

# Towards the Entrepreneurial University

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*In 1991, a local notable from the Małopolskie voivodship of Poland created a private business school in the town of Nowy Sącz. In a period of ten years, this institution became one of the most successful private higher education institutions in Poland. Basing himself on Jerzy Dietl's seven criteria for institutional survival, the author describes the steps that he took to build up this institution and to guarantee its survival within its regional and then its national and international environments. According to the author, the steps to the survival and success of the Higher School of Business-National Louis University could serve as a blueprint for the regeneration of higher education in Poland.*

## INTRODUCTION

The year 2001 marks the Tenth Anniversary of the commencement of activities leading to the establishment of Wyzsza Szkoła Biznesu (Higher School of Business-National Louis University [WSB-NLU])—a college which has been, and still is, challenging many stereotypes existing in the Polish higher education sector, and has ambitions to set standards for the future. The ten-year history of the college is short, but to the founders of the institution it is an entire epoch. Time, in the present reality, goes by so fast that it is not possible to think about the past, since it is necessary to meet the challenges of the future. The celebration of the Tenth Anniversary of WSB-NLU was limited to a three-hour meeting and a “sentimental dinner” held on 27 September 2001, on the eve of the new academic year. A “Group of Dinosaurs” was invited to take part in the event—the first members of the staff and the first students.

Thus, this article does not cover the history of the school, its roots, and the path of its development to the current stage. It also assumes that the material conditions of the college and all its achievements are known. It limits itself, therefore, to a focus on threats and opportunities and presents the current institutional development plans.

A reference to two papers presented at the conference, on “The Role of Higher Education Institutions in Regional Social and Economic Development (Łódź, 8–9 June 2000), sponsored by the Educational Enterprise Foundation (FEP) will serve as a good introduction. The papers in question are those of Professors Bohdan Jałowiecki (2000, pp. 103–121) and Jerzy Dietl (2000, pp. 215–240).

Bohdan Jałowiecki, describing the case of the Higher School of Business in Nowy Sącz, raises an open question: “Is further development of the School possible in an already highly competitive market, and will Nowy Sącz be attractive enough for young people to choose it as a place for a four-year course?”.

Jerzy Dietl specifies seven criteria of survival (presumably also of development) of private higher education institutions in Poland:

- (i) improvement of the quality of curricula and the development of the skills of young people that are required by the business community;
- (ii) co-operation with various local groups of stakeholders;
- (iii) establishment of a material and technical base;

- (iv) development of an institutional teaching staff, the members of which identify with the college;
- (v) development of a college-friendly environment;
- (vi) understanding the role of the local educational and cultural sectors as the factor integrating the activities;
- (vii) development of national and international educational activities that take local needs into account.

In analyzing the issue of the future of WSB-NLU, one should refer to a recent statement by Peter Drucker (2000), who claims that education has become the main item of the Gross Domestic Product and that the expenses of education and training in the United States have exceeded US\$1 trillion per year. According to Drucker, the main area of growth in education will be in the area of adult education, focusing on so-called “re-immersion” or “refresher courses”, mainly for people over 40.

In the same edition of *Forbes Magazine*, James W. Michaels (2000) discusses the development of distant learning and the prospects for development of the entire education system. He foresees a quantitative growth of Internet-based education, a downward trend in the currently dominant business-oriented education, and the increasing popularity of the social and the exact sciences. Michaels’ statement is categorical—individual teaching in higher education institutions is a thing of the past; universal education for mass recipients, using virtual space, is the challenge for the future.

## THREATS TO THE DEVELOPMENT OF WSB-NLU

When contemplating the future of an institution, it is impossible to neglect its present condition (which one can change directly) and the status of its close and remote environment.

