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FROM INTEGRATION TO INNOVATION: STRATEGIC AGENDA FOR THE DEVELOPMENT OF DIGITAL AND ENTREPRENEURIAL COMPETENCE OF STUDENTS AT THE INTERNATIONAL BALKAN UNIVERSITY

Abstract

With the rapid advancements in the labor market, more pressure is put on Universities to provide the right combination of entrepreneurial skills, digital literacy, and commitment to sustainability as a part of today's education. This pressure is particularly high for Universities located in Southeastern Europe, where Higher Education institutions need to rapidly transition away from traditional teaching methods toward digitally-enabled, innovation-based learning ecosystems. The response of the International Balkan University is the implementation of a strategic plan that transforms students from passive learners into value creators through an integrated plan consisting of three institutional pillars.

The first institutional pillar is focused on institutionalization of Project-Based Learning (PBL) that is aligned with Sustainable Development goals. Using methodologies such as Design Thinking and Innovation Canvas, the PBL approach enables students to identify and solve real-world problems through responsible and goal-oriented entrepreneurship. The second institutional pillar of IBU focuses on the full digitalization of the entrepreneurial process and includes use of digital collaborative ecosystems, visual tools to create ideas and validate concepts, and the ethical use of Artificial Intelligence (AI) as a virtual assistant. The third pillar establishes a newly revised evaluation system that utilizes: competency-based assessments, cross-institutional validation, and hybrid models that are resistant to artificial intelligence (AI) for the purpose of safeguarding the integrity of the assessment, and for accurately assessing student/graduate performance (or success). Together, these three pillars create a holistic framework for preparing the next generation of graduates who are digitally savvy, social conscious and innovation-minded.

Through the application of the strategic plan outlined above and through the implementation of best practices from the EIT HEI program and others, IBU will position itself as a "leader" in the area of knowledge valorisation, sustainable entrepreneurship, and digital transformation within its region. This model also provides a model for replication by other universities who are interested in maximising their societal contributions and enhancing their place in the innovation ecosystems of today and beyond.

Introduction

In the 21st century, the gap between how universities typically teach and what skills employers need from graduates is widening exponentially. Therefore, universities must meet the requirements of today's marketplace by preparing graduates for positions that require a combination of strong entrepreneurial skills, digital fluency and sustainable business practices. In addition, IBU recognizes that this issue is compounded for universities in Southeastern Europe by the need to accelerate the pace of converting from traditional to digital systems of learning and to promote regional competitiveness.

As IBU has a diverse student body, it is also aware of this dichotomy and wants to help students become more than just passive recipients of knowledge; they want to be transformed into value creators. In order to accomplish this, IBU sees an immediate need for a new strategic framework when it comes to the pedagogical approach they are using. It is important to note that all three strategies work together as they represent the means by which IBU will implement an innovative method of teaching, 1) Institutionalization of Project-Based Learning (PBL) with a focus on Sustainability (SDGs); 2) Full Digitalization of the entrepreneurial process, integrating AI tools and collaborative platforms; and 3) Evaluation Reform, to assess students' performance or competencies.

The purpose of this thesis is to expand on this new strategic direction and outline how IBU will build on these concepts using best practices from programs like EIT HEI.

I. Institutionalization of Project-Based Learning (PBL) and Sustainability

In order to transition away from a model of passive learning, institutions will need to systematically replace their traditional lecture format with an emphasis on the use of Active Learning. Project-Based Learning (PBL) is one institutionalised method for facilitating learning and assessing students' understanding through engagement in real or realistic scenarios which enables students to develop their skills for analysis, synthesis and evaluation.

A. Fundamental Methodologies for Innovation

The success of Project-based Learning (PBL) at IBU has been founded on the application of proven methodologies to support innovation:

- **Design Thinking** is a methodology that provides an approach to address ambiguous problems. Students use Design Thinking to build their capacity to understand and define the problem, develop creative solutions, as well as to create prototypes of their proposed solutions. Design Thinking also helps students to develop an iterative and flexible mindset that is important to being successful in a start-up environment.

- The **Lean Canvas Model** is a simple way to structure the development of one's project by visually representing all of the components of the project, including the value proposition, through to identifying the key partners and establishing the financial viability of the project.

B. The Principle of Responsible Entrepreneurship

Sustainability is not a separate initiative; it is a primary component of the entrepreneurial process. The strategic agenda of the International Business University (IBU) is for all project-based learning (PBL) projects to have direct links to Sustainable Development Goals (SDG). By including sustainability as a focal point in the product/service design phase, students will develop products and services that have a social responsibility component. It transforms the traditional goal of profit-making into a purpose-driven goal, making it a significant source of motivation for younger generations.

For PBL to be successful, it must not be an independent activity; IBU must take the following actions:

- **Cross-Disciplinary Application:** Expand PBL across all faculties so that all students are developing entrepreneurial competencies, regardless of their academic major.
- **Faculty Development:** Continuously coach and train faculty on how to mentor students and provide opportunities for their students to be innovative and thrive in a less traditional environment. Faculty should transition from assessing student knowledge in a traditional manner to providing mentorship to students and facilitating innovations from the Feasibility and Implementation phases.

The development and integration of PBL and SDGs will serve as the Building Blocks for developing the first two vital Canvas Areas (Societal Challenge and Cultural Value) with depth and accountability.

