

## **PRACTICE IN HIGHER EDUCATION: ENTREPRENEURIAL SPIRIT AND STUDENTS**

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### **ABSTRACT**

*According to EU policy strategy aimed at youth, "Youth - Investing and Empowerment" youth is one of the most vulnerable groups in society, especially in the current economic and financial crisis and increasingly aging society, young people are a precious resource. The young generation is an ongoing resource reduction, it is estimated that 20% of the population that it is now projected to fall to 15% by 2050. While EU youth today enjoy numerous opportunities, they face difficult challenges, also, because many young people leave school and work or are at risk of poverty and social exclusion.*

*This papers exhibit some interesting facts about the intensity of entrepreneurial spirit within the most important and prestigious economic university in Romania, The Bucharest Academy of Economic Studies. The aim of the research was to found out the basic portrait of the future entrepreneur graduating from our university and their main advantages and disadvantages related to their perception of Romania's business environment.*

**KEYWORDS:** *entrepreneurship, higher education, youth's entrepreneurial spirit*

**JEL CLASSIFICATION:** *M13, M20*

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### **I. THEORETICAL CONSIDERATIONS**

#### **1.1. Notions of young and youth**

In literature and in various collections of statistical information, there are different ways to approach the concept of 'youth'. According to Encyclopedic Dictionary (Dictionarul explicative al limbii romane), "young" means an intermediate age between childhood and adulthood. They represent the most dynamic segment of the population, the most willing to change, the more receptive to what's new, who can generate new ideas and has a specific vision for the future of our country.

Commenting on the new EU Youth Strategy, European Commissioner for Education, Training, Culture and Youth, Ján Figel, said: "Youth is our present and future - and we need to undertake concerted efforts to open as many ways our young people, especially in the current economic and financial crisis. The key is to empower youth to face many challenges that they face in today's globalized world. Our new strategy is a timely response occurred in these challenges, which opens the door to a new era in the development of youth policies at EU level." (Marin, 2010).

Youth - "specific stage in human development from childhood to maturity, personality formation and acquisition of significant features for future social integration in society" (Marginean, 1996) - is a period of transition from childhood to taking gradual crystallization of social roles and status in the social hierarchy. "Changes during youth (considered in statistical terms as between 16 and 29 years) have a complex nature, involving a multi-dimensional approach" (Marginean, 1996). From a sociological perspective, youth involves relationships and social roles undertaken by young people in relation to beliefs, concepts and attitudes externalized in their behavior. Debate on the concept of youth requires an analysis whose terms of reference are: age, young duties depending on their

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interests, aspirations, ideals and purposes, self-assigned position and role within the group or community membership, influence, domination and power that they take and who feel responsible. Youth, in its sociological, economic and cultural rights, has evolved significantly as a result of demographic changes, the changes produced in the social environment, the individual and collective behavior, family relations and labor market conditions. The first conclusion which imposes refers to the extension of youth. Demographers have observed that, under the pressure of economic factors (employment, unemployment) and socio-cultural factors, young people are, on average, the older you go through different stages of life, such as graduation, access to a place of employment and family-etc. The second finding concerns the nonlinear itineraries life: witnessing today a "confusion of life sequences"(Vaduva, 2004) may simultaneously be a student, have family responsibilities, work, look for a job, to live parents and interpenetration of these distinct roles and statuses becoming increasingly common.

## **1.2. Entrepreneurship and youth**

Entrepreneurship is a source of innovation and change, and therefore stimulates productivity and economic competitiveness. Entrepreneurship is closely related to knowledge and flexibility, two factors that have gained new significance as a source of competitiveness in a global economy increasingly globalized. With technological change and increased global competition brought about by globalization and economic liberalization, the hypothesis that encourages entrepreneurial spirit is to encourage the competitiveness of a country seems truer today than ever.

Entrepreneurship is the ability and willingness of individuals, on their own, in groups inside and outside existing organizations, to perceive and create new economic opportunities (new products, new production methods, new organizational schemes and new product combinations -market) and introduce their ideas in the market, despite uncertainty and other obstacles, by making decisions on location, form and use of resources and institutions.

