

# WHAT IS LACKING IN THE ENTREPRENEURSHIP EDUCATION IN SLOVAKIA?

**Jana Kozáková**

Slovak University of Agriculture in Nitra  
Faculty of Economics and Management,  
Department of Management  
Tr. A. Hlinku 2, 949 76  
Nitra, Slovak republic  
e-mail: [jana.kozakova@uniag.sk](mailto:jana.kozakova@uniag.sk)

## Abstract

*Entrepreneurship education in Slovakia was affected by the situation before 1989 as well as entire entrepreneurial environment. The opportunity to start own business grows faster after Velvet Revolution, but entrepreneurial spirit was born slowly. People accustomed to obey employer's orders hardly get rid of old habits. However, new and new generations of potential entrepreneurs are coming to the labour market and they affect it by their business sense and entrepreneurial knowledge acquired by education. Schools have an impact on the business environment through education. But, the question is whether or not they educate future entrepreneurs properly. Paper based on the opinions of successful entrepreneurs which in the process of in depth interviews expressed their opinions on entrepreneurship education in Slovakia. They reviewed their own experiences and suggested several proposals and recommendations for improving process of education of potential entrepreneurs.*

**Keywords:** *entrepreneurship, education, methods, business, entrepreneur, interview, Slovakia*

**JEL classification:** *A29, I23, I29*

## 1 Introduction

Entrepreneurship in Slovakia has shorter tradition compared with states of Western Europe. Political changes after 1989 allowed the start of independent business units. Strong social changes have been manifested in life of citizens very slowly.

Suddenly they could start own business but often did not know how. Before 1989 schools did not focus on entrepreneurship education. They did not have any reason. In the planning economy all economically active inhabitants were employees and they did not need any business related skills. Even the ones on the managerial positions used just fraction of actually needed business skills. For example strategic planning, competitive fight, procurement of financial resources or the ability to orientate in the international business environment was not substantial, important and required. After 1989 started successful period for naturally enterprising individuals who were quickly oriented in new situation and start own business. However, the majority of inhabitants were lost in new environment and some of them, mainly the older ones never really adopt it. Education system represented by bureaucratic institutions adapted also very slowly. Putting into practice new, entrepreneurial oriented study programs was slow and did not meet market requirements properly. New skills and abilities becomes important not just for raising number of entrepreneurs but for employees in new, market oriented companies as well. Economically and managerial oriented study programs becomes very popular and fundamentals of business becomes standard part of the non-economics study programs as well. Starting own business after graduation becomes one of the highly valued carrier opportunities too. But, are graduates prepared for this career properly?

In 2015, Slovakia outperforms most other EU members in terms of the percentage of adults involved in starting a new business (9.6%). In addition, there has been a recent increase in those businesses started out of opportunity (68.4%) while almost a quarter of adults perceive good opportunities to start a business (GEM, 2016). However, Slovakia's entrepreneurship ecosystem still faces a number of challenges. According to Pilková et al., 2016 this includes inadequate transfer of research and development (R&D) and a lack of entrepreneurship skills development in the education system. Surprisingly there are 43 % study programs with at least one subject directly aimed with the entrepreneurship in Slovak higher education system. And just 6 % of analysed study programs do not include subject at least indirectly aimed at entrepreneurship (Plevný et al., 2016). The effectiveness of this study and the applicability of graduates are becoming one of the most actual topics in Slovak education environment.

## **2 Data and Methods**

Paper represents the friction of Slovak part of international research project "Innovative entrepreneurship education - necessary precondition for future prosperity of V4 region" supported by the Visegrad Fund. Examined part of research

focused on in depth interviews with successful entrepreneurs who expressed their opinions on entrepreneurship education in Slovakia. They evaluated their own experiences with entrepreneurship education, review their acquired knowledges and abilities and propose some recommendations and improvements. Interviews were realized on the sample of ten successful Slovak entrepreneurs (two women and eight man), of average age 39.7 years, 9 years of business experience and nine employees. Five of them are graduates of universities. Six of them are doing business in the field, which they studied and a half of them are doing foreign-trade activities in their practice. As regards to the sectors: five entrepreneurs are devoted to trade, four of them to the production (two trade and production at the same time), seven of them are providing the service.

Research design and methodology was fully set by international team of experts involved in mentioned research project (Figure 1). For our purposes, we consider such successful entrepreneurs who employs at least one employee, and runs his/hers company more than two years. Graduating from higher education, the length of business experience, age or the profitability of the business activities carried out in our case for inclusion in the category of "a successful entrepreneur" were not relevant.

Figure 1 **Research design**



Source: Own processing.

