

Entrepreneurial behavior among employees. Pilot study: Employees from Bucharest

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Abstract: *Many objective or subjective factors influence the decision to open a business. The most important factors are: the existence of an adequate opportunity or a market, perception that starting a business could be difficult because of bureaucracy, financial barriers or the need to acquire new skills, a lack of money, etc. Also, entrepreneurial behavior is generally influenced by socio-economic status of the family of origin [1]. Thus, children from wealthy families have the "competitive advantage" to receive an education appropriate for managing a business and of course have the necessary financial resources and its start [2]. However, abilities of every individual can "correct" these benefits are completely eliminated/reduced exogenous barriers [3]. In this article I will present the results of a pilot study conducted in 2014 at Bucharest employees to observe their entrepreneurial behavior.*

Key words: employee, entrepreneurial behavior, risk taking, stability

Introduction: Entrepreneurship not only helps to achieve an individual's personal conduct business, but is also a driving force for job creation, competitiveness and growth while contributing to the goals and social. This is why the European Union believes it has a duty to encourage entrepreneurship and unlock the growth potential of businesses and citizens, including this objective in the Europe 2020 Strategy. Nurture and development of entrepreneurial spirit has important benefits, both economic and social for individual, community or nation.

According to Eurobarometer "Entrepreneurship in the European Union" in 2012 [4], in 18 of the 27 countries most respondents prefer to be employed (58% of respondents said they were not going to start a business). 87% of respondents support the contractors that having a good ideas to business conducted was important for the decision to start the business, and 84% said business start finding the necessary financial resources were important. Other factors mentioned as being important for business success were: finding an appropriate business partner, a pattern to follow and address a social or environmental needs unmet.

The biggest fears of those who were going to start a business, but they did not relate to the fear of bankruptcy, insecurity caused by volatile income, lack of financial resources, fear of the complexity of administrative procedures. Personal independence and self-realization are the most popular reasons given by those who want to become entrepreneurs. Interestingly, only one fifth would choose this option for better financial prospects.

The assumptions from which I started in conducting the research were:

- how much individual behavior is more oriented towards entrepreneurship, the revenues are greater;
- if it is eliminated the main barrier to starting a business (lack of funds) the percentage of employees that will invest in opening a business will be close to the entrepreneurs who will invest in the development of existing or new business

For validation or rejection of the assumptions I used:

- Questions concerning the determination of entrepreneurial behavior (CA1S and CA2S) - to observe willing to handle certain risks to obtain higher income generated by a business (checking the timeliness Eurobarometer results "Entrepreneurship in the European Union" mentioned above) ;
- Questions that individual is put in the hypothetical situation to invest 100,000 euros AV4 - for observing the behavior of the employee entrepreneurial been in an ideal situation to start a business (if he wants).

The sample included both employees and contractors (employers, self-employed and freelancers) and believe it can provide a good indication achieve the goal. I addressed these two categories of individuals who have income to try to make a comparison between the influence that generate or may generate these inequalities, beyond the obvious risk taking by entrepreneurs who have opened a business.

I chose the person recording revenue in Bucharest to be the sample to the questionnaire, since this administrative unit records the highest incomes compared to other local government units and there are most opportunities for gains (according to numerous

statistical studies carried out at both national income, investment volume, labor market indicators etc.). For these reasons we considered that the conduct of research on this sample will give me a clearer picture of how acting factors (especially those endogenous) the influence of income inequality.

Of the 800 questionnaires, 498 valid questionnaires were completed, 269 of them applied 229 employees and contractors. Thus, the response rate of 62.25% and was due to application of questionnaires face to face with the respondents. Respondents were selected from more than 350 companies and institutions from different fields in an attempt to provide a representative picture of the level of Bucharest on revenue from the two categories of respondents and the factors influencing these revenues.

The structure by gender of respondents was: the employees - 45.35% men and 54.65% women.