"First, entrepreneurship is important. Launch of new products and technologies to better meet customer demands and increase productivity was the most important force in the history of long and thorny human ascension from underdevelopment to prosperity "(Vaduva, 2004). This statement describes entrepreneurship as one of the most important functions of society, if not the most important.

A contemporary perspective on entrepreneurship offered by Vesper, who says: "the general area of entrepreneurship is defined in a superficial way as the creation of new businesses by individuals or small groups of individuals" (Istocescu, 2006).

"Dynamic process initiated by people who take important risks, essentially following the establishment of small and medium private enterprises and job creation, entrepreneurship already has a history of over 150 years" (Vaduva, 2004). As a process likened to obtaining value, requiring the allocation of time and considerable resources, often resulting in uncertainty, but leading to obtain important material and emotional satisfaction, entrepreneurship remains for all countries, a major organizational and managerial concern. It will continue to exist as long as the company will create conditions for the emergence and development of this type of organization, ie:

- Recognition and appreciation of entrepreneurial initiative
- Encourage business ideas and results of new small and medium-sized private organizations
- Awareness benefits small and medium private organizations based on personalized informal structures entrepreneurial, with strong leadership.

Entrepreneurship can be defined as the ongoing work and supported the establishment of private small and medium enterprises, conducted mainly in periods of economic growth and the creation and maintenance of conditions favorable ambient environment initiatives and entrepreneurial activities. Dimensions of risk-taking entrepreneurship vary from individual to collective action and social development in economic theory. Dykeman's analysis exceeds the subgroups and addresses community as a whole: "Communities are both strong and entrepreneurial communities. From this we can conclude that entrepreneurial approaches should include a process to motivate, to build

confidence, to look long-term, reflecting high levels of energy to continually offer solutions to problems, to show initiative, to establish objectives and be devoted to these objectives and to accept moderate risk" (Hisrich, 2008).

The relationship between entrepreneur's age and career and entrepreneurial environment has been carefully researched. In assessing these results it is important to distinguish between entrepreneur's age according to years of experience in the field and its chronological age. Entrepreneurial experience in the field is one of the most important assets for success in business. "In terms of chronological age, most entrepreneurs starting a career in the entrepreneurial sector have an age between 22 and 45 years. Of course, the people below or above that age may start business as long as have the financial support and expertise to manage and launch a business. Overall male entrepreneurs tend to start a business in the early age of 30 years, while women tend to do this somewhere in the middle age of 30 years " (Solomon, 2006).

To succeed in the entrepreneurial dynamism is needed, discipline, diligence, innovation, courage, intuition, perseverance. More and more young people have these qualities and fail to claim successfully in entrepreneurial environment. Young people demonstrate competitiveness, adaptability to market requirements and environmental dynamism manifested in the thinking, communication, feelings and action of specific feature generation aged between 18 and 25 years. At the individual level, young people always try to maintain relative balance between social requirements (conformity and responsibility) and individual necessities (hedonism and independence). Another feature in which young people do notice and succeed in the business world is that it is dynamic, constantly searching for news and last but not least, what differs is diversifying the ways in which they can express.

Willingness and motivation are two characteristics that stimulate the youth to devote a certain career: "When you want to get something really always find a way to get that thing" (Solomon, 2006). Any young man is driven by curiosity, the desire to improve in a field, at the beginning of his career. Career you desire not, for it must work every day. Also very much concerns and passions matter even during adolescence. As the young man succeeds in his profession and feels confirmation efforts, motivation meets the needs of senior assertion of individuality, social recognition and acquisition success.

### **1.3. Characteristics of youth initiated entrepreneurship**

At a glance, one can say that young people today opt for business even in conditions that do not have the appropriate capital. Not surprisingly, young people usually oriented towards the organizational or customer service to the forefront of economic sectors (IT, marketing, business to business), which require greater personal, intellectual and axiological, and less resources or privileges political, as in adults. Thus, we can evolve a set of management features and experiences of good practice, useful as a principle of organization and action of any young person who wants to start their own small scale business.

