



Research Article

A Competitive Model for Entrepreneurial Qualities

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Abstract

In the context of an unstable economic, social and political environment, SMEs in Romania are very vulnerable. It requires careful study of the causes that generate problems, major obstacles in developing their business objectives and setting priorities for supporting this sector. The success of an organization, the ability to adapt to economic variables and maintain an upward trajectory are determined largely by the quality of its leaders. The entrepreneur's personality characterized by strong motivation gives to an organization a powerful entrepreneurial dimension. The model developed allows to determine the degree of entrepreneurship qualities depending on business risk and the management performance of entrepreneurs. It has a great influence on economic and social activity, the organizational climate of each economic unit. The proposed model can be successfully used in practice to calculate the entrepreneurial qualities for different categories of entrepreneurs for which a performance evaluation has been conducted, according to specific evaluation criteria.

Keywords: entrepreneurship, quality level, attributes, change management, entrepreneur qualities

Introduction

Hisrich and Peters (1995) mentioned in their study about entrepreneurship and managing a new enterprise that the Quality of Entrepreneurship depends on the attributes of entrepreneurial quality such as willing the risk, have the confidence, achievement oriented relating to others and admit the importance of business

relationships like Scarborough and Zimmerer mentioned in 1991.

Small scale services are entrepreneurs; then they are necessary to develop their entrepreneurial quality to run the service business and to be successful on a competitive market environment.

Therefore, this paper aims to provide reasons on why some persons choose to

become entrepreneurs by examining the motivational factors which differ among business market.

In this article, we are going to discuss about the five most important leadership traits or leadership qualities that people look for a leader.

A good leader will always look to understand the system which generates results and to drive improvement in his own business system.

The five leadership qualities are: honest, forward looking, competent, inspiring and intelligent, these qualities come from Kouzes and Posner's (2012) research into leadership that was done for the book *The Leadership Challenge*.

The topic of this study research were to discover what kind of organizations are able to survive and growth in economics crises and high competitions and which is the magic solution behind the owner of firms. The answer is they have highly entrepreneurial quality.

Case Study

The study sought to identify the impact that it has closed the mines and factories of the economic activity of small business owners.

They are considered the engine of the economy and the impact upon the market; it is relevant in the last period when they identify the correct direction and discover new niche on regional market.

The study investigates the common reasons that motivate people to become and work as entrepreneurs along with the constraints they face when starting and developing their business activity.

The study is based on 250 persons engaging in the manufacturing trading and services sectors in Small and Medium Industries from Maramures County, Romania.

A discussion on survey about the business profile and leader entrepreneur is also

providing. This paper examines the factors who can influence person needs to become entrepreneurs.

Motivation factors are classified into economic, work, individual, entrepreneurial and social core. Description analyses revealed some important aspects and motivation factors for production activities.

Data were collected through surveyors with respondents use questionnaires techniques and analyzed using descriptive analysis in the form of tabulation.

The research study was conducted on a random sample, unrepeatable of 250 people who have opened a small business, a private activity in the Maramures Region.

The study investigates the reasons that motivate people to become and work as entrepreneurs along with the constraints they face when starting and developing their business activity.

In accordance with the context of problem formulation, the research will be implemented using descriptive research which explain and describe the research problems that occurs based on the characteristics of people.

Similar with the classical model SMART, we named the entrepreneurial qualities in implementing a future entrepreneur model as SMART 2 adapted with the transition market of 21 Century, when also the quality needs a new perspective, a new S= specific and successful, M=measurable activity and modern vision, A= action and ability, R= realistic and open mind to the new trends 3R's and T= time pressure upon technology.

This research was designed to identify the motivational differences between leaders and drawing the model for future leadership profile for a quality management change in their own organizations.

Therefore, this paper aims to provide reasons on why some people choose to become entrepreneurs and which changes needs in their leadership of their own

business, by examining the entrepreneurial qualities and motivational factors.

Research Methods

Data were collected through surveyors with respondents use questionnaires techniques. The survey was drawn for people involved in business activity in Baia Mare, Maramures County. Data collected from 250 persons were analyzed using descriptive analysis in the form of tabulation.

In the context with the problem formulation, the research will be implemented using descriptive research, which is a type of research that aims to explain or describe the research problems occurred based on the characteristics of people, namely the entrepreneurial qualities of persons involved in small business.

The internal consistency of the measure and the results indicate that the items in measuring the leadership dimensions are reliable.

Also the survey makes radiography upon the economic activity and gives an answer to the organization problems.

