

CONSIDERATIONS ON ENTREPRENEURSHIP AND ENTREPRENEURIAL VOCABULARY

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Abstract

The aim of the paper is to conceptually define the term entrepreneur and the structural matrix of the entrepreneurial vocabulary. In order to accomplish the goal, it was intended to find the answer at the following questions: i) Which are the reference plans for entrepreneurship? ii) Which are the keywords of entrepreneur's vocabulary? From a methodological point of view, the working paper is based on observations and interviews with entrepreneurs from various fields of activity. The research results indicate two plans for defining an entrepreneur, namely the emotional plan, represented by the entrepreneurial spirit and the rational plan, represented by the socio-economic contract between the individual and the society. From the research it was found that the matrix structure of an entrepreneurial vocabulary comprises the following 7 keywords: 1) purpose; 2) objective; 3) result; 4) cost; 5) production; 6) supply; 7) price. Understanding these concepts is the cornerstone of entrepreneurship as a zero-grade professional alternative to today's society, based on knowledge and information.

Key words: entrepreneur; entrepreneurial vocabulary; entrepreneurial spirit

The research on the subject starts from the revision of the scientific literature.

According to several studies on entrepreneurship, we can state the following: i) contemporary entrepreneurship is directly linked to the passion and ability of the individual to turn their hobbies into a business on their own (Ashman *et al.*, 2018; Guercini and Cova; 2018); ii) the development with passion of an idea, linking the private and professional life of individuals, stimulates business success (Biraghi *et al.*, 2018); iii) the entrepreneurship, defined by creativity and finding new solutions, calls for trust, connectivity, rapid adaptation and flexibility (Brinks and Ibert, 2015; Kautonen *et al.*, 2014).

The current society requires people to adopt an entrepreneurial position, especially to cope with inherent uncertainty and change (Cova and Guercini, 2016; Rosa, 2013).

In the opinion of Gielnik *et al.* (2015), a good entrepreneur must understand the future of the economy by knowing the key concepts of the underlying economic phenomena such as demand, supply, market, etc.

MATERIAL AND METHOD

Methodologically, the work is based on observation and unstructured interviews with

entrepreneurs from various fields of activity. The methods used are of a qualitative nature and are some of the most important research methods used in sociological studies.

By the way the subject is approached, this working paper falls into epistemological constructivism. Therefore, concepts and ideas above were built with the perception and social experience of the human being.

RESULTS AND DISCUSSIONS

From the research, we can conclude a series of considerations on defining entrepreneur and structural matrix of entrepreneurial vocabulary.

1. Assessments on entrepreneurship

From a structural and economic point of view, the human being is always in a struggle with poverty - facing many deficiencies - and therefore the entrepreneurship is the sum of the actions in order to combat the poverty.

More specifically, entrepreneurship is a hidden parameter in every man's economic matrix. This parameter is activated when it correlates with a constraint. Economically speaking, this constraint is "a lack", "a poverty".

Under the pressure of this constraint, the decisions of the human being are limited to

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submitting, choosing, creating, deciding, being responsible, being free, etc. The human being is selfish and hedonistic (Epicurus), so the economic nature of human is based on interests and pleasures.

From this interference, the entrepreneurial spirit of the individual develops and thus creates the socio-economic contract. The term "entrepreneur" hides a complex universe defined in two plans:

a. inside every human, in emotional plan, there are formed skills materialized in the "entrepreneurial spirit";

b. at the external level, in rational plan, a socio-economic contract is initiated between the individual and society.

a. The emotional plan

The term "entrepreneur" means a person with "entrepreneurial spirit" or "having an initiative that turns ideas into action". Considering the observations and the interviews taken, it is noted that the entrepreneur has skills as: creativity; innovation; tolerance at in vain labor; risk tolerance; the ability to initiate a project or action; the ability to prevent and solve problems; the ability to work and build teams; the ability to prepare and manage projects.

It is noticed that, on emotional plan, an entrepreneurial spirit does not mean to work on their own or the establishment of an economic entity (for example, a trading company) with a certain number of employees.

b. The rational plan

The term "entrepreneur" is a person who initiates, following rational constraints (choices), a contract with the community, called a socio-economic contract. We thus distinguish the term "independent entrepreneur" and "dependent entrepreneur".

An independent entrepreneur is a person who initiates, grows and develops a business, assuming risks in this regard in order to achieve profit. The independent entrepreneur has a socio-economic agreement with the state, materialized in acts proving the existence of an economic entity (statute, regulations, registration certificate). Specifically, it initiates a business on its own, establishes an economic entity (enterprise) and develop all the skills of "entrepreneurship" under the direct cover of the state: it is an employee of the state, it pays taxes and receives an income called a dividend or part of the profit gained with his own effort.

The dependent entrepreneur initiates a socio-economic contract called "employment contract" with an economic entity (public enterprise, private enterprise, etc.), under of which

it manifests all its "entrepreneurial spirit" skills. It obtains an income called net salary or part of the gross wage earned at its own effort.

In the new economy based on the individual, the type of socio-economic contract has only statistical value and defines the source of entrepreneurial spirit ("independent entrepreneurs" and/or "dependent entrepreneurs").

Thus, being an "entrepreneur" means being part of a number of projects where is valorized the entrepreneurial spirit. Assuming risk, responsibilities, profit, etc. are capabilities that must be created at every human level. In the whole economy or in the public administration system, the university system, corporations, small and medium enterprises, it takes entrepreneurial spirit, initiative, ideas, actions, leadership, project management, etc.

