

HOW IMPORTANT IS EDUCATION IN CREATING SUCCESSFUL ENTREPRENEURS?

Lorena Florentina DUMITRAȘCIUC

Alexandru Ioan Cuza University, Iași, Romania
Doctoral School of Economics and Business Administration
lorena.popescul@gmail.com

Abstract: *The purpose of this study is to analyze the importance of formal and informal education in creating successful entrepreneurs. We started from the fact that the great successful entrepreneurs of the world gave up their studies and did not continue a formal education, and yet we all use their products and services for which they solve a number of problems for us. We conducted a focus group with 10 IT entrepreneurs, in which we discussed with them about the importance of education in creating successful entrepreneurs. Entrepreneurs said that education is extremely important, noting that there are a number of ways in which an entrepreneur can get an education.*

Keywords: *entrepreneurs, formal education, non-formal education, success.*

1. INTRODUCTION

Today, we notice that information and communication technologies are changing more rapidly, so the topic of education and learning becomes a broader topic to be debated (Ilie, 2019). In this respect, the results of entrepreneurial learning should meet the social and economic needs of all stakeholders involved in the community of which it is a part (Fayolle, 2013). If we refer to lifelong learning, we believe that lifelong learning is as important as formal education, which takes place in institutions, universities and schools (Ilie, 2019). Also, due to inherent changes, the perishability of knowledge occurs, so lifelong learning is needed (Dromereschi, 2013). In terms of entrepreneurship, it represents the strongest economic force in the world (Kuratko, 2005).

Thus, both formal and informal education contribute to the improvement and development of entrepreneurial skills, which are closely linked to the development of the economy (Baseska-Gjorgjieska, 2012, McMullan and Long, 1987). Entrepreneur education is an integral component of the community to which they belong, and they must benefit from innovation centers, business incubators, science parks, technology transfers, and venture capital operations (McMullan and Long, 1987).

In addition, it is education that creates new opportunities for entrepreneurs. Thus, it is important to analyze how the entrepreneur succeeds in developing and perfecting his people (Maxwell, 2005). Also, entrepreneurs need to constantly learn in order to support their business, considering that many companies go bankrupt within the first five years of activity (Kiyosaki, 2014). On the other hand, there are a number of other ways in which an education can be obtained. This is the case of many successful entrepreneurs in the world, renowned for having dropped out of education, either because of a lack of interest in formal education, or because of financial, environmental or even family problems.

However, the great successful entrepreneurs who did not attend a formal education have made a number of remarkable changes in the society we live in now. Which makes us think about to the following two questions: "What do all these entrepreneurs have in common?" And "Is it enough that these entrepreneurs have been self-taught?"

2. THE IMPORTANCE OF EDUCATION IN CREATING SUCCESSFUL ENTREPRENEURS

As a rule, entrepreneurs are creative, take risks, have leadership skills and have a great desire to succeed in their own business. However, without having a proper education, their talent may not be sufficient (Maxwell, 2008). If the talent of the entrepreneurs were enough, then the most influential and efficient people would always be the most talented (Idem). Therefore, talent alone is not enough, but it offers an advantage in front of others, until the moment the entrepreneurs get to use it anymore. Entrepreneurship educators and researchers need to take a series of measures to create a community at the professional level that aims to share common values and goals, in order to fundamentally change both nature and practice and the effects of entrepreneurial education (Fayolle, 2013). To cultivate the talent of entrepreneurs they need to practice because this is just a starting point (Maxwell, 2008). Especially since every entrepreneur has a talent they can develop. This is why they need formal education as well as informal education (such as the support of a life coach to help them realize their potential, mentors, etc.).

Regarding the future of entrepreneurial education, it refers to the relevance, usefulness, coherence, as well as the effectiveness and efficiency of the courses, as well as the programs that the entrepreneur needs at different levels of education and training (Fayolle, 2013). Also, the biggest obstacle to the success of entrepreneurs is the lack of confidence in their own forces. Thus, entrepreneurs need to harness their potential to build their confidence (Maxwell, 2008). Taking into account the fact that an ordinary man uses only 10% of his potential (Powell, 1995).

