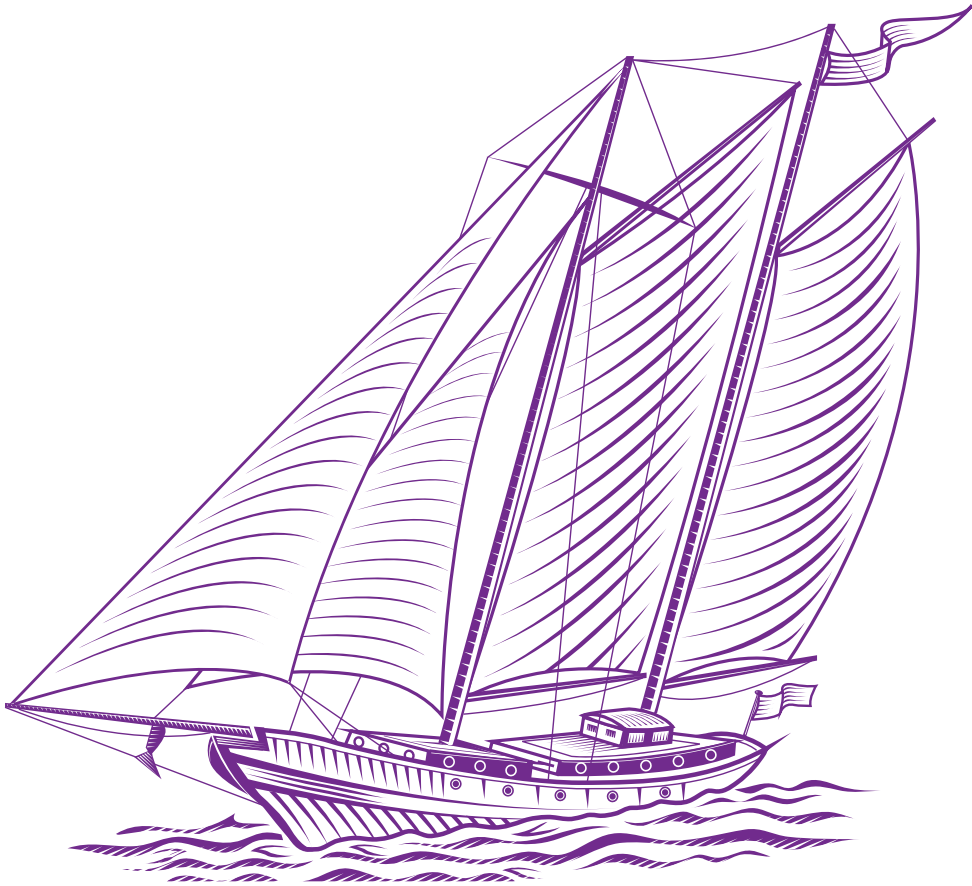




STUDIA UNIVERSITATIS
BABEȘ-BOLYAI



NEGOTIA

4/2020

STUDIA
UNIVERSITATIS BABEȘ-BOLYAI
NEGOTIA

4/2020

EDITORIAL BOARD OF STUDIA UNIVERSITATIS BABEŞ-BOLYAI NEGOTIA

EDITOR-IN-CHIEF:

Assoc. Prof. dr. VALENTIN TOADER, Babeş-Bolyai University, Cluj-Napoca, Romania

EXECUTIVE EDITOR:

Prof. dr. CORNELIA POP, Babeş-Bolyai University, Cluj-Napoca, Romania

CO-EXECUTIVE EDITOR:

Prof. dr. SVEN M. LAUDIEN, Macromedia University of Applied Sciences, Business School Stuttgart, Germany

EDITORIAL BOARD:

Prof. dr. PARTENIE DUMBRAVA, Babeş-Bolyai University, Cluj-Napoca, Romania

Prof. dr. MASAHIKO YOSHII, Kobe University, Japan

Prof. dr. JÁNOS SZÁZ, Corvinus University, Budapest, Hungary

Prof. dr. PHILIPPE BURNY, Université de Liège, Liège, Belgium

Prof. dr. MARILEN PIRTEA, West University, Timişoara, Romania

Prof. dr. SEDEF AKGÜNGÖR, Dokuz Eylül University, Izmir, Turkey

Prof. dr. STANISLAVA ACIN SIGULINSKI, Subotica University of Novi Sad, Serbia

Prof. dr. DJULA BOROZAN, J.J. Strossmayer University of Osijek, Osijek, Croatia

Prof. dr. CORNELIA POP, Babeş-Bolyai University, Cluj-Napoca, Romania

Prof. dr. IOAN CRISTIAN CHIFU, Babeş-Bolyai University, Cluj-Napoca, Romania

Prof. dr. SMARANDA COSMA, Babeş-Bolyai University, Cluj-Napoca, Romania

Prof. Ing. MIROSLAV SVATOŠ, CSc., Czech University of Life Science, Prague, Czech Republic

Prof. dr. SIMEON KARAFOLAS, Technological Educational Institute (TEI) of Western Macedonia, Greece

Prof. UEK Dr. hab. MAREK ĆWIKLICKI, Cracow University of Economics, Poland

Prof. UEK Dr. hab. KRZYSZTOF WACH, Cracow University of Economics, Poland

Assoc. Prof. dr. IVANA KRAFTOVA, University of Pardubice, Czech Republic

Assoc. Prof. dr. MEDET YOLAL, Anadolu University, Eskisehir, Turkey

Assoc. Prof. dr. KAREL TOMŠÍK, Czech University of Life Sciences, Prague, Czech Republic

Assoc. Prof. dr. BERNA KIRKULAK-ULUDAG, Dokuz Eylül University, Izmir, Turkey

Assoc. Prof. dr. PHAPRUKA USSAHAWANITCHAKIT, Mahasarakham University, Maha Sarakham, Thailand

Assoc. Prof. dr. OVIDIU IOAN MOISESCU, Babeş-Bolyai University, Cluj-Napoca, Romania

Assoc. Prof. dr. ELENA DANA BAKO, Babeş-Bolyai University, Cluj-Napoca, Romania

Assoc. Prof. dr. MARIA-ANDRADA GEORGESCU, National University of Political Studies and Public Administration, Romania

Assist. Prof. dr. GURHAN AKTAS, Dokuz Eylül University, Izmir, Turkey

Senior Lect. PETER JOHN RAS, Tshwane University of Technology, South Africa

Senior Lect. dr. SUSANNA LEVINA MIDDELBERG, North-West University, Potchefstroom, South Africa

Lect. dr. GAMON SAVATSOMBOON, Mahasarakham University, Maha Sarakham, Thailand

Assoc. Prof. dr. OANA GICĂ, Babeş-Bolyai University, Cluj-Napoca, Romania

Independent financial analyst ELISA RINASTITI MURESAN, Seattle, USA

SECRETARIES OF THE EDITORIAL BOARD:

Assoc. Prof. dr. OANA GICĂ, Babeş-Bolyai University, Cluj-Napoca, Romania

Assoc. Prof. dr. MARIA MONICA COROŞ, Babeş-Bolyai University, Cluj-Napoca, Romania

The current issue contains a collection of papers on the following topics: Marketing / Advertising; Business Economy / Management, and Human Resources in Economy

YEAR
MONTH
ISSUE

Volume 65(LXV) 2020
DECEMBER
4

PUBLISHED ONLINE: 2020-12-30
PUBLISHED PRINT: 2020-12-30
ISSUE DOI: 10.24193/subbnegotia.2020.4

S T U D I A
UNIVERSITATIS BABEȘ-BOLYAI
NEGOTIA
4

STUDIA UBB EDITORIAL OFFICE: B.P. Hasdeu no. 51, 400371 Cluj-Napoca, Romania,
Phone + 40 264 405352; office@studia.ubbcluj.ro

CONTENT - SOMMAIRE - INHALT - CUPRINS

Nicoleta Dorina RACOLȚA-PAINA, Ileana MUNTEAN, Innovative Teams Through the Lenses of Team Leaders: Characteristics, Challenges and Achievements	7
Emanuel-Emil SĂVAN, Gabriela-Casiana PAVĂL, Enhancing Intercultural Sensitivity: the Impact of Erasmus+ Mobilities on Future Romanian Leaders	27
Daniela-Georgeta BEJU, Ioan-Alin NISTOR, Maria-Lenuța CIUPAC-ULICI, Factors Influencing the Unemployment Rate in Romania During 1997-2019	55
Maria MUSTUC, Emanuel Emil SĂVAN, Oana Adriana GICĂ, An Investigation of Some Determinants of Entrepreneurial Intentions of Students	69

INNOVATIVE TEAMS THROUGH THE LENSES OF TEAM LEADERS: CHARACTERISTICS, CHALLENGES AND ACHIEVEMENTS

**NICOLETA DORINA RACOLȚA-PAINA¹,
ILEANA MUNTEAN²**

ABSTRACT. Teamwork as well as the interest in innovation in business are two of the few constant features of contemporary companies, which manifest themselves within a general context characterized by volatility, uncertainty, complexity, and ambiguity. In a company, the benefits of teamwork are widely acknowledged, whereas innovation in business is a strategic direction. This work is based on empirical research, and its main purpose is to identify the characteristics of the innovative teams, the challenges that they have to face, and their achievements, respectively. The empirical research undertaken is a qualitative one and it proposes a case study, the primary data being collected through interviews conducted with a number of four team leaders of innovative teams. The respondents work for companies in the fields of production of electric/electronic products, information technology and computer services, GPS, navigation technology, respectively; all these are fields in which innovation is an important component of successful companies. According to the team leaders who were interviewed, the characteristics of the innovative teams can be assessed in terms of: (i) results (“deliverable”) which contribute to the general effort of the company to be competitive on the innovation market; (ii) performance (reaching efficiently all objectives), (iii) the way of working of the team (the presence of psychological safety, proper communication) and (iv) composition (the qualities of the team members, such as autonomy, diversity and orientation towards cooperation). The main

¹ Associate Professor, PhD, Department of European Studies and Governance, Faculty of European Studies, Babes-Bolyai University of Cluj-Napoca, nicoleta.paina@ubbcluj.ro.

² MA graduate, Faculty of European Studies, Babes-Bolyai University of Cluj-Napoca, ileanamuntean08@gmail.com.

challenge of the innovative teams is given by the high level of stress arising as a consequence of the conditions (such as deadlines and budget restrictions) under which the main objective has to be reached, namely, to obtain products and/or services, new or improved processes, respectively. To all of these, there can be added ones that are specific to teamwork, generally, such as existing conflicts, reduced motivation, and individualism at executive level. The main achievements of the innovative teams, according to the interviewed leaders, are the obtaining of new technologies, product optimisation, complying with deadlines, a high level of quality, and the employees' development, which is an essential aspect which contributes to their motivation and implicitly to their training to become future leaders.

Keywords: Business Innovation, Teamwork, Innovative teams, team composition.

JEL Classification: O39, M19

Recommended citation: Racolta-Paina, N.D., Muntean, I., *Innovative teams through the lenses of team leaders: characteristics, challenges and achievements*, Studia UBB Negotia, vol. 65, issue 4 (December) 2020, pp. 7-26, doi: 10.24193/subbnegotia.2020.4.01

Introduction and Literature Review

Innovation is the most suitable response of contemporary companies which perform in an extremely dynamic environment. The present environment, characterized by volatility, uncertainty, complexity, and ambiguity, requires a proactive approach to change (Schoemaker¹, Heaton, & Teece, 2018). So as not to disappear from the market, companies have to adopt new strategies and solutions which will allow them to adapt to the market conditions, which are in continuous modification (McDowell, Mesaros, Sorkin, & Rooney, 2019). Human resources play an important role, the innovative potential of a company is given by its employees'

knowledge and abilities. In fact, “the people, not the products, are an innovative element” (Patterson, Kerrin, & Gatto-Roissard, 2009), the real innovation and the competitive advantage ensured by them rely much more on people than on processes (Zwilling, 2013).

Teams are often associated with innovation in companies, regardless of the fact that it is about organizational innovation (Racolța-Paina, 2009), (Ćwiklick, 2014), (Fay, Shipton, West, & Patterson, 2015); the development of innovative ideas (Deichmann & Jensen, 2017), or of innovation in business (Johnsson, 2017). The differentiation of an innovative team from the rest of the team is accomplished taking the main objective set, namely “to pioneer something new at a company – a product, a process, a pivot, etc.” (Grubbs, 2019) respectively, to lead “innovation work within an organization” (Johnsson, 2017). The innovative teams’ goal is to improve their services towards the clients and related operations (Desai, 2017). The leaders are responsible for forming and leading the teams with the aim to reach the objectives set by them (Llopis, 2014). It is exactly from here that the leaders’ role comes out, and that is why we value their opinion when we study teamwork.

In this context, our interest is to identify the aspects regarding the innovative teams, according to their team leaders. The present work is based on empirical qualitative research. For the case study proposed by the authors, the research method employed is the semi-structured interview. The research question of this research is: “What are innovative teams like, according to their leaders?” We chose to identify and to analyse the perception of the team leaders regarding the team led by him/her considering that their perspective brings valuable elements regarding innovative teams. The main research goals are: (i) identifying the features of innovative teams, according to their leaders, and (ii) identifying the main challenges as well as the achievements of the innovative teams, from their leaders’ perspective. To answer the research questions mentioned above, we interviewed a number of four team leaders of four companies on the market of Romania.

The main results of this research consider a series of aspects specific to innovative teams, from their leaders’ perspective. The novelty degree of our research is given by the case study proposed, the results of the research referring to a specific situation in which we can produce a series of aspects that can be used in the future, by all those who are interested in the functioning of the innovative teams.

The scientific literature regarding innovative teams is extremely generous, the subjects approached being diverse, such as the typology of innovative teams (Andrés, Broncano, & Monsalve, 2015); characteristics of the innovative teams (Schwarz, 2015), (Zwilling, 2013), (Grubbs, 2019), (Desai, 2017), (Bouquet, 2018), (Banholzer, Metzeler, & Roth, 2019); building up innovative teams (Satell, 2018); the relationship between innovation and team performance (Berber, Slavic, & Marko, 2020); the link between innovation and company - level sustainable performance (Cizmas, Feder, & Maticiu, 2020); innovation enablers for innovation teams (Johnsson, 2017). The importance of the innovative teams is major, considering that they “help businesses avoid travelling down the linear path of doom.” (Desai, 2017) The functioning of innovative teams is influenced by “the organizational context, including management, the team itself, and the individuals within the team” (Johnsson, 2017).

Regarding the characteristics of the innovative teams, in this work we choose to refer to the characteristics of the team members in question as well as aspects regarding the way of working of the team and its integration in the company in question.

