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## THE STATE OF ENTREPRENEURSHIP AND INNOVATIVENESS IN MONTENEGRO

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*Abstract: European business sector pays significant attention to competences relating to initiative efforts and entrepreneurship. These competences associated to entrepreneurship play a paramount role in EU neighboring countries in their development process towards higher performing market economies and convergence with EU economic and social standards. Unfortunately, that is not situation in Western Balkan counties. Due, the Erasmus REBUS project intends to support development of key competences for employability that will guarantee more flexibility in the labor force and allow adapting more quickly to constant changes in an increasingly interconnected world. University of Montenegro is involved in REBUS project and performed research about current situation of entrepreneurship and innovativeness in Montenegro. Three type of researches were performed: Online questionnaires, Desk research and Interview. This paper is focused mostly on results obtained through online questionnaire in Montenegro but we will also briefly present results from Desk research and Interview. The findings demonstrate that a lot has been done in the field of entrepreneurship development in Montenegro, but there are still many spaces for improvement. Actually, entrepreneurship is the topic which is processed in the elementary and some secondary schools but at the universities it is under-treated. It is also shown that there is absolute lack of involving business sector in education process as well as lack of knowledge of the competency validation methodology which is evaluated as very important.*

*Key words: entrepreneurship, innovation, questionnaire, competences*

### 1 INTRODUCTION

Although entrepreneurship pulls the roots from the 17th century, a greater emphasis on entrepreneurship in theoretical sense is bound up in the late 19th and early 20th century. The term entrepreneurship is especially emphasized through practical examples and actions in the end of 20th century and at the beginning of 21st century.

Entrepreneurship is a term connected with an entrepreneur or someone who encourages and creates innovations or introduces new things, invests money or business experience in order to translate innovations into economic good. The concept of entrepreneurship is mostly related to the process of implementing a new business arrangement. The main functions of entrepreneurship are in relation with foresight, risk acceptance, innovation and learning. In order to establish these functions, the synergistic action of talent, technology, capital and “know-how” approach should be defined. Entrepreneurship represents the observation of new ideas and business opportunities and entering in a new business. Entrepreneurship can also be viewed as an activity aimed at launching, organizing or innovating the organization, with the main goal of creating a new market and generating profit.

Entrepreneurs are persons who launch a new business venture. There is a constant dilemma about whether an entrepreneur is born or becomes. There is also a question of the level of correlation between academic education and success in entrepreneurship. Some studies show that genetics have a great influence on success in entrepreneurial work. Thus, in some surveys, about 48% of entrepreneurship tendency is inherited.

When talking about the underling foundation of entrepreneurship, we can distinguish between three pillars [1]:

- Excellent knowledge of the needs of customers, markets, technology, technics etc.,
- Experience, passion to the work and persistence, as well as the investment in enormous work,

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- Ideas and objectives, finding and striving to the unused market conditions.

The following concepts are applied to entrepreneurship: innovation, market analysis, business plan development, marketing strategy, transfer of knowledge and technology, design, testing, validation, etc.

Erasmus + REBUS is a research and development project aiming at developing a learning approach for entrepreneurship in Higher Education institutes. It aims at understanding how stakeholders in Higher Education (e.g. professionals as well as students) are familiar with the concept of entrepreneurship and entrepreneurial competences in connection with web-based learning environments as well as with approaches and instruments for validation of learning outcomes in their practice [2].

University of Montenegro as partner in the REBUS project (REBUS project, 2017) is involved in research about current situation of entrepreneurship and innovativeness in Montenegro. Accordingly, we performed research which consists of three parts:

- Online questionnaires,
- Desk research,
- Interview.

Target groups for the research are: students, HEI, enterprises, administration, Chamber of Commerce, etc. Even that the paper is focused on results of online questionnaires, we demonstrate certain information about results of Desk research and Interview.

## **2 RESULTS OF DESK RESEARCH**

Desk research about entrepreneurship in Montenegro is realized by three professors of the University of Montenegro. Desk research encompasses four topics as following:

- Part 1: Entrepreneurship in practice,
- Part 2: Entrepreneurship in Education,
- Part 3: Learning Technologies and blended learning in Higher Education,
- Part 4: Job related Competences, Informal learning and Validation.

Here is presented some of the most important information about each topic.

