

Entrepreneur and Entrepreneurial Spirit

~ Ph. D. Associate Professor **Vladimir-Codrin Ionescu** (Faculty of Business and Administration, University of Bucharest, Romania)

E-mail: vladimir-codrin.ionescu@faa.unibuc.ro

~ Ph. D. **Cristina Bolcaș** (Faculty of Business and Administration, University of Bucharest, Romania)

E-mail: cristina.badeabolcas@yahoo.com

Abstract: The entrepreneur is a key character of the economy with a competitive market that translates into business ideas by taking advantage of opportunities offered by the market. The paper sets out representative approaches in relation to the entrepreneur, developed over time by reputed economics and management specialists. The best known and quoted classifications of entrepreneurs set out in the specialized literature, namely the one elaborated by the American Professor John B. Miner and the STRATOS typology, are presented and analyzed in a comparative vision. The strengths and vulnerabilities of each type of entrepreneur in the two types presented are systematically emphasized. Also, the main variables defining entrepreneurial spirit and the most important forces that determine it are highlighted and explained in the paper.

Keywords: entrepreneur, business idea, business opportunity, entrepreneurial spirit.

JEL Classification: L26, M10, M21, O10.

1. Introduction

The contemporary world is in constant change economically, socially, technologically, managerially, etc., and the entrepreneurs, through their manifested entrepreneurial spirit, can successfully cope with these changes.

Moreover, the entrepreneurs are the ones who initiate, propagate, coordinate and evaluate the processes of change in the organizations they create and lead.

The entrepreneurial spirit is the most important aspect of economic development in the last period of business history. The organizations created and developed by entrepreneurs have led to the emergence of new products and services, crossed the frontiers of old technologies, created jobs and opened new markets [1].

The growing popularity of entrepreneurship, propelled by the status of remarkable entrepreneurs such as Steve Jobs and Richard Branson, drew the attention of people everywhere, especially young people.

Becoming an entrepreneur is the best way to thrive in the future world economy. Preparing for survival through your own intelligence is no longer an alternative lifestyle, but an absolute necessity in this uncertain world, dominated by downsizing [5].

At present, there is a global impetus to research and revitalize the entrepreneurial spirit in people, companies and countries. Entrepreneurship is the best model ever invented to generate growth and prosperity. Business people, political leaders, economists, academics and journalists unanimously support this model.

Supporting entrepreneurship and the strengthening of the small and medium enterprises sector is on the agenda of priorities

of governments in the main economic areas of the world [8].

2. Approaches of the entrepreneur

In specialized literature there are a significant number of studies and articles devoted to the entrepreneur. We will present below some approaches of the entrepreneur concept, outlined in the course of time by reputed specialists in economics and management.

The concept of entrepreneur was introduced by Richard Cantillon in his work *Essai sur la nature de commerce en general*, published in 1755. Cantillon considers that the activity of an entrepreneur lies in procuring and combining the factors of production in order to obtain products intended for sale on the market.

Jean-Baptiste Say, the first professor of political economy in Europe, found that an entrepreneur must possess "...judgment, perseverance and an understanding of the world and business. He has to estimate with tolerable precision the importance of products, the likely level of demand and the factors of production required at a certain time".

One of the most important representatives of the Austrian School, Carl Menger, highlighted the essential role of the entrepreneur in the efficient allocation of resources, given that the environment of companies is marked by a permanent imbalance [9].

Schumpeter [13] marks an important moment in the evolution of the entrepreneur concept. In his opinion, the entrepreneur is a person who brings novelty elements (a new product, a new production process, etc.). Webster's Third New International Dictionary defines the entrepreneur as "one who holds, organizes, runs and assumes the

risks of a business”.

In the work entitled Penguin Economics Dictionary [12], it is estimated that the roles of the entrepreneur consist of procuring the capital necessary for the company, organizing production by acquiring and combining the factors of production, and also assuming the risk for the activities performed.

The renowned specialist Carland distinguishes between the owner of a company and an entrepreneur [2]. The owner creates and runs an undertaking for personal interests, while the entrepreneur influences and coordinates the activity of an organization, having as central objective obtaining profit.