### *Basic External Threats to WSB-NLU*

- The total lack of stability of the Polish education market, the excess of supply over demand in the area of widely defined business-oriented education, combined with the total lack of external controls regarding the quality of the educational offerings. Numerous new colleges are emerging all the time in a situation in which the labour market is clearly saturated. At the same time, almost all the state universities (perhaps excluding the academies of the arts and the medical academies) are offering full-time and extramural courses in “Management and Marketing”.
- Lack of a level playing field. The state schools of business and commerce as well as university faculties offer over 20,000 places a year, free of tuition fees, in full-time course programmes, while private colleges are deprived of state budget subsidies for even partial coverage of their operating costs.
- Establishment of a network of state regional vocational colleges by the Ministry of National Education (MEN).
- The low birth-rate that reduces the number of school-leavers, combined with the limited number of persons graduating from secondary schools with a secondary school certificate, will cause a substantial decrease in the population of 19 year olds undertaking studies at universities and colleges.
- A slow increase (or perhaps even stagnation) in the size of the population group that can afford the expense of several thousand zlotys a year for education.

- The possibility of entering, either directly or through distance learning programmes, the Polish branches of large European and American universities (including profit-oriented organizations governed by different rules of operation).
- Attempts made by the Ministry of National Education and by the Conference of Rectors of Academic Schools in Poland (KRASP) to propose legislation that is explicitly directed against private institutions, additionally hampering the adoption of a stable development strategy.

### *Internal Threats*

- The lack of a local education “market”, the small size of the population of Nowy Sącz (80,000 inhabitants), and the relatively low level of wealth of the entire region create a situation whereby only a maximum of 100 inhabitants of the former Nowosądeckie voivodship have been able to enroll in WSB-NLU each year, out of a total of 500 students. Additionally, over the last three years, only approximately 200 students from Nowy Sącz and from three neighbouring villages enrolled in extramural courses. The total number is too low for the school, taking into account the present level of the tuition fee, to ensure its viability as a local college. The fact that 70 percent of the students enrolled in full-time courses come from outside the Małopolskie voivodship—a spectacular success and a measure of the prestige of WSB-NLU, is, at the same time, a real measure of the existing threats and lack of stability.
- Dependence of the school on its own income, generated mainly by tuition fees, for material development and necessary investment projects.
- Lack of financial support for the school on the part of the local authorities, either in the form of direct investment support or indirectly, through scholarships for students from Nowy Sącz.
- The necessity for the school to rely (almost entirely) upon the growth of its own young group of assistants—an extremely expensive activity—for its development.
- A very difficult structural and mental transition from a school with a tailor-made curriculum associated with the name of its author to a college operating on the basis of well-analysed procedures and structures, relying on a stable academic and teaching staff, identifying themselves with the college.
- The limited size of the business sector in Nowy Sącz, making it impossible for full-time students to work on a part-time basis, *i.e.*, the small number of companies in Nowy Sącz offering jobs, internships, or practical training to students.

## OPPORTUNITIES

A realistic assessment of the situation gives an explicit answer. There are no clear development opportunities for WSB-NLU. Therefore, the question asked by Professor Jałowicki is justified. Ten years ago, however, there were neither real chances to establish a college in Nowy Sącz nor financial and human resources, much less a material infrastructure. Still, the school was established and is often described by foreign observers as one of the symbols of the success of Poland in the transformation of its political and economic system.

If simple, clear, and obvious opportunities are not to be found, they need to be sought and identified among the potential threats.

Having analyzed the geographical origins of the students, one conclusion can be drawn—students will enroll in courses at WSB-NLU only if it is the best school. At the

same time, it is obvious that there is a demand in Poland for an exclusive, relatively small college, located according to American models—in a small but attractive place, with its main objective being to educate the Polish élite.