### *Part 1: Entrepreneurship in practice*

Montenegro has developed the Strategy of development of vocational education (2015-2020) (Ministry of Education of Montenegro, 2014a) and Strategy for lifelong entrepreneurial learning for the period 2015-2019 (Ministry of Education of Montenegro, 2014b). The Entrepreneurial learning in Montenegro during the last 15 years has undergone several phases of development.

There are many organizations in Montenegro that offer a variety of courses to employers through trainings, seminars, workshops and round tables in order to develop the business in Montenegro.

### *Part 2: Entrepreneurship Education*

Entrepreneurship is represented as an optional teaching course in elementary school. Starting from 2012/2013 in all secondary schools under Entrepreneurship course, children attend the program "Young Entrepreneurs". There are some courses in Montenegro focused on Entrepreneurship at University of Montenegro. There are also some teaching courses in the field of Entrepreneurship at the private University of Donja Gorica (UDG) and private University Mediteran.

### *Part 3: Learning Technologies and blended learning in Higher Education*

There are used classical learning methods like: oral presentation method, the method of talking, documentation methods, experimental methods, etc. There is no Accredited Program in Montenegro which has the character of e-learning. At the University of Montenegro, software Moodle, as a Learning Platform or course management system, is used sporadically. It is not obligatory.

#### Part 4: Job related Competences, Informal learning and Validation

There is no validated system in Montenegro in the area of entrepreneurial skills and competences and there is no assessment systems for these skills / competences in Montenegro.

### 3 RESULTS OF INTERVIEW

The interview is performed with one entrepreneur (business person), two professors (University of Montenegro), one student of University of Montenegro and one member from Chamber of Commerce [5].

Most of the interviewees find that there is a lack of entrepreneurship education in Montenegro. Actually, most of them said that there are the least learning about entrepreneurship on universities that are not strictly focused on economics and business. Most of interviewees consider that the teaching course related to the entrepreneurship as obligatory course in all study programs should be defined by some strategies, for example, the Strategy of high education or the Strategy of university's development. All interviewees agreed that business sector should be more integrated in education.

All respondents agreed that the best and most interesting learning method is using a mix of different learning modalities using compulsory practice in selected enterprises.

### 4 RESULTS OF ONLINE QUESTIONNAIRES

The Questionnaire is distributed to all partners' countries at Erasmus + REBUS project. There were 809 respondents. The Questionnaire consists of 5 parts:

1. Introduction and statistical background data,
2. Entrepreneurship and Entrepreneurship competences,
3. "Learning entrepreneurship" - Acquisition of entrepreneurial competences,
4. Validation of competences,
5. Digital learning.

There were 54 responds from Montenegro. The paper will present some interesting responds from each part of the questionnaire.

#### Part 1 of Questionnaire: Introduction and statistical background data

The Structure of the respondents in Montenegro is presented in figure below.

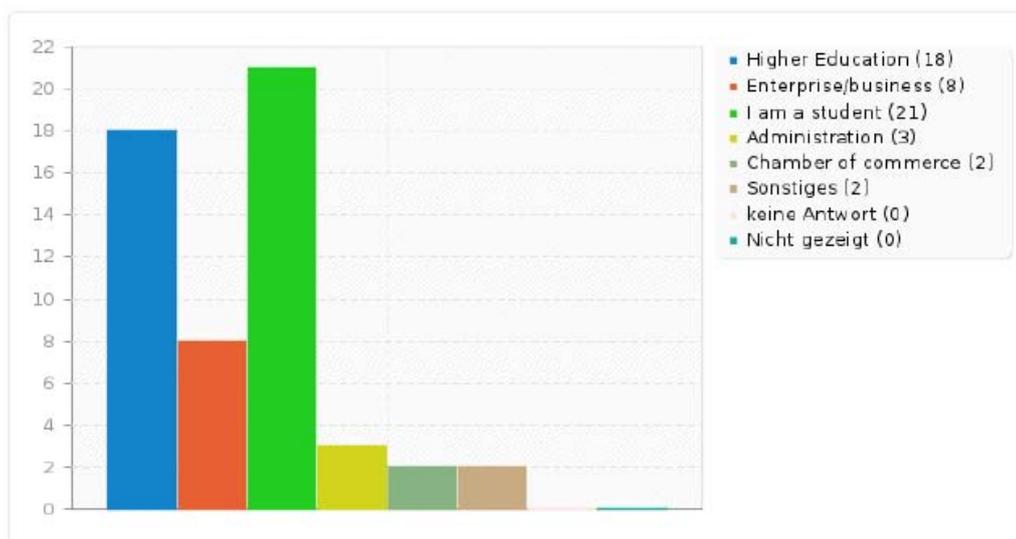


Figure 1. Structure of the respondents in Montenegro

More than 70% of respondents are from University (students and professors). Other respondents are from Administration, enterprises and Chamber of commerce.

