

FEATURES OF THE ENTREPRENEURSHIP PHENOMENON IN TIMIȘ COUNTY

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In this paper we have presented the evolution and the dimension of the entrepreneurship phenomenon in Timiș County along with few difficulties that small enterprises generally face, but also the advantages that they offer, the factors that determine and stimulate the entrepreneurship phenomenon underlining some of the mistakes that the entrepreneurs should avoid when starting and managing a small business, the gender gaps in entrepreneurship encountered in Timiș County, and in the final parts of the paper the characteristics of female entrepreneurship as well as cases of successful women in Timiș County.

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1. Development and size of the entrepreneurial phenomenon in Timiș County

Being entrepreneurial is not just about how to build and then lead a company or a small business. This is a state of the entrepreneur, most likely encountered. In many countries, entrepreneurs deal with *the creation of business ideas, identification of opportunities to implement the ideas* (to attract funds, or simply sell the idea) *and developing the idea*, who in the meantime became a business, depending on market dynamics and meeting the new needs of customers.

Being the 4th largest Romanian city, is the main economic and cultural center in Banat, in the west of the country, Timișoara has a long tradition concerning the appearance and the development of entrepreneurship. Timișoara, also called "Little Vienna" because it belonged for a very long time to the Habsburg Empire, it is a multicultural city with influential minorities, primarily Hungarians, Germans, Serbs, as well as Italians, Arabs, Indians, Bulgarians, Roma people, Jews and Greeks, all these cultural influences having also a great economic impact on the appearance and the development of business in the city and in the west region. An industrial city with extensive services, it was the first mainland European city to be lit by electric street lamps in 1884.

Timișoara is an important university center with the emphasis on subjects like medicine, mechanics and electro-technology, which leads to professionals were well prepared, ready to work in one of the enterprises established by entrepreneurs, or even ready to start their own business.

After the revolution from the year 1989, Timișoara has enjoyed a significant economic boom, as the number of foreign investments, especially in high-tech sectors, has risen constantly. It is frequently considered the second most prosperous city in Romania (following Bucharest) and there have been frequent debates on whether the so-called "Timișoara Model" could be applied to other cities. In an article in late 2005, French magazine *L'Expansion* called Timișoara "Romania's economic showcase", and referred to the increased number of foreign investments as a "second revolution". In Timis County, in the period between December 1990 – December 2008,

65517 new firms were registered and 18103 were erased from the national evidences. In general, about a small enterprise you can say that it is viable only if it has managed to survive the first 5 years of establishment. Although the nature of issues of vital importance may vary, both official statistics and studies undertaken in organizations in Timișoara give us a pretty clear picture of the types of issues that small businesses face. Major difficulties arise from the following causes:

- Problems of formation (the first one-two years of activity: finding customers, product development etc.).
- Problems of consolidation (in the next two-three years: finding staff, delegating authority, the control of the enterprise);
- Problems of expansion (in the next phase: finding funding, competition on the market with much bigger companies).

From the small size of these companies derive more "Minuses":

- Small number of employees;
- Limited financial resources;
- A collective leadership limited, consisted mostly from the business funders; in many cases, they learn "on the go" what are the main issues involved in the economic activity;
- A sector of activity rather restricted geographically and economically;
- Areas of activity that are not fully appropriate the type of operations undertaken.

All these factors - and the list remains open – put an accent on the fragility of small businesses. Given all these elements, the most serious issues facing a small business can be summarized in the list below:

-Team management - often formed only just from the developer - does not have the skills required in a number of key areas. The most encountered case, perhaps, is the one of the engineer who begins to confront with the problems of financing, promotion, sale.

-The entrepreneur has no time to carry out the many complex tasks required by the development of the enterprise and, due to the limited financial resources, the entrepreneur can not recruit qualified personnel to solve those problems. It is a common experience to many companies that the managerial team to take their time to "put down the fire" and not give sufficient attention to issues related to development.

-The entrepreneur reacts to problems when they arise rather than trying to plan and provide prophylactic measures.

-As a rule, small businesses do not have the necessary experience to develop beyond the sector of activity. It is estimated that the exports in the turnover of small businesses is usually small.

-The deep involvement of the developer makes that the objective thinking to be often difficult. The barrier most often encountered in managing a business is time management. One of the successful women says is difficult, but not impossible, to be a successful woman both in business and in personal life. Another successful woman believes that most often the way of entrepreneurship is not easy, but it gives you the results that you can enjoy.