A careful analysis of technical press articles and of many public statements by businessmen and politicians proves that there is a large gap in the thinking of the Polish élite. This gap is a fundamental one between political thinking and business thinking, as a result of which politicians and business people appear to be ill-disposed to one another and unable to understand each other. This gap is dangerous for the future. The author's proposal to solve the problem is to create a school with a combined offer including modern courses for entrepreneurs and managers (management and marketing, IT, banking and finance) with course programmes offering preparation for other forms of public activity (political science, international relations, law, administration, journalism). Higher education institutions with this type of profile are nothing new in the world. In Poland, however, the model of interdisciplinary education leading to a degree in business and law or political science and IT hardly exists. In fact, only the combination of business and political areas or the legal regime will give a graduate some chance of having a successful career in the contemporary world.

Offering an interdisciplinary curriculum is particularly difficult at a large university or college that has been in existence for many years. Such schools often have closed groups of academic teaching staff working within narrow faculties, protecting their own interests (specializations). It is much easier (even though it would be an exaggeration to claim that doing so is easy) to develop such curricula in a new college, one in which the professors are only starting to gain their experience.

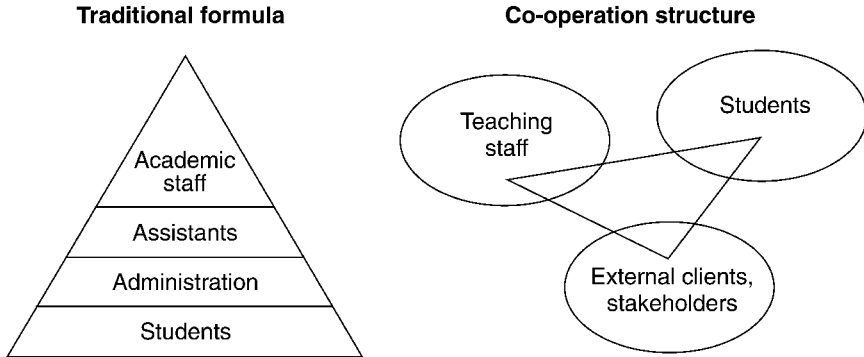
The school in Nowy Sącz has commenced its restructuring process, departing from its dominant business-oriented mission and moving towards one based on four main interrelated curricula. In 1999, the school received authorization in the area of IT; it is poised to receive authorization in the area of international relations—and next year—in the area of political science. In the next ten years or so, the institution will be building its own faculties for the four areas, not neglecting any emerging opportunities to extend its programme offerings.

The strong connection of the school with the American system provides opportunities. Its co-operation with National Louis University in the United States concerning the curriculum is extensive (and WSB-NLU is very advanced in terms of curricula, human resources, and material base). It was possible to make the curricula of WSB-NLU subject to accreditation by an American accreditation agency—NCA (the North-Central Association). The result has been extraordinary. All the graduates of the full-time course programmes (business and IT) receive two diplomas and vocational titles—in addition to a Polish degree (Bachelor or Master of Arts) and the BA diploma and degree awarded by NLU. WSB-NLU co-operates closely with a number of other American universities (*e.g.*, through a student exchange programme with De Paul University).

At present, WSB-NLU is strengthening its co-operation with European partners to create a situation whereby first-year students not only may listen to lectures in English but also take examinations in this language. The opportunities for the implementation of international programmes are thus significant. The number of courses offered in English will be increased in order to facilitate student exchange programmes.

What has so far been the biggest threat to WSB-NLU—its location—is now becoming an opportunity. On the one hand, the environment is changing (at an increased speed). A reasonable service offer was launched in the Nowy Sącz market over the past three years (coffee shops, clubs, restaurants, pubs, etc.) for 1,800 full-time WSB-NLU students who are

FIGURE 1. Traditional and non-traditional structures for higher education.



often the main group of customers. A few weeks ago, a private entrepreneur from Nowy Sącz contacted the rector wanting to add two large residence halls for over 100 people, which are being built, to the network of WSB-NLU dormitories and offered to pay a substantial amount of money to use the logo of the college. The college itself is also changing—it owns excellent sports facilities (large sports fields and a well-equipped fitness club). It is now starting to implement a large investment project—a new college building (6,500 square meters), which will substantially improve the working conditions of staff and students.

