

ENTREPRENEURIAL MANAGEMENT AS A KEY FACTOR OF SUCCESSFUL EDUCATION

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Abstract: *Entrepreneurship is a complex phenomenon, which is difficult to define and that is an integral part of human is. Entrepreneurship as a mode of governance, but also as a specific form of organizing its own business can be well applied in educational institutions. Entrepreneurship in education implies the possibility of organizing the educational systems in the private sector. Management has important role in entrepreneurship. For the entrepreneurial-oriented educational organization is vital that entrepreneurs must have managerial skills related to design, construction, maintenance, and managing educational institution, and on the other managers have entrepreneurial skills and capacity for innovation and risk taking.*

Keywords: *entrepreneurship, management, education, organization, management*

1. INTRODUCTION

There are many information about entrepreneurship and entrepreneurs. "After 200 years of serious thought on entrepreneurship, there is no doubt that we have a lot of knowledge that is both reliable and valuable, regarding the fact how it works."¹

However, practice shows that this is a very complex phenomenon, which is difficult to define. Regardless of the ambiguity and different aspects under which entrepreneurship can be defined, it can be said that this is activity, that makes one or more persons bringing innovations and thus raise the value of the organization by creating opportunities to increase or create new economic values.

2. THE CONCEPTUALIZATION OF ENTREPRENEURSHIP

The main companion of entrepreneurship and entrepreneurs is innovation and willingness to risk. Thus, entrepreneurship involves the introduction of permanent innovations in some

¹ Colling E., and Devanna M.: „The New Portable MBA“, John Wiley, 1994.

spheres of economy and society. Accordingly, entrepreneurship is related to life with a permanent change and includes the following five elements:

- Individuality
- Action
- Innovation
- The entrepreneurial organization,
- The risk

In recent years, there is the term social entrepreneurship, which leads to the previous definition, as well as key elements of private enterprise. In this context, the private and public enterprise is different, according to Herlan and Tetzsch, which can be seen from the following table:

Individual Entrepreneurship	Social Entrepreneurship
Individual Innovation and opportunity Action Readiness to risk	Participant-Agent, network-team Innovations create opportunities Process Minimizing the risk and uncertainty

The table shows that social entrepreneurship involves much more dynamic and process-oriented perspective. While in individual entrepreneurship in the forefront is an individual, the social entrepreneurship is the main generator agent, or the network, powered by a change or innovation, innovation that create chances. It is clear that the social entrepreneurship is a process, while the individual entrepreneurship is venture, i.e. action. Thus, individual entrepreneurship is presented as the dominant myth of society starter that includes "entrepreneurial heroes and industrial lazybones." In relation to the risk in individual entrepreneurship and entrepreneurs, there is a high level of willingness to risk-taking in investment, while in social entrepreneurship there is a general tendency to minimize uncertainty and risk, the famous theoretician of social entrepreneurship Reich said, "If we need in today's world to compete effectively, we need to start to celebrate social entrepreneurship, where the whole effort is greater than the sum of the individual contributions. We need to appreciate more our team, our aggressive leaders, and less genius".

However, precise analysis shows either left or the right side is not true, but then again, they not wrong either. Both can be true or false at the same time, only in different context. If there are differences, they are relating to the independent entrepreneur and social entrepreneur in terms of the role of observation in the network of their local communities. So we made a distinction between the conceptualization of potential innovation in the form of new "baits" in the local community and attempt to convert the potential of innovation into entrepreneurship.

3. TRANSFORMATION OF ENTREPRENEURSHIP IN MANAGEMENT

For understanding of entrepreneurship and entrepreneurial development, in general to some organizations it is very important to point out the relationship between entrepreneurship and management. Immediately it should be noted that the phenomenon of entrepreneurship as an integral part of human as a biological being. In fact, human as a biological being is never satisfied with what has, and what it has achieved. Human always wants something more,

something new that would fully and more effectively meet its ever-growing needs and wants. This natural characteristic of humans is particularly pronounced within entrepreneurs who are always looking to increase performance and that are never satisfied with achieved. The emergence and development of entrepreneurship indicates the emergence and development of commodity production and exchange of goods in the market. Of that stage of social development efforts of entrepreneurs to constantly enhance and improve the production of material goods in their workshops is present. Historical facts indicate that the focus and success of entrepreneurs to increase the volume of production imposes the necessity to engage entrepreneurs and members of his family to jointly participate in the performance of production and exchange of goods in the market.