In addition, the cause of entrepreneurs' failure is due to lack of confidence in their own forces (Maxwell, 2008). So they need mentors and coaches to support them to keep going. They need another form of learning, by which to know themselves. Through education, entrepreneurs actually learn how to work with their people to achieve success (Maxwell, 2005). In this way, they learn how to have teams and train them to reach the desired level of performance. Thus, the organization that intends to facilitate the education of all its members and continuously transforms itself is defined by the existence of organizational conditions that favour learning (Pedler, et al., 1989).

In this sense, for leaders to be able to develop other leaders, education and training are needed to have a positive attitude, in terms of encouraging people to join a leadership position (Maxwell, 2005). Kiyosaki (2011) tells us that it is essential for entrepreneurs to consider three types of education. The first form of education refers to the academic one, in which they learn to write, read and solve problems. Thus, the entrepreneur's ability to keep abreast of changes in the information field is very necessary, as opposed to what they learned yesterday.

Just that often, academic education is not the smartest move for entrepreneurs, because they need to learn the skills and tactics of the "real world" by taking concrete actions. Practically it is impossible for entrepreneurs to learn something without doing that (Kiyosaki, 2011). So people learn most 90% of what they say and do, 70% of what they say, 50% of what they hear and see, 30% of what they see, 20% of what they hear and 10% of what they read (Dale, 1969). So no matter how good a human being is at a theoretical level on a particular subject, he must also know how to apply that knowledge and influence other people as well. Otherwise, the knowledge becomes redundant.

Then, there is a need for vocational education for job security, which refers to the knowledge of a job, from which they can earn money (Kiyosaki, 2011). It's just not enough professional education, because it refers to the trades such as: lawyer, doctor, etc. Which means that vocational education does not turn these people into entrepreneurs? And last but not least, we are talking about financial education that represents a financial culture by understanding the specific language and figures (Kiyosaki, 2018).

In other words, financial education refers to how much money entrepreneurs can keep and how much money they manage to work for him and how many generations he manages to make money (Kiyosaki, 2011). Basically this is the level at which the entrepreneurs have to reach the level of education. But in order to reach this level, Kiyosaki (2018) teaches us that entrepreneurs must carefully choose their teachers from whom they want to learn, especially if they are not rich people. Then there is a need for a certain attitude, which represents 80% of the financial education, if an entrepreneur uses expressions such as "I can't afford it", "I don't care about money" etc., then he will always be poor. And last but not least, we are talking about learning the language of money, which entrepreneurs must master in order to become rich, words such as: "maximum rate", "net operating income", etc.

Also, those who want to become entrepreneurs and study this phenomenon, cannot learn this skill from a book because experiential learning is required. So another form of education is failure. Failure is a significant evolution of entrepreneurs, because they learn from trials and personal mistakes (Maxwell, 2005).

Also, entrepreneurs can learn from the mistakes of others to stop repeating them too, so that they can make time to grow and develop their business. Therefore, the best form of learning is to learn from experience. Thus, people who do not achieve performance either did nothing meaningful in life or learned nothing (Maxwell, 2005 and Kiyosaki, 2011).

3. METHODOLOGY

The purpose of this study is to analyze the importance of formal and informal education in creating successful entrepreneurs. We started from the fact that the great successful entrepreneurs of the world gave up their studies and did not continue a formal education, and yet we all use their products and services for which they solve a number of problems for us. In other words, entrepreneurs focus all their attention on "making things happen" in the real world, rather than focusing on the academic approach.

