

# Entrepreneurship and entrepreneurial culture

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## *Abstract*

*In the conditions of a dynamic environment, with numerous turbulences, an increasing number of companies are willing to invest in entrepreneurial and managerial training programs, which have a strong leadership component.*

*What is also important is the trend we find in high-performing SMEs in European countries, where we find that the knowledge-based entrepreneur is beginning to significantly change his approach in relationships with others!*

*Entrepreneurs are increasingly positioned within organizations, not necessarily as the ultimate decision maker, but rather as a facilitator. It acts as a turntable in the organization, connecting the organization and the various stakeholders that are components of the entrepreneurial ecosystem.*

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## 1. Entrepreneurial context

The study of entrepreneurship in Romania is an activity that requires special attention, given the economic, technical and social implications of the SME sector. The research carried out are works that highlight the importance and need for careful, rigorous analysis of entrepreneurship in Romania and that can reflect its characteristics. There are still few complex studies in Romanian organizations and in specific business environments, although the impact of this phenomenon on the competitiveness of Romanian companies is particularly high.

Consequently, it is important to continue studies on the influence of leadership and business culture in the SME's sector. Some entrepreneurs have emphasized the importance of national culture in defining managerial practices and the fact that the strong interaction between national culture and entrepreneurial culture is hardly accepted today.

At the same time, there are challenges in managing the impact of cultural differences on international alliances, and many researchers have highlighted the influence of distance and existing cultural misunderstanding on international cooperation.

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Misunderstanding different cultures is an important starting point in understanding different contexts, even in terms of market and competition rules, and in learning how to interact with people from different cultures, in order to transfer and share knowledge.

The countries of Central and Eastern Europe are a very complex socio-political entity and the great changes they will go through in the coming years will further highlight the role of national culture, traditions and values, which are a source of security and continuity in difficult times.

Cultural influences in the transfer and sharing of knowledge in international relations further highlight the need to create a common ground, trying to improve employee motivation (Năstase, 2017).

The experience of many international companies in Romania confirms the need to improve, both at managerial level and lower levels, the participation of the population through effective communication with it, which must be developed throughout the organization to reduce employees' resistance to change.

How power and control are shared between partners in entrepreneurial ventures is actually a critical element of success, and effective communication and learning opportunities lead to higher levels of shared responsibility, influencing each partner's self-perception and a level of mutual satisfaction (Schein, 1992).

For the knowledge-based entrepreneur, the current state of the economy is an opportunity to highlight their qualities, knowledge acquired over time either through learning or experience and capitalize on the power of persuasion over international partners to strengthen relationships and market position (Năstase, 2007).

SMEs are the backbone of the economy in all countries, and the EU's experience shows that the SME sector can make a significant contribution to GDP and reduce unemployment (60% of GDP and about 70% of the total workforce). SMEs have the ability to respond flexibly to the demands of a highly competitive market and to adapt quickly to cyclical and structural changes in the global economy (Radu, 2008).

In a knowledge-based economy, the competitiveness of Romanian companies, large or small, will depend to a large extent on their ability to supply some high value-added products at competitive prices.

Liberalization, but also the globalization of trade will force the vast majority of Romanian companies, whether large or small, to become more competitive internationally even when operating entirely on the Romanian market.

In order to become competitive and to remain competitive, Romanian SMEs need a coherent business strategy, a constant increase in efficiency, a reduction in production costs and an improvement in the quality and image of products.

## **2. Entrepreneurial culture**

Entrepreneurial culture is one of the major topics that have emerged quite recently and that has led to the systematic consideration of several elements related to the software side of SMEs.

In this way we see significantly changed the way of thinking and acting of entrepreneurs, managers and specialists in SMEs, researchers, teachers and students from various parts of the world (Popa, 2006).

A better understanding of employees' perceptions of entrepreneurship and involvement in the organizations they create is particularly important. In this subchapter we will look at some of these considerations (of entrepreneurs, managers and employees), focusing on the results of SMEs, the impact of stakeholders and the way in which managers and employees have characteristics that can lead to performance (Moldoveanu, 2019).

The factors that bring to the fore the study of entrepreneurial culture include:

- the complexity of the elements that put pressure on the SME sector, both internally and externally
- understanding the impact that the entrepreneur has on the way the organization evolves
- the desire to understand the complexity of the organizational environment, with an emphasis on the soft part behind the tangible things, but which are even more easily observable in SMEs and which influence staff to behave in a certain way
- better understanding of the interdependencies between the organizational culture, the competitive advantage and the results obtained. Awareness of this direct relationship is a growing phenomenon that adds value to the entrepreneurial approach.

We are currently witnessing a shift in key resource resource. In the past, the scarce resource was represented by financial capital. Today, the deficient resource is represented by "human capital", respectively by ideas, knowledge, entrepreneurial attitude, creativity. People are the bearers of human capital, they are the holders of the key resource "knowledge", they are the creators of this resource.

Economically, we are witnessing the transition from a resource-based economy to a new type of resource-based economy: knowledge (Nicolescu, 2001). This requires a new kind of entrepreneurial culture, a culture of innovation in SMEs. The new economy is called the knowledge-based economy.