II. Complete Digitalization of the Entrepreneurial Process and Integration of AI

Digital transformation is not only a technical issue, but it's also an important pedagogical issue. As a result of digital transformation, there is no longer any need for students to only be able to use the basic programs that all businesses use to run their business. Today, in order to be successful in launching and sustaining a startup, students must be digitally fluent and know how to access and apply digital tools for innovation and efficiency.

A. Collaborative Digital Ecosystems

Because IBU students are working towards creating collaborative digital ecosystems, they will not be using traditional tools, instead, they will be collaborating with team members around the world to build collaborative digital ecosystems and to provide opportunities for all of the people working in IBU to collaborate.

- **Visualization and Ideation:** To support teams developing a Canvas model and prototyping ideas in real time, IBU students will use visual communication tools (i.e., Miro or Canva Whiteboard) to create visual representations of the Design Thinking process, and to develop their visual communication skills and quickly ideate.

- **Knowledge Synthesis:** To create opportunities for students to synthesize new knowledge rapidly and connect it quickly to project challenges,

IBU integrates and uses Mentimeter and Padlet as tools to facilitate the development of new knowledge during classroom lectures.

B. Integration of Artificial Intelligence (AI) as a Cognitive Partner

AI technology is no longer simply an advanced technology. Instead, it has become one of the essential cognitive partners within the innovation phase.

- **AI for Knowledge Valorization:** The IBU Strategy is to teach students how to use AI tools for rapid data analysis, but not to generate solutions completely. Students are taught to utilize AI tools to validate, improve and accelerate certain phases in the startup lifecycle.

- **Rapid Market Validation:** Students will use AI to quickly analyze their competition in market space as well as their prospective customer sectors.

- **Communication Enhancement:** Students will develop their refined Value Proposition Statements and Elevator Pitch Presentations.

- **Digital Prototyping:** Students will generate visual representations of their ideas utilizing AI tools as means to rapidly collect feedback before dedicating resources to their development.

- **Ethical and Critical Use:** Digital Competency is not only a technical competency; Digital Competency also has critical components, thus students are expected to critically evaluate the Ethical Issues associated with the use of AI as well as the limitations of AI and ensure that technology is utilized as a means to support/develop Creativity and Originality, and not as a replacement for them.

C. Maintaining Digital Fluency

IBU must provide short periodic up-to-date workshops on Digital Trends and Digital Tools as a method of keeping current with the rapid pace of Digital Development, thus the teaching content will remain current.

III. Evaluation Reform Towards Performance and Competency Measurement

It is imperative to implement a hybrid-multidimensional-AI resistant model for evaluation as a means to confirm that students have developed the skills/competencies outlined in the program and to assure academic integrity in

the age of AI. In order accomplish this, IBU will implement the combination of three distinct components:

A. Competency Evaluation and Cross-Cultural Collaboration

Evaluation of students will include an evaluation of their ability to collaborate in intercultural teams to reflect the multicultural environment at IBU by:

- **Competency-Based Rubric:** The evaluation of the Canvas Project will occur according to a clearly established set of criteria (Rubric) that will evaluate the quality of projects originality, cultural/social impact, and feasibility of project completion and teamwork.

- **Cross-Institutional Validation:** By participation in programs such as IMPACT-Campus, IBU will participate in cross-institutional validation where project evaluations are completed by evaluators from partner HEIs. This will provide for a greater assessment objectivity and will allow for international comparison of standards.

B. Academic Integrity in a Digital Environment

Hybrid evaluations will also serve as the best protection from students using AI to cheat. Due to the requirement for the application of original thought to a uniquely contextualized project, students will be encouraged to use AI as a tool for completing the project more efficiently rather than using it as a substitute for their own critical thinking and teamwork.

Conclusion

The IBU strategic agenda for the evolution of entrepreneurial and digital competencies does not exist in an academic vacuum nor is a wish list. It is a clear institutional guideline on how to improve the educational approach used by the institution and how the institution should respond to both local and global demands for digital transformation and sustainability.

By implementing the Three Pillars, IBU commits to the following vision:

1. **Project-Based Learning (PBL) and Sustainable Development Goals (SDGs):** By incorporating PBL and the principles of Sustainable Development into its core curriculum, IBU is creating a new generation of business entrepreneurs who are socially responsible. The university's

commitment to this approach ensures that the Cultural and Social Impact of student projects will be of the highest quality.

2. **Digital Fluency and Integration of Artificial Intelligence:** Through the active use of AI tools and collaborative digital platforms, the IBU is turning its students into evaluators and innovators of technology rather than simply consumers of it. As a result, all technological/digital dimensions of students' ideas will be executed at the highest quality.

3. **Competency Based Assessment:** By reforming the assessment of students using a hybrid approach (exams, projects, engagement), the assessing organization can obtain an accurate measurement of a student's competence and protect its academic integrity in the digital age.

Through this, the International Balkan University is positioned to enhance its position as an innovator and as a supporter of sustainable development within large regional business ecosystems. The international partnership and the experiences gained through this strategy will provide many useful lessons to all universities that want to increase the value of knowledge generation. Therefore, it will serve as an important example for other universities that are trying to raise their social responsibility or create responsible environments for entrepreneurship.