

IMPLICATIONS OF TRAININGS' PARTICIPATION ON THE ENTREPRENEURSHIP

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Abstract

The social and economic realities require effort and flexibility from entrepreneurs and managers. To deal with the new request of the labor and the challenges for starting up a business more and more are those that participate to professional training programs. This paper presents the results of a research that was done in 4 counties of Romania. The objective of the research was to determine the effects of trainings regarding entrepreneurship. The research method was the survey based on questionnaire. The results revealed the fact that the participants appreciated positively the benefits of trainings.

Key words: perspectives, involvement, trainees

The concept of entrepreneurship can not be separated from the science of management, especially since the implementation of practical, day-by-day, duties of entrepreneur is rigorous related to management functions. Equally, however, it is necessary to distinguish between a manager, a leader and an entrepreneur.

Thus, if the manager is a person who occupies a position which gives, by its nature, hierarchical attributes to draw compulsory tasks to his subordinates (Merce, Merce and Arion, 2000), the leader is the person which has the ability to influence others to perform tasks they were assigned (Montana and Charnov, 2000). But to bring into question the very existence of the manager, there must exist that person which accepts the risk of becoming an entrepreneur, the one who organizes and runs a business (Gibson *et al.*, 2001).

Addressing the concept of entrepreneurship is difficult, given the complexity of not only its definition, but rather the extent of its coverage. It is included into the category of the entrepreneur both that person who invests huge amount of money to create an international business with thousands of employees, and the person who creates a small business, where he is the only employee. Previous researches were conducted in order to determinate the needs of the entrepreneurs and competence needed to be successful in business (Jusoh *et al.* 2011; Hatten 1995)

MATERIAL AND METHODS

The subject of investigation consisted in conducting a study of impact of training courses in field of entrepreneurship on a specific target group in a selected geographic area (composed of employees, entrepreneurs, people who want to start an independent business and management of enterprises – especially SMEs and micro enterprises, residents of the 16 urban areas with more than 50,000 inhabitants of the Arges County, Bistrita-Nasaud County, Mures County and Suceava County). The research involved, also, a documented educational and socio-economic analysis regarding the efficiency of training courses on the changes in entrepreneurship and initiatives. In order to run the research, there were followed a number of secondary objectives, which, combined, provide the necessary results for the final interpretation of study conclusions:

- Identification of the opportunities for development of SMEs in the productive and services sectors in the concerned geographical area;
- Identification of training needs of the target group, in particular the current level of entrepreneurial skills and knowledge and the opportunities and ways of development of SMEs, micro businesses, individuals authorized to economic activities and individual and family enterprises by increasing entrepreneurial spirit and culture;
- Identification of business opportunities in the 18 cities covered;

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- Identification and involvement of potential beneficiaries of vocational courses in entrepreneurship;

- Identification of opportunities for development and adaptation of training programs, advice and assistance for specific needs of the target group and the introduction of innovative activities by creating and implementing courses through e-learning platforms. The questionnaire has been selected as being the main tool for research, taking into consideration the benefits of its use (obtaining information that enables responses encryption for subsequent analysis, its relative ease of implementation etc.). The questions included into the questionnaire were prepared based on research objectives so that collected information can be the basis for the conclusions of the research discussions.

Since the beginning of designing the questionnaire, it was considered that its application will be made in a telephone survey by the own operators. That fact allowed the formulation of complex questions, but, through operators, they could be, in each case, adapted for the level of understanding of any respondent, knowing the relative heterogeneity of interviewees, where the language used could cause confusion and incorrect subjective interpretation. In this way, words, expressions and phrases could be understood in the same way by all interlocutors, regardless of gender or age, of their cultural level, of training or other factors which might negative interfere on the communication process.

Another consideration in the formulation of questions was that they seek the answers and / or information previously known by the respondents, but also to determine honest answers, avoiding negations and double negations, to be objective and not least to awaken interest of respondents.

