

# **Profile of Successful Entrepreneur in Romania. Comparative Study Among Students from West University of Timisoara, Romania**

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## *Abstract*

*Today, in a highly competitive and ultra-dynamic environment, it is necessary for all organizations to be able to adapt to the new, because there exists the risk that what was yesterday a basis for effective management, in present can be a strong barrier to achieving performance.*

*In this context, a key role is played by enterprising people with ideas and complementary skills. The future is full of opportunities for those people who have the ability to prepare, evaluate and exploit all these challenges.*

*The entrepreneurial career is the best in the world today and is to become even more important for tomorrow. To be a good entrepreneur today means to have certain attributes and certain qualities. The entrepreneurial companies are the companies which create jobs and contribute to increase the productivity. Currently, entrepreneurship development is important all over the world.*

*This paper work aims to identify and analyze which are the most important qualities needed to become a successful entrepreneur in Romania; for this purpose, the students' opinion from the Faculty of Economics and Business Administration and Faculty of Pedagogy within the West University of Timisoara were investigated, as it is known that young graduates have serious problems regarding the lack of experience, competences and inadequate entrepreneurship skills which have been developed during the academic studies.*

**Keywords:** entrepreneurship development, entrepreneurship education, successful entrepreneur, vision, self confidence, perception.

**JEL classification:** M10, M13.

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## **1. Entrepreneurial culture and motivation**

Being an entrepreneur means first having the ability to see the needs of the market. Entrepreneurial activity is attractive for those individuals who are talented, innovative and assume the risks.

For many entrepreneurs, their activity is an attractive area to value their own ideas, to build something new or develop what already exists.

Today the role of the entrepreneurial initiatives which contribute to reducing the monopoly of large companies, to increase competition is recognized and represents, through their mobility and flexibility which are specific, solutions to achieve competitiveness.

Stability of the economic and institutional environment influence entrepreneurial activity. When the macroeconomic environment is stable, entrepreneurs succeed to develop coherent and long term business plans.

The connection between entrepreneurship and economic growth has been analyzed by many authors including Wennekers and Thurik (1999). An interesting result of their research considers that entrepreneurial activity can be analyzed on the three levels: the individual level, the level of company and macro level. (4) Entrepreneurship is, therefore, induced by the attitudes, motives, abilities and psychological characteristics of any individual. However, individual entrepreneur doesn't make entrepreneurial activities in a temporal and spatial vacuum; he is affected by the context in which he operates.

More than that, entrepreneurial motives and actions are influenced by cultural and institutional factors, business environment and macroeconomic conditions. The entrepreneurs have to be able to develop themselves as strategic leaders. This will allow them to identify the tendencies that manifest within the internal and external environment and value them by the elaboration and implementation of adequate strategies for taking advantage of the characteristics of the business environment (Nastase, 2010).

While entrepreneurship comes from the individual level, the achievement is obtained at the company level. Start-ups and innovations are transforming vehicles of personal entrepreneurial qualities and ambitions into actions. At the industries macro level and national economies, all the entrepreneurial activities represent a puzzle of competing experiments, new ideas and initiatives.

It's very important to be able to promote this entrepreneurial spirit that leads to change even to the public institutions as they support the configuration of a stable business environment (Stefanescu, 2012). Developing and entrepreneurial culture will also support the reform of the public sector and will foster the public – private partnership.

A society with an entrepreneurial culture is a prosperous community, a society where the entrepreneurship values are assumed by everyone. Perceived as preferences for new ideas and situations, the entrepreneurial values manifest strongly and follow some specific behavioral patterns such as self-confidence, freedom of thought and action, flexibility, the preference for risk, responsibility for taking the decisions, strong motivation for success. (3)

## **2. Realities and perspectives regarding the entrepreneurship in Romania and Europe**

According to the Global Entrepreneurship Monitor GEM 2011 (1), study which involved 52 countries worldwide, Romania's rates on entrepreneurial attitudes and early-stage entrepreneurial activity tend to be somewhat lower than the averages of the efficiency-driven economies, except for the rate of entrepreneurial employee activity.

Medium-high job expectation early-stage entrepreneurial activity is fairly high for Romania (expects between 5-19 jobs or more).

At the European level, concerning the inclination to entrepreneurship, the GEM study demonstrates that innovation, orientation to development, to internationalization are connected to economic development. ( Bosma, 2011). Thereby, referring to encouraging innovation, Denmark, France, Ireland and Switzerland show the highest rate of innovation.