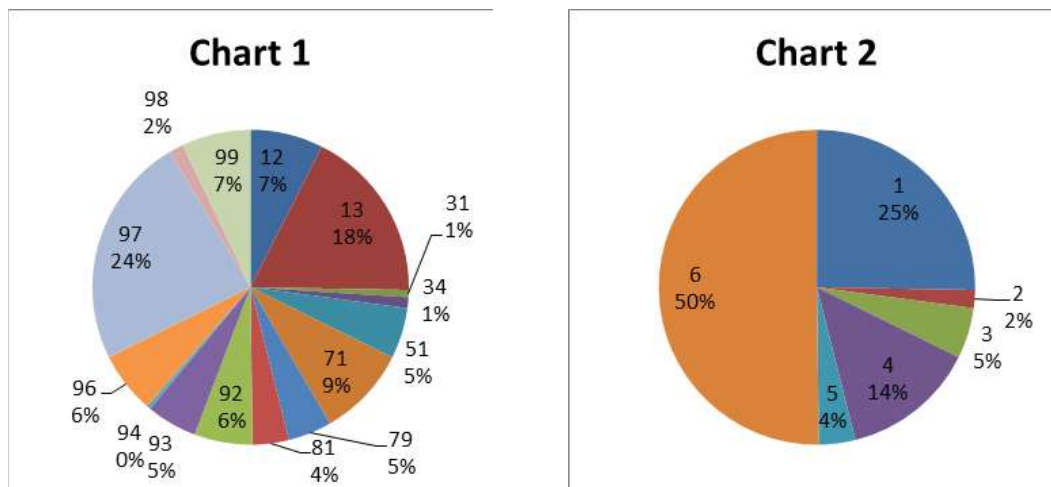
Age distribution. Most of the employees interviewed were aged between 21-25 years (37.17%) and between 26-30 years (20.45%).

With regard to educational attainment, 53.9% of employees surveyed have completed higher education, while 40.14% have completed college.

Average earnings of employees was 1657 lei, while for entrepreneurs was 5490 lei, 3.3 times higher than in the first category

Occupations of employees surveyed are shown in Charts 1 and 2, which are highly diversified, the majority of employees (24%) are traders, 18% are accountants or economists, 9% are engineers, 7% occupy a leading position, other occupations representing smaller percentages. In chart 2 occupations are centralized according to the training required for that occupation.

Charts 1¹ and 2² – Occupations of employees



Source: own processing of the data collected

¹ 12 - Director, 13 - accountant / economist, 31 - Lawyer, 34 - police, 51 - MD 71 - Engineer / IT (technical) 79 - computer operator, 81 - Professor (Education), 92 - PR (receptionist secretary), driver + mechanic 93 to 94 - athlete, 96 - budget 97 - trade 98 - designer, 99 - other

² 1 - economic field, 3 - legal field, 5 - medical field, 7 - IT-technical field, 8 - education, 9 - other

From the perspective of education and training areas / under graduation, most of the employees have economic training (33.09%), followed by technical (24.91%) and then by other areas outside the 6 answers - 22.3 % (the predominant in this category is Administrative Sciences).

CA1. Have you thought to start a business?

A percentage of 54% of the employees were going to start a business (their average income being 1717 lei). The study on entrepreneurship in the European Union (previously mentioned), claims that in Romania, a percentage of 48% of employees would prefer to open a business but have failed or fail mainly the same main reasons invoked the respondents of this research Among the reasons that have prevented to start a business, 40.9% had no money (although this category recorded an average salary of 1804 lei) and 31.6% had an idea to start a business (they had an average income of 1770 lei).

