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THE IMPORTANCE OF ENTREPRENEURIAL MANAGEMENT IN THE CIVIL CONSTRUCTION BRANCH

BY

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Abstract. Entrepreneurship can be defined as a complex process through which a series of resources are mobilized in order to exploit and capitalize on business opportunities and ideas, constituting one of the most important factors that bring a big contribution to the economic growth. The whole mechanism is set in motion by an entrepreneur, represented by individuals or groups, who by assuming in the decision making, innovation and creativity, aim to obtain the maximum profit with a minimum financial effort. The profile of the ideal entrepreneur, either an individual or an organization, is shaped by a series of qualities, including the ability to assume and lead, the capacity for intense effort over long periods, the speed of reactions and the speed of decisions, the efficient organization of work. The efficiency of the entrepreneur's decisions and activity can be improved by applying an entrepreneurial management system, in order to identify and capitalize the business opportunities.

Keywords: entrepreneur; entrepreneurship; entrepreneurial management; entrepreneurial environment; civil construction; civil construction branch.

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1. Introduction

The branch of civil constructions is one of the most important components of the economy of a country, contributing fully to the economic growth and development both at national level and in the international context. Obtaining a maximum effect, respectively the profit, with minimum effort, in the construction sector, involves the implementation and monitoring of the application of an entrepreneurial management system, as well as establishing strategies for the optimization of the entrepreneurial processes. Also, the entrepreneurial management must contribute to the efficiency of the entrepreneur's decisions regarding the compliance with the quality conditions of the constructions, risk management, human resource management, environmental protection and waste management. The substantiation of the necessity of implementing an entrepreneurial management system in the construction industry by approaching concepts such as entrepreneur, entrepreneurship, the forms and type of entrepreneurship, the entrepreneurial environment and the factors that influence it, thus becomes imperatively necessary in the current economic context. In this study the economic models of entrepreneurship are considered, as well as the quality conditions and the requirements to be met through the entrepreneurial activity.

2. The contribution of the construction sector to economic growth

The economy of a state is based on the activities of production, distribution and trade, as well as on the consumption of goods and services, in order to fulfill the needs of an individual or a community. According to the Explanatory Dictionary of the Romanian Language, the Economy is defined as the whole of human activities carried out in the sphere of production, distribution and consumption of material goods and services, while the National Economy represents the totality of economic activities and interdependencies at macro- and microeconomic level, coordinated in national plan through its own operating mechanisms. Basically, the national economy is represented by the participation of a large number of actors that carry out activities of production, exchange, distribution and consumption of economic goods, generically called "economic agents". The economic agents can be natural persons, legal entities, as well as organizations or governments that carry out economic activities. According to the Romanian Constitution, Romania's economy is a market economy, based on free initiative and competition, in which the law of demand and supply acts.

The branch of civil constructions is one of the most important components of the national economy, contributing fully to the economic growth and development both at national level and in the international context. Its importance for economic development can be highlighted by the large number of jobs it creates, the consumption of materials and technologies, as well as the

improvement of the infrastructure. In this context, innovation and entrepreneurship are vital factors for the construction sector, playing a very important role in combating unemployment and raising the standard of living.

Table 1

The contribution of the categories of resources to the formation and growth of the Gross Domestic Product, in the second quarter and the first semester of 2019.

Economic sector	Contribution to GDP formation (%)		Contribution to GDP growth (%)	
	Trim. II	Sem. I	Trim. II	Sem. I
Agriculture, forestry and fishing	2.4	2.1	0.0	0.0
Industry	23.3	22.4	-0.2	0.0
Construction	3.7	3.5	0.7	0.5
Retail trade, repair of motor vehicles and motorcycles, transport and storage, hotels and restaurants	20.2	20.3	1.0	1.2
Information and communications	5.7	5.8	0.5	0.5
Financial intermediation and insurance	2.7	2.9	0.0	0.0
Real estate transactions	7.6	7.8	0.5	0.4
Professional, scientific and technical activities; administrative service activities and support service activities	7.4	7.0	0.4	0.5
Public administration and defense; social insurance from the public system; education; health and social assistance	14.1	15.2	0.4	0.4
Performing, cultural and recreational activities; repair of household and other products	3.5	3.5	0.3	0.3
Gross value added - total	90.6	90.5	3.6	3.8
Net taxes on the product	9.4	9.5	0.8	0.9
The gross domestic product	100.0	100.0	4.4	4.7

According to the National Institute of Statistics, the construction industry was the main driver of economic growth in 2019, contributing fully to the growth of the Gross Domestic Product. According to the latest statistics available at this time, the construction sector has made a solid contribution to Romania's GDP growth in the first two quarters of 2019, being ranked immediately after the commercial sector from this point of view (Table 1).