Therefore, according to Grubbs (2019), the characteristics of the suitable employees for an innovative team are “technical skills and the ability to think creatively and critically, diversity of thought and background, and the ability to really focus on the innovation project.” In another approach, Zwilling (2013) defines the members of innovative teams as “thinkers and problem solvers, passionate and inquisitive, challenge the status quo, connect the dots, see the big picture, collaborative and action related.” The characteristics of the members of the innovative teams are summed up by Banholzer, Metzeler & Roth (2019) in four large categories, namely, vision, collaboration, learning, and execution. Thus, according to these authors, employees with vision have the ability to identify new opportunities and to inspire others to pursue them too. Once these opportunities are identified, it is important to transpose them into a differentiated value. The employees with features belonging to the second-wide category, promote teamwork and change management which lead to cohesion. These features stimulate a work environment which tolerates failure as a necessary aspect in the innovation process. The employees manifesting features of the third wide category defined by Banholzer, Metzeler

& Roth (2019) play an important role in the innovative teams as it is always important for each member to try to find new ideas and to make them part of their work as quickly as possible. The employees belonging to the last group mentioned by the above quoted authors manifest the capacity to make decisions fast under uncertainty conditions, managing to maintain a realistic pace of progress. These members of the team show resilience and perseverance when faced with delays and they adapt their plans to new situations rapidly.

As for the essential conditions that need to be met at an innovative team level, the approaches are extremely diverse. Therefore, Grubbs (2019) mentions the right to fail (that is, the acceptance of failure as part of expectations, and even compensation and rewards); a generous budget (the mere generation of ideas without their implementation is not enough, on the other hand a large budget allocated may lead to just a simple learning experience when failure occurs in innovation), a new location (a new location may bring new perspectives, as people who work in new environments often think differently, which is an important aspect for innovation), a mixed team in terms of work/job (inside or outside of the company), and so on. In another approach, Zwilling (2013) mentions the integration of members with innovative potential in the team, as well as the development of a certain type of culture at team level, which implies a safe environment for sharing and implementing ideas. Desai (2017) proposes other requirements that need to be met at the innovative team level, namely, realistic expectations regarding the role and the results of the innovative team in question (which often needs the support of the whole company), integration in the company (the collaboration between the innovative team and the rest of the company is of utmost importance), the credibility of the innovative team (which is built to overcome fear and scepticism that might occur within the company), a well defined process (such as the Lean Startup method), a well-rounded team (that is a diverse team in terms of professional abilities of its members). Solmaz-Kaise (2019) regards as essential requirements of the innovative the following aspects: a set of values as part of the team, namely, courage, focus, commitment, respect, and openness. According to the quoted source, adopting these values (in fact, taken from agile SCRUM methodology) leads to the innovative teams' success. Schwarz (2015) proposes the following aspects as essential requirements of innovative teams: "a compelling vision, goal interdependence, support for innovation, task orientation, a cohesive team, strong internal

and external communication”. Bouquet (2018) mentions the reconciliation of certain aspects which might seem conflictual at first glance when he speaks about innovative teams. According to this author, it is about: diversity of perspectives and the availability to work with each other; empathy and objectivity; psychological confidence and sound friction. Bouquet (2018) remarks that the diversity of the team contributes to the diversity of ideas and as well as of the solutions to the problems they encounter. In a harmonious environment, ideas are debated and analysed among the members of the team who can choose together the best solution. These aspects are important, and they develop when psychological safety exists within the team, which “involves but goes beyond interpersonal trust; it describes a team climate characterized by interpersonal trust and mutual respect in which people are comfortable being themselves.” (Edmondson, 1999) In these teams, the members “feel safe to take risks and be vulnerable in front of each other.” (Rozovsky, 2015)

Considering those mentioned above, we can remark that the essential requirements that need to be met at the innovative team level can be divided into two main categories, namely: (i) those that refer to the place and the image of the team in question within the company that they belong to, see Desai (2017) and (ii) those which refer to internal aspects of these innovative teams; see Grubbs (2019), Zwilling (2013), Solmaz-Kaise (2019), Schwarz (2015), Bouquet (2018).

Innovative companies, within which the innovative teams are the ones that contribute to reaching the defined objectives, can be found in different fields of business, such as industrial manufacturing industry (Racolța-Paina & Mone, 2009), (PWC, 2013); hospitality industry (Negrusa & Starcu, 2017); rural tourism sector (Toader & Gica, 2014), (Pop, Coroș, & Balint, 2017); financial services industry (Pop A. M., 2020), (Duma & Gligor, 2018) and so on. Regarding the size of the companies within which innovation is largely adopted, the big companies can be ranked as innovative just like the small ones, according to a study published in 2020 by the consultancy company BCG (Ringel, Baeza, Panandiker, & Harnoss, 2020). The stimulation of innovation leads to an increased competitiveness of the companies, an important aspect when they define their objectives on the international market. (Burcă-Voicu & Oprescu, 2020).

Material and Method

As we mentioned in the Introduction, the present work is based on empirical, qualitative research. The aim of the research undertaken is to identify different aspects regarding the innovative teams, as mentioned by their team leaders. The primary data for the proposed case study were collected by means of the method of the semi-structured interview. The research question of this research is: "What are innovative teams like, according to their leaders?" The main research goals are: (i) identifying the characteristics of the innovative team steams according to their leaders, and (ii) identifying the main challenges as well as the achievements of the innovative teams from their leaders' perspective. To answer these research questions, we interviewed a number of four team leaders of four companies on the market of Romania. Our approach can be framed within the well-established coordinates of scientific research, as follows "Empirical research involves collecting data or empirical observations and analysing the data to answer a specific research question; it can be quantitative or qualitative." (Petchko, 2018)

The undertaken primary research followed several stages, as it follows. The first stage consisted in developing the data collection tool, that is, the Interview Guide. Thus, that contained a number of six questions, all of them open questions, the aspects concerned being those that can be framed within the research objectives of the present research. It is about: the identification of the features of the innovative teams, emphasizing the challenges within the innovative teams, as well as the identification of the main achievements of these. When we developed the Interview Guide, we took into account a series of restrictions, namely, the limited time granted, generally by the respondents for such interviews, as well as the rather limited availability of the respondents face-to-face interviews (both because of their busy programmes and of the existent situations due to the Covid-19 pandemic during the time when the primary data were collected, in the June-July 2020 time-span).

The next stage consisted in identifying the suitable people to be interviewed. To be eligible, the subjects needed to have occupied a leadership position for at least one year (team leader or project team manager), their company being active in a field in which innovation is widely adopted. We chose these coordinates for the profile of the people who were to be interviewed with the belief that the perspective of a team

leader regarding their team is a relevant one, after an experience of at least one year as a team leader. In the identification of the suitable people to fit into this profile, we used the snowball sampling method. Our argument is that this method “is also a commonly used method for ... and in qualitative studies” (Johnson, 2014). Thus, the first team leader who fit into the profile mentioned above, from whom we received a positive answer to our request to give us an interview, recommended other team leaders to us. Actually, we received a recommendation which led to an increased acceptance rate of interviews conducted to the people we asked for it. Finally, we interviewed four team leaders, all of whom fit into the established profile (see Table 1).

Table 1. The profile of the four interviewed team leaders

Initials of the interviewed	Occupied position	Seniority in work	The field of activity of the company
M.P	Research & Development Team Leader	2 years	Electric/Electronic Products Production
Ș.A.	Team Lead	5 years	GPS Navigation Technologies Producer
V.B.	Team Lead	1 year and 3 months	Electrical/Electronic Products Production
A.I.	IT Project Manager	3 years	Information Technology and IT services

Source: authors' work

The interviews were taken online in the period June-July 2020. As it can be noticed (Table 1), the four interviewed persons occupied team leader positions, with a seniority in work between 1 year and 3 months and 5 years, respectively. All of them worked in companies located in Cluj-Napoca, Romania, performing in fields in which innovation is often an important competitive advantage.

The final part of the research consisted in the analysis of the data collected through the interviews to reach the two objectives of the present study and therefore to answer the research question defined. To accomplish that, we used the content analysis, identifying the key concepts which could be found in the answers that we received during the interviews,

given the aspects involved in the defined research objectives. The primary data analysis and interpretation are the subject of the next part of the present work.

Results and Discussions

Next, we present and analyse the data collected through the four interviews, the research objectives being: (i) identifying the characteristics of the innovative teams, according to their leaders, according to their leaders, and (ii) identifying the main challenges as well as the achievements of the innovative teams, from their leaders' perspective.

In what the characteristics of the innovative teams are concerned, the most important aspects of the answers received from the four interviewed team leaders are presented below (see Table 2).

Table 2. The synthesis of the information collected through the conducted interviews regarding the characteristics of the innovative teams

Interviewed	Data collected
	The characteristics of innovative teams
M.P	<ul style="list-style-type: none"> • They are performant in terms of results; • They obtain “deliverables” which differentiate themselves from other similar products; • They adopted the Agile procedure, within which the premises and requirements permanently change; • The innovative team members: <ul style="list-style-type: none"> - organize and prioritize their work themselves; - know their role and capacity to work very well; - are united and believe that the result as a mutual effort; - trust their colleagues, each member of the team looks for and is open to feedback;
Ş.A.	<ul style="list-style-type: none"> • They distinguish the company from the competing firms; • They are one of so-called “crown diamonds” of a company; • They attract talented people willing to become performant; • They can be characterized by diversity in terms of gender, age, personality, and training; • The members of the innovative team are:

Interviewed	Data collected
	The characteristics of innovative teams
	<ul style="list-style-type: none"> - willing to become performant (not as individuals, but mainly as a group); - very good in their field of specialization; - passionate, manifesting respect, confident, devoted; - with good knowledge about the competition and related industries; - visionaries;
V.B.	<ul style="list-style-type: none"> • Any idea coming from each member of the team is supported; • Creativity is encouraged; • There is psychological safety; • There is communication among the members of the team, they exchange knowledge and ideas; • There is support for innovation and failure; • The members of the innovative team find solutions to the existing problems together;
A.I.	<ul style="list-style-type: none"> • They produce solutions to the problems (at implementation level as well as given by the constraints of resources) they face; • There is clear communication both within the team as well as with those outside it; • There is a good cooperation among the team members; • The members of the team are autonomous in making decisions without the risk of being marginalized;

Source: authors' work

According to the interviewed team leaders (see Table 2), the characteristics of the innovative companies are identified in four main categories, namely, (i) by results (“deliverable”) which contribute to the general effort of the company to be competitive on the market by innovation; (ii) performance (reaching the defined objectives in an efficient manner), (iii) the way of working of the team (the existence of psychological safety, very effective communication) and (iv) team composition (the qualities of the team members, such as autonomy, diversity and orientation towards collaboration).

Therefore, according to M.P., an innovative team is an efficient team, which functions very well regardless of the circumstances, being focused only on its results, always pursuing its objectives and contributing to the differentiation of the company they belong to on the competitive market. The same idea regarding the great importance of the innovative teams for the competitiveness of the company in question can also be found at Ş.A. The latter asserted that an innovative team is the main element in a company, the employees being one of the most important resources for its efficient functioning. For Ş.A., the innovative teams are capable of making their companies unique on the market as they have objectives oriented towards new processes of innovation which lead to the best results no matter if we talk about a product or a service. Ş.A. believed that the innovative teams are one of the “crown diamonds” of a company.

In what the “performance” characteristic of the innovative teams is concerned, A.I. refers to their capacity of producing solutions to the problems they have to face, no matter if they are at the implementation level or they are given by the constraints of the allocated resources (time, budget, etc.). M.P. talked about the Agile way of working of his team, in which premises and requirements permanently change.

As for the way of working of the teams, Ş.A. underlined that the innovative teams need an environment where each member of the team can express their points of view, wishes, and ideas. Furthermore, the team leader remarked that this environment, characterized by psychological security, attracts passionate and interested people, an aspect which is extremely relevant for the companies interested in talents on the market. The importance of the psychological safety within the innovative team was also mentioned by V.B. According to him, the psychological safety provides confidence especially to those who are at the beginning and who are not very experienced at work. This aspect is of utmost importance for their encouragement. Thus, we can notice that the psychological safety within the team, sharing a direct and positive impact upon the performance of the team (Edmondson, 1999), could also be found in the answers received from the interviewed team leaders.

Another important aspect related to how innovative teams work is a good communication, which contributes to the exchange of ideas among the members, according to V.B. The latter mentioned that in his team those results were appreciated, and that failure was met with understanding. Thus, V.B. mentioned the importance of supporting ideas within the team,

the interest of the team members to find solutions, ensuring a high level of collaboration (which creates a pleasant atmosphere and makes the team members work with delight, aspects which are an important component for the efficiency of the team). The good level of collaboration alongside with the unity of the innovative team members was also mentioned by M.P. This team leader referred to the high level of trust existing in his team, an important aspect which explains the openness that his colleagues manifest in expressing their ideas. Even if M.P. did not use the well-established term, we can remark that there is psychological safety within his team, an essential factor for its performance (Lagace, 2018).

According to the answers received from the four interviewed team leaders (see Table 2), the structure of the innovative teams is one of their important characteristics. Thus, according to M.P., innovative teams have autonomous members, independent at organizational and decision taking levels. These members work together well as a consequence of the fact that they know their roles well and that they know what tasks they can take. The autonomy of the innovative team members, this time at decisional level, was mentioned by A.I. The diversity of the team members is an important characteristic of the innovative team, according to Ș.A. This team leader mentioned that a diverse team stimulates creativity as each member approaches the path to the innovative processes in a different way, enabling the team members to learn new things from each other. According to Ș.A., the innovative team members are willing to assert themselves, they are passionate and eager to expose their ideas and to discuss them with their team members. Furthermore, according to Ș.A., they possess deep knowledge in their speciality field, the connection between passion and performance being a strong one.

Another considered aspect is the challenges that the innovative teams face. A synthesis of the answers received from the four team leaders is presented further on (see Table 3).

According to the data collected through interviews (see Table 3), three of the four interviewed team leaders chose stress as a challenge for their team as a consequence of the related constraints (time and budget), to which the great dynamics of the emergence of innovation on the market was added, the large amount of new information to be assimilated as well as the pressure of identifying the optimal solution from the big number

of ideas and opinions circulated. We can remark that the main challenge of the innovative teams is tied to the conditions (deadlines and budget pressure, etc.) in which the main objective pursued by these teams needs to be met, that is of conceiving products and/or new services as well as new processes (Grubbs, 2019). A fourth team leader mentioned the challenges of his team which are specific to teamwork, namely, the existence of internal conflicts, the low level of motivation, and a certain degree of individualism which has a negative impact upon the team's results.