In the first part of this study we conducted a focus group with 10 IT entrepreneurs, with 3-5 years experience in the field, in which we discussed with them about the importance of education in creating successful entrepreneurs. Focus group included 3 questions. In the second part we conducted a case study in which we studied the life stories of 14 successful internationally renowned entrepreneurs, related to the education side, and identified the main characteristics that guided them to achieve performance. Regarding the field of intelligent specialization: information and communications technology, space and security, within the national strategy for research, development and innovation 2014-2020, "the field is one of the most dynamic in the country. The industry is supported by the entrepreneurial experience accumulated in the last decades (...)", IT technology is a decisive factor for the economic growth because it provides the knowledge necessary to convert the factors of production into goods and services, offers an efficient division of labor, improves productivity and allows the accumulation of capital (Marcus, 2016, op. cit. Dumitraşciuc and Jitaru, 2018).

4. RESULTS

At question no.1 "What forms of education do you use in your develop?" 90% of entrepreneurs referred to the fact that they use non-formal education. One of the modalities of non-formal education refers to learning through practice. All entrepreneurs said they were learning when working with the team. In this way, they have a greater chance of success. However, the people he has in his team are very important, because the people around him can take the entrepreneur to the heights of success or on the contrary they can bring him down (Maxwell, 2005).

Also, all entrepreneurs said that they call on the mentors, when they need the necessary experience of a qualified specialist and 90% of entrepreneurs said that they call on the coaches, because IT is a constantly expanding field and they must always be attentive to rapid changes and opportunities coming to the market. Thus, we find that non-formal education is in fact a necessity because formal education is often too complex to cope with such changes.

And with the avalanche of new information on the market and the opportunities that have emerged in the life of the entrepreneurs, a very high level of stress is installed, a number of discouragement can occur, a state of agitation can be installed, negligence of privacy can occur, as well as other problems (Popescul, 2017), which can often cause entrepreneurs to give up in certain situations. This is why entrepreneurs need specialized people to help them define, explain and capitalize on their own values through both formal and informal activities (Dromereschi, 2013).

In addition, entrepreneurship educators need to be experts in different fields and especially in the fields of entrepreneurship and education. They need to understand both the concepts and theories of entrepreneurship and education (Fayolle, 2013). Thus, entrepreneurship is art and science, and the role of teachers in formal education is to build critical theoretical knowledge about entrepreneurship and to give students the opportunity to enrich and improve the management skills needed for an entrepreneurial career (Jack

and Anderson, 1999). But they only offer the overall picture, which is why the practical part of entrepreneurship is needed.

Also, the entrepreneurs have stated that they listen to audio material from motivational speakers (100% of entrepreneurs) and go to networking events to get in touch with them (100% of entrepreneurs). In addition, they said they watch Youtube videos (80% of entrepreneurs) and buy courses to improve their field (60% of entrepreneurs). At the same time, the entrepreneurs have stated that they read specialized articles (70% of entrepreneurs) and buy books from famous authors in order to connect the new trends (80% of entrepreneurs). Entrepreneurs said they participate in trainings (100% of entrepreneurs), personal development workshops (90% of entrepreneurs) and debates organized in the companies they run (100% of entrepreneurs), as well as from outside (90% of entrepreneurs). Entrepreneurs have stated that they apply story telling (80% of entrepreneurs) and brainstorming (100% of entrepreneurs) in their companies to come up with new ideas and solutions to their own products and services and to solve the company's internal problems. Regarding of formal education, they referred to the professors from the college (60% of entrepreneurs), which in turn is useful, as they seek to master in depth a certain aspect of their business.

It is necessary to consider the fact that each entrepreneur is unique and that each of them has different needs in terms of their learning experience. Because there are studies that indicate that formal education has a positive impact on the entrepreneur, more specifically on increasing opportunities for business growth (Dunkelberg and Cooper, 1982, Gimeno et al., 1997). In addition, education is closely linked to entrepreneurship, since entrepreneurs have a higher level of education, as opposed to those who choose to be employed only (Robinson and Sexton, 1994).

Indeed, there are great entrepreneurs in the world who have not opted for an academic education, and this has happened because their minds are different, because they have felt leaders and because they have the freedom to think and they have not been conditioned to think like an employee. Thus, education is needed in order to process the mass of information with which we are supersaturated (Kiyosaki, 2011). It is also necessary to adopt a critical and constructive attitude regarding the questions that entrepreneurs raise and regarding the problems that they approach. There is a need for a break in the silos between the thinking and the action side, between the academic and the practical worlds, as well as between the disciplines that consider entrepreneurship education (Fayolle, 2013).