Respondents were surveyed using a forth part structured questionnaire:

Part 1-measured demographic variables using single items such as age, educational background, type of business activity, type of organization.

Part 2- measured the factors which were classified into entrepreneurial core, work core, individual and social core relevant for leadership style of the respondent person.

Part 3- measure the profile of leadership, the attitude in different situation of the manager, and identify the type of leader and which are the entrepreneurial qualities.

Part 4- measure the perception for new development and new orientation into organization, identify some individual suggestions.

Method of Data Analysis

The five leadership qualities are: honest, forward looking, competent, inspiring and intelligent. That data have been collected and analyzed which consists in:

- the courage in taking risk;
- the ability of innovation and creativity;
- achievement and orientation;
- communication and belief in staff;
- relationship with others.

The data in this study are a qualitative data, to avoid errors in measuring the variables; each variable operates first into indicators and scale

- a) the entrepreneurial quality is the entrepreneurial behaviour that must be owned by person who carry and create advantage in business;
- b) entrepreneurial behavior is an entrepreneurial attribute which consists in taking risk, innovation and creativity, self confidence, communication, connection with staff.

Based on the value score of each entrepreneurial attributes are owned by respondents, we used Likert scale, for the entrepreneurial quality (attributes) of the respondents assessed according to five groups categories namely 1= never, 2= once in a while, 3= sometimes, 4= fairly often and 5= always.

The formula for calculating entrepreneurial quality is:

$$EQ\% = \frac{\text{Total_Score_of_Entrepreneurship_Attribute}}{\text{The_Maximum_score_of_Entrepreneurial_Attributes}} \quad (1)$$

Results

The Matrix factors for leadership profile using the SMART 2 Model, examines the personal background, stage of career, early life experiences and growth environment, indirect benefits, opportunities in the carrier

prospect and the impact of market conditions.

The first part of survey results measured demographic variables using single items such as age, educational background, type of business activity, type of organization.

The survey realized a research on entrepreneurs and has focused on the educational background as well as differences between male and female entrepreneurs and identify type sector of activity.

Out of 250 respondents, the majority of them are aged educated that's the motive of involvement in their own business (26% baccalaureate and 57% academic studies). The importance of education for successful entrepreneurship has been well established.

A comparison of educational qualifications over a period of time (pre and post 2000) indicates a progressive trend of more MBAs, post graduates, professionals and individuals with work experience becoming entrepreneurs.

The respondents are also found to be very well equipped with work experience, to

desire to have own preferred working style, and the change in working style may explain why they have decided to become entrepreneurs.

Archibugi (2001) and Pianta (2010) identify Pavitt's taxonomy groups (1984) that describe the level of technological opportunities in industry and the influence of innovation and new technology for future development and harmonization with market customer needs.

Taking in consideration the survey results, a classification can be easy done, the economical activities can be structure in the category of supplier dominated industries, here we include traditional sectors food, textiles, clothing, hand makes products, training and other activities like in Figure 1.

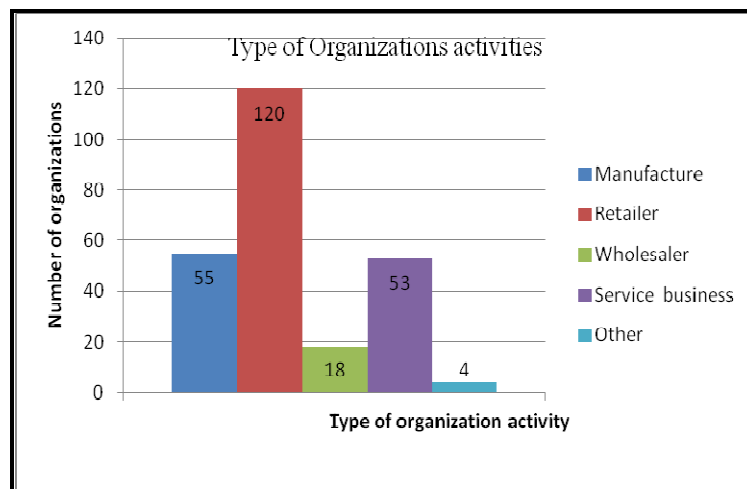


Figure 1: Type of business

From research work perspective various attempts were undertaken to identify factors that support the growth of women entrepreneurs as leadership, and comprehensive list of factors are identified and put in evidence the object of this study.