## FROM A BUSINESS SCHOOL TO THE ENTREPRENEURIAL UNIVERSITY

The process occurring at WSB-NLU in Nowy Sącz is not exceptional. For a number of years, experts studying the Polish higher education system and politicians have been drawing attention to the exhaustion of the traditional closed university formula. One need only refer to some of the resulting reports: the UNESCO Commission headed by Jacques Delors (1998, p. 140), the *Report for the Torino Group* (1997), or Burton R. Clark's book (1998), which are popular among university authorities. The world and its needs are changing—higher education is becoming universal and involves up to 50 percent of the population of 20 year olds in developed societies. The time has come to depart from the traditional hierarchical structure, with its superior role accorded to academic and teaching staff, and introduce a formula whereby students and external clients become the main objectives of the existence of universities, the roles of the former not limited to passive reception but focused on co-operation and interactive attitudes—a role based on relations of partnership (see Figure 1).

A university, especially if it wishes to be an active player in public and business life, must be managed professionally. WSB-NLU is a large (and complex) business project. In coming years, if it wishes to come out ahead in a highly competitive market, it will have to use professional management methods involving marketing, promotion, financial management, and strategic management. In the specialist literature, the term “managerism” often appears (Jablecka, 2000). It refers to potential opportunities for effective management adjusted to the new university conditions.

In the author's opinion, professional management offers a potential to private colleges to gain a competitive advantage (that is not restricted by traditional university structures and the employment policy resulting from the Higher Education Act). Management by one-per-

son bodies can make it possible for a private higher education institution to respond to the challenges and the changes taking place in the environment, without paralyzing collective control and the powers of elected bodies (faculty senates and councils).

Academic and teaching staff members in a private institution may be managed in active ways (*e.g.*, by the introduction of a motivation-based remuneration system). A private college has more opportunities to co-operate actively with its environment, to modify its curricula, and to offer training and further education courses, especially to its graduates.

Finally, a relatively small private college located in a small town has the possibility of implementing the second element necessary in the process of educating an elite—a programme of attitude development (entrepreneurial, innovative, open, responsible attitudes). The process in question may be described as a transition from a teaching-oriented college to an education-and-attitude-development-oriented college.

So far, in this article, nothing has been said about research—not that it is unimportant—but that, in the author’s opinion, it should perform a secondary role in relation to the main task of the college, which is the teaching of students.

Currently, the college is seeking niches in Nowy Sącz. These niches will be emerging along with the hiring of new staff members by the college. It is possible to say today that the first three areas of activities will be linked to the migration of academic staff from Crakow and Warsaw to the school-people in their thirties and forties in the most creative periods of their lives, who do not wish to spend the rest of their lives working in a slow and resistant-to-change environment. It is to be hoped that the most talented of the over-40 assistants employed by the school will find their research niches soon.

The entrepreneurial university is a multi-dimensional institution operating in many areas, constantly looking for new opportunities, and actively participating in the development of the future. To use a French term, it is an *agile*, flexible institution that adjusts to changing markets, needs, and new opportunities, and is constantly looking for new competitive advantages. The entrepreneurial university is also an institution which participates in the shaping of its environment (and changes it) and, through its numerous activities, generates a new demand for its products, and, at the same time, creates new clients.

The expression, “stakeholders”, is more and more often used to define the environment of a university or a college. The main stakeholder groups of WSB-NLU in its transition period include the following:

- students;
- a growing number of graduates;
- the people of Nowy Sącz and the neighbouring towns and villages;
- local and regional authorities;
- the business sector (local and national).

The college intends to co-operate with each of these groups and to offer its services to them.

The task for the coming years includes the establishment of a strong, commercial segment of WSB-NLU, offering short and more extensive courses for various groups of clients, as well as consulting services through the winning of contracts through successful bidding processes, and providing postgraduate studies and a system of life-long learning for graduates. Ultimately, this activity should generate income at the level of 25 percent of the institutional budgeted revenues (and a substantial portion of the profits for the development process).

