# Entrepreneurship in the Educational Field. Modernization of Romanian Education by Professionalizing the Function of Director

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#### Abstract

The paper investigates entrepreneurship in the educational management system, its ability to correlate educational objectives and the goals of the education system with community objectives, in order to overcome the potential of the organization as a process, by capitalizing on community opportunities and meeting society's educational needs.

The paper also analyzes the management system and its implications in the organization and management of a pre-university education institution, the ability to cope with changes in the economic, social and technological environment. For the elaboration of the article, we investigated, through exploration, the educational management, in correlation with the modern management systems and methods in order to increase the effectiveness of the management activity of a pre-university educational institution.

**Key words**: management, director, managerial strategies, entrepreneurship **J.E.L. classification**: M12, M21

#### 1. Introduction

The usefulness of a community-based educational institution is an important criterion for assessing its performance in the society in which it operates. Community development is directly influenced by the professional training of young people, which form the labor market supply on the labor market and the size of entrepreneurship in the area. By capitalizing on the most important resource of an organization, HUMAN RESOURCE, educational institutions bring added value to a region. The Regional Action Plan for Education (PRAI) and the Local Action Plan for Education (PLAI) present the strategic lines that ensure the correlation of the offer of vocational and technical education with the needs of socio-economic development at regional and local level, respectively. Deriving from the two strategies, the School Action Plan (SAP) must ensure the effectiveness of the institution, as a provider of training and its integration into the community. Document prepared by the director, as manager, the PAS reflects the management style, the type of management and the organizational culture of the institution. The director, who through creativity and innovation promotes the success of an educational institution, carries out a managerial activity closer to the entrepreneurial activity, and the entrepreneurial character is reflected in the organization's mission, vision and managerial strategy (PAS of the organization). In the activities of planning, organizing, coordinating and training the staff, the director uses concepts, notions specific to the field of management necessary in the elaboration and interpretation of documents, in the activities carried out to achieve the established objectives and implement strategies managerial. Professionalization of the position of director, being a necessity for the future and effectiveness of Romanian education.

The manager has the function of managing the business, a key function when companies do not operate efficiently (Leibenstein, H., 1979). The manager oversees the combination of resources in the production process, coordinates and trains people to increase business efficiency by reducing costs and develops the company's prestige. Studies show that the entrepreneur can be defined as the person who, alone or in association, assumes the risk of starting and running a business or the

person who, through innovation and creativity, promotes the success of the company he belongs to. There are scientists who study, define and explain entrepreneurship as a process or as a result "create new economic activities or new organizations" (Reynolds, 2005), and scientists who direct their study to the individual, who has the ability to identify and exploit opportunities (Casson,1982); by taking risks (Schumpeter,1934). Most authors in the field of entrepreneurship, through research, seek to explain the "heart" of entrepreneurship (Stevenson, 1985) the "strength" (Bays, 1988) of entrepreneurship or the "spirit" of entrepreneurship (Abdnor, 1988), each trying to discover the most sensitive features and foundation of the concept qualitatively.

Practice has shown that there are principals, who identify with the mission of the organization, who are "the heart and strength of that school", who develop organizational cultures, recognized over time by society, principals who add value to the educational process and success of the educational institution. As are schools that influence the growth of business in the field at the community level through the professional training of young people. All cities with strong companies in a field have high schools and vocational schools, universities recognized in that field forming those communities, called clusters. Sometimes the school's relations with economic agents in the community are close, based on identifying the needs of companies for the development of young people's professional skills through professional training. Through these relationships, the economic agents ensure the development of professional training courses, involve the training of students, recruit and hire graduates from among them. Is it necessary for the director of the educational institution to have knowledge in the field of management, for the elaboration of SMART objectives and efficient activities, for the superior capitalization of human, material, informational resources, depending on the potential of the organization? The answer is yes because the educational institution is an organization that plans, organizes, conducts activities and leads people. It has achievable goals, limited resources and operates in a more or less friendly external environment. Knowledge of human resources and field of activity will allow the director to ensure the training of all staff, and the values and principles promoted will influence the work climate, organizational culture and results of the institution.

#### 2. Literature review

The managerial system includes four subsystems: organizational, informational, decisional and methodological, which through complexity and importance develop into systems (Nicolescu, 1996). For any institution / company, the organizational system ensures the combination and operation of work processes in order to achieve the established objectives. It operates with two concepts: the formal organization, which is reflected by the Regulation of organization and functioning of the organization, organization chart and job description, respectively the informal organization represented by formal groups, relationships and leaders. The role of the organization is to rethink the combination of work processes, depending on several criteria (technological, personnel, efficiency), in tasks, duties, activities, functions in order to be assigned to jobs, functions and work compartments. It is essential to rigorously establish organizational relationships, hierarchical levels and hierarchical weights, for the construction of an optimal organizational structure. In the entrepreneurial vision, the organizational structures are flexible, so as to change in accordance with the dynamic objectives of the company and the type of management implemented, to capitalize on a higher level of internal human, material, financial and information resources and opportunities from the external environment.