As the factors proposed are generic in leadership profile, we identify that the major activities for our target group, are non productive activities, as a matter of fact that the production it is not developed yet in our region, we are under the discovering faze of the miracle product which can be produced.

On Part 2 of the survey structure – it was possible to measure the factors which were classified into entrepreneurial core, work core, individual and social core relevant for leadership style of the respondent person.

The Entrepreneur profile using the SMART 2 Model in contrast to heroic leaders recognizes the incomplete nature of their knowledge and experience in any given

situation and understand that others have more relevant expertise, a different perspective and different possibly.

Participative leaders see themselves not as controllers and supervisors of behaviors and decisions, but as coaches helping subordinates make good decisions and supporting them in taking the action they deem necessary, always in action but taking in consideration staff opinions and organization needs.

Figure 2 plots the high level of communication of the leader with his staff, the connection with the people and the beneficial relations, a direct connection and transmission of the ideas for 129 respondents, 51,6% from our entrepreneurs are listening and have a good communication with employers

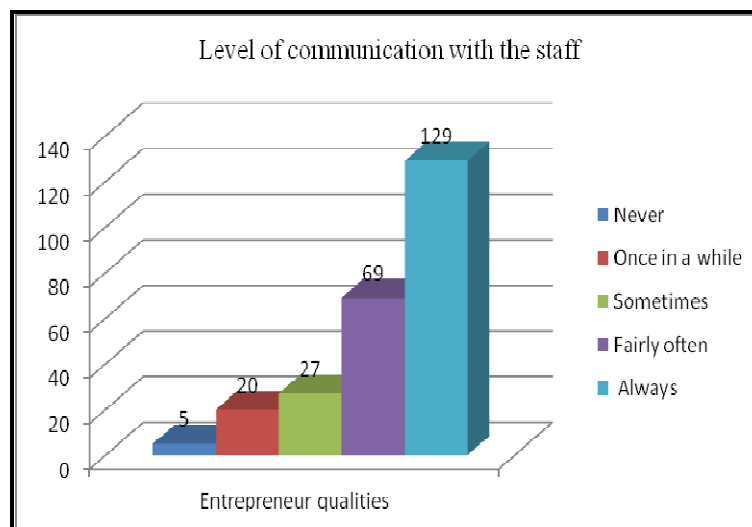


Figure2: Level of communication as quality attribute for entrepreneur

The Quality leaders recognise that the people in the organization who actually add value for customers are the operators; they are the

one who deliver products or services which generate income (figure 3).

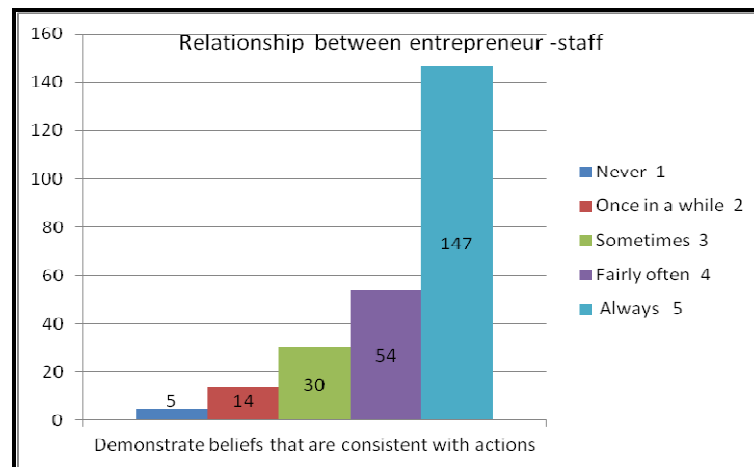


Figure 3: Relationship with others - Entrepreneur quality attribute

Leader Profile

Part 3 of the survey measure the profile of leadership, the attitude in different situation of the manager, and identify the type of leader.

As the factors proposed are generic in leadership profile, they are also open to new changes applicable to their own business. Leadership before, during and after change implementation is the golden key to getting success.

From research work perspective various attempts were undertaken to identify factors that support the growth of entrepreneurs as leadership, and comprehensive list of factors are identified and put in evidence the object of this study (Figure 4).

The Matrix factors for leadership profile examine the personal background, stage of career, early life experiences and growth environment, indirect benefits, opportunities in the carrier prospect and the impact of market conditions.

Management refers to the ways of the personnel in charge of directing the organization, which in this instance is an entrepreneurship.