RESULTS AND DISCUSSIONS

Of the 194 questionnaires (which represented the sample of the total target area of 1608 persons, sample that was created using the random sample with continuous variable for an error limit of 2% and a probability of guarantee the results of 95%), in the area consists of 16 sites, which have been validated at the end of the survey, 135 respondents were women and 59 were completed based on responses of men. According to the purpose of the research, in the sample were included young persons (the youngest being 16 years old) – based on the fact that they are at the beginning of their professional development, but older people, too, in order to determine the multi-criteria analysis by age. The first aspect that can be highlighted, is the fact that, overall, respondents do not differ in age by gender, although in the cases counties of Arges and Suceava there can be noticed these differences. It can be noticed that there are

large differences between the four counties where the field research was conducted, whilst Arges County as the maximum age is the lowest (60 years), while in Suceava County it was observed that the older man exceeds 15 years the maximum age of women that responded.

Since the optimal age for a management position is between 35 and 55 years (Merce et al., 2010), it is estimated that the average age of the sample (36 years and 4 months) is appropriate for a maximum impact of courses addressed to those who, now, after their completion, can occupy management positions in existing or newly created firms. In each of the 4 analyzed counties, the average age is very similar to the overall; differences are relatively small, with an additional 30 months in Arges County. For all the counties, counties it can be said that the average age of the respondents is below the limits of the optimum age, above mentioned, for the persons involved in management activities. More than half of respondents are currently employed and almost 14% are entrepreneurs, and other 11.3% have management positions. Also, more than 1 in 5 respondents are into categories other than the above, in particular: unemployed, student, student, volunteer, self-employed, maternity leave, day laborer, retired, unemployed, looking for a job.

County-level data analysis revealed no major differences between the four counties studied, though they may notice. Thus, in Arges County it was recorded the largest percentage of people involved in entrepreneurship, in contrast to Nasaud County which has the lowest value in terms of entrepreneurship, but also the highest percentage of respondents included into the “Another category” of profession. But it is easy to see that most respondents are belongs to the category of “employees”. For achieving the objective of the research, it was important to determine the future prospects of the respondents in terms of jobs, especially in terms of required information for professional qualifications. The fact that over 84% of respondents want to change their employment status is a sign of dissatisfaction of people regarding their current jobs, but a proportion 98.45% of respondents said they prefer not to change the company profile but to improve their current workplace or jobs with a better paid one. In Arges County was observed the highest degree of satisfaction of respondents with current professional status (34%), over 10 times higher than in Mures county where it was registered the highest level of dissatisfaction. But the desire to engage in entrepreneurship, by leaving the “safety zone” is not a defining attribute of the social environment in Romania, because, although it was

observed a complaining of actual professional status trend, it is not proved the desire to involve themselves in creating new businesses. Only 1 in 4

respondents would risk, although over 37% of total take into account any possible situation in the future.

Table 1

Position of respondents inside the company			
Region	Position	Number of answers (nr.)	Share in total (%)
General	Entrepreneur	27	13.9
	Employee	105	54.1
	Manager	22	11.3
	Another category	40	20.6
	Total	194	100.0
Mureș County	Entrepreneur	9	14.5
	Employee	31	50.0
	Manager	7	11.3
	Another category	15	24.2
	Total	62	100.0
Bistrița-Năsăud County	Entrepreneur	4	12.5
	Employee	15	46.9
	Manager	4	12.5
	Another category	9	28.1
	Total	32	100.0
Suceava County	Entrepreneur	4	9.8
	Employee	22	53.7
	Manager	5	12.2
	Another category	10	24.4
	Total	41	100.0
Argeș County	Entrepreneur	10	16.9
	Employee	37	62.7
	Manager	6	10.2
	Another category	6	10.2
	Total	59	100.0

The trend of non-involvement is even more visible if analyzing the desire to occupy a leading position, because only a percentage of under 14% said yes, although here it can be seen the differences between the analyzed counties, so almost 42% of the respondents from Mures County intend to take a management position, while the share is over 17 times lower in Arges County. A possible reason for these differences being that the economic environment is more active in Mures County, while the human resource of Arges County experiences a deeper involvement in large companies. And this is compounded by the fact that only 1.55% (even 0% in Mures County) would like to change their company profile.