As a feature of maximum generality, it can be seen that in all cases analyzed, the owner (the developer) is also a manager of the company, feature, in fact, for most small businesses. In addition, the owner is involved in the business, not just emotionally - emotionally, but also in terms of working hours required.

In such young people starting small businesses, are used primarily intellectual energies - spiritual personal (subjective) and objective resource to a small extent. Thus, the most important resource mentioned by young entrepreneurs is human. Knowledge capital, creativity, initiative and determination are seen as most important in the life of a company. All I have in mind is important. Knowledge is the main resource, and people's knowledge.

Also my style tying predominantly by young people starting a business style is participatory, democratic, direct networking, informal and consultative type with employees, not only on matters which concern them directly, but also those related to company organization in general. One must be very flexible and creative and rigid structures do not encourage creativity.

In terms of company organization, because generally small size of firms founded by young people, it tends to simplify the stages of its establishment. Thus, most organizations analyzed were born with a relatively low effort and in a short time and the transition from the initial idea to its organization - itself is done in a simplified manner, "jumping" over classical phase exploration and analysis of market opportunities (feasibility study) (Ceptureanu, Ceptureanu, Hotaran, 2010).

Youth-led businesses tend to promote their product often directly, so the identification of customers and of their desires, based on personal relationships and recommendations by their own efforts or high. In other cases, organizational clients were identified both through advice and consultation of official databases. Course and used mass media promotion, but they are less common or are used occasionally or are less expensive, such as for example the Internet considered especially important in contacting external clients, or the Yellow Pages or Yellow Book. Also, call and fairs in the area. Underutilized, however, are advertising in newspapers, magazines and publications in the field, or expensive advertising billboard type of radio and television.

Among young entrepreneurs, competition is mentioned as a serious obstacle rarely. Under these conditions prevails the rather defensive attitude, concern for maintaining the status quo than that for expansion and attitude of self-satisfaction, customer care and conservation portfolio "drunkenness" the moment of success (Ceptureanu, Ceptureanu, Tudorache, 2010).

Excessive caution, postponing investment or fear, avoiding as much as possible and rent indebtedness is another trend found in one form or another, in most subjects. Some entrepreneurs recommended, at least in the first phase to avoid personal investment, not to make loans and guarantees not to practice with things that do not belong to that person. In addition, it is advisable to hire people on contract together and when you no longer permit, business did not go well; at least you get to pay what you have to pay.

One of the tactics mentioned by young people was that of building grounds, possibly over a longer period of time, a very good relationship, even partnership with customers.

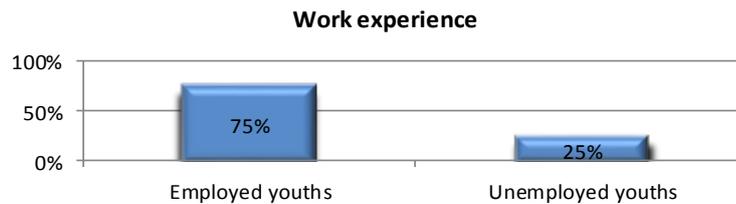
Also, we can say that young people have a clear priority and consciously assumed to innovation, and form the most obvious manifestation - technological innovation - missing situation is mainly due to the limited resources of the companies they run and subjective factors as complacency or excessive prudence. And yet innovation is present in various forms in entrepreneurship, although not as obvious. One of its most common forms is the identification of 'niche market' not sufficiently by then, especially organizational customer market, and, in the case of a young man who was thought to provide services for enterprises not only economic but also for NGOs sites. Moreover, even if innovative ideas not take the form of a plan, however, subjects appreciate the need for the organization of work to go through the filter of their thinking, to be "tailored" as their personality type for their business to succeed, or and they can be considered forms of innovation (Nicolescu & Nicolescu, 2006).

