

ENTREPRENEURSHIP – A MAJOR FACTOR IN THE DEVELOPMENT OF MOLDOVIAN ECONOMY

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Abstract

Entrepreneurship is the tendency of a person to organize the business of his own and to run it profitably, using all the qualities of leadership, decisions making and managerial caliber etc. The term “entrepreneur” is often used interchangeably with “entrepreneurship”. But conceptually they are different. In a way, entrepreneur precedes entrepreneurship. It is concerned with the development and coordination of entrepreneurial functions. Entrepreneurship is an abstraction and entrepreneurs are tangible persons. Well designed and controlled research studies on entrepreneurship are very few. If we view entrepreneurship as opposed to management, it becomes still more difficult to define entrepreneurship. Entrepreneurship is a role played by or the task performed by the entrepreneur. The central task of the entrepreneur is to take moderate risk and invest money to earn profits by exploiting an opportunity. For this he must possess far-sightedness to perceive an opportunity so that he can exploit it well in time. Although an entrepreneur has to perform diverse functions yet he must manifest many qualities in himself to be a good entrepreneur.

Entrepreneurship can be defined as the tendency of mind to take calculated risks with confidence to achieve a pre-determined business or industrial objective. That points out the risk taking ability coupled with decision making.

Key words: business, coordination, entrepreneur, entrepreneurship, functions

INTRODUCTION

Entrepreneurship plays an important role in economic development as a source of innovation and change that stimulates increased productivity and economic competitiveness. Entrepreneurship is closely related to knowledge and flexibility, two factors that have gained new significance as a source of competitiveness in a global economy increasingly globalized. Once with technological change and increased global competition brought about by globalization and economic liberalization, the assumption that encouraging entrepreneurship is to encourage the competitiveness of a country, today seems more valid than ever. In market economy conditions, interest for business is increasing. This requires high competence and professional preparation by all persons who wish to start a business. Is why the transmission and appropriation of a knowledge in business volume may present substantial support in choosing different

forms organizational-legal of entrepreneurship.

MATERIALS AND METHODS

During the investigation there were used such research methods as: analysis, monographic as well as other methods and procedures that allowed revealing the essence of the investigated problem.

RESULTS AND DISCUSSIONS

Perspective of the Republic of Moldova in the European Union, globalization of world economy, competitive environment with rules rooted implies the need of highlighting and clarifying certain notions and promoting the values contemporary entrepreneurship. Economic reforms in the 1990s in Moldova have brought significant changes in the mentality of the people concerning private property, competition and entrepreneurship. Nowadays, entrepreneurship is recognized by the all relevant bodies, is developing under

Moldovan law, becoming one of the most popular terms commonly used by economists, politicians, journalists and ordinary people. Business is considered now a main factor in the development of market economy of the republic.

Entrepreneurship is associated with success, money and prosperity, both for the individual and for society. The more entrepreneurs there are, with as many successful businesses are, all the more developed is the country. Today entrepreneurship provides each opportunity to achieve purposes and obtain income from their own business. This is demonstrated in that in Moldova every year open their own businesses thousands of people, majority being guided not dream of becoming the richest and prosperous, but want to ensure a decent living. (2)

Entrepreneurship as main object of activity has the creation, financing and management of enterprises, with a view to make profits. One can talk about a new company an individual activity with the purpose of taking up in labor, but also about the existing business development activities.

Entrepreneurship as a subject of discussion and analytic was introduced by the economists in the eighteenth century and continued to attract interest of economists in the nineteenth century. Entrepreneur is a major player and a symbol of market economy. In the modern sense of market economy, an entrepreneur is a economic agent adopting the asset and innovative behavior who accepts deliberated financial risks to develop new projects. In this sense, a large number of societies grant great attention and recognition entrepreneurs, largely due to contribution they bring these to the evolution of business environment and the influence that they have on macroeconomic indicators. Recognition of the value entrepreneurs date even from the eighteenth century in France, when French economist Richard Cantillon (1697 - 1734) coined the term entrepreneur, describing him as a merchant who risks their own capital.

