

## COMMERCIAL AND SOCIAL ENTREPRENEURSHIP CONCEPTS

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**Abstract.** Social entrepreneurship is a process in which resources are used in various combinations in order to capitalize on existing opportunities, create value by meeting social needs, to foster social change, or to establish new organizations with social missions. The essence of social entrepreneurship is the ability to link between him and the social values of community and effective management of small and medium enterprises seeking to adapt to overcome potential. Approach has social entrepreneurship as the final stage of the process of corporate social responsibility; the social involvement of companies achieves the most complex form. Assumed objectives provide direct contribution to the promotion of modern management culture and entrepreneurship as a viable alternative employment in Romania. Through customized training and managerial assistance, participants will gain knowledge and entrepreneurial and managerial skills necessary to materialize their business ideas / projects and / or efficient and modern organization of business according to best practices at European level.

**Keywords:** entrepreneurship, trade entrepreneurship, social entrepreneurship, responsibility, small and medium enterprises

### 1. Manager responsibility in SMEs

Small and medium business success depends largely on the quality manager. The practice of developed countries revealed that the chances of survival and development of SMEs depends on the ability of entrepreneurs. Responsibilities must assume an entrepreneur is the economic, social and ethical to the state, consumers, suppliers and employees. They overlap, meaning that failure of a firm's contractual obligations by another enterprise has economic implications (such as disorders of the beneficiary enterprise activity), social (reduced earnings of employees in both companies in question) and ethical (reduced prestige of the enterprise).

In most cases managers of SMEs concurrently use different styles of leadership, in the sense that the problems themselves and make decisions and then communicate them to subordinates, and sometimes set limits and enable employees to act.

Self-evaluation of the importance of the role that each plays in the manager's own company or society which acts as manager of the employee is an indirect indicator of management performance and the degree of its involvement in the workplace.

For example, present in the graph below (figure 1) the manager-employee role within small and medium enterprises, in which it operates.

The survey results indicate a nearly uniform group of managers in three categories according to their perception of importance:



Figure 1. The role of manager - employee of the company

- 28% of employees in the category top managers in companies define their role as essential to their success, 36% of managers performers consider that their role is important but not essential, while the share of managers, employees have the same perception that productivity is only 10%.
- Top managers of large firms have the organizational structure more than 10 managers tend to perceive as essential to the success of the company's business.
- Women - manager (25%) define their role as one of implementation/support, without direct influence on the results of the companies they work for.

- The data show that self-managers role within the firm is directly associated with involvement in finding solutions/ideas to improve products/services or organizational processes, 84% of those who define their role as such ideas have provided essential improvement, while only 47% of those who perceive themselves as mere performers such ideas ever came.
- Last but not least, self-importance of their managerial role is a direct relationship to job satisfaction, those who perceive themselves as "essential" tend to be more satisfied, while "ordinary performers" tend to be more dissatisfied.

Manager social responsibility and economic era that gives his acts sometimes considerable implications that exceed common area business.

He printed decisions, actions and total behaviour, a certain type of work and action of all subordinates, as a professional reference and attitude to them.

## 2. Conceptual of effective management of social entrepreneurship in SMEs

The process of social entrepreneurship involves the balancing of social and economic behavior that lead to social and economic value of effective management of small and medium firms [7].

Thus, approaches to effective management of social entrepreneurship in SMEs can be summarized as follows:

- implementation of commercial practices in the non-profit that involves using entrepreneurial approaches in order to create social and environmental benefits without the benefit of profit owner, developing businesses that produce income to support social causes, social enterprise is as perfect to promote social entrepreneurship;
- the individual's capacity to promote social change and innovation, rather than the organization as a whole [4];
- presentation entrepreneurship in terms of social mission organizations (foundations, associations) which is based on donations collected its share capital which is then given as grants, individual entrepreneurs and organizations that have a social mission to succeed in the steps they take.

A related view of how social value can be supported by organizations with social mission and effective management in small and medium run [7].

The following example shows that 48% of social entrepreneurship firm employees are aware of a performance measurement system, while the other

39% say the company they work for such a system there.

The results shown in figure 2 show that where there is a practice performance assessment, employees are judged most likely to end. Results show that 36% of employees surveyed were evaluated in the last six months [6].

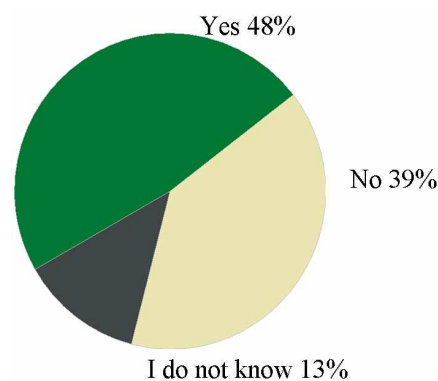


Figure 2 Employee performance measurement systems

Commercial firms' oriented social (social purpose business ventures) may reveal a different direction of social entrepreneurship. Social entrepreneurs act in the same market as imperfect and commercial entrepreneurs; however, this market raises many other obstacles in attracting the necessary financial and material resources.

This affects the ability to create economic value, which is reflected implicitly on the ability to create social value. For this reason, NGOs are forced to seek help and forms such as acts of volunteering, donations, membership fees are becoming harder to obtain [5].

