

Significance of Entrepreneurs' Education for Competitive Performance in International Business Environment

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Abstract

This paper examines the connection between entrepreneurs' education and the successful performance of enterprises in international business environment. The entry into foreign markets and the expansion of their presence abroad is connected with a set of knowledge and skills that entrepreneurs/managers and key specialists responsible for the internationalization of business possesses should possess. The paper presents the findings of a survey carried out among 500 Bulgarian enterprises that in some form have developed international activities. At the same time programs have been examined that prepare the students studying entrepreneurship-related disciplines for the specificity, opportunities and challenges in the course of internationalization of a business's operations. What has been taken account of is the expectations of the trained students that are the possible founders of their own business or will inherit their family firms. In the conclusions some inferences have been made about the education of future entrepreneurs, and the connection between the entrepreneurs' education and the successful performance of enterprises in international market. The experience of the enterprises that have participated in the survey carried out under this piece of research has been taken into consideration.

Keywords: *internationalisation, education, entrepreneurship*

1. Introduction

Among the main challenges the Bulgarian economy is facing is the more active and successful presentation of domestic enterprises on the international markets. The rapid development of information and communication technologies in recent years and the process of globalization have posed new requirements to both business and education systems, and in particular, to the universities. These requirements refer to the creation of programs providing knowledge and developing students' skills, through which they can realize themselves professionally, including as entrepreneurs in a global environment. The preparation of adequate to modern conditions curricula should be based on the analysis of the entrepreneurs' characteristics who have successfully internationalized their enterprises. In addition, the expectations and preferences of students studying entrepreneurial disciplines should be known. Some of the students are future entrepreneurs, who could be also motivated through appropriate training to create and develop companies that will be competitive in international markets. These circumstances assume an in-depth study of the relationships between the education of entrepreneurs and the internationalization of enterprises created and managed by them. It is also important to study the educational trends in higher education, related to the preparation of future entrepreneurs. Some of these issues outline the research focus of the present paper.

2. Education and competitive performance of enterprises

The presence of successfully performing enterprises on the international markets is important for the growth of the national economy and for higher quality of life of the citizens. In fact, the majority of Bulgarian small and medium-sized enterprises are not export-oriented and are focused mainly on the local market, which is characterized by limited demand for goods and services. At the same time, the process of globalization leads to higher competition even in the local markets where small businesses usually operate. This forces the small enterprises to improve their performance in order to survive [9]. The data show that Bulgaria is lagging behind other EU member countries in terms of foreign trade conditions, as it ranks 27 in the EU in the priority area of "Internationalisation" [6]. One of the main goals of the National Strategy for Promotion of Small and Medium-Sized Enterprises 2014-2020 is that by 2020 Bulgarian companies should not experience any difficulties when conducting foreign trade and the preparation of the documentation should be faster, easier and cheaper [6]. The achievement of strategic goals, which is due at the end of this year and increasing the export capacity of Bulgarian enterprises is also associated with the adaptation of curricula to the requirements of the business environment and the specifics of entrepreneurial practices. At the EU level, it has also been found that

potential entrepreneurs operate in a difficult socio-economic environment. The education does not offer a sufficiently suitable basis for an entrepreneurial career. It is also reported difficult access to credit, difficulties in transferring ownership, and concerns about public image in the event of failure and cumbersome administrative procedures [2].

