

Factors that influence entrepreneurship in the beekeeping sector in the North-West Region of Romania

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Abstract

Entrepreneurship plays an important role in the process of economic growth and technological change. In order to sustain the development of the beekeeping sector in the North West Region of Romania, entrepreneurship has to be promoted among beekeepers. Moreover, the factors that determine the decision to start a business have to be analysed and explained. The study emphasizes the fact that motivation, knowledge and social capital determine beekeepers to engage in entrepreneurial behavior. Experience in apiculture was as well analysed, but the survey revealed the fact that beekeepers that had less experience in apiculture were more interested in starting a business than those who had been practicing apiculture for many years. The study reveals the fact that beekeepers from the North-West Region of Romania possess resources that influence the performance and networking potential of their beekeeping exploitations.

Key words: beekeepers, entrepreneurship, knowledge, motivation, social capital

INTRODUCTION

The present research examines some of the factors that determine the intention to start a business in the beekeeping sector. Factors such as motivation, knowledge and social capital are seen to explain entrepreneur's capacity to discover opportunities and decide to start a business. Entrepreneurship in general terms is concerned with the "discovery and exploitation of profitable opportunities" (Shane and Venkataraman, 2000). All human action is the result of both motivational and cognitive factors, the latter including ability, intelligence, and skills (Locke, 2000). Entrepreneurial activity "can be conceptualized as a function of opportunity structures and motivated entrepreneurs with access to resources" (Aldrich and Zimmer, 1986). According to Baum et al. (2007) motivated entrepreneurs are important to the entrepreneurial process, and so the inclusion of human motivation in theories of the entrepreneurial process is crucial. Hisrich (1985) found that one of the prime motivations for starting a business was the desire for independence. Passion and the desire for independence were found to be one of the main factors that determine beekeepers to practice apiculture. Surprisingly, there have been virtually no quantitative studies of the role of passion in entrepreneurship. One exception is the study by Baum et al. (2001) who entered passion for the work as a separate variable along with 29 other variables from five domains (personality, situational motivation, skills, strategy, and environment). In

Baum's research passion had a direct significant effect on firm growth. The human capital literature in entrepreneurship has begun to show the effect of certain types of knowledge and skills on the start-up (Shane et al., 2003). According to Shane and Venkataraman (2000) some people and not others discover particular entrepreneurial opportunities because they possess prior information necessary to identify an opportunity and the cognitive properties necessary to value it. Knowledge is one of the aspects that particularly matter for the performance of an entrepreneur. According to Penrose's (1959) theory of the growth of the firm, firm's knowledge to productively integrate resources into higher-level capabilities determines its growth. According to Spender (1994), competitive advantage is not merely explained by individual resources, but by a different type of resource – knowledge, referring to the *coordination* of resources, which inheres in the activity itself and therefore the firm (rather than its individual members). Competitive advantage has come to be seen as based on knowledge, not raw materials. In this way, firms create and sustain competitive advantage by protecting valuable knowledge through preventing its migration and reducing its imitability (Prashantham, S., 2008). Knight and Cavusgil (2004) sustain that “knowledge is the most important resource, and the integration of individuals' specialized knowledge is the essence of organizational capabilities”. Closely related is the aspect of absorptive capability, which is the ability of a firm to recognize, assimilate and apply information from the external environment (Prashantham, S., 2008). Aldrich and Zimmer (1986) show that stronger social ties to resource providers facilitate the acquisition of resources and enhance the probability of opportunity exploitation. According to Bourdieu (1986), the social capital is “the aggregate of the actual or potential resources which are linked to possession of a durable network of more or less institutionalized relationships of mutual acquaintance or recognition”. Because very often entrepreneurs do not have access to extensive information sources, they are backed up by actors in their environment who influence their decision-making process. Social capital contributes to the availability of information, and it has a positive impact on the innovative performance of small and medium-sized enterprises (Gibcus et al., 2008). Social capital fosters trust and decreases barriers to the exchange and combination of new knowledge (Nahapiet and Ghoshal 1998).

