

THE CONTRIBUTION OF EXPERIENCED ENTREPRENEURS TO THE DEVELOPMENT OF RURAL AREAS IN THE REPUBLIC OF MACEDONIA

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The aim of this labor is to investigate the differences in terms of the attitudes towards the entrepreneurship between the experienced and the less experienced entrepreneurs from the rural areas in the Republic of Macedonia. For that purpose, a research survey has been made over a convenient sample of entrepreneurs (101 MSP), from the rural areas in the Republic of Macedonia. Around one third of the survey entrepreneurs, (32 %) have between 16 and 20 years of business experience, 23 % of them are with commercial experience between 11 and 15 years and after them are those with the experience from 6 to 10 years with (14 %). Very close is also the number of the most experienced - with more than 26 years functioning in the respective ambient – (13 %), while the group of 21–25 years, just like the one with the least experienced (to 5 years), is with an equal numerical representation – 9 %.The conclusion from the research made, claims that experienced entrepreneurs that enjoy more positive attitudes towards the entrepreneurship compared to the less experienced ones, contributes to the success of their firms and with it, an accelerated local economic development of the rural areas in the Republic of Macedonia.

Key words: entrepreneur; business experience; experienced entrepreneurs; less experienced entrepreneurs; rural areas

ПРИДОНЕСОТ НА ИСКУСНИТЕ ПРЕТПРИЕМАЧИ ВРЗ РАЗВОЈОТ НА РУРАЛНИТЕ ПОДРАЧЈА ВО РЕПУБЛИКА МАКЕДОНИЈА

Целта на овој труд е да се истражат разликите во ставовите кон претприемништвото помеѓу искусните и помалку искусните претприемачи од руралните подрачја на Република Македонија. За таа цел спроведено е анкетно истражување врз пригоден примерок на претприемачи (101 МСП), од руралните подрачја на Република Македонија. Околу една третина од анкетираниите претприемачи (32%) имаат помеѓу 16 и 20 годишно искуство во бизнисот, 23% од нив се со деловно искуство помеѓу 11 и 15 години, по што следуваат оние со искуство од 6 до 10 години (14%). Сличен е и бројот на оние најискусните – со повеќе од 26 години делување во предметниот амбиент – (13%), додека групата од 21–25 години, како и онаа на најмалку искусните (до 5 години) е со еднаква бројна застапеност – 9%. Од спроведеното истражување може да се заклучи дека искусните претприемачи имаат попозитивни ставови кон претприемништвото за разлика од помалку искусните претприемачи, што придонесува за успешноста на нивните претпријатија и со тоа и забрзан локален економски развој на руралните подрачја на Република Македонија.

Клучни зборови: претприемач; бизнис-искуство; искусни претприемачи; помалку искусни претприемачи; рурални подрачја

INTRODUCTION

Business experience is the experience that an individual gains on his workplace, through the job he performs. That is a factor of the entrepreneurial behavior and it can be studied from two points of views:

1. The dissatisfaction from the previous employment increases the opportunity for establishing a firm on your own.

2. Previous experience appeared as very serviceable. Most entrepreneurs start a job in the field that they have already been employed.

Although not the only one, the results from the empirical research (Davidson & Honing, 2003) still prove that the market experience of the workforce, managerial experience and the previous working experience are crucially incorporated with the entrepreneurial activity. The study based on the experience, helps in raising the level of the ' tacit

knowledge which is larger than the 'explicit' knowledge (Nonaka & Takeuchi, 1995). The samples of the good practices and the experience of the entrepreneurs contribute a lot to the level of entrepreneur's knowledge and with it, the very same success of the firm.

MATERIAL AND METHOD

The aim of this research is based on the basis of literature, documents, and especially based on analysis of a questioned convenient sample of entrepreneurs (101 MSP), so that we can see the influence of the experience of the entrepreneurs over their attitudes towards the entrepreneurship in the rural areas. Around one third of the questioned entrepreneurs (32%) have between 16 and 20 years of business experience, 23 % of them have commercial experience between 11 and 15 years and after them are those with the experience from 6 to 10 years (14%). Similarly, the number of the most experienced ones is with more than 26 years of

functioning in the respective ambient – (13 %), while the group of 21–25 years just like the one with the least experience (to 5 years) is with equal numerical representation – 9 %.

In the labor of his making, several methods have been used, that are common to be used in the economic analysis, above all the method of generalization and specialization, the method of induction and deduction, the method of statistic and the comparative method.

RESULTS AND DISCUSSION

In the survey research, three sets of displayed answers have been offered to the respondents, which are of major significance for the influence of experience of the respondents from the rural areas in the Republic of Macedonia, for their views towards the entrepreneurship that is valued on a five-leveled scale, starting from 1 – unimportant to 5 – priority (Table 1, 2 & 3).

