

## Communication - A Dynamic Factor in the Entrepreneurial Ecosystem in Romania

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### Abstract

*In order for a strong entrepreneurial ecosystem to exist, in order to develop, it must be realized that the presence of brand entrepreneurs alone is not enough. With a major impact in its evolution is a through, professional entrepreneurial education, but also the investment side (venture-capital, business-angels). The education system must adopt schemes for cultivating and promoting an entrepreneurial mentality at an early age. The aim of the paper is to encourage the capitalization of the personal vision in opening a business, of the professional experience accumulated for the consolidation of the Romanian entrepreneurial ecosystem. Entrepreneurship support starts with communication, thus favoring strategic partnerships, the involvement of investors with vision in this field, with openness to the young generation. In entrepreneurship, a behavior that follows the initiative is used to achieve success, strengthening the structuring of socio-economic aspects, but also openness to the probability of manifestation of risk and acceptance of failure, as Joseph Schumpeter mentioned. The entrepreneur feels the business opportunity, has a vision for implementation, but in order to implement the final decision it is necessary to communicate with those involved in the entrepreneurial activity.*

**Key words:** entrepreneurial ecosystem, communication, risk

**J.E.L. classification:** A2, D83, L31

### 1. Introduction

Entrepreneurship emerged in the 16th century as an action that gives birth to a business. It wants to be innovative and aims to improve an existing one. The entrepreneur appears among people who want a special way of living or among those who want more, tend to get rich. Joseph Schumpeter in 1961 described the entrepreneur as a creative-destructive pawn, emphasizing his importance in the dynamics of the business universe. Entrepreneurial culture involves identifying and highlighting business opportunities, initiatives and coordination, important capacity in conducting business, planning resources according to established objectives (Neculăesei, Prodan, Manolescu, 2012, p.3).

Partnerships developed at the community level can inspire people with initiative, who have certain personality characteristics and abilities: vitality, the power to initiate and coordinate the business, which is expressed through the spirit of initiative, responsibility, tenacity; decision-making capacity, which involves establishing a diversified range of solutions to solve each problem, determining decision-making alternatives, identifying the best one and making the appropriate decision. Decision-making skills required firmness, perseverance, clarity; mental abilities, i.e. the existence of intelligence, the ability to analyze, to synthesize, to classify, the

inclination towards creative thinking; skills related to human relationships, which consist in the ability to establish good interpersonal relationships, sociability, tact; specialized technical knowledge - specific to the respective business, managerial, marketing, financial - accounting; communication skills, which are manifested in the ability to transmit oral and written messages, to remove in professional manner communication barriers, to create a climate that provides security (Lackeus, 2015).

Communication within the entrepreneurial ecosystem plays an important role in its development. Just as important for an entity is communication with the external environment, which is related to: other economic agents, state, society and others. The purpose of internal entrepreneurial communication is: ensuring access to information, providing the information necessary for the implementation of decisions, operative communication of decisions, organizing dialogues with employees to ensure feedback and others. External communication aims to provide the information necessary to create entrepreneurial image in the external environment.

The communication favours the information of the interested persons and possibly in the future interested in everything that means entrepreneurship, thus being able to appreciate the quality of the social changes supported by the Romanian society. This requires a set of specific traits that must be possessed by the future entrepreneur: the developed sense of independence; availability to take responsibility for customers and suppliers; the ability to make intense and lasting efforts; the ability to react quickly and decide promptly; the ability to judiciously organize working time; the desire to achieve concrete results quickly; consecration of all energy, capital and one's own time; deep confidence in personal success; motivation through personal or family considerations; permanent concern for the future of the enterprise (Kritikos, 2014). The manner of communication is influenced by the determinants of the studied entrepreneurial behavior and by the economist Weber (Abdullahi, & Zainol, 2016): socio-cultural environment; family context; experience or professional environment; education system.

## 2. Literature review

Entrepreneurship is defined as a process that identifies business opportunities and seeks to capitalize on them (Chişlari, 2005). In the contemporary aspect of the market economy, an entrepreneur is perceived as an economic agent who adopts an active and innovative behavior, which deliberately accepts financial risks in order to develop new projects (Ahmad, & Seymour, 2008). The entrepreneur is essentially a person who takes risks, who also fulfills the function of leadership or economic pioneer and respectively that of adapting to change (Hébert, & Albert, 2009). Anyone who has enough foresight and audacity to engage in a business, beats a village bakery, is an entrepreneur (Beaver, 2002).

