



The influence of entrepreneurial training on entrepreneurs

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Abstract

Entrepreneurship training, as an important tool for changing the attitude and transfer of skills of entrepreneurs, is highlighted as a key necessity to development and growth of the entrepreneurship. The entrepreneurs constitute the human capital which is central to the understanding of what makes an entrepreneur, and whether or not people who do choose an entrepreneurial career path are successful. They are those who will be at the forefront of an economic recovery. They have found a niche or a specific need among the population and identify a way to provide that service or product.

Entrepreneurship training is a systematic, structured, and objectivism activity to creatively educate the entrepreneurs to develop their business skills and capabilities. The process of business creation has been gaining increasing importance after the financial and economic crisis. Thus the need for entrepreneurial training and its core benefits are sung more loudly than before. The present paper tries to review how the entrepreneurial training influences of the performance of entrepreneurs.

The current review of literature and proposed training programme conclude that entrepreneurial training is conducted to enhance the performance of youth enterprises since good financial management is critical to the success of any business and without it, a business can be set for failure from the start.

Keywords: entrepreneur, entrepreneurial training, business creation

Introduction

Recently the entire global economy was very strongly impacted by a financial and economic crisis. The first period was manifested as a crisis in the global financial markets, which subsequently developed into an economic crisis marked by falling global economic output. The financial crisis was influenced by the bankruptcy of several influential investment banks and financial services companies. It was necessary to support the economic competitiveness of enterprises (Gsparikova, 2011) [16]. The call for new enterprises had been increased. Many young people are about to join the list of youth unemployed. These young people will face a life without any means of collecting income. They are some brightest young minds and they need a stimulus to keep their minds focused and empower them to generate income. A question that ought to be raised "Are we sending Youth through an education system that cannot guarantee a job at the end of it?" if so, "what are we going to do about?" It is therefore important as unemployment rises among young people that the realities of enterprise and its core benefits are sung more loudly than before. We live in a society which, due in the main to cutbacks, has left many young people in a state of worry and frustration with regard to their futures. As a society, we need to find ways to tackle this issue so that we enable our younger to their futures.

Purpose of the research

This review paper tries to show how the entrepreneurial training influences of the performance of entrepreneurs, the characteristics of successful entrepreneurs, the good climate of

producing good entrepreneurs and the skills that should be developed during training the young entrepreneurs for developing creativity in business.

The Call for Business Creation

The process of business creation has been gaining increasing importance in terms of the economic policy of a country. Kantis *et al.*, (2000) [20], Kantis & Komori, (2002) [19], Thurik & Wennekens, (2004) [45]. Since the beginning of the past decade, developing entrepreneurial skills of the population and therefore the creation of new businesses have become a central objective to accelerate economic and social development of nations. Hence, this process is considered a complex phenomenon, linked to social, cultural and economic factors, whose importance lies in its contribution to economic growth, development of new players to compete, diversify value chains and clusters, the creation of employment, the strengthening of the processes of innovation and the promotion of the business generational change. Shapero (1984) [39, 40], Audretsch (1995) [1], Gibb & Ritchie (1982) [11], Buame (1992) [7] and Kantis (2004) [18]

Is an Entrepreneur Born or Done?

The literature on business creation on one hand postulates that the entrepreneur is born, i.e. an individual with basically innate characteristics, while on the other hand, it considers that the entrepreneur is done, that the qualities that define him or her as such are acquired throughout his or her life. Nevertheless, there is a consensus that the "entrepreneurial gene" does not guarantee the business orientation of an

individual and that entrepreneurs generally have the need for achievement and recognition, a creative and imaginative personality, confidence in their own abilities or self-confidence, action orientation and initiative taking, a high need for independence and control situations, negotiation and leadership skills, high risk propensity and perseverance. Hornaday & Aboud, (1970)^[17], Green *et al.*, (1996)^[14, 15] and Deakins (1996)^[10]. Likewise, the literature indicates that the ideas and ambitions of the entrepreneur are born in childhood and youth, but they are developed in adulthood.

Entrepreneurial Training

Just like the formation of a new company, to be able to mature to potential entrepreneurs, youth need an integrated entrepreneurial learning process. Koch (2006)^[13]. Similarly, training and development of entrepreneurial propensity evolves as a process model from the different types of explicit creation process. Ruda *et al.* (2008)^[33] The literature on professional vocations describes the choice of studies as an expansion of the personality or interests of individuals, Savickas (2005)^[36], Spokane & Cruza-Guet (2005) and Sinclair (2008), so that the personal choice of the profession represents an extension of their own personality (Savickas (2005)^[36]. At the same time, it is confirmed that people, who aspire to develop an entrepreneurial activity, are distinguished from other individuals without entrepreneurial intentions with measurable signals. Sinclair (2008)^[41, 42].

