

Moving from a Traditional into an Entrepreneurial University: Evidencing from Palestine

Suhail S. Sultan, Ph.D.

Assistant Professor; MBA Director
Faculty of Business and Economics, Birzeit University
Palestine

Abstract

This research paper analyzes current entrepreneurial characteristics of the Palestinian universities; and presents the identification of what is necessary to become an entrepreneurial university. The research paper combines a literature review with findings of a mixed methods study applying the entrepreneurial university framework of the European Commission/ OECD. The researcher followed a structured survey with convenient sampling of (200) respondents from four local universities, and in-depth interviews and a focus group discussion comprising university top-management, faculty, students and external stakeholders. Findings indicate that entrepreneurial activities in the Palestinian universities are at their infant stage. The research paper recommends issues these universities need to overcome in order to move from traditional universities into entrepreneurial ones. Entrepreneurial development is a priority in Palestine as an instrument for employability of the predominant young populations towards which universities are expected to contribute considerably.

Keywords: Entrepreneurial University; Traditional University; Palestine

1. Introduction

These days, universities are facing different challenges such as globalization and internationalization of higher education, rising number of the student population, financial restrictions and the recent financial and economic crisis. The traditional university is usually engaged in two main activities: research and teaching (Etzkowitz, 2004). Knowledge is transferred to the community through students who are later incorporated into the labor market, and by publications in scientific journals, which can take a considerable period. Entrepreneurial universities redefine the traditional roles of a university in the community as a knowledge creator through basic and applied research, technology and knowledge transfer agent, innovator, and supporter of economic development (Bercovitz and Feldman 2006). The new activities assumed by an entrepreneurial university aim to speed up the process of translating research into applications that can be quickly commercialized. The entrepreneurial university concept can be used to consolidate efforts in entrepreneurship across a university and is best utilized in helping an institution to formulate its strategic direction (Clark, 1998).

The transformation of a traditional university into an entrepreneurial university will play an important role in advancing the global knowledge-based economy (Lazzeretti and Tavoletti 2005). The role of an entrepreneurial university in the dynamic environment of the knowledge economy is to support economic development by increasing the amount and quality of research and quickly transferring such new knowledge to the community through education and entrepreneurship. It has been argued that, in terms of organization, entrepreneurial universities are managed in such a way that they become capable of responding flexibly, strategically and yet coherently to opportunities in the environment. Despite great obstacles over its relatively short, three-decade history, Palestinian higher education has served the Palestinian people well in meeting the rising demand of younger generations for tertiary education. The current consensus, however, is that demographic, governance, and fiscal pressures, coupled with inadequately defined priorities are undermining the system. Recognizing the urgent need to achieve a more effective, accessible, efficient, sustainable and accountable higher education system, Ministry of Education and Higher Education is embarking on designing a financing reform to achieve these objectives while maintaining the largely non-profit nature of the sector.

2. Research Objective

The overall goal of this research paper is to highlight the importance of an entrepreneurial university; to analyze current characteristics of Palestinian universities; and to present the identification of what is necessary to become an entrepreneurial university. As well, the research paper answers the question on how to implement transformations in order to become an entrepreneurial university.

3. Research Questions

The research paper answers two main questions:

RQ1: What is the level of entrepreneurship at the Palestinian universities following the OECD framework?

RQ2: What is needed to transform a traditional teaching university into an entrepreneurial one?

The selected universities are non-governmental and non-for-profit ones.

4. Methodology

Different sources and methods for data collection were used. With regard to secondary data, the researcher relied on surveying the literature relevant to the topic, including the statistics, publications by governmental and non-governmental organizations, research papers, articles and editorials. The researcher conducted interviews with top management in the universities and administered a focus group of 10 senior university staff to assess entrepreneurial position in terms of OECD survey questionnaire. As well, in-depth interviews with key persons from the Ministry of National Economy; Ministry of Labor; and Ministry of Education and Higher Education were conducted.