Table 3. The synthesis of the information collected through the conducted interviews regarding the challenges of the innovative teams

Interviewed	Data collected
	The challenges faced by the innovative teams
M.P	<ul style="list-style-type: none"> • The insufficient time allocated to projects (the pressure upon the company to create a deliverable product); • The diversity within the team, in term of work experience;
Ş.A.	<ul style="list-style-type: none"> • The speed at which everything happens in the business world and as a consequence the large amount of information that has to be assimilated; • The purpose of implementing, testing, and delivering innovative products in due time (being first on the market); • Complying within a limited budget; • Stress management; • Finding the balance between professional and personal life;
V.B.	<ul style="list-style-type: none"> • Stress management; • Finding the optimal solution of thousands of ideas and opinions;
A.I.	<ul style="list-style-type: none"> • The existence of internal conflicts; • A low level of motivation; • Execution at individual level;

Source: authors' work

M.P. mentioned that, as a rule, the new ideas coming from each of the members of the team are encouraged in an innovative team, but to listen and to test each idea takes time. The difficulty of complying with deadlines for his team was also numbered as one of his challenges by Ş.A. Therefore, according to him, innovation means keeping oneself up-to-date with all the new information, which turns to be an extremely difficult task especially when the team needs to comply with deadlines whenever finalizing a project is at stake. V.B. also referred to the fact that time was an impediment for his team; as each member comes up with an idea, it

takes time to test and to implement it. Diversity, a beneficial aspect for the innovative team (Bouquet, 2018), was called a challenge in his team by M.P., as the lack of experience of some members had a negative impact upon the results obtained by them.

A.I. named conflicts as a challenge for his team, as they turned out to be a great impediment for the efficiency of his team (if it is hard to manage and solutions for diminishing it are hard to be found). As a consequence of the existence of conflicts, relationships can get damaged, trust is lost, and communication becomes difficult to be achieved. A.I. underlined that if these conflicts became recurrent, the team members' lack of motivation would implicitly make its way.

According to the four interviewed team leaders, the achievements of the teams are given by the fulfilment of the assumed objectives, to which other aspects can be added (see Table 4).

Table 4. The synthesis of the information collected through the conducted interviews regarding the achievements of the innovative teams

Interviewed	Data collected
	The achievements of the innovative teams
M.P.	<ul style="list-style-type: none"> • Conceiving testing systems; • Implementing some software systems with own resources;
Ș.A.	<ul style="list-style-type: none"> • Delivering in time and meeting high quality standards everything agreed upon; • The employees' development;
V.B.	<ul style="list-style-type: none"> • The optimization of the product, providing some advanced solutions on the market; • The continuous improvement of the standard products; • Unique presence on the market;
A.I.	<ul style="list-style-type: none"> • Implementing a test solution which was adopted by the rest of the company.

Source: authors' work

According to the data collected (see Table 4), three of the four interviewed team leaders mentioned the new or improved product/service as an accomplishment of the team they lead. Thus, M.P. mentioned "the complex test systems which, if externalized, could cost hundreds of thousands of Euros" when he referred to the achievements of the team led by

him. Ş.A. referred to a set of requirements which were met by his team when they deliver a product/service, namely, complying with deadlines and with the requirements regarding quality, at the same time. For V.B., the achievements of his team are associated both with the continuous improvement of the standard products and also the radical innovation, which ensures them a unique presence on the market.

Another perspective of the achievements of the teams was brought about by Ş.A., who added that “by what and how we do, we manage to inspire the others as well.” We value this team leader’s perspective, as his answer tells us that he understands the importance of the members of his team very well. Thus, it is exactly the team members’ development that turns into a benefit of an innovative team.

Conclusions

Our interest in the topic of innovative teams is due to their importance, which is acknowledged worldwide within the companies that wish to be competitive on the nowadays market.

This paper is based on empirical, qualitative research. For the case study, we used the semi-structured interview method. The research question of this research is: “What are innovative teams like, according to their leaders?” Our option was to get to know and analyse the team leaders’ perspective regarding the team led by him/her, motivated by the consideration that their perspective brings valuable elements regarding the innovative teams. As this is a wide and complex topic, the aspects targeted by us in this study are as follows: the characteristics of the innovative teams as well as the challenges they need to face and their main achievements. Thus, the main data used to undertake this study were collected through interviews. As a consequence, we interviewed four team leaders of four companies in Cluj-Napoca (see Table 1), all of them acting in fields of activity in which innovation is a basic competence that ensures their competitiveness on the market.

As the first research objective is concerned, namely, (i) Identifying the characteristics of the innovative teams, the data collected indicate the following: the interviewed team leaders referred to different aspects (see Table 2), namely: (i) results (“deliverable”) which contribute to the general effort of the company to be competitive on the market by innovation;

(ii) performance (reaching the defined objectives in an efficient manner), (iii) the way of working of the team (the existence of psychological safety, very effective communication) and (iv) team composition (the qualities of the team members, such as autonomy, diversity and orientation towards collaboration). We can remark that the first two aspects (results and performance) chosen as characteristics of the innovative teams by the interviewed team leaders are measurable and quantifiable. On the other hand, the other two aspects (the way of working and the composition of the team) involve multiple and complex elements, with many facets, which share different and often interdependent nuances. For example, if the team members are independent, they can take decisions on their own, aspect which motivates them; the level of psychological safety is a high one, therefore they give and receive feedback, acknowledging their mistakes. Furthermore, the employees who are passionate about their work are devoted, they manifest a high level of commitment, and they also communicate efficiently.

Regarding the second research objective, that is, identifying the main challenges as well as the main achievements of the innovative teams, from their leaders' perspective, our conclusions are as follows. As part of the challenges of the innovative teams (see Table 3), we identified a specific one, namely, the high level of stress due to the conditions (meeting deadlines and complying with budget limitations) under which the team's main objective needs to be reached, that is to conceive new products and/or services as well as new processes. According to the answers received, these conditions are hard to meet exactly because of the characteristics of the innovative teams. For instance, the diversity of the team members has several facets. Thus, it consists of diversity in thinking and perspective, which means a multitude of ideas and approaches, which take a lot of time to be discussed and analysed. Or, the team is diverse from the perspective of the team members' experience level, aspect which can impact the results of the team in question in a negative way. Another characteristic of the innovative teams is the team members' passion for what they do, their professionalism which leads to a high level of exigence regarding information an aspect which requires time due to the large amount of new information which appears on the market every single day in the fields of activity in which the teams, whose leaders were interviewed, perform. Likewise, the tight deadlines are hard to meet, considering those mentioned above.

Other challenges of innovative teams are generally specific to teamwork, like the presence of conflicts, a low motivation level as well as individualism at operational level.

The main achievements of the innovative teams, according to the interviewed team leaders, are the conception of new technologies, the optimization of their products, complying with the existent deadlines, and with high quality standards. To all these, the employees' development can be added, an aspect of utmost importance which contributes to their motivation and loyalty, as well as to their development into future leaders.

Taking the above-mentioned aspects into account, one may conclude that the present work proposes a set of aspects specific to the innovative teams, aspects identified by their team leaders. The results of the present research can turn into a solid ground for further both qualitative and quantitative empirical research. In the future, a potential research direction can be given by the identification and the analysis of the innovative team members regarding their features as well as the main challenges and also their achievements. Thus, we could compare the team leaders' perspective with the employees' one so as to identify both their common and their divergent point of views. We believe that such research can contribute significantly to generate knowledge about the way innovative teams function. These results can be extremely useful for those interested to understand how innovative teams are led, as well as how their results could be improved. Innovation is one of the few constants of the present-day successful companies, together with teamwork. Therefore, the subject of the present work is an extremely up-to-date topic, with great importance for those involved in the leadership of contemporary companies and with a significant importance for future empirical research.

REFERENCES

- Andrés, M. R., Broncano, S. G., & Monsalve, J. N. (2015). Could innovative teams provide the necessary flexibility to compete in the current context? *Cuadernos de Gestión*, 15(1), 145-164. doi:10.5295/cdg.130446m
- Banholzer, M., Metzeler, F., & Roth, E. (2019). Fielding high-performing innovation teams. Retrieved June 11, 2020, from <https://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/fielding-high-performing-innovation-teams>

- Berber, N., Slavic, A., & Marko, A. (2020). Relationship between Perceived Teamwork Effectiveness and Team Performance in Banking Sector of Serbia. *Sustainability*, 12. doi:10.3390/su12208753
- Bouquet, C. (2018). What makes a successful innovative team? Retrieved June 10, 2020, from <https://www.imd.org/research-knowledge/articles/what-makes-a-successful-innovative-team/>
- Burcă-Voicu, M. I., & Oprescu, M. A. (2020). A Brief Analysis of the Enlargement Process for the Western Balkans States. Synthetic Evaluation of The Integration Path Within the Competitiveness Policy. *Online Journal Modelling The New Eurore*, 34, 157-167. doi:10.24193/OJMNE.2020.34.08
- Cizmas, E., Feder, E.-S., & Maticiuc, M.-D. V.-A. (2020). Team Management, Diversity, and Performance as Key Influencing Factors of Organizational Sustainable Performance. *Sustainability*, 12. doi:10.3390/su1218741
- Ćwiklick, M. (2014). The SMEs Limited Capabilities in Creating and Adopting Organisational Innovations. A Preliminary Study. *Studia UBB Negotia*, 59(2), 25-34. Retrieved from <http://studia.ubbcluj.ro/download/pdf/858.pdf>
- Deichmann, D., & Jensen, M. (2017). I can do that alone...or not? How idea generators juggle between the pros and cons of teamwork. *Strategic Management Journal*, 1-18. doi:10.1002/smj.2696
- Desai, A. (2017). Successful Innovation Teams Share These 5 Realistic Traits. Retrieved June 10, 2020, from <https://blog.adobe.com/en/publish/2017/07/11/the-5-elements-of-successful-innovation-teams.html#gs.tumldt>
- Duma, F., & Gligor, R. (2018). Study Regarding Romanian Students' Perception and Behaviour Concerning the Fintech Area with a Focus on Cryptocurrencies and Online Payments. *On-line Journal Modelling the New Europe*, 27, 86-106. doi:10.24193/OJ
- Edmondson, A. (1999). Psychological Safety and Learning Behavior in Work Teams. *Administrative Science Quarterly*, 4(2), 305-383.
- Fay, D., Shipton, H., West, M. A., & Patterson, M. (2015). Teamwork and Organizational Innovation: The Moderating Role of the HRM Context. *Creativity and Innovation Management*, 24(2), 261-277. doi:10.1111/caim.12100
- Grubbs, J. (2019). 9 Traits The Most Successful Innovation Teams Have In Common. Retrieved June 10, 2020, from <https://minutes.co/best-innovation-teams-have-these-traits/>
- Johnson, T. P. (2014). Snowball Sampling: Introduction. In *Wiley StatsRef: Statistics Reference Online*. Wiley Online Library. doi:10.1002/9781118445112

INNOVATIVE TEAMS THROUGH THE LENSES OF TEAM LEADERS: CHARACTERISTICS,
CHALLENGES AND ACHIEVEMENTS

- Johnsson, M. (2017). Innovation Enablers for Innovation Teams – A Review. *Journal of Innovation Management*, 5(3), 75-121.
- Lagace, M. (2018). How To Build a Fearless Organization. Retrieved from <https://hbswk.hbs.edu/item/make-your-employees-psychologically-safe>
- Llopis, G. (2014). 5 Ways Leaders Enable Innovation In Their Teams. *Forbes*. Retrieved from <https://www.forbes.com/sites/glennllopis/2014/04/07/5-ways-leaders-enable-innovation-in-their-teams/?sh=3543cedd8c4c>
- McDowell, T., Mesaros, N., Sorkin, J., & Rooney, C. (2019). Retrieved from Deloitte: <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/human-capital/us-human-capital-organizing-for-innovation.pdf>
- Negrusa, A., & Starcu, I. (2017). Strategic features of the SMEs' innovation process: the case of food services from the Cluj-Napoca market. *Studia UBB Negotia*, 62(3), 5-24. doi:10.24193/subbnegotia.2017.3.01
- Patterson, F., Kerrin, M., & Gatto-Roissard, G. (2009). *Characteristics & Behaviours of Innovative People in Organisations*. Retrieved July 10, 2020, from <https://pdfs.semanticscholar.org/695b/72b177326b9da2f01f7f0fc1b7b6cbf1ee75.pdf>
- Petchko, K. (2018). *How to write about Economics and Politics*. Elsevier Inc.
- Pop, A. M. (2020). New Perspectives on the Priorities and Challenges of the Internal Audit Function. *Studia UBB Negotia*, LXV(1), 47-68. doi:10.24193/subbnegotia.2020.1.03
- Pop, C., Coros, M., & Balint, C. (2017). Romanian Rural Tourism: a Survey of Accommodation Facilities. *Studia UBB Negotia*, 62(2), 71-126. doi:10.24193/subbnegotia.2017.2.05.
- PWC. (2013). Retrieved June 24, 2020, from <https://www.pwc.com/gx/en/industrial-manufacturing/publications/pdf/pwc-rethinking-innovation-in-industrial-manufacturing-are-you-up-for-the-challenge.pdf>
- Racolța-Paina, N. D. (2009). *Cultura inovației. Aspecte teoretice și practice*. Cluj-Napoca: Editura Fundației pentru Studii Europene.
- Racolța-Paina, N. D., & Mone, S. D. (2009). Product Innovation – A Framework for Measuring Performance in Romanian Companies, Case Study: Company A. In C. Rusu (Ed.), *Proceedings of the 6th International Conference Management of Technological Changes* (pp. 729-732). Alexandroupolis.
- Ringel, M., Baeza, R., Panandiker, R., & Harnoss, J. D. (2020). <https://www.bcg.com>. Retrieved January 9, 2021, from <https://www.bcg.com/publications/2020/most-innovative-companies/large-company-innovation-edge>
- Rozovsky, J. (2015). <https://rework.withgoogle.com>. Retrieved from <https://rework.withgoogle.com/blog/five-keys-to-a-successful-google-team/>
- Satell, G. (2018). Ways to Build an Innovative Team. *Harvard Business Review*. Retrieved from <https://hbr.org/2018/02/4-ways-to-build-an-innovative-team>

- Schoemaker1, P. J., Heaton, S., & Teece, D. (2018). Innovation, Dynamic Capabilities, and Leadership. *California Management Review*, 1-28.
- Schwarz, R. (2015). What the Research Tells Us About Team Creativity and Innovation. *Harvard Business Review*. Retrieved from <https://hbr.org/2015/12/what-the-research-tells-us-about-team-creativity-and-innovation>
- Solmaz-Kaise, A. (2019). Innovation, digitalization and AI for sustainable business growth. Retrieved June 11, 2020, from <https://medium.com/swlh/use-the-5-scrum-values-for-even-more-successful-innovations-7c39fd03a2d5>
- Toader, V., & Gica, O. (2014). Innovation in rural tourism – evidence from Cluj County. *59(2)*, 57-75. Retrieved from <http://studia.ubbcluj.ro/download/pdf/858.pdf>
- Zwilling, M. (2013). 6 Key Characteristics of Innovative Startups Teams. *Business Insider*. Retrieved June 2, 2020, from <https://www.businessinsider.com/6-key-characteristics-of-innovative-startups-teams-2013-1>

ENHANCING INTERCULTURAL SENSITIVITY: THE IMPACT OF ERASMUS+ MOBILITIES ON FUTURE ROMANIAN LEADERS

EMANUEL-EMIL SĂVAN¹, GABRIELA-CASIANA PAVĂL²

ABSTRACT. This paper investigates the link between participation in Erasmus+ mobilities and a higher level of intercultural sensitivity, a component considered to be highly relevant for contemporary business leaders. It conducts an analysis of existing cultural influences in Romania, through the prism of ethnic minorities, migration and international tourism, in order to emphasize the country's high level of cultural diversity. Furthermore, it explores the Erasmus+ mobility, more precisely, it presents the impact the programme has on integrating young people into the labour market. Subsequently, it clarifies the concept of intercultural sensitivity and outlines the links between intercultural competence and the educational environment. As far as the research methodology is concerned, the data was obtained through primary research: a questionnaire was developed, distributed and analysed. The instrument created by Chen and Starosta (2000), namely the Intercultural Sensitivity Scale, was used to measure the level of intercultural sensitivity of individuals. For this purpose, a comparative analysis of two groups of respondents: mobility participants and non-participants, was conducted, according to several independent variables. The study found that participation in this type of mobility has a positive impact in terms of intercultural skills and leadership abilities. Therefore, the formulated recommendations support the implementation of similar initiatives in the structure of the educational curriculum.

