Entrepreneurial Phenomenon: Some Reasons for Career Choice Intentions

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1. Introduction

According one definition, self-employment is working for one's own self rather than for another person or company. It is earning one's livelihood directly from one's own trade or business rather than as an employee of another. To be self-employed, an individual is normally highly-skilled in a trade or has a niche product or service for his or her local community. Self-employed people can also be referred to as persons who works for themselves instead of an employer, but drawing income from a trade or business that they operate personally. To be self-employed is not the same as being a business owner: a business owner is not required to be hands-on with the day-to-day operations of his or her company, while a self-employed person has to utilize a very hands-on approach in order to survive [1].

There are two definitions used by the National Institute of Statistics. One is used for the Labour Force Survey, Employment and Unemployment in Romania, according to which the self-employed worker is a person who works in their own economic unit or in an individual business, without employees, being helped or not by unpaid family members. Within this category there are independent entrepreneurs (salespersons, coaches, baby-sitters, carting workers, private cab drivers, etc), liberal professionals (musicians, fine arts artists, lawyers), occasional day-laborers, holders of management or concession agreements (those who do not use employees), and individual farmers or those working in the agricultural associations. Or secondly, the self-employed worker is the person who works on his/her own premises or independently as a crafts-person, liberal professional, trader, etc., without employees, having the possibility to be helped by in their activity only by household members or by relatives, without payment. Within this category there are persons working on the basis of a civil law labour contract (without labour card/book), independent providers of services, holders of management or concession agreements (those who do not use employees) or individual farmers [2].

On the other hand, closely related, is the entrepreneur who according to Arthur Sullivan and Steven Sheffin is a person who possesses a new enterprise, venture or idea and assumes significant accountability for the inherent risks and the outcome [3]. The term is originally a French loanword and was first defined by the Irish economist Richard Cantillon. Entrepreneur in English is a term applied to the type of personality who is willing to take upon himself a new venture or enterprise and accepts full responsibility for the outcome. Jean-Baptiste Say, a French economist, is believed to have coined the word "entrepreneur" first in about 1800. He said an entrepreneur is "one who undertakes an enterprise, especially a contractor, acting as an intermediary between capital and labour [4].

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2. The most important traits to be a self-employed and an entrepreneur?

How to become self-employed? Where does self employment start? Becoming self employed can’t be a quick decision? Are some questions which we hear often. A person can’t quit a job one day and become self employed the next one. Unfortunately, it doesn’t really work that way. Learning how to become self employed, successfully, is an ongoing process. There are all kinds of skills and talents that could be applied in the business world and almost any skill can be parlayed into an opportunity for self-employment.

One answer for all these questions is that: the personality is very important in becoming a successful entrepreneur or self employed. Recent studies show that successful entrepreneurs share a number of common personality traits that are the predominant indicators of success, outweighing education, family ties, skill, and experience. Personality itself can be defined through four interacting factors: dominant versus accepting, sociable versus analytical, relaxed versus driving and compliant versus independent. These four factors function on continuums from high to low, so that we can measure how much of each factor every individual has. While every individual is unique, in practice we can divide personalities into two broad types: "Generalist" and "Specialist." Generalists are more dominant than compliant, while Specialists are the opposite. Generalists are more strategic and results-oriented in their thinking. They enjoy autonomy and independence, and are stronger risk-takers. Their Specialists are more detail-oriented, and prefer being responsible for their areas of expertise. They think more tactically and prefer environments that provide them with both security and stability. Specialists are typically more risk-averse unless they are dealing within an area of their expertise [5].

I. Michael Bloch in his article "Marketing: traits of successful small online business entrepreneurs ", said that an entrepreneur needs more involved psychological strategies and some traits to be a good one, like: “determination - you must have total faith in yourself and your goals, passion for success - being passionate about your products and services surely helps in creating a positive vibe with your prospective clients, endurance/discipline, focus, leadership, research, family co-operation/planning, balance between boldness and realism - be optimistic, in fact, be very optimistic about your venture, dollars and sense - treat your venture a little like responsible gambling, action, promote - promote your business to others, the ability to network is a very important skill [6].

