

Entrepreneurship Issues in Post Covid Period. Case of Romanian SME’s

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Abstract

The post-covid period has meant a challenge for entrepreneurs to adopt strategic decisions. There was the question of returning to the coordinates before the pandemic, a return that proved to be difficult. The aim of this paper is to conduct a bibliometric analysis of the literature on the challenges faced by entrepreneurs as a result of the pandemic. The objective of the research was to delineate the actual situation of small entrepreneurs and, where required, identify solutions to the problems they encountered. To support entrepreneurs, state institutions and representatives of specialized organizations also intervene. Limited financial resources, the insecurity of human resources regarding the continuity of economic activity, as well as the challenges arising from the direction of the international market, combined with the problems of a social and political nature, create situations of uncertainty among entrepreneurs who organize their activity as SMEs.

Key words: crisis, innovation, entrepreneurship

J.E.L. Classification: M21

1. Introduction

Entrepreneurship is the basis of any economy. It has proven its importance and support to the global economy in multiple forms. Entrepreneurial activity has been recognized for decades as an engine of the growth of a country's economy. Entrepreneurial activity has been affected over time by a series of challenges, both from the perspective of the entrepreneur's activity and from the perspective of the way the organizations' economic activity is carried out.

The pandemic context has caused a reversal of the development of economic activity within normal parameters. Specialists in the field approach in their research, the pretense that appeared in economic activity as well as in the perception and motivation of each entrepreneur.

2. Theoretical background

Starting a business among young entrepreneurs is a constantly growing challenge. In the post-pandemic context, both state institutions and professional organizations, together with specialists in the field, are looking for the most viable solutions for the growth of entrepreneurship in space. The problem is not so much the initiation of a business as the continuation of the activity after the first year of activity.

The current legislation (Law 222/2023) draws a series of new rules; from forms of organization of economic activity to subsidies, benefits that can be obtained by those who adhere to certain forms of organization, as well as aspects related to the form of registration at the Trade Registry. At the same time, these legal provisions also refer to the way in which economic entities transact across the country's borders; we can talk about a sustained internationalization of businesses on the national territory.

According to the latest statistical analysis, SMEs are potentiators of economic flows, but one of the major problems found is the limitation of their competitiveness within the same sector of activity. European statistics (European Court of Auditors) quantify several over 25 million SMEs before the Sars Cov virus pandemic. Thus, the EU proposes the Small Business Act strategic program to support these SMEs with directions for sustainability, green investments, and digital transition. The pandemic led to the adoption of the decision to support, at the European level, SMEs with financial resources in the form of non-reimbursable funds, but also the provision of benefits/subsidies from the national authorities at the member state level.

For the post-covid period, the EU proposes a series of programs for SMEs; financial support is given for the continuation of their digital development, but also innovation.

3. Research methodology

The central subject of the research is the identification of the problems created by the SARSCOV19 pandemic among entrepreneurs within Sme's, with the help of internationally published bibliographic sources. The limitation of access to resources, restrictions regarding the initiative of entrepreneurs as well as the response of consumers in precautionary conditions to the changes occurring on the market of goods and services, led to the drawing of new actions to meet the needs of the population.

The research method used is the bibliometric analysis for the preparation of a map intended to capture the interest of specialists in the field regarding the route of entrepreneurial activity in the sectors of national economies, but also at the European and international level. Access to the Vos bibliometric program allows the consultation of the SCOPUS international databases (Spinger, JSTOR, Emerald INSIGHTS, Sage, Google Scholar, Web of Science) and the filtering of results according to the area of interest mentioned above.

The use of the Vos Viewer program allows the graphic representation of cores that bring together the main notions addressed in specialized works. Thus, our research took place in the first half of 2023, by querying the Web of Science database, with entrepreneurship, post-covid and SMEs as basic terms. The analysis period overlaps with the period after the end of the pandemic, namely the last 3 years 2021-2023.

The activity carried out by the entrepreneurs experienced a series of challenges, adaptations to new market conditions and restrictions due to the health sector. Added to them is the perception of consumers regarding the safety of the use/consumption of goods and/or services.