It was noted that about two thirds of respondents (121 of them) have previously participated in one or more training and qualifications courses. In each of the analyzed counties, more than half of respondents had previously participated to courses, especially in Suceava County, where about one in four trainees, have previously participated to other previous trainings. On the other hand, in Arges County about one in two are at the first experience of such training. The explanations are varied, from the fact that in Arges County the effects of economic crisis was more reduced because of the development of the car manufacturing industry so the people's willingness for changing their jobs is lower, while

in Suceava County the recession and economic crisis of recent years had the strongest effects on population. To complete the overall image it was analyzed the perception of the respondents on the possible benefits that they obtained from the training. As a first observation, it can be seen that, overall, respondents had a rather moderate attitude on the benefits of participation in courses, the only aspect that was seen as an immediate consequence of almost half of the participants is that respondents felt that courses attendance make them more confident. In fact, over 90% of respondents agreed (totally or partially) with this statement.

But the statements referring to immediate benefits, tangible: increased revenues and the intention to start a business are less optimistic since there was only one quarter of participants who had a favorable opinion, while more than one third said they are in total disagreement with these statements. This can be explained by the fact that the benefits of participation in the courses are visible on a longer time than the one that passed from the completion of the course. It is also interesting that the largest percentages of variants "partially agree" are for statements that are related to the direct effects of training on the operating company (increasing workplace productivity and enhancing customer satisfaction), which leads to the conclusion that a person is training in

entrepreneurship, mainly for his personal benefit and less for company's one.

Table 2

Future perspective of respondents							
Region	Reason	No. of respondents			% of respondents		
		YES	NO	NA	YES	NO	NA
General	Maintaining the status	31	163	0	15.98	84.02	0.00
	Starting a Business	52	142	0	26.80	73.20	0.00
	Any situation is possible	72	122	0	37.11	62.89	0.00
	Promoting to management	27	167	0	13.92	86.08	0.00
	Changing the profile	3	191	0	1.55	98.45	0.00
Mureș County	Maintaining the status	6	188	1	3.09	96.91	0.52
	Starting a Business	11	51	0	17.74	82.26	0.00
	Any situation is possible	13	49	0	20.97	79.03	0.00
	Promoting to management	26	36	0	41.94	58.06	0.00
	Changing the profile	0	62	0	0.00	100.00	0.00
Bistrița-Năsăud County	Maintaining the status	8	54	0	12.90	87.10	0.00
	Starting a Business	3	59	0	4.84	95.16	0.00
	Any situation is possible	5	27	0	15.63	84.38	0.00
	Promoting to management	7	25	0	21.88	78.13	0.00
	Changing the profile	15	17	0	46.88	53.13	0.00
Suceava County	Maintaining the status	4	28	0	12.50	87.50	0.00
	Starting a Business	1	31	0	3.13	96.88	0.00
	Any situation is possible	0	32	1	0.00	100.00	3.13
	Promoting to management	5	36	0	12.20	87.80	0.00
	Changing the profile	15	26	0	36.59	63.41	0.00
Argeș County	Maintaining the status	14	27	0	34.15	65.85	0.00
	Starting a Business	6	35	0	14.63	85.37	0.00
	Any situation is possible	0	41	0	0.00	100.00	0.00
	Promoting to management	1	40	0	2.44	97.56	0.00
	Changing the profile	10	49	0	16.95	83.05	0.00

Note: NA = non-answer

Table 3

Overall perception of the respondents on course benefits								
Advantages	Total agree (%)	Agree (%)	partial agree (%)	partial disagree (%)	total disagree (%)	Average	Standard Error	NA
It increased my revenue	9.80	11.30	25.80	17.00	35.10	3.57	1.336	1.00
It helped to start a business	12.90	11.30	21.60	18.00	34.5	3.51	1.406	1.50
I was determined to start a business	25.80	17.50	21.10	13.90	21.10	2.87	1.490	1.50
I have increased my chances to find a better job	19.10	13.40	21.60	18.10	26.80	3.2	1.463	1.00
I have increased confidence in myself	47.40	28.90	16.00	5.20	2.60	1.87	1.029	0.00
It helped to increase productivity at work	23.20	22.70	21.10	14.40	17.00	2.79	1.406	1.50
It helped to increase the customer satisfaction	22.20	26.80	21.10	9.30	20.10	2.78	1.423	0.50
It helped to reduce errors in current activity	34.50	32.00	15.50	6.70	10.80	2.27	1.299	0.50

