

## ENTREPRENEURSHIP PREDICTORS. THE ACTIVITY IN THE EXERCISE FIRMS.

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**Abstract:** *Many work in the field of entrepreneurship inventories more or less significant predictions of entrepreneurship: Age, gender, education, family history, skills, risk acceptance. In this work, we aim to make one of these predictors, namely entrepreneurship education in the practicing companies, based on the assumption that successful simulation/practice of entrepreneurship from an early age coupled with the acquisition of specific knowledge and skills, it can lead to an incentive to do business on its own. We focused on high school students who are attending the training companies to see if they are interested in entrepreneurship in their colleagues. I used the group as a research tool, having an analysis group and a control group. The study's conclusions converge toward the idea that pupils in the firms of practice are first and foremost excited about becoming entrepreneurs, but not as realistic about the results of entrepreneurial activity, seeing the positive aspects (high income, flexible program, decision-makers) in the main less of the negative ones of this activity (risks, workload).*

**Keywords:** *antreprenorship; students; exercise firms.*

**JEL Classification:** *A21; I25; L26.*

### 1. Introduction

The entrepreneur is responsible for “the doing of new things or the doing of things that are already being done in a new way” spunea Schumpeter (1947, p.151)

Entrepreneurship is a source of innovation and change so that it stimulates productivity and economic competitiveness. In terms of economic, psychological and sociological research, entrepreneurship is a process and not a static phenomenon. The entrepreneur is the person able to overcome the obstacles to the implementation of the innovative idea in the new products and services sector. And the entrepreneur is the person who starts a new business, either as part of an ongoing business or starts a process of radical change.

Richard Cantillon (1680-1743) was the first economist to identify the entrepreneur as an important economic factor in his work “Essai sur la nature du Commerce en General” (1775). Entrepreneurs appeared as intermediaries between land owners and land-owners. Richard Cantillon also identified a role of entrepreneurs, that of traders, who transfer products from an area where they have low value to a high

value area.

In turn, in the work of the "Treaty of political economy" (1803) Jean Baptiste Say positioning the entrepreneur at the heart of all economic activities, both in the production and distribution of consumer goods and services, overlapping the functions of the entrepreneur and manager.

## 2. Entrepreneurs' dictors

Starting from the role of entrepreneurship in supporting economic development, increasing employment and the satisfaction generated by self-employment, it is necessary to study the preeregs of entrepreneurship. Studies in this field analyze a multitude of objective and subjective factors that facilitate and support entrepreneurship. Thus, Georgellis and Wall, 2005; Walker and Webster, 2007 demonstrate the role of gender as a factor in initiating self-employment, being privileged "hard sex" because of the perpetuation of cultural models that disadvantage women. Similarly, age is considered an important entrepreneur predictor (Walker and Webster, 2007). Other authors conclude that entrepreneurship is due to the lack of other income opportunities (Amit and Eitan, 1995). At Rullana Berglann et all (2011) she appreciates that: "Key determinants of the decision to be a year entertain are occulational qualifications, family resources, gender, and work environments. Individual employment trends, while aggregate employment discourages, entrepreneurship. They also analyze the movements between the main economic activities (in percentage) from one year to the next in Norway:

**Table 1:** The distribution of main economic activities in 2000-2005 and the transitions between activities from year to year (percent). Age 20-65.

Economic activities	State in year t	State in year t+1					
		Emploment	Entrepreneur	Educatio n	Unemploy ment	Pension/ disability	Other
Employment	60,3	89,3	1,0	3,2	2,8	2,2	1,5
Entrepreneur	6,5	8,7	81,2	0,7	1,0	1,4	7,0
Education	8,7	30,7	0,7	60,5	3,7	1,0	3,5
Unemployment	4,5	39,4	2,1	5,5	41,7	3,8	7,5
Pension/ disability	12,9	3,0	0,2	0,3	1,3	93,2	2,0
Other	7,1	13,6	4,9	3,3	4,3	5,5	68,5

Source: Berglann,H., Moen, E., R., Roed, K., Skogstrom, J., F. (2011), p. 185 <http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.467.9286&rep=rep1&type=pdf>

It can be seen that employees remain mostly (89,3%) employed each year, and 81,2% remain entrepreneurs. However, education professionals remain only slightly more than half (60,5%) in the same field, with the rest moving mainly toward entrepreneurship. Hatos, Ștefănescu and Hatos (2012) It analyzes the 2008 European Social Survey data and captures a number of differences between the countries surveyed," a part of this variability is explained by the different composition of countries in characteristics that predict entrepreneurship: age com position,

father's selfemployed status at the age of 14, rural population, education structure” (p.560).

They also state that ”communist countries provide their inhabitants with lower odds of being entrepreneurs even when controlling for social composition effects. The causal mechanism of this correlation is not clear, though a combination of cultural and institutional deficits can be presumed to be at work” precum și că ” businesses are started and run as a solution to adverse situation at the labor market rather than as outcomes of positive opportunities of other markets” așadar ”aggregated satisfaction with life is actually correlated positively with individual business ownership. Thus, there is little evidence that dissatisfaction with work or life would explain entering entrepreneurship” (p.560)

While objective factors such as: The economic environment (stage of the economic cycle, the labor market situation, unemployment, profit rates, credit interest rates), economic policies (stimulating entrepreneurship, supporting start-ups, fiscal policies, etc. are important preachers of entrepreneurship, subjective factors can often outperform them. Looking at the impact of formal schooling on entrepreneurial selection and performance in industrial countries, Van der Sluis (2008) draws some conclusions: The impact of education on entrepreneurship selection is insignificant, but the effect of education on performance is positive and significant; The effect of education on income is less for entrepreneurs than for employees in Europe, but higher in the US and the return on entrepreneurship education is higher in the US than in Europe, higher for women than for men and lower for non-white or immigrants.