II. What it takes to be a successful entrepreneur - “when you are being hounded by the tax authorities because you can't pay your personal taxes, and when your company has just 30,000 euros left in the bank but is burning 200,000 euros a month - you don't really feel very successful”. This was the situation that Gilles Babinet experienced - many times, in fact. It’s also a common occurrence in entrepreneurship, he said during his opening keynote address at the first INSEAD Global Entrepreneurship Forum. "Real entrepreneurs turn setbacks into opportunities,” he says. “So when a client doesn’t want your product, you can either think that your company is dead or that your product needs improving.”

Positive cash flow - The entrepreneur also needs an idea or product or service that ideally has, or can be made to provide, a positive cash flow with minimum downside risk, says Peter Woolsey, CEO of The Euro Baltic Software Alliance group, who took part in session at the forum

Timing - When asked during the session whether being in the right place at the right time matters to an entrepreneur, Woolsey quotes Seneca, the Roman philosopher, that luck is where opportunity meets preparation. In practical terms, timing is ensuring the market is ready and planning the launch to benefit by PR and free media. “You do what you need to do locally but be ready to ratchet up nationally and globally if you get it right.”

Market leader - Filipe Santos, Assistant Professor of Entrepreneurship at INSEAD, says that new ventures need to perfect their business model and become market leaders. This requires total focus and excellent execution. However, the successful business model tends to create the seed for failure due to cognitive lock-in and ingrained capabilities, and the entrepreneur is likely to miss the next wave of innovation. "My advice is to focus most energy on becoming the leader, while scanning innovations in the market, and moving quickly to acquire companies with competing business models."[7].

About Mitchell York, there are hundreds of things you need to know how to do to be a successful entrepreneur, but the most important ones are these:

- **High Risk Tolerance**: You have to be able to stare into the abyss of entrepreneurial uncertainty and not falter
- **Excellent Salesmanship**: You absolutely have to have at least a little Steve Ballmer in you to be successful as an entrepreneur. You may have the greatest invention in the world, but if you can’t communicate its importance to a variety of constituencies (customers, employees, suppliers, lenders), you’re not going to succeed
- **An Independent Temperament**: Entrepreneurs consistently go against the tide. They start companies when others are retrenching; they don’t care about being rejected time and time again; and they trust their gut
• **Great Negotiating Ability:** If you negotiate well for everything from a store lease to contracting services to website design, you’ll realize that every dollar saved keeps your business in business through the peaks and valleys of cash flow

• **Emotional Intelligence:** This is a term coined by behaviorist and author Daniel Goleman. "EI," as it’s often referred to, is a set of skills that allows you to understand and influence the behavior of yourself and others. Being able to listen, reason with and persuade is different from being a good negotiator but just as important [8].

3. The risk and the entrepreneur

Personality traits, organizational factors, and environmental factors have been studied by entrepreneurship researchers as causes of new venture success. Many of them, psychology-based have renewed interest in entrepreneurs personal characteristics as predictors of success by moving beyond the past focus on traits to study competencies, motivation, cognition, and behavior. The entrepreneur is popularly defined as the person who assumes the risks and costs associated with starting one’s own business. The entrepreneur is the person that seizes the opportunity to serve others, despite the dangers and the risks associated with serving people’s needs, including their unidentified ones.

Another question is, who here agrees that taking risks is all half and parcel of being an entrepreneur? Of course, the most important entrepreneur criteria and the one amongst the foremost vital characteristics of entrepreneur is being able to take calculated risks. However what is this “calculated risk”? By definition, a calculated risk may be a risk that has been given thoughtful consideration and for which the potential prices and potential benefits have been weighted and considered. Many individuals simply do not have these necessary entrepreneur criteria or characteristics of entrepreneur. Go out to the street, and mention the word “risk” to somebody fully comfortable together with his or her scenario, most likely a store manager, simply to allow a few hints. To add this all up, individuals that live during a situation that they're comfortable with are less seemingly to take risks whether or not the downside is restricted and therefore the upside is unlimited.