Regarding question no. 2 "What does it mean to you, a successful entrepreneur?" Education gives meaning to information, which means we can use that meaning to live better (Kiyosaki, 2011). Contrary to what many people believe, success is not synonymous with money, power, goals and achievement. 90% of entrepreneurs said that the journey they make is more important than the results they get. In addition to the travel side, 90% of entrepreneurs reported that the attitude they adopt towards success and the principles behind which they live are equally important. So even if entrepreneurs go through the same process, the results can be unique every time. Due to their experiences. In this sense, people need to learn to fish and not to give them fish, because financial education gives them the power to change the world (Kiyosaki, 2011).

Another aspect that all of entrepreneurs referred to was knowing their own purpose in life, benefiting and reaching a maximum potential. The purpose of the people is to help their peers and to show compassion towards others (Maxwell, 2005), and in this case we are talking about leaders. Also, all of the entrepreneurs reported that success is achieved through perseverance and repetition. So they must also have a dose of enthusiasm about the results they will finally get. And last but not least, entrepreneurs need to be encouraged and supported to be successful (Keller, 2012). In addition, without education, man cannot translate education for personal purpose because information without education is limited (Kiyosaki, 2011).

Regarding the question no. 3 "On a scale from 1 to 10, how important is education in creating successful entrepreneurs?" Educational experiences aim to promote flexibility, intellectual openness, and breadth of perspective on self-directed values (Kohn and Schooler 1983, op. Cit. Schwartz, 2007). Thus, Schwartz (2007) indicates that the same experiences increase the openness to ideas and activities that are not routinely central to the values of stimulation. All of entrepreneurs related that education is extremely important, noting that there are a number of ways in which an entrepreneur can obtain an education, and here we do not refer only to a formal academic education which usually involves the part of exams, courses and go to college. Thus, there is a need for teachers who are deeply rooted in the field, because educating people in entrepreneurship requires a broad set of skills (Fayolle, 2013).

Entrepreneurs have stated that formal education is important, but it is not always the best option for successful entrepreneurs, if we are to refer to the world's great entrepreneurs. This is why they need other non-formal education sources. Thus, education is positively correlated with achievement values (Schwartz, 2007). In the case of formal education, there is a strong need for the development of knowledge, skills and the reflexivity of teachers in the field of entrepreneurship (Fayolle, 2013). In addition, financial education for entrepreneurs is particularly important, considering that we are in the Information Age, and job security and retirement are no longer guaranteed (Kiyosaki, 2014).

5. ANALYSIS OF THE LIFE STORIES OF SUCCESSFUL ENTREPRENEURS

We conducted a case study where we studied the life stories of 14 successful entrepreneurs related to the education side and identified the main characteristics that guided them to achieve performance. We analyzed entrepreneurs such as: Thomas Edison, Steve Jobs, Nikola Tesla, Walt Disney, Mark Zuckerberg, Michael Faraday, Henry Ford, William Shakespeare, Mark Twain, Bill Gates, Abraham Lincoln, Andrew Carnegie, Richard Branson and Michael Dell. Following the analysis we found the following: they did not benefit much from formal education either because they were poor or because they did not have enough time for study and entrepreneurship, or because they had no interest in it.

These entrepreneurs had many failures to succeed, but each failure for them was a lesson, so they always continued to be self-taught and continued to show their curiosity in the field they liked to study. So, learning from books or from the reality of the market is a

pretty important feature that defines the success of an entrepreneur. And non-formal education takes place regardless of whether the results obtained by the entrepreneur are negative or positive (Ilie, 2019).

Also, passion is the main engine that guided them in their lives and the fact that they knew exactly what they wanted from their lives. In addition, the passion for lifelong learning is essential for entrepreneurs (Kiyosaki, 2018). Thus, these entrepreneurs had a strong motivation to go ahead regardless of the results obtained, they were persevering, they were ambitious and loyal to the business idea, they always maintained their integrity and they trusted themselves. These issues have led entrepreneurs to become world leaders.