MATERIAL AND METHODS

The present study is based on a survey used as research method and a questionnaire used as work tool. The questionnaire was conducted between November 2010 and February 2011. The research area was the North West Region of Romania. The sampling for the survey was based on the information provided by The Romanian Beekeeping Association, regarding the number of beekeepers from the following towns: Bistrita, Bihor, Cluj-Napoca, Maramures, Salaj, Satu-Mare. The respondents were mainly members of the Romanian Beekeeping Association, as the questionnaire was distributed during their meetings. The questionnaire was also distributed during the beekeeping courses organized by the Romanian Beekeeping Association.

The data was analysed using SPSS program. The sample was composed of 304 beekeepers and it was meant to analyze the factors that determine entrepreneurial behavior in the beekeeping sector. The sample was composed of three types of beekeepers: those who practice apiculture as a hobby, consecrated entrepreneurs that started an incorporated or unincorporated businesses and potential entrepreneurs, beekeepers determined to start a business in the beekeeping sector. Of the whole sample, the proportion of those who wanted to start a business was 40% and of those who did not want to start a business was 60%. The median age of the respondents was 46 years, varying from 18 to 79 years. The majority of the beekeepers were men and 39% of them had a high educational level. The four variables: experience, motivation, knowledge and social capital were correlated to the intention of starting a business in the beekeeping sector.

RESULTS AND DISCUSSION

The first variable measures the experience in apiculture. The respondents indicated for how many years they have been practicing apiculture. The study was meant to find in what way experience in apiculture was correlated with the decision to start a business. The questionnaire revealed the fact that beekeepers who stated that they wanted to start a business had less experience than the ones who stated that they did not intend to start a business. Potential entrepreneurs practice beekeeping in order to obtain a profit, whereas, more experienced beekeepers practice beekeeping for pleasure and are not interested in starting a business. The latter sell bee products just to friends and acquaintances.

Table 1

Group Statistics				
Intention to start a business		Experience in beekeeping (years)		
		N	Mean	Std. Deviation
	yes	123	10,08	9,737
no	181	17,12	13,568	1,009

The experience in beekeeping is significantly smaller (Independent Samples T-test, $t = 4,948$, $p < .001$) for potential entrepreneurs (10 years' experience) than the beekeepers who don't intend to start a business (17 years' experience) but this can be explained by the significantly lower age (38 years old) of the potential entrepreneurs (Independent Samples T-test, $t = 4,948$, $p < .001$) than the non-entrepreneurs (50 years old):

Table 2

Group Statistics				
Intention to start a business		Age (years)		
				Std. Error
		N	Mean	Std. Deviation
yes	123	38,13	11,513	1,038
no	181	50,60	14,163	1,053

The second variable, the motivation revealed the fact that there are three categories of beekeepers: beekeepers that practice beekeeping for pleasure (hobby), beekeepers who possess a large number of colonies, commercialize an important quantity of bee products and practice apiculture for profit and beekeepers that have just recently undertaken this practice driven by the fact that they can obtain financial support from the European Union. This reveals the fact that motivational factors influence the entrepreneurial process. The present research identified several human motivations that influence the entrepreneurial process in the beekeeping sector: passion for apiculture, commercialization, tradition from family, taking advantage of the financial support, need for achievement and the need for independence. All of these motivations influence the transition of beekeepers from practicing apiculture as a hobby to starting a business.

Motivation translates into setting high goals for oneself. Entrepreneurs in the beekeeping sector are motivated persons as pursuing an opportunity is never easy; failure at some point or in some respect being an inevitable part of the process. Potential entrepreneurs in the beekeeping sector are motivated to start a business and make it profitable. Potential entrepreneurs are motivated by the fact that they can commercialize bee products and make a profit (trade, sell, and make profits) whereas beekeepers that do not

intend to start a business are rather motivated by emotional aspects (passion, hobby, love for nature etc.)

