

## **CULTURE - A FACTOR THAT DETERMINES THE ENTREPRENEURIAL BEHAVIOR.**

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**Keywords:** culture, entrepreneurs, behavior.

**Abstract:** The term “culture” refers to a common set of beliefs and values shared by a social group. In the sphere of culture we can find symbols, norms, laws, values, rituals, myths and also behaviors that can influence the enterprises’ performance. In this paper we made a research based on a number of 50 Romanian entrepreneurs from which we wanted to see if they consider that there is a relationship between the entrepreneurial culture and the human behavior. As a conclusion of the research, we can say that culture has a great impact on entrepreneurial behaviors within each type of enterprise.

### **1. HOW CAN WE DEFINE “THE ENTREPRISE CULTURE”**

The enterprise culture is a set of representations, symbols, values, beliefs and rules shared by the members of a group (community), allowing a certain convergence of interests of different parties and facilitating the development of the social group through its goals.

“A strong culture creates a sense of reliability and confidence. Everyone knows exactly what the enterprise stands for and what results are expected from them. Culture is part and parcel of the trust that glues an organization together.” [3]

In a simplified view, the content and operation of culture can be explained using the following categories:

- ✓ beliefs, values and collective norms;
- ✓ myths and stories;
- ✓ collective rituals;
- ✓ taboos.

Beliefs can be defined as general proposals regarding the functioning of the group.

Values are principles or qualities people believe in because they think they’re important, such as caring about customers, quality, and innovation.

Collective norms are specific rules of conduct applicable to all the members of the group.

The enterprise myths tell idealistic stories based on true events and because they represent an explanatory function, they often make possible to reconstruct and explain any phenomenon and to resolve any contradiction.

Respecting a ritual corresponds to the need of people to calm down, showing thus the group membership.

Taboos are directly related to the people's fear into the firm. Diversification, wealth or poverty, power, bankrupts, failure, are manifestations of a collective fright.

If entrepreneurs want to build a positive culture into the firm, they have to follow three important steps [4]:

1. Discover what norms and values are shared by the employees.
2. Compare norms with enterprises’ goals.
3. Symbolize norms and values that are wanted to develop.

After finding out the shared norms and values, entrepreneurs have to decide which ones contribute to productivity, which ones no longer fit tomorrow’s challenges and which ones are crucial to success.

In the last step, the entrepreneurs have to reward the wanted actions and to discourage the parts they don't want to see anymore. They can best do this by behaving in new ways in order to represent a good example for others.

## **2. THE ENTREPRENEURIAL BEHAVIOR**

Schein defined entrepreneurs like this: "very strong-minded about what to do and how to do it. Typically they already have strong assumptions about the nature of the world, the role their enterprise will play in the world, the kind of human nature, truth, relationships, time and space." [1]

Barbara Bird defines entrepreneurial behavior as "the study of human behavior involved in identifying and exploiting opportunities through creating and developing new ventures. The major goals of research on entrepreneurial behavior are to explain, predict, and control (shape and change) behavior at the individual and team level." [2]

The main activities conducted by an entrepreneur in order to identify and exploit opportunities can be considered the following:

- ✓ Actions taking in starting up a new venture;
- ✓ Actions taking when selecting certain individuals to become members of the start-up or growth team;
- ✓ Actions taking in trying to promote some values, norms and beliefs into the enterprise;
- ✓ The attitude when they engage in processes such as decision making, market research, and contacting financing sources;
- ✓ Actions of communication with employees;
- ✓ Actions of organizing team buildings;
- ✓ Actions of observing and explaining to others how human behavior changes with time and how entrepreneurial behavior is seen in different historical eras.