In this context, an entrepreneur can establish a school, college, or university using its own funds. In order to conduct business, entrepreneur includes family members or other professionals (teachers, assistants, administration, etc.), which hires to help him to perform certain duties and tasks related to the execution of the content or operation of educational institutions. He is forced to make a unique breakdown of the work process in several phases and functions, so the joint performance of the educational process could be able to assign to each participant a specific phase or function that should be done. Only in this way is possible the successfully implement the curriculum, adopted by an entrepreneur, with the help of its leased experts in certain fields. An entrepreneur here becomes and remains the primary and most important function of entrepreneurship. In a meditative construction of joint work, the contractor must determine which stage and function of the technological process will assign to individual participants in carrying out of joint work. In addition, he needs every individual to instruct how, when, and where they will perform their assigned functions and thus provide a harmonious performance of all functions smoothly, with less work performed, but with the achievement of greater satisfaction of the users of educational services. Of course, the entrepreneur must also control the manner of performing certain tasks, such as lectures, exercises, testing; recording the results achieved, and so on.

However, an entrepreneur is like any other man, limited in all its dimensions, and consequently in the possibility of organizing and controlling the performance of certain tasks and business. This further indicates that an entrepreneur can successfully organize and control joint work of certain groups of people. Life experiences, which were confirmed in practice, indicate that this group may have a dozen people, and this is confirmed by contemporary sociological studies point out that the primary group can have up to 12 members.

Expressed desire of entrepreneurs to increase its effectiveness and to increase the capacity of educational institutions inevitably causes to hire more faculty and administration as well as professional services. Nevertheless, the hiring of people to perform specific functions inevitably causes the entrepreneur to work together in the organization to introduce new high quality procedures. He actually has some of its functions delegated to another professional individual who will lead them to the ideas of entrepreneur.

When an entrepreneur delegates its functions to a participant in the performance of working together, it really begins with the introduction of a new quality in the organization of educational institutions. This means the introduction of new quality of management functions. Thus, the function performed by the entrepreneur in the new situation is transformed into a function of education institution managing.

At each new stage of development of society is increasingly intensifying the introduction of management functions or more entrepreneurs' functions delegate to the managers. In this way, entrepreneurship is broken down into two different quality processes, management process and managing process. Such entrepreneurship breakdown leads to the performance

of education and other activities set up three separate work process, which in theory of organization represent as administration, management, and execution.²

A number of special characteristics that differ from each other manifest each of the three processes. However, processes deserve special attention relating delegating management functions to the holders of positions of leadership for the simple reason that these processes indicate a change in the organization of quality of educational institutions and the general quality of the completely new concept of social development.

The intensity of delegating management functions to manage means quality innovations in organizing and functioning of management. Management functions, as a rule, are related to the ownership or dominant carrier status, and leadership functions are mainly related to the mercenaries who are trained for the professional conduct of organization and control of working together.

Depersonalization of capital leads to a new system of organizing quality educational institutions, which is the reflex of business organizations. This new quality in the organization is primarily manifested in the increasing transmission of increasingly complex and important functions in the management of professional experts who have gained competence attending business schools, and checked that in the practice of education institutions managing. In the mid of twentieth century, this process takes on such proportions that professional management takes on a quality new development phase represented in modern communications as management. Therefore, the previous owner who was an entrepreneur and served as dean, principal, director of the institute, or other educational institutions in modern education has transformed to dean professional who specializes in the management of educational activities and educational institutions of different types and organizational forms.

Professional management in the modern education increasingly takes control functions to control bodies (council, school board, board of directors, etc.) and usually only approve the proposals of management decisions made by management. In this way, professional management takes the most important functions of the organization and manages educational institutions, which integrate all elements of the educational process and put the responsibility of professionals, which is the intention of the holistic concept of organization and management based on this technology.

4. ENTREPRENEURIAL EDUCATION MANAGEMENT

Modern civilization is characterized by a high level of competitiveness, which has greatly affected the education market. Such a situation is dictated by the development of different modalities and strategies to achieve competitive goals, particularly in developing of so-called alternative education through the introduction of private educational institutions. Thus created and established competition and "struggle" for each student or student's condition and constitution conceptualize the quality of new ways of organizing and functioning of educational institutions, as well as special and specific organizational system.

In parallel with the natural law of instinct for life, initiating and forcing people to increase the engagement of their potential to increase their power in order to stay competitive and maintain a position to achieve their goals. Thus, the established social relations in modern civilization affect the further condition the disintegration of society and constitution of the two main groups of people, which the rich and the poor.

² Vucenovic V.: „Licni sistem rukovodjenja“, Zelnid, Beograd, 2001

The intense stratification of society in their midst brings new quality types and models of organization in all spheres, including in the sphere of education, as a specific service that takes all the elements of market relations. These high-quality new types of organization demonstrate increasing efficiency and effectiveness, and success in achieving the goals, thus increasing competition diversified in all types of competition of individuals and communities.

