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Professional paper

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## INFORMAL COMPETENCIES FOR EMPLOYMENT AND ENTREPRENEURSHIP – CONDITIONS AND OPPORTUNITIES FOR MACEDONIA

### Abstract

Entrepreneurial learning is defined as learning activity throughout life, with the aim of improving knowledge, skills and abilities to the personal, civic, social and business perspectives. In order to successful society transition and economy based on knowledge be possible, the guiding principle of the whole concept of learning and acquiring knowledge should be based on the process of entrepreneurial learning.

Macedonia is a small and open economy, and it's constantly developing various policies and measures in line to improve it's competitiveness. Highly focused to become recognizable country with a favorable business climate, Macedonia faces many complex and limiting factors. The need of entrepreneurial learning and development of professional competencies as a condition of employment or career development is one of them. The aim is to identify the main problems caused by lack of this value, adding employment opportunity and plaid employee development. The analysis was conducted among existing certification systems of enterprising and professional competence in some European countries and strategies of action regarding Macedonia.

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## **Introduction**

Entrepreneurial learning is one of the priorities in the informal and non-formal education. Here we can find types of education and training that are not part of formal education, but can bring more learning possibilities for the people of Macedonia regardless of their age – this is an integral part of the overall eco structure strategy. “Formal learning is always organised and structured, and has learning objectives. From the learners’ point of view, it is always intentional: i.e. the learners’ explicit objective is to gain knowledge, skills and/or competences. Informal learning is rarely structured, has no set objective in terms of learning outcomes and is almost never intentional. Often it is referred to as learning by experience or simply as experience. Mid-way between the first two, non-formal learning is the concept on which there is the least consensus, which is not to say that there is consensus on the other two, simply that the wide variety of approaches in this case makes consensus even more difficult. Nevertheless, for the majority of authors, it seems clear that non-formal learning is rather organised and can have learning objectives. The advantage of the intermediate concept lies in the fact that such learning may occur at the initiative of the individual but also happens as a by-product of more organised activities, whether or not the activities have learning objectives. In some countries, the entire sector of adult learning falls under non-formal learning; in others, most adult learning is formal. Non-formal learning therefore gives some flexibility between formal and informal learning, which must be strictly defined to be operational, by being mutually exclusive, and avoid overlap” (OECD, 2010).

Informal and non-formal education is the best way to build opportunities for adult people to join in the process of entrepreneurial learning such as those who lose their jobs, and also persons that have a beneficial pension. Also, here are the individuals who are expanding their views learning by themselves, for example on the job or during their free time. Informal and non-formal education should support development of number of competences that will allow individuals to increase:

- life-long learning capacities,
- specific competences related to type of industry/sector or hobby,
- networking opportunities,
- resources utilization,
- new technology utilization,
- novel opportunities and new career options,
- follow-up activities to increase the implementation of what is learned,

All these aspects will encourage a proactive approach to self-employment and economic independence.

## **LITERATURE REVIEW**

Peter Drucker, one of the leading thinkers in Entrepreneurship, said: “The secret of entrepreneurship is not magic, it’s no secret, and it has nothing to do with genes. It is a discipline. Like all other disciplines, it can be learned”(Drucker, 1985).

According to D. F. Kuratko, one of the most comprehensive empirical analysis of entrepreneurial learning was conducted by Solomon, Duffy Tarabishy (2002) in his review of entrepreneurial learning, Solomon argues that the main point of the entrepreneurial learning is that it is different from the typical, formal business education (Kuratko, 2005).

These studies have demonstrated the importance of “experiential learning” in terms of learning from the literature.

According to their reports the teaching aids are the following:

- business plans (Gartner and Vesper, 1994);
- undertakings (Truell, Webster and Davidson, 1998);
- consultation with real entrepreneurs, talks with entrepreneurs and analysis environment (Solomon et al, 1994.);
- mathematical simulations (Brawer, 1997);
- behavioral simulation (Stumpf et al, 1991);
- studies (Gartner and Vesper, 1994);
- site visits, video and film recordings (Klatt, 1988).