Cluster analysis, also known as segmentation or taxonomy analysis, aims to identify a set of homogeneous groups by grouping elements in such a way as to minimize variation within the group and maximize variation between groups. Cluster analysis is therefore a multivariate analysis technique that includes several algorithms for classifying objects (elements or individuals) into homogeneous groups. The variables or cases are sorted into groups (clusters) so that between the members of the same cluster there are as many similarities as possible, and between the members of different clusters there are as few similarities as possible. For this, first, the choice of the distance between the elements is considered, then the choice of the grouping algorithm and finally the level is decided (Anderberg, 1973).

4. Findings

After querying the database, we obtained 9106 published articles, scientific papers, chapters in specialized books, proceedings of international conferences, etc. Through the Vos Viewer program, these materials were processed and filtered, obtaining 10 clusters as can be seen in fig.1.

A separate nucleus has Innovation as its central point with sub-points: business model innovation, innovation ecosystem, culture, digital entrepreneurship. The specialized literature captures a series of materials for the creation of models in leadership and entrepreneurship, with the aim of providing directions for action in the strategy and activity of entrepreneurs. The need to adopt a model derives from the constantly changing needs of the current market. Shiferaw R. & co (2023) proposes a model that implies that all participants in the activity share roles, attributions, competences and the adoption of decisions. Entrepreneurs adopt management strategies with the behaviour and perception of their consumers as defining factors. The increase in innovation as a result of the analysis of the internal and external environment of the business began to constitute more and more a starting point in the definition of entrepreneurship models (Chaniago H., 2022).

According to the OECD's Oslo Manual (OECD, 2005), product innovation can broadly have defined as the introduction of new or significantly improved or modified existing product concerning its characteristics, capabilities, user-friendliness, and components which include improvements in technical specification and materials or other functional characteristics by a firm.

Regarding the Forms of entrepreneurship, the program captured a series of terms that are repeated quite a lot in the consulted database: rural entrepreneurship, technology entrepreneurship, female entrepreneurship, sustainable entrepreneurship. These represent trends in entrepreneurial activity, as a result of the ended pandemic, but also as a result of the identification by higher authorities of the need to adapt to the new conditions that have appeared on the market.

The woman entrepreneur has become a nucleus for the development of small businesses, the initiation of innovative products, the increase of employability and competitiveness on the market of goods and services. (Aynaddis S., 2023). In the specialized literature, there is a growing attention for entrepreneurial skills among the female gender; both the positive and the negative sides are addressed.

As the last nucleus brought into discussion, hereinafter called Aspects adjacent to entrepreneurship, we identify a series of notions that are the subject of specialized studies: corruption, contribution, economic growth, competitiveness. One of the biggest problems of entrepreneurs in the case of SMEs is financial resources. The increasing competitiveness on the market of consumer goods, also brings with it a series of repercussions in the sphere of attracting financing sources. The financial institutions are reluctant and require the fulfilment of crediting requirements, which have recently become increasingly drastic. State institutions as well as EU bodies come to the support of SMEs by offering long-term support programs.

Also, within this last core we are discussing corruption. The legal framework created at the national level, harmonized with the European requirements, seeks to eliminate situations related to fraud, unfair competition at the level of the single market within the EU, as well as to support all businesses that converge towards a sustainable future activity.

5. Conclusions

SMEs are currently an engine of the economy. The pandemic period was a period of challenges for small entrepreneurs. The lack of financial resources, the lack of provisions, the lack of infrastructure within the business, did not allow a considerable proportion of the total SMEs established at the national level, to continue their activity within the initially established terms. With sustained efforts, it was possible to adapt to the conditions that arose as a result of the cessation of physical activity in a significant proportion in most sectors of activity.

Specialists in the field, together with the business environment, looked for solutions. An attempt was made to propose models for adopting decisions and coordinating the activity depending on the existing factors on the market. Studies have shown that these models do not fully meet the needs of entrepreneurs, in the conditions of a constantly changing market. As such, the analysis of the problems encountered by entrepreneurs, especially in the SME sphere, is far from being completed.

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