A survey of 200 questionnaires (50 questionnaires in four Palestinian universities located in West Bank) was conducted based on face-to-face interviews. The survey involved teaching staff; administrators; students; and top managers. The OECD Guiding Framework was designed as a tool to help universities pursue the goal of becoming an “Entrepreneurial University” through a self-assessment process (please see annex 1) that also provides examples of inspiring projects that can be implemented. The Framework also underpins the OECD methodology of assessing entrepreneurship teaching and support in HEIs. The OECD survey depends on (1) Leadership and ownership, (2) Organizational capacity, people and incentives, (3) Entrepreneurship development in teaching and learning, (4) Pathways for entrepreneurs, (5) Business external relationships for knowledge exchange, (6) The entrepreneurial university as an internationalized institute, and (7) Measuring the impact.

5. Literature Review

5.1 Entrepreneurship in Palestine

As the growing political crisis in Palestine, livelihood deterioration, high rates in poverty and the low involvement in nascent businesses (3%), Palestine has not undergone any substantial improvements in entrepreneurship, as mentioned in the Global Entrepreneurship Monitor (GEM). The Total Early-Stage Entrepreneurial Activity (TEA) rate until 2013 is around 10% which cannot help in driving the economy factors in the area. On the other hand, and according to the Palestinian Central Bureau of Statistics, the unemployment rate has been increasing to reach 20.3% in the west bank and 31% in Gaza reported in 2013. Moreover, the report shows that the highest unemployment rate was 41.1% among youth aged 20-24 years.

The statistics above necessitate the need to spot the light on three points: 1) the role of education and mentorship in promoting entrepreneurship. 2) The available programs and initiatives that support the small and medium sized enterprises (MSMEs). 3) The prospects of the entrepreneurship in Palestine to contribute to the GDP. The current education system, –especially the primary and the secondary levels requires a fundamental shift toward providing the practical skills needed to dive into the private sector. In addition, the universities are invited to design entrepreneurial-focused curricula to empower the culture of entrepreneurship and provide entrepreneurs with sharp skills needed to sustain their business ventures. Not less important than education, the mentorship and guidance are needed to turn the interesting ideas of the young entrepreneurs (e.g., talented students) into profitable and competitive businesses. The mentorship provides the thoughtful guidance, confidence promotion, and training on how to develop robust thriving business enterprises. In the past few years, there has been an ongoing trend to initiate programs promoting the entrepreneurship and the incubation culture. As an example, Intel Business Plan Contest, the Microsoft Imagine Cup Competition, Palestinian Incubation for Information Technology and

telecommunications (PICTI) which initiated enormous programs such as (Intilaq, world summit mobile award, Palestine Innovation Initiative, ...etc.). Furthermore, there have been several entrepreneurial activities and initiatives by Palestine Investment Fund (PIF), microfinance institutions and some excellence centers at Palestinian universities.

5.2 Defining the entrepreneurial university

Since 1998 when Burton Clark introduced the term entrepreneurial university, several scholars (Sporn, 2001; Etzkowitz, 2004; Kirby, 2005; Rothaermel et al., 2007) have used the term. Clark's seminal work on entrepreneurial universities identifies five elements of entrepreneurial behavior in many detailed case studies that he conducted during the 1990s of various university transformations. This five-element approach has become the benchmark and point of reference in the entrepreneurial-university literature over the past two decades. The elements defined by Clark (1998) are:

- A strong central steering core to embrace management groups and academics;
- An expanded development periphery involving a growth of units that reaches out beyond the traditional areas in the university;
- Diversity in the funding base, not only by use of government third stream funding but from a wide variety of sources;
- A stimulated academic heartland with academics committed to the entrepreneurial concept; and
- An integrated entrepreneurial culture defined in terms of common commitment to change.

The level to which the entrepreneurial culture is represented within the organization will depend on the degree to which actors in and around the university behave in accordance with entrepreneurial values and beliefs. In other words, organizational attributes represented by structures, resources and strategies will be determined at the most basic level by entrepreneurial socio-cultural attitudes of university stakeholders.

5.3 University as an Entrepreneurial Organization

Etzkowitz (2004) puts forward five propositions concerning the entrepreneurial university concept, namely that such institutions are focused upon:

- The capitalization of knowledge;
- Managing interdependence with industry and government;
- Are nevertheless independent of any particular sphere;
- Are *hybrid* in managing the tension between independence and interdependence; and
- Embody reflexivity, involving continuous renewal of internal structures.