2. Entrepreneurial vocabulary matrix

Entrepreneurship, like learning the alphabet or knowing numbers, is one of the cornerstones of economic and human development. In order of that, we believe that entrepreneurship can be learned, word by word, step by step. Nowadays, it has not been yet discussed about an alphabet of entrepreneurship, standardized and universally valid for any field. Each profession has a vocabulary and a structural matrix, applied with the purpose of forming thoughts, ideas, words, phrases, appreciations, and decisions. In order to build the entrepreneurial vocabulary matrix, we had started from the idea that each profession is a "genetic code" that includes, in terms of vocabulary, the following areas:

➤ **area of the 0-th order words**, called "keywords": the words used in this area define human ideas, activities and actions. Therefore, from an entrepreneurial point of view, any idea, activity, human action has a *purpose, objective and result*.

Thus, the foundation of the entrepreneurial vocabulary contains this three basic terms (purpose, objective and result).

➤ **area of the 1-st order words**, called "domain words": the words used in this area evaluate quantitatively and qualitatively the purpose, objectives and results of entrepreneurial activities. These relate to: i) phenomena and mechanisms within the project/organization, materialized in terms of "cost" and "production"; ii) phenomena and mechanisms outside the project/organization, materialized in terms of "supply" and "price".

➤ **area of the 2-nd order words**, called "specialized words": the words used in this area result from the combination of the 1-st order

words, such as: i) profit = price - cost; ii) total revenue = production x price; iii) total expenditure = production x cost; iv) turnover = supply x price; v) stocks = production - supply, etc.

Considering the above, without claiming a consensus of scientific truth, the entrepreneurial ABC contains 7 words: 1) purpose; 2) objective; 3) result; 4) cost; 5) production; 6) supply; 7) price.

Therefore, for the definition of a term, the "minimum word" principle will be used, according the following steps:

For instance:

a. defining words of the 0-th order:

i) defining the term "purpose": at this stage we are going to use a maximum of 3 to 8 words. The goal is the starting point of a human action (project, work, enterprise, etc.). It expresses a transformation of the present in the future from a qualitative point of view. Any qualitative transformation is appreciated by the attributes "increase/decrease", "stability/ instability", "positive/negative", "stimulate/ inhibit" etc. For example, the goal of a project is to increase revenue, to recover the production cost or to increase the productivity.

ii) defining the term "objective": at this stage, we are going to use a maximum of 5 to 10 words that measures the amount of the purpose. For example, the objective is to raise revenue by 10% or to cut costs by 5% or to increase productivity by 1%.

iii) defining the term "result": at this stage, we are going to use a maximum of 5 to 15 words that measure the amount of goal achievement. For example, the result is: revenue increased by 9%, and the target reached 90%.

b. defining words of the 1-st order:

In order to put into practice the entrepreneurial skills, the minimum vocabulary used in appreciating economic efforts and effects must be known. Any entrepreneurial project demands for an effort, and has as final result an effect.

A project can be an enterprise. Reported to the enterprise, the effort and effect materialize on two levels:

- first level: inside, in the enterprise;
- second level: outside, on the market.

In the enterprise, the effort indicators are materialized in different types of costs, and effect indicators are reflected in different types of production.

In the market, effort indicators are reflected in different types of supply, and effect indicators are reflected in different types of price.

These terms are defined as follows:

i) **Cost** - is the monetary expression of the consumption of factors for a given product.

ii) **Production** - is the physical, quantitative expression of products derived from the consumption of factors.

iii) **Supply** - is the physical, quantitative expression of products sold on the market at a given time and at a given price.

iv) **Price** - is the monetary product cost recovery, payable to the producer by the demand.

Therefore, we can conclude the fact that the basic vocabulary of an entrepreneur contains only 4 words of 1-st order: cost, production, supply and price. These words called "economic variables" are combined into an infinity of indicators, indices, parameters, etc. which forms **the area of the 2-nd order words**.

c. defining words of the 2-nd order:

A final area of the entrepreneurial vocabulary contains words that originate in combinations of the 1-st order words. For example, combining the price with the other concepts results in:

i) Profit is the result of the difference between the price and the cost of a product.

ii) Total revenue is the monetary expression of the output, measured at the domestic price (internal).

iii) Turnover is the monetary expression of the supply, valued at the sale price (external).

From the appreciations presented above, it results the structural matrix of the vocabulary, the logic and the coherence of thinking, at the level of a good entrepreneur.

CONCLUSIONS

The working paper addresses the topic of entrepreneurship and entrepreneurial vocabulary from a constructivist perspective, based on observation and discussions with reference entrepreneurs. The main conclusions of the paper are the following:

- the entrepreneurship is one of the cornerstones of economic and human development;

- the concept of "entrepreneur" is defined on two plans: i) emotional plan: a person with an entrepreneurial spirit given by creativity, innovation, tolerance to in vain labor, the ability to build teams, etc.; ii) rational plan: person initiating a socio-economic contract with the community;

- entrepreneurship requires knowledge of specific concepts and terms that form the structural matrix of the entrepreneurial vocabulary or the

alphabet for the valorisation of entrepreneurial abilities;

- the entrepreneur vocabulary matrix comprises 7 keywords: 1) purpose; 2) objective; 3) result; 4) cost; 5) production; 6) supply; 7) price;

- knowing the entrepreneurial vocabulary is the minimum requirement to value skills at personal level.

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