The types of business environments, their knowledge and deepening, make the communication process have the desired efficiency. These types of business environments can be (Vasconcelos, & Ramirez, 2011):

- *Unfavorable business environments* (in which entrepreneurial activities are blocked or restricted);
- *Permissive business environments* (in which there is the possibility to start and manage entrepreneurial activities, in accordance with the heterogeneity of current conditions. Some of them show a sequential or destructive influence on private initiatives. Economic and administrative initiatives encounter difficulties in the field of communication that entrepreneurs must find solutions to overcome them.);
- *Favorable business environments* (through the diversity of its behaviors, motivate the entrepreneurial activity and the development of the society).

Suppliers are another category that needs attention, analysis for the best possible knowledge. Their analysis aims to mark those aspects in the activity of the subjects that provide the business with the necessary raw materials, various materials, semi-finished products, energy and information resources, finance, contributing to the efficiency of the activity, costs and quality level of products or services. In the analysis of raw material suppliers, materials must pay attention to certain characteristics of their activity: the value of the delivered product; the guarantee regarding the

quality of the delivered product; product delivery schedule; punctuality and obligation to meet the delivery conditions of the product or service.

For the analysis of competing businesses, four diagnostic elements are needed: the study of barriers to entry and exit from the market, the analysis of possible objectives of competing businesses; evaluation of current competing business strategies; reviewing the competitive premises of the field in which these businesses are conducted and studying in detail the strengths and weaknesses of potential competitors. Therefore, it is necessary to know the competitive environment, continuing with the analysis of the environment of an organization reaching the analysis of the state of certain components of the external environment with which it is in direct interaction. It is also important to know the customers, who are the beneficiaries of the products or services.

Customer analysis, as a component of the immediate environment, also aims to establish their profile. The client profile is made based on the following characteristics: geographical location; demographic characteristics (age, professional training, sphere of activity, etc.); psycho-social characteristics (position in society, style of behavior, tastes, habits, etc.); the customer's attitude towards the product or service (Duica, et al, 2019).

Competing business - in the analysis of competing business there are four diagnostic elements: analysis of barriers to entry and exit from the market, analysis of future objectives of competing business; evaluation of current competing business strategies; reviewing the competitive premises of the field in which these businesses operate and deepening the strengths and weaknesses of competitors (Porter, 2008).

### **3. Research methodology**

To design this study, a research was conducted based on several bibliographic sources, ie various studies, articles, recent books aimed at outlining well-founded ideas to help understand the concrete facts in this field of entrepreneurship. Also, bibliographic sources in the field of communication were consulted in order to emphasize the importance of factors with a strong impact on the development of entrepreneurial behavior, bibliographic sources that describe entrepreneurial models.

A connection of the research of theoretical sources with empirical research was pursued paying attention to the concepts identified in existing works and studies, recognized for substantiating awareness of the consequences due to the management of communication in entrepreneurial behavior, because communication has as main role escape from the informational delimitation, becoming the message of the research act.

### **4. Findings**

Communication, as a dynamic factor in the entrepreneurial ecosystem is influenced by many internal factors (management style, the parameters of the organization, type of culture of the organization) and external factors (environment, technique and technologies, increasing the general level of education of people, level of perception of people, level of culture, status of persons) (Moreno I Sanchez, 2018).

The management style is influencing the communication depending on the leadership style chosen by the manager. If the manager is a follower of the "blind listening" style on the part of the employee, dialogues and feedback are eliminated, this is an authoritarian leadership style and not very beneficial to communication. But when the manager has the title of "dialogue" it creates the impression of participation in solving problems on the part of the employee, which is a good impetus for effective communication.

There are a series of parameters that influence the communication process in the enterprise, some of these parameters are: the degree of formalization, the way of performing the control and others (Laios, & Moschuris, 2001). Regarding the type of culture of the organization, if the organization/enterprise has a culture of its own that requires the maintenance of certain traditions, unwritten rules and others could also prevent the desired results from communication.

As an external influencing factor of entrepreneurial communication, the environment, due to the fact that it is constantly moving and changing, it requires an increased speed of message transmission. It can also influence the characteristic of the environment (situations of certainty, uncertainty and risk). The technique and technologies also affects to some extent the communication process within the organization, either for better or for worse. The increasing the general level of education of people is a positive factor for ensuring the process of effective communication.