However there’s a clear distinction between entrepreneurs and gamblers (professional poker players aside). The risks that entrepreneurs (well, and poker players) take are calculated risks, whereas the risks taken by gamblers are stupid risks. When playing against a casino, a gambler is taking a stupid risk, as the chances are not stacked in his/her favor. To place it simply, the downside to the danger outweighs its upside. So, there is a pronounced distinction in the two. However if a worry of taking risk is part of being human? How do entrepreneurs do it? The solution is terribly simple. They place themselves constantly outside their comfort zone. They are continually questioning their position, analyzing what could have and ought to be done, and taking action within the end. Well, you can also develop this mentality. All it takes could be a very little perseverance, by constantly questioning the setting that surrounds you, and also the position of you, or your interests at intervals it. This makes it an imperative entrepreneur criteria and an ever-necessary characteristic of entrepreneur. In conclusion, taking calculated risk is an important entrepreneur criteria and one in all the core characteristics of entrepreneur [9].

What would make a person give up the security of a steady paycheck to jump into the abyss of starting a new business? Some would say it’s risky behavior. Others like Carey James would call it a calculated risk even though there is no guarantee of getting a payoff. It’s normal to be risk averse. It usually means venturing out of your comfort zone. Most people like staying in their comfort zone. Entrepreneurs can’t stay there. They have to take some risks.

A person is risk-taking potential influenced by several factors, including their environment, genetics, and their past experiences. What one person finds exciting might not be for the next person. Some adrenaline junkies out there are hard-wired to take risks. You see them climbing up the sides of tall buildings or jumping out of airplanes. But most people are able to manage their risk and are comfortable taking small risks with steady gains to get a nice return on investment. We all have an enzyme in our brains called monoamine oxidases (MAO). This is what keeps our impulses in check. People who have a shortage of it are more likely to be risk takers. So, are entrepreneurs risk takers? It depends. Are you someone who always chases after the “get rich quick” schemes? Are you the kind of person who takes calculated risks to make your business better? If you don’t take some risks, you’ll never know your true potential. In that sense, all entrepreneurs are risk-takers. It just depends on the degree. You can’t be stuck in neutral for fear of making the wrong decision. That can be equally bad because you might just miss that one great opportunity in life.

Entrepreneurs have to make decisions every day. Make the right decision and you could become very wealthy. Make the wrong one and you could become bankrupt. It’s enough to stress out the calmest of us. It’s always going to have some uncertainty associated with it. If we could predict the future we would all be rich. A good entrepreneur will learn from the bad decisions and correct them quickly. They will also be less likely to repeat the bad decisions. And they will learn to trust their gut to figure out the right path, after Julie Austin’s opinion [10].
4. Philological factors that influence the management of an entrepreneur

Self-employment is one of the most complex activities. Being self-employed means being a “personality” with one’s skills, values, motivation, interests, attitudes, etc. and a “professional” with one’s specific knowledge in the technical and professional field, with knowledge of economics, management, marketing, and – last but not least – with very good communication skills. The difficulty arises also from the fact that in case of self-employment we are dealing with a lot of different professions or activities, for each of which the person in question having to develop specific professional skills (therefore, in the Occupational Outlook Handbook, edited by the U.S. Department of Labour, there are mentioned no less than 159 different job positions) [11]. In such a complex situation, and because we have not identified a self-employed job-description, the only starting psychological premise for developing an assessment tool is related to the entrepreneur’s dominant characteristics [12].

