REDEFINING THE ROLE OF ENTREPRENEURIAL MIND-SET IN EMPLOYABILITY – THE EMPLOYERS' PERSPECTIVE

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**Abstract:** *When addressing the issue of unemployment, unavoidable issue is the ability of graduates to meet the needs of the employers. The purpose of this paper is to examine the employers’ views on which enterprising skills, behaviors and attributes graduates in Croatia need when seeking employment. It has previously been confirmed that employers seek to hire graduates who, apart from specific knowledge, possess a range of skills, attributes and capabilities, but there has been little research into the role of entrepreneurial mind-set for employability, especially in the Croatian context. It has also been found elsewhere that entrepreneurial mind-set positively influences future employment prospects of graduates. The empirical research, which included 134 employers from Croatia, has shown that employers value problem solving as the most important skill for employment. Other enterprising skills such as thinking out of the box, desire for achievement, positive attitude towards change, opportunity recognition, taking initiative, work under pressure, independence or making judgment on basis of limited information were also identified by employers as valuable for getting and keeping the job.*

**Key words:** employability, graduates, enterprising skills, employers.

1. INTRODUCTION

The issue of employability has been a key issue for many years. The context of rapidly changing information and knowledge-intensive economy, as well as recent changes in labor markets resulted in universities being placed under increasing pressure to produce employable graduates. Campbell and Meadows (2001) note that a role of government is to encourage, develop and support individuals into employment. Therefore, it is critical to engage with graduate employability agenda by re-examining which attributes graduates should possess, which might make them appealing to multiple employers across multiple contexts and industries. However, vagueness exists regarding exactly what constitutes employability and which graduate attributes are required to foster employability in graduates.

Although the debate on employability has emphasized the supply side of the labor market (graduates and employees), the views of employers (the demand side of the labor market) are increasingly important. This paper examines employers’ views on whether graduates in Croatia need entrepreneurial mind-set when seeking employment. It proposes that entrepreneurial mind-set could be a valuable asset in a constantly changing world of work. This paper adopts the dominant skills agenda in understanding graduate employability in which once popular term 'transferable skills' is used alongside terms such as 'key', 'core', 'generic' and 'employability skills', together with 'capabilities' and 'personal competences'.

Although employability agenda has been researched internationally, in the Croatian context such research is lacking, especially one that focuses on the role of entrepreneurial mind-set in employability.

The first part of the paper reviews current literature on employability skills and entrepreneurial mind-set. After that research methodology is presented, followed by research results and discussion. In the end, recommendations are put forward.

1. EMPLOYABILITY SKILLS

Very often employability is being equated with gaining and retaining of fulfilling work (Hillage and Polland, 1998). In the modern knowledge-intensive economy, employees must retain knowledge and skills that are specific to their discipline, but must also possess skills, behaviors and attributes that are transferable to many occupational situations and areas to be not only immediately, but also sustainably employable.

There is an on-going debate about what constitutes employability. A brief review of the academic literature on employability identifies a host of conceptualizations of employability ranging from the general and inclusive (see for example Hillage and Pollard, 1998) to highly specific and contextualized (see for example Philpott, 1999). Yorke (2006) defines employability as “a set of achievements – skills, understandings and personal attributes – that makes graduates more likely to gain employment and be successful in their chosen occupations, which benefits themselves, the workforce, the community and the economy” (p. 8). Moreover, employability refers to an individual’s ability to find a job, retain a job and move between jobs should the need arise (Brown et al. 2003).Hillage and Pollard (1998) conclude that for the individual, employability depends not only upon the possession of employer relevant knowledge, skills and attitudes, but also upon the way these assets are used and exploited; how they are presented to potential employers, as well as upon the context within which the individual works, e.g. labor market and personal circumstances.

