# The Contribution of Social Entrepreneurship to the Development of Human Capital of Students

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**Abstract:** The article presents the author's vision of the place and role of social entrepreneurship in the development of the human capital of students. The authors note that the ongoing changes in society and the economy pose the most important task - the study of a phenomenon such as human capital. Training in social entrepreneurship of students can somehow contribute to the formation of the individual human capital of a student to more successfully adapt to the modern labor market. The authors proposed a model of human capital consisting of seven components, which served as the basis for the development and implementation of a modular curriculum in the work of several universities. The article presents a pedagogical experiment on testing a modular program at universities in the South and North Caucasus Federal Districts and evaluates its results. Suggestions were made for the development of an urgent and state-important strategic direction for universities - a focus on the formation of positive human capital for students.

**Keywords:** Social entrepreneurship, Human capital, entrepreneurial capital, Social capital, Mission of higher education, Student.

## 1. INTRODUCTION

At the current historical stage, Russian higher education is searching for meanings and defining values, and a modern university, as a high-tech educational organization and part of the higher education space, is seeking a prognostic model of its development. And the processes associated with the standardization of educational programs implemented by universities, only complicate these searches, leveling the creative function of higher education in society and the state.

In addition, the consumeristic approach to higher education, as well as to the management of scientific research, turns the university into a company for churning out specialists, blocking its cultural and personal development potential (Kharchenko, 2014; Roshchupkina, Shatskaya, Alekhina, 2020).

In such conditions, the anthropological, acmeological and axiological, person-centered values and meanings of university education barely flicker or are simply trampled by the technologies of inhumane managerialism.

Hence, the objective of the article is to focus on the main, in our opinion, sense of higher education - on the formation of positive human capital (Kovalevich, Kovalevich, 2011) of students as subjects of the educational process at the university, and discussion of problems, contradictions and prospects related to with the contribution of social entrepreneurship to human capital.

Considering a university's development strategy from this perspective, in turn, implies its focus, on the one hand, on the development of such values as human capital, and, on the other, on the introduction of appropriate adjustments to strategic goals, or the university's mission (Strogetskaia, 2009).

Our position is that the university should be the center of prospective management of the territorial unit it operates in. It follows that the university, through the implementation of multidisciplinary educational and research programs, should be focused, first of all, on the reproduction of the personnel potential and intellectual resources of a particular territory. It should be given the role of a territorial center for the system of continuing education and reproduction of the intellectual elite (Balobanov, 2002; Strogetskaia, 2009; Kharchenko, Dzhahbarov, Kotova *et al.*, 2019; Roshchupkina, Klushina, 2019).

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At the same time, the university needs, as a breath of fresh air, autonomy, independence from ideological, political and economic power. It must perform the functions of critical understanding of reality, reproduce culture through scientific research and teaching in their close connection, solve the urgent needs of the economy and society. And most importantly, a person in his integral, integral understanding and his systematic study should become the object and subject of university education and science. Human knowledge or knowledge about a person, a modern person, a learning person, an educated person, a cultured person are today the most failed areas of scientific research.

In this regard, one of the promising areas of natural science and humanitarian research, and corresponding adjustment of higher education technologies, maybe human capital - a phenomenon characterized by clearly expressed interdisciplinarity.

This problem is especially relevant for higher education pedagogy, since the contribution of higher education to the formation of human capital is one of the determining ones, while the contribution of pedagogy to the study of the pedagogical aspects of this phenomenon is extremely small.

## 2. METHODS

To solve the problems posed in the study, a pedagogical experiment was carried out simultaneously in several universities to determine the impact on students' human capital of teaching theory and practice of social entrepreneurship.

At the first stage of the experiment, a part of it was carried out using the content analysis technique. This methodology was used to analyze government strategic documents, normative acts of the Ministry of Education and Science of the Russian Federation, normative local acts of universities, to survey employers, to study teaching materials used by teachers with respect to their focus on the formation of students' human capital. In addition, based on the analysis of the results of the study of the state of human capital of students, the relevance, theoretical and practical significance of the study, as well as the problems of the increment of human capital of students by means of social entrepreneurship and higher education were determined.

Then. the authors conducted a formative experiment, which consisted in the development and implementation of a strategy for optimizing the process

of forming human capital and testing the corresponding program and pedagogical technology in the space of a federal university. The purpose of this stage of the experiment was to determine the effectiveness of the author's technology of forming the human capital of students who studied in the framework of a modular program for individually selected training modules.

At the final stage of the experiment, to complete the formative stage of the pedagogical experiment, control diagnostics of the values of students' human capital indicators was carried out. The data obtained at the control stage of the experiment were compared with the data of students in the control group, as well as with the students' data obtained before the experiment.

