THE ENTREPRENEURIAL POTENTIAL IN THE WESTERN REGION OF ROMANIA: THE RESULTS OF A RESEARCH STUDY

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Abstract: The entrepreneurial process is composed of a succession of stages, each of them assuming a particular type of activity involving complex and even separate determinations from one stage to another: the pre-launch phase, business start-up and post-business launch. The present study aims at highlighting the entrepreneurial orientation studies on a group of 80 graduates from the Faculty of Psychology at the West University of Timisoara. The applied questionnaire were designed to reveal personality features and family values, entrepreneurial aims, the graduates’ perceptions and beliefs with regard to entrepreneurs. Statistically processed results of the questionnaires reveal a close connection between entrepreneurial intentions and personal history, consistency of the psychological development and the cognitive ability of anticipating business tasks. The main conclusion of the study is that the young people perceive the macroeconomic context and the local culture as totally unfavorable to the entrepreneurial spirit, fact which puts them in a different light the young generation of psychology graduates.

Key words: entrepreneur, economic environment, values, personality

1. INTRODUCTION

Entrepreneurship refers to an individual’s ability to transform ideas into actions with accurate economic and social purpose.”Entrepreneurs are those who find solutions” (Smith, 2009). “Entrepreneurs need to innovate” (Drucker, 2007) In today’s business world, the essence entrepreneurial behavior is identifying opportunities and putting into practice useful ideas. As it results from different theories of entrepreneurship process, it is composed of a series of stages, each of them presuming a certain type of activities and involving complex and even distinct determinations from one phase to another. Beyond the sometimes different perspectives of theorists, we can loosen three major phases of entrepreneurship: pre-launch, launch and post-launch business. As a number of empirical but also metatheoretical studies show (Frank & Lueger Korunk, 2002; Rauch & Frese, 2000), the entrepreneur’s personality as a determinant of behavior has a different weight from one stage to another in the entrepreneurial process.

Preoccupied researchers in studying entrepreneurship in terms of the lead actor: the entrepreneur, start from the following question: why some individuals under similar conditions open their own businesses and others not? The answer that is given by these researchers is that individuals who start their own business, entrepreneurs, possess a distinct personality. Thus, the initial question of why some become entrepreneurs becomes into who are the entrepreneurs? Possession of entrepreneurial personality traits does not automatically mean that individual will develop entrepreneurial behavior. Entrepreneurial personality traits, and also skills, necessary financial resources or a business idea is just an entrepreneurial potential. In their relationship with entrepreneurial behavior, personality traits must be considered in a wider configuration of factors that also include socio-economic context of this behavior.

Another theory that attempts to explain entrepreneurial behavior (intention, decision, success) is social learning theory, with reference to the context in which people learn to use behaviors and risk taking, innovation or activities motivated by ambition, etc. Social learning generates attitudes, skills, competencies, values, traits, needs but also experience of the context in which they can successfully occur.

Thus, social learning is one of the fundamental mechanisms of socialization process. Means of transmission of social learning content are the family, media, work group or friends, institutions and organizations, schools etc. These contents, penetrating the consciousness of individuals and masses, are organized in cognitive, motivational, axiological, moral structures, in knowledge, experience, interpretation and action capabilities.

2. ROMANIAN CONTEXT

Romania’s economic development after 1990 and especially in the past decade has been directly linked to EU accession perspectives. Since actual accession on the 1st of January 2007, the development was faster and took a much higher speed mainly because of existing opportunities on the Romanian market, but also because of the development gap between this market and Western countries. Although Romania is part of the world economic circuit, some economic developments have been in contradiction with global evolution. Thus if the world, during 1996-2000, there was a good period of development, in Romania it was the most difficult phase after 1989. This was mainly due to the delay of implementation of economic reforms required for a final passage into a capitalist society based on free competition. Since 2000, Romania has entered a stage of economic upward, being directly influenced by the country’s preparation for joining NATO and the European Union and then the actual accession to these organizations. Triggering the economic crisis has not spared our country of problems in all sectors. Limiting capital flows and reducing risk appetite for investors has directly influenced the Romanian economy. Romania has borrowed considerable sums of money from abroad (FMI) (Benassy-Quere, A. & Chevallier, A. 2009) in past years which will have major impacts in the near future and it is very unlikely that the economy can continue to grow in new conditions. In addition, legislative and political instability, reduced wages, increased taxes, etc. creates uncertainty and staying in expectation. The present context is now putting pressure on competitors in the economic environment in all its components: social, technological, economic, environmental, political. This paper aims to identify entrepreneurial intentionality correlated with personality factors and values in the current economic context, in a group of students in the final year of study.
3. METHODOLOGY APPLIED

In view of the current economical environment and the fact that Romania has been on the business market only for 20 years, the present study is part of a more complex research on the entrepreneurial spirit at this time.