The American Professor Peter Drucker considers that since the 80s we have been witnessing an entrepreneurial revolution, reflected in the shift from managerial economy to entrepreneurial economy. In his view, the entrepreneur is the person who permanently looks for changes, his actions having a predominantly practical nature [4].

An interesting approach is the one of the Canadian researcher Jean Marie Toulouse, focused on three axes of human activity: value system, degree of commitment and intensity of actions [14]. According to this approach, the entrepreneur pays special attention to the autonomy and freedom of decision, assumes the risks involved by his activity and has a strong inclination towards action, showing creativity in solving the problems that he is faced with.

Professor Eugen Burduş finds that the entrepreneur is a person who creates new businesses, assuming risks in achieving the objectives, by identifying opportunities [1].

Marius Ghenea, a successful Romanian entrepreneur and professor of “Entrepreneurship, Innovation and New

Business Ventures” at Maastricht School of Management, proposes a simple but suggestive definition of the entrepreneur. According to this definition, the entrepreneur is the person who looks at a problem and sees it as an opportunity, and then acts on it. All people see problems in their daily lives, some of them identify solutions to these problems, but very few go further and act to implement solutions. This approach highlights the fact that an entrepreneur is a person who has ideas and acts based on his ideas to turn them into business projects [6].

In our opinion, the entrepreneur is one of the main actors of an economic system with competitive market as he creates new organizations and develops existing organizations. The starting point of the entrepreneurial action is the business idea, which the entrepreneur puts into practice by detecting and capitalizing an opportunity existing on the market, making use of a set of resources [7].

Therefore, we assume that the market, i.e. the business environment, always offers opportunities, but the entrepreneur has to carry out the “business idea - business opportunity” coupling in order to initiate and develop an entrepreneurial process.

3. Types of entrepreneurs

The best known classifications of entrepreneurs are those elaborated by John B. Miner and the STRATOS typology.

In the vision of John B. Miner, professor, writer, speaker and consultant specializing in entrepreneurship and human resource management, there are four types of entrepreneurs, i.e. [10]:

➤ personal achiever entrepreneur;

- super-seller entrepreneur;
- manager entrepreneur;
- expert entrepreneur.

The personal achiever entrepreneur spends a lot of time on the business, believes strongly in his own person and in what he/she does, has a vision of the business, emphasizes flexibility in a less structured and formalized organization, has rapid responses to environmental changes and a great ability to solve problems and does well in times of crisis

The super-seller entrepreneur is permanently preoccupied to sell, appealing to other people to conduct the company's current affairs and focusing on human relationships and teamwork.

The manager entrepreneur possesses managerial skills and abilities, spends time and resources to persuade potential customers to buy his company's products, encourages his employees to build a career within the firm and puts special emphasis on building an organizational culture.

The expert entrepreneur has solid knowledge in a field of activity, has an innovative spirit and attracts innovative people, devotes his energy to getting support to implement new ideas and crystallizes a vision of the business.

Analyzing the classification developed by John B. Miner, we can draw some conclusions. Thus, the high-performance entrepreneur is remarkable in having a vision of the business, exhibiting rapid reactions to environmental developments and doing well in times of crisis. The vulnerable point might be linked to the excessive time spent on the business, which may, in time, affect his personal life.

The super-seller entrepreneur lays emphasis on human relationships and cultivates team spirit within the organization, but his exclusive preoccupation with sales and the lower degree of involvement by appealing to other people can provide him with a rather short-term success.

As regards the manager entrepreneur, the strengths are related to the complex of managerial qualities, to encouraging his own employees to develop a career in the firm and to building an organizational culture. Also, this entrepreneur is the only one who spends time and resources to persuade potential customers to buy his products.

The expert entrepreneur is well trained in a field of activity and a vision of the business, and his actions are centered on the implementation of new ideas as a projection of his innovative spirit.

The second classification of entrepreneurs was carried out by a group of researchers within the STRATOS (Strategic Orientations of Small European Business) project, which took place in 8 countries [11]. The STRATOS typology, based on two categories of attitudes and behaviors – creative-dynamic and managerial-administrative – differentiates four types of entrepreneurs:

- type-A entrepreneur (universal or complete)
- type-R entrepreneur (classical or run-of-the-mill)
- type-B entrepreneur (dynamic or pioneer);
- type-O entrepreneur (organizer).