The questioners were only experienced inquirers, which have used this research method earlier. The environment for the interview was selected upon agreement with each respondent. The length of the interview was approximately 60 minutes, questions were open without a suggested choices. Altogether thirteen research questions was set. Thematically they were selected into five themes:

A. External conditions (environment) for starting business:

1. What is the most important factor that (could) supports entrepreneurship in the country?
2. What factors limits entrepreneurship and prevent it?

B. Entrepreneurship and educational system (university education)

1. Did you start your business in the area, you studied?
2. What knowledge/ability did you use in the first years of entrepreneurship?

C. Recommendations for entrepreneurial education at universities

1. What would you want to learn if you had the chance to go back to the university?
2. Does/did/should education help entrepreneurs with the “core idea” or just with supporting tasks or with motivation for entrepreneurship?
3. What do you think universities do incorrectly during entrepreneurial education?
4. What could be done better? / What do you think universities should do?

D. Teaching methods

1. Would it be helpful to meet entrepreneurs during “formal education” (best practices)?
2. Do you think shadowing programs are helpful?
3. Can you think about other teaching/educational methods, which are suitable for entrepreneurial education?
4. Do you think that companies should support entrepreneurial education?

E. Experience from being an entrepreneur

1. You have definitely experience some problems/failures? Could some of them be avoided within the (university, formal) education process? If yes, how?

Answers were transformed into written records and analyzed later on. In post interviewed phase, the data selecting and analyzing was set. Data were organized into meaningful groups and was coded into themes and subthemes. In this process we identified four main research problems: 1. factors which can help to improve business environment for entrepreneurship, 2. factors possibly supporting students during starting own business, 3. weaknesses in the educational process at universities, 4. recommendations for university education.

### 3 Results and Discussion

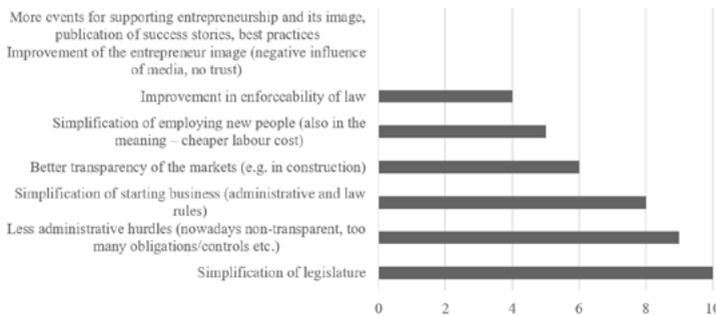
Examining the effectiveness of education in any area can not be realized without analysing its supporting environment. Business environment in Slovakia is known by several limitations. Interviewed entrepreneurs considered them as more important than the factors that encourage and support entrepreneurship in the country. Surprisingly they did not agree on the single factor which support entrepreneurship in Slovakia generally, or at individual level. Four entrepreneurs mention weak enforceability of law, five of them mention problematic system of

employment new people and six of them mentioned low transparency of the markets.

As more important limitations were identified problematic and very difficult administrative process of starting business (8 answers) and administrative hurdles in the whole entrepreneurship (9 answers) as well. All of them agree, that the most important limitation factor for Slovak entrepreneur is generally too unarranged legislation. After analysing their answers, we identify six factors, which can help to improve quality of business environment in Slovakia (Figure 2).

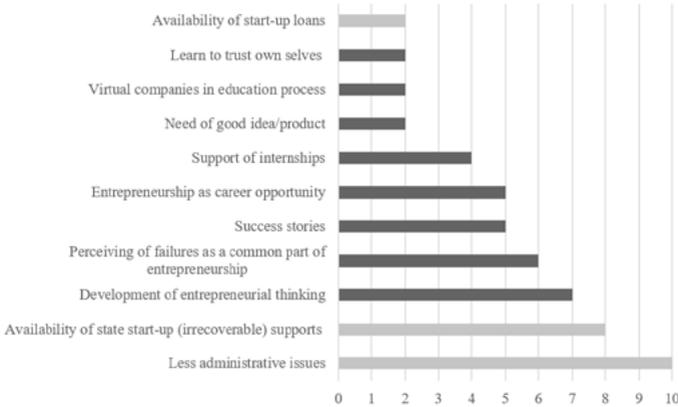
Important is, that nobody consider weak education system or unavailability of education in the field of entrepreneurship as one of these limitations. On the other hand, mentioned unarranged legislation and non transparent business environment means difficulties in the entrepreneurship education. Universities are therefore forced with high demands on quality of provided information. Secondary, also higher demand of practical exercises and other acquiring of practical skills should be involved in educational process.

**Figure 2 Factors which can help to improve business environment for entrepreneurship**



Source: Own research, 2016.