In compliance with the EU policy Bulgaria adopted the “Entrepreneurship 2020 – Bulgaria” Action Plan. The document sets out specific measures, and in the first area of activity Entrepreneurial education and training to support growth and business creation includes measures like: nurturing entrepreneurial skills during the primary and secondary levels of education; updating entrepreneurial curricula in vocational training jointly with employers’ organisations, updating curricula and entrepreneurial training programmes at higher schools and many others [1]. The literature points out managerial motivation, knowledge and resources as major barriers to strengthening companies’ participation in foreign markets [7]. Other researchers show that the support for boosting export can have various forms, among which are education and training in export knowledge and skills, along with other measures [4]. The successful participation in international markets is closely related with the innovation capacity of the Bulgarian enterprises which should be reflected in the school and university curricula. A considerable and persistent gap in the innovation performance between the new and old EU member states has been observed. Most of the East European countries belong to the group of moderate innovators with one exception – Slovenia, while Bulgaria is a part of the group of modest innovators [11]. In addition, a key issue in today's global economic environment is the knowledge of intellectual property protection, as well as the achievement of competitiveness based on intellectual property [5]. In the process of internationalization, the education and the entrepreneurial experience play a significant role that should be considered [8]. Some of the qualities needed for entrepreneurial success like confidence, creative way of thinking, ability to identify the problems in details, willingness to change the familiar “ways of doing things”, multitasking, ability to find support for their ideas and endeavors and others can be further developed through dedicated training [10]. This poses new challenges to higher education institutions. Students should integrate the knowledge they acquired in various courses in order to implement successfully new methods in uncertain and dynamic business situations [3].

The study conducted among 500 enterprises in Bulgaria identified some relationships between training and companies’ competitive performance in the international business environment. Empirical research was conducted under “*Determinants and models of the competitive performance of small and medium enterprises in an international business environment*” project, contract № ДН05/15 15.12.2016, funded by the National Science Fund, Ministry of Education and Science, Republic of Bulgaria. All companies that participated in the research have some experience in international business. The results show that in terms of the qualification of the entrepreneur-founder of the company nearly all respondents are well-educated as they hold a master’s degree. This comes to prove that the companies that have internationalized their activity are founded and run by entrepreneurs with higher education. This trend persists among managers/successors of the studied enterprises. The majority of the companies, included in the research and having international experience, are run by managers and/or successors who are highly qualified, holding a master’s degree. Therefore, these results indicate the importance of the university curricula at the higher education institutions where prospective entrepreneurs/ managers are trained to perform successfully, including in an international business environment. The results also show that the entrepreneurs-founders of companies with international experience are mostly people who have majored in economic or technical degree courses. In the third place are those who have juridical education. This indicates the need for acquiring knowledge in the field of entrepreneurship and international business not only by those who major in economics, but also by students who study other degree courses, especially at the higher technical schools.

The curriculum of students majoring in „Entrepreneurship“ at the University of National and World Economy - Sofia considers and reflects the new trends and requirements for business today. Some of the proposed courses directly aim at providing knowledge and developing skills for competitive performance of companies in the international business environment. The specific topics are studied that are typical for international entrepreneurship. Such courses are offered not only in the bachelor’s level, but are also included in the master's degree program. Different methods are applied in entrepreneurship education, combining theoretical knowledge with real business cases. When analysing the educational programs and their adaptation to the requirements of the turbulent and dynamically changing business environment, the attitudes and expectations of the students must be considered. The results of a study conducted among a group of second-year students studying an elective course in entrepreneurship show that in the future a significant part of them would like to start

their own business. More than, the majority of students assess appropriate education as a significant or very important success factor for people who wish to start and develop their own business. About half of the students surveyed say their families own a business. It can be concluded that the knowledge and the skills acquired in the educational system could influence to a certain degree the decision to establish a company, and subsequently be a prerequisite for its internationalization.

3. Conclusions

The creation and development of companies that are competitive in international markets is among the problems that focus the attention of entrepreneurs, managers, researchers, representatives of institutions and organizations promoting business. Among the factors that are studied and analysed is the education of entrepreneurs and its connection with the successful performance in the international markets. The main conclusion of the surveyed internationalised companies is that these firms were created and managed by entrepreneurs / managers with higher education. The knowledge and skills acquired throughout their education, along with other factors, are probably among the prerequisites for making decisions to perform on foreign markets. It becomes clear that the majority of the students studying entrepreneurial subject, who participated in another study, state that they would like to start their own business. This poses a challenge to educational institutions to adapt their syllabi promptly in order to provide knowledge and skills that can adequately match the changing environment. There is a specific group of young people whose families own their own business and who are potential successors for running and developing further this business. The knowledge about the internationalization of the business and its successful performance on international markets is of great importance to open economies like the Bulgarian, as well as to the individual companies.

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