The universal or complete entrepreneur is a high achiever, well prepared from an economic and technical point of view, possesses

a high capacity to adapt to the environment and the problems that the business raises, resorts to the strategic option of diversification and has a choleric temperament.

The dynamic or pioneer entrepreneur has a creative-innovative behavior, is open to change and risk acceptance, strategic orientation is aimed at the exploration of the market, the expansion thereof and the development of the product, and has a sanguine temperament.

The organizer entrepreneur is oriented especially towards the administrative aspects of the activity, has an organizational spirit, is tenacious and orderly and exhibits a melancholic temperament. From a strategic point of view, this type of entrepreneur attaches equal importance to options for diversification, modernization of existing products and penetration of new markets.

The classical or run-of-the-mill entrepreneur is cautious, less willing to take risks, orientates himself towards the diversification of production and the obtainment of modest economic performance, does not generate strong firms and has a phlegmatic temperament.

Compared to Professor John B. Miner's classification, the STRATOS typology considers two interesting variables, namely strategic orientation and temperament. We note the training and the ability to adapt to the environment of the universal or complete entrepreneur, the creative-innovative behavior and openness to change and risk acceptance in the case of the dynamic entrepreneur, as well as the equilibrium manifested by the organizer entrepreneur with regard to the strategic orientation. The neuralgic points of the first three types of entrepreneurs could be their temperament.

The run-of-the-mill entrepreneur has an atypical profile if we take into account that he is prudent and does not take risks, a fact that is essential in an entrepreneurial approach. The modest achievements of this type of entrepreneur are the natural consequence of the manifested behavior and phlegmatic temperament.

4. The entrepreneurial spirit

As we have shown in the previous section of the paper, the entrepreneur is a person who translates into practice a business idea by detecting and capitalizing on an existing market opportunity.

The entrepreneurial spirit involves the identification of an opportunity, the decision to start the business, and, very importantly, the action itself. In the opinion of some authors, the entrepreneurial spirit is a function of two variables, namely the psycho-sociological variable and the economic variable [15].

In our vision, the entrepreneurial spirit is defined by three important variables, i.e. (see Figure 1):

- the contextual variable;
- the psycho-sociological variable;
- the economic variable.

The contextual variable is given by the fact that the entrepreneurial spirit is strengthened by a certain economic, social, political, legislative, etc. context which favors the emergence of opportunities that the potential entrepreneur can identify and then capitalize.

The psycho-sociological variable is defined by [3]:

- personality traits (predisposition for

action, risk taking, independence, etc.);

- skills and qualities (ability to decide, courage to act, perseverance, realism, vision, relational availability, creativity, identification with people already successful as entrepreneurs, etc.).

The economic variable refers to the entrepreneur's ability to set goals, identify and allocate resources, outline different strategic options to achieve the projected goals.

There are several forces that determine the entrepreneurial spirit, among which we mention [16]:

- passion (passion leads to the appetite for risk);

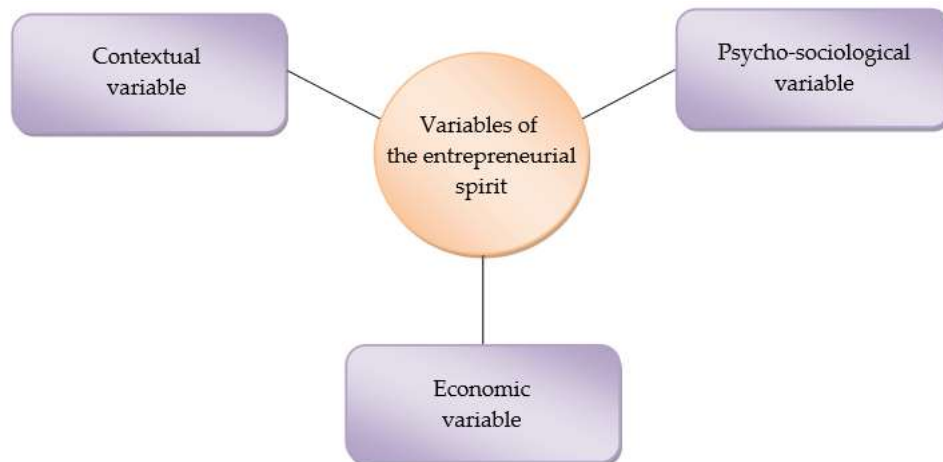
- optimism (the power of positive thinking and the guidance of actions according to the motto "every challenge is an opportunity");