Such an organization is designed to maximize the use of effective entrepreneurial behavior appropriate to the task environment. Thus, a university becomes entrepreneurial in order to respond to the changes in its environment and to ensure socio-economic development, and improve its own financial situation. It has been argued that, in terms of organization, entrepreneurial universities are managed in such a way that they become capable of responding flexibly, strategically and yet coherently to opportunities in the environment (Rothaermel et al., 2007).

5.4 Engaging Internal and External Stakeholders

Both stakeholder analysis and stakeholder engagement are critical pillars for the stakeholder management (Redford and Fayolle, 2013). By engaging external stakeholders, a university can demonstrate its relevance to society. In order to assure the participation of key external stakeholders in the university's strategy, it is essential to develop a good engagement plan as part of a broader educational and learning activity. Universities need to create an internal structure for selecting, appraising and rewarding staff and alumni. The internal community may well affect and change the organization of method and substance. Individuals import new ideas and resources into their organization and are instrumental in exporting the ensuing products and services into the environment (Williams, 2009). The process of transformation to entrepreneurial universities is necessary and inevitable in order to ensure the development of university and society as whole. Considering the specific constitutional and political conditions in Palestine and the ongoing higher education reform, the transformation of universities will be a hard and long-term process. In the past ten years, small steps forward have been made in reform of the higher education system. A much stronger commitment towards changes is needed within the academic community itself, since the universities have been slowly adapting to the new and changing environment.

5.5 Entrepreneurial University Self-Assessment Framework

It is emphasized that there is no universal definition, concept or criterion of an Entrepreneurial University. Such a benchmark just would not be suitable for, or appropriate to, the needs of higher education institutions around the world. Too many variables (diverse cultures, dissimilar socio-economic contexts, different levels of country development, disparate organization missions & objectives, contrasting resources, etc.) would render any 'all-inclusive' model impotent. Nevertheless, examples of entrepreneurial universities do exist. What is interesting about these examples is how different they can be and yet still share some common underlying concepts and characteristics.

Taking existing knowledge, models and best practices from 'experienced' entrepreneurial universities can help other institutions to achieve their own entrepreneurship ambitions. On this basis, the European Commission together with the OECD have produced a framework to enable interested universities to assess themselves against seven key statements that characterize an entrepreneurial university. For each of the given statements, a university can assess itself on a scale of 1-5 and then using the guiding framework to determine priority areas for development/improvement.

HEInnovate is a self-assessment tool for innovation and entrepreneurship designed to provide higher education institutions (HEIs) with advice, ideas, and inspiration for the effective management of institutional and cultural change. HEInnovate allows individual HEI's to carry out their own, independent self-assessment of their institution, faculty/department/sector by using a series of statements covering a number of areas key to the performance and development of an entrepreneurial and innovative HEI. The self-assessment is divided into seven areas or dimensions:

- Leadership and Governance;
- Organizational Capacity: Funding, People and Incentives;
- Entrepreneurial Teaching and Learning;
- Preparing and Supporting Entrepreneurs;
- Knowledge Exchange and Collaboration;
- The Internationalized Institution;
- Measuring Impact.

Each dimension consists of a series of statements that the user rates according to how much they agree or disagree. Not all seven dimensions need to be completed in order to generate results; users may choose those most relevant to them. Once the self-assessment is completed the tool provides instant feedback on the areas of strength and weakness in the HEI and customized learning materials are generated based on your results.

6. Results and Discussion

The main purpose to promote and develop entrepreneurship at the Palestinian universities is to contribute to Palestine's national social and economic development. In particular, Palestinian universities need to:

- achieve greater financial sustainability
- differentiate from other regional universities
- improve students' employability
- develop 'job creators'
- enhance education provision effectiveness

It is acknowledged that entrepreneurship development at the Palestinian universities must be for both staff and students. Academic staff would benefit in particular from developing their enterprising teaching competencies and greater exposure to external stakeholders. It is also recognized that all students would benefit from sensitization in 'paid employment' and 'self-employment'; however, support for actual business start-up would only be appropriate for self-selected students.