In order to provide a tool which could provide the recognition of capacity to be self-employed, we shall take the example offered by the results of a Leonardo da Vinci programme [13]. The aim of the presented project was to analyze the phenomenon of self-employment in 4 partner countries: Austria, Finland, Poland and Romania. One of the particular objectives of the analysis was to learn about the barriers and incentives having impact on the decision to become self-employed, as well as to diagnose and evaluate the support services provided for the persons considering self-employment. One of the consortium partners created a handbook intended to be a practical hands-on guide designed specifically for „people with a business idea, but little managerial experience” [14]. They may be students, graduates, first job seekers, unemployed, or any other people intending to take their future in their own hands by developing a new career in business. The main objective of this handbook is to offer to this target people some tools for self-assessment. And because they have not identified a self-employed job-description, the only starting psychological premise for developing an assessment tool was related to the entrepreneur’s dominant characteristics [15].

Psychological researchers have put emphasis on the character and personality traits of entrepreneurs. Two influential theoretical viewpoints in this view are coming from Schumpeter and Rotter. According to the first author, the most relevant and important characteristic of an entrepreneur is his/her nature to make innovations. The entrepreneur provides leadership to discontinuous dynamic change. He visualized this happening by means of a new combination of factors of production resulting in one or a few of the following: introduction of a new product, institution of a new technology, opening a new market, discovery of a new source of supply of raw materials and carrying out a new form of organization. In Rotter’s opinion, there are two broad categories of people - people who believe that what happens to them is the result of chance, luck or factors beyond their control termed primarily believers in the external locus of control and people who believe that, for the most part, the future is theirs to control through their own efforts, termed as believers in the internal locus of control. According to Rotter, people who are entrepreneurial are more likely to believe in the internal rather than in the external locus of control [16].

Wiliam by Griow believes that the process of entrepreneurship includes the total of activities, duties, actions related to identify opportunities and the establishment of organizations for pursuing opportunities [17].

That there is a meaningful and positive relationship between all psychological dimensions of empowerment (self-efficiency, self-determination, personal consequence, meaning, trust in others) and entrepreneurship. Therefore, an entrepreneur is formed by a set of conditions, occasions, sources and methods and its main base is entrepreneur-oriented.

Result of the adhesion coefficient test

<table>
<thead>
<tr>
<th>Variables</th>
<th>Number of sample</th>
<th>Adhesion coefficient rate</th>
<th>Meaningful level</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self-efficiency and Entrepreneurship</td>
<td>270</td>
<td>58.6</td>
<td>0.0001</td>
<td>Approved hypothesis</td>
</tr>
<tr>
<td>Self-determination and Entrepreneurship</td>
<td>270</td>
<td>36.9</td>
<td>0.0000</td>
<td>Approved hypothesis</td>
</tr>
<tr>
<td>Personal consequence and Entrepreneurship</td>
<td>270</td>
<td>52.9</td>
<td>0.0001</td>
<td>Approved hypothesis</td>
</tr>
<tr>
<td>Meaning and Entrepreneurship</td>
<td>270</td>
<td>68.3</td>
<td>0.0000</td>
<td>Approved hypothesis</td>
</tr>
<tr>
<td>Trust in others and Entrepreneurship</td>
<td>270</td>
<td>32.1</td>
<td>0.0000</td>
<td>Approved hypothesis</td>
</tr>
</tbody>
</table>

As seen in the Table, all hypotheses have been approved. In other words, there is a relation between psychological factors of empowerment and entrepreneurship, but the rate of relationship is not the same. Therefore, the ranking of empowerment dimensions shows that the relation between “feeling to be meaningful” category and entrepreneurship in regard to the rate of adhesion between them is first among technico-vocational skill education trainers, the relation between self-efficiency and entrepreneurship is...
second, the third is the relation between personal consequence and entrepreneurship, self-determination and entrepreneurship the fourth and the relation between feeling to trust others and entrepreneurship is the fifth. Entrepreneurship is a behavioral attitude. A hinge called personality attitude supports it, whereby socialists and psychologists have paid attention to demographic variables to identify entrepreneurship. The lack of perceiving individual creativity and innovation is one factor causing the political and economic retardation in developing countries that can be referred to [18].