With age it seems that the main problem that prevents employees to start a business is not the lack of a business idea but lack the funds go first to start a business. This lack of funds may be due to several causes both subjective and objective of which the most important are:

- The gains are relatively small and not saving considerable sums required to start a business - 18% of respondents,

- Lack of any financial help from parents given that 58% of employees in both age ranges from families who were living on the same level with most families in the community,

- Failure or potential difficulties due to low incomes in accessing bank loans - 20%;

Another reason for not employed respondents have opened a business is lack of desire/motivation to assume the risk that it involves opening a business, given that 61% of employees in the first age range (21-25 years) and 53% of 26-30 year range say they prefer a safe workplace, but less well paid than one insecure but better paid.

AV4. If you win the lottery tomorrow equivalent of 100000 Euro, what would you do with this money?

If the share of these amounts to the percentage of respondents, the situation is as follows: employees would spend an average of 42240 Euro for housing, 8748 Euro per car, would help children with 9231 euros, 1360 euros would do charity should invest in business opening a 24459 Euro and 13962 Euro would be used for something else.

If weighted amounts, we have the following situation: entrepreneurs would spend an average of 29322 Euro for housing, 11 675 Euro per car, would help children with 8801 Euro, 1962 Euro would make charities should invest in opening a business 36160 euros and 12080 Euro could be used for something else (particularly bank deposits and holidays).

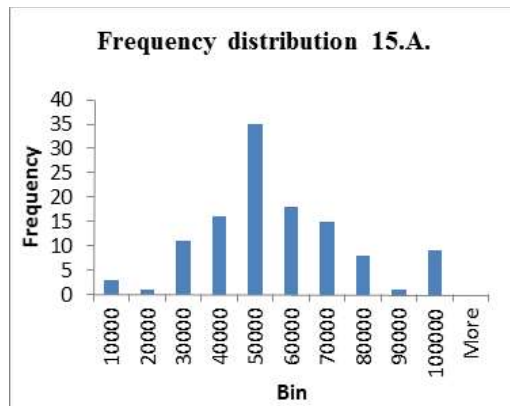
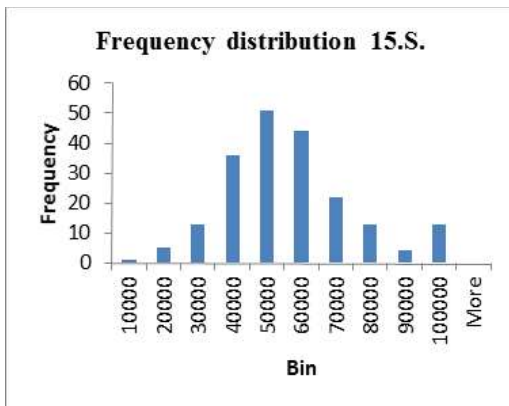
We can see that starting a business is on second place in employee's priorities, after the provision of housing, while for the entrepreneurs is first. This difference may be motivated by finding items that employees are more inclined toward taking risks lower than entrepreneurs involved in opening a business and prefer safety and stability.

25% of employees who would be interested to buy a home, would pay between 45000 and 50000 Euro (their average income were 1510 lei), 21.8% would spend 55000-60000 Euro (having an average income of

1678 lei) and 17.8% would spend 35000-40000 Euro (their average income being 1576 lei). Most entrepreneurs (30%) who wish to purchase a home should spend 45000-50000 Euro and having an average income of 3717

lei, 15.4% would allocate 55 thousand to 60 thousand euro, earning an average of 4128 lei and 13.7% would fall in the range 35000-40000 Euro and an average income of 6203 lei.

Frequency distributions 15.S. and 15.A. – Amounts allocated for housing acquisition