### Part 2 of Questionnaire: Entrepreneurship and Entrepreneurship competences

Results about knowledge of the concept of entrepreneurship are shown in figure 2.

How would you rate your knowledge on the concept of entrepreneurship? []

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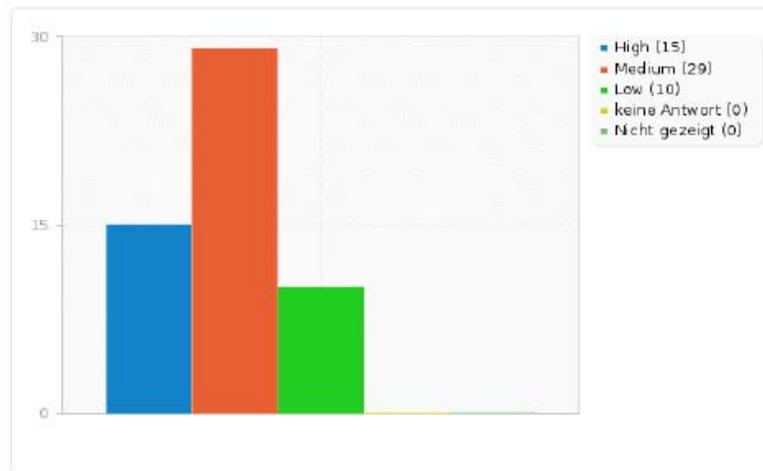


Figure 2. Knowledge of the concept of entrepreneurship

The most of respondents said that they have medium level of knowledge of entrepreneurship. It is very interesting that about 20 % of respondents said that they don't have any knowledge about entrepreneurship. Most of respondents also mean that "entrepreneurship and sense of initiative" are very important for finding job (figure 3).

How do you rate the importance of "entrepreneurship and sense of initiative" in relation to:  
[Finding a job]

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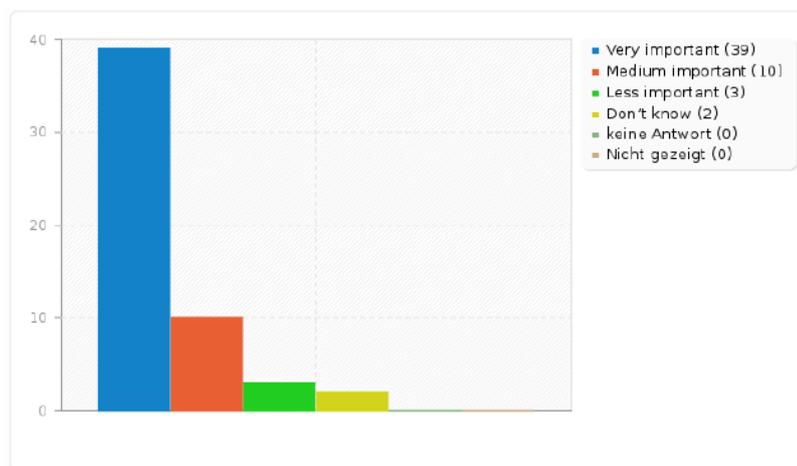


Figure 3. Impact of entrepreneurship for finding job

We can see in figure 4 how respondents give answer which aspects and competences are most important for persons, who have entrepreneurial mindset (figure 4).

Which aspects and competences you consider most important for persons who have an entrepreneurial mindset?[Reihenfolge 4]

