

ENTREPRENEURIAL ORIENTATION AND LOCAL OPPORTUNITY IN THE RURAL PART OF THE METROPOLITAN BUCHAREST- ILFOV AREA

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Abstract: *The concept of entrepreneurial orientation has been widely discussed in the literature, as it is considered a key factor in the success of new ventures. This article focuses on the opportunity-based entrepreneurial orientation in the metropolitan area, exploring the relationship between the local context and the propensity to identify and pursue entrepreneurial opportunities.*

It is widely known that the metropolitan area of Bucharest-Ilfov produces as many as 24% of the Romanian PIB, and the region of Ilfov has the 3rd largest population growth in the world. Therefore, this study highlights the importance of understanding the local context and the specific characteristics of the metropolitan area in order to develop effective strategies for promoting entrepreneurial activity.

Using a quantitative research approach, this study among the people in the rural part of the metropolitan area of Bucharest-Ilfov examines the experiences and perspectives of the orientation to entrepreneurship. Opportunity-based entrepreneurial orientation is influenced by a variety of factors, including the presence of supportive networks, access to resources, and the availability of market information. The findings of the study point out a fresh perspective on how rural entrepreneurs configure their businesses and access the resources available in their environment. Overall, this study contributes to the literature on entrepreneurial orientation, provides the actual trend of the incoming ventures in the metropolitan area of Bucharest-Ilfov, and highlights the importance of studying entrepreneurial orientation as a variable in firm performance.

Keywords: *entrepreneurial orientation, local context, rural metropolitan, specific characteristics.*

INTRODUCTION

Entrepreneurship is routinely promoted as a solution to our most pressing societal and environmental challenges. [1] Having entrepreneurial intentions is explained by the desire to establish or grow a new business venture. [2]. In recent years, the dynamics of entrepreneurship have extended beyond urban centers, with increasing attention being directed towards areas located near the big cities.[3]. Generally, cities and villages are an organic whole, and they are tightly connected with each other in the form of resource flows like labor, capital, material, and information. Both cities and villages need to develop sustainably to support each other. This development has resulted in an increasing call for rural revitalization, rural renewal, or rural rebirth. [4]. It also creates free travel for businesses, a direct effect of being near a big urban center. [5]. The intersection between entrepreneurial orientation and local opportunities in these rural settings presents a compelling research domain, calling for a deeper understanding of the factors shaping entrepreneurial endeavors and their impacts on local development.

In every community, we can find people with entrepreneurial characteristics who, when an opportunity or favorable conditions appear, they are capable of initiating new adventures. Regardless of the stage of development of an area, the rural environment contributes to the economic and social development of the area in the region in which it is located. [6]. Entrepreneurial orientation represents a predisposition to take risks, innovate, and engage in proactive behaviors, which are key drivers of entrepreneurial activities. On average, men are more likely to be entrepreneurs than women; they attribute this result to the fact that men are more likely to take on investment risk than women are. [7]-[9].

The rural periphery of metropolitan areas presents distinct challenges and opportunities compared to urban centers, such as limited access to resources, distinctive cultural and social dynamics, and diverse natural landscapes. Consequently, entrepreneurs operating in these settings may adopt unique orientations and strategies to capitalize on local opportunities and address specific challenges. Rural economies are often framed in terms of structural deficits arising

from population loss, inadequate investment, limited levels of human capital, and an aging population. In turn, much of the dialogue on rural economic development is motivated by the need to address these weaknesses, especially in terms of economic imbalances between non-metropolitan (rural) and metropolitan (urban) areas. This perceived divide between urban and rural economic assets often spurs rural communities to pursue exogenous development opportunities based on the assumption that economic growth can be driven by attracting capital from other areas. Among the most popular exogenous development strategies are industrial attraction efforts that attempt to entice firms to relocate using a variety of direct and indirect incentives. [10].

This study refers to the untapped potential for economic growth, job creation, and community development within the rural periphery. These opportunities may emerge from various sources, including natural resources, cultural heritage, tourism, agriculture, and emerging industries. Understanding how entrepreneurs identify, evaluate, and exploit these opportunities, as well as the effects of their actions on local economies and communities, is of paramount importance for policymakers, practitioners, and researchers alike.