Also in the communication process there are some barriers, which prevent ensuring effective communication, such barriers are: the level of perception of people (different types of people may understand each other differently); the level of culture (each person receives and understands the message differently, for these reasons different contradictions may arise between people); the status of persons (hierarchical position may also be an obstacle to communication with a subordinate, either because the superior is believed to be superior to the subordinate or because of disrespect for the superior).

At the level of Romania, the way of permissiveness to finance, the existence of collateral guarantees, the cumbersome and defective way of managing European funds, the bureaucracy of public institutions, are important barriers that have implications on the activity of Romanian entrepreneurs. Mostly, Romanians are afraid of the risk of starting a business and prefer the role of employee (Lupitu, 2016).

Györfy (2015), in the study on Entrepreneurial Activity in Romania, found that only 6.5% of Romania's population is in various stages of involvement in business as managers or owners. The family business is a lifeline for small communities, where everything is based on the family nucleus, continuing a family tradition or trying something new. The attitude of the parents influences the quality of communication and the relationship with the future entrepreneur. He can be raised as a future leader or convinced by his parents by the harsh way of correction, that he is an ordinary person, who cannot undertake something that can become a brand. Managerial and entrepreneurship education changes the mentality of contemporary beneficiaries of this system, developing the mentality according to which "try not to get rich quick".

The education system must adopt schemes for cultivating and promoting an entrepreneurial mentality at an early age. Entrepreneurship support starts with communication, thus favoring strategic partnerships, the involvement of investors with vision in this field, with openness to the young generation. Therefore, it is considered necessary financial and management education, encouragement and support of women in business, including those younger than the current average age between 40-50 years, actions that can strengthen the Romanian entrepreneurial ecosystem. Such actions have been notified and supported at the governmental level, through various national entrepreneurial programs and projects, and attempts are made to attract various categories of the population to entrepreneurship (UEFISCDI, 2016).

The Romanian entrepreneurial ecosystem must be based on development, on the fruition of personal development opportunities, on the rational channeling of work, on the recognized and encouraged performance, on the promotion of competition. Competition must be perceived as a way of progress, of diversifying the opportunities for making a profit. That is why links must be created between all the elements of this ecosystem and a strategy for monitoring and capitalizing on aspects such as: skills, funding and research.

An entrepreneur must not neglect to ensure the optimal working environment for assertion, for the possibility of expressing opinions related to the decisions to be applied, for the manifestation of the opportunity of any employee to offer relevant solutions aimed at increasing the efficiency of the activity. Good communication also entails the recognition of performances, balancing the workload, obtaining packages of extra-salary benefits (Cooney, 2012).

In the Romanian entrepreneurial ecosystem it must be taken the example of successful entrepreneurial activities that develop the Romanian entrepreneurial ecosystem, which takes abroad through the finished products the Romanian imprint of positivity, to take into account the factors that determine the organizational culture of potential beneficiaries, to improve the meaning of the word work in Romania.

In Romania, there is the mentality, according to which, no one does something on their own initiative, unless they are asked directly, or they do if they know that they are penalized if they do not fulfill the required task. There are also many organizations that promote the importance of human capital. Therefore, the communication has an effect on the behavior expected from the employee and, of course, from the employer. It is the lever that can motivate people to feel that they belong to the organization.

The Romanian entrepreneurial ecosystem needs energetic, dynamic people, with initiative, with the power to assume possible failures and losses. For a successful entrepreneur, the vision, presence and manifestation of passion and spontaneity is important, which for some may appear as a state of chaos and lack of organization.

## 5. Conclusions

Romanian entrepreneurs must identify multiple ways to obtain financial resources for doing business. Communication, through its basic characteristics, if it's used professionally and rigorously designed, leads to obtaining an optimal financing, important, in fact, in the starting point of the respective business. It also contributes to the realization of the desired economic results. It is imperative to know, understand and deepen the concrete entrepreneurial environment, having as effect the discovery and capitalization of the top business generating innovations.

The whole process of coagulation, collaboration of entrepreneurs and financial resources belonging to a well-founded entrepreneurial ecosystem, needs a long time and especially, strictly entrepreneurial initiatives, thus promoting the entrepreneurial mentality among the uninitiated, especially the young generation. The entrepreneur identifies business opportunities and has a vision for implementation. He evaluates his own capabilities and performance, makes decisions about the changes he needs to make to implement his decision. The factor with the strongest influence is the entrepreneur through his entrepreneurial spirit. The entrepreneur initiates entrepreneurial activity.

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