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## ENTREPRENEURIAL CULTURE – A FACTOR FOR HARMONIZATION OF RELATIONSHIPS IN ECONOMIC STRUCTURES

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### ABSTRACT

**PURPOSE:** The article has as a main purpose to show the need of changes in the intensive processes in the entrepreneurship and creating effective entrepreneurial culture in the economic structures. The phenomenon "entrepreneurship" is discussed in the paper, according to the theory and practice in Bulgarian society in the aspect of its deep connection with the "culture". **METHODS:** The research includes the following methods of collection and analysis of information about the "entrepreneurial culture": Secondary analysis of the other scientific studies devoted to the main topic; Monitoring and analysis of policies and practices in contemporary Bulgarian economic development; Analysis of human factors in the management processes in the area of entrepreneurship. **RESULTS:** We believe contemporary science has to develop criteria for determining the level of entrepreneurial culture such as: The level of knowledge of the legislation in the field of entrepreneurship; Knowledge about the mechanisms included in this activity; The cultural patterns of the managers and employees of the company. The development of individual initiative and activeness of entrepreneurs; Knowledge about the mechanisms of consumers' influence on the entrepreneurial activity; The forming of responsibility for activities and results in researched area. **CONCLUSION:** The article underlines the importance of the entrepreneurial culture of organization. In the changing social environment entrepreneurs have to learn how to look ahead, to analyze not only the economic but also the social problems in cultural situation, to predict the changes and apply their modern management style. In the frame of the entrepreneurial culture of organization is possible to achieve appropriate economic results.

**Key words:** entrepreneurship, culture, social and economic structures, management, human factor.

### INTRODUCTION

Entrepreneurship as a form of economic activity occupies a central place in the socio-economic conditions in democratic Bulgarian society in the recent years. The role of entrepreneurship as a key area of economic development of the globalizing world increasingly grows.

A specific niche in the consumer market occupies the small business, which contributes to

the rapid enrichment of goods and services in a wide range, competition development, free pricing, overcoming the branch and regional monopolies. This is one of the most dynamic forms of economic structures' management that includes intensive processes of restructuring, changes in the business activities, creating new and effective enterprises and providing jobs.

It has been obvious for a long time that without the participation of the business representatives in the public life it is impossible to develop all spheres of society.

The phenomenon of "entrepreneurship" should be concerned according to the theory and practice in the countries of young democracy.

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This sector requires a deep and serious study of the role of human factors. We are talking about the formation and implementation of a framework of entrepreneurial culture of companies and organizations, their employees, officers, partners and consumers of goods and services with which they interact.

### **MATERIALS AND METHODS**

The research includes the following methods of collection and analysis of problems of the "entrepreneurial culture": secondary analysis of the other scientific studies devoted to the main topic; monitoring and analysis of policies and practices in contemporary Bulgarian social and economic development.

The interest in the entrepreneurial culture of the 80 years of last century increases because of the belief that "the gap in terms of the influence of cultural factors in the literature about entrepreneurship should be filled" (1).

Economists have dominated in the study of entrepreneurship and their views are dependent entirely on economic factors and largely independent of culture. In turn, scientists of the social sciences (sociology, philosophy, anthropology, history) tend to consider entrepreneurship for deeply rooted in "culture". Gradually the research entrepreneurship culture have expanded and has more supporters.

Heated debates appeared that were generated by the difficult and controversial issues. It was realized "the need for a clear and workable definition of the basic concept of "culture" and "entrepreneurial culture" (1).

According to the sociologist professor B. Kolev, "Profit, productivity, modernization and economic development is not only influenced by the presence of capital markets, labor, materials and technology. No less is the role of a number of non-economic factors - social norms and beliefs, psychological motivation, authoritative connections and especially „culture” (2).