We propose, let us complete these studies by analyzing the impact of student participation in the exercise companies on their entrepreneurial intentions, starting with the norwegian authorities' observation Berglann et all (2011): ”while the length of education turns out to be a poor predictor for entrepreneurship decisions, the type of education is among its key determinants” (p.4).

### **3.The role of the exercise firms in the choice of young people for entrepreneurship**

We follow this in a qualitative research using as a research tool the semi-structured interview applied to two categories of subjects: A category of pupils participating in practice firms and a control group ( with the same number of subjects) who did not participate in the activities of the practice firms, More specifically, students of the XI and XII classes, from two different pre-university institutions (economic high school and a theoretical high school), 36. „Practice firm”, is a teaching concept based on learning by doing, a model to stimulate the internal processes carried out in a real firm and its relations with other firms and institutions. The implementation of the concept of “practice firm” aims to create the type of dynamic entrepreneur, able to develop a new production process to bring a new product or service to the market or discover a new distribution path. It is an interactive learning method for the development of entrepreneurship, a modern concept of integration and interdisciplinary application of knowledge, a teaching approach – learning that

provides conditions for the practical test and deepening of the skills acquired by students in their professional training. The practice firm determines the acquisition of entrepreneurial skills, the improvement of personal behavior and helps to identify its own potential, being a practical method of integrating knowledge from various disciplines: economics, accounting, commercial correspondence, computer, foreign languages, law and legislation.

The training in the practice firm provides skills in terms of professional behavior, resulting in a practical check and a deepening of the knowledge acquired during the high school years. The training firm has basic skills needed to integrate graduates into production: Working ability and team cooperation, interdisciplinary thinking, accurate communication using domain-appropriate terminology, ability to make decisions in a given time that ensures the flexibility required on the labor market.

The interview was built on three dimensions: entrepreneurial intentions, perceived conditions for entrepreneurship and expectations of entrepreneurial activity.

Assumptions:

H1 entrepreneurial intentions are influenced by perceived conditions for an entrepreneurial activity (knowledge / skills, entrepreneurial models, willingness to succeed, acceptance of risk).

H2 entrepreneurial intentions are influenced by expectations of entrepreneurial activity (income, risks).

#### **4. Results and discussions**

With regard to the first dimension investigated, i.e. the entrepreneurial intentions, we note that both those who participate and those who do not participate in the exercise firm are available to carry out a self-employment in the future, Although it has nothing to do with the profile and specialization in which it is prepared, but rather with their life experiences: Medical services, it, crafts, for most pupils in the economic specializations participating in the firms of practice, namely agriculture, food, automotive, the students at the school who do not attend the training companies are not in the same situation.

The subjects in both groups claim to be motivated, mainly by passion and/or profit, to build their own business, this is not in accordance with their business option not related to the specialization in which they are preparing.

Students identify among themselves the conditions for doing their own work, overwhelmingly, financial resources, knowledge and skills, as well as family support, skills and experience, with most respondents having in the family someone who has his own business. Moreover, from Miller's and Swanson's studies (1958) it appears that in some countries, young generations inherit not only their material resources from their parents but also their connections and habits that are so important in running a business, And Hatos and all 2012 notes that "one of the strongest individual preachers of entrepreneurship is the father's previous status to work on his own" (p.560).

Expectations of entrepreneurial activity are clotted around positive ideas of decision making, the flexible program of the entrepreneur, high and negative incomes of

family neglect and high workload. In the experimental group, most students chose to focus on: The possibility to make decisions followed by high income and flexible program.

The other students opted for a different order of importance of benefits: Decision making, flexible time and revenue. As regards the control group, the subjects also chose the order of importance of the advantages in being an entrepreneur: The possibility of making decisions, the entrepreneur's flexible program, high income or flexible program of the entrepreneur, high income, decision-making. According to the study carried out by me, most subjects in the experimental group decided that the main disadvantages should be in the following order: Neglect of the family, risks, workload. The results of the pupils interviewed within the control group on the order of importance of disadvantages in being a entrepreneur were equally: Family neglect, workload, risks or workload, risks, family neglect.

## 5. Conclusions

Our study shows that students in the practice firms are first and foremost excited about becoming entrepreneurs, but not as realistic about the results of entrepreneurial activity, seeing the positive aspects (high income, flexible time, decision-makers) as a priority. less of the negative ones of this activity (risks, workload). Students' entrepreneurial intentions are influenced by the knowledge/skills they acquire in school, by entrepreneurial models, especially among the family, by the desire for success and by the acceptance of risk. The potential income from entrepreneurial activity influences, also, students' entrepreneurial intentions. The first hypothesis is only partially checked, in the sense that entrepreneurial intentions are influenced, first, by financial resources and only second, by other conditions perceived for an entrepreneurial activity (knowledge/skills, entrepreneurial models, desire for success, risk acceptance). The second hypothesis is fully verified, with entrepreneurial intentions being influenced by expectations of entrepreneurial activity, primarily by income and, only in the subsidiary way, by risks. The most striking conclusion is that there are no significant differences in entrepreneurial intentions, perceived conditions for entrepreneurship and expectations of entrepreneurial activity between subjects who participated and those who did not participate in the exercise firms. This can be attributed to the fact that the work carried out in the exercise firms is not effective and does not achieve the aim of developing students' entrepreneurship and raising awareness of the specific nature of entrepreneurial activity. Another explanation could be that the family has a greater influence over pupils in their entrepreneurial intentions than the school.

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