But small enterprises have also a lot of strengths. These strengths exploited effectively, can remove many of the inconveniences due to the limited resources of these companies:

- The decisions can be taken quickly because the structures are simpler and the enterprise can change the direction of acting quickly to capitalize the environmental opportunities;
- A decision once taken, it can be quickly implemented and results can be visible quickly compared to a greater company;
- The relations between the developer-manager and employees have chances to be more equitable and the communication can be quite direct; professional relations tend to be more flexible, which could have a beneficial effect on the morale of employees (the professional environment can be more relaxed);

- The working environment is likely to be better, employees managing to see quickly and clearly the results of their work; this aspect could turn into an extremely powerful motivator, especially to encourage employees to come up with ideas;
- The entrepreneur - manager is close to customers and markets in general, this allowing a faster reaction to changes.

It is apparently surprising the view that there are no ingredients - recipe for success, secrets for a business, all being reduced to the passion and pride of work well done, believing in what you can do and sometimes a little luck. Although these tips can be considered truisms (simple truths who became banal because of their frequent use), the most difficult is to have the persistence and the ambition to always apply them.

2. Factors that determine and stimulate entrepreneurship encountered in Timiș County

Peter F. Drucker - a renowned expert in business - said that "*small business is the main catalyst of growth*". These small businesses contribute to the good achievement of the objectives of any national economy. The entrepreneur is defined by Peter F. Drucker as *the one who creates something new, something different, the one who changes or transforms values*. Although no one can say that there is a standard profile of a successful entrepreneur, some studies have concluded that there are some traits common among entrepreneurs who have achieved success in their business, namely:

- **Willingness to assume risk.** Entrepreneurs do not seek the risk, they rather take it. They're trying to reduce risk through a better control of the business. By a careful choice of the product and the market, creative financing, training a competitive team and through planning, initiating a business risk can be quite small.

- **Control of their own destiny.** Some authors have tried to demonstrate that the key factor in deciding to go into business is the desire to control their own destiny. According to the theory of control of their own destiny, any result is seen in terms of ability to control it.

- **Innovative spirit.** Creativity is an important feature of successful entrepreneurs. Schumpeter said that the developer, "personal cause" of the economic development, is an innovator, who always makes new combinations in production. Indeed, is the innovative ideas represents the element that distinguishes an entrepreneur from others. A new way of approaching the product quality or service, the use of new distribution methods and new concepts of packaging, for example, are distinctive elements of an innovative entrepreneur.

- **Need of fulfillment.** Almost without exception, the entrepreneurs are persons strongly motivated by the need for fulfillment. David McClelland suggested that the need for fulfillment is the first factor that a person takes in consideration, when willing to become an entrepreneur. In addition, the need for fulfillment is considered an important dimension of the personality of the entrepreneur. The entrepreneur is targeting to achieve a specific goal and is motivated by the chance to achieve it.

- **Accepting uncertainty.** Initiating a business, through its specificity, is a dynamic, uncertain, complex and unsecured process. Entrepreneurs, however, accept unsafe situations and make decisions under uncertainty. Not only that they are not affected by uncertainty, but are able to exploit and get benefits from it.

- **Confidence in itself.** Successful entrepreneurs have a strong confidence in their forces. They are confident in their ability to achieve their objectives. Research shows that entrepreneurs have a high degree of confidence in their own persons. In addition, financial institutions and investors place their money in those businesses in which entrepreneurs have a high degree of confidence in their self.

- **Persistence.** Entrepreneurs are persistent. They are not intimidated by the obstacles which appear in their path. Given the intense desire to overcome difficulties arising, they are continuing their efforts to solve the problem. Although they are extremely persistent when a situation

impossible to achieve arises, they quit. Being realistic, they recognize what can be done and what must be renounced.

- **Spirit of initiative.** Many researchers and practitioners agree that the spirit of initiative is a feature of successful entrepreneurs. They always seek situations where they are personally responsible for the success or failure of the business. Entrepreneurs are, par excellence, people of action. If they do not have the initiative, then they will more unlikely have employees with a spirit of initiative. Many entrepreneurs say that their success is based simply on the fact that they have acted, they were involved in the business and they have not worried to much.

- **Noticing the opportunities.** Successful entrepreneurs seem to have the ability to anticipate trends and to recognize the opportunities that arise.

- **High energetic potential.** Entrepreneurs are recognized as having a high energetic potential. They have the ability to work long time without feeling the need to rest.

- **Ability to form teams and to work in teams.** Partnership is an essential dimension of business in an economy characterized by globalization and interdependence. Not least, the entrepreneur must be or become rapidly *an expert in its field of activity and to show fairness, both in business relationships and in the relationships with the employees.*

Whatever being the theoretical perspective that they approach, the various "schools" studying the phenomenon of entrepreneurship seem to agree that the decision to establish a firm and start a business is primarily influenced by several factors such as:

- **Individual characteristics:** age, level of education, level of knowledge of management, work experience, reasons for individuals to engage in entrepreneurial activities.