Narrow definitions of employability, which are dominant, emphasize skills that might make an individual attractive to potential employer and focus on short-term employment outcomes. More holistic approaches, on the other hand, emphasize self-belief and an ability to secure and retain employment and learning to learn (International Labour Organization, 2000), reflectiveness, acting autonomously and interacting in groups (Rychen and Salganik, 2005). In the recent literature there is a growing recognition of the difference between the old and new skills set in the context of flexible labor markets. Van der Heiden (2001) suggests that the 'old' skills set was based on facets of employability related to functional and job-specific competencies, whilst the new skills set "revolves around a motivational currency of job enrichment and competency development".

3. ENTREPRENEURIAL MIND-SET

Recently the change has taken place in labor market policy orientation, from counting on long-term employment with a single firm, to employability by many firms. This shift from employment security to 'employability security'(Kanter, 1995; Opengart and Short, 2002) implies a fundamental change in what employees expect from their employers, and how employers should think about their interests and obligations. In such a situation individual workers must constantly adapt to rapidly changing work environments and requirements, including emerging technologies (Butterwick and Benjamin, 2006).

Several authors, (e.g. Bridgstock, 2008) have claimed that generic skills development is an inadequate answer to the question of graduate employability and that for enhanced graduate outcomes on a sustained basis, students should develop broader career management competences. Claims have been made elsewhere (Hartshorn and Leigh, 2004) that individuals will only be employable within a competitive economy if they develop and possess enterprising skills and competencies. As a matter of fact, there is an emerging body of evidence (see for example Pavis et al., 2000; Centre for Enterprise and Economic Development Research, 2003) that enterprising skills may provide a vehicle for connecting different groups of individuals such as the unemployed, school leavers and graduates with opportunities in the labor market.

It is obvious that employability involves far more than possession of generic skills listed by graduate employers as attractive. Rather, for optimal economic and social outcomes, graduates must be able to proactively navigate the world of work and self-manage the career building process (Bridgstock, 2008). Such an approach acknowledges the importance of self-management and career building skills to lifelong career management and enhanced employability.

Several authors (Gibb, 1993; Curran and Blackburn, 2001; Rae, 2007) have observed that the possession of enterprising skills positively influences self-employment opportunities of individuals. This paper builds upon the notion of enterprising skills (See Figure 1) designed by Gibb (1993) to offer a set of initial insights into what may constitute the new employability skills set in Croatia, from the perspective of employers.

**Behaviors**

Acting independently

Actively achieving goals

Flexibly responding to challenges

Coping with and enjoying uncertainty

Taking risky actions in uncertain environments

Persuading others

Commitments to make things happen

Opportunity seeking Solving problems/conflicts

**Skills**

Problem solving

Creativity

Persuasiveness

Planning

Negotiating

Decision-making

**Attributes**

Self-confident

Autonomous

Achievement-orientated

Versatile

Dynamic

Resourceful

*Figure 1. Behaviors, skills and attributes of enterprising people*

*Source: Gibb (1993, p.14)*

Gibb (1993) distinguishes between enterprising behaviors, skills and attributes, and within the set of enterprising skills includes: self-awareness, self-confidence, creativity, perseverance, persuasiveness, resourcefulness, negotiating skills and motivation and commitment to achieve. It is believed that gaining such a set of skills will help individuals ' employment prospects, and result not only in greater self-confidence when looking for a paid employment, but also when opting for self-employment.

There are several qualities that are characteristic for the entrepreneurial mindset: capitalization of uncertainty, creation of simplicity where others see complexity, learning from taking calculated risks, quick response to fleeting opportunities (McGrath et al.2000). Additionally, people who are endowed with an entrepreneurial mindset seek and pursue the very best new opportunities with enormous energy, focus on execution and engage and inspire other people, and all of these behaviors can considerably benefit any organization. In various surveys, employers have been recorded talking about the sort of person they want: for example, `proactive’, `a self-starter’, `confident’, `enthusiastic’ and so on (these are all characteristic for entrepreneurial mindset), which signals that employers have expectations about how graduates go about their work, and how they perform at work.