Key words: leadership, Erasmus+, cultural diversity, intercultural sensitivity, ISS

JEL Classification: M10, M14, M19

¹ *Teaching Assistant, PhD, Faculty of Business, Babeş-Bolyai University Cluj-Napoca, emanuel.savan@ubbcluj.ro*

² *Graduate Faculty of Business, Babeş-Bolyai University Cluj-Napoca, gabi_paval@yahoo.com*

Recommended citation: Savan, E.E., Paval, G.C., *Enhancing intercultural sensitivity: the impact of Erasmus + mobilities on future Romanian leaders*, Studia UBB Negotia, vol. 65, issue 4 (December) 2020, pp. 27-54, doi: 10.24193/subbnegotia.2020.4.02

Introduction

The recent technological advances make today's society exhibit a process of intense globalization. It can be seen that a diametrically opposed perception of cultural diversity has been reached. What was once considered a burden, and a constant source of conflict, is now seen as an added value that can be brought to society, through cultural interactions (Nicoara, 2005). Also, societies, that are now considered stable and peaceful democracies, have a responsibility to help create an environment in which all individuals have the opportunity to preserve and develop their cultural identity (OSCE, 2012).

The existing cultural mix, present on the Romanian territory, the fluctuations in its consistency, and the conflict situations deriving from these aspects, emphasize the multitude of variables that can intervene in the formation of societal intercultural skills. Therefore, it emphasizes the importance that must be given to the development of cultural skills. Moreover, according to Massey et al. (1993), as most developed countries have moved towards multiculturalism, the developing ones also end up moving in this direction, as is the case of Romania.

Along with the labour market, the education system is also going through an intense process of internationalization. The main focus of the education system should be to prepare young people for the current challenges in society, in terms of the necessary knowledge and skills sets. Therefore, the young generation should be prepared to interact, communicate and then collaborate with people from other cultures. Consequently, at present, the degree of internationalization, especially in the case of higher education, has come to be seen as an indicator of educational quality (N.A.C.P.F.V.E.T.M, 2015). When one thinks about internationalizing the education system, the Erasmus+ is the most sought program, being considered the most popular. Numerous studies conducted in this regard have shown the major impact that this program

has in the process of internationalizing education, having a major contribution in the participants' preparation for the labour market (N.A.C.P.F.V.E.T.M, 2015). Thus, the main goal of this program is to enhance the quality of life by increasing employment opportunities by developing intercultural skills, which are highly sought in the current global economy. These objectives can be achieved through opportunities such as: study, practice, projects and volunteering, in various fields, both at home and abroad, in a culturally rich environment (N.A.C.P.F.V.E.T.M, 2015).

When we talk about intercultural skills, we are talking about an umbrella concept, which consists of three main components, namely: the cognitive side, the affective side and the behavioural side (Chen and Starosta, 2000). The cognitive part is represented by the state of awareness of the cultural elements (Chen and Starosta, 2000), affectivity is rendered through the concept of intercultural sensitivity manifested by an individual (Chen and Starosta, 1998), and behavioral aspects are described by intercultural efficiency (Chen and Starosta, 1996). Due to misinterpretations of these concepts, many training programs, that aim to develop intercultural communication skills, often have results that are very difficult to quantify or interpret.

At present, most employers show a very high interest in the aspect of intercultural competences, many companies provide training programs in this regard. In the context of a globalized world economy, the ability to interact and adapt to various cultural contexts has become a necessity in the workplace. The high level of competitiveness due to the current world economy causes most companies to broaden their horizons in order to achieve their goals. Thus, a good training of the management generates a substantial competitive advantage. A very important aspect to mention is that global leadership focuses more on trust and building long-term relationships rather than on setting strict goals and directions. Elizabeth Gates argues that, with a better understanding of the global economy and culture, it will be much easier to penetrate a target market (UNC Executive Development & Human Capital Institute, 2015).

The aim of this study is to investigate the link between participation in Erasmus+ mobility and a higher level of intercultural sensitivity (IS). IS represents a basic component of the set of intercultural skills that have

come to be considered highly necessary for business leaders today. In this sense, a delimitation was made between respondents, namely Erasmus+ mobility participants and non-participants. The instrument created by Chen and Starosta (2000): the Intercultural Sensitivity Scale (ISS) was used to measure the level of intercultural sensitivity. At the same time, it tests certain variables related to international experience that could show a certain influence on the aforementioned link. The variables taken into account are: the number of types of mobility experienced and the period spent in these mobilities. Additionally, a number of demographic variables were taken into account: the frequency with which current interactions with people from other cultures take place, the number of ways in which they take place, gender, age, recent studies, occupation, and income level. Finally, the relationship between the experience of working in a leadership position (past, present or future), and the level of intercultural sensitivity, was studied.

Erasmus+ offers young people the opportunity to live a completely different experience from classical learning styles, enhancing the direct interaction of the individual with other cultural environments, in order to create a behavioural flexibility. In Romania, these types of mobility are starting to gain popularity among young people, universities having a significant contribution in this regard. Given the fact that numerous researches affirm the positive impact of these programmes on the development of the individual, it was considered important to study the influence manifested by these cultural experiences and to analyse the level of cultural sensitivity.

Literature review

Recent trends indicate that, along with the labour market, the education system is the one that goes through an intense process of internationalization. This aspect is of major importance, given that it is the result of the process of economic and political integration for which the European Union is constantly striving. This process must be strengthened and developed especially in countries with an economy that performs below the European average, including Romania. Moreover, the degree of internationalization, especially in the case of higher education, has come to be seen as an indicator of educational quality (N.A.C.P.F.V.E.T.M, 2015).

The Erasmus+ program (2014 - 2020) is a continuation of the Lifelong Learning Program (2007 - 2013), and was developed given the positive results generated by LLP and the impact manifested in the internationalization process. At the same time, it was considered necessary to significantly increase the allocated budget (N.A.C.P.F.V.E.T.M, 2015). The current concept of the program intends to streamline the participation process, in order to better meet the requirements of the beneficiaries, targeting certain negative aspects discovered at the end of the previous program. Thus, it brings together all seven programs offered by the EU in the field of youth training, namely: Lifelong Learning, Youth in Action, Erasmus Mundus, Tempus, Alpha, Edulink (N.A.C.P.F.V.E.T.M, 2015). Their unification was achieved in order to eliminate the barriers of a cumbersome bureaucratic process, to diversify the target segments and to create flexibility between the offered programs, which will help to create a much closer link between individuals (N.A.C.P.F.V.E.T.M, 2015).

Even if, at European level, cooperation on educational programs is a process that already extends over a period of 30 years, in the case of Romania, due to the late accession to the European Union, this process took place with a significant delay. This aspect currently places the country at the bottom of the ranking in terms of the number of beneficiaries per total number of people, who are enrolled in a form of education (N.A.C.P.F.V.E.T.M, 2015).

Although there is an increasing interest into Erasmus+, in terms of mobility there is a great disproportion between the two groups: Romanian students and foreigners who choose Romania as a destination (N.A.C.P.F.V.E.T.M, 2015). The second category is indicated as being reluctant to look at Romania as a significant source of development opportunities. One of the main impediments being the reported socio-cultural and academic integration problems (N.A.C.P.F.V.E.T.M, 2015). Currently, there are many initiatives aimed at streamlining the integration of foreign students, such as the European Student Network, an NGO present in most universities in the country, and "buddy" programs organized by faculties. However, the aspects related to the internal organization of the faculties remain a problem. According to the analysis performed, the insufficiency of teaching materials, cultural-linguistic skills and accommodation spaces, represent the main negative aspects for many university centres in Romania.

Regarding the external mobility of teachers, Romania can boast that it was ranked among the top six countries in Europe, at the time of the study (N.A.C.P.F.V.E.T.M, 2015). Contrary to the trend encountered among students, teachers prefer Western Europe as a destination, the economic situation of these areas being correlated with a very high-quality education system. This aspect has a significant contribution to the optimization of teaching and evaluation methods, and the quality of the research activity.

A study carried out by the European Commission on the impact of the Erasmus program on the individual skills, employability and career opportunities of beneficiaries has yielded a number of results relevant to the carried research. Regarding individual skills, more than 90% of the surveyed students showed an improvement in terms of soft skills, such as: knowledge of other cultures, ability to interact and work with people from other cultures, adaptability, language skills and advanced communication (European Commission, 2014). A very high percentage (99%) of universities involved also reported a substantial improvement in students' self-confidence and adaptability, as a result of their time spent abroad.

In order to accurately measure the evolution of the beneficiaries' employability, six factors were considered to be the most relevant. These factors were identified to be: the ability to accept other peoples' culture and customs, openness to new experiences, self-confidence, awareness of one's own strengths and weaknesses, ability to make decisions, ability to solve problems (European Commission, 2014). In order to ensure the relevance of the study, a significant number of employers also took part, most of them considered the personality traits mentioned above to be highly important. Following the analysis, the students who took part in the program showed much higher scores, in terms of these competencies, than the students who lacked this experience. Moreover, with the completion of the mobility, they showed a significant professional advantage over "non-mobile" students (European Commission, 2014).

This program also seems to play a very important role in enhancing the entrepreneurial environment, through internships (European Commission, 2014). This highlights the importance of the exchange of practices and knowledge, that takes place between the participants in

these internships, especially in the case of countries covered by the economic integration program. According to the research conducted by the European Commission (2014), 77% of Erasmus students who participated in the study held leadership positions in the first ten years after graduation, presenting also an advantage of 44% in obtaining managerial positions, compared to alumni of other initiatives.

Romania is characterized by a high level of diversity, being the home of over twenty ethnic communities. Ethnic minorities have always represented a significant percentage of Romania's population. In 1930, Romanian population was constituted of 73% native Romanian speakers and 71.9% Romanian ethnics (Nicoara, 2005). According to the data provided by the 2011 census, the most recent conducted in Romania, out of a total of 20.1 million inhabitants, minorities represent a percentage of 11%. The share of the main ethnic groups is constituted as follows: 58.86% Hungarians, 29.80% Roma, 2.44% Ukrainians, 1.73% Germans, 1.33% Turks and 5.84% other ethnicities.

Mobility is a complex and dynamic process, which is influenced by a multitude of factors. According to Tomescu-Dumitrescu (2017), these factors can be of two types:

- push factors: low standard of living, poverty, lack of job opportunities, ethnic problems, natural disasters, technological accidents, and terrorism;
- pull factors: higher standard of living, higher salaries, the possibility to find a better job, and the experience of social networks.

According to the observation made by Tomescu-Dumitrescu (2017), a number of non-economic factors also affect the migration decision and the selection of the destination country. The most relevant examples are provided by: language, cultural and geographical contingency, links to tradition. At present, the problem of international migration is one of the biggest challenges faced by most countries in the world. As Danacica (2010) states, the labor market has become globalized, causing a need to attract foreign labor in the case of highly developed countries. At the same time, undeveloped states have a labour force that exhibits a desire to emigrate to societies that can ensure a better living standard. Thus, society is in a situation where the percentage of migrant population is constantly growing. At the same time, the need to pay a higher degree of

attention to the integration of these people both on the labor market and from a cultural point of view increases.

As far as the European Union is concerned, all Member States are affected to some extent by the intensification of international migration. According to Danacica (2010), the mix of factors that have brought migration to the top of the EU's political agenda consists of:

- the major political changes that have taken place in Central and Eastern Europe since 1989;
- EU enlargement in recent years (10 countries joined the EU on 1 May 2004 and another two on 1 January 2007);
- liberalization of the labor market;
- the growing demands for the economic and political integration of the countries of Central and Eastern Europe in the EU.

According to Udrea (2015), the phenomenon of international migration brings a series of advantages and drawbacks. Table 1 illustrates both negative and positive effects for country of origin as well as country of destination.

Table 1. The effects of migration on the country of origin and destination

	Negative effects	Positive effects
Country of origin	It affects the stability of the family	Transfer between civilizations, new knowledge
	Skilled labor shortage	Contribution to the development of the country of origin
	Increasing school dropout and delinquency	Contribution to the economy of the country of origin
	Negative effects	Positive effects
Country of destination	It causes xenophobia and prejudice	Modernization through multiculturalism
	Leads to inter-ethnic conflict	Cheap labor - reduces unemployment

Source: authors' elaboration based on Udrea (2015)

If Romania is viewed from the perspective of a destination country, two phenomena can be discussed, internal migration and immigration. Therefore, according to Massey et al. (1993), as most developed countries have moved towards multiculturalism, the developing ones end up moving in this direction, as is the case of Romania. Contrary to the fact that the country's economy is considered to be still below the European average, Romania manages to meet a number of characteristics favorable to less developed societies. Following a report of Cosciug et al. (2019), it can be mentioned that the cultural variety of Romania is amplified: the share of foreigners reached 380000, increasing four times since the beginning of the decade. The study also reveals that new ethnic groups are beginning to emerge, although the main countries of immigration remain the Republic of Moldova, Turkey, China, Syria and Israel. Immigrants end up settling mainly in the most developed areas of Romania, such as the western cities or the capital, areas also characterized by a high level of cultural diversity. Due to the same study, it was discovered that, regarding the adaptation of immigrants in the socio-cultural environment of Romania, over 50% of them attended or are taking Romanian language courses, which indicates a substantial effort on their part in this direction.