- **Socio-cultural factors:** the existence of entrepreneurial models in the social circle of the individual, the feeling of fear from failure in business, the feeling of confidence in their own abilities as entrepreneur.

- **Characteristics of the business:** ownership type (individual or in association), funding sources, trends in business, the level of involvement in international activities, application of new technologies in business.

As an entrepreneur - manager, the individual must stay as far away as possible from interpretations of his behavior. What he considers to be flexibility, for example, others may interpret as softness. Further we offer a list of possible misunderstandings, in which one behave well intended becomes subject to interpretations less friendly.

Nobody should be the slave of other people's perception of himself, but is important to understand and to appreciate it. Anyone can encourage feedback by inviting others to informal comment or asking the colleagues to take part in a simple exercise. They may be asked (anonymously) which they believe that are the strengths and weaknesses of the individual examined related to his personal style and the way he interact with others. They may also be asked about how they think that the situation can be improved. At the same time, being as honest as possible, each individual can run the same process: writing strengths and weaknesses and what can he change immediately and on the long term.

Table 1. Possible misunderstanding of human behavior

Self perception	Perception of others
Self-confident	Arrogant
Entrepreneur	Exploiter
Funny	Frivol
Ambitious	Cruel
Helpful	Which wants to have the control
Persuasive	Rudd
Competitive	Combative
Open to change	Hesitating
Deep	Obsessive
Tolerant	Indifferent
Concentrated	With a narrow view
Which encourages	Which interferes
Generous	Irresponsible

All entrepreneurs have a market, a product, an idea, sometimes nearly identical. Why some succeed and others do not? A response may be the following one: "what makes the difference is the behavior!" Without this knowledge of themselves, entrepreneurs may make more psychological mistakes that can destroy their business.

- *To create a business to get rid of unemployment.* They say that starting a business out of despair has never succeeded. Creating a business must always be accompanied by the intrinsic desire to become your own boss and the desire to earn money.

- *The developer can not recognize his insufficiencies.* The lack of modesty is a risk that can push the entrepreneur into euphoria that you will make him lose the sense of reality.

- *The developer has an over developed taste for secrets.* The secret which certain entrepreneurs like to have often hides a banal idea. Bright ideas "are floating in the air" for a long time and many individuals might have them at the same time.

- *The developer is very anxious.* He should take enough time for reflection before action to avoid the errors.

- *To underestimate the soundness of the couple (if any).* When the life partner does not provide unconditional support, if he does not accept the stress, the lack of rest and holidays, then the developer should not take the risk.

- *To confuse the business with a club of friends.* If the entrepreneur thinks that everything will go well if he is surrounded by friends as business partners, then it is likely to lose both the enterprise and the friends. The developer should rather be associated with complementary persons.

- *The developer is afraid to delegate.* If he will do everything on himself, he will lose time and therefore money. He needs to engage the adequate collaborators.

- *To underestimate the importance of communication.* It is more useful to convince the members, employees, suppliers, and the bank, than to contradict them. An honest talk is a virtue to be cultivated.

3. Gender gaps in the entrepreneurial field encountered in Timiș County

If traditionally, men were those at the head of a company and were occupied exclusively by their professional career, ignoring the responsibilities toward family, today the situation has changed. If in the second half of the nineteenth century women have gained the freedom to know and to raise the social scale, in the present context chances for women to develop a successful career have increased considerably.

In Timiș County, both male and female style of leadership can be equally effective. Women began to occupy positions of leadership and to establish their own business and, moreover, are able to give due weight to both career and family. Nature has endowed each person with different capacities, making clear distinction between men and women who are manifesting even on their managerial abilities.

In studies conducted along the time the focus was put more on the socializing component in explaining the differences and less on the biological features. Researchers have discovered some physiological variations in the brain, between a man and a woman.

To natural differences between men and women are added, clearly, the social rules and the cultural stereotypes that produce different expectations for girls and boys when they are growing, and on occupational choices. Gender discrimination in business still exists at the level of modern societies; to promote, as a woman, in a position of leadership must prove that you are better than a man found in a similar function.

When comparisons are made between the managers, too little time the focus is made on the elements of a positive discrimination. While men tend to command and control, women's tendency is to build a team and reach a settlement. The manager women have a more careful and prudent analysis about the risks in business.

Difficulties faced by business women are those generated by the economic environment, more or less functional: excessive bureaucracy, the phenomena of the labor market, unfair competition, etc. Passion and optimism are, however, two ingredients with which no obstacle is exceeding.