- adaptability (the capacity to adapt is vital for the growth of a business);

- leadership (vision, charisma, a well-developed sense of morality, enthusiasm, etc.)

- ambition (generates the entrepreneur's desire to succeed).

Figure 1. Variables of the entrepreneurial spirit



Source: Author's own processing

5. Conclusions

The entrepreneurial spirit is the best model ever invented to generate economic growth and prosperity. Business people, political leaders, economists, academics and journalists unanimously support this model.

The entrepreneur is one of the main actors of an economic system with competitive market as he creates new organizations and develops existing organizations.

The business environment always offers opportunities, but the entrepreneur has to carry out the "business idea - business opportunity" coupling in order to initiate and develop an entrepreneurial process.

Analyzing the two typologies presented in the paper, we synthesize some essential characteristics of entrepreneurs, such as business vision, training in a field of activity, adaptability to contextual evolutions, creative-innovative potential, managerial skills

and preoccupation for building an organizational culture.

The entrepreneurial spirit involves the identification of an opportunity, the decision to start the business, and, very importantly,

the action itself. In our vision, the entrepreneurial spirit is defined by three important variables – contextual, psycho-sociological and economic – among which there are multiple interferences.

REFERENCES:

1. **Burduș, E. Cochină, I., Crăciun, L., Istocescu, A.** (2010), *Întreprinzătorul*, Editura Pro Universitaria, București.
2. **Carland, J.W.** (1984), *Differentiating Entrepreneurs from Small Business Owners: A Conceptualisation*, *Academy of Management Review*, vol.9, no.2.
3. **Cornescu, V., Ionescu, V.** (2011), *Economia și managementul afacerilor mici și mijlocii*, Editura Universității din București.
4. **Drucker, P.F.** (1985), *Innovation and Entrepreneurship. Practice and Principles*, Harper & Row Publishers, New York.
5. **Farrell, L.** (2013), *Noua eră antreprenorială. Trezirea spiritului întreprinzător în oameni, companii și țări*, Editura Prior & Books SRL, București.
6. **Ghenea, M.** (2011), *Antreprenariat. Drumul de la idei către oportunități și succes în afaceri*, Universul Juridic, București.
7. **Ionescu, V.** (2004), *Managementul firmelor mici și mijlocii*, Editura Economică, București.
8. **Ionescu, V., Bolcaș, C.** (2016), *The Entrepreneur, Key-Figure of the Entrepreneurial Phenomenon*, *Revista MANAGER* nr.24, Editura Universității din București.
9. **Menger, C.** (1950), *Principles of Economics*, Free Press, Glencoe.
10. **Miner, B. J.** (1997), *The Expended Horizon for Achieving Entrepreneurial Success*, *Organizational Dynamics* no. 4.
11. **Nicolescu, O., Nicolescu, C.** (2008), *Intreprenoriatul și managementul întreprinderilor mici și mijlocii*, Editura Economică, București.
12. *Penguin Economics Dictionary* (1976), Penguin Books.
13. **Schumpeter, J.** (1934), *Theory of Economic Development*, Harvard University, Press Cambridge.
14. **Toulouse, J. M.** (1997), *Definition de l'entrepreneurship*, *L'entrepreneurship*, Quebec, Montreal.
15. **Zorlețan, T., Burduș, E., Căprărescu, G.** (1998), *Managementul organizației, vol. I*, Editura Holding Reporter, București.
16. <https://www.wall-street.ro/articol/Start-Up/39121/Cele-5-forte-ale-spiritului-antreprenorial.html>