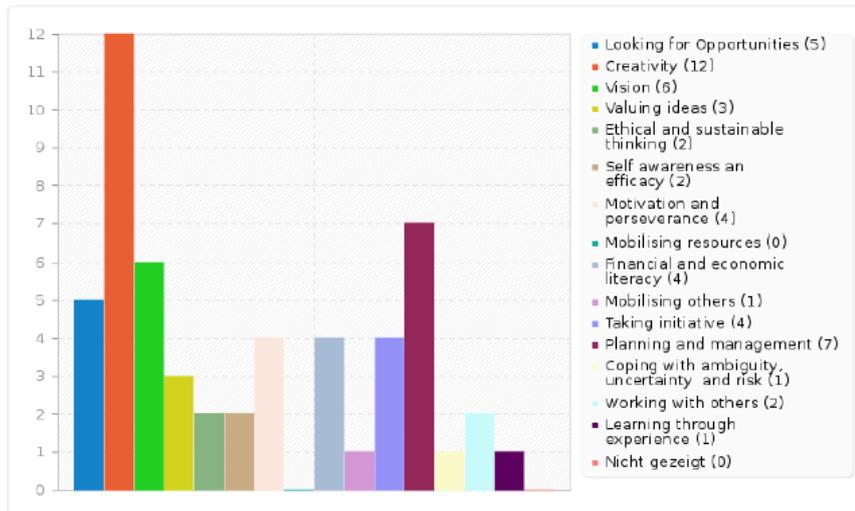


Figure 4. Aspects for entrepreneurial mindset

The most important aspects and competences for entrepreneurial mindset are evaluated as following:

- Creativity (12),
- Planning and management (7),
- Vision (6).

**Part 3 of Questionnaire: Acquisition of entrepreneurial competences**

Figures 5 to 7 present evaluation of knowledge acquisition on different level of education (School education, Adult education and High education).

Where do you think entrepreneurial competences are best acquired? In which educational domain: [School education]

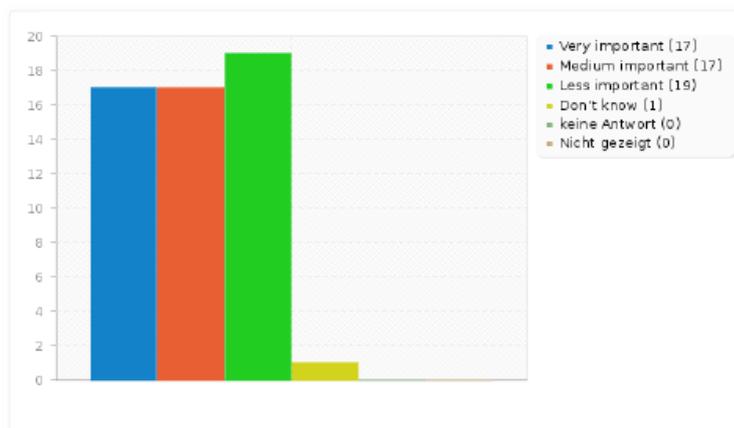


Figure 5. Acquisition of entrepreneurial competences in school education

Where do you think entrepreneurial competences are best acquired? In which educational domain: [Adult education]

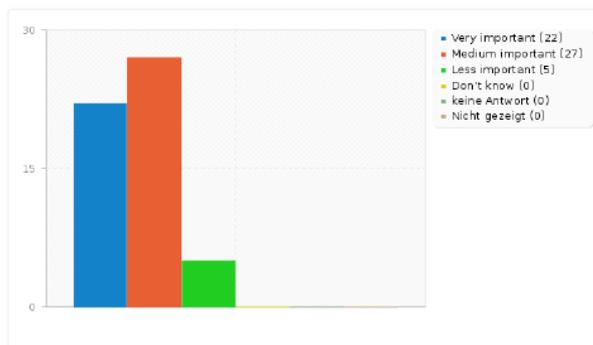


Figure 6. Acquisition of entrepreneurial competences in Adult education

Where do you think entrepreneurial competences are best acquired? In which educational domain: [Higher education]

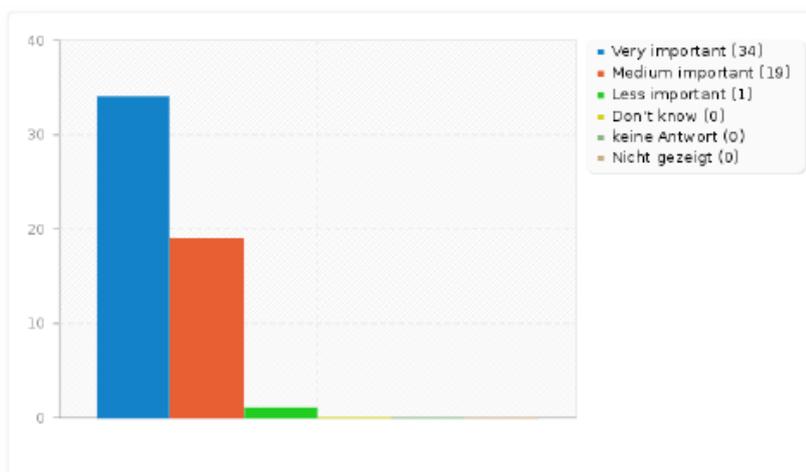


Figure 7. Acquisition of entrepreneurial competences in Higher education

Most of respondents think that higher education is the most important for obtaining entrepreneurial competences. There is also high number of respondents who think that school education is not so important for entrepreneurial competences. However, online questionnaire shows that education in general is very important for acquisition of entrepreneurial competences.