A number of key challenges further reinforce the imperative for entrepreneurship development at the Palestinian universities. First, the current provision of entrepreneurship activities is not catered for coherently, resulting in ineffective planning, organization, delivery and assessment. Second, not all the students are targeted for personal entrepreneurial development. Third, there is some staff resistance (or fear) to change, especially to overcoming

traditional educational practices. Staff anxiety to change is well appreciated as the following cursory assessment of their entrepreneurial character indicates a clear need for personal development in these areas:

- ✓ Entrepreneurial competence:
- ✓ Enterprising teaching capabilities
- ✓ Practical experience base

Palestinian universities offer a wide range of services, not only in entrepreneurship but also in technology transfer, graduate employment and industry linkages. These programs and interventions should form a good basis on which to develop an entrepreneurial university model for Palestinian universities. Table (1) presents the results of survey for 200 respondents from four Palestinian universities.

Table 1: Entrepreneurial University Self-Assessment

Key statements (characteristics) of entrepreneurial universities	Value
Leadership and Governance.	3.40
Organizational Capacity: Funding, People and Incentives.	3.00
Entrepreneurial Teaching and Learning.	1.60
Preparing and Supporting Entrepreneurs.	2.20
Knowledge Exchange and Collaboration.	3.90
The Internationalized Institution.	2.00
Measuring Impact.	1.10

Analysis for each of the seven statements indicates the following findings and development needs:

6.1 Leadership & governance

There is an ambition to develop entrepreneurship within Palestinian universities but to date there is no central strategy for the whole university. On the other hand, there is a high level of autonomy for the various colleges to pursue entrepreneurial activities. However, without a focal plan there is a lack of coordination of current entrepreneurship programs, so potential benefits may not be maximized.

6.2 Organizational capacity: funding, people & incentives

Currently, the organizational capacity to instigate entrepreneurship programs rests very much with various colleges and centers. As a result, the same colleges and centers manage the financial sustainability of the programs. Despite these efforts, not all staff are aware of, or engaged in entrepreneurship development. In addition, there is no central entrepreneurship policy for staff incentives and rewards to actively support entrepreneurship agenda. However, it is recommended that any such policy should only be developed after widespread embedding of entrepreneurship has taken place within the universities.

6.3 Entrepreneurial teaching & learning

The concept of enterprising education teaching methods is new at the Palestinian universities; hence, it is not widely practiced.

6.4 Preparing and supporting entrepreneurs

Palestinian universities already offer numerous programs for actual business start-up, technology transfer, incubation, etc. However, not all students or staff are aware of 'self-employment' as an alternative career. Likewise, it is possible that not all staff or students are aware of the total entrepreneurship provision.

6.5 Knowledge exchange and collaboration

Palestinian universities can demonstrate well-established external relations with the local community, international agencies, other regional universities, NGOs, and industry partners. Perhaps, however, direct links with commercial enterprises are weak; all other relations are also ad-hoc; the value and impact of current relations is not documented and once again, not all staff may be aware of the existing contacts and networks.

6.6 The internationalized institution

Although Palestinian universities have some international relations, contacts and activities, it is deemed inappropriate to pursue a systematic policy for internationalization before other areas of entrepreneurship development are well embedded. It is not suggested that an interested person or unit cannot pursue