Kumar B. S argues that, it is a considerable effort to try to understand the psychological and sociological underpinnings of entrepreneurship. These studies have noted some common characteristics among entrepreneurs; most entrepreneurs have a need for achievement, perceived locus of control, orientation toward intuitive rather than logical reasoning, and a risk-taking propensity. In addition, many have commented upon the common, but not universal, thread of childhood deprivation, minority group membership and early adolescent economic experiences as typifying the entrepreneur.

The major characteristics of entrepreneurs that have been listed by many commentators include the following: self-confident and multi-skilled, confident in the face of difficulties and discouraging circumstances, innovative skills - sees opportunities often invisible to others, results-orientated - requires the drive that only comes from achieving the goals they have set for themselves, a risk-taker - often the successful entrepreneur exhibits an incremental approach to risk taking, at each stage exposing him/herself to only a limited, measured amount of personal risk and moving from one stage to another as each decision is proved, total commitment, hard work, energy and single-mindedness are essential elements in the entrepreneurial profile.

However, two warnings need to be attached to this partial list of entrepreneurial qualities. First, selecting individuals for enterprise development training according to such a set of attitudes and skills, in no way guarantees business success. Second, the entrepreneurial characteristics required to successfully launch a business are often not those required for a business that experiences growth. The situation becomes vastly different once it grows to any size, making the skill set a different organism. The role of the entrepreneur needs to change with the business as it develops and grows, but all too often he or she is not able to make the transition [19].

An important part of this peculiar entrepreneurial psychological process is the entrepreneur’s view of the uncertainty of the future: the entrepreneur does not bear risk, as do others, says J. Stuart Wood. The entrepreneur is confident in his superior ability to forecast correctly, so he is confident in the accuracy of his forecast. He therefore behaves as does a person in a situation involving only certainty, one in which the outcome is not subject to doubt [20].

5. Conclusions

A good conclusion is that a self-employed make be an entrepreneur and an entrepreneur can be self-employed. Both of them must acquire some skills to be a good one. Anyone who wants to become an entrepreneur or self-employed can make one. Entrepreneur density, innovative and managerial ability determine the character, straight and future of economic development. There is a growing body of work that shows that entrepreneurial behavior is dependent on social and economic factors.

Some people think of being self-employed when they can’t find a job. Others become entrepreneurs out of passion. Regardless, you have to consider both the risk and the reward. The potential benefits are unlimited, yet there’s a 50/50 chance or greater that you’ll fail. Some people say, when you become an entrepreneur, you wake up unemployed every morning. According to Entrepreneur Magazine reports that around 94% of all new businesses fail in their first five years. It’s definitely, taking risks and making the right decisions, under uncertain conditions, have always been recognized as key entrepreneurial qualities. But some billionaires in America, all starting out like self-employed, like Bill Gates, Warren Buffet, Donald Trump and Sam Walton can prove positively the great rewards. As a conclusion the entrepreneurs, including the self employed are believed to represent a mechanism of fair wealth distribution that depends on innovation, hard work and risk taking.

The psychological profile or the psychological behavior of an entrepreneur or a self employed can be determined using a lot of test or assessment questionnaires. These quizzes are designed to determine the latent qualities, entrepreneurial motivations and competency, to examine his or her own self and relate his/her image of himself/herself with the environment, to make him/her aware about his own style of influencing others and on going situations, to enable him/her to recognize his/her creative and innovative potentialities and to find entrepreneurial spirit and improve entrepreneurial competence by emphasizing motivation, planning and cooperative efforts. To gain an insight into their own motivation and behavior, a set of psychological instruments or tools and exercises are used to develop their motivation.

In this paper, we have assessed a retrospective of the entrepreneurial phenomenon of our days and we have looked into its economics and the critical factors that are essential for a would-be entrepreneur in this era. We have demonstrated that entrepreneurship is not a matter of luck, but a talent and a science that can be taught. This does not contradict Coulson-Thomas' point of view that "some knowledge entrepreneurs are instinctive or born; others possess specialist expertise, or know about particular technologies" [21].
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