#### Part 4 of Questionnaire: Validation of these competences

Part 4 of online questionnaire is focused on validation of entrepreneurial competences. Validation of entrepreneurial competences is process which is not well known in Montenegro. Figure 8 presents awareness of respondents according any learning program or activity for promotion acquisition of entrepreneurial competences. As we can see most of respondents don't have knowledge about these types of activities. Actually, most of respondents don't have idea about validation of competences or have bit knowledge about it (figure 9).

Are you aware of any learning programme, learning activity to promote the acquisition of entrepreneurial competences?

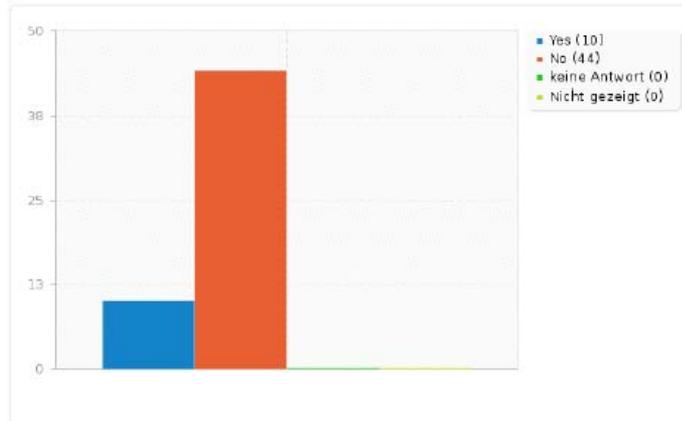


Figure 8. Promotion of acquisition of entrepreneurial competences

We can see in figure 9 that just approximately 15 % of respondents have an idea about validation of competences and just 4 respondents said that they know some approaches about process of competences validation.

Do you have an idea about the validation of competences? []

Do you know approaches for validating competences?

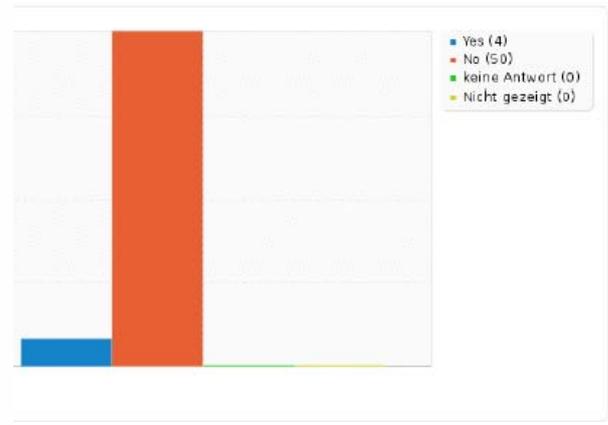
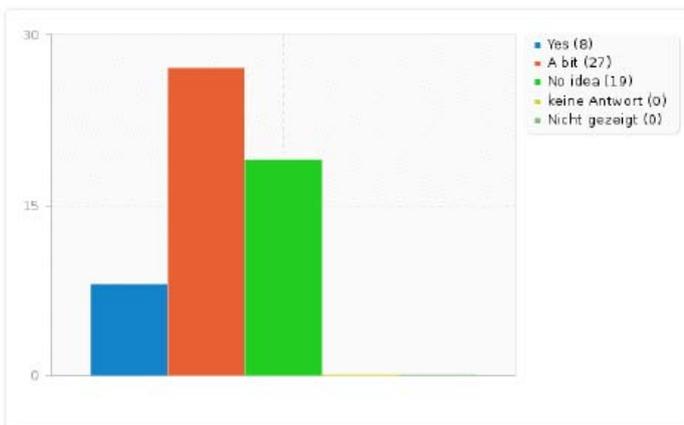


Figure 9. Validation of competences

Even validation of competences is not well known process in Montenegro, just one respondent said that it is not important process. Actually, most of them think that is important process (66%) and 28 % don't have knowledge about it (figure 10).