Conceptualizing sources and foundations of construction of the quality of new species and modes of organization and management, above all, are manifested primarily and bind to the dynamics of scientific research primarily components and characteristics of self-organization as the most perfected product of natural organization. It is shown that self-organization establish effective balance with the environment, adapting rapidly. This ability is unique to living beings, as the type of self-organization. Therefore, greater knowledge of the functioning of self-organization methods and their application in organizational and educational systems would improve their performance, which would be chained and transferred to other subsystems of national communities.

Thus, scientific knowledge acquired about the components and quality characteristics of self-organization as the most perfected organized structures with quality landmarks become and remain the most important and most effective tools for increasing people's efficiency. Therefore, in the modern scientific and expert discussion emphasizes that science is the best tool people build in its relatively long genesis. However, the use of science as the primary and the high quality tools causing that the one who wish to use the tools is forced to studies and acquire knowledge about scientific developments and possibilities in the organization and management, and to use such knowledge in practical use. This is natural, because it shows that only knowledge, which has its practical application, has value for dealing with all kinds of conscious action.

Training people to use scientific knowledge for practical purposes of organization and management of education systems is conditioned by intensive expansion of professionalism in all types of conscious activities, including at a managerial activity that is becoming more dominant in the overall social development. Intensive expansion of professionalism express conditional application of the principle of interdependence in conceptualizing and constitution of business and other organizational systems, the concept of holistic organizations in the intellectual sphere, such as education.³

As society develops, so fully expresses knowledge that in the natural and social order there is no educational structure as a whole, or educational institution that is self-sufficient. Of course, each organized structure in this and all types and models of self-organization, must establish connections and relationships with its milieu that belongs as an integral part thereof. This finding is of particular importance for the successful organization of diverse and growing number of educational and other organizational systems.

In the social development of countries in transition, as in Serbia the holders of management functions, as a rule, owners or rulers i.e. leaders of the ruling political party. It is useful to point out the simple reason that holders of management positions in the field of education to make management decisions that establish goals and ways of their implementation in business and education systems. However, for the successful adoption of management decisions in modern civilization, it is necessary and inevitably, to use the science as the highest quality tool people have.

Basic characteristics of spreading professionalism in education, leading to a series of commitments to control management functions that are delegated to professional managers

³ Lazarevic M.: „Holisticko sistemski koncept u organizovanju obrazovnih sistema i mogucnost primene u Srbiji“, doktorska disertacija, FORKUP, Novi Sad, 2011

who take the organization and management of educational institutions on their behalf. In this way, they take professional responsibility for the performance of the schools and other institutions. Thus, professional managers gradually assume more and more complex management functions, and in the process took over and making management decisions, the administrative, or other school boards accepted them formal than real.

When professional managers take over making management decisions, they really take on characteristics of entrepreneurs in their original form, since make and ensure the implementation of management decisions. This is a new quality, as in the classical or traditional mode of decision-making function was located on the governing bodies, and their performance as directors, deans, rectors, etc. Everyone did its part of the work, but the responsibility was different. Those who were making strategic decisions were not responsible, or their responsibility was disproportionate to authorities. On the other side are directors and deans who have had more responsibility than authority. Daily practice of management in Serbia, particularly in the public sector, that for the numerous irregularities, including damages caused in the public sector, in the sphere of education the management bodies have never been responsible, or even prosecuted, which brought, or given consent to certain decisions of management, is the best proof for it. Therefore, in general, we can say this is obvious quasi-managing, which is a good reason to unite both parts of the management process, decision-making and performance, in one body, such as management.⁴

All this shows that management is taking on a new development phase in which the organization takes the real totality of educational organization and as such in contemporary literature increasingly presents itself as an entrepreneurial management.

5. ENTREPRENEURIAL ENTERPRISING IS THE KEY FACTOR OF THE SUCCESS OF EDUCATION

It has already been stated that the professionalization is the need for of management in all spheres of human activity, even in the sphere of education. It is estimated that twenty-first century will be marked by entrepreneurship, far more than the management marked the second half of the twentieth century. The above statement indicates a large number of entrepreneurial organizations from all spheres of life and work, even when it comes to the sphere of education.⁵

Therefore, in modern conditions it is impossible to be competitive and successful, if the management and execution of the professionalized at the highest level. In other words, all entities of the organization, in this case teachers and professors, assistants, and administration, as well as students must be competent, which is logical because a one educational institution is made of employees and students. Hence, the efforts of schools or universities to reach students who have the highest average from elementary and secondary schools, because it is a prerequisite for achieving top results.