Following the accession to the European Union, international tourism is showing a slight increase. However, the departures of locals are double the number of foreigners arrivals (National Institute of Statistics, 2020), which turns Romania into a country that provides, rather than attracting, international tourists. In order to bring this sector to the level of its potential, we need culturally competent people, willing to use their experience to build an international image that will arouse interest. Thus, given the diversity of resources, the main factor that is missing is leadership. If Romanians travel abroad mainly in order to spend their vacation, according to National Institute of Statistics (2020), more than half of the foreign surveyed visitors have business as their main reason to travel to Romania. As a result, the Romanian business environment has an increasing level of cultural diversity.

Chen and Starosta (2000) are among main researches who focused on analyzing and studying the concept of cultural sensitivity. Starting from the fact that there was a high level of ambiguity around this concept, often being confused with the state of cultural awareness or intercultural

communication skills, the authors felt responsible to clarify these concepts. In their opinion, the three concepts are closely related, but separate in meaning (Chen & Starosta, 2000). At the same time, they consider that the highest level of complexity is presented by the intercultural communication skills, skills that include the two aforementioned concepts.

The two researchers (Chen and Starosta, 2000) further deepened the study of cultural sensitivity, they express the concept as a mindset that helps individuals to observe the differences in behavior when interacting to people. Therefore, it can be stated that this ability facilitates interactions with people from other cultures. Subsequently, they concluded that six elements specific to the affective side of the individual should be present in order to be considered as manifesting a high level of intercultural sensitivity. According to the authors (Chen and Starosta, 2000), these are: self-esteem, self-monitoring, openness, empathy, interaction involvement and the suppression of the act of judging (non-judgment).

For gauging intercultural sensitivity Chen and Starosta (2000) developed a highly regarded measuring tool: the Intercultural Sensitivity Scale. This instrument is presented in the form of a questionnaire consisting of 24 questions, marked according to the Likert scale, with values from 1 to 5, as follows: 1 - strongly disagree, 2 - disagree, 3 - neither agree nor disagree, 4 - disagree agreement, 5 - completely agree. According to Chen and Starosta, the questions were constructed on the basis of five influencing factors: respect for cultural differences, interaction confidence, interaction engagement, interaction attentiveness and interaction enjoyment (Chen and Starosta, 2000). The relevance and validity of the instrument were tested by researchers, each of them obtaining, in turn, very good results, which demonstrates an ability of the instrument to address various groups. Additionally, the authors (Chen and Starosta, 2000) included in the questionnaire four reverse-coded questions, which address these statements in a negative tone, for example: "I do not like being around people from other cultures". Their purpose is to allow participants flexibility in thinking.

Langley and Breese (2005) conducted a study aimed to observe behavioral changes among students who undertook study abroad programs. The results indicated a significant decrease for stereotyping and the tendency to judge other people. Moreover, an increased interest was observed for both national culture and towards the cultures encountered

through the project. One result that many researchers have reached is that it may be sufficient for the student to show a real desire to study abroad in order to be considered as having a high level of intercultural skills. Williams (2005), as a result of a comparative study between domestic students and international students, indicates that intercultural communication skills can be better predicted by the exposure to a diversity of culture rather than by localization. Penington and Wildermuth (2005) reached some very relevant results regarding the level of intercultural competences among students, being interested in observing the impact of short-term study abroad programs. Similar to the conclusions formulated by Williams (2005), the authors found that there is a correlation between participation in the study abroad program and an increase in the level of cultural awareness. Similarly, Anderson et al. (2006) conducted a pilot study to measure the impact of short-term study abroad programs on the level of intercultural sensitivity. Their study shows uniqueness due to the fact that the study abroad program in question was not one with a theme strictly focused on learning a language. The authors' conclusion was that these short-term experiences can have a positive impact on intercultural sensitivity, with a significant increase in adaptability and tolerance.

The University of North Carolina's Kenan-Flagler Business School conducts an annual research project aimed at solving leadership problems. In 2015, this research project focused on the issues of skills needed for leaders to be successful in the current economic context. To this end, the university in question surveyed over 300 professionals in various fields: human resources, training and education. The results were published in the report *Compete and Connect: Developing Global Competent Leaders* (UNC Executive Development & Human Capital Institute, 2015). According to David Roberts, professor of executive development at Kenan-Flagler, an individual is considered to be globally competent when he or she possesses certain attributes: right functional attitude, knowledge, skills and business expertise, which permits the individual to work effectively in any culture (UNC Executive Development & Human Capital Institute, 2015). Also, Susan Simmons, director of career management at Michelin North America, emphasizes that the need for these skills should not be

associated only at leadership level, but with all employees, because they all contribute to the success of the company. Elizabeth Gates, executive director of Talent Development at Box, indicates, in the study, that with a better understanding of the global economy and culture, a company's products will be more easily inserted into a target market.

According to the aforementioned study (UNC Executive Development & Human Capital Institute, 2015), global competencies involve three dimensions:

- A positive attitude towards cultural differences, as a result of the presence of self-respect and empathy in the behavior of the individual;
- The ability of the individual to speak, understand and think in languages beyond the dominant language in the country of origin;
- A deep understanding of world history, geography and a number of other key topics such as health, climate and economy.

The results of the study show that, regardless of the size or objectives of the company, most are aware that culturally fit leaders generate a significant competitive advantage. However, even if they are aware of this requirement, 62% of respondents reported that there is no cultural diversity in senior management positions. When asked to express their opinion on the main qualities that a leader needs in order to be effective in a global business environment, the surveyed experts expressed the ranking illustrated in Figure 1 (UNC Executive Development & Human Capital Institute, 2015).

The study conducted by UNC Executive Development & Human Capital Institute (2015) further indicated that more than 71% of respondents stated that the development of cultural sensitivity, especially for leadership positions, is an urgent priority. A worrying result is that only 45% of the leaders, who took part in study, considered the current potential of the company's management as sufficient. Moreover, 52% said their organizations have trouble finding suitable leaders for the required positions.

ENHANCING INTERCULTURAL SENSITIVITY:
THE IMPACT OF ERASMUS+ MOBILITIES ON FUTURE ROMANIAN LEADERS

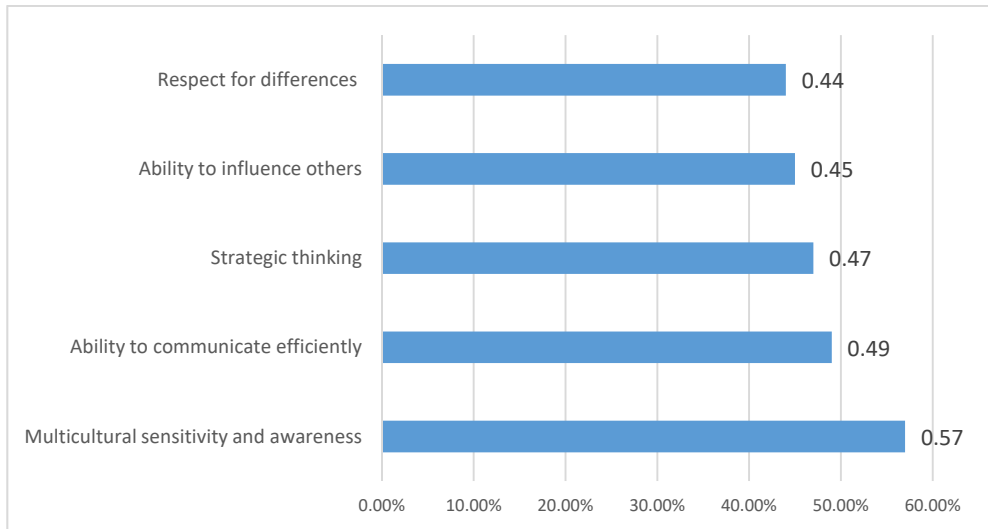


Figure 1: Main qualities required from effective leaders in a global business environment

Source: authors' elaboration based on UNC Executive Development & Human Capital Institute (2015)

Material and Methods

As indicated in the previous sections, the main purpose of this research is to study the impact of Erasmus+ mobility on the level of intercultural sensitivity of individuals. In order to be able to draw relevant conclusions in this regard, a comparative analysis was performed between participants in these mobilities and non-participants. In addition, the aim is to study the link between these intercultural experiences and leadership aspirations. Taking into account both the purpose and objectives presented above, as well as the measuring instrument used, that of Chen and Starosta (2000), the national uniqueness of this study is emphasized.

In order to collect the data necessary to achieve the aforementioned objectives, a questionnaire was constructed and administered. It includes four sections, as follows: Experience, Erasmus+, Intercultural Sensitivity and Information about responders. The first section, called "Experience",

contains a single question: "Did you participate in Erasmus+ type mobility?", and it has two possible answer options: "Yes" or "No". It is intended to separate the two main groups of respondents: Erasmus+ mobility participants and non-participants. Thus, people who did not participate in this type of mobility were redirected to the third section of the questionnaire, the one related to Intercultural Sensitivity. In order to clarify the concept of Erasmus+ mobility, the main forms in which they can take place were also mentioned in brackets: learning abroad, industrial experience abroad, international projects, and voluntary work abroad.

The second section, called "Erasmus+", was intended only for participants in these mobilities, with the aim of collecting additional data related to their individual experience. The information considered to be of interest was: the types of mobilities in which they took part (a multiple choice question), the total duration of the period spent in these mobilities, and the position held in those mobilities (leader or participant). If respondents held a leadership position, they were asked to briefly describe the experience.

The third section was dedicated to measuring the level of intercultural sensitivity, through the instrument developed by Chen and Starosta (2000): the Intercultural Sensitivity Scale (ISS). The use of this tool was considered relevant given the numerous publications which demonstrate its validity in a multitude of cultural contexts. The ISS is presented in the form of a questionnaire consisting of 24 statements, marked according to the Likert scale, with values from 1 to 5, as follows: 1 - strongly disagree, 2 - disagree, 3 - neither agree nor disagree, 4 - agree, 5 - completely agree. Respondents were therefore asked to state to what extent they agreed or disagreed with the statements made, in order to calculate an individual result. According to the authors (Chen and Starosta, 2000), a higher score signifies a higher individual level of intercultural sensitivity. Along with this requirement, the questionnaire mentioned some further clarifications: there are no correct or wrong answers, and that the respondents should follow the first instinct when reading the statement. The 24 items are grouped according to five influencing factors considered by the authors, namely: Interaction Engagement (involvement in interactions - 7 items), Respect for Cultural Differences (6 items), Interaction Confidence (trust in itself - 5 items), Interaction Enjoyment

(the joy felt in the interactions - 3 items), and Interaction Attentiveness (3 items). Before proceeding to the data analysis, items 2, 4, 7, 9, 12, 15, 18, 20 and 22 were reverse-coded. This step was absolutely necessary given that, in addition to items formulated in a positive way (e.g. "I like to interact with people from different cultures."), The ISS also has in its structure items that are considered to reflect a negative action (e.g. "I do not like to be around people from other cultures.") This approach aims both to validate individuals' responses through the correlations between positive and negative items, and to create flexibility in thinking, allowing respondents to look at the situation in both.

The last section of the questionnaire includes the following items:

- A series of demographic variables: gender, age, graduate education, occupation and income level;
- Two questions ("Yes" or "No" type) related to the frequency with which the respondents have contact with people from different cultures and the ways in which these interactions happen (multiple choice type);
- Three "Yes" or "No" questions regarding the following situations: I held a leadership position / I hold a leadership position / I plan to hold a leadership position. If they answered yes to any of these questions, respondents are asked to briefly describe the experience.

The questionnaire was disseminated exclusively online, through social media platforms. Given that the study focuses on the analysis of the impact of Erasmus+ mobility, the questionnaire was mostly distributed directly to young people, or in groups in which they are present. In the initial phase, it was opened for answers between 6 and 17 May 2020, and, following a disproportion between the two groups studied, it was distributed for two more days (10 - 11 June 2020) on Facebook groups such as: Erasmus+ Romania, Erasmus+ Opportunities, and Erasmus+ Projects. At the end of the validity period, a total of 170 valid responses were collected through the questionnaire.

The data was analysed using the IBM SPSS program, frequencies and descriptive statistics were used for the individual analysis of each variable addressed in the questionnaire. Subsequently, Alpha Reliability

Analysis was performed to test the validity of each of the five components of the ISS, based on the quality of the responses received in this regard. A series of correlations and T-tests were used to explore the relationship between independent variables (demographics, data on international experience, or leadership) and various components of the ISS (dependent variables). Following a positive result in terms of ISS components, the five composite variables were created as the arithmetic mean of the scores corresponding to each item. Also, a compound variable was created to calculate the individual scores obtained through the ISS, as the arithmetic mean of all item scores.

Results and Discussions

Demographics and additional information about the respondents is summarized in Figure 2. The first question: whether the responders took part in Erasmus+ mobility, revealed that 94 respondents (55.3%) previously participated and 76 (47.7%) did not participate in such projects. Out of the total respondents, 113 (66.5%) are women and 57 (33.5%) are men. Regarding the age categories considered, the situation is as follows: 149 people (87.6%) aged between 18 and 25, 10 people (5.9%) under 18, 8 people (4.7%) aged between 26 and 35 years and only 3 (1.8%) people over 35 years. Regarding the education level achieved undergraduates dominate, counting 101 respondents (59.4%). They are followed by: university graduates (48 or 28.2%), high school graduates (11 or 6.5%), professional school graduates (6 or 3.5%) and postgraduates (4 or 2.4%). Regarding the occupations of the respondents, the sample is structured as follows: 116 students (68.2%), 27 employees (15.9%), 19 high school students (11.2%), 4 entrepreneurs (2.4%) and 4 unemployed people (2.4%). Finally, the structuring according to the participants' income is as follows: 65 people (38.2%) have an income below 1500 lei, 44 people (25.9%) preferred not to answer, 38 people (22.4%) have an income between 1500 and 2500 lei, 13 people (7.6%) have an income between 2500 and 4000 lei, and 10 people (5.9%) earn over 4000 lei.