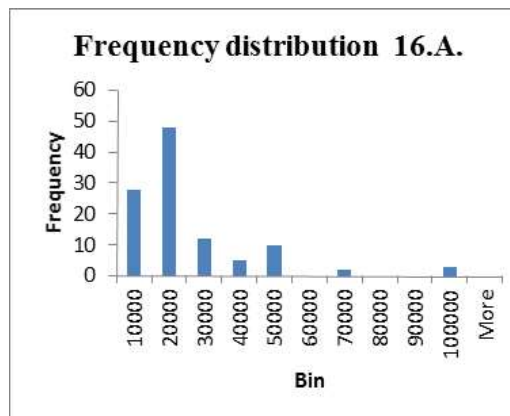
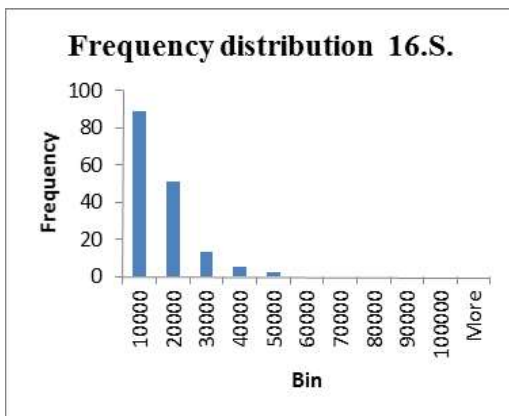


Source: own processing of the data collected

A percentage of 56% of employees who would be interested in purchasing a car, would spend a maximum of 10000 Euro for it (having an average income of 1470 lei), while 32% would allocate for this to 20000

Euro (having an average income of 1595 lei). For entrepreneurs, 44.4% would spend for a car 13000-20000 Euro (average revenue being 4153 lei), while 25.93% would spend up to 10000 Euro (average revenue being 4762 lei).

Frequency distributions 16.S. and 16.A. – Amounts allocated for car acquisition

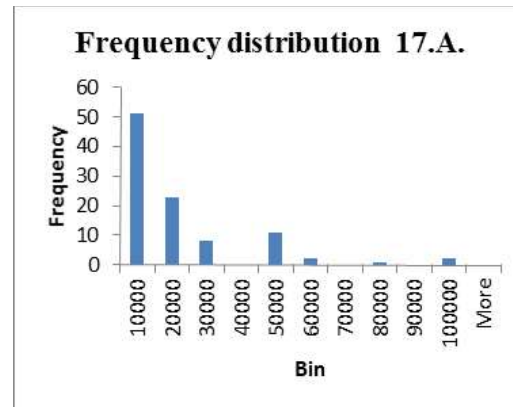
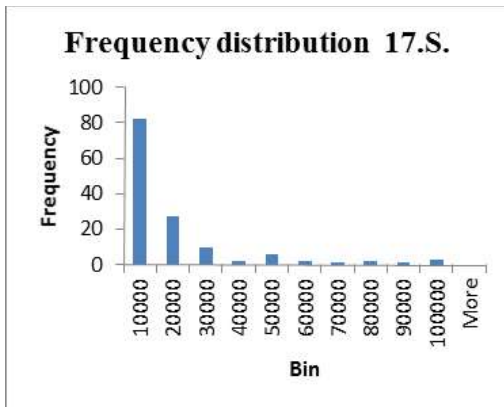


Source: own processing of the data collected

A percentage of 60% of employees who would help children, it would provide a maximum of 10000 Euro (they had an average income of 1528 lei), while 20% would provide between 15000-20000 Euro (having an average income of 1672 lei).

Most entrepreneurs (52%) who want to help their children with a sum of money, it would provide maximum 10000 Euro from the winnings (they have an average income of 5064 lei) and 23.5% would give between 15000- 20000 Euro.

Frequency distributions 17.S. and 17.A. – Amounts allocated for helping children/close relatives