Of a vital importance for a successful business is the confidence in their own forces, a careful planning and realistic goals. The recommendation would be that any entrepreneur woman at the beginning of her road to believe in what she does and to work with enthusiasm, not to leave when defeated or when she does not obtain the success from the first trial. Also it can be offered a series of recommendations for women who want to open your own business, and in particular referring to qualities such as dedication, devotion, self-knowledge. It is necessary for an entrepreneur woman to have the courage to forge ahead, to be devoid of prejudices, to be confident in her own forces, to trust her competence but also the one of her people, to be committed and consistent and an aspect not to be neglected for success, she needs the support of her family.

Currently, there are only small differences between man and woman entrepreneur, these differences being more emphasized in the past. However, the mentality, the main obstacle to a woman in business, produces dissension due to which sometimes a woman who must make a greater effort to achieve the same results.

Women entrepreneurs in Timiș County are focused on motivation from the perspective of flair, ability, ability to take risks, willingness to initiate their own business, thus highlighting the role of the individual's innate qualities. The most important reasons, considered potential stimulant for women entrepreneurs are: the achievement of higher gains, the desire to gain a better social position, the need for independence, the desire to lead others, dissatisfaction, insecurity former employment, unemployment.

Most women entrepreneurs ranked first the desire of gain. To be noted, however, that there is a growing trend that the "star" motivation of expecting to achieve higher earnings to become second to the one of a higher satisfaction in work.

Also, the majority of those who located on the first place of the hierarchy of motivator factors the need for independence are those with the higher education, the two motivations being highly correlated. Working conditions, uncertainty at the old job, tense relations mostly disaffected women who consider this as a primary reason. On the background of structural transformations in the economy and respective the perspective of disposal in the county, however, the status of unemployment as the main impetus for starting a business raised.

Thus, it has proven to be dominant the category of entrepreneurs relatively young, aged between 31 and 40 years, characterized by high capacity to take risk, enthusiasm, creativity, dynamism and capacity to adapt quickly to changes in environment.

The low share of women who have demonstrated entrepreneurial spirit finds its explanation in the physical and mental demands imposed by starting and organizing a business, coupled with the burden of household responsibilities still very high. The overwhelming dominance of micro enterprises and also the modest resources available to them cause entrepreneurs to involve family members in business.

In terms of experience in the SME sector, most entrepreneurs have an experience of over 10 years, reflecting a relatively high longevity, possible in a permissive environment, although unstable. Despite the trend of decline it is maintained even in the present the orientation of entrepreneurs to trade sphere. The poverty of resources, the low start-up capital, the great speed to generate profits explain this polarization. The evolution of the number and structure of business is implicitly a reflection of the entrepreneurial spirit of Timiș County.

Women who have managed to make a successful career in various fields, regardless of country, county, from which they originate, are hit by the same weights. For the most part, we discuss about five of their major concerns: authenticity, relationships, influence, flexibility and self motivation.

Authenticity - the desire to have a clear line drawn between the interests of professional and personal.

Relations - a fundamental need for each of us to come into contact with people around them, it has been demonstrated that women are much better than men in terms of communication and relationships between people.

Influence - the desire to help and to control one's destiny. The need to be influential is the factor that motivates us to take initiatives, to achieve the goal we have established for our self and to have confidence in our forces.

Flexibility - the ability to easily adapt to changes that occur in the business environment.

Self motivation – motivation, in terms of management, is related to the nature of human relations, a complex phenomenon that means that people who are happy are at the same time productive. In the theories of the organizational behavior, motivation appears as a force that gives energy, guides and supports human behavior. Knowing your own motivation is equivalent to finding the answer to the question “why” should take an activity.

4. Particularities of female entrepreneurship in the Timiș County

The National Agency for Equal Opportunities between Women and Men (ANES) has carried out an analysis at national level during January-February 2008 regarding the situation of women in rural areas. ANES territorial compartments led 1046 interviews focused on the professional status, the participation in decision, the required information, as well as the ways for obtaining information preferred by women in rural areas. A questionnaire was drawn up by the experts from ANES and applied by representatives of the territorial compartments. Representative for the West region were the counties Timiș, Caraș Severin and Arad. In each county were surveyed 30 women with ages between 18 - 55 years. In total, this analysis is based on 150 women surveyed. The purpose of the questionnaire was to ascertain the situation of rural women, their needs, their concerns, their skills, their familial and professional situation and their fields of interest. In each county were selected 3 commons or villages.