Another tactic more prevalent among young people is that of "accept all", at least in the first phase of company development, from the beginning, all customers are extremely important; you cannot afford to lose even one (Cicea, Popa, Ceptureanu, Ceptureanu, 2010). Even if such features are predominant, they should not necessarily see as a negative thing: if young people generally resort to defensive strategies, they are the most appropriate to their situation is in perfect consonance with the existing balance of power between large and small market entrepreneurs. In fact, for many, the most important success is to stay on the market to develop slowly and also to gain experience on projects of greater scale business.

## **II. RESEARCH**

### **2.1. Results**

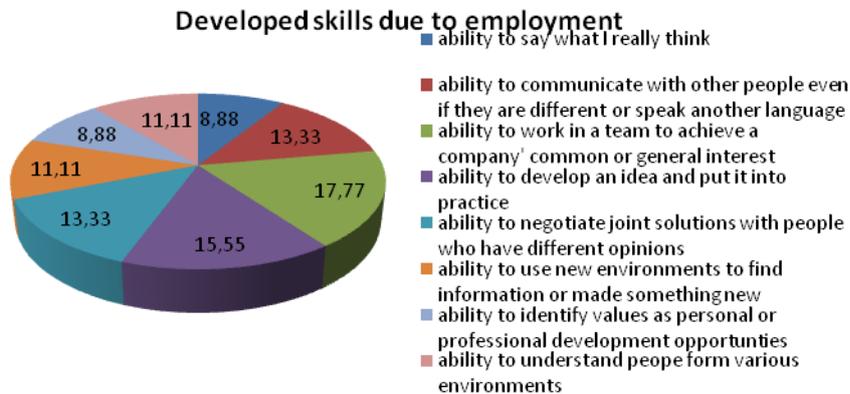
First part of the analysis is devoted to the general personality traits of young entrepreneurs, student of the Bucharest Academy of Economic Studies.



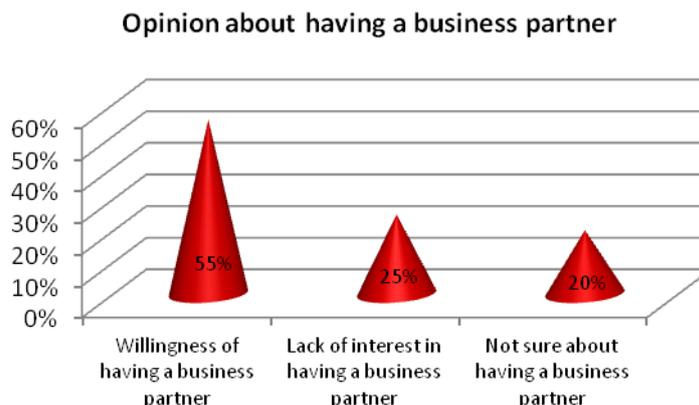
**Figure 1. Work experience of the future entrepreneurs**

Regarding their work experience, a percentage of 75% of respondents said they work or have worked already. This happened in the current economic crisis, when many student have to work in order to supplement their income, but also we should have in mind the desire of young people to combine theory with practice, to gain experience, to become familiar with the working environment, to use the knowledge gained to open their business, as all respondents expressed their desire to become entrepreneurs.

Given that such a large percentage of the respondents are employed, we considered it important to know what skills young people have developed from work done, so we can see that 17.77% have developed the ability to work in a team to achieve a company's common or general interest, 15.55% ability to develop an idea and put it into practice, while 13.33% have developed the ability to communicate with other people even if they are different or speak another language or have developed the ability to negotiate joint solutions with people who have different opinions. It can be seen that the skills developed are based on teamwork, communication, interaction with other employees, which is good for future entrepreneurs because at the foundation of a business lies good communication and networking with partners, employees, suppliers etc.