The results depend on several factors such as access to resources and support provided for this purpose, the purpose of its business, its reputation, how they can assess the social value achieved by the enterprise.

The level of social entrepreneurship has led to a topic of interest to researchers and scientists in management and entrepreneurship, but also for business media, business and policy makers.

There are a variety of definitions related to social entrepreneurship, but there is no unanimity regarding the terminology used.

Thus, some definitions limit social entrepreneurship non-profit organizations while others describe as social entrepreneurship businesses managed by non-profit organizations. Other researchers in philanthropy equals social entrepreneurship, while other researchers relate to broader definitions, which are social

entrepreneurship in the position of individuals or organizations involved in entrepreneurial activities with a social objective.

Social entrepreneurship is often confused with corporate social responsibility (Corporate Social Responsibility, CSR) and socially responsible investment (socially responsible investing, SRI). Bogdan Diaconu, co-founder of the consulting agency Sustainable & Responsible Management of CSR, says that the three have much in common (long-term profit strategies, sustainable, environmental friendly and in line with the needs and expectations of the main groups co-stakeholders, from owners or investors, to customers, partners, employees and communities in proximity operations organizations as well as triple assessment and reporting - financial and economic, social and environmental - the organization's performance), but that is distinguished by the level of decision [6].

Thus, social entrepreneurship is an initiative of the entrepreneur, management of a company you CSR and SRI investors' options you for socially responsible investment fund and the fund's decisions to invest in companies that prove a certain level of social performance.

### 3. Courses of action in SMEs

In order to achieve these objectives, proposes some directions for future improvement on the internal and external management in small and medium business and conducted in Romania:

- Simplifying and improving the legislative and administrative framework, reducing bureaucracy and corruption, administrative and fiscal regulations and tax appearance, will aim at reducing the number of administrative procedures, the duration for obtaining authorizations, permits, licenses, permits, costs of these procedures and thus decrease corruption.
- Applying the new SME policy framework of the European Commission - the Small Business Act.
- Facilitating access of EU structural funds and funding mechanisms in place through the Eximbank, CEC, Romanian Guarantee Fund for SMEs Agricultural Guarantee Fund, the Romanian Fund for SMEs Counter established in 2009.
- Speeding up reforms and promote a competitive environment precompetitive correctly.
- Develop and implement an integrated and transparent to the improvement and business

development, based on the assessment and recovery factors affecting the competitiveness of firms and promote measures to improve the legal and organizational framework.

- Development in the education system and specialized training systems, entrepreneurial culture, strengthening management performance and encouraging innovative spirit, in this context, efforts are needed to the Romanian business environment awareness of the importance of intellectual property rights, quality management, intangible asset management, in particular of patents and trademarks - to stimulate their use [3].
- Ensure a high level of consumer protection through effective enforcement, protection of consumers against unfair trading practices and the risks that may affect their life, health, security and economic interests, development of cooperation with EU bodies, Member States and civil society, fostering individual self-protection capacity and consumer association in addition to direct protection offered by state institutions.

From the supply side, the crisis has increased the difficulties of access to financial resources. In 2010 the share of new enterprises with no resources was 77.9%, the percentage of those with problems caused by delays in payments by customers reached 49.8% and those with limited access to credit reached 47.6 %.

Also, in 2010, the difference between financial difficulties and other problems became more pronounced offer: more than 20% of businesses faced with difficulties related to lack of technology, access to qualified staff or lack of raw materials. Thus, financial constraints were the biggest challenge for new companies.

Owners / managers of start-ups in 2010 have become more concerned regarding the financial difficulties now faced by its clients and less concerned about less urgent matters such as market positioning of enterprise management (promotion or skills marketing) or access to new technologies.

### 4. Conclusions

The delimitation of social entrepreneurship and business concepts have drawn clear conclusions, so that in future we can take steps that will help social entrepreneurship and commercial efficiency in Romania:

- Creating the institutional, legislative and financial support in favor of SMEs and private initiative.
- Combating global economic crisis by

implementing the urgent economic measures and tax legislation in order to support and stimulate SMEs. [1]

- Connection SME policies to the Lisbon objectives.
- Development of technological capacity of SMEs.
- Implementation of cooperative policy.
- Support for agricultural entrepreneurs and family farms.
- Stimulate the production and utilization of local resources.
- Support innovative.
- The development of sustainable business.
- Enhance dialogue and increased transparency of regulations, by formalizing consultations public-private sphere of environmental management regulations and business professions. [2], reduction and simplification of administrative procedures affecting the business and professions, including the establishment and operationalization of offices (desks) unique to solve all administrative problems.

Profit for the benefit of a disadvantaged group is the basic principle of social entrepreneurship. Economic activities in social entrepreneurship to be ethical, sustainable and create jobs for disadvantaged people.

In Romania there is no legislation for social enterprises, but there is a project of achieving social legislation on the economy called "social economy for vulnerable groups", which can be expected to become law in two years.

By the decision, social entrepreneurship is distinguished from corporate social responsibility and socially responsible investments. Activities of social entrepreneurship can be developed as NGOs and cooperatives (handicraft, agricultural, consumer, cooperative banks, authorized protected units), mutual associations and credit unions. Among those who make social entrepreneurship organization in Romania include Leaders, ADEPT Foundation, Transylvania Authentica and five NGOs supported by NESsT.

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