

ANALYSIS REGARDING THE THEORETICAL KNOWLEDGE OF MANAGEMENT HELD BY RURAL ENTREPRENEURS IN SOUTH-WEST OLTENIA REGION

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Abstract

Investing in human capital and social infrastructure represents the most important concern for the great entrepreneurs in Romania, aiming to use the complete potential of women and men. The studies in this paper were performed in 2012 on a sample of 207 rural entrepreneurs, men and women, where there were pursued with management experts, their knowledge of the values, behavior and entrepreneurial motivations, about management knowledge and experience about mutual perceptions of business people. The information obtained was processed and stored electronically in order to improve the deficiencies found in rural areas, and to identify their trends in the labor market. Differences between regions of training, knowledge, perception, adaptation and acceptance of entrepreneurship training through courses made this research in order to take appropriate measures to increase the effectiveness of entrepreneurship in rural SW Oltenia.

Key words: business, capital, entrepreneurship, labor market, management

INTRODUCTION

The rural economy of Romania is poorly diversified and depends too heavily on agriculture, dominated by subsistence farming and semi-subsistence farms producing mainly for own consumption and only marginal for market. The main demographic trends in Romanian rural population is declining and aging, due to both decreasing natural growth and migration phenomenon from rural to urban or abroad for young people.[1] In the country side, businesses are born heavier than in cities and die faster. [2] Low opportunities reinforce that managerial training occupies a minor place in order to acquire success. Therefore, the readings are even rare, and time which people from cities provide for their professional training, in rural areas is busy by work in the household.[3] Lack of entrepreneurship education is visible in the fact that there are very few rural people writing projects, accessing funds/capital and developing high level business.[4] When it comes to job instability we do not refer exclusively to the employment or

unemployment rate but rather we consider employment status, type of employment relationship, the level of job security, wage and economic dependency ratio. Thus, there are differences between regions with high standard of living which have a high share of employees and entrepreneurs and disadvantaged areas where there are few who have the courage to be entrepreneurs, managers, and business people in rural areas.

MATERIALS AND METHODS

For this research to be possible, there were selected 207 rural people, women and men who agreed to complete questionnaires about the entrepreneurial values, behavior and motivations, management knowledge and experience, mutual perceptions of business people.[5] To select the sample, it was taken into account the weight of the rural population in SW Oltenia region and agreed to provide a larger territorial dispersion. For each village chosen for research it was compiled a list of local entrepreneurs and potential entrepreneurs, based on the information

collected where it was studied entrepreneurial training needs which were combined with quantitative and qualitative research. Thus, a team of experts in local research was formed and along with the expert management team led to the completion of sociological study, where the first sample was divided as follows: 167 participants for quantitative research and 40 people for qualitative research, conducted by the focus group. The qualitative research was conducted in specially equipped rooms and was moderated by the authors of this report. The selection criteria for participants in the focus groups were random and participation was voluntary. Of the 207 participants interviewed 35% were women, and the level of preparedness/schooling of these participants was:

- 27% are people with higher education;
- 73% are persons with secondary education.

RESULTS AND DISCUSSIONS

As a result of completion of the questionnaires, suggested as questions, emerged problems faced by small businesses in rural areas. To the question: "Which is the main factor considered to prevent rural people, who start a business, to get rich?" the responses obtained were different, as follows:

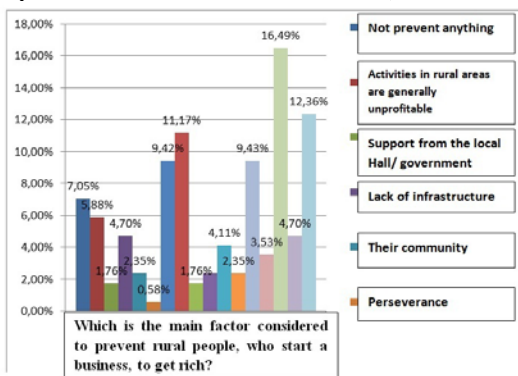


Chart 1. The answer to the first question

To the question: "How do you find most business people of your county?", responses were:

- 37.11% perceive them corrupt;
- 46.54% perceive them doing business with public money;
- 45.28% considering them dependent on politicians.

What is surprising is that potential entrepreneurs excel in allegations of corruption brought to businessmen, to those in whose guild they wish to enter.

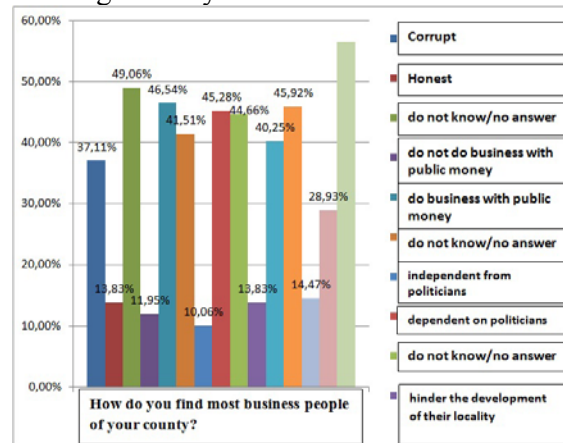


Chart 2. The answer to the second question

Polling training needs through appropriate training program led to the question:

"How would you rate your preparation in the following areas? Do you think you have information, very much, much, little or very little knowledge regarding ...?"