ENHANCING INTERCULTURAL SENSITIVITY:
THE IMPACT OF ERASMUS+ MOBILITIES ON FUTURE ROMANIAN LEADERS

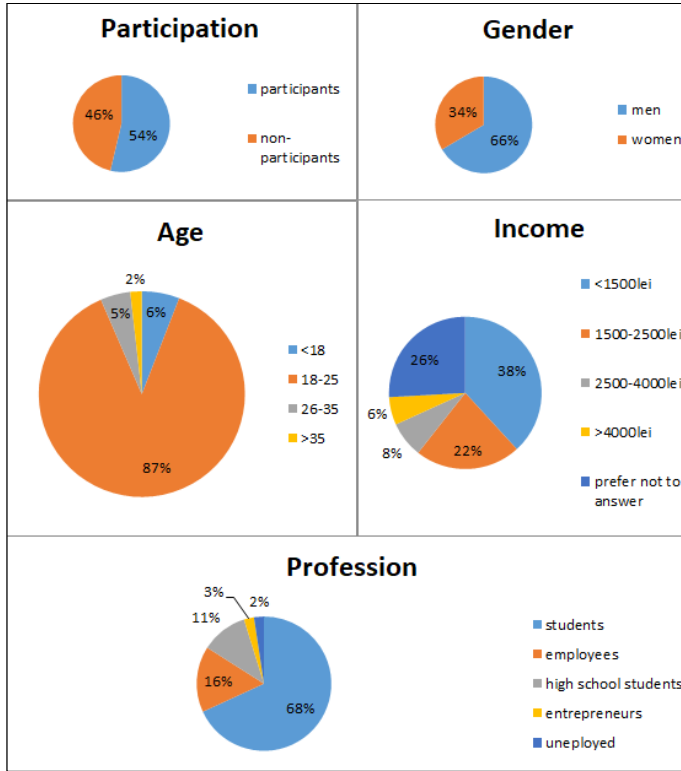


Figure 2: Demographics and information about respondents
Source: authors' own elaboration

After analysing the structure of the studied sample, one can notice a preponderance of young people, and especially students. This is due to both: the channels used to distribute the aforementioned questionnaire, and to the fact that the Erasmus+ program is most popular among students. Regarding the other types of Erasmus+ mobilities, which exclude internships or study abroad (generally specific to students), the existing and known opportunities in Romania are significantly fewer. However, we wanted a diversity related to the typologies of respondents, due to the fact that this type of research has not been previously carried. Therefore, the scores obtained by various groups of individuals were of interest for the carried research.

In the case of the participants who indicated that they enrolled in at least one Erasmus+ mobility, an entire section was dedicated to gathering additional information. This was conducted in order to study the influence of certain independent variables: duration of mobility, types of mobility they participated in, and whether or not they have taken the lead in those mobilities, on intercultural sensitivity. Regarding the duration of these experiences, 40 of the participants (42.6%) spent less than a month, mainly for international projects, exchanges programs, or a short-term practice. A number of 25 respondents (26.6%) had a cumulated period between 3 and 6 months, they are represented mainly by participants to the study and practice mobility. Finally, only 11 participants (11.7%) accumulated an experience of over 9 months, indicating a variety of mobilities in which they took part.

The results for the multiple choice question, regarding the purpose for which the respondents took part in the respective mobility, are presented in Figure 3. It can be seen that participants show a preference for two types of mobility: studying abroad and international projects. As previously mentioned, the higher education system is going through an intense process of internationalization, which has led to countless efforts to enhance studying abroad, such as: increasing the number of scholarships, reducing bureaucracy, and facilitating grade equivalation.

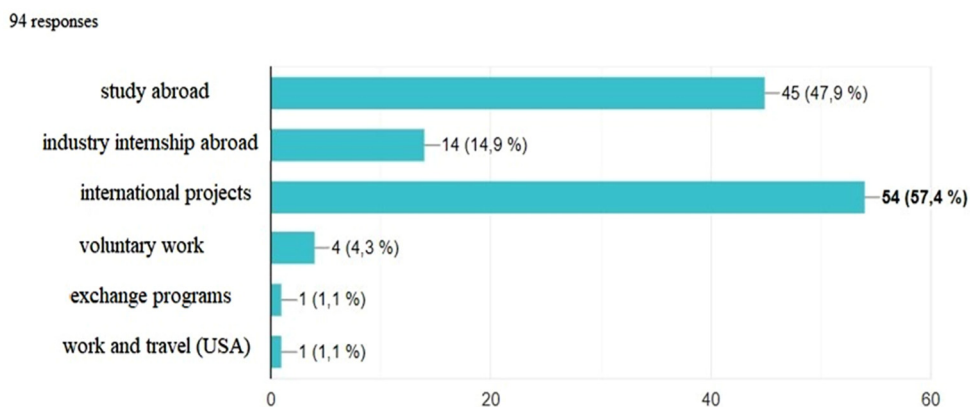


Figure 3: Purpose of mobility

Source: authors' own elaboration

ENHANCING INTERCULTURAL SENSITIVITY:
THE IMPACT OF ERASMUS+ MOBILITIES ON FUTURE ROMANIAN LEADERS

International projects are seen as highly attractive to young people due to the conditions in which they take place: they have a shorter implementation period, address a wide range of current topics, the costs are largely covered by Erasmus+, and they generally manage to meet the needs of the individual, employing non-formal teaching techniques.

The results to the question regarding the leadership position, for the entire sample of respondents (both Erasmus participants and non-participants), are illustrated in Figure 4. As it can be observed, 43 of the non-participants held this position, 19 of them currently hold this position, and, out of a total of 170 respondents, 110 tend to hold such a position in the future. Moreover, a number of 78 Erasmus+ participants (83%) did not hold a leadership position, while the remaining 16 (17%) were allocated such a position.

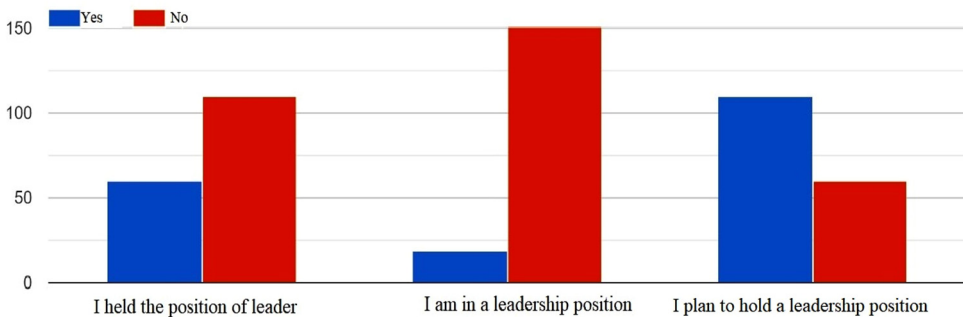


Figure 4: Responses concerning leadership positions

Source: authors' own elaboration

Finally, all participants were asked about the frequency of their interaction with culturally different people: 95 of them (55.9%) answered yes and 75 (44.1%) said no. It can be seen that the results obtained in this respect are very similar to those in the initial question, regarding participation or non-participation in Erasmus+ mobility. Regarding the ways in which these interactions take place, the respondents' options are illustrated in Figure 5.

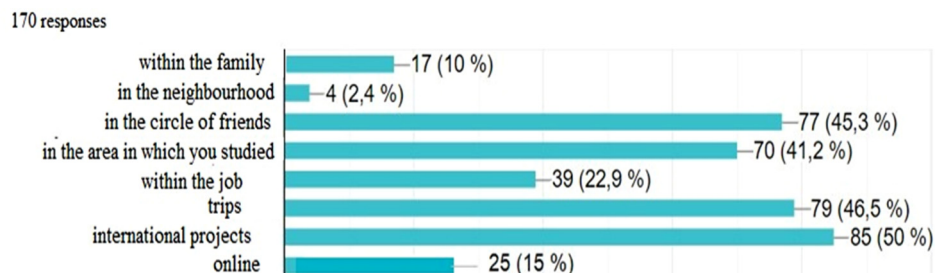


Figure 5: Ways of interacting with people from other cultures

Source: authors' own elaboration

International projects occupy the first place in the top of respondents' preferences, which denotes both: an openness to collaborate with people from different cultures, and behavioural flexibility on their part. We refer to behavioural flexibility as the ability to adapt easily, to get out of the comfort zone and then to cope with the many new situations that are imposed by various experiences. Excursions are also considered to be an important source of contact with people from other cultures. Although they generally take place over short periods of time, individuals have contact with most of the cultural elements of the areas / countries visited e.g. culinary specifics, traditional music, different patterns of behaviour, and clothing styles. The key element in this case is the desire to observe and study these particularities. Another notable result is that a significant number of respondents have a circle of friends characterized by cultural diversity. Therefore, it can be seen that today's young generation is much more open-minded in this regard, being raised in an environment defined by connectivity and access to information. A further argument in this regard is that some respondents have indicated the online environment, especially computer games and social platforms, as a method by which they interact with people from other cultures.

Following the descriptive analysis of the variables, we conducted both an analysis of the correlations between the questions and the Reliability Analysis in SPSS to validate the five components of the ISS in the case of this study. The coefficient employed for measuring the internal consistency is Cronbach's Alpha and, it should have a value close to, or over, 0.7 for these components to be considered reliable. In this case, the component with the highest Cronbach's Alpha coefficient is "Interaction

Confidence" (Cronbach's Alpha = 0.808), the only two components that have a value below 0.7 (but close to it) are: "Respect for Cultural Differences" (Cronbach's Alpha = 0.681) and "Interaction Enjoyment" (Cronbach's Alpha = 0.650). A lower coefficient can be interpreted as a need to revise the tool, or to add items that correspond to that component, in order to be able to strengthen the common points in a certain set of questions. The complete results are presented in Table 2.

Table 2: Cronbach's Alpha coefficient specific to each ISS component

Component	Cronbach's Alpha	Items no.
<i>Interaction Confidence</i>	0.808	5
<i>Interaction Engagement</i>	0.796	7
<i>Interaction Attentiveness</i>	0.761	3
<i>Respect for Cultural Differences</i>	0.681	6
<i>Interaction Enjoyment</i>	0.650	3

Source: authors' own elaboration

The comparison of different groups of respondents according to various criteria was performed using the Split Groups function in SPSS. Given that this research aims to study the differences between participants and non-participants in Erasmus+ mobility, a first delimitation of the two categories was made through the mentioned function. Further splits were conducted based on certain demographic variables.

In order to find out which independent variables influence the scores obtained by the respondents, an analysis of Spearman correlations was performed. Regarding the total scores (and the average scores according to each item), very strongly correlations (0.01 level) are registered with: participation in Erasmus+ projects, the number of types of mobility experienced, and the number of ways in which they interacts with people from other cultures, and moderately (0.05 level) with: the total period spent in mobility, the frequency of interaction with people from other cultures, and the gender of the respondents. Notable results in terms of correlations were also obtained in the case of the individual

study of the five components of the ISS. The "Interaction Engagement" component is closely correlated with the participation of mobility and the number of ways in which it interacts with people from other cultures, and moderately correlated with: the number of types of mobility experienced, the period spent in mobility and the gender of respondents. The "Interaction Enjoyment" component is closely correlated with the assumption of the leading position in mobility and moderately correlated with: participation in mobility, the number of ways to interact with people from other cultures, the period and the number of types of mobility experienced. The "Interaction Confidence" component is strongly correlated with: participation, number of types of mobility, total period of mobility, frequency of interactions with people from other cultures, number of ways to interact, and aspiration to hold a leadership position in the future, and vice versa correlated with income level. The "Interaction Attentiveness" component is strongly correlated with the number of ways in which it interacts with people from other cultures and moderately correlated with: the number of types of mobility experienced and the gender of the participants. The "Respect for Cultural Differences" component is strongly correlated with the number of ways in which they interact with people from other cultures and the gender of the participants.

A comparison between the results obtained by participants and non-participants in Erasmus+ mobilities was carried by taking into account both: the total score and the average score for each item, respectively each constructive component of the ISS. As it can be observed in Table 3, the participants of these mobilities register a higher score of intercultural sensitivity, namely 99.1 (4.1290 / 5) out of a possible total of 120. The non-participants are characterized by a slightly lower score, respectively 94.2 (3.9249 / 5) out of 120. An important finding is that participants register better results in terms of total score, but also in terms of all ISS components. On a closer inspection, the ranking of the scores obtained for each of the components is identical for both groups, as follows: "Respect for Cultural Differences" (4.2675 and 4.3351 respectively), "Interaction Enjoyment" (4.0789, 4.2872 respectively), "Interaction Engagement" (3.9361 and 4.1884 respectively), "Interaction Attentiveness" (3.9035 and 4.0745 respectively) and "Interaction Confidence" (3.4184 and 3.7362 respectively).

ENHANCING INTERCULTURAL SENSITIVITY:
THE IMPACT OF ERASMUS+ MOBILITIES ON FUTURE ROMANIAN LEADERS

Table 3: Participation in Erasmus + mobility

		Descriptive Statistics				
Did you participate in any Erasmus + mobility?		N	Minimum	Maximum	Mean	Std. Deviation
No	SCORE	76	54	116	94.20	13.124
	Mean Score	76	2.25	4.83	3.9249	.54684
	Interaction Engagement	76	1.57	5.00	3.9361	.70272
	Interaction Enjoyment	76	2.67	5.00	4.0789	.64606
	Interaction Confidence	76	1.80	5.00	3.4184	.68987
	Respect for Cultural Differences	76	2.83	5.00	4.2675	.56377
	Interaction Attentiveness	76	1.00	5.00	3.9035	.82339
	Valid N (listwise)	76				
Yes	SCORE	94	56	120	99.10	11.005
	Mean Score	94	2.33	5.00	4.1290	.45856
	Interaction Engagement	94	2.00	5.00	4.1884	.54357
	Interaction Enjoyment	94	3.00	5.00	4.2872	.57756
	Interaction Confidence	94	1.60	5.00	3.7362	.72094
	Respect for Cultural Differences	94	2.67	5.00	4.3351	.53184
	Interaction Attentiveness	94	1.00	5.00	4.0745	.77776
	Valid N (listwise)	94				

Source: authors' own elaboration

A number of important findings were discovered when analysing various variables. The most relevant results are presented below:

- Variety of mobility experienced: the number of types of mobility experienced is strongly correlated with assuming a leading position and with the number of ways in which participants currently interact with people from different cultures.
- Total period of mobility: strong correlation was found between the time spent in mobility and the frequency with which interactions between participants and culturally different people take place.
- Frequency of interactions with people from other cultures: non-participants in mobility who do not interact often with people obtained an average score of 91.44, and those who interact frequently with them obtained an average score of 97.79. Regarding the participants, a higher frequency of these interactions is strongly correlated with a longer period spent in mobility and correlated both with the number of types of mobility experienced and with the assumption of the leading position within them.