These components of entrepreneurship reflect the competencies of the entrepreneurs. The term “entrepreneurial skills” finds its place in the literature in entrepreneurship. In the past 20 years various authors identify a number of skills, knowledge and experience key to entrepreneurial success. So while Murray (1996) have limited entrepreneurial skills of personal experience of entrepreneurs, Man et al (2002) also emphasizes the category of leadership.

Basu and Goswami (1999) see entrepreneurial competencies as socio-cultural factors, and Martin and Staines (1994), as a personal quality. Finally, Mitton (1989) with arguments shows that entrepreneurial competencies that have the characteristics of behavior, as opposed to Florén (2006), who believes that the most important skills of the entrepreneur time management. Moreover, the European Qualifications Framework (EQF) and the studies the impact of entrepreneurship programs in higher education, by 2012, the European Commission said that the key to entrepreneurial competence “consists of knowledge about entrepreneurship, entrepreneurial skills, entrepreneurial attitude.” Different competencies are classified into each of these categories. the EQF “competencies in the narrow sense means a proven ability to use knowledge, skills and personal, social and / or methodological skills for work or study situations and in professional and personal development. “

Finally, excellent additional link between education, entrepreneurship and employment give Ronstadt in 1987 when he proposed a model with dual continuum design created educational training for entrepreneurial learning. His second continuum calls “entrepreneurial know-how / entrepreneurial know-who.” This is a continuum based on the belief that business success depends not only knowledge, but also the network of individuals that is connected entrepreneurs. Ronstadt (1987) suggests that an effective program must show learners how to apply entrepreneurial, but also to introduce them to people who could provide support and success. But according to him, educational programs and training are not the only or preferred way of gaining entrepreneurial knowledge.

Different forms of entrepreneurial learning (formal, informal, non-formal) cannot be reviewed in isolation from one’s lifetime, but they should be perceived as a parallel that complements lifelong competences, or as a “Mixture of learning” (Rauschenbach, et al., 2004). Although this learning mix is not recognized sufficiently in practice, it is the importance of other, non-formal places of learning that has increasingly been the main focus of attention. (Rauschenbach, 2007, pp. 439-453)

The non-formal places of entrepreneurial learning that are different from the formal ones, have several significant advantages. Regarding the fact

that they are non-formal, and that non-formal learning in the context of the world is a necessity of the population in real life, all people can constantly develop their own learning and skills. The flexibility of the individuality of learning situations enables entry for a large number of people that live in the reality of changes and needs, thus understanding the need of the unconventional biographies of learning (Reichenbach, 2007).

In order to support the meaning of the above stated, we hereby state the definitions of the European commission of informal and non-formal learning.

### **NON-FORMAL LEARNING**

“Learning, that does not take place in general education or vocational schools, and which is not usually certified. At the sametime, it is systematic (regarding the goals, duration and learning resources), and from the learner’s point of view it is often directed toward a certain goal”. (Reischmann, 2004)

Non-formal learning, regarding the education of adults, concerns all contexts of learning, that are not externally (formally) planned, but are directed and conscious from the learner’s point of view, and enable acquiring of knowledge. In order to keep up with the current knowledge during one’s professional upgrade, having discussions with coworkers and solving professional problems together, reading expert publications, attending seminars and conferences, are undertaken as a foregone ongoing process of non-formal entrepreneurial learning.

### **INFORMAL LEARNING**

“It is a form of learning that takes place in everyday life, the work place, the circle of family, or during vacation. It is not (regarding the goals of learning, the time of learning or the incentive) structured and usually it is not certified. The informal learning can be directed, but in most cases, it is unconscious or unintentional” (Commission, 2001, p. 33).

This affects primarily individuality: constant new impressions, impulses and experiences, in order to develop personal judgment and attitude. This enables individuals to “establish themselves in the living and

working environment and in front of other people with their own opinion and conscience” (Commission, 2001, p. 35).