The new employability skills set, incorporating entrepreneurial mindset, could be particularly interesting for countries/regions once dominated by traditional, heavy industries and predominantly large employers, a situation which resulted in 'employment for life' and is nowadays characterized by high unemployment. Entrepreneurial orienta and Slevin (1991) saw that increasing global competitiveness, rapid technological change and innovation require businesses to adopt a more entrepreneurial outlook; otherwise they would be overwhelmed by competitors. They proposed that a business with an entrepreneurial posture was characterized by a belief in change and innovation as inherently positive and essential for long-term organizational survival. The organizational culture reflected this by supporting employees openly expressing novel or radical ideas, by empowering middle- and lower-level employees and by the spirit and practice of teamwork in carrying out the day-to-day operations of the business. Drawing upon the Lumpkin and Dess (1996) notion of organizational entrepreneurial orientation (which includes: autonomy, innovativeness, risk taking, proactiveness and competing intensively), the hypothesis could be made that employers would be interested in enterprising graduates who would add value to their organization, and that enterprising graduates would more effortlessly gain employment in large and small businesses.

4. METHODOLOGY

Main objective of the empirical research was to determine what enterprising skills, behavior and attributes employers in Croatia expect from their new employees. It also aims at establishing to what extent graduates demonstrate enterprising skills, behaviors and attributes.

The questionnaire employed open and closed questions, as well as seven-point Likert scales as answers, and was conducted online. Total of 1,647 questionnaires was sent to employers, with a response rate of 8.14%. Responses were received from 134 employers. Of the companies surveyed, 34% were micro companies, 36% small, 13% came from medium companies, and 17% were large organizations. Hence, the research captures the views of employers from both large and small companies. A high number of micro and small companies participating in the research highlight the importance of recruitment to these businesses. Although the sample is not representative of all enterprises employing graduates in Croatia, it does cover a wide range of branches of economic activity and different sizes (by number of employees) of enterprises. It, therefore, provides useful information that can be used for taking action to improve graduate employability in Croatia.

5. RESULTS AND DISCUSSION

The research generated a number of insights into the type of enterprising skills, behaviors and attributes employers in Croatia consider relevant. (See Table 1). Interestingly, the views are similar across different sizes of companies and different regions of Croatia.The result show that employers in Croatia put substantial value to all enterprising skills and behaviors, but value problem solving skills and enthusiasm and motivation most in graduates. These results are consistent with similar surveys (Sarkar et al., 2016). On the other hand, enterprising skills valued the least important in this research are: making judgments on basis of limited information, critical thinking and persuasion.These results are surprising because in a situation when more and more businesses are forced to adopt entrepreneurial orientation, which they cannot have without employees behaving in an enterprising manner, it could be expected that management would empower their employees, support them to openly express their ideas and challenge the existing ways of doing things. Interestingly, other research (Lowden et al., 2011) has found that employers from both science and non-science sectors in the UK expected graduates to have, among others also critical thinking skills.The reason for this might be that Croatian employers do not expect new employees to engage in situations which require such skills, and expect their employees to develop these skills with time, on the job.

As this paper is a part of a more comprehensive research of employability skills, it is possible to compare the importance of enterprising skills in correlation with other employability skills.It can be assumed that (with the exception of problem solving skills and enthusiasm and motivation) Croatian employers consider other enterprising skills, moderately important for finding, getting and retaining a job. For example, intelligence, usage of IT, foreign language skills and teamwork were identified as more relevant than most enterprising skills. However, enterprising skills scored higher than for example public speaking, practical experience or subject knowledge. One explanation why enterprising skills are not valued more highly could be because employers are aware that entrepreneurially-minded people are likely to leave secure positions to start project that have meaning and value for them, for example their own businesses, when an opportunity presents itself. In this way, Croatian employers, especially in small businesses, fail to realize the potential that enterprising individuals have.