6. CONCLUSIONS

The results of this study show that non-formal education is much easier for entrepreneurs, as opposed to formal education. Because through non-formal education, entrepreneurs learn exactly what interests them in a much shorter time, than if they go to university courses for example. Also, the results of this research show us that entrepreneurs use a wide range of knowledge, methods, resources and information from non-formal education, which creates diversity and gives entrepreneurs more perspectives to see things. We can see that time is a valuable resource for entrepreneurs, and time means money, which is why entrepreneurs need to be careful how they value this time so that they are not at their expense.

If we were to define in one word what defines the entrepreneur is discipline. We have seen in this study that discipline actually helps entrepreneurs make much easier decisions, helps them develop self-confidence and helps them develop their self-control capacity. They also have great concentration power, because we have seen that they do not deviate from what they set out to do.

In addition, we can observe the consistency of their efforts by the fact that they are persevering and are always looking to learn new things. This can be attributed to the fact that the IT field is constantly changing and must be aware of the new trends and must face the external pressures. Because in this area the fight between the most powerful leaders in the market is taking place.

Also in this study, we saw that in addition to the fact that entrepreneurs must be self-taught, because the learning process never ends. They must be patient, constantly measure their progress, periodically evaluate what worked and what did not work in their discovery process, if a certain strategy did not work, they must change their horizons and look for new solutions to problems and constantly work for the results that entrepreneurs want to achieve because there are never any shortcuts or fireworks to reach the performance. In addition, we noted that entrepreneurs would not have reached such a process of awareness if they had not resorted to the methods of formal and non-formal education, by which they have outlined a set of values that come from the essence of people's identity and from faiths. So, unconsciously, values come from education, from teachers, from new people that they admire, friends, parents, colleagues and others with whom they intersect and that have a certain impact on them.

In real life, we can see examples of people who have finished college and have only become employees, so their only way is to make money and not to create more value for others around them as make entrepreneurs successful. Especially since today we need entrepreneurs who focus more on "doing" things that happen, who leave the comfort zone and who love the risk as opposed to an employee who loves safety and comfort, and life. it is linear.

As a result, entrepreneurs learn much better from their own experiences, as well as from other people who have been involved in the business, who have tested different experiences on their own skin, so that they can offer personal advice and prepare them for what follows, such as coaching and mentoring, which is a non-formal learning model. We recommend that entrepreneurs resort to life coaching sessions because when entrepreneurs turn to life coaching sessions, they improve their relationships with others, help entrepreneurs set their SMART goals, and help entrepreneurs increase their performance (Popescul, 2017).

As we have shown in this study, academic education helps entrepreneurs to deepen a certain area as part of their business. In terms of formal education, raising awareness of entrepreneurship among students can be achieved by analyzing case studies and by bringing entrepreneurs to the classroom (Jack and Anderson, 1999). We conclude by saying that education, regardless of its form, gives entrepreneurs the opportunity to open up intellectually. At the same time, education gives entrepreneurs the opportunity to become flexible in what they do.

The results of this study can benefit the entrepreneurship education providers (teachers, mentors, and coaches), the future entrepreneurs, as well as the entrepreneurs. This study provides a basis for understanding the importance of formal and informal education in creating successful entrepreneurs. The study will be useful for future entrepreneurs, experienced entrepreneurs, researchers, and for facilitators in education such as: teachers, mentors, coaches, etc.

Entrepreneurship education providers could put in place a series of strategies and programs to encourage both future entrepreneurs to continue to pursue this path of entrepreneurship, as well as experienced entrepreneurs to overcome the obstacles they face throughout this process.