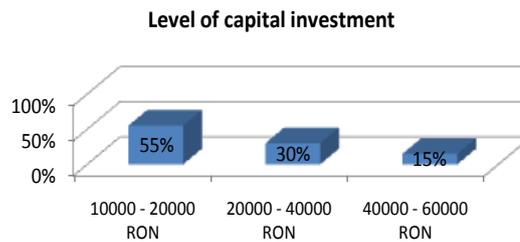
**Figure 2. Developed skills due to employment**



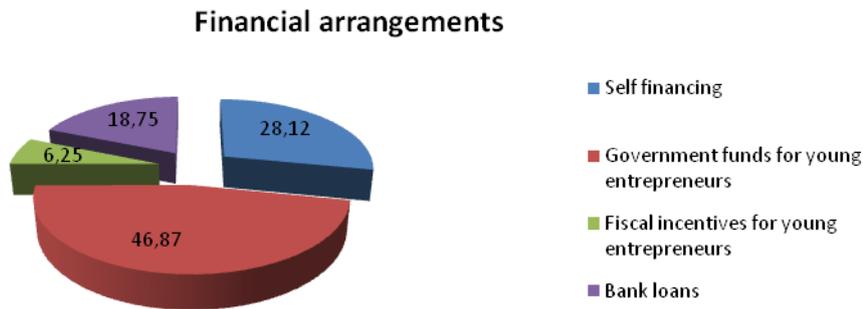
**Figure 3. Opinion about having a business partner**

Considering the possibility of a potential business partner showed that 55% of prospective entrepreneurs are seeking to start business with a partner. This shows that young people are not individualists, that they are reluctant to work alone, but accept the help of others, a normal situation considering their age and lack of experience. On the other hand, they are eager in receive counseling, are willing to devote their time to build a future business partnership.

Related to capital invested in their business, it can be seen that they do not invest an amount too high, 55% opted for capital 10000 to 20000 RON, while 30% would invest an amount between 20000 to 40000 RON and only 15% would consider an amount between 40000 to 60000 Ron. This is caused by reduced financial support for entrepreneurs in today's economy distrust or lack of taking a big risk by investing a lot of money at first.

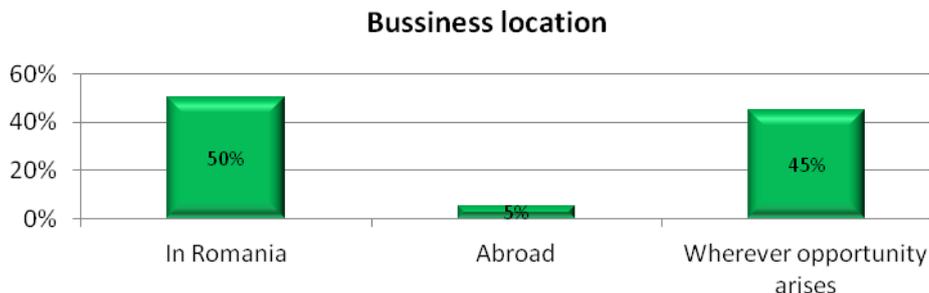


**Figure 4. Level of capital investment**



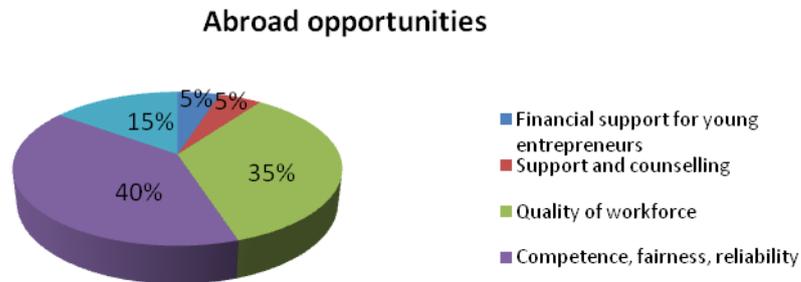
**Figure 5. Financial arrangements**

Regarding financing arrangements preferred, it can be seen that most young people interviewed would choose to borrow government ‘funds for young entrepreneurs (46.87%), followed by self-financing (28.12%), while only 18.75% would turn to bank loans. At a glance we can say that young people today opt for business even with the lack of appropriate capital, using the loan funds. Hence the fact those young entrepreneurs were interested on the facilities available, the financial support that can be used to start a personal business.