Therefore, the informal and non-formal learning are forms of self-organized learning. In the last few years, the educational debate in formal and non-formal part has been strongly shaped by the idea of competence. The reasons of such development are primarily the changes regarding the knowledge in the “postmodern world”. For example, in the field of information technology, the level of knowledge of the individuals, in many subject areas, has a limited reliability. That is why owning competences, which enables acting in unusual situations and using new information as well, is more and more important.

At the same time, the period of the individualization of society, learning, and education highlights the responsibility of the individual. (Pries, n.d.) The importance of “soft skills” and interdisciplinary qualifications in this context is constantly increasing. (Lipski, 2004)

In order to confirm the education of the individual, until recently the term “knowledge” and the research to what extent the skills and knowledge can be reproduced were in the centre of attention. (Reichenbach, 2007)

From the middle of the previous century onward, other aspects of the original goal set by foundations, such as the ability for critical thinking, problem solving skills and the ability to cooperate, have gradually been included in the debate on education politics. (Tully, 2004)

This development continues in the 80s and, therefore, terms like “transferable key qualifications” or concepts like “to learn how to learn” become more and more popular. “This trend has finally been improved by the testing of programs of OECD which deal with the so-called “life skills”, which should enable people to cope with the modern and future demands, the everyday demands in the private and professional life, both as citizens and employees, and regarding further lifelong learning”. (Klieme, 2004, pp. 10-13)

Meanwhile, “development of competency” has become the central concept in the international debate of education. The ministers of education of OECD (2001) consider the development of competences crucial for the society based on knowledge.

“Our goal consists of the fact that we will enable all citizens to acquire competences - as basic qualifications and assumptions for further learning, and personal and social competencies, which are necessary for the participation in society based on knowledge”. (Kaiser, 2007, p. 11)

If the non-formal and informal learning are reviewed in the context of education for adults on the one hand, and as an aspect of professional development on the other hand, the personal responsibility and the responsibility towards the organization itself acquire immense meaning.

“Non-formal learning is characterized by the fact that the individual, based on the approach to the problem or interest, which he himself has set, and which he considers relevant, sets goals (learning), the realization of which requires him to develop a working plan, or learning activities, to implement them independently, while deciding how to deal with the difficulties that will arise, and to finally confirm when he will consider the adopted competences favorable for realization of the learning goal”. (Commission, 2001, p. 3)

## **METHODOLOGY AND RESEARCH FRAME**

The research includes identifying key topical areas for those who want to validate their acquired entrepreneurial skills for employment purposes or for personal career advancement in some European countries and the challenges that the people meet in Macedonia. Furthermore, the paper presents the priority areas and long-term goals provided for the period 2018 - 2020 year by the European Commission to increase the level of awareness among citizens about the significance and importance of entrepreneurship education at all levels in the country. Research and analysis of the mentioned documents and allows states to recognize the specific problems encountered by persons wishing to acquire or have acquired entrepreneurial skills while opening a small business or developing it.

All types of transformations are covered with different types of challenges that often can be very limiting factors in ensuring successful implementation of strategic documents. So, the same is the case with this strategic document. Because of that it is important to build strong ability

to face challenges with a constructive approach from the start to ensure successful implementation of the entrepreneurial learning strategy.

The biggest challenges to the success of this strategic document for entrepreneurial learning in the Macedonia will be the following, presented in descending priority order:

- Ensuring support from all stakeholders responsible in the implementation of entrepreneurial learning strategy in Macedonia. Important challenge that this strategy will also need to address is ensuring enough support from everyone in the process of implementation. It is not only about the formal and in-formal/non-formal educational institutions and policy makers, but there will be high need for building collaborative environment, in which all parts from formal, non-formal and informal education will collaborate in creating better future. Also, involvement and commitment of enterprises to participate in relevant activities of the EL strategy will be one of the most important factors for the successful implementation.