Do you consider the validation of competences as important? [Yes]

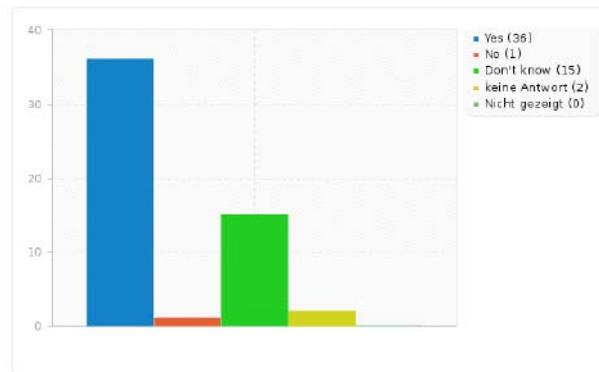
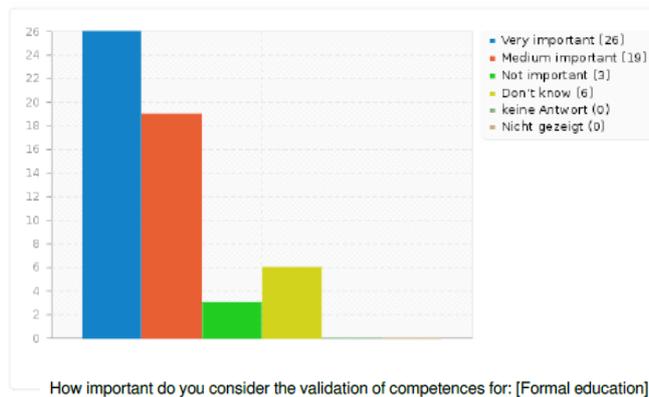


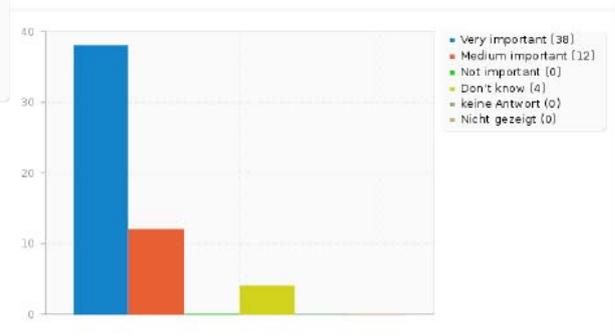
Figure 10. Importance of the validation of competences

It is very important to analyze what respondents think why it is important to perform validation of competences. As we can see in figure 11 most of respondents have opinion that validation of competences is very important for Personal development, Job opportunities, Formal education and Career development. Just few respondents think that validation of competences is not so important.

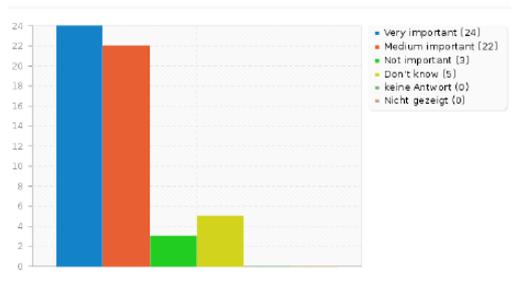
How important do you consider the validation of competences for: [Personal development]



How important do you consider the validation of competences for: [Job opportunities]



How important do you consider the validation of competences for: [Formal education]



How important do you consider the validation of competences for: [Career Development]

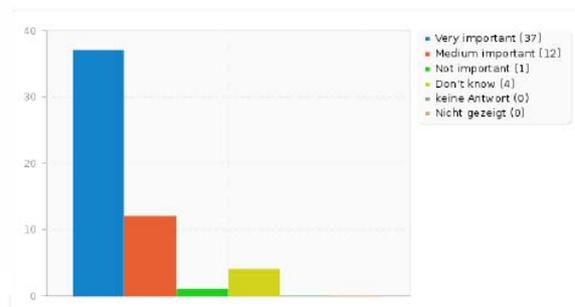


Figure 11. Degree of importance of competence validation

Figure 11 shows that:

- 83% of respondents think that validation of competences is important for Personal development,

- 92.6% of respondents think that validation of competences is important for Job opportunities,
- 85% of respondents think that validation of competences is important for Formal education,
- 91% of respondents think that validation of competences is important for Job Career development.