- The number of ways in which these interactions are performed: in the case of non-participants, a multitude of environments through which they interact at the moment with people from different cultures is strongly correlated with the aspiration for a leadership position in the future and correlated with the total score and the Interaction Confidence component. Regarding the participants, numerous strong correlations were obtained: the number of types of mobility experienced, assuming the leading position in mobility, and the components Respect for Cultural Differences and Interaction Attentiveness.
- Holding a leadership position in the past: non-participants who have not been leaders so far have obtained an average score of 93.47, while those who have assumed this responsibility have obtained an average score of 95.68. The participants who were not leaders so far obtained an average score of 98.42, compared to 100.23.
- Holding a leading position at the moment: non-participants who currently hold such a position are characterized by an average score of 96.09, while those who do not benefit from this experience obtained an average score of 93.88. Regarding the participants, the trend is the same, respectively the leaders obtaining a higher score (104.88), than non-leaders (98.56).
- Aspiring for a leading position in the future: non-participants who do not aspire to such a career obtained an average score of 91.63, and those who do, a score of 95.61. The difference between the two groups in the case of participants exists, but is insignificant: 98.58, respectively 99.38.
- Gender: male non-participants are characterized by an average score of 93.14, while females obtained an average score of 95.15. In the case of participants, males obtained an average score of 96.62, and females, an average score of 99.81. With the exception of the Interaction Confidence Component, all other components show higher scores for women than for men in both groups.
- Age: only significant correlation with the frequency with which interactions with people from other cultures take place.

Conclusions

The aim of this study was to investigate the link between participation in Erasmus+ mobilities and a higher level of intercultural sensitivity. In this sense, delimitation was made between respondents, namely Erasmus+ mobility participants and non-participants. It further aimed to investigate certain variables related to the international experience that could show a certain influence on the aforementioned link. The variables taken into account are: the number of types of mobility experienced and the period spent in these mobilities, the frequency with which current interactions with people from other cultures take place, the number of ways in which they take place, gender, age, recent studies, occupation and income level. Last but not least, the relationship between the reporting of individuals to a leadership position in the past (and in projects), present or future, and the level of intercultural sensitivity was studied.

Following the comparison between the results obtained by the non-participants, with those obtained by the participants, it was found that the latter show a higher level of intercultural sensitivity. Moreover, this trend is also valid for all five components of the Intercultural Sensitivity Scale (ISS): “Respect for Cultural Differences”, “Interaction Confidence”, “Interaction Engagement”, “Interaction Attentiveness” and “Interaction Enjoyment”; participants in Erasmus+ mobility are found to register higher scores than non-participants. These results could be due to the fact that individuals who opt for such an experience already show a higher level of awareness of cultural differences. The desire to participate in Erasmus+ mobility can emerge as an aspiration to encounter and to explore new cultures.

The results of the study support a strong link between the level of intercultural sensitivity and assuming a leadership position. The scores obtained by former Erasmus+ participants outperform those obtained by non-participants in these variables. Moreover, even if we talk about the case of respondents who have held a leadership position in the past, or the case of those who currently hold or tend to do so, the scores obtained by leaders are substantially higher in both groups. In the case of non-participants who were leaders in the past and those who are

current leaders, a higher level of intercultural sensitivity could mean that they have worked, or are working, in an environment characterized by multiculturalism. This implies a previous requirement on the company's behalf: to have invested in training in order to develop these individual skills. On the other hand, it is possible that such skills were acquired before the currently held position and constituted a significant advantage for professional advancement. Regarding the current leaders, it was noted that those who participated in Erasmus + mobilities obtained the highest score of all the analysed groups.

A comparative analysis of two groups, according to the gender of the respondents, was performed: women were found to register a higher level of intercultural sensitivity. This can be attributed to the fact that, in general, women are educated in such a way as to be much more attentive and empathetic compared to men. Consequently, they are characterized by a much higher level of awareness, a competence that also applies to interactions with people from other cultures, thus leading to a high level of intercultural sensitivity. The same trend is maintained in the case of ISS components, with the exception of Interaction Confidence, being self-evident that, due to universally valid perceptions, men are the ones who excel in this regard.

Another notable result concerns the category of non-participants aspiring to a leadership position. This choice was found to be closely correlated with a high frequency with which current interactions, with people from other cultures, take place, and with a high score on the Interaction Confidence component. Consequently, aspiring leaders seem to realize the importance of culturally diversity within the workplace, and already perceive themselves as culturally flexible.

As a recommendation, following the carried research, the education system should place more emphasis on training young people to gain more intercultural flexibility: both in terms of the necessary knowledge and skills sets. Therefore, students should be enabled to interact, communicate and then collaborate with people from other cultures, given the globalization that characterizes the current socio-economic context. A first step could be the introduction into the curriculum of an intercultural education subject, as early as possible in the educational cycle. Hence, students would have the opportunity: to learn about various cul-

tural elements, to acknowledge the differences in customs and thinking, and to gain intercultural skills. Subsequently, they will show a much higher level of respect and empathy in future interactions with people from other cultures, and their appetite for knowledge in this direction will be aroused. This method is already being applied in many countries and is reported to give everyone an equal chance in the process of developing intercultural skills, not just to those who choose to take part in international projects or mobilities.

REFERENCES

1. Anderson, P. H., Lawton, L., Rexeisen, R. J., Hubbard, A., (2006), Short-term study abroad and intercultural sensitivity: A pilot study. *International Journal of Intercultural Education*, vol. 30, no. 4, p. 457-469.
2. Chen, G.-M., Starosta, W. J., (1996), Intercultural communication competence: A synthesis, *Communication yearbook*, vol. 19, p. 353-383.
3. Chen, G.-M., Starosta, W. J., (1998), A review of the concept of intercultural awareness. *Human Communication*, vol. 2, p. 27-54.
4. Chen, G.-M., Starosta, W. J., (2000), The development and validation of the Intercultural Sensitive Scale, *Human Communication*, vol. 3, p. 1-15.
5. Cosciug, A., Greab, C. G., Radu, B. M. & Oltean, O., (2019), Index of integration and migrants in Romania, available at: https://www.researchgate.net/publication/338633230_INDEXUL_INTEGRARII_IMIGRANTILOR_IN_ROMANIA_2019, accessed on 18.04.2020.
6. European Commission, (2014), *Erasmus Impact Study: Key findings*, available at: https://ec.europa.eu/commission/presscorner/detail/en/MEMO_14_534, accessed on 13.04.2020.
7. Danacica, D., (2010), Characteristics of migration in Romania, *Annals of "Constantin Brâncuși" University "from Târgu Jiu. Economy Series*, p. 189-200.
8. Langley, C. S., Breese, J. R., (2005), Interacting sojourners: A study of students studying abroad, *Social Science Journal*, vol. 42, no 2, p. 313-321.
9. Massey, D. S., Graeme, H., Arango, J., Kauaouci, A., Pellegrino, A., Taylor, E. J., (1993), Theories of International Migration: A Review and Appraisal, *Population and Development Review*, vol. 19, p. 431-466.

10. N.A.C.P.F.V.E.T.M., (2015), Internationalization of Romanian Universities through European Union Education and Training Programs, available at : https://www.presidency.ro/files/userfiles/Studiu-impactul_programelor_UE.pdf, accessed on 15.03.2020.
11. National Institute of Statistics, (2020), *Tourist expenses of non-residents in 2019*, available at: <https://insse.ro/cms/ro/content/cheltuielile-turistice-ale-nereziden%C5%A3ilor-%C3%AEn-anul-2019>, accessed on 25.04.2020.
12. National Institute of Statistics, (2020), *Tourism Series*, available at: <https://insse.ro/cms/ro/content/seria-turism-%C3%AEn-anul-2019>, accessed on 06.05.2020.
13. Nicoara, T., (2005), History and traditions of minorities in Romania, published by the Ministry of Education and Research, available at http://hiphi.ubbcluj.ro/Public/File/sup_curs/istorie24.pdf, accessed on 27.05.2020.
14. OSCE, (2012), *Ljubljana guidelines on the integration of various companies*, available at: <https://www.osce.org/files/f/documents/7/6/110494.pdf>, accessed on 27.05.2020.
15. Penington, B., Wildermuth, S., (2005), Three weeks there and back again: A qualitative investigation of the impact of short-term travel/study on the development of intercultural competency, *Journal of Intercultural Communication Research*, Volumul 34, no. 3, p. 166-183.
16. Tomescu-Dumitrescu, C., (2017), Migration in Romania and demographic perspectives, *Annals of the "Constantin Brâncuși" University of Târgu Jiu, Letters and Social Sciences Series*, p. 79-86.
17. Udrea, A. M., (2015), Social aspects of workforce migration in Romania, *Social Sciences*, vol. 3, p. 274-279.
18. UNC Executive Development & Human Capital Institute, (2015), *UNC Leadership Survey Compete and Connect: Developing Globally-Competent Leaders*, available at: <https://docplayer.net/9770439-Unc-leadership-survey-2015-compete-and-connect-developing-globally-competent-leaders.html>, accessed on 14.05.2020.
19. Williams, T., (2005), Exploring the Impact of Study Abroad on Students' Intercultural Communication Skills: Adaptability and Sensitivity, *Journal of Studies in International Education*, vol. 9, p. 356-371.

FACTORS INFLUENCING THE UNEMPLOYMENT RATE IN ROMANIA DURING 1997-2019

DANIELA-GEORGETA BEJU¹, IOAN-ALIN NISTOR²,
MARIA-LENUȚA CIUPAC-ULICI³

ABSTRACT. Current macroeconomic theories examine the problem of unemployment rate from the aggregate demand point of view. Rising unemployment is always seen as a sign of the weak economy, where is a slow growth and also little spending. These might trigger actions by authorities to help reduce unemployment, by increasing the nation's money supply, so it can boost the economy. Among the factors that influence (un-)employment, at least two very important should be taken in consideration: exchange rate and inflation. The research aims to analyse the impact of inflation, the RON / EURO exchange rate and the financial crisis on unemployment rate in Romania during January 1997- March 2019.

Keywords: unemployment rate, exchange rate, inflation rate

JEL Codes: E24, F31, E31

Recommended citation: Beju, D-G., Nistor, I-A., Ciupac-Ulici, M-L., *Factors influencing the unemployment rate in Romania during 1997-2019*, Studia UBB Negotia, vol. 65, issue 4 (December) 2020, pp. 55-67, doi: 10.24193/subbnegotia.2020.4.03

¹ Associate Professor PhD, Department of Finance, Faculty of Economics and Business Administration, Babeş-Bolyai University Cluj-Napoca, Romania; daniela.beju@ubbcluj.ro

² Associate Professor PhD, Faculty of Business, Babeş-Bolyai University Cluj-Napoca, Romania; ioan.nistor@ubbcluj.ro

³ Lecturer PhD. Department of Finance, Faculty of Economic Sciences, Hyperion University Bucharest, Romania; maria.ulici.ciupac@gmail.com

Introduction

The problem of the unemployment in Europe persisted since the 1980s and challenged the theoretical approaches that tried to explain the main causes of this phenomenon. Most current macroeconomic theories examine the problem of unemployment from the aggregate demand point of view (Beissinger & Möller, 2000). An important component of aggregate demand is the investment, while employment represents a financial effort for companies. Among the factors that influence (un-)employment, at least two very important should be taken in consideration: exchange rate and inflation.

Although there is a debate that shows that exchange rate volatility discourages the international trade, the vast empirical literature on this issue did not provide enough evidence for a robust relation between exchange rate volatility and the volume of the international trade. But, the absence of a significant effect of exchange rate volatility on the volume of the international trade does not necessary infer that there is no relationship between exchange rate volatility and (un-)employment and investment. A rise in exchange rate variability would discount the companies' future profits from exports, thus reducing their investment in activities oriented towards exports. Therefore, the future exports might fall but not certainly in the short run, the long run response being more difficult to assess because of the impact of other long run tendencies and high variability of exchange rate over time. The high volatility of exchange rate recorded in Europe during the last decades revealed that companies hold local prices fixed despite of large variabilities. This suggests that exchange rate has a small influence on quantities, but significant on profits. Thus, exchange rate volatility has a considerable impact on profit volatility. A rise in exchange rate volatility would cause a reduction of investment and, furthermore, would have a substantial impact on (un-)employment (Belke and Gros, 2000).

There are three views for which the real exchange rate influences the unemployment (Frenkel and Ros, 2006): macroeconomic view, labour intensity view and development view. First view indicates that a depreciated real exchange rate causes a higher net export and thus higher demand for domestic products, which in turn causes a higher level of output and

employment. The labour intensity view suggests that real exchange rate plays an important role in determining the relative prices of both labour/capital goods and imported input/labour and substantial fluctuations in these relative prices would be likely to affect the employment/output ratio. The development view emphasizes the impact of real exchange rate on the economic growth rate and therefore on the employment generated rate.

During the last decades many studies were carried out on the issue of exchange rate and unemployment because of its implication in attainment of macroeconomic objectives of full employment, price stability, balance of payment equilibrium and economic growth. Recently, unemployment increased in many countries because of the openness in international trade, some empirical research finding that the countries with higher degree of openness are affected more by the exchange rate volatility in terms of unemployment (Chimnani et al, 2012).

The second very important factor that influences unemployment is the inflation rate. The experience of the last decades showed that policymakers had to deal with a trade-off dilemma: efforts to decrease unemployment rate by stimulating aggregate demand frequently caused a higher inflation rate, whereas efforts to decrease the inflation rate frequently caused a higher unemployment rate (Goldstein, 1972).

First economist that investigated the relation between unemployment and inflation was William Phillips (1958), who introduced its famous curve, a negative slope called after its name Philips Curve. Analysing the evolution of money wage rates and unemployment rate in United Kingdom for the period of 1861-1957, Phillips found that "the rate of change of money wage rates can be explained by the level of unemployment and the rate of change of unemployment" (Phillips 1958, p. 299), suggesting the existence of an inverse relationship between unemployment rates and rates of increase in wages. Nevertheless, the negative correlation between unemployment and inflation was deduced from Phillips' empirical conclusions by Samuelson and Solow (1960), who started for the first time to name this relation as "Phillips Curve". This implies that policymakers could exploit the trade-off between unemployment and inflation, i.e. to reduce unemployment by implementing an expansionary policy that increases demand and sacrificing the inflation rate (accepting a higher inflation rate).

During the 70's the Phillips Curve appeared to break down because of the existence of stagflation – coexistence of both high unemployment and high inflation. Friedman (1968) and Phelps (1967, 1968) introduced the concept of “natural rate of unemployment” or the equilibrium rate (the rate that is consistent with a stable rate of inflation, also called NAIRU – non-accelerating inflation rate of unemployment) and the people's price expectations in their analysis. They made a distinction between Phillips Curve on short run and Phillips Curve on long run. Their investigation indicated that the negatively sloped Phillips Curve is valid only in the short run, because on the long run Phillips Curve is a vertical line corresponding to the natural rate of unemployment. At the natural rate of unemployment both the actual and expected inflation rates are equal. But any effort to reduce unemployment under the natural rate through expansionary monetary policy would push the actual inflation above the expected level. Therefore, the expected inflation would increase in reply, shifting up the short run Phillips Curve. If the policymakers continue to keep the unemployment rate below its natural level then the short run Phillips Curve would shift up continuously, accelerating inflation (Gordon, 2018).