Theoretical knowledge held by the target group in the fields of business management, highlighted by the responses to questions about personal training assessment in these areas, reveals unequivocal the need for improvement through adequate training program.

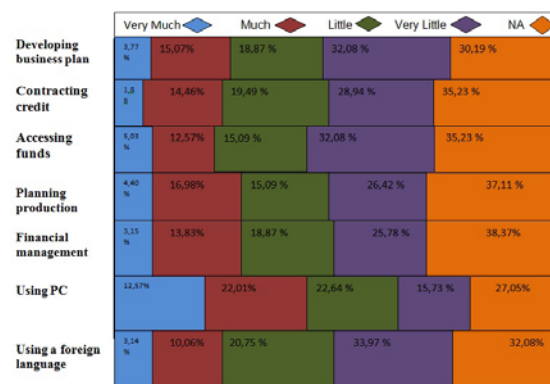


Chart 3. The answer to the third question

To the following question: "In case of following courses, how much do you have used the knowledge acquired?", the result of the survey was:

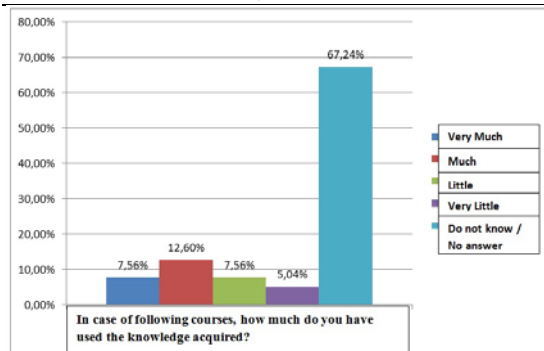


Chart 4. The answer to the fourth question

We are dealing with a little concerned group about the courses/trainings on entrepreneurial or management topics. The fact that 18,86% of the participants in the quantitative research have experienced a course/training on entrepreneurial topics relieve their perfecting entrepreneurial desire, so that the fifth question about: "Have you attended training courses concerning entrepreneurial or management topics?", the answers received were not satisfactory.

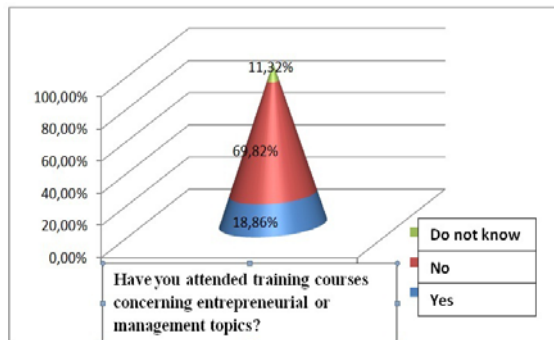


Chart 5. The answer to the fifth question

The entrepreneurs are inclined to consider themselves very trained in computer use and information technology, to believe that they know enough about drafting a business plan, about planning production/commercial activities and about what we consider to be financial management: earnings schedule, cost calculation, tracking stocks and production. Potential entrepreneurs are more inclined to assert ignorance in most investigated areas: the elaboration of a business plan, ways of contracting credit, financial management, the

planning of production/trade activities, strategic management and use of IT&C.

Those with higher education tend to declare that they are very well trained in the ways of contracting credits, in terms of financial management, the access to EU funds and the use of IT&C, as well as developing a business plan, planning production/commercial activities and strategic management. Those with secondary education are more inclined to believe that they have little knowledge about the development of a business plan, a credit contraction and computer use. They tend to believe that they have very little or no knowledge about project management and accessing EU funds.

From the perspective of the affiliation to a category, there aren't many statistical associations with the degree of training on the various fields of management. However, men rather tend to consider their knowledge about planning the production/commercial activities as being very good and those about the ways of contacting a commercial credit and planning production/trade activities as being insufficient. Women tend to consider they have a very few knowledge about earnings schedule, the calculation of costs, tracking stocks and very low on the ways of contacting a commercial credit and the planning of production/trade activities.[6] An important factor in the assessment of entrepreneurial knowledge is the educational support given by abilities besides the managerial ones.

CONCLUSIONS

1. Research highlights the fact that each person is unique. People, whether they are employers, potential entrepreneurs or managers, have different experiences, have lived different life situations, see the concepts in different ways, have knowledge more or less grounded, but all of them follow the success in life and by initiating and developing their own business they may obtain it.

2. Taking into the consideration the answers given by the target groups of the project, the distribution within each theme is different. The significance tests show that, beyond the

percentages, we have some association between the knowledge degree of the topics and respondents.

3. All those who have already entered the business world and all potential entrepreneurs who knock at the door of this world, have learned from experience to adapt to the changes, but the main key to the long-termed success, noticed by the participants in the sample survey, is the desire to continuously invest in their own training.

4. It is also necessary to adopt concrete measures conducive to reconciling professional work with private and family life, and men should be encouraged to take over some of the duties of family life.

5. The ensuring of long-term sustainability is made by encouraging the establishment or development of profitable non-farm businesses and improving the quality of human resources in rural areas/countryside.

6. The initiation of entrepreneurial courses concerning the possibility of the countryside to acquire theoretical and practical knowledge related to a specific field by using an innovative model will also develop the initiative and the ability to find new opportunities, to become pro-active and to act in response to unforeseen events.

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