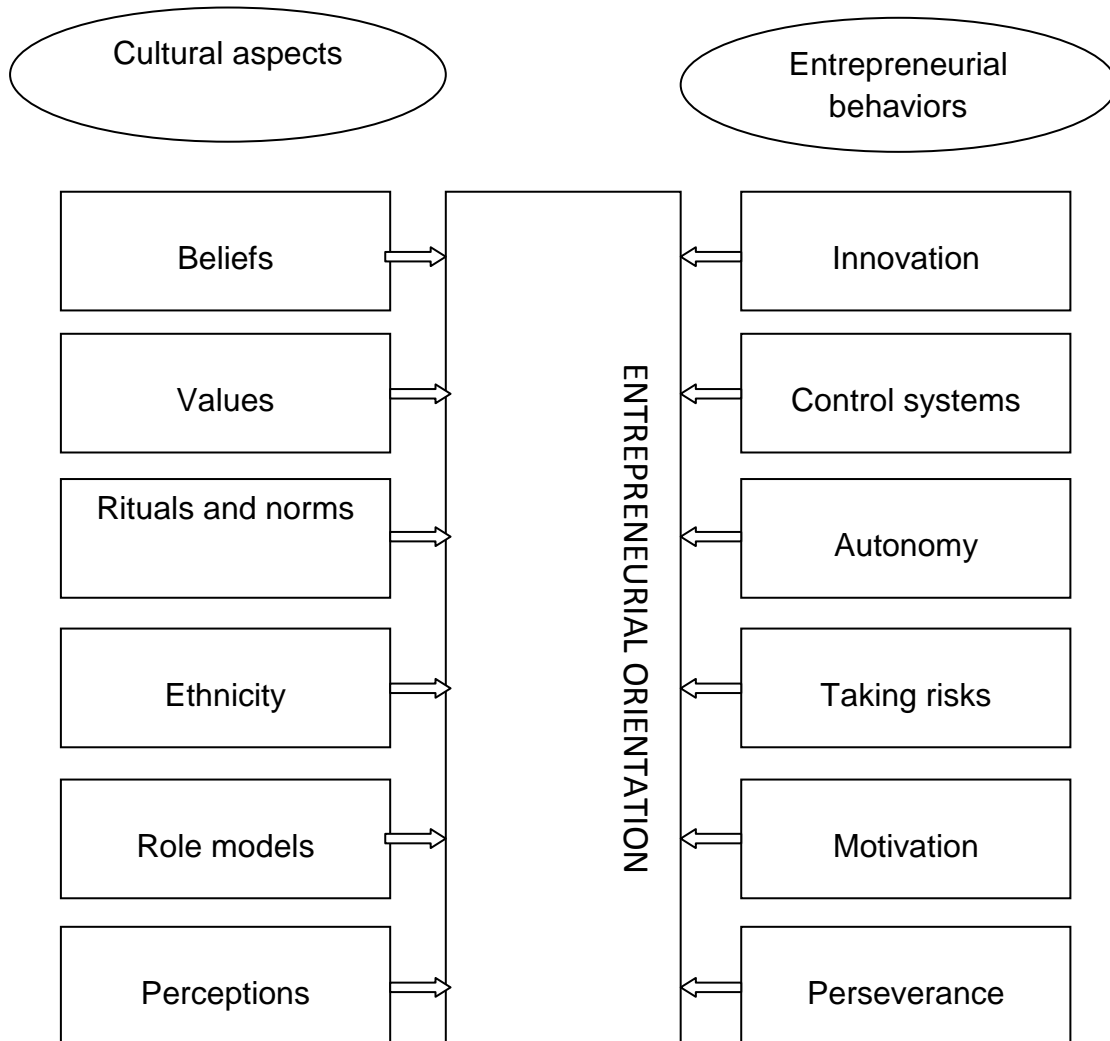
## **3. IS CULTURE A FACTOR THAT DETERMINATES THE ENTREPRENEURIAL BEHAVIOR?**

Alzira Salama says that "the enterprise culture usually accelerates the process of business growth and helps to achieve competitiveness in a sustainable and permanent manner. But the culture role could not be complete without the human behavior dynamics. Entrepreneurial behavior is triggered by corporate culture. Culture is to the organization what personality is to the individual – unique and tied to the past. This biographic approach to organizations implies the need for an awareness of each firm's history and leaders' values prior to any cultural transformation process. The ability to explore new capabilities through innovation as well as exploit existing knowledge to the full has proved fundamental for long-term survival and organizational success." [6]

The culture management type requires that new ideas are agreed from all levels of the hierarchy starting with the lower ones and that working teams learn with each other in order to create value for their organizations through innovation and creativity. This culture can only be achieved if entrepreneurs promote a transformational management style.

The basic process of adding a cultural element such as a given belief or assumption into an organization is a "teaching" process. "Only if the group shares the perception that the solution is working will that element be adopted, and only if it continues to work will it come to be taken for granted and taught to newcomers." [7]

The relation between culture and the entrepreneurial behavior can be represented graphically like this [5]:



**Figure 1. The relationship between culture and entrepreneurial behavior**

In order to find out if Romanian entrepreneurs think that culture is a determinant of entrepreneurial behavior and if they promote a certain culture elements in their firms, we applied the following questionnaire:

Nr.	Question	Number of entrepreneurs that answered YES	Number of entrepreneurs that answered NO
1.	Do you consider that culture is a determinant factor of entrepreneurial behavior?	50	0
2.	Do you promote special norms that your employees have to follow?	46	4
3.	Is culture a factor that influences you when hiring people?	40	10
4.	Do you think that myths can influence one's behavior?	30	20
5.	Did you hear about the gap culture	50	0

	(informal culture)?		
6.	Do you think that informal culture influences human behavior more than the formal culture?	25	25
7.	If you want to add a new cultural element, do you represent an example when talking about behavior?	50	0
8.	In your opinion is there a relationship between culture, creativity and innovation?	50	0
9.	Do you think that a strong culture can help to achieve competitiveness?	50	0
10.	Is culture a factor that helps employees to take risks?	50	0

As we can see, all the respondents consider culture as a factor that influences the entrepreneurial behavior and almost all of them promote some culture elements (norms and beliefs) and try to be a model for their employees.

Romanian entrepreneurs are realistic when talking about culture, they have the necessary knowledge and they recognize that you always have to take into consideration the informal culture, to find out in which ways it differ from the formal one.

#### 4. CONCLUSION

A strong culture can determine an organizational growth, can influence one's attitude towards changes, risk taking, creativity and innovation, but the most important thing is that the employees' behavior depend on the norms, beliefs and collective rituals that are promoted within an organization.

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