From that time until nowadays, entrepreneurial activity was associated with taking risks.

Another writer interested about entrepreneurial aspects and which brought a great contribution entrepreneurial school of thought was Jean Baptiste Say (1767-1832). Thus in Say's opinion, entrepreneur devotes time, talent and resources in the production, distribution and consumption of goods and services. Reward's entrepreneurs, Say's opinion, represents the excess of income of a company.

The progress in entrepreneurship is due largely economist Joseph A. Schumpeter and the Austrian School. Joseph Schumpeter in 1934 said: "In entrepreneurship there is an understanding that we make in relation to a particular type of behavior and who includes: initiatives, organization and reorganization of socio-economic mechanisms, acceptance of risk and failure".

For J.Schumpeter an entrepreneur is a person able to convert a new idea in a successful innovation which makes "new combinations", such as the introduction of new products or processes, identifying new export markets or resources or creation of new types of organization. He created a heroic vision of the entrepreneur as being a person motivated by "the dream and desire to found a kingdom private", "desire to conquer, the impulse to fight, to prove superior to others" and "joy to create".

(1)

To complete the list of information about the activities and qualities which boosts results have been undertaken several studies. Their conclusion was all successful entrepreneurs had following three qualities: control indoor capacity planning, risk taking, innovation, use the feedback, decision making, independence. This list situated around a process improve continues by adding new features.

In view behaviorist school representatives, who give the most attention the elements that characterizes entrepreneurs, the main aspects that are specific are those of: innovators, leaders, risk assumed, independent, creative, tenacious, energetic, original, optimistic

oriented results, flexible, materialistic, insã remarkable progress in tackling labor content and characteristics of entrepreneur makes Jacques Fillon. In his last study he achieved an integrating approach very interesting and useful for specific characteristics of the activities of entrepreneurs that is characterized by:

Determination and perseverance: more than any other factor, dedication to success as an entrepreneur can overcome obstacles. Strong determination and perseverance can make a contractor to handle any data hardships that others would consider insurmountable also can even compensate for the lack of experience and skill of the staff.

Desire to earn: entrepreneurs examine a situation, determine how they can increase your chances of winning. As a result, risks that ordinary people are considered as high, are high risks for entrepreneurs.

Search feedback: entrepreneurs are often described as having efficient ability to learn fast also strong desire to know how well they do and how they can improve results. Feedback is important because the entrepreneur is ready to learn from mistakes also from previous experiences.

Solving persistent problems: entrepreneurs are not intimidated by difficult situations. Confidence and general optimism makes it impossible to see it as something that just take longer to be resolved. Simple problems are boring, entrepreneurs are highly persistent but are realistic in assessing what can and what can not do also where they need help to solve difficult problems, but unavoidable.

Initiative and responsibility: entrepreneurs have always been independent people, they seek and take initiative, are put in situations that are personally responsible for the success or failure of the whole operation. They like to get involved in personal problems where their impact can be measured.

Orientation to opportunities: one thing that clearly differentiates entrepreneurs is concentration more on opportunity than on resources, structure or strategy. When they decide to take action they do in a calculated mod trying to do everything to get as many

chances to win but avoid to take unnecessary risks.

Tolerance for failure: the entrepreneurs use failure as an experience from which they can learn something. The more efficient entrepreneurs are those who expect difficulties and are not disappointed, discouraged or depressed by failure.

Self confidence and optimism: although entrepreneurs often incurring major obstacles, confidence in personal abilities leads them to overcome and making the others to maintain their optimism.

Realization of visions: entrepreneurs know where they want to arrive. They have a vision or concept of what will be their company. Not all entrepreneurs predetermine their vision for their companies, while some develops their vision, aware of what is the firm and can arrive.