For Romania, an European Commission report-Small Business Act (SBA) - indicates a low performance. Only 18.03% of SMEs from Romania include annually a product or a process innovation in their activity, compared to an average of 34.18% in Europe. More than that, only 14.87% of SME's commercialize innovative products and solutions. (7)

If Europeans have a positive attitude towards having their own business, the entrepreneurial spirit being prevalent among those individuals between 14 and 29 years age (according to a study realized in 2011 by the Amway company which included 13,606 Europeans over 14, from Austria, Denmark, France, Germany, Great Britain, Italy, Poland, Russia, Spain, Switzerland, Turkey and Ukraine), in Romania the entrepreneurial activities are still in an early stage compared with those countries, the Romanians preferring the comfort of a permanent and not well paid job instead of a well paid job, but uncertain. (6)

What should be done in this context? A possible answer is to create an entrepreneurial culture adapted to the needs and opportunities from Romania.

How can it be done? With an entrepreneurial education started early and developed on many levels according to the option of each individual. This means a lot of steps such as including entrepreneurship courses in the curriculum, partnerships with business environment, activating conferences, workshops with the participation of successful entrepreneurs, creation of pilot centers of entrepreneurship where new ideas can be implemented for new business etc. All of these represent solutions that work in those countries which have a strong entrepreneurial culture.

In the Romanian case, an important condition, for making these solutions work too, is to adapt and connect the solutions with the national strategy which supports the entrepreneurial activities.

### **3. Comparative Study – Students' perception about the characteristics of a successful entrepreneur in West University of Timisoara**

#### **3.1 Research focus**

In the present study case, we investigate the characteristics and necessary competences of young entrepreneurs from the perspective of students from the West University of Timisoara, Faculty of Management (considered business studies) and Faculty of Pedagogy (considered non-business studies). A comparative analysis will be realized, trying to present the profile of a successful entrepreneur as it is perceived by the students from faculties which have been investigated and their perception about "entrepreneurship" and offering ideas for adapting the university curricula to the market requirements by promoting the entrepreneurship education among business and non-business studies.

#### **3.2 Methodology**

A questionnaire-based survey was conducted among the second and third-year management and educational sciences students during their lectures. From a total number of **292 students** enrolled in the second semester of the academic year 2011-2012 from the Faculty of Management (240 in the second and third year) and Faculty of Pedagogy (52 in the second and third year) from the West University of Timisoara, a total of **109 responses** were gathered (28 respondents from educational sciences and 81 responses from management), using probabilistic sampling. The research was conducted in the period April-May 2012. Data was collected by means of a self-administered questionnaire. The distribution of the respondents is 72, 48% females and 27, 52% males.

**The hypothesis** of this research are: the students from pedagogy have a different perception about entrepreneurial competences than students from management and the students from management are more interested in starting a business.

**The objectives** of this research are to identify: the three important competences which are necessary for being an entrepreneur and the meaning of "entrepreneurship" as it is perceived by the students.

#### **3.3. Results**

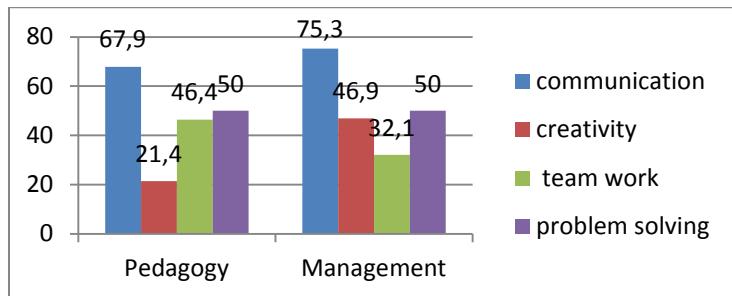
Both groups of students are interested in starting a business, 67, 9% from Pedagogy and 88, 9% from Management. The hypothesis are confirmed.

There are very few interested about starting a business in the next 6 months or 1 year, the higher score which was received from both groups being "after 2-3 years", out of which 32,1% were from Pedagogy and 46,9% from Management.

Business and non-business students have different opinions about the qualities of a successful entrepreneur. First, we analyzed this by asking students about the quality of successful entrepreneurs. The conclusions are as follows:

- *Pedagogy*: leadership, communication, critical thinking
- *Management*: creativity, leadership, punctuality.

Then we introduced an additional element, i.e. “employee”, asking about the qualities which both employee and employer (entrepreneur) should have. Minor difference for both groups have been observed; the communication skills are on top, but also new skills and competences are mentioned:



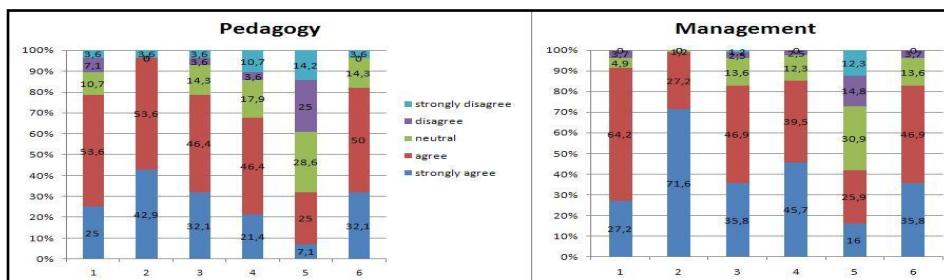
**Figure 1. Common skills and competences for employees and entrepreneurs**

*Business* is the common meaning of the word “entrepreneurship” for management and educational sciences students. Other connotations are related to: leadership, responsibility, success or how to make money. But this issue has already been discussed and an additional question has been integrated in the questionnaire: *You see the entrepreneurship as* (multiple response):

1. Ability and disposition to make money.
2. The ability to turn an idea into practice.
3. A set of skills that you need both as employer and/or employee.
4. The way to personal and professional success.
5. A specific characteristics which only certain people have it (is innate).
6. A competence that can be developed.