The author's opinion is that the most important areas connected with the necessity of research on the "entrepreneurial culture" are:

- The relationship between strategy, policy and culture;

- The internal and external impact in the formation of the entrepreneurial culture;
- The hierarchy of organizational values;
- The conflicts in the company and the role of the manager to avoid and manage them;
- Human Resource Management in light of changing entrepreneurial culture;
- Innovative development for formation of the entrepreneurial culture;
- The principles of building and changing entrepreneurial culture of the organization.

Entrepreneurial culture is an ensemble of specific values and norms, which are combined in a system regulating the entrepreneur's way of life. Personal entrepreneurial culture encompasses internalized motives, principles of behavior and living patterns of entrepreneur's activities.

Considering the role and contribution of entrepreneurs and the general human factor in these complex processes, we discuss the large, universal factor "culture", which is a focus for researchers, "corporate culture", "organizational culture", "communicative culture" "entrepreneurial culture". It is impossible to identify these concepts in spite of a deep connection between them, located in the "cultural", "social", "personal" cut the desired characteristics. Seen in their deep social context, they relate to the philosophical concept of "culture" that always conveys a sense of immensity. The limits of 'culture' - in the events and changes in human activities - are virtually unattainable. The culture covers overall individual and public human activities and it has extremely complex nature relating to personality's business and communication.

According to Russian researchers C. B. Orlov, O. D. Mizerova and E. V. Orlova, "The knowledge, skills, habits in the organization of interaction of subjects (who are a part of the organizational structures in the economic sphere) are the prerequisite for establishing contacts with business partners to achieve accurate perception and understanding of information in the communication process to predict the behavior of partners and targeting to the desired results - it is the communicative culture "(3).

The formation and development of entrepreneurial culture is extremely topical in the

current economic conditions. There is a number of serious researches about factors determining the role of culture in the development of entrepreneurship in economic science especially, about the "corporate" and „entrepreneurial culture”.

The „strong” corporate culture is a set of conditions in the company where core values are available in the minds of the employees. Accordingly, where these values are not recognized by the majority staff of the organization we can talk about a weak culture. There is a „counterculture” - it is absence of key values (instead of management support - implementation of countermeasures in management). Organizations in which exist elements of counterculture in a highly competitive environment are doomed to death or survival with minimal chance for development.

In science there is no common understanding of the term "entrepreneurial culture", and understanding respectively in what scientific area to use it. Theoretical studies of scientists have shown that most often the term „entrepreneurial culture” means „culture” that is formed in the community of entrepreneurs, among human resources in the companies, their work and results. Such a definition seems too narrow in terms of the theory of social structures and organizations. Mainly the legal and moral aspects of culture are taken into account in this case. Other researchers consider the term "entrepreneurial culture" more widely. According them the term "enterprise culture" means basic values in entrepreneurial activity. These include labor, property, pragmatism, initiative, freedom, responsibility, and ethics of business communication. Professor Hristo Makakov underlines: “The information resources, their use and management systems (Management Information Systems) are developed rapidly over the past two decades. The “model” management that is based on utilization, process, management, and production models (Model management) is developed also”(4).

The author considers that a fundamental importance in clarifying the "entrepreneurial culture" is in the term "communicative culture. This is because the processes underlying the entrepreneurial activity are inherently

"communicative" processes related to people interaction, without which is impossible to develop the human activity at all. We consider it is essential to understand "communicative culture" as an analogy of social integration, connectivity and continuity of the social environment, where the personality operates.

The present stage of scientific and technological revolution is associated with the development, implementation and use of the latest communication and information technology. The era of digital technology requires from the entrepreneur high intelligence and creativity to allow him to assess the economic impact of innovation in achieving the goals of the organization.

On the other hand, the intellectual creativity in organizing entrepreneurship is not only a vigorous initiatives, risks, but necessity to have effective communication in the company (organization) as well as in the social environment.

For such successful business communication the entrepreneur should possess and develop advanced communicative culture. Thus, the entrepreneur with economic thought, responsibility, innovative thinking, who has good communication skills and ability to apply the rules of business etiquette and norms, the art of consensus achieves excellent results.