Table 1

Accordance to the claims of an aspect in improving operations of competitive market position, compared with the years of experience in the business

	Total number of years of personal business experience – grouped						Total
	to 5	Average value					
		from 06 to 10	from 11 to 15	from 16 to 20	from 21 to 25	26 and more	
Improvement of the quality of the product/services	4,10	4,00	4,26	4,09	4,40	4,30	4,17
Improvement of the promotion of the products	4,30	3,93	4,17	4,09	4,60	4,50	4,20
Getting certificates for the quality	4,20	3,53	4,13	3,94	4,30	4,40	4,03
Expert- Consulting help	2,90	3,20	3,78	3,50	3,50	3,50	3,46
Advancement and education in the area of entrepreneurship	3,70	4,20	3,87	3,47	4,00	4,30	3,83
Advancement and education in the area of informatics	4,00	4,07	3,83	3,56	4,30	4,20	3,88
Advancement and education in the area of management	3,70	3,87	3,78	3,72	4,10	4,10	3,83
Advancement and education in the area of finance	3,80	3,47	3,39	3,87	3,70	3,70	3,66
Advancement and education in the sales area	3,90	3,73	3,78	4,09	3,90	3,70	3,89
Advancement and education in the area of marketing	3,90	4,00	3,78	4,03	3,90	3,70	3,91
Advancement and education in the area of foreign languages	3,40	3,27	3,35	3,50	3,60	3,00	3,38
Association with firms from my sector with the goal of performing together on the market	2,60	3,27	3,74	3,41	3,10	3,60	3,37
Help from the developed programs by refundable means	3,90	4,33	4,39	4,28	4,40	4,45	4,31
Help from the developed programs by favorable credits	3,90	4,20	4,39	4,25	4,50	4,55	4,30
Help from the developed programs by guarantee funds	3,00	3,53	4,09	3,75	4,10	4,18	3,80

Source: own calculations

In the group of questions which refers to what should be done for the enhancement of the competitive position on the market, compared to the experience in the business that the respondents have, experienced entrepreneurs compared to the less experienced entrepreneurs value several claims much more positively and those are : enhancement of the quality of the products/services; enhancement of the promotion of the products; gaining certificates for quality; expert- consulting help; proficiency and education in the field of entrepreneurship; association of the companies from my sector with the aim of a mutual performance on

the market; the help from the developed programs by refundable means; help from the developed programs by credits and help of the developed programs by guarantee funds. Insignificant differences between the more experienced and the less experienced entrepreneurs can be noticed in the claims that refer to the need of proficiency in the area of informatics, management, sales, marketing and foreign language learning.

Taken generally, experienced entrepreneurs have much more positive attitudes considering this group of questions.

Table 2

Accordance of the claims from an aspect of the plans for the business in future, compared with the years of experience in the business.

	Total years of personal business – experience – grouped						Total
	to 5	from 06 to 10	from 11 to 15	from 16 to 20	from 21 to 25	26 and more	
Adding of a new product or service	3,60	4,13	4,27	3,97	3,90	4,55	4,08
Sales on a new market	2,30	3,00	3,96	3,50	3,10	3,45	3,37
A research of new markets	2,20	3,00	3,96	3,47	2,80	3,45	3,32
Finding new distributive channels	2,80	3,20	4,18	3,81	3,30	3,45	3,61
Expansion of marketing and promotion	3,70	3,73	4,04	3,72	3,90	4,27	3,87
Investment in new devices/machines	2,50	4,00	4,26	3,47	3,80	3,73	3,69
Replacement of the current machines/devices	2,40	4,00	4,35	3,47	3,80	4,00	3,73
Expansion of the current plants	2,30	3,80	4,30	3,44	3,90	4,00	3,68
Redesign/new schedule of the current plants	1,70	3,60	3,78	3,19	3,90	4,18	3,42
Looking for an additional financial capital	3,50	3,87	4,22	3,91	3,90	3,82	3,92
Computerization of the current operations	2,20	3,47	3,78	3,19	3,70	2,91	3,29
Update of computer systems	2,20	3,20	3,83	3,41	4,00	3,09	3,38
Redesign of the working activities	2,20	3,27	3,74	3,31	3,80	2,82	3,29
Expansion of the working activities	3,00	3,53	4,13	3,78	4,00	3,82	3,77
Looking for professional or technical advices	2,70	3,27	3,96	3,47	3,70	3,09	3,46
Additional arrangement of expert employees	2,70	3,20	3,74	3,44	3,90	2,82	3,38
Investment in training for the employees(in a different place/not in the company itself)	2,60	3,00	2,43	2,59	3,20	3,18	2,63