In this study comparing the motivational factors among males and females, business persons were found that disagreements with the bosses, with the drive to control own destiny, were motivating factors for male entrepreneurs. Learning from the people you lead by asking intelligent questions and opinions, a leader will capable be to increase his credibility.

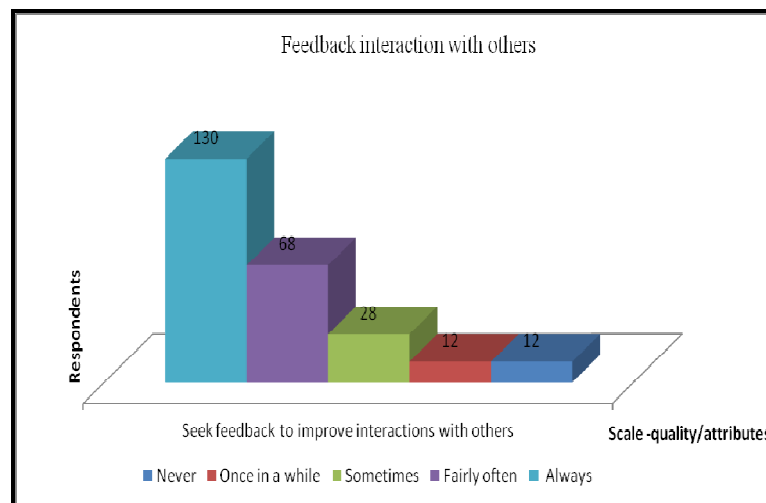


Figure 4: Leader interaction

This model is intended to be a flexible one, as input variables may undergo adjustments based on changes in environmental factors, especially corrections to the rules or laws and rapid changes in technology.

The entrepreneur must be very intelligent by gently leading people toward understanding even when he knows the answer figure 5.

- Display emotions exactly in line with feelings
- Make decision based on my core values
- Demonstrate beliefs that are consistent with actions.

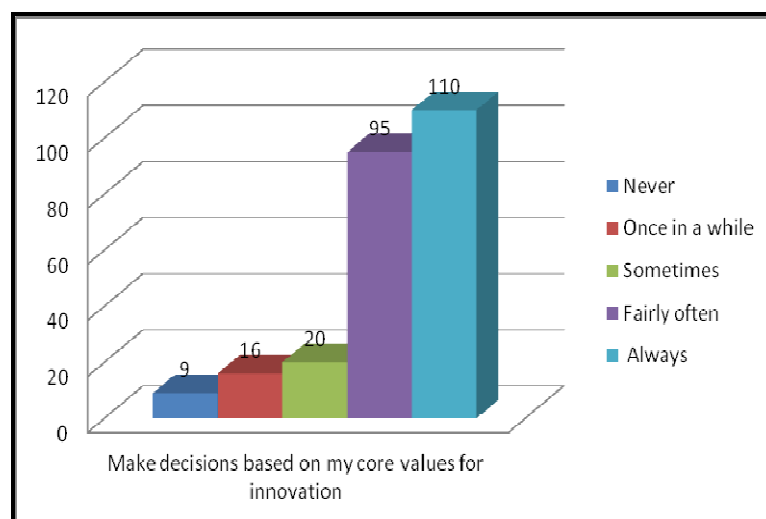


Figure 5: Leadership style for Entrepreneurial Quality - Innovation

Taking in consideration Barbuta-Misu, N.(2012) results regarding the possibility of

modeling the Influence of Financial Variables on Enterprise, we should establish also for

entrepreneurs a model to maintain an environment within the business to encourage efficiency among employees and also to adapt the organization in function of economic situation.

The Part 4 of survey measures the perception for new development and new orientation into organization, identifies some individual suggestions under the model of Pianta, M. (2005).

Studied on entrepreneurial quality of small business in Maramures County, it was found that firms are able to survive and growth in economics crisis and high competition because they have highly entrepreneurial qualities.

Another indicator on entrepreneurial qualities can be an efficient communication

as a tool on customizing measures to promote entrepreneurship. The entrepreneur because of his good communication and his spirit of creation always take in consideration the benefits of the entire organization (Figure 6).

Figure 6 plots the change of the manager mentality groups as the first evidence of the diversity in the relationship between innovation and employment during the economic cycle and their organization new orientation on market.

Attributes of entrepreneurship that make big contribution to the high of entrepreneurial quality are innovation, forward looking, honesty, inspiring and intelligent. It is important to know when it is important to reevaluate the entrepreneur position on important issues for innovation.