EXPERIMENTAL

This article aims to investigate the rate of entrepreneurial orientation in the rural periphery of the metropolitan Bucharest-Ilfov area. By examining the interplay between individual entrepreneurial mindsets, organizational behaviors, and the unique contextual factors within these settings, we seek to contribute to the growing body of knowledge surrounding entrepreneurship in rural parts of a metropolitan area. Furthermore, this research aims to find the level of determination to embrace entrepreneurial activity that can foster sustainable local development, thus providing valuable insights for policymakers and practitioners seeking to promote entrepreneurship in similar contexts.

By using the quantitative research method, we intend to uncover the factors that shape entrepreneurial orientation in the rural periphery, see if our respondents identify and exploit local opportunities, and also know the impacts of future entrepreneurial activities on the development of their regions.

This chapter presents an experimental study conducted by the authors to investigate entrepreneurial orientation in the rural part of the Bucharest-Ilfov metropolitan area. Entrepreneurial orientation refers to the strategic mindset and actions undertaken by individuals to identify and exploit entrepreneurial opportunities. Understanding the entrepreneurial orientation in the rural context is crucial for fostering economic growth, innovation, and sustainable development in the Bucharest-Ilfov metropolitan area. The research aimed to identify the entrepreneurial attitudes, behaviors, age, gender, level of study, and aspirations of individuals in rural communities.

The authors developed a comprehensive questionnaire to measure various dimensions of individual-level entrepreneurial orientation. The questionnaire included items related to entrepreneurial intentions, risk-taking propensity, innovativeness, proactiveness, and market opportunities.

A representative sample of rural residents in the Bucharest-Ilfov metropolitan area was selected for the study. The sampling process involved randomly selecting 132 residents (496.280 total people in Ilfov County) from 21 different rural communities within the metropolitan area. The sample size was determined to ensure the statistical reliability and generalizability of the findings.

The questionnaire was administered to the selected participants using online platforms. The authors explained the purpose of the study and obtained informed consent from the respondents. The questions were conducted in a structured manner to maintain consistency and ensure data quality.

The collected data were analyzed using statistical techniques and sorted by age, gender, level of study, social factors, and others. The researchers examined the relationships between the different dimensions of entrepreneurial orientation and explored potential factors influencing entrepreneurial intentions and behaviors in the rural context and the potential effect entrepreneurial activity has on the region. The authors have two hypotheses:

- 1) The decision to become an entrepreneur is related to the age, level of knowledge, and gender of the respondents, young men are more likely to start an entrepreneurial activity.
- 2) Future entrepreneurs who know the local context, opportunities, and market also know the impact of their business in the area.

RESULTS AND DISCUSSION

The structure of the respondents based on their age is as follows: 10,61% are aged between 18 and 29, 59,09% are aged between 30-44, 25,76% are in the 45-59 area, and only 4,55% are 59 or older.

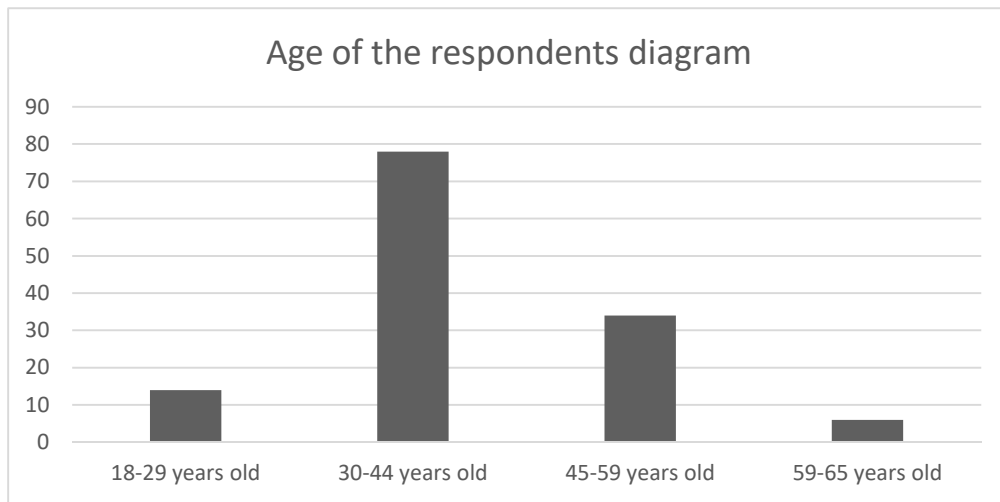


Figure 1. Age of the respondents in the rural part of the metropolitan Bucharest-Ilfov area Source: The Authors