In this economy, people are the ones who have or should have three essential skills, namely: first, to learn and know how to answer the question "why ?! (to have knowledge) and to know "how?" it must be done (to have skills), to have experience, even wisdom; second, the person's ability to establish and maintain long-term relationships with other people (relational social capital), and third, the ability to take action, to take action (emotional capital).

The fundamental question of management to be answered is how can companies be simultaneously effective, profitable (efficient) and good places where people can work efficiently?

In our opinion, the answers refer to what managers and entrepreneurs of contemporary organizations must do concretely, in the valorization of human resources, but also of the entrepreneurial ecosystem and to develop an entrepreneurial culture focused on results.

In conclusion, we appreciate that entrepreneurial leadership has also changed as a result of the new conditions in which organizations operate (Greve, 2009). The idea that the success of SMEs, of a company in general, depends on the leadership of its leaders, whether we are talking about an entrepreneur or the manager of a multinational company, is becoming more and more widespread.

The existence of strong companies, of a competitive SME sector can lead to the development of Romania's real economy and, on this basis, to reduce the level of gaps compared to developed countries in the EU and other parts of the world.

However, we find that only recently have there been more and more concerns about identifying the variables that can contribute to the success of an entrepreneur and organizing programs specifically designed to train those who can make a difference in a growing world. more competitive and complex in a knowledge-based economy.

Leadership is both a process and a state of mind of a certain type, a relationship of influence of some people by another person (leader). This state can be achieved in various ways, from formal constructions and programs, to informal or non-formal approaches.

As businesses tend to become more global or international, entrepreneurs' skills need to reflect new realities. On the one hand, they need a greater capacity for analysis, synthesis and decision-making, given the growing possibility of influencing factors. On the other hand, they need a growing capacity to influence employees, to energize them, to trigger enthusiasm, appealing to the "heart", "soul" of the company's people, not just their brains, their reason.

Studies, observations have shown that a major problem in the functionality of SMEs is the way of manifestation of leadership, the ways in which the leaders of different groups act both inside and outside the organization.

It was concluded that the leadership and ability of entrepreneurs to build a strong, entrepreneurial culture based on clear values and performance-oriented, is a major determinant of the viability and competitive development of an organization.

The concept of "culture" and its associated elements come from anthropological science. It has been used to express the spiritual and physical elements that a community has passed on through the generations. Community outreach has led to a wide representation of topics of interest that have been found in different generations and for which solutions have been sought.

### **3. Entrepreneurial leadership**

The dynamics of the economic and social environment in which the Romanian organizations evolve obliges its members to be able to respond immediately and exactly to the pressures that come from inside and outside it (Acs, 2004). It is a process that is not possible without a high availability of employees to accept the new, to accept the need that at certain moments of professional development, to give up a set of knowledge and replace it with others. They can be completely or partially replaced, updated to meet existing and possible needs.

Many of the organizations in Romania have understood that entrepreneurship means transformation and that competitiveness and evolution are closely related to the quality of this phenomenon, to organizational leadership. Entrepreneurs and their supporters support each other to achieve the highest level of performance that can be very useful both as individuals and the teams they belong to and the organization as a whole.

We are witnessing in many companies a gradual transition, from an individualistic approach to a team approach, which tends to replace a certain individualism that is very exaggerated and dangerous for the objectives of an organization, a phenomenon that had gained momentum in the years of transition to a market economy.

Modern entrepreneurship involves a strong relationship of interdependence between leaders and supporters, who have a common goal and are involved together in the transformation process. We are no longer talking about an isolated effort, but about a collective approach, in which most members of the organization participate.

Successful entrepreneurs enjoy a high level of appreciation and support from most SME members, but also from the networks they belong to. One of the major explanations is the way in which the entrepreneur behaves with those around him: bosses, colleagues, subordinates, etc. In many cases, the entrepreneur treats others as members of a family and stimulates their professional and personal development (McKibbin, 2020).

All this means a learning process, a continuous learning process that includes all, or most of the employees and in which the entrepreneur is a true leader. Learning is considered one of the most important ways to build competitive advantage.

Learning is done by each person at all levels, but they are willing to share their knowledge with other members of the organization and even with its stakeholders, learning that is based on the support of the entrepreneurial leader. By its very nature, a learning organization involves a greater reliance on decentralized systems and decisions and the power to implement those decisions coordinated with other organizational requirements.

## **Conclusions**

Entrepreneurial leadership is more recently perceived as the ability of employees to relate deeply to each other in order to understand their needs and motivations and, on this basis, to develop very strong collaborative relationships aimed at achieving each other's goals.

It is a major paradigm shift in some companies in Romania, as the entrepreneur is increasingly perceived as an essential element for the functionality and performance of an organization. At the same time, we understand the complex nature of its activity, which moves from the relationship with employees to a relationship with stakeholders!

The health crises and economic crises generated by the COVID-19 pandemic have further accentuated the need to redefine the relationships created between entrepreneurs, start-ups and those they lead. It is also clear that a new style of entrepreneurial leadership is needed, in which entrepreneurs and their teams act as partners, to act together, each taking on a much greater responsibility for the results obtained.

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