Within the entrepreneurial spirit 3 stages have been identified: the pre-launch, the launch and post-launch stage of a business.

The research aims at highlighting the entrepreneurial spirit which could lead to success in all stages, based on the personality, the set of values, the personal history and the entrepreneurial intention in the context of the macroeconomic factors influence.

This first study has set as its objective identifying the entrepreneurial intention which exists in the graduates of the Faculty of Psychology from the West University of Timisoara. The results are to be assessed in the next step through a comparative view on the results of a similar study on a group of students from the Polytechnic University of Timisoara, since a large number of the successful entrepreneurs from Timisoara’s business environment have an engineering degree.

For the post-launch stage our intention is to correlate the results of our research on young BA graduates with the results of the same questionnaires applied to successful entrepreneurs from the Western region. The goal of this comparison is to determine any improvements which would lead to better achievements for the future entrepreneurs. The research results will be the background resource for the Centre of Entrepreneurial Excellence which will develop entrepreneurship programs adapted to the local culture.

This first study includes a total of 80 students (52 girls and 28 boys) at the Faculty of Psychology at the University of West Timisoara. The used tools were: Schwartz values test, the Big Five personality questionnaire and a survey of entrepreneurial intentions (EIQ). The questionnaire about the entrepreneurial intentions has been designed in subchapters with questions referring to: the entrepreneurial activity, the perception of a society based on the entrepreneurial values, self-assessment of the entrepreneurial skills, knowledge/concepts in terms of entrepreneurship and entrepreneurs, entrepreneurial objectives, the family background.

The results were statistically processed using SPSS statistical processing program. The results from the questionnaire on entrepreneurial intentions, highlighted the following aspects:

- Subjects most parents are employed in public or private sector, only 14 work in their company (10 fathers, 4 mothers) and were mostly secondary education.
- Subjects know entrepreneurs with whom are in a degree of kinship or friendship and which they appreciate as "good entrepreneurs". It is but obvious the tendency of giving a lower rating to entrepreneurs seen just as employers.
- Sources of assistance for entrepreneurs (private associations, Chamber of Commerce and Industry, business consulting firms, etc.) are almost unknown to the subjects.
- They are confident that they could set up a business, but less confident that the company could keep running.
- While considering a career as an entrepreneur, they are not ready "to do anything" to be entrepreneurs.
- They feel supported by family and friends if they start a business.
- They all agree to start a business if they have opportunity and resources, and believes that these conditions would be successful.
- They appreciate that a career as an entrepreneur leads to more benefits than disadvantages.
- 98% believe they do not know anything about the details necessary to start a practical business.
- Girls appreciate themselves at a higher level than the boys, in terms of recognizing opportunities, creativity, problem solving skills, leadership and communication skills, develop new products and services, relationship skills and establishing professional contacts, but not yet have thought seriously about how to become entrepreneurs.

From the perspective of values resulted following aspects:

- Our country's culture is not appreciated as favorable entrepreneurial activity.
- There is an inclination to believe that entrepreneurs take advantage of other people.
- Values as a fundamental principle in life were identified as follows: inner harmony, to have an understanding of their life, self-discipline, family security, social recognition, wisdom, true friendship, goals.
- Values as a guiding principle in life are: choosing their own goals, loyalty to friends and groups, independency and intelligence.

The need for achieving resulted from the Big Five test correlates significantly with order and planning, and perseverance correlates with caution.

4. CONCLUSION

Looking back 20 years, from when Romania entered the business after 40 years of totalitarian society, at every five years major changes have occurred in the economic environment, requiring adaptability and maximum flexibility of small entrepreneurs to a total unknown and unstable legislative market. Young people today are children born in the fall of communism in Romania, whose parents had more or less courage to start a business, but have grown up in this changing environment.

Although the sample includes a total of 80 final year students, it is not neglected the fact that they chose psychology as a branch training and not economy. However, conclusions that can be drawn, give us clues to almost zero knowledge on entrepreneurship as a process, practical necessary details to start a business and the suspicion that entrepreneurs would only use others to achieve their goals. However, self-confidence, but also recognizing the need for support from those close, inner harmony in the way to achieve own goals, offer a new perspective on youth.

The limits of this study are due to the group of respondents, restricted to the graduates of the Faculty of Psychology of the West University, compared to the total number of psychology graduates. Another limitation is the fact that the respondents are only form the Western part of Romania, while each region has its own specificity. Another limitation in a correct estimation of the entrepreneurial intention is given by the degree itself (psychology) if we consider the variety of different degrees which the West University offers.

5. REFERENCES


