

# How Lifestyle, Professional and Financial Criteria Influence Students' Personal Vision to Become Entrepreneurs. Evidence from Romania

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## Abstract

*A personal vision is a picture of what success looks like, an idea of what people want to achieve with their lives. It influences all areas including family, well-being, leisure, morality and work. The purpose of this paper is to investigate different aspects that can define the personal vision of a student who wants to start his business in the near future. The authors analysed personal vision through the prism of some variables identified in 3 sections: lifestyle, professional and financial criteria, using SPSS 20.0 Software. The results pointed out that there is a relationship between the number of hours worked in the maturity phase of a business and the students' priority, but also between the value of personal investment and the value for the desired profit, while for those who think that a business supports and cultivates morals, beliefs and standards, family involvement is important in their company running.*

**Key words:** personal vision, lifestyle criteria, professional criteria, financial criteria, entrepreneurship

**J.E.L. classification:** M13

## 1. Introduction

In the last years, there has been more and more talk about the vital role that entrepreneurs play in any economy. Entrepreneurs see opportunities even in the economic crisis, they make investments and they create jobs, helping the society even in a difficult economic context. In this area of entrepreneurship, it's not enough to be an entrepreneur but must also be a good leader. Leaders are encouraged to use visions for their business and even for their personal life in order to succeed and to achieve their goals. For those who want to become entrepreneurs, establishing a vision for their company is very important. On Harvard Business Review site it's highlighted that a vital component of a successful leadership is the ability to visualize and articulate a possible future state for a business.

In the management literature, there are always chapters about leaders, their strategic ability or vision, and a lot of courses and classes encouraging people who want to become entrepreneurs and leaders to use vision. However, surprisingly few research has been done about the personal vision that conducts to companies vision.

Thereby, taking into account that entrepreneurs need to analyse their personal objectives before they can set business goals, the role of this paper is to analyse the startup phase of establishing a business vision. So the authors researched scientific literature in this field and decided to use the three criteria described by Ewing Marion Kauffman (2012) in order to establish a personal vision statement. Also, the authors selected some variables for each criteria and analysed how they influence students' personal vision to become entrepreneurs.

## 2. Theoretical background

When a person is thinking about starting a business, they picture what success will look like for them in each area of their life and also decides what elements are most important to them. So, it can be said that they are actually defining their personal vision. This vision will guide people for decisions, will make them think in the long-term and also maintain balance on their lives.

The Highlands Company (2017) defined on their website that a clear personal vision is an integration of abilities, personality, hobbies, values, goals, experience, family of origin, and stage of adult development.

Leaders are encouraged to use visions, but there aren't many people or studies that particularly explain to them what to consider when establishing such a vision and why to consider that information. Without a strategic vision on long-term, the planning of activities would be very hard, because establishing this vision it's like setting a final destination and without this destination in mind it would be almost impossible to take steps to get nowhere. So it's very important to set goals and make resolutions.

Francis J. Gouillart and James N. Kelly presented in Gill Robinson Hikman's book (1998) that educational programs are very important for training good managers and for running a business. So they pointed out that project assignment and mentoring are the most used educational strategies for building individual learning. Also, in the same book, Peter M Senge, talks about the relationship between the vision and the current reality which creates a creative tension that influences the leadership in an organization.

Peter M Senge et al (2012) presented in their paper the most important steps that need to be followed in order to create a vision, referring to the relationship between the abilities of a leader to lead and the necessary managerial skills of the hired personnel. Rob Yeung (2012) highlighted the role of setting smart goals when we want to create a vision. In his book, he mentioned that in the 1950s, some researchers asked some Harvard University graduates about their goals. Despite all of them had goals, just 3% of them wrote them down. After 30 years, the researchers found that those 3% had a fortune as great as the rest of 97% put together. So, he pointed out that defining a correct vision provides you with a clear picture of where you want to be, this vision needing to be completed by formulating some smart goals.

Despite the fact that there are many books about Strategic Management, Business Engineering and Personal Development, there are not many studies about personal vision, Sooksan Kantabura and Gayle C. Avery (2002) proposing a model for Investigating Relationships between Vision Components and Business Unit Performance. Omer Livvarcin and Dilek Kurt (2015) also discussed about the importance of the management of vision through their paper, where they analysed the usability of Balance Theory for the effective and correlated management of vision, strategies and projects especially in complex environments. Richard E. Boyatzis et al (2015) indicated in their study that personal and shared vision have a long history in management and organizational practices, while they chose to analyse the role of the positive emotional attractor in vision and shared vision.

Susanne Madsen (2012) who is a project leadership coach explained that a vision contains the essence of everything she wants to achieve and also the way she wants to present herself. She highlighted that a vision and a mission statement summarize all of someone's personal values and intentions. Susanne also explained that establishing a personal vision statement involves a lot of introspection, reflection, thoughts and sincerity with ourselves.

Ewing Marion Kauffman (2012) described the process of establishing a personal vision as a journey, where it's much planning to do before traveling. He mentioned that in order to evaluate their business ideas, people need to establish lifestyle, professional and financial objectives so that they can establish a personal vision.