Considering the respondents gender, 54,5% are males and 45,5% are females, and in terms of education, 82,58% have a high level (college, master's degree, or above), and only 17,42% have a medium level (high school). In terms of employment among the questioned citizens, 67,42% are employed, 21,97% are not employed, and 10,61% are entrepreneurs.

Entrepreneurial intentions are more prevalent in men (56% of them are inclined to open their own business), compared to women, who have shown this option in a proportion of 44%.

The analysis based on the respondents surveys shows that 34% of the respondents have a medium level of education, and 76% of those enrolled in college with a master's degree or above reveal intentions of entrepreneurship, which could be explained by their more in-depth knowledge. By looking further at the responses, we find out that 55,56% of males with entrepreneurial intentions have a superior degree of study, while 44,44% of females with entrepreneurial intentions have a superior level of study. This confirms hypotheses number 1 of the authors, that males who are less than 40 years old with a superior level of education are more likely to start an entrepreneurial activity.

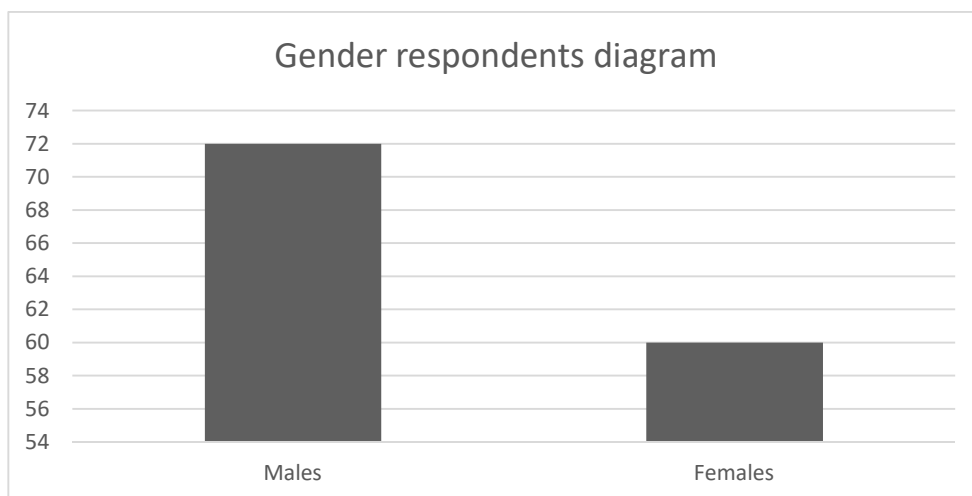


Figure 2. Gender of the respondents in the rural part of the metropolitan Bucharest-Ilfov area Source: Authors' contribution