**Figure 6. Business location**

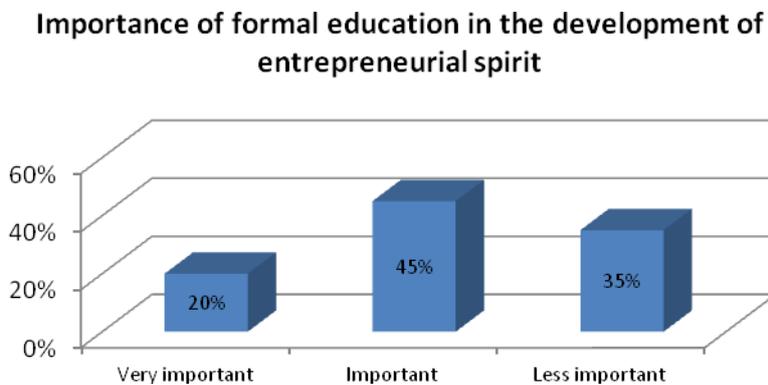
Regarding the business location, 50% of respondents prefer Romania, but 45% say they do not care and it depends on what opportunity will occur. The high percentage for those who want start business in Romania is positive for both local SME development and the entire country. I think we should encourage more young people to start businesses in the country because they come with new ideas, initiatives grand labor power and their confidence, which would only benefit the economic development of the country.



**Figure 7. Abroad opportunities**

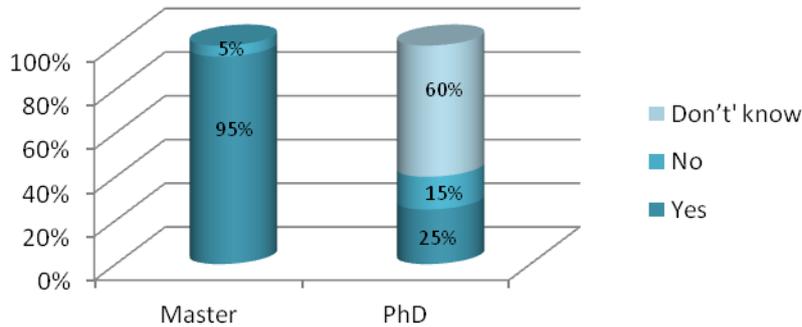
Regarding the previous question, we wanted to find out what opportunities related issues young people seek abroad, not available in Romania. Thus, we found that 40% of them believe that abroad they will find more responsibility, fairness and reliability than in their country, 35% believe that abroad there is a better quality of work force and 15% tend to leave for jobs' safety and security conditions. So, for young entrepreneurs items like fairness, reliability, safety and job quality are fundamental factors that they take into account before starting a business. From these answers I conclude that for prospective entrepreneurs from Academy of Economic Studies, above financial support is the quality of people and environment.

Further, the analysis focuses on the relationship between education and the desire of young people to become entrepreneurs.



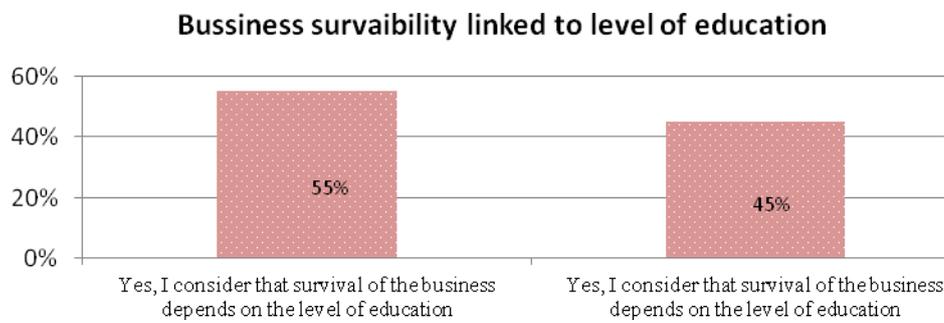
**Figure 8. Importance of formal education in the development of entrepreneurial spirit**

It may be noted that, according to young people the importance of formal education in the development of entrepreneurial spirit is very important, as stated by 20% of respondents, an important one, according to 45% of those interviewed or in the opinion of 35% of young people is less important. Thus, in their view, not university courses, training and field training in a leading role in business success, but crucial is the willingness to learn on the fly, even from herself or work experience in reading and personal information.



