

# PSYCHOLOGICAL ASPECTS MET IN THE START-UP STAGE OF ENTREPRENEURIAL ACTIVITY

Lecturer Ph.D. **Robert Gabriel DRAGOMIR**  
Faculty of Accounting and Finance, Campulung  
*Spiru Haret* University  
E-mail: robert73d@yahoo.com

## **Abstract**

*The present paper proposes to focus on the important psychological characteristics implied in the activity of start-up a business. At the beginning, we present the definition and the specific points of an entrepreneur and also of an entrepreneurial activity. Then we restrict the sphere to the psychological aspects connected to the start-up business activity: the courage, the self trust, the independence attitude, the intuition, the professional training and the environment knowledge, the ability of adapting, the great availability for work, the perseverance, good organiser, a good communicator, respect for the collaborators, positive thinking, socially active. In the end, we jump at the conclusions and talked about the importance and the roles of the projects financed by the European Union, the Romanian Government, the Social European Fund and Structural Instruments.*

**Keywords:** *psychological characteristics, start-up, business, entrepreneur, entrepreneurial activity*

**JEL Classification:** M<sub>13</sub>

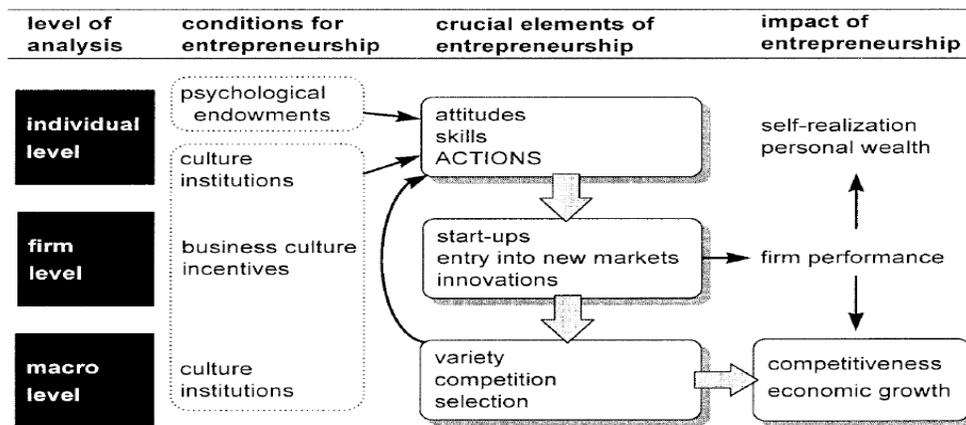
## **Introduction**

In modern open economies economic growth is more important than it has ever been. The reason is that globalization and the ICT-revolution imply a need for structural change, requiring a substantial reallocation of resources. When it comes to how the mechanisms operate, little is known, either on how entrepreneurship can best be promoted or on how entrepreneurship influences economic performance [1].

The entrepreneur can be any person who possesses a great capacity of identifying and valuing a component in a field of activity; he is also willing to take risks in implementing it [2].

The component can be the realization of a product, a service, a market segment, a way of marketing, an advanced technology. By applying it into practice, the entrepreneur is the one who does not necessarily create a new product, but he produces the existing issues at other price or other quality.

From the beginning, such a person has to calculate not only the positive aspects connected to the status, financial position, but he also has to dimension in a proper way all the risks the activity imposes.



Source: Wennekers, Sander; Thurik, Roy (1999), *Linking Entrepreneurship and Economic Growth*, "Small Business Economics", volume 13, issue 1, Netherlands: Kluwer Academic Publishers, p. 51.

Fig. 1. Framework linking between entrepreneurship to economic growth

The new position of the start-up entrepreneur requires changes connected to his life style, the way of spending the resources, the degree of implication in the new activity, the time for the new activity.

Within the present context of the economic and financial crisis, the starting-up of any business requires from the part of the entrepreneur a concrete and correct knowledge of the reality, great knowledge and professional experience, modalities of valorising the fiscal and law opportunities and so on [3].

The success of a good entrepreneur consists of the training and the efficient way of spending the resources at his disposal. At the same time, one has to take into consideration the sustainable character any present business has to bare.

After analysing the way of approaching the business, the most successful businesses are based on entrepreneurial values. The small and medium businesses generally started from an innovative idea of a practical resolving of an identified problem, by using one of the following methods: a lack in the market, the replacing of a product or a service by using a more competitive technology, the satisfaction of a continuous need of the consumers.

The starting-up of a business deals at first with the dimensioning and the allocation of all the needed resources.

From the whole number of the persons who want to start a business, the ones who succeed are characterised by initiative spirit, need of fulfilment, trust in himself, independence, perseverance, accepting the challenge and the risks.

The number of the people who are eager to start a business is in an indirect proportion with the uncertainty degree it implies.

## **Psychological aspects of a success entrepreneur**

Specialists utter that the beginning of a business has to be done methodologically, by observing the recommended steps and stages. Thus, the European policy connected with the human resources offers the new accepted states into the community space specific programs and instruments as concern the diminishing of the differences between the way of implementing the business and using the human resource for these activities.

From the psychological values one meets within a business activity, we mention the following ones:

—The courage is the main characteristics, without it we cannot discuss about an authentic entrepreneur. The courage is clearly seen at the persons who have the power to follow their idea, to fight for it, to pass over obstacles and emotional barriers, to change their style of life and even to migrate toward a new activity.

—The self-confidence is another basic element, which has to be trained; it is the engine that generates energies for exceeding the hard and difficult moments, new situations. Trust is the one that certifies each and every forward step to be done; it is the one that gives power for passing on.