- Limited financial resources, human resources and time. As always limited financial resources, but also human resources can become one of the biggest obstacles in successful implementation of the strategy. Other challenge is the persons that will be on the first line in the implementing this strategy, that also will need to exert more efforts that will ask additional time from them.

- Creating flexible education especially in the fields related to entrepreneurial learning with the connection of other learning subjects in formal, non-formal and informal education. This is one important challenge because the main purpose of the curriculum will have to succeed in preparing the persons for the jobs that not yet exist on the market. Flexible curriculum will avoid high level of current generalization of educational system in their span creating knowledge about everything for everyone, so it will contribute in the creation of the skilled people prepared for the future jobs that even not exist today.

- Building high level awareness from interested persons and all parties in the process of entrepreneurial learning in the Republic of Macedonia. Because of that one of the challenges of this strategy is to build really high level of awareness from interested in entrepreneurial learning and local and national community that will have supportive role in the entrepreneurial learning process.

- Creating training programs that will reflect the real needs of today's and future markets. Teacher development is one of the most important pillars

of the strategy, and as something like that creating training program that will ensure successful implementation of the strategy is additional challenge.

- Involvement and commitment of enterprises to participate in relevant activities of the ELstrategy. Direct involvement of the companies in the educational process is the key for successful implementation of the strategy. (2014, p.21)

## **PRIORITY AREAS**

The high priority areas for the entrepreneurial learning strategy in the Republic of Macedonia are located in five main pillars elaborated bellow, while technology and good practices are the drivers of the strategy that will increase overall EL awareness and will results in reforms and continuous na service providers development. All of these are the preconditions for achieving an EL strategy vision - to ensure sustainable economic development and prosperity of Macedonia and Macedonia to become a country with highly developed entrepreneurial culture and spirit that inspires everyone. (2014, p.32)

Entrepreneurs, current and potential,are important components of this entrepreneurial learning strategy. The success of entrepreneurs will mean the success of the implementation of the strategy. The main focus of the strategy is on young entrepreneurs and on the conditions and environment needed for their successful growth. This pillar of strategy should ensure entrepreneurs to strength their capacities for:

- Expanding current developed hard skills
- Opportunity-seeking and initiative taking
- Utilizing technologies, innovation and new products development
- Persistence
- Demand for quality and efficiency
- Calculated risk-taking
- Systematic planning, goal-setting and monitoring
- Persuasion and networking
- Independence and self-confidence

- Fund-raising
- Internationalization of their work (2014, p.33)

The table below shows the importance of raising people’s awareness for this type of acquisition forentrepreneurial competencies.

Increase the level of awareness among all citizens about the meaning and importance of entrepreneurial learning at all levels in the country:

**Table 1:** Long-term Goals: 2018 - 2020

ISCED 0-1-2	ISCED 3-4	ISCED 5-6	In-formal/Non-Formal	Entrepreneurs
Priorities/Actions		Responsibilities	Time frame	Impact
To build entrepreneurial aware society		All stakeholders	Long-term	Environment in which exist clear understanding of the real meaning of entrepreneurial learning with right understanding of importance of entrepreneurial learning.
To include all stakeholders to became active part of EL process at all educational processes in the country		MoS, local Government, Educational Institutions	Long-term	More stakeholders around educational organizations will become active part of entrepreneurial learning process.

European Commission; Cedefop; ICF International (2014).*European inventory on validation of non-formal and informal learning 2014. Executive summary.*

### Conclusion

The analyzed experiences for validation of non-formal and informal entrepreneurial learning in some of the states of EU reveal that the national contexts of the states could be very heterogenic regarding the different characteristics of validation, in terms of levels of identification, evaluation and certification, but also the stadium of development of the process, even in the use of different meaning of the terms in different states.

But, the imposed continuous need, and the foregone development of these types of individual entrepreneurial learning for pursuing needs and problems, will unconditionally initiate permanent upgrades of the systems and law frameworks. The exchange of experience, especially with the states with longer history from the one of Macedonia, will significantly contribute to increasing the efficiency of this system of validation.

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