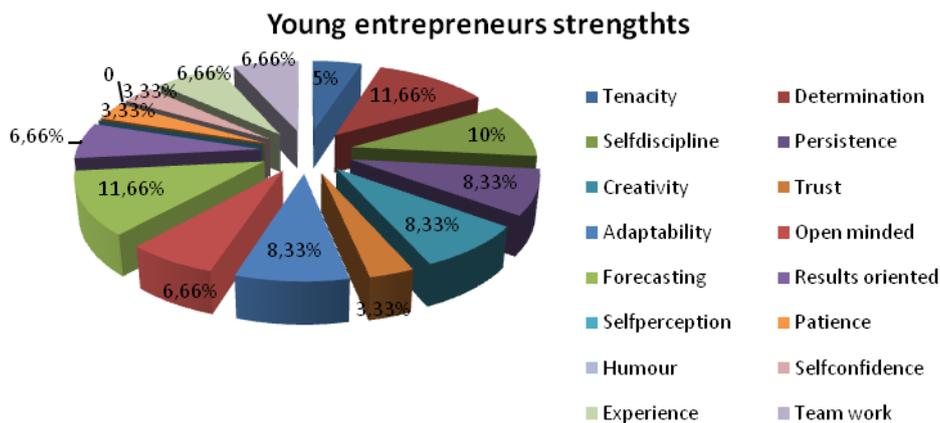
**Figure 9. Desire to follow up master or PhD programs**

However, referring to the previous question, we can see mismatch responses because, although only 20% of respondents consider important formal education in developing entrepreneurial spirit, 95% say they will attend a master program, of which 25% even are considering a PhD. Hence the conclusion that young people are interested in studies, at least as a safety in case their own business will fail.

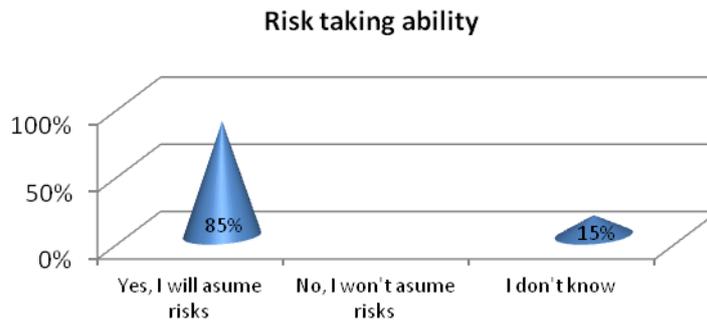


**Figure 10. Business survaibility linked to level of education**

Also, 45% of respondents believe that business survival is not directly linked to their level of education, while 55% say it is important to have a higher education for success in business. This is positive, since higher education (knowledge in the field, acquired skills, competencies gained) is necessary for a future entrepreneur.