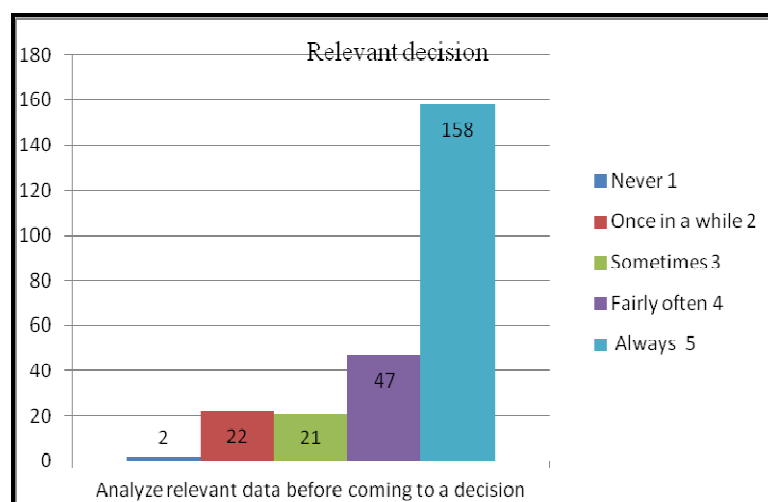


Figure 6: The flexibility position of leader on innovation

The five leadership qualities: honest, forward looking, competent, inspiring and intelligent were identified for our target group. Are the quality levels acceptable?

Quality attributes of entrepreneurs that make big contribution to the high of entrepreneurial

quality of business people are: innovation and creativity 58,8%, self confidence 63,2% , connection with others 55,6 % and communication 51,6% (Figure.7).

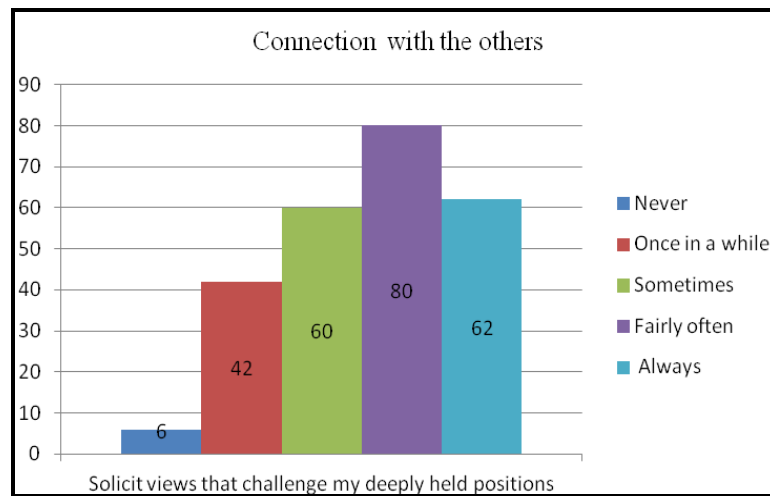


Figure 7: The Entrepreneurial quality attribute –implication and connection with others

Is the mechanism for delivering good or bad results are not understood then it will be impossible to understand why results change or how to improve upon current levels.

Applying an Y theory it is important, taking in consideration the others opinions are the most important benefits of a successful cooperation and also the elements which will keep in contact the entire organization.

Other results are presented in the table 1 and confirmed the benefits of communication,

listening and the importance of entrepreneur flexibility on a dynamic market and new challenges for organizations.

The model it is relevant also because the respondents consider important also other entrepreneurial qualities like: believe in actions 59 % from respondents, analyze before actions 63% and listening the others 52 % are considered the significant characteristics for entrepreneur (Table 1).

Table 1: The Entrepreneurial Qualities

		1	2	3	4	5
1	Admit mistakes when they are made	6.4	16.8	25.2	28	23.6
2	Encourage everyone to speak their mind	2.4	5.2	15.2	21.6	55.6
3	Tell you the hard truth	3.2	17.2	19.6	27.2	32.8
4	Display emotions exactly in line with feelings	1.2	13.2	31.6	41.2	12.8
5	Demonstrate beliefs that are consistent with actions	2	5.6	12	21.6	58.8

6	Make decisions based on my core values	3.6	6.4	8	38	52
7	Ask you to take positions that support your core values	4.8	24.8	27.2	26	17.2
8	Make difficult decisions based on high standards of ethical conduct	3.2	16	14.8	48	15.6
9	Solicit views that challenge my deeply held positions	2.4	16.8	24	32	24.8
10	Analyze relevant data before coming to a decision	0.8	8.8	8.4	18.8	63.2
11	Listen carefully to different points of view before coming to conclusions	2	8	10.8	27.6	51.6
12	Seek feedback to improve interactions with others	4.8	4.8	11.2	27.2	52
13	Accurately describe how others view my capabilities	4	16.4	29.6	33.6	16.4
14	Know when it is time to reevaluate my position on important issues	2.8	16.4	18	36.8	26

Many studies have includes that entrepreneurial attribute such as risk taking, control, tolerance have played an important role in contributing to business success directly and indirectly.