The information system, in the current context, encompasses a growing component, namely the computer system, which ensures the collection, processing and storage of information electronically. The management of the information system ensures the efficient use of the elements of the information system: data, information, information circuit, information flow, procedures and means of information processing, contributing to the substantiation, establishment and realization of managerial decisions, respectively organizational objectives. The information system supports the managerial system in identifying opportunities and avoiding risks generated by the external or internal environment, influencing the efficiency of the organization.

The decision-makingsystem consists of the set of decisions adopted by a company, namely the mechanisms for substantiating, adopting and applying them. The decision-making process is

complex comprising a succession of stages. The decision-making system differs from manager to entrepreneur through creativity and innovation. In exercising the processes and managerial relations within the company, the manager uses methods, techniques and procedures, all of which form the **Managerial methodological system**. Its role is to provide logistical support for the exercise of management relationships and processes, the division of management activity, and the development of the potential of management and execution staff.

Among the management systems and methods presented by the specialized studies are:

- Management by objectives;
- Project management;
- Product management;
- Management through budgets;
- Management by exceptions;
- Participatory management.

Each management system has advantages and disadvantages, the choice of a system to implement it within an organization depends on several factors, including: the professional training of the manager, his skills and character, the company's vision and strategy adopted. Depending on the type of management used in decision-making and their implementation, different methods and techniques specific to management are used: diagnostic method, meeting method, delegation, dashboard and methods for stimulating human resources creativity. The specialized literature presents in detail the methods listed above, and in practice there are successful companies that implement them. There are questions related to the implementation of management methods and the effectiveness of an educational institution. What is the best management method in running a school? Can the managerial activity of the director have an entrepreneurial component?

### 3. Research methodology

The descriptive and applied empirical research aimed at the management of pre-university education institutions in carrying out educational activities, respectively the management implications on the evolution of school relations with the community, students' results and the development of an organizational culture. At the same time, the study aims to identify the need to professionalize the position of director for the modernization of Romanian education. Methods used in the research were: comparative method, analysis, synthesis, qualitative, descriptive and applied analysis and case study.

## 4. Findings

Management by objectives a management model that can be implemented in school organizations. Drucker recognizes the individual roles of the entrepreneur, manager and executor in his work, and contemporary science requires these types to assume responsibilities, tasks as specialists. In his book "The Practice of Management" (Drucker, 1954) he presents management by objectives, as a type of management that ensures the increase of the organization's performance. At the base of this type of management there is a set of objectives and a process of achieving them in five stages: reviewing the organization's objectives, establishing the set of objectives, monitoring progress, evaluating performance, rewarding employees (Drucker, 1954).



Figure no.1. The cycle of the Management process through objectives

Source: after Drucker (1954), The practice of management, New York, NY:Harper Collins

The goals set by the organization must be SMART, or specific, measurable, achievable, achievable, and timed. Objectives are qualitative and / or quantitative indicators established by the organization depending on its capacity, potential. They must be linked to the activities that ensure their realization and the necessary resources. Their review is performed periodically after a rigorous analysis of the results obtained by the organization. The implementation of this type of management is done in a work climate in which the manager encourages collaboration, teamwork urging employees to work together, to share ideas, tips and recommendations for increasing efficiency through creativity and innovation. Practice has shown that a person with a strong authoritarian style will achieve modest results by applying this type of management. From here we can deduce the idea that managers, before professional training, skills, abilities, should be leaders, for a company to be successful (Drucker, 1954). Organizations exist and develop through the quality of human resources, and people must be driven, organized, supported, advised, motivated so that their involvement in the work is as high as possible.

# 5. Aspects of the managerial activity at a pre-university education institution "Virgil Madgearu Economic College, Ploiești Municipality

The research was conducted over a period of four years, 2017-2020, through a diagnostic analysis of strategic management and operational management and focused on issues related to the School Action Plan, organizational culture, community relations, teaching, student outcomes, respectively the Internal Management Control System (SCIM).

The dynamics of the economy in the coming years, the particularities of the labor market reflected in priorities at local, regional and national level, in the context of the COVID-19 Pandemic, correlated with the EU objectives of the Europe 2020 Strategy, require education and training providers to adapt to these requirements. Based on the strategic documents, developed at different levels: European, national, regional and local, the educational institution has identified several priorities in the development strategy (Action Plan of "Virgil Madgearu" Ploiești Economic College, 2017-2021):

1. Increasing employment capacity and combating social exclusion. The requirements, assumed through the strategic documents, aimed at adapting the educational planning to the needs of sustainable, integrated, economic and social development, on each level of interest, respecting at the same time the needs of personal and professional development of the students;

2. Design and development of methodologies for examination, assessment and certification of professional skills acquired by students by strengthening mechanisms to ensure the quality of vocational training through vocational and technical education, in order to increase the chances of socio-professional integration and development of learning skills permanent. The unit aimed at

organizing and conducting national exams for certification of professional skills, according to the legislation, increasing the performance of students in these exams and training teachers in the field.