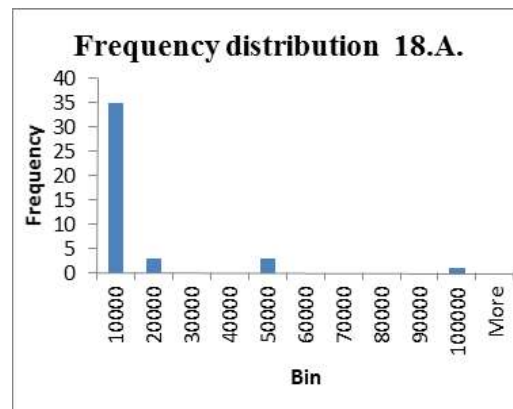
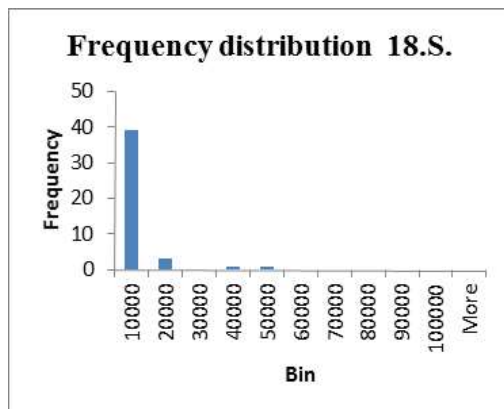


Source: own processing of the data collected

Amounts of up to 10000 euros would be allocated 88% of employees who want to make philanthropic acts, their average income were 1651 lei. A percentage of 83%

of entrepreneurs would allocate the same amount for philanthropic acts, their average earnings were 7223 lei.

Frequency distributions 18.S. and 18.A. – Amounts allocated for philanthropic acts



Source: own processing of the data collected

Only 143 of 269 employees surveyed intend to open / develop a business (meaning 53.16% of the total). A rate of 65% would invest between 15000-50000 Euro (they had an average gain of 1709 lei) in areas such as agriculture, trade, construction, tourism. The willingness to invest as a priority in agriculture is justified considering that in "The Romanian Energy Strategy for 2007-2020 updated for 2011-2020" is underlined the important role of the use of bio-fuels in the transports and in agriculture, to power the agricultural machinery, and the importance of developing energy crops [4].

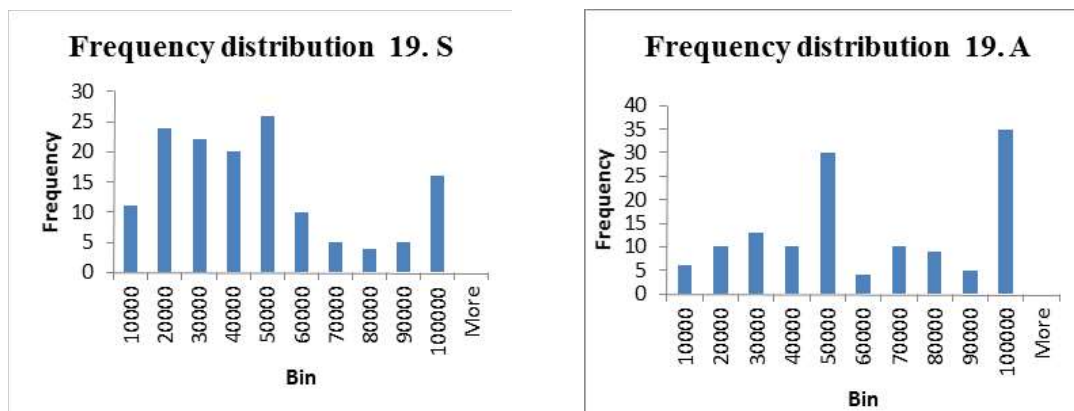
Interestingly, 11.2% of employees surveyed would invest the entire amount won (100000 Euro) in a business in tourism, IT and commerce.

A percentage of 59% of entrepreneurs would invest in their own business or opening new ones. Most of them (26.5%) would

invest the entire amount of 100000 Euro in business (they had 7569 lei average income) and 22.7% would invest Euro 45000-50000 (they had 4173 lei average income). The areas preferred by entrepreneurs for new businesses that would open linked to the production of renewable energy, IT and agriculture.