In organizations and companies that are run by entrepreneurs who has strong communicative and entrepreneurial culture, increase the positive aspects in the behavior of employees and collaborators of the company.

Generally, in the structures with strong culture, this culture acts as an independent factor for motivation of personnel and increasing the level of efficiency of the human factor. We would like to answer the question whether it is possible to talk about entrepreneurial culture and to distinguish the entrepreneurs from the other sectors of society, not taking into account the culture of the business partners and customers?

According to Professor M. Mirchev in contemporary Bulgarian society „ there is a skill gap – social, communicative, professional, institutional and normative. This concerns not only the need of better education and

cognizance. This requires functional literacy, developed ability to operate effectively in the institutional and regulatory environment for structural and functional interactions of people with social groups and communities, with the institutions of government, with the media, with civil unions”(5).

We are certain that the culture that has developed in the community in relation to large or small entrepreneurs, primarily determines the place and the role accredited to them by society.

If there is not formed entrepreneurial culture in the society, the attitude towards entrepreneur's remains at the same negative level, which does not allow them to show the qualities and results which expects society.

Entrepreneurial culture is a part of the general culture of society, regardless of this culture is inherent to the social community of entrepreneurs. The specifics of entrepreneurial culture depend on entrepreneurs' relationships to the staff and to the partners, government institutions and other structures of civil society and influences them.

Entrepreneurs have a specific way of life, which is characterized by unique cultural patterns of behaviour.

Currently, the still low level of self-organization of small business, the weak public activity of most entrepreneurs, their alienation is a significant problem that negatively affects the development of small business.

Precarious financial situation of a number of small businesses structures due to the inability of some of them to adapt to market changes, to rebuild the internal management, to develop effective communication with their products' and services' customers.

Entrepreneurial culture can be formed in two ways:

Objective - in the form of specific results of material and intellectual entrepreneurs' activities;

Subjective - in the form of existing and developing personal qualities of the entrepreneur, defining the nature of its activities, its goals and means of achieving them.

The main characteristics of entrepreneurial culture are:

- The level of the productive forces and Human

Resources Management;

- The organization of production and of the internal environment;
- The quality and safety of goods and services produced;
- Independence and freedom of the entrepreneur;
- The activism and creativity;
- Legal, moral and social responsibility of the entrepreneur.

Entrepreneurship as an economic and social phenomenon is growing and is developing in a particular society, in the particular national culture, which imposes its characteristics on entrepreneurs and has an influence on all the layers of the population.

In our opinion the more important is the formation in various social strata of society those qualities that allow to arise understanding of the entrepreneurship importance in the development of society and respectful attitude to the results of entrepreneurs' activities.

Therefore, the culture of entrepreneurship is becoming an integral part of the wider concept "entrepreneurial culture".

Entrepreneurial culture includes not only the culture of entrepreneurs, but cultural values, knowledge and action in relation to entrepreneurs and their activities by the population also:

- The development of a special master's and creative, "entrepreneurial thinking" citizens';
- Citizens' initiative, independence, the ability to forge their way of life, relying primarily on their own resources;
- Establishment communication connections to implement their own ideas.

## RESULTS

The modern social and economic conditions require a deep analysis of the main factors and their impact on the development of entrepreneurial culture.

There is a necessity to research the development of criteria for determining the level of entrepreneurial culture, which, we believe, can be such as:

- The level of knowledge in the area of the legislation in the field of entrepreneurship;

- Knowledge of the mechanisms included in this activity;
- The development of individual initiative;
- The knowledge of the mechanisms of consumers' influence on the entrepreneur activity;
- The forming of responsibility for activities and results.

### CONCLUSION

In our days the scientific study of the problems of entrepreneurship activity and the sociological research in this field still lag behind the evolving practice. In the changing social environment researchers have to learn how to look ahead, to analyze not only the economic but also the social problems and cultural situation, to predict the changes, to be prepared for them. Then in the frame of formed entrepreneurial culture of society will develop appropriate business - adapted with the needs of the human factor, socially oriented, featuring modern activities and results.

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