3. Strengthening and developing the organizational culture of educational units from the perspective of social partnership and entrepreneurship and ensuring the transparency of initial vocational training. Promoting a set of values, principles and a moral work climate, consistent to ensure a quality education.

Studies show that the supply of professionally trained labor at national level corresponds to a small extent to the requirements of economic agents for its integration into the labor market. All the more so in the current context, companies are demanding new skills for graduates to get a job. Given that new professions are appearing on the labor market, the demand for labor is undergoing new quantitative and structural changes. The unemployment rate among young people in Romania is higher than the European Union average, and the increase of over 40% of the share of adults with higher education among the population established by the EU, requires educational institutions to rethink the education and training system of young people, so as to increase the number of high school graduates admitted to educational institutions, respectively employees on the labor market. The indicator established at European level, to which Romania has also joined, can be achieved over time through an efficient management at the level of each school, which will capitalize on the human, material and financial potential of the education system for direct beneficiaries of education and training for the community.

An educational unit that contributes through the young people trained to the economic and social development of the community generally capitalizes on the resources of that community and especially the human resources of the school unit through its efficiency and effectiveness. The activity carried out at the "Virgil Madgearu" Economic College, Ploiești Municipality, at managerial and school level, reflected the concern and involvement of the management team and school staff in the development and development of quality education at European standards.

The managerial policy promoted, at the college level, a redistribution of responsibilities and decision-making authority to the heads of departments / commissions. Implementation is achieved by customizing job descriptions, with precise, clear tasks. At the same time, a balance between authority and responsibility has been maintained within the organization. Intra-institutional and inter-institutional communication has been streamlined, through well-defined procedures, to ensure quality in education and by achieving a real educational partnership with business, academia and society (Romanian Agency for Quality Assurance in Pre-University Education Report, 2019). Gradually the school became a center of information, continuous training and development for the community. The implemented management policy ensured the efficiency of the middle level management, the motivation of the staff and the capitalization of the potential of the employees with an impact in increasing the school results and the image of the institution. The objectives included in the School Action Plan were achieved annually (passability at BAC current promotion over 95% annually), and partially on different components they were exceeded, e.g. the number, diversity and complexity of the projects carried out, the results of the school competitions and olympiads, the portfolio of educational partners in the activities carried out (Prahova Chamber of Commerce and Industry, Body of Expert Accountants and Certified Accountants from Romania, Prahova Branch, universities and economic agents). Although the institution is a high school with a technological profile, it ranked 25th nationally at the European School 2019 national competition and first place at Prahova County, a deserved place (second place) is also obtained at the European Leader 2019 competition organized by the Representation European Commission in Romania (Report on the State and Quality of Education Virgil Madgearu Economic College, Ploiesti Municipality, School Year 2017-2018, 2018-2019, 2019-2020).

Peter Druker (1909-2005) called the father of management has an innovative theory that is used by managers today. In his work, Druker encourages innovation, flexibility and collaboration at the organizational level, he attaches great importance to decentralization, arguing that authority is good to be assigned to employees. For a company to be competitive, the basic principles must be observed: decentralization, promotion and training of employees (Drucker, 1946), remarkable principles, rarely concentrated in an integrated system (Marciariello, 2009). The effectiveness of the performers, according to the analytical model promoted by Druker, results from skills conferred by the essence of motivation, practices, tasks necessary to perform the functions and performance spirit. Executors in the entrepreneurial system have creativity in performing tasks, compared to executors in the management system who have repetitive tasks. The activity carried out by the members of the commissions / departments in the institution subject to research was characterized by creativity and performance. In the educational process, the innovative, student-centered method, the "exercise firm" (Vlăduț et al, 2011) is used to teach specialized modules for all high school classes. Along with practical training through vocational training, the method develops creativity, innovation, entrepreneurship and forms professional skills in each field of activity: economics, trade, tourism and food and key skills needed to integrate young people into the labor market. The Erasmus +, EEA and POCU projects carried out add value and capitalize on the potential of the institution for the benefit of students and the community<sup>1</sup>. The World Economic Forum's Future of Jobs Report, 2020 supports the emergence of new skills for employees required by the labor market, the design and use of new technologies such as: critical thinking, creativity, analytical thinking and digital skills<sup>2</sup>. For the development of STEM (natural sciences, mathematics, technology, engineering) skills within the school was established in 2017, the robotics circle -Robomanager entrepreneur, coordinated by physics teachers and economists. Mathematical thinking, economic analysis, critical thinking, solving complex problems are constantly improved by attractive teaching-learning methods in mathematics, natural sciences, technology, physics and chemistry, etc. The performance of students and teachers is supported by their involvement and that of the school in national or international competitions and contests, organized both by the school and by educational institutions or national and international organizations Ex. International Fair of Exercise Companies Ploiesti, Romanian Business Challenge, International Symposium Performance through Partnerships Ploiesti, Entrepreneurial School (2018), International Fair of Inventions and Practical Ideas Ploiesti (2019), College of Entrepreneurs (2017), Gala Edumanager (2018).