*Table 1. Differences between the estimation of importance of enterprising skills, behaviors and attributes, i.e. demand side and graduates demonstrations of enterprising skills, behaviors and attributes, i.e. supply side*

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Dimensions | Demand | | Supply | | *pValue*\* | Gap |
| ** | **Rank** | ** | **Rank** |
| Problem solving skills | 6,28 | 1 | 4,02 | 2 | 0,000 | -1 |
| Enthusiasm and motivation | 6,26 | 2 | 3,60 | 7 | 0,000 | -5 |
| Desire for achievement and competitiveness | 5,98 | 3 | 3,80 | 5 | 0,000 | -2 |
| Innovativeness | 5,95 | 4 | 3,49 | 9 | 0,000 | -5 |
| Positive attitude towards change | 5,93 | 5 | 3,89 | 3 | 0,000 | 2 |
| Proactivity | 5,67 | 6 | 3,45 | 10 | 0,000 | -4 |
| Acting Autonomously | 5,66 | 7 | 3,84 | 4 | 0,000 | 3 |
| Work under pressure | 5,58 | 8 | 4,19 | 1 | 0,000 | 7 |
| Making judgments on basis of limited information | 5,46 | 9 | 3,45 | 11 | 0,000 | -2 |
| Critical thinking | 5,37 | 10 | 3,71 | 6 | 0,000 | 4 |
| Persuasion | 5,34 | 11 | 3,57 | 8 | 0,000 | 3 |

\*p-value is given for Mann-Whitney test

Similar to previous research, Croatian employers do not seem to be interested in skills per se; rather, they want the graduates they recruit and employ to perform in desirable ways competently and effectively. It is the behavior, or performance that is required. Therefore, the survey has also researched to what extent new employees demonstrate enterprising skills developed through higher education. The data show that values employers give for the demonstration of enterprising skills by graduates are much lower than the values given for their importance, which indicates a significant mismatch between supply and demand side of the labor market. Croatian employers share the view that graduates are the most successful in demonstrating work under pressure and problem solving skills. They believe graduates exercise innovativeness, taking initiative and making judgments on basis of limited information the least clearly. The biggest gap between what employers appreciate and what graduates demonstrate has been observed in enthusiasm and motivation and innovativeness. On the other hand, students show they can work under pressure well, but employers do not regard it as particularly critical for employability. We can conclude that graduate employability depends heavily (apart from the context in which a graduate seeks employment) upon what enterprising skills, behaviors and attributes are acquired, but also how they are presented to potential employers.

This exploration has highlighted that apart from other skills, graduates need to possess a set of enterprising skills behaviors and attributes in order to be competitive on the labor market. This surely has implications for higher education institutions, as educators at HEI should promote enthusiasm and motivation and innovativeness more intentionally in their curriculum, and thus improve the employability of their students.

6. CONCLUSION

This paper confirms the views on the employability of graduates but also brings to light new evidence on the requirements of companies in Croatia. This research also reinforces the notion that enterprising skills, behaviors and attributes, i.e. the entrepreneurial mindset should be considered among the employability skills set, as demonstration of skills such as problem solving, enthusiasm and motivation, desire for achievement, competitiveness, innovativeness and positive attitude towards change will help graduates find and retain a job, and move between jobs.

The findings of the research clearly demonstrate the need to develop a better understanding of the demand side of the labor market, and might motivate employers to consider steps they might take to better inform universities of their needs and work with them to develop lists of desirable employability skills, behaviors and attributes and, and thus more employable graduates who can add value to companies through their careers. Employer organizations in Croatia need to work in partnership with the universities to ensure that their programs meet the needs of business. Stronger signals from employers are needed about what enterprising skills are of importance for them, so that students can be better informed of the employability demands of businesses. It is in the best interest of universities in Croatia to build stronger relationships with employers. University can assist students through raising their awareness of what employers seek in graduates, thus helping them acquire these skills through their university education. Career advisory services should work closely with employers on the development of employability skills, too and help graduates learn how to demonstrate these skills in their CVs and at the interview. Students should seek to articulate what they claim they can do in terms that relate to the practices relevant to the occupational settings they wish enter. The potential for student career management skills development unfortunately remains mostly unrealized in universities and graduates are under-prepared for the shifting employment. It is clear that such a change is only to be expected if Government makes public funding for universities partially contingent upon demonstrable graduate outcomes, with an emphasis on the production of work-ready, competent graduates.

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