Table 2
Indices of construction works

		December 2019 (%) comparative with:		01.01.2019-31.12.2020 compared with the same period in 2018
		November 2019	December 2018	
Construcții total	Gross	113,3	124,8	127,6
	Seasonality	98,2	129,6	-
By structural elements				
New construction	G	111,9	132,8	132,5
	S	98,4	134,7	-
Capital repairs	G	124,2	96,1	100,9
	S	98,5	95,9	-
Maintenance and current repairs	G	112,8	120,9	126,3
	S	92,8	117,4	-
By construction objects				
non-residential buildings	G	134,0	111,0	126,2
	S	117,4	110,0	-
non-residential buildings	G	118,0	182,7	149,1
	S	102,2	179,9	-
engineering buildings	G	102,7	104,3	116,6
	S	91,5	108,9	-

Also, compared to the year 2018, there was an increase in the volume of construction works as a gross series, of about 27.6%, an increase that was reflected in all the structural elements (Table 2).

Fig. 1 – Monthly evolution of construction works by structural elements, January 2015 - December 2019

According to the graph of the monthly evolution of construction works for the period from January 2015 to December 2019 (Figs. 1, 2), there is an increase in the volume of construction works in 2019, the most important weight being given by new construction works, the peak being recorded in April 2019. As far as current repair work is concerned, the trend is upward, while the volume of major repair work is on a downward slope. As regards the evolution of construction works on construction objects, residential buildings continue to prevail.

Fig. 2 – Monthly evolution of construction works by construction objects, January 2015 - December 2019

3. Entrepreneurial management in the civil construction branch

Entrepreneurship can be defined as a complex process through which a series of resources are mobilized in order to exploit and capitalize on business opportunities and ideas, constituting one of the most important factors that bring a big contribution to the economic growth. The whole mechanism is set in motion by an entrepreneur, represented by individuals or groups, who by assuming in the decision making, innovation and creativity, aim to obtain the maximum profit with a minimum financial effort.

In a successful business, no matter its size, the entrepreneur must be a good manager to achieve his goal. In order to maintain a balance between the changes that have occurred in response to market dynamics and the stability required for business development, it is necessary to implement an entrepreneurial management system. Also, the necessity of this system comes from the fact that the entrepreneur's activity is characterized by words such as risk, change, opportunity, notions that are contrary to managerial principles.

Starting from the definitions found in the Explanatory Dictionary of the Romanian Language, the concept of management means activity and art of driving, an assembly of the activities of organization, management and management of an enterprise, science and technique of organizing and running an enterprise or managing an enterprise. We can identify similarities between this concept and the concept of entrepreneurship. Thus, entrepreneurial management can be defined as the set of activities, methods and techniques, which include tasks of organization, management and business management, whose role is to maintain the state of balance as a result of fluctuations generated by market dynamics.

Entrepreneurial management involves the establishment and respecting of principles, methods, techniques in order to efficiently use the financial and human potential, for reaching the proposed objective. The need for the implementation of an entrepreneurial management system may arise due to the development of the business, the growth of the staff, the need for a more rigorous organization or the need to establish rules and principles for the proper conduct of the entrepreneurial activity.

Like any other economic sector, in the civil constructions branch it is necessary to implement such a system. Being a field of activity in which the human resource is largely used, permanently subject to risks of different types and to the changes of the legislation, a rigorous organization is required from an entrepreneurial point of view. In order to implement it with success, the entrepreneurial management system must perform a number of functions (Fig. 3). The forecasting function is represented by all the activities and processes carried out to identify the company's objectives, the results needed to be obtained, the resources to be mobilized, as well as the risks to which the entire process is

exposed. In order to fulfil this function, the contractor must develop a very well-developed strategy, which will be the basis for the decisions taken. In the civil constructions branch, the company's objectives are based on obtaining profit, the results to be obtained being represented by constructions that comply with the quality conditions and the technical regulations in force. In order to reach the objectives, it is necessary to mobilize an optimal volume of resources to obtain quality constructions. Thus, the forecasting function plays a very important role in the implementation of the entrepreneurial management system in the field of civil constructions.

Fig. 3 – The functions of the entrepreneurial management

Another vital function of entrepreneurial management is the organizational function. This is achieved by creating an optimal organizational framework that allows the work processes to be carried out under conditions of maximum efficiency. After determining, grouping and structuring the activities necessary to achieve the proposed objectives, the roles of the participants in the determined activities are established and assigned, with the designation of the group and individual responsibilities, as well as the rules to be followed in carrying out the activities. Also, the volume of resources needed to carry out the activities is allocated. The organizational function is very important at the level of the construction companies, contributing fully to the efficient management of the resources. Through a good organization, the entrepreneur can permanently obtain information on the stage of accomplishment of the activities, the persons responsible for certain activities and the volume of resources allocated to each activity. These aspects are essential for the proper functioning of a construction company. Failure in implementation of the entrepreneurial management system or failure to fulfil the organizational function may result in loss of resources, low efficiency, difficulties in achieving the proposed objectives. The coordinating function of the entrepreneurial management is closely related to the organizational function, having the role of harmonizing the entrepreneurial decisions in relation to their application.