Business Creation Climate

The positive development of the new venture creation process from the formation of the entrepreneurial propensity, depends crucially on the perception of access and the availability of resources, Chandler & Hanks (1994), Mellewigt *et al.* (2006)^[27] Ruda *et al.* (2008a)^[32] and Ruda *et al.* (2008b)^[33] among which are included social and cultural factors and not only economic factors and economic policy conditions Ruda *et al.* (2009a)^[34] and Ruda *et al.* (2009b)^[35]. Therefore, knowledge, capital, financing resources, institutional incentives, Lilischkis (2001)^[23] and contacts (particularly customers) play a relevant and decisive role, Baier & Pleschak, (1996). It is also essential to have economic competencies for the effective introduction of an innovation in the market. Lilischkis (2001)^[23]. An empirical study has confirmed the existence of a significant negative correlation of qualification deficits and economic competition with business creations. Mellewigt *et al.* (2006)^[27]. Consequently, not only technological knowledge but also economic knowledge are extremely critical for the realization of an innovative entrepreneurial development.

Indeed, the realization of personal interests, values and job presentations seem to be more the reasons responsible for conducting an entrepreneurial project. In this relationship the intrinsic reasons are, particularly the aspiration for autonomy, self-realization, Bradley & Roberts (2004)^[6], and the realization of own ideas, strongly crucial about the positive will to the professional independence. A majority relates entrepreneurs especially with qualities such as risk propensity and / or risk tolerance. Uebelacker (2005)^[46]. Along with this, the aspiration of power that is to dominate or to have power also increases the propensity to new venture creation. Sexton & Bowman (1984)^[38] and Martinelli, 1994)^[24]. In addition, a

professional independence, especially oriented to traditional professional careers, allows a classification of more flexible working time. External factors, particularly prestige, recognition and income (high), are reasons equally important for new venture creation, although not with the intensity of the intrinsic motives. Pinfold (2001)^[30] and Golla *et al.* (2006)^[13]. These factors base new venture creation motivation known as economic self-realization. Bögenhold (1989)^[4, 5], Morris & Schindehutte (2005)^[28] and Ruda *et al.* (2008a)^[32]. Results of empirical studies have confirmed the importance of these "push factors" and "pull factors" for the creation of business or professional independence. Ruda *et al.* (2008)^[33].

Along with factors such as gender and age, the close social environment of the student as part of their studies, the values derived from the experience, as well as the family circle and the circle of their acquaintances, also influence the intention of new venture creation. With regard to gender, several studies have shown an affinity for new venture creation superior among men than women. Davidsson (1995)^[9], Kolvereid (1996), Mazzarol *et al.* (1999)^[26] Phan *et al.* (2002)^[29] and Golla *et al.* (2006)^[13].

The climate of new venture creation is equally valid as a factor of influence (Bruns & Görisch (2002) and it is one of the most important ones. The culture and traditions of society, as well as, the historically ripened behaviours, also act on the willingness to creating potential business founders. Also, opinions in economic policy that are imposed and gain space, like certain interests are reflected in the climate of new venture creation that the bibliography has detected stand out the difficult access to third party financing, high financial risk, insufficient capital, negative economic climate, unfavourable economic environment policy, absent contact with clients, lack of demand, fear of shipwreck, bureaucratic hurdles, lack of entrepreneurial skills, knowledge deficits and inadequate availability of colleagues for new venture creation, Golla *et al.* (2006)^[13], Klandt (2006)^[13, 21] and Schlug *et al.* (2002)^[37], in addition appears absent availability of time and also insufficient support from family and friends, Szyperski & Nathusius (1999)^[44] and Lilischkis (2001)^[23], weak business ideas, Bird (1988)^[2, 3] Van Praag & van Ophem (1995) and Gifford (2005), and also the lack of entrepreneurial attitude, Bugental (1980)^[8] May (1975)^[25] and Bird (1988)^[2, 3], and venture creation, Kirschbaum (1982). This climate of creation is widely evidenced by the opinion of the population about the economy and the way that they assume aspirations of progress and the possibility of family financial coverage, Kirschbaum (1982) and Wimmer (1996). All these factors are understood as barriers to new venture creation process during the pre-launch of the venture, which can lead the potential founders to stay far from realizing the creation of the new firm; that is, these circumstances are regarded as active elements that hinder the realization of new venture creation. Mellewigt *et al.* (2006)^[27] and Lilischkis (2001)^[23].

The Reasons behind Success

Why are some entrepreneurs so much more successful than others in starting new ventures? Previous efforts to answer this question have generally focused either on the personality traits or susceptibility to various cognitive errors of individual entrepreneurs or on such external factors as the number of

competing businesses. We suggest those entrepreneurs' social skills—specific competencies that help them interact effectively with others—may also play a role in their success. A high level of social capital, built on a favourable reputation, relevant previous experience, and direct personal contacts, often assists entrepreneurs in gaining access to venture capitalists, potential customers, and others. Moreover, by helping entrepreneurs expand their personal networks, social skills may also contribute to their social capital. Because social skills can readily be enhanced through appropriate training, entrepreneurs who take advantage of such opportunities may reap important benefits.

The entrepreneurial creation activity is also influenced, in a negative direction, by social and cultural norms, as well as, economic and political conditions, in addition to the personal characteristics of the individual that affect. Reynolds *et al.* (2002)^[31] and Welter (2001)^[47].

Conclusion

Throughout this paper, the researchers have presented a review of wide range of literature of empirical studies studying how the entrepreneurial training influences of the performance of entrepreneurs, the characteristics of successful entrepreneurs, the good climate of producing good entrepreneurs and the skills that should be developed during training the young entrepreneurs.

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