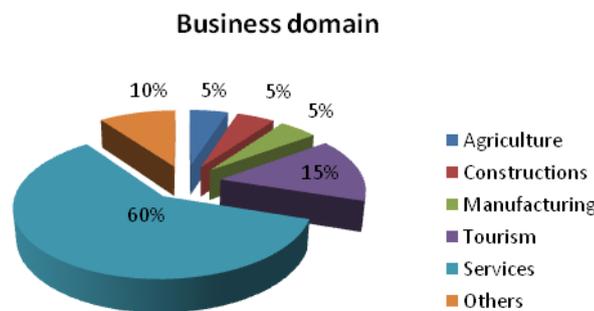


**Figure 11. Young entrepreneurs' strenghts**



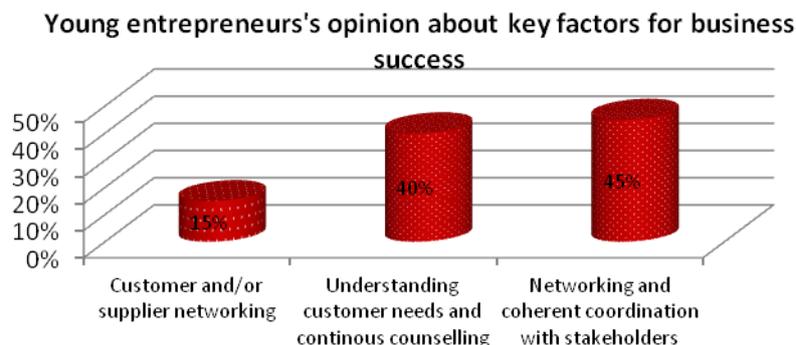
**Figure 12. Risk taking ability**

Regarding risk-taking ability by young entrepreneurs, 85% say they have strong convictions on market opportunities and are willing to accept a high level of professional and financial risk to pursue opportunity, but only after evaluating the carefully all the consequences, while only 15% say they do not know, depends on the nature of the risk.



**Figure 13. Business domain**

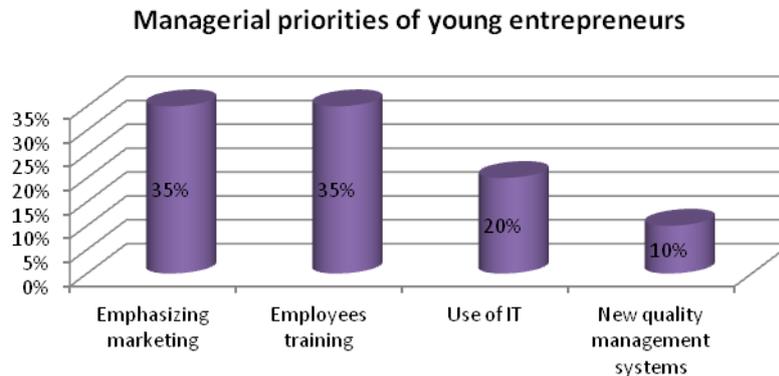
Regarding their intended industry, 60% of respondents say that they want to open a business in services, 15% are attracted by tourism, 5% want to start a business in manufacturing, construction and agriculture, while 10% want to invest in another field (new media, new form of energy and so on). It seems that the service industry is preferred by young entrepreneurs, it is a business where the initial investment is small, and the degree of innovation is high.



**Figure 14. Young entrepreneurs' opinion about key factors for business success**

Regarding the factors considered important by entrepreneurs for business success, 45% said networking, coordination, creation and development of the best possible relations with stakeholders,

40% believe understanding customer needs and their continuous counseling fundamental and 15% believe that networking between client and supplier is essential.



**Figure 15. Managerial priorities of young entrepreneurs**

Starting a business involves several steps, prioritization is one of them. So, we noticed that for 35% of the future entrepreneurs focusing on marketing activities and employees training are some important variables, while 20% say that use of IT technologies can be prioritized and only 10% are considering implementing a modern quality management system.

### **2.3. Basic portrait of the future entrepreneur within The Bucharest Academy of Economic Studies**

The final result of our research was to determine the main features of the future young entrepreneur, the final “product” of our university. This is what we found out:

- Is likely to graduate Faculty of Management
- It was part of a student organization during college
- Has work experience
- Is considering conducting business with a partner
- Will develop a business in Romania
- Is considering an initial investment of 10.000 - 20.000 RON (approx. 4500 euros)
- Have in mind to use government’ business financing loan funds for young entrepreneurs
- Consider business survival conditional on higher education
- Is enrolled in a master studies program
- Consider self-confidence, open thinking and visual perspective as the main advantages
- Takes into account risk-taking
- Has confidence and not feel disadvantaged compared to other entrepreneurs
- Is intending to develop a business in services sector
- Consider after-sales service and product quality as a competitive advantage over other entrepreneurs
- Is focused on enhancing management and marketing activities and employees training
- Wants to use managerial advice to the field that will specialize
- Is aware of programs to support youth entrepreneurship
- It is fearful about market access and financial support
- Consider networking, coordination, creating and developing a good relationship with stakeholders as fundamental to success in business.

### **Acknowledgement**

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