A good entrepreneur has the power to empower and motivate the people he comes in contact with in order to achieve the proposed goals. Thus, the entrepreneurial management also has a training function by which the personnel of the company is attracted to contribute to the achievement of the objectives, based on the entrepreneur's knowledge of the sources of motivation for each individual. Making quality constructions depends largely on the fulfilment of this function. For example, there is a need for a real motivation of the personnel who work in this sector, since there is a large volume of works that become hidden and which must respect the quality conditions. The lack of motivation on the part of the hired personnel can lead to the neglect of some quality aspects that generate in time serious deficiencies.

Another function of the entrepreneurial management is the control-evaluation, which represents the end of the managerial process and consists in measuring the degree of fulfilment of the proposed objectives, identifying deviations from the established objectives and their causes, eliminating the deficiencies and applying the corrective measures. This function should be based on an efficient evaluation correction system, assist the contractor in solving complex problems, increase the efficiency of the contractor in carrying out the assessments and establish the facts, and contribute to the prevention of similar situations.

4. The principles of entrepreneurial management

At the foundation of the entrepreneurial management are some principles that govern the entrepreneurial activity. The general principles can be classified as the principle of participatory management, the principle of motivation, the principle of increasing efficiency and the principle of ensuring consistency between the parameters that characterize the business and the dynamics of the entrepreneurial environment.

The principle of participatory management is closely related to the training function, consisting of the participation of employees in the decision-making act, according to competences and responsibilities. By applying this principle a climate of cooperation is obtained and the managerial relations within the company are strengthened. The principle of motivation consists in identifying and using those resources, materially, morally or otherwise, in order to harmonize the interests of the parties involved in the activities of the company. The principle of increasing efficiency is to maximize the economic-social effects while minimizing the efforts. This principle reflects the basic idea of entrepreneurship, obtaining a maximum profit, with minimal expenses. The principle of ensuring compliance is to adapt the parameters that characterize the business to the dynamics of the entrepreneurial environment, as a result of legislative, economic, demographic, technological or other changes to which it is subject. By applying

this principle, the business will respond in real time to the demands of the market, thus increasing the chances of success.

The specific principles depend on a variety of factors such as the type of business, the good delivered or the service provided, the characteristics of the entrepreneur and the entrepreneurial environment.

5. Conclusions

Entrepreneurial activity in the civil constructions branch is exposed to risk and permanent changes. Being an area in which a significant share is held by the human resource, the implementation of an entrepreneurial management system is vital for the success of the business. It also contributes to the efficiency of the entrepreneur's decisions regarding the fulfilment of the quality conditions of the constructions, risk management, human resource management, environmental protection and waste management, regardless of the form of business organization. By applying the general principles of entrepreneurial management and specific principles, the entrepreneurial activity can be improved in order to achieve the proposed objectives.

By implementing an entrepreneurial management system in a construction company, the organization of work is made more efficient, the pursuit of the degree of accomplishment of the activities is facilitated, the management of resources and risks is efficient, the managerial process in the human resources is improved. All these benefits that the entrepreneurial management brings in the entrepreneurial activity, compete in achieving a common purpose, respectively obtaining a maximum profit by optimizing the expenses.

Also, by implementing an entrepreneurial management system in a construction company, the additional expenses generated by inefficient risk management are eliminated, which can lead to deficiencies that have implications on time, cost and quality.

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IMPORTANȚA MANAGEMENTULUI ANTREPRENORIAL ÎN RAMURA CONSTRUCȚIILOR CIVILE

(Rezumat)

Antreprenoriatul poate fi definit ca un proces complex prin care sunt mobilizate o serie de resurse în scopul exploatării și valorificării unor oportunități și idei de afaceri, constituind unul din cei mai importanți factori care contribuie la creșterea economică. Întregul mecanism este pus în mișcare de un antreprenor, reprezentat de indivizi sau grupuri, care prin asumare în luarea deciziilor, inovație și creativitate, urmăresc obținerea unui profit cât mai mare cu un efort financiar minim. Profilul antreprenorului ideal, fie individ fie organizație, este conturat printr-o serie de calități printre care se numără capacitatea de asumare și conducere, capacitatea de efort intens pe perioade îndelungate, rapiditatea reacțiilor și promptitudinea deciziilor, organizarea eficientă a muncii. Eficiența deciziilor și a activității antreprenorului poate fi îmbunătățită prin aplicarea unui sistem de management antreprenorial, în scopul identificării și valorificării la maxim a oportunităților de afaceri. În contextul economic actual, implementarea unui astfel de sistem devine imperios necesară.