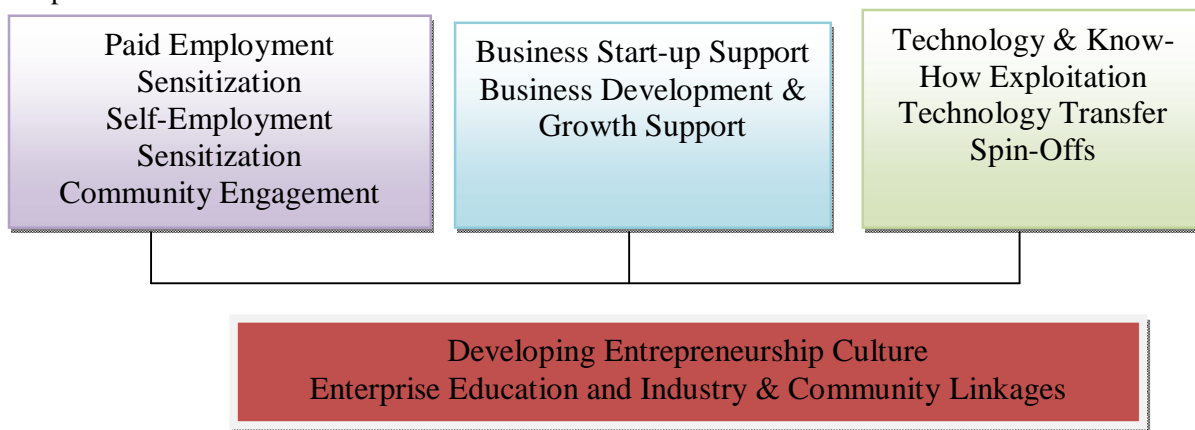
internationalization, indeed this action should be encouraged; rather it is proposed that Palestinian universities undertake institutional development in entrepreneurship before adopting a central plan for internationalization.

6.7 Measuring impact

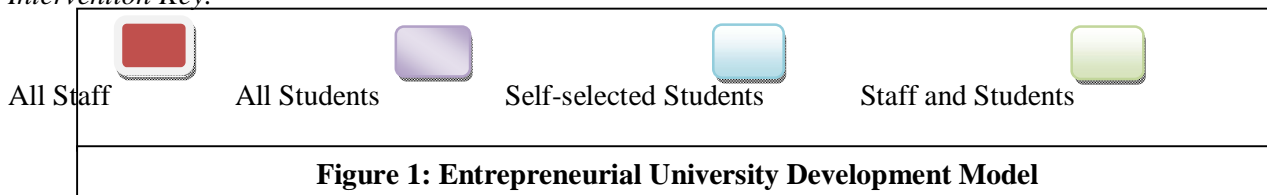
Without an entrepreneurship development model and strategy, clearly, the impact of entrepreneurship provision at Palestinian universities cannot be assessed and a means to gauge impact needs to be developed.

7. Entrepreneurial University Development Model

As shown in Figure (1), to be an entrepreneurial university that requires not only the integration of entrepreneurship development needs emanating from the EC-OECD self-assessment framework, but also the amalgamation of the many entrepreneurship services and activities already being provided by the Palestinian Universities. Development of enterprise and entrepreneurship at Palestinian universities begins at the base of the model with all staff practicing and employing enterprising teaching methods, as well as being engaged in appropriate external relationships with industry and community partners. These two elements are a prerequisite to developing a culture of enterprise within Palestinian universities, and to creating academic and non-academic opportunities within the community and with key stakeholders. Furthermore, the development of entrepreneurial students strengthens their chances for paid-employment, as well as increasing the likelihood of individuals taking up self-employment as a career, and/or exploiting knowledge by means of technology transfer and spin-off enterprises.



Intervention Key:



As a next step, these development ‘needs’ have to be integrated into an overall strategy, together with key actions for implementation. Primarily a development team should achieve the implementation of an entrepreneurial university development strategy and, in general, the faculty deans, staff members and possibly the student body would make the primary interventions in enterprise and entrepreneurship development.

8. Conclusions and Recommendation

Entrepreneurship and entrepreneurial activities are not new for Palestinian universities. The institutions already provide many programs and services in entrepreneurship, community and industry linkages, student employability, etc. These interventions and experiences should afford a good base upon which to progress towards the status of an entrepreneurial university. The key imperatives to strive for greater enterprise and entrepreneurship are the need for financial sustainability, student employability and effective teaching practices that reflect the world of work.

There is one weakness in the overall strategy, which is that it does not address any financial issues, for example, with respect to sustainability, desired income, investment requirements, etc. This would require a much more detailed project and target setting with individual units, colleges and centers that provide various entrepreneurship

programs. However, faithful accomplishment of the recommended provisions should enable Palestinian universities to progress towards the desired entrepreneurial university status.