However, to professionalism as a contemporary phenomenon, should add one more alpha plus, which is entrepreneurship. It can be looked from the standpoint of different subjects of educational institutions, i.e. the director, dean, administration, students, and so on. However,

⁴ Lazarevic Petrovic S.: "Novi izazovi menadzmenta u obrazovnim sistemima i implikacije na Srbiju", doktorska disertacija, FORKUP, Novi Sad, 2008

⁵ Paunovic M.: „Preduzetnistvo“, Braca Karic Fakultet za menadzment, Beograd, 2001

enterprise management in the sphere of educational institutions multiplies the ability to perform high-quality educational activities.

The entrepreneurship in organizational and educational systems should include the ability of individuals, teams and organizations to respond in certain circumstances, their own actions and activities, without waiting for an order or instruction from higher levels. Entrepreneurial management creates entrepreneurial organization that is completely different from traditional organizations and creates an environment in which entrepreneurial ventures and the resulting actions arising. "Enterprise organizations are facing outward structures, in this case users of educational services, a hierarchy is reduced in comparison to the classic that is typically designed for a hierarchical model according to the army model, directed by the general manager, and so on."⁶

It is shown that enterprise in education institutions involves a willingness to take risks and deal with uncertainties. The one who wants action is considered entrepreneurial, who is thoughtful and believe in its ideas. Educational institutions are generally in the public sector, which have a high likelihood of being slow, cumbersome, and inert to changes and the introduction of innovations. Therefore, entrepreneurial management has to act according to the laws and other legal frameworks, and more in keeping with the spirit of the law. Because of the simple reason that no legal framework may specify all the solutions, and even this is possible, it would be inefficient for the micro or macro level of a system. That is why there is a management to establish control in the conditions of occurrence of non-systematic, which means unpredictable problems.

The basis of any entrepreneurial venture is innovation and risk associated with it. Generally, it is shown that educational institutions largely retained an outdated way of doing business and often is enslaved to stereotypes. In this context, innovation is a prerequisite of success, because success creates though it for a third time, to introduce not only new technologies but also organizational innovations. It turns out that organizational innovations are neglected, or marginalized, and that technical innovation in education is given great importance. It must be borne in mind that each technology, especially innovation that comes from the sphere of information technology is radically changing the design of educational organizations. If after technological innovation an organizational innovation is not established, it cannot express its potentials, i.e. its capacity utilization is endangered.

Every innovation, including those carried out in education is a risky and uncertain, as any innovation is problematic in terms of its acceptability. The risk of innovation and entrepreneurial ventures is reduced, if the users of educational services accept the innovation. Otherwise, the uncertainty of technological and organizational innovation is increasing. Hence, the need for entrepreneurial management to have an additional attention and answer the question how will the new way of working, organizing the educational process is going to be accepted by the pupils, students, and so on.

This indicates that the professionalism enhanced by entrepreneurship is the key factor of success of educational institutions. Enterprise is built through entrepreneurial organization in which all subjects of the educational process must act in accordance with the situation and created problem, instead of waiting for instructions and instructions on how to solve a problem. Bearing this in mind, people today learn entrepreneurship at the business schools, because it is clear that an entrepreneur needs to have management skills, and that management has to be enterprising and thoughtful man of action. Finally, it should continue to encourage innovative activities and providing assistance, training and consultancy

⁶ Colling E, and Devanna M.: „The New Portabl MBA“, 1994

services for managers and owners of small businesses in order to improve the method of entering foreign markets.⁷

6. RESUME

Entrepreneurship as a mode of governance, but also as a specific form of organizing its own business can be well applied in educational settings. This conclusion is logical; because it shows that tertiary sector generally follows the practice of industrial and manufacturing sector and accept their strengths and practices. This led to the conclusion that the managerial revolution marked the previous century, and that the entrepreneurial revolution will mark the twenty-first century.

Entrepreneurship in education implies the possibility of organizing the educational systems in the private sector where entire families are included, i.e. their members in a partner relationship. Therefore, they are ready to join labor and capital, to be at risk when it comes to the sphere of education and thus to realize the mission that they set when making investment decisions in the sphere of education.

In this context, more people from families educate to manage its own capital, i.e. the capital of alliance partners. This is a new quality, since the managerial revolution educated people to manage other people's property and capital, whether public or shareholder assets. It is clear that organizations that operate on the principles of entrepreneurship show a higher level of performance than those owned by state, or even a joint stock company managed by hired managers.

For the entrepreneurial-oriented educational organization is vital that entrepreneurs must have managerial skills related to design, construction, maintenance, and managing educational institution, and on the other managers have entrepreneurial skills and capacity for innovation and risk taking. From this, we conclude that entrepreneurship and management are not mutually contradictory, but complementary phenomena, which are mutually supportive.

From the above we can conclude that the entrepreneurial enterprise is the key factor in the success of education. Therefore, increased attention is given to this component; a curriculum for educating future managers and entrepreneurs in the field of education is constantly supplemented with new challenges. Particularly important significance is given to the ability of risk management and investments in the field of education.

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