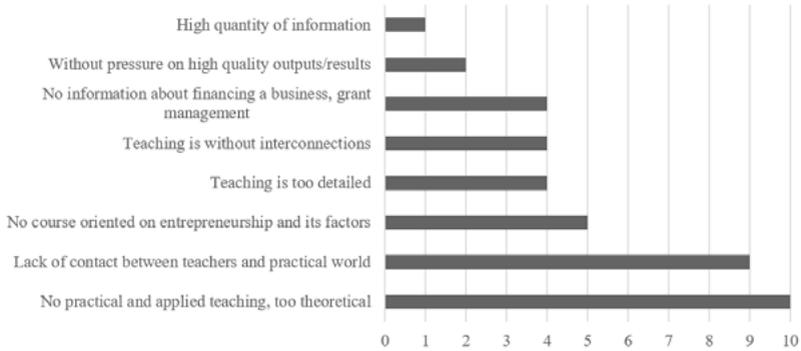
The second part of research focus on knowledge and abilities learned at school or university which they use in the first years of their entrepreneurship. Entrepreneurs expanded their answers and except their personal experiences. They also included opinions on what factors could possibly support graduates in starting own business now. Even though examined entrepreneurs agree, that there is not big difference in this factors now and in time they started.

**Figure 3 Factors possibly supporting students during starting own business**

*Source:* Own research, 2016.

Entrepreneurs identify various factors which helped them or which could help to graduates with the starting own business. We assume, that three (including top two) of them can not be directly affected by education (Figure 3): availability of start-up loans, availability of state start-up irrecoverable supports and simplification of administrative issues. To be honest, we have to admit, that thorough knowledge of administrative issues and start up financing would be one of the priorities in entrepreneurship education in Slovakia. Other mentioned factors which can support entrepreneurs can be directly affected by education. This factors can be linked together into subtheme “Building of managerial spirit”. Entrepreneurs agree that for success in business the one have to trust own selves and the career of entrepreneurs as well. Schools should educate them that entrepreneurship is as equally interesting opportunity as other job opportunities, that initial failure is not obstacle to future success and that good business idea is crucial. This process should be strongly supported by internships, success stories and learning on virtual companies.

Figure 4 Weaknesses in the educational process at universities



Source: Own research, 2016.

Consequently, next part of the interviews focused on entrepreneurs recommendations for entrepreneurial education (not only at universities). Important were their opinions on what would they want to learn in if they had the chance to go back school. Last but not least we wanted to know what they think universities do incorrectly and what could be done better. Surprisingly, all of them assume that there is no practical and applied teaching of entrepreneurship and that this teaching is too theoretical and quantity of information is too high. Nine of them think that the reason is, that teachers do not have own practical experiences and connection with business world (Figure 4).

Subsequently, they suggest several recommendations for entrepreneurship education (Figure 5). From one to tree answers has topics which we assumed are commonly separate subjects in entrepreneurial oriented study programs or at least they are a part of them. It was Business plan, which is usually part of Corporate planning or Basics of Entrepreneurship as well as support of starting up company and learn to understand the world (in the meaning of business world). Subsequently, there were typical managerial basic themes as Communication, Planning and Project learning which are taking part of most of managerial oriented subjects. The same it was with Marketing and teaching how to find market opportunities which are commonly teaching at fundamentals of marketing and almost every marketing oriented subjects. Four and five answers has not special subjects or themes but we can commonly name them “methods how to teach future entrepreneurs”. Experts assumed that entrepreneurs has to be (in preparation for real business) stressed on the results of their work, taught to interconnect learned information from several aspects and they should take a part it some internships (also international internships). As the most important

recommendation for education successful entrepreneurs highlighted teaching of financial aspects of entrepreneurship (9 answers).

In the end entrepreneurs were asked to evaluate some suggested teaching methods or add some own recommendations for entrepreneurial education. It was difficult to make a summary of their suggestions so we are including some specific individual opinions. Seven out of ten entrepreneurs think that showing best practices: “would be motivating” for students and two of them think, that: “useful would be also to show them some un-successful ones and their stories”. One of them add interesting experience which could also affect current students: „I passed it in the school, but at that time I took it as a necessary evil. Now it would be motivating for me.“

Figure 5 **Recommendations for university education**



Source: Own research, 2016.