A comparative analysis is presented in the table below.

**Figure 2. Comparison on affirmations about entrepreneurship**



There are no big differences between the responses offered by students, with few exceptions:

- 10,7% of students from pedagogy strongly disagree that entrepreneurship is the way to personal and professional success
- There are more students from management who strongly agree that entrepreneurship is the ability to turn an idea into practice (71,6%, compared with 42,9%).

It is obvious that entrepreneurship is not a specific characteristic which only certain people have, but it can be developed and it can contribute to personal and professional success.

In order to start a business, the future graduates have different perspectives about the necessary skills and competences they would need in this situation.

Students from pedagogy consider that the following competences are necessary:

- ✓ Innovative spirit
- ✓ Communication skills, sociability
- ✓ Financial knowledge.

Besides the *communication* skills which are considered necessary for a young entrepreneur by the students from management too, the other two responses are:

- Creativity
- Self-confidence.

It is interesting to observe, however, that students from non-business studies are focused on soft skills and certain knowledge, while students from business studies are more interested in developing soft skills and personal development.

#### **4. Considerations regarding the profile of a successful entrepreneur in Romania**

Marius Ghenea, one of the most famous Romanian entrepreneurs and business angels considers that a top entrepreneur must have several attributes (2), out of which the most important are:

- *Entrepreneurial vision* which is perhaps the most important quality of an entrepreneur: to see what others don't see, or not see yet. A visionary entrepreneur is focused on its business plan and on his accomplishment.
- *Intelligence and creativity*

There are many interactions with partners, customers and other people which may have an important influence on the business and its evolution; it is about emotional intelligence.

- *Charisma and passion*

Charisma is a very important characteristic for entrepreneurs. An entrepreneur captivates other people when he talks about his business because he talks with passion and knows what he is talking about because he has vision. The best entrepreneurs manage to persuade by force of persuasion that their business is a successful one and that this is worth their efforts and support.

- *Responsibility* – It means taking the responsibility for all who are involved directly or indirectly in the business.
- *Problem-solver*. Valuable entrepreneurs identify opportunities even where most others see only problems.
- *Positive thinking, perseverance and determination*.
- *Trust in people* – for having a valuable business, the entrepreneur must have trust in people. In this way, entrepreneurs can delegate decisions and have the possibility to move from the initial level to a higher level.

Adaptation to the changing socio-economic environment requires new roles of all stakeholders in the community and the educational system plays a key role.

Employees competent, professional, responsible, with multiple skills, able to resolve more complex tasks, are the requirements that the education system must respond with maximum efficiency and effectiveness.

Regarding to the university educational system, main mission of the university become more complex. Production and transfer of knowledge for solving the complex problems of community it is completed with an entrepreneurial culture generated by the social-economic pressure.

Today more than ever it is necessary that universities to respond to the needs expressed by corporations or public organizations and from this perspective a close collaboration with socio-economic environment it is required.

In present, the permanent negotiation between the academic community (teachers and students), state (representing the collective interest) and the market represent the basic principle of the *university education model*. Entrepreneurial values cultivated by academic communities allow graduates rapid adaptation to the dynamic requirements of the labor market.

In Romania, entrepreneurship education is in the early stage and the perception of graduates regarding the skills and abilities necessary for being a successful entrepreneur is confusing.

From this reason, in our study we investigate the characteristics and necessary competences of young entrepreneurs as it is perceived by a group of the students from the West University of Timisoara and it was interesting to observe the results.

The characteristics and necessary competences of young entrepreneurs from the perspective of students from Faculty of Management (considered business studies) and Faculty of Pedagogy (considered non-business studies) reveals that *leadership, communication, self confidence, critical thinking, creativity and innovative spirit* are the main characteristics of a successful entrepreneur in Romania.

As we have already mentioned, our study shows that *students from non-business studies* are focused on *soft skills* and *certain knowledge*, while students from *business studies* are *more interested in developing soft skills and personal development*.

This means that entrepreneurship is understood more as a personality trait by students from management, but also a competence which could be developed, by educationalists.

### Acknowledgement

This work was supported by the project "Post-Doctoral Studies in Economics: training program for elite researchers - SPODE" co-funded from the European Social Fund through the Development of Human Resources Operational Programme 2007-2013, contract no. POSDRU/89/1.5/S/61755.

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