High energy level: the high amount of work done by entrepreneurs involves existence a higher energies from them. Many entrepreneurs carefully monitors the quantity of consumed energy and knows when to retreat for relaxation.

Creativity and innovation: creativity has long been regarded as something genetic, with which you are born and you can't acquire. One of famous theories appeared the late-twentieth century century say that it can be learned.

Independence: the frustration in front of the bureaucratic systems together with the desire to make a "difference" makes some people very independent who want to do things their way. But entrepreneurs don't take all decisions, but they want the authority take them on the most important.

Teamwork: the desire for independence and autonomy does not make him to stop work as a team. In fact, while the entrepreneur clearly knows where is the firm, the firm's staff dealing with the activities of "daily" in the the firm.

Managerial ability: this is not an absolutely necessary feature for entrepreneurs but it is important to know that a successful entrepreneur also needs for this kind of knowledge.

Synthetic entrepreneurial activity consists in identifying and exploiting economic opportunities. Entrepreneurial activity is a process that takes place in different environments and business units that cause changes in the economic system through innovation by those who capitalize economic opportunities, creating values both for individuals and for the society. Entrepreneurship is a significant contribution to society and the development process, some of its obvious benefits being:

- creating new markets - due to creative ability and resources to benefit, the entrepreneurs can come with innovative products;
- discovery of new resources - the entrepreneurs are often dissatisfied with the traditional materials and resources and they try to find alternatives in order to facilitate the work and to improve performance;
- the mobilization capital of resources, by the status of the organizers and the coordinators of the process for obtaining a product, entrepreneurs are directly responsible for the proper allocation of the capital and human resources;
- introduction of new technologies, products and industries, innovators and risk lovers, the entrepreneurs take the advantage of every occasion to turn an opportunity in profit;
- creating jobs, the millions of jobs are created by the private sector, being in the top categories of employers.

Entrepreneurial activity depends on many factors. The main factors which influence entrepreneurial activity are:

1. internal factors;
2. external factors.

Internal factors depend on : size, type and specific activity, personality and entrepreneur training and level of training of the people involved and company culture. These factors have a much greater impact on enterprise performance.

External factors depend on: the features and functionality of the economic system, national economic conjuncture and market which the firm operates. These factors, due to the content favorable or unfavorable, could have a major impact on entrepreneurial initiatives.

Through the entrepreneurial activity is aiming to achieve personal goals of the entrepreneur, business objectives as well as mixed objectives.

The objectives of a personal nature are those which entrepreneur justifies entrepreneurial activity. They hold of person, being an inner impulse that triggers ideas fueled by entrepreneurial activity. Within this group include:

- objectives of safety and security personal;
- objective of ensuring a social status;
- objectives to guarantee your own independent;
- objectives of success in business;
- objectives regarding your satisfaction.

Business objectives are characterized by:

-Generals objectives, which require the rendering of useful services needed company (manufacturing and marketing products and services) and making profit (remuneration for assuming the risk of investing money in a business). Here we also include social objectives which require assuming some social responsibilities (protection of consumers' interests, development interests of employees and the community in which the company belongs).

-Subsidiary objectives that are established for each functional domain in part (production, marketing, accounting, research staff) these being in interdependent with each other.

Mixed objectives are those that represent a correlation between achieving profit, customer, employee and that of the entrepreneur. These objectives appearing in a situation where personal objectives are correlated and consistent with business objectives.

-In the design phase of the business, when the are established needs, values, dimensions and advantages must foreshadowed and finality entrepreneurship. Entrepreneur must know, at this stage, the principles who will guide the entire activity:

- Elaboration of objectives, strategies and action plans that will be revised according to the context;
- Production and supply of goods or services on which people and wish them;

- Attracting and retaining a customer;
- Making a profit sufficient to attract potential investors and keep existing ones;
- Giving rewards (material and moral) incentives which train human resources.

Entrepreneur can have, after initiating a business, both the satisfaction and dissatisfaction.