From the above analysis, based on the self-assessment framework, the following needs are listed for the entrepreneurial university development of Palestinian universities:

- An entrepreneurial university development model
- Staff sensitization in key enterprise and entrepreneurship issues
- Sensitization and training of academic staff in enterprising teaching methods
- Sensitization and training of faculty staff in 'entrepreneurship careers'
- Widespread promotion of current entrepreneurship provision
- Development of a broad staff 'industry/community placement program'
- Guidelines to assess impact of entrepreneurship provision

9. Implications

Being an entrepreneurial university, will help graduates to start up new ventures and creates jobs. That will help in reducing the high unemployment rate among university graduates.

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Annex 1 – Entrepreneurial University Assessment

1. Leadership and Governance					
Dimension	1	2	3	4	5
Entrepreneurship is a major part of the university strategy.					
There is commitment at a high level to implementing the entrepreneurial strategy.					
The university has a model for coordinating and integrating entrepreneurial activities at all levels across the university.					
The faculties and units have autonomy to act.					
The university is a driving force for entrepreneurship development in the wider regional, social and community environment.					
2. Organizational Capacity, People and Incentives					
Dimension	1	2	3	4	5
The university's entrepreneurial objectives are supported by a wide variety of funding sources/investment, including investment by external stakeholders.					
The university has a sustainable financial strategy in place to support entrepreneurial development.					
There are mechanisms in place for breaking down traditional boundaries and fostering new relationships - bringing internal stakeholders together (staff and students) and building synergies between them.					
The university is open to recruiting and engaging with individuals who have entrepreneurial attitudes, behaviors and experience.					
The university invests in staff development to support its entrepreneurial agenda.					
There are clear incentives and rewards for staff who actively support the university's entrepreneurial agenda.					
The university gives status and recognition to other stakeholders who contribute to the university's entrepreneurial agenda.					
3. Entrepreneurship Development in Teaching and Learning					
Dimension	1	2	3	4	5
The university is structured in such a way that it stimulates and supports the development of entrepreneurial mindsets and skills.					
Staff take an entrepreneurial approach to teaching in all departments, promoting diversity and innovation in teaching and learning.					
Entrepreneurial behavior is supported throughout the university experience; from creating awareness and stimulating ideas through to development and implementation.					
The university validates entrepreneurship learning outcomes.					
Collaborating and engaging with external stakeholders is a key component of teaching and learning development in an Entrepreneurial University					
Research results are integrated into entrepreneurship education and training.					
4. Pathways for Entrepreneurs					
Dimension	1	2	3	4	5
The university raises awareness of the value/importance of developing entrepreneurial abilities amongst staff and students.					
The university actively encourages individuals to become entrepreneurial.					
The university provides opportunities to experience entrepreneurship.					
The university provides support for individuals and groups to move from entrepreneurial ideas to action.					
Mentoring by academic and industry personnel is available.					
The university facilitates access to private financing for its potential entrepreneurs.					
The university provides access to business incubation facilities.					
5. University – Business/External Relationships for Knowledge Exchange					
Dimension	1	2	3	4	5
The university is committed to collaboration and knowledge exchange with industry, society and the public sector.					
The university demonstrates active involvement in partnerships and relationships with a wide range of stakeholders.					
The university has strong links with incubators, science parks and other external initiatives, creating opportunities for dynamic knowledge exchange.					
The university provides opportunities for staff and students to take part in entrepreneurial					
The university specifically supports staff and student mobility between academia and the external environment.					
The university links research, education and industry (wider community) activities together to affect the whole knowledge ecosystem.					
6. The Entrepreneurial University as an internationalized institution					
Dimension	1	2	3	4	5
Internationalization is a key part of the university's entrepreneurial strategy.					
The university explicitly supports the international mobility of its staff and students					
The university seeks and attracts international and entrepreneurial staff					
The university demonstrates internationalization in its approach to teaching.					
The university, its departments and faculties actively participate in international networks.					
7. Measuring the impact of the Entrepreneurial University					
Dimension	1	2	3	4	5
The university assesses the impact of its entrepreneurial strategy and the strategy is responsive to change.					
The university assesses the level of engagement in entrepreneurial teaching and learning across the institution.					
The university regularly assesses the impact of entrepreneurship teaching and learning.					
The university carries out regular monitoring and evaluation of the universities' knowledge exchange activities.					
The university carries out regular monitoring and evaluation of the impact of start-up support.					