Especially after 2006, in Romania, began the development of both production and consumption of energy from renewable sources. An important element was the modernization of the legislation and the fact that more and more leaders are aware and acknowledge that the wider use of renewable energy bring many long-term benefits, both for the enterprises and the whole society, in the formation and the development of smart grids for the society. An important role has the continuous concern for the energy efficiency, for all users, individuals or legal entities [5].

Frequency distributions 19.S. and 19.A. – Amounts allocated for starting a business



Source: own processing of the data collected

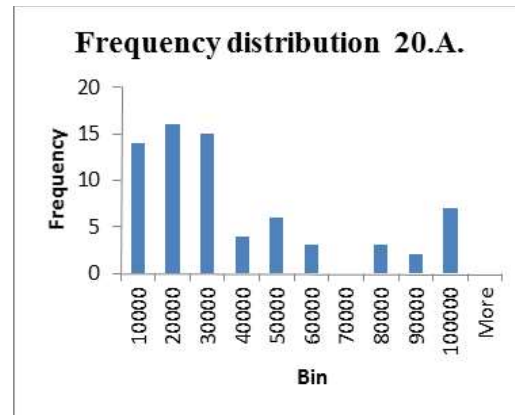
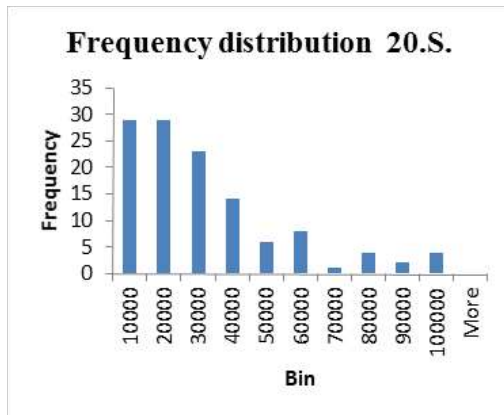
A percentage of 44.6% of all employees would use part of the money earned for other activities (main destination being bank deposits - in most cases - and holidays) as follows: 24% would use between 2000-10000 Euro for this purpose (their average income was 1516 lei), 24% would use between 11000-20000 Euro (their average income was 1541 lei) and 19.2% would use Euro 21000-30000 (1637 lei was their average income).

A percentage of 44.6% from all employees would use part of the money earned for other activities (main destination being bank deposits - in most cases - and holidays) as follows: 24% would use between 2000-10000

Euro for this purpose (average income of them was 1516 lei), 24% would use between 11000-20000 Euro (their average income was 1541 lei) and 19.2% would use Euro 21000-30000 (with 1637 lei average income).

Only a percentage of 31.4% of entrepreneurs would use part of the money earned for other activities (main destination being bank deposits - in most cases - and holidays) as follows: 20% would use between 8000-10000 Euro for this purpose (5379 lei average income), 22.9% would use between 14000-20000 Euro (3593 lei average income) and 21.4% would use Euro 25000-30000 (5213 lei average income).

Frequency distributions 20.S. and 20.A. – Amounts allocated for other activities



Source: own processing of the data collected

Conclusions:

Following the study conducted, we have seen that starting a business is second in employee’s priorities, after the provision of housing, while entrepreneurs are first. Moreover, in the hypothetical situation in which respondents would win at lottery the amount of 100000 euro employees would

invest, on average, a quarter of the winnings to over one third of entrepreneurs as is in the case. If we analyze answers of „the brave” on both sides, the differences are even more radical: only 11.2% of employees would invest the entire amount gained in starting a business compared to 26.5% of entrepreneurs who would invest in their own business and / or opening new ones.

We find from the respondent's answers that employees are more inclined toward taking risks lower than entrepreneurs involved in opening a business and prefer the safety and stability of earnings offered safe.

Entrepreneurship education provided to children and young people from primary school can provide knowledge and skills necessary to succeed future adults to

drive business success. This education must be doubled and government programs to encourage and motivate people with good business ideas and to implement them easier access to the financing they need. Nurture and development of entrepreneurial spirit has important benefits, both economic and social individual, community and nation.

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