Among the most important satisfactions may be called:

-Independence (autonomy) - is gained, after initiating of a business because he is the one who takes decisions and makes things to have a certain direction set by himself. For the entrepreneur, the business entails a high degree of responsibility. And in this case, the entrepreneur wishes to assume it. Freedom of decision and action that is conferred by holding of a business is a necessity assumed for him.

-Self-Realization - the entrepreneur, who own their own business, doesn't encounter obstacles to self-realization, only the ones determined by his own capacity and creativity.

-The possibility of an unlimited gain - most of entrepreneurs can obtain much more gain than if they work for others. The entrepreneur, if successful, can obtain a profit to cover his interest on borrowed capital and that could reward risk taking, effort, talent and his entrepreneurial and managerial capacity.

-Work safety - is another aspect for the entrepreneur who has a guaranteed job, and advantage that it can to work as long as it is able to work without being forced to retire.

-Employing of family members - in case the business will register good results, entrepreneurs will be able to engage the whole family. This is another advantage, because the business will have the continuity through its takeover by children. On the other side, in the business conducted by family members, there may be a moral and a better confidence.

-The independent using of accumulated capital - the entrepreneur can put his capital in their own business, instead of investing in businesses owned by others and that can be risky or to keep his money in the bank deposits.

-Application of their knowledge and skills - For some people finding a suitable job for their knowledge can be a problem (due to excess of labor in the force field). Thus, an entrepreneur can start a business, where his skills and knowledge are an advantage.

-Exit out of routine - is another problem common. There are people who feel the need to change, who want to leave an activity monotonous, routine. Starting a business is an opportunity to fulfill the personal satisfaction.

-The power and influence - for any entrepreneur the affair gives power and influence, because he is the decision maker, influencing the actions, can decide the fate of the company, and all these aspects creates a great psychological satisfaction for him.

As a dissatisfactions of entrepreneurial activity may be mentioned:

-The revenue uncertainty - due to oscillations in the the business evolution may appear of revenue fluctuations . In many cases, the entrepreneur can be paid to the last, due to the numerous financial payments.

-The risk of losing the capital - Many entrepreneurs contribute with some goods or important sums of money. They can be lost in the event of a business unsuccessful.

-The burden of total responsibility - in case of failure or success in business, the entrepreneur is solely responsible. Along with the increase of business, will increase and the responsibilities.

-Recourse to the experts - because an entrepreneur can not be known in all fields he is forced to recourse to the experts and to listen to their recommendations. This is an injury to their sense of interdependence.

-Frustration if successful - once with development of the firm would be supplemented number of employees and awarding some privileges, which may seem frustrating for some entrepreneurs.

-Deviations from ethics - sometimes, if successful, is imposed a deviation from the values of professional ethics.

-A very busy work program - entrepreneur does not have a fixed work schedule. He is the first to come and last to leave. In the early

stages of business, he must do it 14 hours a day, 7 days a week without holiday.

-Damage of family relationships - due to the long working hours and consumption of energy and time, the entrepreneur has less time for family and his loved ones.

-Impaired health condition - the extensive work, a prolonged stress, nervous and energy consumption, bring the body into a state of exhaustion, often brings to the occurrence of illnesses.

CONCLUSIONS

In conclusion, it can be mentioned that entrepreneurship will remain important for all countries and organizational configuration management, continuing to exist as long as the company will create conditions for the emergence of this type of organization and the roles and contribution of entrepreneurs to amplify substantially simultaneously with their manifestation in terms of quality education, what current reflects the entrepreneurial revolution that according to the statements of many experts, will reach its peak in the XXI century, generating multiple mutations, some with even difficult to imagine now, and the welfare state developed to allow access to new areas of universities develops many true business incubators that are available to entrepreneurs to be able to experiment and test new theories of business, is imposed of business support by continuing to reduce bureaucracy in the establishment and operation of the new businesses, better public information on government programs to stimulate private initiative to the popularization greater business success recorded by Moldovan entrepreneurs.

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