There appears to be a great opportunity linked to the development of Internet-based education services. The first full “on-line” curriculum began in October 2001. The Internet makes it possible for WSB-NLU to turn one of the threats it faces into an opportunity (a remote location). Thanks to on-line education, the school will practically free itself of its location. It will start to operate in virtual space.

## TOWN-GOWN RELATIONS: FROM RIVALRY AND REJECTION TO CO-EXISTENCE AND FUTURE SYNERGY OF RESOURCES

A college located in such a small place naturally becomes the main cradle of change and growth. When, nine years ago, the Business School in Nawojowa was being set up, the culture clash between the school and its environment (or at least the most “noisy” part of it) was manifested to such an extent that the school appeared to be almost extraterritorial. The situation was aggravated by subsequent disputes with the local authorities concerning the plans for spatial development, the clash between the organizer’s plans and ambitions announced in public, and the envy and the lack of belief in eventual success, on the part of local politicians. All the developments caused a specific attitude of rejection and rivalry, with its most visible symptom expressed in the activities of the Nowy Sącz politicians leading to the establishment of Państwowa Wyższa Szkoła Zawodowa (State Higher Vocational School—PWSZ). The author tried at that time to persuade the Ministry of National Education to merge two teacher colleges in Nowy Sącz with WSB-NLU on an experimental basis and to provide courses free of charge under the ministerial system of public procurement. However, the resistance of the local authorities was so powerful that it was not even possible to arrange serious substantive discussions with the Ministry about the project. PWSZ was established—a pity, since the plan put forward by WSB-NLU was simple and very attractive for the town. By combining financial resources from the state budget, self-government, and private funds, it would have been possible to speed up the development process of WSB-NLU and to create a large private–public university, offering instruction to 8,000 full-time students, with all the related tangible consequences accruing to the town.

A clear positive change in the attitude of the local authorities towards WSB-NLU has manifested itself over the last two years. The loss of voivodship privileges, the related increase in unemployment, and the increasingly perceived influence of the large group of full-time students (over 1,500 persons), coming from other regions, on the economy of Nowy Sącz, the publicly expressed appreciation for the school by the highest authorities and other public figures (*e.g.*, the importance of the *Pro Publico Bono* award and the recognition of WSB-NLU as the best civic initiative over the years 1989–1999 in Poland), and finally, more publicity concerning the difficulties that the authorities have been having with “their” PWSZ—all these facts have spoken for themselves.

The result has been a phase of co-operation (*e.g.*, support for the efforts of the college to receive a subsidy from UKFiS (the Office of Physical Culture and Sports) for the construction of sports fields, or a joint initiative to privatize the combined middle and secondary schools (*gimnazjum–liceum*). The quite numerous and spectacular careers in Warsaw of the first groups of graduates (who come mainly from Nowy Sącz) who, after two to three years of professional experience, earn a few times more than their parents working in Nowy Sącz, are having a large impact on the change in attitude towards the school.

The influence of the expanding group of local “stakeholders” is also increasing, *i.e.*, owners of houses and apartments leased to students, businessmen opening night clubs, discos, pubs, and coffee shops mainly for students. More and more frequently, WSB-NLU

is perceived as the only institution in Nowy Sącz that is working for the sustained development of the town. Even now, students spend over 25 million złotys a year in Nowy Sącz (Mackiewicz *et al.*, 2001).

The support for WSB-NLU on the part of the local intelligentsia is increasingly visible. Nowy Sącz has always had a strong local élite, a deeply rooted group of intellectuals, strongly and emotionally linked to the town. This circle of people was the first group to recognize the importance of WSB-NLU, especially in its non-material aspect, in terms of the enhanced prestige and popularity of the town, visits paid to the school by many public figures (more and more often the college organizes special events with the local inhabitants during such visits). Two years ago, an in-migration process started, which was extremely beneficial for the town. A few well-known people moved to Nowy Sącz with their families, having resigned from their employment in places such as the Polish Academy of Sciences (PAN), the Main School of Commerce (SGH), and the Jagiellonian University (UJ).