## 3. RESULTS

In the scientific literature, researchers of the changes in society and the economy note the urgent need and importance of studying such a phenomenon as human capital (Brik, Goreltsev, 2014).

Both sociologists and economists argue that education affects all components of human capital and, therefore, investment in education is one of the most important and justified types of investment (Karmazina, 2014; Strumilin, 1924). Then, they develop the idea that the knowledge included in human capital and technology is the potential for future productivity, economic growth scientific and research (Kapeliushnikov, 2012).

The analysis of primary sources revealed that economic growth in countries with economies in transition is associated with 64% of human capital, 20% of natural capital, and only 16% of physical capital, including equipment, buildings, and production infrastructure (Kapeliushnikov, 2012).

According to researchers, the most developed countries receive up to 40% of the gross national product as a result of the development of an effective education system. Investments in education are beneficial for both the person himself and society in general. From an economic point of view, investment in the development of education pays off most quickly. According to American experts, 1 dollar of expenses in the education system gives 3-6 dollars of profit (Kapeliushnikov, 2012; Kovalevich, Kovalevich, 2011).

In Russia and the neighbor countries, there is a need for making startup as the main link between university, industry and market. By these technologies

the need of the market wads covered with university in the intended way. Academician S.G. Strumilin showed in his works a quick return on costs for general education and their high profitability (Oblad, 2019; Strumilin, 1924).

Nevertheless, despite the existing ideas about human capital, its role in the socio-economic and innovative development of the country, only certain strategic programs, documents on the development of regions and regional universities contain sections nominally related to the growth of human capital, its role in social-economic and innovative development.

In terms of modern concepts, human capital is considered as a key-value and a system of cyclically interacting elements, such as education capital, health capital, labor, cultural and moral capital, intellectual capital, entrepreneurial capital, social capital, providing the ability to participate in social and labor relations and functioning in the direction of increasing the quantitative and qualitative level of well-being of the carrier of human capital. We mostly focused on the last two capitals - entrepreneurial and social.

Entrepreneurial capital is the entrepreneur's own capital (form and valuation), ownership of limited resources (land, minerals, projects), organizational privileges and trade secrets (know-how), ranking of organizational experience and achievements of the entrepreneur. The quality of organizational and entrepreneurial abilities is assessed by the efficiency of capital use and the sustainability of the progressive development of the business (Klushina, Roshchupkina, 2019).

Since entrepreneurial capital is one of the most promising and important types of human capital, university students make the most productive investments through education, training, and practice in its development.

The entrepreneurial resource of the future specialist is a creative, intellectual resource for the development of the economy. Therefore, investment in an entrepreneurial resource is an investment in the development of students' human capital in terms of increasing its constructiveness, creativity and innovativeness. Hence, the formation of entrepreneurial skills and the promotion of initiative is the main concern of universities in order to promote employment for graduates, who will more and more act not only as job seekers, but, above all, as job creators. In the framework of the experiment, universities provided

students with the opportunity for the comprehensive development of their organizational and entrepreneurial abilities, developed along with a sense of social responsibility.

The student's social capital is the knowledge and skills of social interaction that are transferred and developed in the university through the relationship between fellow students, between students and teachers, and in an enterprise between employees, partners, suppliers and customers. Social capital is human capital able to fulfill its potential. Social capital can also be defined as a certain set of social relations that minimizes the operational costs of information throughout the economy (Kharchenko, Dzhahbarov, Kotova et al., 2019; Kharchenko, Abdulgalimov, Guliakin D.V., 2019).

In this regard, in the process of forming and evaluating the human capital of students, it is necessary to keep an eye on social capital as the capital of cooperation and interaction.

There is one detail that affects the success or failure of a future specialist. The possibility of accumulation of so-called client capital, which represents the value concluded in relations with clients, depends on the level of development of its social capital.

Therefore, in our opinion, social and client capital are the most important components of the human capital of a university, company, and individual since they make up the capital of interaction and relationships formed by people. In this regard, one of the tasks of universities seeking to increase the human capital of students was to build up the interaction capital, the carriers of which are all subjects of the educational process at the university.

One should understand that the university's mission of higher education goes far beyond simply transferring knowledge. Universities have the honor at the present stage of state development to be responsible for training highly qualified specialists, developing territorial development programs and conducting scientific research in the field of not only science and technology, but also education.

So, the solution of these problems is quite relevant for the Rostov Region, the Stavropol Territory and the Republic of Dagestan, as well as for universities of these territories, because the regions rank 42nd to 49th in Russia in terms of human development index, which is used to calculate indicators such as income index.

expectancy, longevity index, literacy. percentage of students from 7 to 24 years old, the and education index (Grigoriev and Bobylev, 2014).