**Part 5 of Questionnaire: Digital learning**

Part 5 of questionnaire is focused on digital learning (70%). Most of respondents said that they use digital learning in university. The question is if they really know what does it mean.

Do you use digital learning (e-learning/blended learning) in your university, educational organisation?

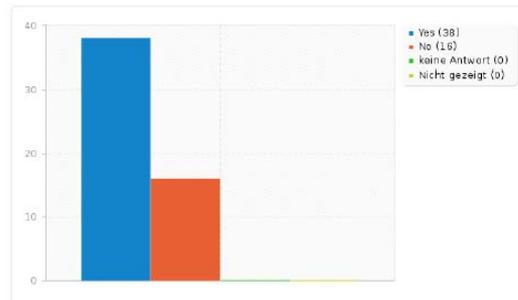


Figure 12. Using digital learning at Universities

Many respondents don't have knowledge about any web aided learning system (76%) and more than half of them don't know if it could be useful (figure 13).

Do you know open (web-aided) learning systems (e.g. LMS, e-portfolios etc.) that connect with validation (assessment and evidencing)?

Would you consider such tools as useful? []

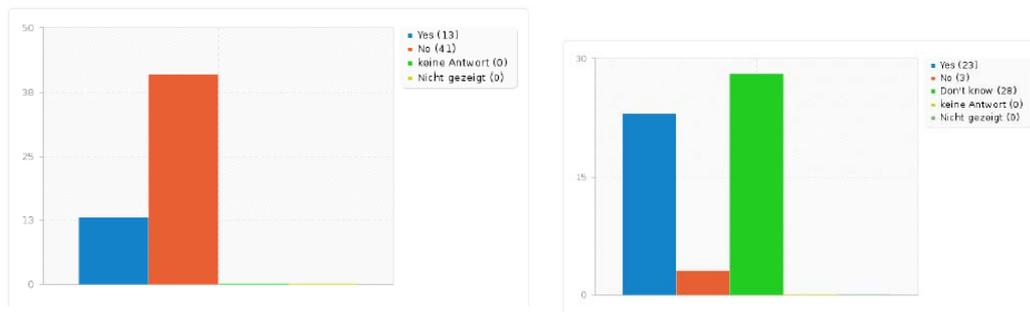


Figure 13. Knowledge about open learning systems

We can see on figure 13 that just few respondents (3) think that this type of learning system can't be useful. According that we can conclude that there is not enough knowledge about digital learning in Montenegro but most of respondents don't have resistance to modern technologies.

**5 CONCLUSION**

Enhancing entrepreneurship competence and entrepreneurial attitudes of graduates of ICT and engineering in the Western Balkans can support increased employment and improved development of these countries. But, Western Balkan countries, as transition countries from state regulated towards market economy, have a high level of resistance to private initiatives and entrepreneurship. Consequently, the REBUS project will give strong support to develop entrepreneurship competences in Western Balkan countries and Montenegro.

According to the results presented in two parts of the research (Desk research and Interview) we found that there is a certain pre-knowledge about entrepreneurship in Montenegro. Montenegro has developed the Strategy of development of vocational education and the Strategy for lifelong entrepreneurial learning. There are some teaching courses in Montenegro during elementary school, secondary school and university focused on Entrepreneurship. There is no validated system in Montenegro in the area of

entrepreneurial skills and competences and there are no assessment systems for these skills / competences in Montenegro. All interviewees agreed that business sector should be more integrated in the courses.

Online questionnaire shows very interesting results as following:

- The most of respondents said that they have medium level of knowledge about entrepreneurship, while 20 % of respondents said that they don't have any knowledge about entrepreneurship,
- Entrepreneurship and sense of initiative is evaluated as very important for employment,
- Higher education is evaluated as most important type of education for obtaining entrepreneurial competences,
- Only 15 % of respondents have idea about competences validation, so it is not well known process in Montenegro, but most of respondents said that is very important for personal development, Job opportunities, Formal education and Career development),
- Additionally, many respondents don't have knowledge about any web aided learning system (76%) and more then half of them don't know if it could be useful.

However, there is still a lot of spaces for improving entrepreneurship especially in the field of validation entrepreneurial competences which will be established through the REBUS project.

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