The third variable relates to knowledge. The respondents indicated whether they had attained beekeeping courses or not and the degree of interest for courses in apiculture, management and marketing in apiculture. The results of the questionnaire indicate the fact that potential entrepreneurs are more interested to follow apiculture, management and marketing courses than the entrepreneurs with more experience in apiculture. One reason for this is that potential entrepreneurs do not detain extensive knowledge unlike more experienced beekeepers. The entrepreneurs in the beekeeping sector need to have knowledge of the industry, some knowledge of management and marketing and knowledge of any relevant technology that is critical to success. They can hire people with certain specialized skills that they lack, but they must possess enough expertise to know that they are doing the right thing. The following table presents the association (crosstabulation) between the interest to attend beekeeping or management and marketing courses and the intention to start a business in the following two years. The beekeepers had the possibility to choose from a scale of 1 to 5, 1 being not interested and 5 very interested.

Table 3

Interest of beekeeping courses * Intention to start a business Crosstabulation

			Intention to start a business		Total
			Yes	No	
Interest of beekeeping courses	Not interested	% within column	13,8%	31,5%	24,2%
		Adjusted Residual	-3,5	3,6	
	2	% within column	4,9%	6,1%	5,6%
		Adjusted Residual	-,4	,5	
	3	% within column	9,8%	8,3%	8,8%
		Adjusted Residual	,5	-,4	
	4	% within column	13,8%	13,3%	13,4%
		Adjusted Residual	,2	-,1	
	Very interested	% within column	57,7%	40,9%	48,0%
		Adjusted Residual	2,8	-3,0	
Total		% within column	100,0%	100,0%	100,0%

Table 4

Interest of management courses * Intention to start a business Crosstabulation

			Intention to start a business		Total
			Yes	No	
Interest of management courses	Not interested	% within column	11,4%	26,0%	19,9%
		Adjusted Residual	-3,1	3,2	
	2	% within column	8,1%	10,5%	9,5%
		Adjusted Residual	-,7	,7	
	3	% within column	9,8%	13,3%	11,8%
		Adjusted Residual	-,9	1,0	
	4	% within column	15,4%	12,2%	13,4%
		Adjusted Residual	,9	-,8	
	Very interested	% within column	55,3%	38,1%	45,4%
		Adjusted Residual	2,8	-3,1	
Total		% within column	100,0%	100,0%	100,0%

The entrepreneurial intention among beekeepers is associated (based on level of adjusted residuals and the Chi square values: 16.342, $df=8$, $sig=.038$, for the first crosstabulation table and 16.772, $df=8$, $sig=.033$ for the second) with greater desire to follow both beekeeping and management courses. Actually, over a half of potential entrepreneurs are very interested to participate in these courses. The next variable is related to the social capital of the beekeeper, expressed by the collaboration with other businesses. Despite its high level of abstraction, the social capital in the present questionnaire was operationalized by the question regarding the collaboration with other enterprises. The beekeepers were asked to mention if they collaborate with other enterprises from their sector. The level of collaboration was operationalized as follows: very often (5), often, rarely, very rarely and never (1). Collaboration provides the beekeeper with access to valuable information which can be used to achieve competitive advantages via strategic decision-making. The questionnaire revealed the fact that potential entrepreneurs collaborate with other businesses more often than more experienced beekeepers. Achieving visibility is an important challenge for beekeepers. Visibility requires time and effort and the networking activity that must be undertaken if the beekeeper is to become, and remain, well known among other beekeepers. Social capital is therefore a valuable asset for beekeepers and comes from the access to resources because of the beekeepers' social relationships. In the beekeeping sector, social capital emanates from a variety of network relationships, including those with customers, suppliers, distributors and strategic partners. The beekeeping activity is embedded in society and very often the most innovative beekeepers are part of a large social network from which they get valuable information and financial support. The main emphasis in terms of sustaining social capital is on active utilization of network relationships.