References

1. Baseska-Gjorgjieska, M., Milevska, M., Jankuloski, B. (2012). *Formal and informal education in entrepreneurship and sme management—current situation and tendencies in Macedonia, Managing Structural Changes Trends and Requirements*. Faculty of Economics of the University of Coimbra Publisher.
2. Dale, E. (1969). *Audio-Visual Methods in Teaching (3rd Edition)*. Holt, Rinehart, and Winston.
3. Dromereschi, M. I. (2013), Educația economică și de antreprenoriat - o condiție necesară pentru dezvoltarea antreprenoriatului local. *Management Intercultural*, 15(1), 35-40.
4. Dunkelberg, W. C., Cooper, A. C. (1982), Patterns of small business growth. *Academy of Management Proceedings*, 1, 409-413.
5. Dumitrașciuc, L. F. (2019), How entrepreneurs words impact their success. life coachperspective. *Journal of Public Administration, Finance and Law*, 15, 101-106.

6. Dumitrașciuc, L. F., & Jitaru, L. (2018), The future of technology management and the business environment (book review). *Journal of Public Administration, Finance and Law*, 14, 118-121.
7. Fayolle, A. (2013), Personal views on the future of entrepreneurship education. *Entrepreneurship & Regional Development*, 25(7-8), 692-701.
8. Gimeno, J., Folta, T., Cooper, A. C., & Woo, C. Y. (1997), Survival of the fittest? Entrepreneurial human capital and the persistence of underperforming firms. *Administrative Science Quarterly*, 42(4), 750-783.
9. Ilie, F. (2019), Educație informală sau învățare informală?. European Commission, EPALE, Platforma electronică pentru educația adulților în Europa, <https://epale.ec.europa.eu/ro/blog/informal-education-or-informal-learning>
10. Jack, S., & Anderson, A. (1999), Entrepreneurship education within the enterprise culture: Producing reflective practitioners. *International Journal of Entrepreneurial Behavior & Research*, 5(3), 110-125.
11. Kiyosaki, R. (2018). *Ce este educația financiară de fapt?*. Editura Curtea Veche, București.
12. Kiyosaki, R. (2014). *Avantajul inechitabil: puterea educației financiare*. Editura Curtea Veche, București.
13. Kiyosaki, R. (2011). *Conspirația celor bogați. Cele opt reguli ale banilor*. Editura Curtea Veche, București.
14. Kuratko, D. F. (2005), The Emergence of Entrepreneurship Education: Development, Trends, and Challenges. *Entrepreneurship theory and practice*, 29(5), 577-597.
15. Maxwell, J. (2008). *Talentul nu este suficient*. Editura Amaltea, București.
16. Maxwell, J. (2005). *Totul despre lideri*. Editura Amaltea, București.
17. Marcus, A. (2016), *The Future of Technology Management and the Business Environment*. Pearson Education, Inc., United States of America.
18. Pedler, M., Boydell, T., & Burgoyne, J. (1989), Towards the Learning Company. *Management Education and Development*, 20(1), 1-8.
19. Powell, J. (1995), *The Secret of Staying in Love*. Publisher: Thomas More Pr.
20. McMullan, W. Ed, & Long, W. A. (1987), *Entrepreneurship education in the nineties*. *Journal of Business Venturing*, 2, 261-275.
21. Popescu, L. F. (2017), The influence of life coaching sessions on the entrepreneurs' behavior. *Journal of Public Administration, Finance and Law*, 12, 128-135.
22. Robinson, P. B., & Sexton, E. A. (1994), The effect of education and experience on self-employment success. *Journal of Business Venturing*, 9, 141-156.
23. Schwartz, S. H. (2007), Basic Human Values: Theory, Measurement, and Applications. *Revue française de sociologie*, 47(4).
24. Uniunea Europeană (2014). *Strategia națională de cercetare, dezvoltare și inovare 2014-2020*. from https://www.edu.ro/sites/default/files/_fi%C8%99iere/Minister/2016/strategii/strategia-cdi-2020_-proiect-hg.pdf
25. Uniunea Europeană (2019). *Cercetare UE pentru inovații de top*. from https://europa.eu/european-union/topics/research-innovation_ro



This article is an open access article distributed under the terms and conditions of the Creative Commons Attribution - Non Commercial - No Derivatives 4.0 International License.