More and more people in Nowy Sącz have begun to observe that WSB-NLU is becoming an interesting place in which to work and an institution which attracts an élite to Nowy Sącz. Combined with a very pleasant environment, both for family life and leisure (the Beskid Sądecki Mountains, lakes, the nearby Tatra Mountains), as well as revolutionary changes in information exchange technology facilitating teleworking (especially in the case of intellectual work), a situation is created whereby taking up permanent employment in Nowy Sącz (and living there) may be a very good way to increase one's standard of living, without excluding the possibility of pursuing very ambitious personal plans.

Nowy Sącz, thanks to WSB-NLU and the development of other institutions along with the school, may become the second most attractive urban center in which to live and to work in Małopolska, the other place being a regional innovation center next to Crakow. The main difference between the two is the number of inhabitants.

Will it happen? More and more frequently, the organizers of the school are noticing a positive atmosphere of support from the local élite, including the first evidence of financial assistance. A clear demonstration of this attitude was the support for WSB-NLU of the Małopolskie Voivodship Board which, in the new regional contract, allocated a substantial amount of money for a new investment project at the school. To sum up, more and more people from Nowy Sącz, as well as the local and regional authorities, are starting to notice the fact, which for the "builders" and organizers of WSB-NLU was obvious over at least the last five years, that WSB-NLU and its development in Nowy Sącz represent the only realistic way for the town to grow.

## CONCLUSIONS

Important organizational, structural, and personnel decisions are being made to prepare WSB-NLU not only to meet the requirements of the increasingly difficult and competitive market, to maintain its position and prestige among Polish business schools, but also to gain an even clearer competitive advantage over its competitors. Although rather difficult, it is possible. The school is an *institution* that is strong enough and has a sufficiently sound budget which makes it possible to allocate an amount close to US\$1 million a year for its development, to implement its plans and its mission: education of the Polish élite.

Thus, the answer to Professor Jałowiecki's question, posed in the introduction of this article, is a positive one. This positive response is also supported by the fact that an unbiased analysis of the seven survival criteria formulated by Professor Dietl indicates that WSB-NLU has met, or is meeting, often at a very advanced level, all the criteria in question. Instead of conclusions, a short reference to these criteria is presented:



- (i) American accreditation has been obtained. Following the process of restructuring, a system focused on controlling and improving the quality of the curricula is being established. The curricula of WSB-NLU are well received in Polish business circles. This year, an Internet-based curriculum is being introduced. It is a unique initiative in Poland.
- (ii) WSB-NLU is beginning to co-operate with local and regional stakeholders. It has well-established (and unique in the Polish context) relationships with large Polish companies and business organizations.
- (iii) The institution has already established a good material and technical base, and its new investment projects will make it possible for it to obtain an even stronger advantage over its competitors.
- (iv) WSB-NLU is implementing an extensive development programme for its own teaching staff.
- (v) Institutions of “friends of WSB-NLU” (a WSB-NLU Friends Foundation, the Association of Graduates) are being established and are starting professional, long-term activities.
- (vi) WSB-NLU is initiating new, local, education-oriented initiatives (a secondary and a middle school operating under the auspices of the college), and training programmes and cultural initiatives targeted at the population of Nowy Sącz.
- (vii) WSB-NLU is developing its international activity, and its graduates—thanks to the American degree they are awarded—do not have to have their diplomas officially validated abroad.

Following the activities already undertaken, a multi-faculty college will be established over the period 2007–2010 that will offer instruction to about 5,000 students (including over 3,000 full-time students), using high-quality curricula and conducting parallel multi-dimensional activities in the areas of training, research, and local environment.

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