The managerial capacity of strategic planning and the effectiveness of the implementation have known an evolution in the four years, by creating an organizational culture based on values and principles, by promoting the participatory, proactive and anticipatory attitude within the school organization. The pandemic period created new challenges for the institution's management in achieving the objectives set by the strategic plans and functionality of the institution, objectives achieved through creativity and innovation. An example is the online organization of the 11th edition of entrepreneurship competitions: Skype Romanian Business Challenge offered the possibility for 42 pupils and 9 students to practically experience the activity at home, in the telework system, in a mixed multinational team for elaboration of managerial strategies for a real company during the pandemic, and 106 operating companies, from the country and from abroad, competed for the best strategies and means of promotion for the development of the business through online sales, within the International Fair of Exercise Firms.

## 6. Conclusions

I strongly believe that innovation, creativity, capitalizing on opportunities and taking risks, basic characteristics of entrepreneurship, are also found in the modern management system, in its subsystems: organizational, informational, decision-making and methodological. By capitalizing on opportunities from the external environment in carrying out educational activities and taking risks, they can also talk about entrepreneurship in the educational system. The objectives, set by principals with entrepreneurial skills through the institutional development plan or the school action plan (PAS), are more daring, the mission and vision place the educational institution in the community, the organization effectively capitalizes on internal and external resources of the community. The activities and projects carried out by directors with entrepreneurial skills are based on creativity and managerial innovation and have a strong educational impact on the beneficiaries. The directors of the institutions are leaders for the organization. Employees are involved in the activity to obtain performance not through the constraint imposed by the job description or director, but through the climate of educational work conducive to their professional development. The

organization benefits from the synergy effect, and the results are greater. The director's management style makes communication more efficient, supports educational partnerships, decision-making and the implementation of managerial strategies. The organization becomes more flexible, efficient and innovative. The objectives of the organization through achievement and aggregation, lead to the achievement of educational objectives and purposes of the education system.

# In order to improve the managerial activity, the organizations can consider several aspects:

Streamlining the strategic planning activity of the organization by:

- carrying out an objective needs analysis, depending on the regional, national and European context, in order to identify the strategic objectives;

- mission formulation;

- elaboration of at least one variant of strategy, formalized in a plan;

- performing diagnostic analyzes to establish the potential of the organization and the characteristics of the external environment;

- elaboration of operational plans rigorously;

- elaboration of a methodological system of monitoring and control;

- identification of the competitive advantage.

To optimize the decision-making process and improve stakeholder participation, solutions can be identified such as:

- active involvement in the decision-making act of parents and representatives of the local community;

- encouraging and promoting initiatives from teachers, students, parents, other educational partners;

- encouraging teamwork and supporting work teams during tasks;

- choosing the members of the work teams according to their skills and experience;

- counseling parents and students.

The managerial activity of the director should be focused on the efficient management of educational resources (human and material) and the development of the capacity to attract and maintain well trained and motivated human resources, on the development of exchanges of "good practices" between teachers through national projects and international, the selection of teachers who can be a model for beginners, apprenticeships at work, respectively the implementation and development of mentoring; promoting innovation in the teaching-learning-assessment process by capitalizing on new teaching techniques focused on the requirements and individual learning styles of students.

The evolution of the society requires the use by the directors from the pre-university education of the studies in the field of management to their full potential in order to increase the organizational efficiency of the institution. The notions of the organizational subsystem and the formalization of specific documents are used to a greater extent in relation to the other subsystems of management. Management methods and systems know an initial phase of implementation in preuniversity education institutions, eg Project Management, Participatory Management. Management training is optional for teachers, who hold management positions, through courses or individual study depending on availability and interest. By professionalizing the position of director, the premises for the efficiency of the organization and the professional success are ensured. At the same time, a good knowledge of the educational activity by sector, profile and specialization of the management framework is necessary to identify it with the type of organization, to develop realistic educational objectives and to carry out effective activities to achieve them. The entrepreneurial leadership brings added value to the educational institution by capitalizing on the potential of the community and internal resources, through the leadership style and the implemented management.

The paper allows new research directions in the field of entrepreneurship in the education system as a form of streamlining the educational process and the usefulness of organizations in the community through the activity carried out.

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