## 3. Methodology

The authors used a part of the way that Ewing Marion Kauffman (2012) tried to determine students to write their personal vision statement when they are thinking of their future company, in order to discover how their business concept matches their personal vision. To be more specific,

the authors adopted for his paper the three sections that are used to establish such a personal vision: lifestyle, professional and financial criteria.

For collecting the data, the authors used a questionnaire containing 14 items that can be divided into the three sections mentioned above. For the lifestyle criteria, the authors sought to obtain information about: Number of hours worked per week during the start-up phase (A1), Number of hours worked per week during the maturity phase (A2), The need of flexible hours (A3), Priority (A4), Travel for the business (A5), Morals, beliefs and standards (A6), Family involvement (A7). For the professional criteria, the authors analysed information about: Power or status (B1), Involvement in daily operations (B2), Favourite type of work (B3), Job security (B4). For the last section, the authors analysed: Future personal income (C1), Business profit (C2), Personal investment (C3). For the financial criteria, the authors proposed a scale with 5 categories of answers, measuring Future personal income, Business profit and Personal investment in euros.

For the lifestyle criteria, more exactly for Number of hours worked per week during the start-up phase and Number of hours worked per week during the maturity phase, the authors used 4 categories of answers. For the Favourite type of work item, the authors used another 4 categories of answers. The other items had only 2 answer options.

Data were collected in April 2018, from a group of 35 engineering students from University POLITEHNICA of Bucharest who are following a course of Technological Entrepreneurship. Those students are about to graduate and to obtain their Bachelor Degree in Engineering and Business Management. The authors made some hypothesis that analyse the relationship between different items from section A, section B and section C. Considering the fact that the questioned respondents were students, with ages between 22 and 25 years, this paper analyse 3 hypothesis from the lifestyle criteria, 1 hypothesis from the professional criteria and 1 hypothesis from the financial criteria.

Table no.1. Hypothesis

Section A Lifestyle criteria	Section B Professional criteria	Section C Financial Criteria
<ul style="list-style-type: none"> <li>•H1: Students consider that in the start-up phase, they will work more hours than during the maturity phase.</li> <li>•H2: The number of hours worked per week during the maturity phase is linked with students' priority.</li> <li>•H3: For those who think that a business supports and cultivates Morals, beliefs and standards, family involvement is present in their company running.</li> </ul>	<ul style="list-style-type: none"> <li>•H4: For those for whom power or status is important, the job security is also important.</li> </ul>	<ul style="list-style-type: none"> <li>•H5: A high value of personal investment determine a high value for the desired profit.</li> </ul>

Source: Authors' contribution

#### 4. Findings

All measurements of the analysed items were based on the respondents' perceptions. Data were analysed using SPSS 20.0 software.

During the start-up phase, only 11,4% of students want to work less than 40 hours per week, while almost 62,8 % think that they would work between 40 and 50 hours per week. Also, 71,4% of students consider that during the maturity phase they will work less than 40 hours per weekend,

which means that in the future, they would like to spend their time in other ways. *That being said, the hypothesis 1 is confirmed.*

On the other hand, the authors analysed if there is any relationship between Number of hours worked per week during the start-up phase and during the maturity phase. It was used the guide that Evans (1996) suggests for the absolute value of R-values. For the values between 0,00-0,19, Evans described a "very weak" correlation ; for 0,20 – 0,39, he said that there is a "weak" correlation; for 0,40 – 0,59 the correlation is "moderate"; for 0,60 – 0,79 the correlation is "strong" and for 0,80-1,0 it can be said that there is a "very strong" correlation. So, taking into account these intervals, the authors observed that the Pearson correlation between A1 and A2 is 0,081, which means that there isn't any correlation between the analysed variables.

Table no.2. Number of hours worked per week during the start-up phase and the maturity phase

Number of hours worked per week	during the start-up phase (%)	during the maturity phase (%)
Less than 40 hours	11,4	71,4
40-45 hours	37,1	17,1
45-50 hours	25,7	8,6
More than 50 hours	25,7	2,9
<b>Total</b>	<b>100,0</b>	<b>100,0</b>

Source: Authors' contribution

The results analysed for hypothesis 1 conduct to hypothesis 2. In table no.3, it can be seen that during the maturity phase, for those who want to spend less than 40 hours worked per week, the family has priority in their lives. The correlation could be considerate weak to moderate, but the significance level is 0,05. That being said, the *hypothesis 2 can be confirmed* by the Pearson Correlation ( Figure X ; R= 0.344, p<0.05)

Table no.3. Cross-tabulation analysis: Priority and Number of hours worked per week during the maturity phase

	Number of hours worked per week during the maturity phase				Total
	Less than 40 hours	40-45 hours	45-50 hours	More than 50 hours	
Who has priority family	19	4	1	0	24
business	6	2	2	1	11
<b>Total</b>	<b>25</b>	<b>6</b>	<b>3</b>	<b>1</b>	<b>35</b>

Source: Authors' contribution

In 57.14% of cases, the students think that a business that supports Morals, beliefs and standard, has also the family involved in the business. Also, there is a considerable relationship between variable A6 and A7 ( R: 0,402\*; p<0,05), which means *hypothesis 3 is confirmed.*