Using the dates from survey application we identify the score values of the leadership attributes like in Table 2 for entrepreneurial qualities.

The scale cannot be separated with quality of entrepreneurial possessed by the business entrepreneur.

Table 2: Entrepreneurial qualities

Attribute 1	Inspiring	3,11
Attribute 2	Honest	12,60
Attribute 3	Forward looking	18,26
Attribute 4	Intelligent	30,54
Attribute 5	Competency	35,89
Total		100,40
Entrepreneurial Quality: $EQ = 100,4 * 100 / 158 =$		63,54

From the five leadership qualities are: honest, forward looking, competent, inspiring and intelligent, the maxim value data has been collected was for competency which consists in the courage in taking risk, an open mind for ability of innovation and creativity, achievement and orientation belief in staff and relationship with others.

The formula (1) used for calculating entrepreneurial quality EQ, taking in consideration the values for each attribute gives us a value for EQ = 63,54 %.

An in depth understanding on the influence of these variables will be useful to understand the complex phenomenon of entrepreneurship.

Being in the management connotes power and influence for the person; it is not unusual for an entrepreneur to do all the management functions at the start of the business.

- business networking to develop connection with the global market and obtain the information about the trend;
- be informed to be successful on the market for a long term.

In many organizations the reality of business process is complicated if they do not understand the capabilities of processes at an early stage in the product lifecycle they give themselves little chance of making appropriate decisions about which processes to use as they are and which to work on.

Conclusion

The results in this study are a qualitative data, so as to avoid in measuring the variables, then each variable operate with the same measurement scale:

- The entrepreneurial quality is the entrepreneurial behaviour that must be owned in front of staff, who carry out independent model to create advantage in business and connects with other people;

- Taking risk in taking appropriate decisions for their business activities;
- Innovation and creativity are the perception to accept new ideas;
- Confidence to be independent in taking decision and conduction their own business;
- Relationship with other to establish and maintain good relationship with people involved in business.

Based on the results and discussion, the conclusions of the study are

- The system of independence of competencies with performance management, which has an impact on other areas of employee work like is not used in all companies in the survey.
- Based on the survey, we concluded that not in every organization management the manager leader, understand the managerial competency in the some connotation.

The Quality circle it is closed but it is open for new improving Quality Management in an entrepreneurship transition to a new PDCA cycle overseeing various functions such as:

- **Planning**-making decisions with regards to the future and making those plans happen.
- **Do**- utilizing the fullest potential of resources people, capital and assets to ensure the success of the plans.
- **Activity**- inspiring others to do their part effectively in carrying out the organization's plans.
- **Controlling**- step by step monitoring of the implementation process to see if changes are necessary to be made on the plans.
- Entrepreneurs should establish and maintain an environment within the business to encourage efficiency among employees.
- An in depth understanding on the influence of these variables will be useful to understand the complex phenomenon of entrepreneurship.

- Based on the survey, we can conclude that not in every organization the manager leader understand the managerial competency in the same connotation.
- The system of independence of competencies with performance management, which has an impact on other areas of employee work like is not used in all companies in the survey.
- Using competencies and skills assessment remains only on the formal level in most companies.
- Since 48% entrepreneurs are focus on retailer activity and services, and only 24% it is involved in productivity activity, a new orientation it is necessary to encourage the economical growth of the region.
- The individual and entrepreneurial core appear to be very important, it is important also to encourage the spirit of production as long we are in an economical crises that needs new alternatives and also new products.
- The future research will focus on efficiency of methods used for competency development in Romanians companies.

In conclusion the model presents a new entrepreneurs behavior adapted to new economic challenges.

Entrepreneurial behaviors of organizations that are presented in this paper attempts to present a model for identifying how the necessary features that influence the ability of innovation, strategic direction of the organization, risk taking and the spirit of ethics. Entrepreneurial behavior is the basis for regional businesses and improves the welfare and living standards of people and organization.

Acknowledgment

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