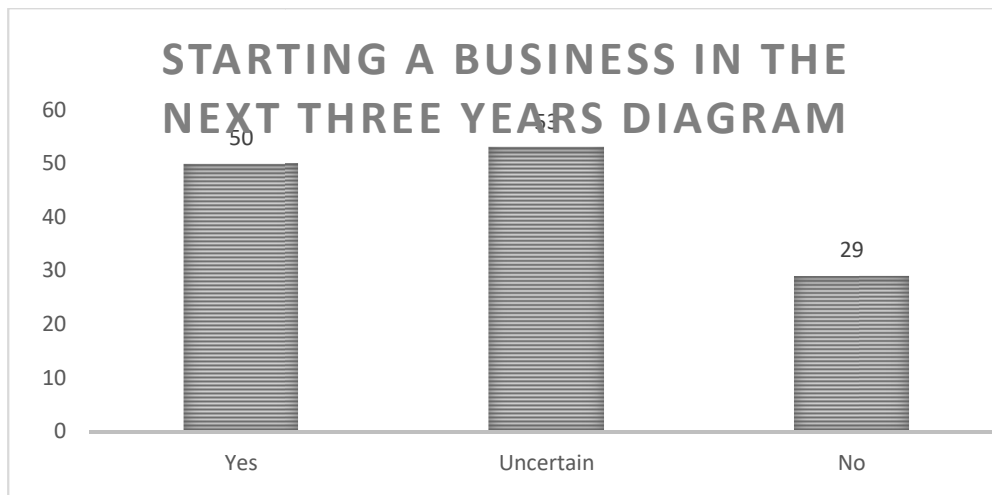


Figure 3. Representation of the decision to start an entrepreneurial activity in the next three years
Source: Authors' contribution

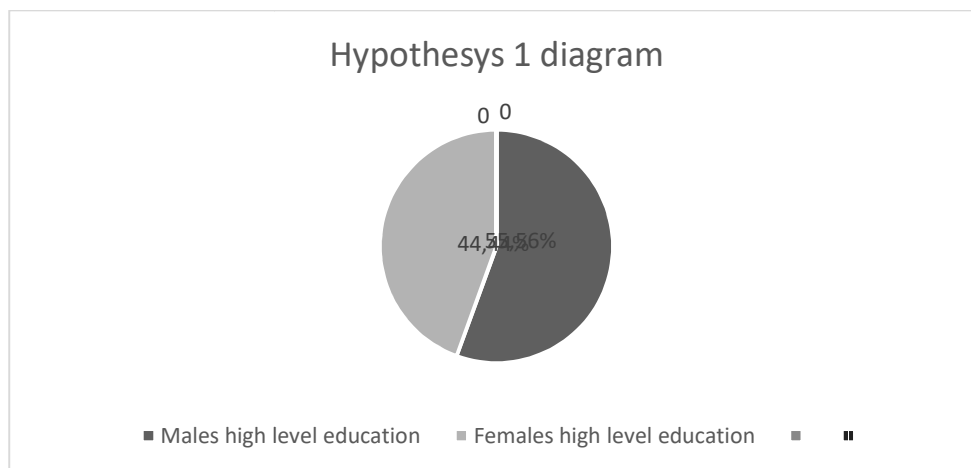


Figure 4. Representation of the indicators analyzed in hypothesis 1
Source: Authors' contribution

In order to test hypotheses number two, the authors, based on the questionnaire, eliminated from the analysis those future entrepreneurs who didn't know the market, local opportunities, or were uncertain and focused only on those who knew the market and local context. They found out, like they assumed in the first part of this article, that 72,41% of the respondents who know the market and opportunities also know the impact of their business on the development of their area. Only 27,59% of the respondents have a clear idea of the impact of their future entrepreneurial activity.

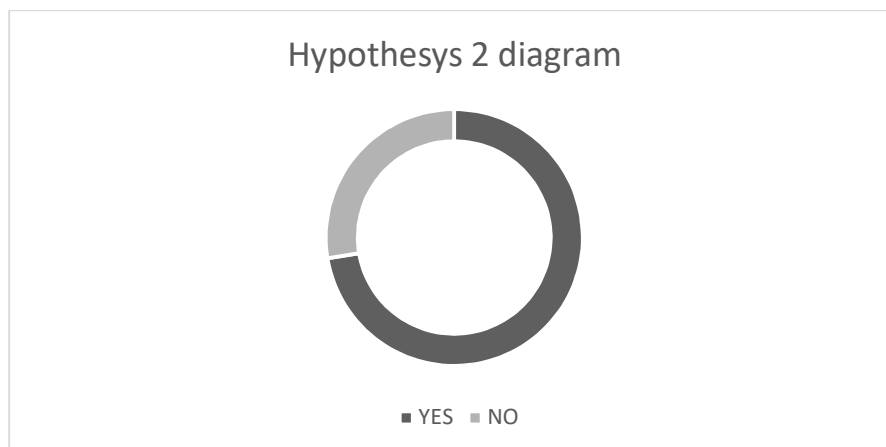


Figure 5. Representative knowledge of an entrepreneurial activity's impact in his area
Source: Authors' contribution

Analyzing the number of respondents who have an intention to open a business in the next three years, along with the answers that stand for hypotheses number two, in which future entrepreneurs that know the local context, opportunities, and market also know the impact of their business in the area, the authors found that males are twice as many as females.