This would be reflected in the fact that all beekeepers that declared they wanted to start a business were registered members of the Beekeeping Association. The inscription in an association helps beekeepers build and maintain visibility. In this way, beekeepers with strong social relationships are able to achieve more compared to when they act alone. The presence of social relationships can contribute to the availability of information.

Table 5

Collaboration frequency with enterprises from the beekeeping industry*Intention to start a business Crosstabulation

			Intention to start a business		Total
			Yes	No	
Collaboration frequency with enterprises from beekeeping industry	Never	% within column	12,2%	34,3%	25,8%
		Adjusted Residual	-4,5	4,1	
	Very rarely	% within column	4,1%	6,1%	5,2%
		Adjusted Residual	-,7	,8	
	Rarely	% within column	27,6%	23,2%	24,8%
		Adjusted Residual	,9	-,8	
	Often	% within column	30,1%	26,0%	27,5%
		Adjusted Residual	,8	-,7	
	Very often	% within column	26,0%	10,5%	16,7%
		Adjusted Residual	3,6	-3,5	
Total	% within column	100,0%	100,0%	100,0%	

Data indicates that the entrepreneurial intention is associated (based on level of adjusted residuals and the Chi square value, 31.770, df=8, sig=.000) with the intense collaboration with other firms, a useful practice and a premise to access professional and commercial networks, very important conditions for a sustainable and successful business.

According to the present study, beekeepers' motivation, desire to gain knowledge and social capital are connected to the beekeepers' willingness to start a business. Experience in the beekeeping sector was the only factor that did not influence the decision to start a business. Therefore, motivation, knowledge and social capital can facilitate the creation and acquisition of market and technological knowledge, thereby leading to useful innovation.

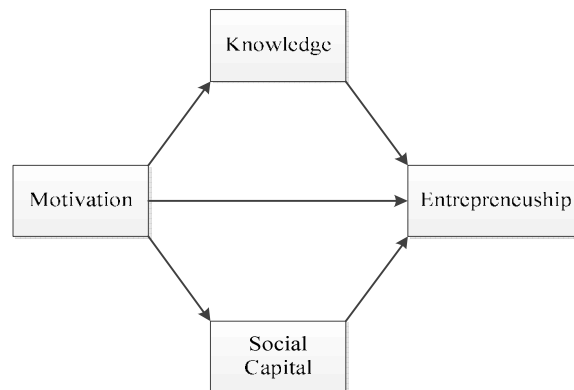


Fig.1 Factors that influence entrepreneurship

Motivation determines beekeepers to acquire the necessary knowledge for the design of the business, development of the product that will be provided to customers and assembly of human and financial resources. Therefore, the strengths required for successful entrepreneurship depend to a great extent on the individual's motivation, knowledge and social capital. In order to sustain entrepreneurship in the beekeeping sector, networks of collaboration have to be developed, as well as management and marketing training programs, distance learning technologies and business support systems. The benefits that the entrepreneur can obtain from the social network are often related to motivation and access to valuable resources like information, customers and suppliers.

CONCLUSIONS

The development of entrepreneurship in the beekeeping sector requires consideration of the motivations and resources of beekeepers making entrepreneurial decisions. The mobilization of resources and the discovery of opportunities are the most important factors involved in the creation of a competitive and sustainable enterprise. The growth of knowledge in the beekeeping sector depends on the capacity of the beekeeper as entrepreneur to absorb the information needed. Possessing the necessary knowledge, skills, and abilities enables beekeepers to develop a viable vision, including a strategy for their firm and to carry it out successfully. The personal network of the beekeeper seems to be of great value for the performance of the firm. The key facet of social capital in the beekeeping sector is that it allows beekeepers to achieve levels of performance that they would not have been able to achieve on their own. The beekeeper as an entrepreneur has to recognize the fact that motivation, knowledge and social capital are valuable resources that determine opportunity recognition. These resources

help beekeepers establish credibility and often lead to strategic alliances and other cooperative strategies.

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