Graduates of modern universities can improve significantly regional economies and societies, but they must know the social entrepreneurship technologies.

In order to develop students 'human capital, a modular program for the formation of students' individual human capital was developed. These seven modules included such ones as "Behavior in the labor market", "Self-employment and organization of one's own business" and "Social communicativeness and adaptability". Cumulatively, they gave the effect of readiness for social entrepreneurship.

The structure of each training module had the types of practically focused training sessions and some independent work prevailing in terms of the amount of time provided.

The development of the module involves various individual time costs, types of classes and their ratio, depending on the starting level of values of some indicator of the criteria for individual human capital for each student individually.

It is important that students made the choice of study modules meaningfully, with the goal of increasing their competitiveness in the labor market and of gaining an additional opportunity to provide additional educational services, if you register, for example, individual entrepreneurship, or in case of employment in the education system have additional income from additional classes for schoolchildren, tutoring, etc.

Upon completion of training in the framework of the pedagogical experiment, control diagnostics of the values of students' human capital indicators was carried out. The data obtained at the control stage of the experiment were compared with the data of students in the control group, as well as with the students' data obtained before the experiment. The obtained data were used to analyze and reason about the effectiveness of the applied program and the experiment as a whole. Comparing the values of the human capital indicators of the control and experimental groups of students, we got the following picture (Table 1 and Figure 1).

The values of indicators of human capital presented in Table 1 and in Figure 1 characterize the positive dynamics of all indicator values in students of the experimental group compared to students in the control group, in the range from 4 to 18%. Although, the values of several of them - capital of health, cultural, moral and labor types of human capital - are somewhat less than the rest. At the same time, the average value of all types of human capital is included in the interval of positive human capital.

Having compared the values of group human capital of the control and experimental groups of students upon the completion of the pedagogical experiment, we determined their growth by an average of 13.6%, which indicates a clear positive effect of training in the framework of the program on the process of human capital growth and the formation of its individual components.

# 4. DISCUSSION

The data obtained allow us to make several conclusions. The quality of the university's human capital and the effectiveness of the development

Table 1: The Values of the Group Human Capital of the Control (CG) and Experimental (EG) Groups of Students Upon the Completion of the Pedagogical Experiment

Criterion Code	Student Individual Human Capital Criteria	Indicator Values, %		
		CG	EG	Difference
Α	Health capital	74.0	86.0	+ 12.0
В	Literacy capital	72.0	88.0	+ 16.0
С	Cultural and moral capital	79.0	83.0	+ 4.0
D	Labor capital	71.0	85.0	+ 14,0
E	Intellectual capital	68.0	84.0	+ 16.0
F	Entrepreneurial capital	71.0	89.0	+ 18.0
G	Social capital	67.0	82.0	+ 15.0
	Mean:	71.7	85.3	+ 13.6

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**Figure 1:** Graphical interpretation of the values of the group human capital of the control and experimental groups of students upon the completion of the pedagogical experiment

management system for a given capital should be assessed in terms of, firstly, determining the interests of the progressive development of a country and a specific region and, secondly, capital reproduction at all levels - from individual to corporate.

The corporate human capital of a regional university consists of individual human capital, therefore, individual investments in the human capital of scientific and pedagogical personnel and students are justified and payback, since they have external social consequences, which, in turn, form indirect economic benefits.

Findings by other scientists can also be considered an evidence. As B. Sianesi and I. Riinen show, "a higher level of education of the country's population implies better health, fatherhood and motherhood, lower crime, better natural environment, wider political and social cooperation, greater social cohesion, and, most importantly, that each of the listed characteristics of a society, in turn, has positive feedbacks from economic growth" (Sianesi, Reenen, 2002).

In this approach, the existence of educational overflows that are positive for the entire economy of the country (not considered when making individual decisions on investment in education) are an important economic rationale for public support for higher education.

# 5. CONCLUSION

As a result, we can make a **general conclusion** that:

- a modern university is a high-tech institution of higher education, which strategic development vector should be focused on maximum integration into the economy and social sphere of the region and the country, with the aim of ensuring upward reproduction of the quality of life, through the reproduction of specialists with positive human capital and ready for social entrepreneurship;
- the success and competitiveness of the university can be assessed by measuring indicators such as the intellectual potential of the university, resource and financial support, the motivational potential of participants in the educational process, but, most importantly, the university's focus on the development of human capital of students;
- a relative indicator of the quality of human capital of a teacher, student, university graduate can claim the status of a key criterion in assessing the quality of training of specialists in a university.

However, in order to achieve the set parameters, the university needs a new management concept, a radical revision of the role of the university management, the mission of the university. The institution must create a human capital management system.

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