Table no.4. Cross-tabulation analysis: Morals, belief, standards and Family involvement

	Family involvement		Total
	Yes	No	
Morals, beliefs and standards Yes	20	1	21
No	9	5	14
<b>Total</b>	<b>29</b>	<b>6</b>	<b>35</b>

Source: Authors' contribution

For the last 2 hypothesis, the authors analysed the Pearson Coefficients from table no.5. The variable B1 and B4 are not in a direct relationship (R: 0,024), which means *hypothesis 4 is not confirmed.* This result can be explained by the fact that the respondents were students with age between 22 and 25 years, who are at the beginning of their career and for whom job security is not

important at this age, because they don't have kids or other family members to make sure they have a stable job with a stable amount of monthly income. They are young, they want to experience a lot of opportunities, and they are not afraid to fail in order to succeed later.

Table no.5. Correlation matrix among variables

Construct	A1	A2	A3	A4	A5	A6	A7	B1	B2	B3	B4	C1	C2	C3
A1	-													
A2	0,081	-												
A3	-0,04	,344 *	-											
A4	-0,14	,344*	0,098	-										
A5	0,211	-0,138	,469 **	-0,17	-									
A6	-0,07	0	0,302	-0,05	0,05	-								
A7	0,158	-0,254	-0,112	-0,15	-0,112	,402*	-							
B1	0,048	-0,057	-0,167	0,072	0,098	-0,05	-0,145	-						
B2	-0,03	0,011	0,021	-0,13	-0,226	0,07	0,039	-0,251	-					
B3	0,012	-0,158	0,295	-0,18	0,143	-0,03	0,265	-0,328	0,251	-				
B4	0,006	0,097	-0,145	0,165	-0,145	-0,21	-0,094	0,024	-0,02	-,343*	-			
C1	0,002	-0,137	-0,06	0,01	,408*	0,133	-0,111	0,127	0,048	-0,21	0,291	-		
C2	0,059	-0,038	0	0,125	,499 **	0,059	-0,077	0,062	-0,18	-0,215	0,199	,882 **	-	
C3	0,006	-0,073	0,137	0,306	,418*	-0,21	-0,268	0,165	-0,15	-0,101	0,103	,353*	,397*	-

Note. N=35; \*p <0.05, \*\*p<0.01

Source: Authors' contribution

By analyzing the relationship between C2 and C3, the authors obtained a Pearson Correlation Coefficient with a value of about 0,4, a correlation that is significant at the 0,05 level (2-tailed). So, the hypothesis 5 is confirmed (R: 0, 397\*; p<0,05).

## 5. Conclusions

The results of this study presented different aspects that can define the personal vision of a student who wants to start his business in the near future. The respondents were at the beginning of their career so for this study the authors analysed just a few important aspects from the three sections that could be taking into account when we want to establish a personal vision. So the authors obtained information about the maximum number of hours that student will be willing to work for their personal business in the start-up phase and during the maturity phase. According to this study, students think that is more important to work more hours in the start-up phase of their business, and after that, when the business will be in the maturity phase, they will start to work fewer hours than before, because after some years, the family will be their priority.

Also, for this Romanian students, the family involvement in the business is very important, that correlating with the fact that the students are about to run their companies taking into consideration morals, beliefs and standards. So, it can be said that they have a strong belief in their family support and a strong belief in the power of the family concept. For young people, at this age, there is no direct correlation between the job security and the power or the status in a business. The respondents were students born in different locations from Romania, studying all in Bucharest. So, for the lucky ones that have families in this city can be easier to accept a fail and not to consider so important the job security when they are running a company, while for the other ones, the job security can be very important no matter what status they could have.

For the last section, the authors analysed the relationship between the respondents' personal investments and the value of their desired profit, discovering that students who are willing to save more money and to invest in their business also want more profit, despite their idea of business.

On the other hand, the results of this study could be influenced by some limitations.

First of all, the data was collecting using a sampling of engineering students from University POLITEHNICA of Bucharest who are following a course of Technological Entrepreneurship and who want to start their business in the near future. It is possible that the study of this course influenced their way of thinking and their responses.

Second, only the perceptions of the engineering students were surveyed in this study. Therefore, it would be helpful if future studies will analyse perspectives of not only the engineering students.

Third, the respondents had not yet a complete business plan of their desired business when completing the questionnaire, so the results for the financial criteria could be different if they had such a plan.

Fourth, for this paper were questioned only 35 students, which is a quite small number for a study, but taking into account that the respondents were only engineering students, who studied at the faculty a special course of Technological Entrepreneurship and who want to start their business in next year the number could be represented at least for the students of University POLITEHNICA of Bucharest that are about to become entrepreneurs. That being said, the results of this paper should be interpreted with caution.

In the future, the authors want to conduct more studies about the relationship between lifestyle criteria, professional criteria and financial criteria, and their impact on entrepreneurial performance, measuring all the variables for those sections on the same scale, so that the authors will be able to analyse if there is a model between these sections and if they directly influence each other and also the entrepreneurial performance.

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