In Timiș county were selected: Periam town (4500 inhabitants of whom 1944 are women, the percentage of unemployed women is 3% and 2.2% of men); Margina village (population of 2364 inhabitants of whom 679 are women, the percentage of unemployed women is 2.5% and men 4.6%) and the common Măguri (where the total population is 550 people of whom 250 are women, and the population is mainly ethnic Roma).

Of all the collected information the most relevant are those relating to: the professional status and income, the distribution of household tasks and the taking of decisions concerning family expenses, participation in community decision, participation in voting, information, fields in which these women want to learn more information and the ways to obtain such information. In Timiș county they are employed 54% of the women and 43% are housewives.

Areas where women from the West region work are mostly traditionally feminine, such as: public administration, commerce, education, housekeeping, social assistance and trade. However, their interests for improvement are focused on exact sciences and areas such as finance, management, environmental protection, tourism, and human resources or methodic. Average monthly income of women from the West is between 500 - 1000 RON, excepting Timiș county where the average is between 0-500 RON.

The distribution of household tasks is uniform in all counties of the West. Things in the household (like washing, cleaning, cooking) and the care responsibilities (for children and elderly) are solely under the care of women and the work of the land, animal care and home repairs are the exclusive responsibilities of men.

Regarding the decision concerning the distribution of family expenditure, women in Timiș states that they largely determine where those costs are allocated: in a proportion of 62%.

In the community, women from the West region of the country are not at all active. In all 3 counties in this area the percentage of non-involvement in community's decisions is 100%. Not only that they did not participate in decisions concerning the fate of the community, but they are not members in any association, committee or political party. However women from the western region of the country participate in large numbers to vote. In each county the women said that they participate in the vote in a percentage of 100%.

In Timiș County, 40% of women declare that they are informed by the media and 54% declare that they do not inform at all.

The manner in which women want to know the information refer to information materials: 26.6%; seminars: 30%; information points within local authorities: 36.6% and 26% in classes.

The most important personality traits and skills that woman needs in order to launch in a business and to be successful are:

- Energy meaning the power to start a business, to establish a firm and to manage it; it involves force, spirit of initiative, ambition to succeed, a sense of responsibility, tenacity;
- Mental abilities materialized in intelligence, capacity for analysis and synthesis, creative thinking;
- Specialized knowledge - technical knowledge in the chosen field of business, marketing knowledge and management knowledge;
- Communication skills – the ability to communicate effectively in business is an essential element for managing a successful business. The managerial communication is a management function which makes known the result of managerial decisions and establishes a climate of understanding between those who transmit the information and those who receive them;
- Decision-making capacity - the ability to solve the disruptions, the responsibility to allocate resources and the capacity to negotiate which is achieved through the initiation of activities, strategies and tactics that lead to change.

The world of business is closed, but not impossible, and before all, the feature which a woman must have to succeed is the pure desire to succeed in a professional plan. Of course, it is joined by perseverance, concern to be aware of the news in the fields of activity, creativity and ambition. On the other hand, the essential component of a successful business is the professionalism, since customers always appreciate a supplier well-informed, courteous, flexible and willing to find solution for their requirement. While success requires a major investment of time, it is good to take a break from time to time to disconnect and take care of yourself so that when you should restart your work you can give a maximum result.

5. Cases of successful entrepreneur woman in Timiș County

Reprehensive for the entrepreneurial phenomenon in Timiș County is The Association of Entrepreneur Woman. After 5 years of experience in organizing the charity event (Balul Sperantei), The Association of Manager Women from Timișoara has captured the attention and won public recognition. The association has a new name in line with the international practice of this profile of associations: The Association of Entrepreneur Women. Entrepreneur women manage their own business, a business in which they have invested their own money and took the afferent risks. Such cases may be referred to as Maria Grapini, Rodica Vlad, Corina Dragomirescu, Mioara Simcelescu and Laila Onu.

In Timiș County there is also a long tradition in the provision of software and IT solutions, being given the long tradition of specific higher education. A solution designed to support those who want to start a business in the field of developing and supplying software is the so-called **"Software Business Incubator of Timișoara"**. Software Business Incubator of Timișoara aims to support companies specializing in software development services, in Timiș County, providing the conditions for space activities, access to communications networks, secretarial services. Software Business Incubator of Timișoara was created to support an implementation of viable and innovative business ideas. This is achieved by ensuring an optimal location, well positioned, the development of service packages that meet the specific needs of businesses, the assistance of a dedicated staff that works to increase the entrepreneurial skills of young business people, allowing them to avoid a hand of administrative tasks, facilitating the implementation of business plans, seeking the proper positioning of the firms in the industrial branch and in relation to actors from the local community, regional, but also at international level and, last but not least, encouraging the collaboration and the development of synergies with other companies incubated.

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