impart essential entrepreneurial competencies in young people.

Studying youth environment and youth entrepreneurship, the following problems can be also noted: practical incompetence of future and emergent entrepreneurs in a new unfamiliar activity and a lack of knowledge and business information in the field of independent entrepreneurial activity.

These issues of youth entrepreneurship result from the lack of an effective system of business education for young people in the Russian society and of information and advisory services.
services for young entrepreneurs (Orlova, 2009).

In different regions, various government programs aimed at entrepreneurship education are used. At the same time, presently, there is no integral, clear, transparent, and logically structured system of entrepreneurial education in Russia. Universities and colleges are not adequately involved in entrepreneurship education, although many colleges are called business colleges. The main reason is the absence of framework entrepreneurship educational programs and entrepreneurship educational standards.

In addition, to address these problems of the entrepreneurial education development, it is proposed to consider the model ‘Startup as a Graduation Project’ to be introduced into the higher education system. Following the introduction of the ‘Startup as a Graduation Project’ approach into higher education, students would be given the opportunity to develop their own businesses in the process of training without any detriment to the core education. An increase in the number and quality of educational programs for entrepreneurs and development of motivation and interest in entrepreneurial careers among young people can have a positive impact on the creation of a favorable entrepreneurial ecosystem.

3. Discussion and conclusion

A special place in the popularization of entrepreneurship is held by the educational system that should not only ensure development of entrepreneurial skills in business managers, but also introduce practice-oriented courses in entrepreneurship and business in secondary and higher education.

The system of entrepreneurship education should obviously be continuous. This is the first thing that Russia is lacking, and in comparison with Anglo-Saxon countries, Russia’s radical departure lies in a diversity of forms and modules of entrepreneurial education there, in various kinds of activities, including games – from business games to competitions among children. Usually, within the framework of university entrepreneurship courses in Russia, training focuses on the formation of competences that, in B. Johannisson’s terms (Johannisson, 1991), can be defined as ‘know how’ and to some extent ‘know who’. Students are taught how to draft a business plan, to choose a form of legal entity’s incorporation, to maintain accounting records, etc., and somewhat of how to present themselves and their ideas. This normally provides a certain repertoire of knowledge but does not form competencies required to start and operate a business. To some extent, this state of affairs is related to the fact that today’s entrepreneurship terms of reference are included in the educational standard for management, while management rather stands for the skills to manage an already existing business.

Much less attention is paid by most universities to the development of teamwork skills, the establishment of communications between start-ups and business angel investors, start-ups and mentors, that is, to providing favorable conditions for these properly drafted business plans not to remain ink on paper.

In turn, G. Yu. Vlasov (Vlasov, 2011) in his paper ‘The Development of Youth Entrepreneurship at the Present Stage’ addresses major obstacles that hinder the development of business processes, introduces programs and activities aimed at supporting youth entrepreneurship, and proposes a number of measures to promote entrepreneurship in the youth environment, to select the most talented youth, to organize their training and to support the implementation of promising business projects at initial stages. G. Yu. Vlasov regards “popularization of entrepreneurial activity among young people, mass involvement of young people in entrepreneurial activity, selection of young people who have the propensity for business activities, as well as delivering specialized training to impart business operations skills to young people” as primary objectives of the youth entrepreneurship development.

Z. M. Dylnova (Dylnova, 2011) in her article ‘Youth Segment of Entrepreneurship in Contemporary Russia: Situation and Prospects’ analyzes contemporary youth entrepreneurship in Russia and the problems it faces; she notes that “since it is on today’s youth that it is contingent what entrepreneurship will be in 10 years, it is necessary to drive
In this regard, the scholar notes that “...reorientation of the national, including youth, policy in the development of small and medium-sized businesses, is essential... it is necessary to shift away from the fixation on the approval of Western civilizational standards, replacing them with priorities for using and promoting entrepreneurial activity traditions congruent with the national Russian mentality.”

Realizing the need for knowledge acquisition in the field of entrepreneurship, one must constantly strive for its extension and renewal and for one’s own personality development, whereas the system of entrepreneurship education is to help therein. It is continuous business education that contributes to the improvement and development of man already included in social production, with the aim of his timely adjustment to the constantly changing environment.

4. The study findings

Summarizing the above, one can draw the following conclusions in terms of the influence of business education on the development of youth entrepreneurship: first, it is important to refine students’ understanding of the opportunity to become entrepreneurs, to foster a considerable interest in entrepreneurship in them and, second, to teach them the fundamentals of business operations, which presupposes the presence of knowledge components in the training module, but most importantly, to develop the skills and competencies required for a start-up.

The basic hypotheses suggested in the study have been confirmed. The quality of entrepreneurship education in Russian universities is a pressing issue of the youth entrepreneurship development.

Measures to develop the system of modern business education for young people should be:

1. Formation of a full-fledged legislative framework aimed at developing business education and an occupational guidance system for young people;
2. Adoption of a comprehensive program for basic business education for young people, including innovative entrepreneurship, within the framework of priority national project ‘Education’;
3. Implementation of educational and training programs in schools, colleges and universities aiming to constructing the identity of an entrepreneur with an appropriate range of personal qualities (introduction of electives for studying the fundamentals of entrepreneurial activity and legal literacy in the framework of the existing curricula, creating platforms at the premises of an educational institution where potential entrepreneurs would be able to hone the acquired skills);
4. Providing economic conditions that would encourage the involvement of business in educational processes for young people to gain hands-on work experience and the professional knowledge required.

The major purpose of entrepreneurial activity development is to introduce young people to the entrepreneurial culture. It is the cultural component that is fundamental to building a successful career.

It is essential to involve young people in entrepreneurship, since youth entrepreneurship is a factor in the national economic advancement.

Contributorship

Lyudmila Viktorovna Orlova: development of the research program and organization of the research, data collection, analysis of the research findings and preparation of the material for publication.

Galina Borisovna Kosharnaya: search for analytics in domestic and foreign sources, drawing conclusions, writing and finalizing the article.

[Name]: initiation of the research, shaping the theoretical and methodological background to
the research, writing the article.

Bibliographic references


1. Penza State University
2. Samara State Technical University, orlovalv313@mail.ru
3. Penza State University, danilova31@gmail.com
4. Penza State University, shchanina@mail.ru
5. Penza State University, natalya.korzh@mail.ru