Source: own calculations

The questions that refer to future business plans are evaluated more positively, speaking about business experience itself and regarding the experienced entrepreneurs compared to the less experienced entrepreneurs. In this, the claims are:

adding a new product or services; sales on the new market, research of new markets; research of new distributional channels; expansion of marketing and promotion; investment in new machines/devices; replacement of the current ma-

chines/devices; expansion of the current plants; redesign/new schedule of the current plants; looking for additional financial capital; computerization of the current operations; update of the computer systems, redesign of the working activities,

expansion of the working activities; looking for professional or technical advices; additional arrangement for the expert employees and investment in training the employees (in a different place/ not in the company itself).

Table 3

Consent in accordance with the claims of the entrepreneurship, compared with the years of experience in the business

	Total years of personal business – experience – grouped						
	Average value						
	to 5	from 06 to 10	from 11 to 15	from 16 to 20	from 21 to 25	26 and more	Total
My business is the most important activity in my life	3,20	3,80	4,35	4,28	4,30	4,36	4,13
I would do whatever it takes so that my business is successful	3,50	3,87	4,35	4,28	4,30	4,45	4,18
I am planning to sell the business someday	2,80	2,13	1,96	2,25	2,00	1,82	2,15
With the development of a successful business I want to make a meaningful contribution for the community	3,70	4,13	4,43	4,38	4,50	4,27	4,29
I prefer having my own business rather than to earn a bigger salary for other job	3,50	3,93	4,50	4,44	4,40	4,55	4,28
Running your own business is more important than having more time for your family	3,40	3,40	3,78	3,97	4,20	3,91	3,80
I would like to have my own business more than a another promising career	3,40	3,40	4,30	4,28	4,40	4,27	4,08
It is important to the entrepreneur to comprehend and accept the risk to start and run a successful business	3,60	3,73	4,35	4,47	4,30	4,73	4,26
In order to run my business I am ready to argue with my family	3,00	3,13	3,65	4,19	4,00	3,55	3,70
In order to provide capital for my business I would put my house under mortgage	2,30	3,27	3,74	3,66	3,20	4,45	3,52
For the good of my business I would be ready to enjoy less security in my family	2,80	3,33	3,91	3,81	3,70	4,00	3,67
I run my business to continue the family tradition	2,60	2,73	3,83	3,38	3,60	3,45	3,34
I run my business to contribute benefits for my relatives	3,00	2,93	3,65	3,72	3,80	3,73	3,52
I run my business so that I can live in a place that my family wants	2,70	2,73	3,78	3,75	3,60	3,55	3,47
I run my business in order to improve the status and prestige of my family	3,20	3,73	4,04	4,25	4,40	4,09	4,02
I run my business in order to have more flexibility in my personal family life	3,50	3,47	4,13	4,34	4,10	4,55	4,08

Source: own calculations

In the set of questions that are meant for the attitudes of entrepreneurship, compared to the experience in the business that the respondents have, the experienced ones gave a higher grade to the claims such as: my business is the most important activity in my life; I would do whatever it takes so that my business is successful; with the development of a successful business I want to make a

meaningful contribution for the community; I would prefer to have my own business rather than earning a bigger salary working for someone else; running your own business is more important than having more time for the family; I would prefer having my own business rather than having another promising career; it is important so that the entrepreneur comprehends and accepts the risk to

start and run a successful business; in order to run my business I am ready to argue with my family; in order to provide capital for my business I would put my house under mortgage; I would be ready to enjoy less security for my family in order to run my business; I run my business in order to continue the family tradition; I run my business to contribute for the benefits of my relatives; I run my business to live in the place that my family wants to live ; I run my business in order to improve the status and prestige of my family and I run my business to have more flexibility in my personal and family life. All in one, the intention of experienced entrepreneurs to sell their business at the end is likely to happen.

CONCLUSION

Experienced entrepreneurs have a great contribution for the local economic development in the rural areas in the Republic of Macedonia. Their more positive attitudes towards the entrepreneurship differing from the less experienced entrepreneurs make their companies to show greater performances than those whose owners are less experienced.

One of the goals of the state policies and the local power should be to create a favorable business– ambient in the rural places so that it can enable attraction of the experienced entrepreneurs from the cities, who would build new companies or

they would expand the boundaries of the already existing companies from the cities in the rural places. The same refers to the already retired entrepreneurs from the urban areas who want to spend their retired days in a more calm ambient than the city and with it, spread the entrepreneurship culture in the rural area. All in all, experienced entrepreneurs should be stimulated by the mentors to pass their precious experience to the less experienced entrepreneurs.

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