Less unambiguous was their opinion on shadowing programs. All examined entrepreneurs who were graduates of vocational schools told that: „I passed it during the school practice and it inspired me“ but „You should choose the right students which are interesting in this type of education, it is not for all of them“. On the other hand, they commonly surprised us by statement as: “I am sure that it would be helpful for students, but now as an entrepreneur I would never cooperate on program like this (do not want to be watched and nanny them).“ From other types of special methods they stated already mentioned internships

(the school of life), case studies and special seminars with experts. Last but not least we asked them to comment on the cooperation of schools / universities with practice, respectively if they think that companies should support entrepreneurial education at universities. One half of asked entrepreneurs think that cooperation with educational institutions is a part of corporate social responsibility approach of company and say: „Yes, they should cooperate, students are our future.“ Even additional two states that: „Yes, they must, for some of them is progress and cooperation with young people crucial (IT technologies, marketing, design and other creative companies).“ On the other hand another tree have the opposite view and told: „No, student breaks system, needs mentor, bring problems.“ We assumed this opposite opinion as a little bit selfish and it can be concluded, that social responsible companies attach an importance to cooperation of educational institutions and business units (cooperation between theory and practice) and would be helpful in it. Last but not least the depth of teaching of selected subjects was examined. In different ways entrepreneurs mentioned that teacher should not give strong directions, but just showing the ways: „Students have to know the system, limits, rules and framework. They do not need deep information of each area.“ This style of teaching should raise competent and strong individuals who can deal with all kind of new unexperienced problems.

## **4 Conclusion**

Entrepreneurship education is one of the most important factor of reaching prosperous socio-economic environment of country. In Slovakia situation of this area dramatically changed after Velvet Revolution and nowadays entrepreneurship slowly becoming equal career opportunity to other valued professions. Consequently, entrepreneurial oriented study programs at high education becomes very popular and every year they „produce“ thousands of absolvents. However, the problem of their applicability in the labor market strongly resonant in society. Paper deals with this problem from the point of view of ten successful entrepreneurs who in the form of in depth interviews evaluated their experiences and opinions on the problem of entrepreneurial education in Slovakia. These experts assume Slovak business environment as unarranged, too buerocratic and complicated. In connection with this education should help to future entrepreneurs to know the system and encourage them to choose a career in this environment. Unfortunately, instead of this students usually meet directive and theoretical oriented teachers who have not appropriate experiences or connection with real business in practice. Therefore successful entrepreneurs recommends teaching with the focus on the practice and giving advices instead of strict directions. They also assumed

that students in their educational process should: meet real (same age, successful / un-successful) entrepreneurs, acquire better overview and get rid of their illusions. They should realize, that they will really need information and knowledge they receive at university. Universities / schools should provide theoretical framework for future business career and some practical experiences. At this point, cooperation between educational institutions and entrepreneurs is crucial. Even though for entrepreneurs this relation with students can be onerous, it could be a form of their social responsibility. Also schools should change their approach and start to treat students as strong individuals and educate future successful entrepreneurs.

## Acknowledgements

This paper was created within the research project “Innovative entrepreneurship education - necessary precondition for future prosperity of V4 region“ supported by the Visegrad Fund. Strategic Grant No: 31410020 and the project VEGA “Integrated talent management model and its impact on economic results of enterprises” from The Ministry of Education, Science, Research and Sport of the Slovak Republic. Project registration number VEGA 1/0543/17.

## References

1. ČECHUROVÁ, L., VACEK, J., KOZÁKOVÁ, J., MAROSNE KUNA, Z., TOMCZYK, L. (2016). Entrepreneurship education - theoretical framework. *Entrepreneurship education*. Plzeň: NAVA, 2016, p. 12- 27.
2. EGEROVÁ, D., UBREŽIOVÁ, I., NOWINSKY, W., CZEGLÉDY, C. (2016). *Entrepreneurship Education. Opportunities and Challenges for Universities in Visegrad Countries*. NAVA 2016.
3. GEM, 2016. *Global Entrepreneurship report. 2016*. Global Entrepreneurship Research Association, Online database. Retrieved from <http://www.gemconsortium.org/report>.
4. KOZÁKOVÁ, J., MAROSNE KUNA, Z., SOBCZAK, A. (2016) In-Depth interviews with entrepreneurs and experts. *Entrepreneurship education*. Plzeň: NAVA, 2016, p. 96-111.
5. PILKOVÁ, A., HOLIENKA, M., KOVAČIČOVÁ, Z., REHÁK, J. (2016). *Komerčné, sociálne a inkluzívne podnikanie na Slovensku*. UK Bratislava 2016.
6. PLEVNÝ, M., SAVOV, R., TÓTH, M., VARGA, E., NOWACZYK, G., SOBCZAK, A. (2016). Entrepreneurship education at universities / analysis of selected curricula. *Entrepreneurship education*. Plzeň: NAVA, 2016, p. 52-65.

7. SOUITARIS, V., ZERBINATI, S., AL-LAHMAN, A. (2007). Do entrepreneurship programmes raise entrepreneurial intention of science and engineering students? The effect of learning, inspiration and resources. *Journal of Business Venturing*, 22 (4) (2007), p. 566-591.