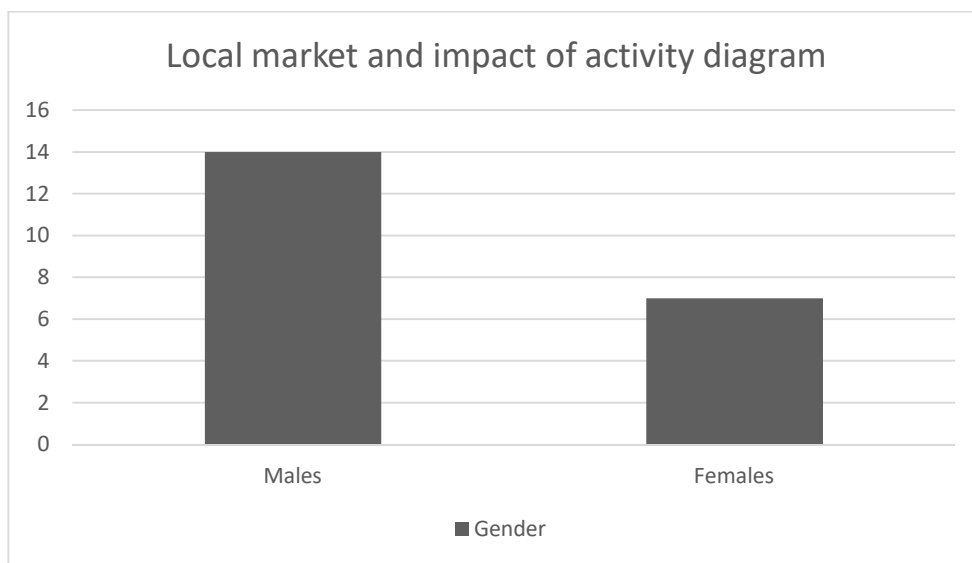


Figure 6. Representative males vs. females with entrepreneurial orientation who know the local context, opportunities, and market and also know the impact of their business in the area

Source: Authors' contribution

CONCLUSION

Romania, through its metropolitan areas, is asking for a general change from the paradigm of labor consciousness to a concept of work and company management. By increasing the number of entrepreneurs, not only the economy but also other benefits such as the standard of living and social security increase.

It has been claimed that entrepreneurship growth is one path to building and sustaining urban and rural regional economies [11]. Identifying and quantifying oriental entrepreneurship represents an initial step in the analysis of a comprehensive set of determinants that can help understand the mechanisms through which entrepreneurship can enhance regional economic development. [12]. The experimental study on entrepreneurial orientation in the rural part of the Bucharest-Ilfov metropolitan area provides valuable insights into the entrepreneurial orientation of these communities. The findings contribute to our understanding of the entrepreneurial mindset and behaviors among rural residents, laying the foundation for policy interventions and support programs to foster entrepreneurship and drive sustainable development in these areas.

We show through this article, which joins the specialized literature, that although the study done is limiting, the tendency to generate a new business in the less developed area of a metropolis belongs to men in relation to women, and the level of studies contributes decisively to this fact. Also, through our work, we argue that the mechanisms that work in the centers of urban areas also work in the rural parts, in the sense that the knowledge of the area and the local context contribute substantially to the decision to become an entrepreneur. Another factor that does not exclude the others but will act together definitively traces the entrepreneurial intention in a sustained and periodic cycle; knowing the impact of the business on the area allows drawing the directions to follow at the regional level. With the aim of this study being to understand the importance that an entrepreneurship activity has for a rural area of a metropolitan area, we used a quantitative study, which presents some subjectivity in the analysis of the results and categorization of the interviews. [13]. The second limitation is related to its interpretative nature since it is not possible to generalize the result to every rural part of a metropolitan area. The chapter concludes with recommendations for future research to compare this study with another study of the same kind on other rural parts of a metropolitan areas in other countries and also to study the financial impact of these rural entrepreneurial activities.

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