—The independent attitude is that quality which animates the new entrepreneur. It makes the difference not among the best specialists, but also among the ones who hope and the ones who succeed to become their own masters. This characteristic can be latent for a while, but once it is activated, it will shape the future profile of the entrepreneur.

—The intuition. The mechanism of valuing an idea to create a product or do a service is based on this factor. The intuition is the one that discovers business opportunities, lightens faces, which appear as being common. It is considered to be a native quality, it cannot be educable and it has to be rightly dimensioned.

—The professional training also plays a determinant role in succeeding in a business plan. The complexity of this factor helps the decision-maker decide the manner he has to do the first steps in his business. Depending on the professionalism degree, the new idea is approached, the satisfaction is faster reached.

—The environment knowledge requires, in its turn, profound knowledge in strategic management, human resources, marketing, financial-accounting management.

—The ability of adapting is the result of the thinking capacity of being flexible; that is the entrepreneur has to be the same almost all the time. This characteristic is to be seen when someone loses his nerves when he meets important persons or even when an uncomfortable decision has to be taken and sustained. The adaptability refers to the capacity of rapid and proper reactions to the business environment dynamics. When it is joined to intuition, the way to development and success will be more facile. The know-how is a great challenge every moment; many of the companies which did not pay attention to the performing technological alternatives oriented towards losses and even bankruptcy. The main directing lines of action will be tracked by the strategic management, by using the adapting capacity to all rigours and exigencies of the present market [4].

—The great availability for work. Work is the factor that leads toward progress and development. A success entrepreneur will work as it is necessary in order to gain his goals. Within the point of starting-up a business, the winner will be that one who will realize that the greater the dedication, the more rapid the business mechanisms will be synchronized and the greater the satisfaction, too. The great volume of work has to be seen on an ascendant trajectory of the company; it also represents the motivational support of all implied parts. The personal example stands for a good motivational factor for the colleagues and employees.

—The perseverance. The way an entrepreneur follows is the result of a preliminary simulation of the way of the business function and expansion. Once implied into the real life, the unedited situations will appear and the enthusiastic entrepreneur is not well out of the disturbing situations. Now it is the time for the perseverance to be present. If the objectives are forecast in a realistic way, the success and even their exceeding will be possible, but this depends on the entrepreneur capacity of insisting on and persevering. The dosing of the physical and mental energies together with a correct projection of the expected results will lead to success. If the proposed objectives are too high, there is the risk of failing and abandoning the business plan; if the objectives are too facile, the satisfaction will not reach the estimated threshold and this leads also to discontent and disinterest. The way to success is a sinuous one, but the winners will be the perseverant ones, who always evaluate the imminent risk dimension for going or not further more [5].

—Good organiser. The success of an entrepreneur depends on his vision to organize the activities that are to take place in the firm. It is absolutely necessary that the person who assumes the transposition of the business idea into practice has to know all the time the internal functioning and situation of the firm: the departments' organization, the situation of the production cycles, the stocks, the sales. A business coordinator is the principal actor that administrates all the processes of a business, through the information flux that came both from the internal and external environment. Considering that the process of coordination is a good one, the decision maker has to possess the capacity to recruit all pieces of information that came from the interesting areas, so that he is able to offer the best solution in a certain situation. A good coordinator is a delicate details observer.

—A good communicator. Within the success network of a business, the element called communication is another essential component. An entrepreneur has to communicate well with all his employees; he has to assure that the messages sent are clear, are not interpretable, are firm, have deadlines clearly specified, are oriented towards the exact person and area of interest, determine an action, have finality or generate a result.

—Respect for the collaborators. The most valuable capital of each company comes from the human resource. A good entrepreneur has to be able to orientate the human resource with a maximum of efficiency and profitability during the whole process. In this case, to realize a heterogenic team is a desirable aspect. The team has to comprise competent persons as concern the professional responsibilities, but also persons that are capable to develop the scheme of the

working relations, by linking the members of the team. The respect for every member and his work and also for the collaborators has to be observed in the external relations. There is the need to respect an ethic code which comprises the fundamental principles of the organization and the principles of the quality management also. Once these principles applied, the company will identify in a unique way to the market and will bear a good name and a serious reputation.

—Positive thinking. Any entrepreneur finds himself in the situation of failing. He is generally tempted to blame the context or the system; the one who has the capacity to recognize his own mistakes will be the one who can go further on. His positive thinking helps him change the uncomfortable state of mind. He has the power to see the things in a positive and realistic light, not to lose his courage, even if the practices of the concurrencies companies are not always fair [6].

—Socially active. Beyond the implication in the economic life, an entrepreneur has to be socially active. He will know how to thank those who helped him; he will join different social projects and will be on the side of the people who do not have luck; he will offer support and comfort to the capable young men; he will be a good example to be followed. His presence in the social life has to be a model and a catalyst for those who are not sufficiently confident in their own forces and capacities.

All the above mentioned and described capacities are to be put synthetically in the figure below (fig. 2).



Fig. 2. Structure of the psychological values of a good entrepreneur

## Conclusions

Nobody is born an entrepreneur, but some of us can become one, by valuing the potential of the psychological characteristics they are endowed with. With the help of the projects financed by the European Union, the Romanian Government, the Social European Fund, Structural Instruments and different private and state companies, great sums of money have been allocated for activities of this type to put into light good entrepreneurs and qualitative Romanian businesses, capable to value both the human resources and the Romanian resources of all types.

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