As has been previously determined, the desire to assume risk through a business is not specific to analyzed target group, over 60% not being interested to become an investor. However, the positive response rate of one third of the beneficiaries is a positive sign indicating the increasing trend of this intention. Since, in the same areas studied, intention to engage in entrepreneurship in 2010 was only 20% - according to the diagnostic study of the project – it can be noticed the positive benefit of training courses in entrepreneurship beneficiaries.

Of course, it was considered necessary to deepen the analysis on intention to engage in entrepreneurship by studying the causes that prevent beneficiaries to join actively in the economic environment. The analysis was performed both overall, and for each of the four counties included into the area where the study was conducted. The main reasons, as they emerge from analysis of data, are related to the economic, administrative and political environment itself (too costly, highly level of bureaucracy and so on) and not to the lack of necessary knowledge (mentioned as the main reason by only 20% of respondents).

Table 4

Reasons of non-involvement in entrepreneurship

Region	Causes	Nr. of respondents			% of respondents		
		YES	NO	NA	YES	NO	NA
General	It is too expensive	29	21	25	38.67	28.00	33.33
	Imply a lot of bureaucracy	24	30	21	32.00	40.00	28.00
	I do not have enough knowledge	15	33	27	20.00	44.00	36.00
	I do not like to risk	14	34	27	18.67	45.33	36.00
Mureș County	It is too expensive	9	7	9	36.00	28.00	36.00
	Imply a lot of bureaucracy	12	6	5	48.00	24.00	20.00
	I do not have enough knowledge	5	10	8	20.00	40.00	32.00
	I do not like to risk	4	11	8	16.00	44.00	32.00
	Other causes	I already run a business uncertainty old age					
Bistrița-Năsăud County	It is too expensive	4	5	2	36.36	45.45	18.18
	Imply a lot of bureaucracy	2	8	1	18.18	72.73	9.09
	I do not have enough knowledge	4	6	1	36.36	54.55	9.09
	I do not like to risk	4	5	2	36.36	45.45	18.18
	Other causes	economic background lack of time					
Suceava County	It is too expensive	0	5	12	0.00	29.41	70.59
	Imply a lot of bureaucracy	2	5	10	11.76	29.41	58.82
	I do not have enough knowledge	0	5	12	0.00	29.41	70.59
	I do not like to risk	1	4	12	5.88	23.53	70.59
	Other causes	I already run a business; I do not care about; I do not need					
Argeș County	It is too expensive	16	4	4	66.67	16.67	16.67
	Imply a lot of bureaucracy	8	11	5	33.33	45.83	20.83
	I do not have enough knowledge	6	12	6	25.00	50.00	25.00
	I do not like to risk	5	14	5	20.83	58.33	20.83
	Other causes	lack of interest lack of time					

Note: NA = non-answer

This situation is endemic for national businesses system, that one suffering from lack of flexibility and from excessive bureaucracy and tax system. The results are confirmed for each of the counties, although there are some specificity marks.

CONCLUSIONS

The vast majority of the target group works or had worked in SMEs, especially micro-enterprises, and has less experience in large companies. Consequently, they tend to assimilate the company with the person that owns the business, since the degree of decentralization of decision-making indirectly decreases with the number of employees. In this regard, they do not properly distinguish between the general objectives of the company and the entrepreneur's or manager's personal goals. In conclusion, there is necessary to develop curriculum courses toward clarifying these issues. It was noted the relatively high level of dissatisfaction regarding the current job and the desire to improve it but, in general, only by changing the actual job with another one in a similar company and the lack of interest of involving in management or entrepreneurship. Taking calculated risks is an important aspect that the target is not fully aware of, which shows the necessity of their training in the field of risk

management, by providing and explaining the economic and human specific tools useful in the development of entrepreneurship.

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