Thus, Friedman and Phelps called short run Phillips Curve as “expectations-augmented Phillips Curve” because it shifts up once inflationary expectation increase. Friedman stated that “there is always a temporary trade-off between inflation and unemployment; there is no permanent trade-off” (Friedman, 1968, p. 11). In the long run monetary policy could not influence unemployment since it adjusts back to its natural level (so-called long-run neutrality of monetary policy).

This short run trade-off between inflation and unemployment lasted just for a few years, when it was overturned by Lucas (1972, 1973) and Sargent and Wallace (1975), who denied the existence of negative relationship between unemployment and inflation on short run. They considered that expectations are “rational” because households and businesses could anticipate any expansionary monetary policy aiming to boost the demand, which was implemented under a predictable monetary policy rule. Consequently, any expected movement of inflation could not affect the unemployment rate. In their opinion, expansionary monetary policy could influence actual rate of unemployment only if it can create an unexpected “surprise” (Gordon, 2018).

The exchange rate influences the inflation rate in several direct and indirect ways. Changes in prices for imported goods and services - this has a direct effect on the consumer price index. For example, an appreciation of the exchange rate usually reduces the price of consumer goods and durable goods, commodities and capital goods. Goods prices: Many commodities are valued in euro - so a change in the Romanian currency - the euro has a direct impact on commodity prices, such as oil and food. A stronger euro makes it more expensive for Romania to import these items. Changes in export growth: a higher exchange rate makes it more difficult to sell abroad due to rising relative prices. If exports are slowing down (demand price elasticity is important to determine the magnitude of any change in demand) then exporters can choose to lower their prices, to reduce production levels and to reduce the level of employment.

What are the limits of a depreciation of currency to solve economic problems? Not all the effects of a cheaper currency are positive - there are some disadvantages and risks:

- weak currency may make it difficult for the government to finance a budget deficit if external investors lose their confidence.
- at the same time, a weak currency makes it harder to pay a trade deficit that is due to foreign creditors.
- depreciation increases the cost of imports - for example, rising prices for essential food, raw materials and also imported technology.
- weak global demand can mitigate the beneficial effects of a weak currency - it is harder to export when key markets are in recession and foreign sales are gradually reducing.
- if demand elasticity for exports and imports is low, a depreciation of the exchange rate may initially lead to a worsening of trade in goods and services. This is known as the Effect of Curbe-J.

In Romania, the unemployment rate in February 2018 was 4.6%, below the EU average. Eurostat points out that, compared to the one-year situation, the unemployment rate has fallen in all Member States, except for Estonia. In Romania, the unemployment rate has fallen from 5.3% in February 2017 to 4.6% in February 2018. Evolution of wages

and inflation is closely watched by the European Central Bank officials for monetary policy. The ECB 's main mission is price stability, defined as a price increase of less than but close to 2%. For almost three years, euro area inflation was below the 2% target set by the ECB and, according to the new estimates, will not be nearing the target in the coming years.

The research aims to analyse the impact of inflation, the RON / EURO exchange rate and the financial crisis on unemployment rate in Romania. The paper is structured in 5 sections. The first section presents an introduction of the analysed elements. The second section shows the results of various studies identified in the financial literature. The third section describes the research methodology used to analyse the impact on unemployment rate. Section four presents the data used and the results obtained in this research. The last section shows the findings of the study.

Literature review

Recently, many studies have focused on the investigation of the relationship between inflation and unemployment, some of them providing evidence in favour of this relation and, by contrast, other showing that this relation might be illusory as the inflation and unemployment could move together in the same direction.

The studies from the financial literature are vast, and there have been some controversies. On one hand, some studies have attempted to investigate whether there are relationships between the variables analysed or not. On the other hand, some studies, hypothesizing that there is a kind of relationship between them, and have tried to identify the nature of this relationship. In an attempt to carry out these studies, some researchers said the relationship between them was negative, while others said there was a positive relationship.

Bakhshi and Ebrahimi (2016) tried to investigate the relationship between the exchange rate and the unemployment rate in Iran using annual data over a 30-year period (from 1981 to 2012). To achieve the objectives of the study, the autoregressive econometric model was used.

This model consisted of five main variables, namely the unemployment rate, exchange rate, export, import and Gross Domestic Product. The results of the study have shown that economic growth had a significant and positive impact on unemployment. In addition, it showed that there was a negative relationship between unemployment and the exchange rate.

Adebowale (2015) analysed the relationship between inflation and unemployment in Nigeria for the period 1977 to 2013 using the Phillips curve. This study used the Vector Error Correction and Granger Causality to test the validity of the Phillips curve relationship in Nigeria. The Granger causality test shows that inflation is causing unemployment. Inflation and unemployment are more destructive than aid for Nigerian economic development and growth. According to the empirical findings of this study, as in the Phillips curve, there is a negative relationship between the inflation rate and that of unemployment rate in Nigeria.

Chimanani et al. (2012) surveyed the effect of the exchange rate on the unemployment rate in 10 Asian countries (Pakistan, India, China, Japan, Bangladesh, Argentina, Algeria, Brazil, Colombia and Sri Lanka) using a data set from 1995 to 2005. The survey found that exchange rate volatility had a positive and significant effect on the unemployment rate in Asian countries.

Aminu and Zubairu (2012) investigate the empirical research of the relationship between unemployment and inflation. They used unit root tests, Granger causality and cointegration tests to demonstrate that inflation has negatively affected unemployment in Nigeria over the period 1977-2009.

Feldmann (2011) used data from 17 industrial countries between 1982 and 2003 to obtain only the effect of exchange rate volatility on the unemployment rate. He found that higher exchange rate volatility increased the unemployment rate. However, the magnitude of the effect was small.

Prasanna and Gopakumar (2009) used unit root, cointegration and error correction methods to find the relationship between inflation, growth and unemployment. Their empirical findings have suggested that inflation has negatively influenced long-term unemployment in India for the period 1973-2008.

Milas and Legrenzi (2006), Frenkel and Ros (2006), Djivre and Ribon (2000), Chang (2011), Nyahokwe and Ncwadi (2013), Shaari, Hussain and Abdul Rahim (2013) and Mohammadi and Gholami tried to find out if there is a relationship between exchange rate and unemployment rate. All have approved the existence of a relationship except for Mohammadi and Gholami (2008) who have rejected the existence of such relationships.

Richard, Ching-Fan and Margie (1996) investigate inflation using the integrated ARIMA-GARCH model for ten countries, such as Japan, etc. for the period 1960-1992. Research results show that inflation has a positive impact on unemployment.

Methodology of research

To analyse the impact of the inflation rate, the exchange rate and the financial crisis in 2008 on the unemployment rate, we made the following linear regression:

$$UR = c_1 + c_2 * EUR + c_3 * INF + c_3 * CRS + \varepsilon_t \quad (1)$$

where:

UR - unemployment rate
 EUR - RON / EUR exchange rate
 INF - inflation rate
 CRS - financial crisis of 2008
 ε_t - the residual variable

The paper is proposing to analyse the impact on unemployment rate for different ages and gender. Thus, we constructed 9 regressions in which the dependent variable is:

- Regression (1): unemployment rate for all ages and people
- Regression (2): unemployment rate for all ages, but for men;
- Regression (3): unemployment rate for all ages, but for women;
- Regression (4): unemployment rate for ages under 25, but all genders
- Regression (5): unemployment rate for ages under 25 and men;

- Regression (6): unemployment rate for ages under 25 and women;
- Regression (7): unemployment rate with ages between 25-74, for all people and gender
- Regression (8): unemployment rate with ages between 25-74 and men;
- Regression (9): unemployment rate with ages between 25-74 and women

The data sample comprises 267 observations, the period being analysed from 1997 to 2019M03 (the data is monthly). The analysis is made only on the unemployment rate in Romania (Annex 1). The regression was done in Eviews. The data was taken from the Eurostat database. Unemployment, inflation and RON / EURO data are expressed as a percentage, as well as a year-to-year increase. The financial crisis variable is a dummy variable, which has a value of 0 for the period 1997-2007 (the period before the crisis), namely the value 1 for the period 2008-2019.

The results obtained

The table below presents the descriptive statistics of the analysed variables. The mean of the variables is positive throughout the analysed period. The minimum value of the inflation variable is negative, which means that in the analysed period, Romania faced deflation as well. At the same time, a negative value is also found for the minimum of the foreign exchange rate, in other words, during the analysed period, the Romanian currency also had periods of appreciation.

The results of the regressions are presented in the table below:

Table 1: Empirical Results

Regression	c	EUR	INF	CRS	R ²
(1)	5.949*** (31.649)	1.298*** (7.787)	-0.051*** (-6.249)	-0.531** (-2.399)	0.414
(2)	6.085*** (29.331)	0.794*** (4.315)	-0.036*** (-4.007)	0.756*** (3.096)	0.075

Regression	c	EUR	INF	CRS	R ²
(3)	5.858***	1.049***	-0.050***	-0.395*	0.405
	(29.136)	(5.883)	(-5.648)	(-1.669)	
(4)	14.291***	0.718*	0.043**	-0.57	0.459
	(28.442)	(1.664)	(2.027)	(-0.998)	
(5)	14.761***	1.419***	0.005	-0.62	0.346
	(28.373)	(3.177)	(0.215)	(-1.049)	
(6)	13.682***	-0.274	0.097***	-0.487	0.517
	(23.489)	(-0.547)	(3.935)	(-0.736)	
(7)	4.407***	1.130***	-0.042***	-0.369*	0.343
	(26.507)	(7.663)	(-5.808)	(-1.884)	
(8)	4.430***	1.224***	-0.039***	-0.480**	0.32
	(24.832)	(7.739)	(-4.983)	(-2.283)	
(9)	4.358***	1.027***	-0.047***	-0.256	0.395
	(25.293)	(6.719)	(-6.228)	(-1.262)	

Source: Own calculation in Eviews

Note: In brackets are t-statistics values.

*, **, *** represent the threshold values for 10%, 5% and 1%.

According to the results obtained (Table 1), there are other factors that influence the unemployment rate, because R² is under 52% in all regressions. In other words, a maximum of 52% of the change in the unemployment rate is explained by the fluctuation of the exchange rate, the financial crisis and inflation.

Inflation has a negative impact on the unemployment rate, exception for the person less than 25 years where the impact is positive. The impact is also statistically significant, except regression 5.

The exchange rate positively influences the unemployment rate. The impact is statistically significant, as the probability is under the value of 10%. We have an exception; the impact on unemployment rate for women under 25 years is negative, but insignificant statistically.

The euro has appreciated against the Romanian currency by 22% in the last decade, from 3.6 lei to 4.67 lei, but the pressure on the national currency became more visible at the beginning of the crisis, when the euro passed the threshold of 4 lei and did not returned below this level.

The financial crisis of 2008 adversely affects the unemployment rate (the coefficient for this variable is negative). The impact is statistically significant only for the first three regressions and regression (7) and (8). Here is another exception; the impact is positive and statistically significant on unemployment rate on men of all ages (regression 2).

Conclusion

Unemployment is one of the negative aspects that many economies, including European countries, had to face during the last decades. Thus, a vast economic literature was examined in order to determine the factors that influence this phenomenon. Exchange rate and inflation rate represent one of the most important determinants of the unemployment, identified by the empirical studies. Exchange rate volatility has a significant impact on investment and, thus, on unemployment. The relation between inflation and unemployment was one of the most debated issues among economists. While, initially it was believed that there is a negative relation between inflation and unemployment, later this relation was considered valid only on short run. And recently its existence has become questionable since it can have the same trajectory not necessarily at precisely the same time.

REFERENCES

1. Adebowale, K.B. (2015), The Relationship between Inflation and Unemployment in Nigeria, Working Paper, Eastern Mediterranean University, Gazimağusa, North Cyprus
2. Animu, U., A., & Abdulrahaman, Z. (2012). An Empirical Analysis of the Relationship between Unemployment and Inflation in Nigeria for the Period 1977-2009, 20(47), 0401
3. Bakhshi, Z. și Ebrahimi, M. (2016), The effect of real exchange rate on unemployment, *Marketing and Branding Research*, issue 3, pp. 4-13
4. Bessinger T. and Möller J. (2000), Unemployment: Theoretical explanations, in Globalization and Unemployment, Helmut Wagner (ed.), Springer-Verlag Berlin Heidelberg 2000, pp. 89-133

5. Belke A. and Gros D. (2000), Effects of European Monetary Integration on Unemployment: How Costly Was (Intra-European) Exchange Rate Variability? in *Globalization and Unemployment*, Helmut Wagner (ed.), Springer-Verlag Berlin Heidelberg 2000, pp. 203-242
6. Chang, S. C. (2011). The interrelationship between exchange-rate uncertainty and unemployment for South Korea and Taiwan: Evidence from a vector autoregressive approach. *International Economics*, 125, 65–82
7. Chimanani, H., Bhutto, N. A., Butt, F., Sheikh, S. A., & Devi, W. (2012). The effect of exchange rate on unemployment rate in Asian countries. *Proceedings of 2nd International Conference on Business Management*
8. Chimnani H., Bhutto N. A., Butt F., Shaikh S. A., Devi A. (2012), The Effect of Exchange Rate on Unemployment Rate in Asian Countries, *Proceedings of 2nd International Conference on Business Management*, 28-29 March 2012, University of management and Technology, Lahore, Punjab, Pakistan, pp. 2-16
9. Djivre, J. & Ribon, S. (2000, June). Inflation, unemployment, the Exchange Rate and Monetary Policy in Israel 1990-1999: A SVAR Approach. Paper presented at the meeting of Bank of Israel, Research Department, Jerusalem, Israel
10. Feldmann, H. (2011). The unemployment effect of exchange rate volatility in industrial countries. *Economic letters*, 111(3), 268–271
11. Frenkel, R. (2006). Real exchange rate and employment in Argentina, Brazil, Chile and Mexico. *Iktisat Isletme ve Finans*, 19(223), 29–52
12. Frenkel, R., & Ros, J. (2006). Unemployment and the real exchange rate in Latin America. *World Development*, 34(4), 631–646
13. Friedman M. (1968), The Role of Monetary Policy, *The American Economic Review*, Volume LVIII, March 1968, Number 1, pp. 1-17
14. Goldstein M. (1972), The Trade-off between Inflation and Unemployment: A Survey of the Econometric Evidence for Selected Countries, *Staff Papers (International Monetary Fund)*, Vol. 19, No. 3 (Nov., 1972), pp. 647-698
15. Gordon R. J. (2018), Friedman and Phelps on the Phillips Curve Viewed from a Half Century's Perspective, *NBER Working Paper Series*, No. 24891, Cambridge, National Bureau of Economic Research, August 2018, pp. 1-14
16. Knell M. (2002), The effects of EMU on euro area unemployment, *Atlantic Economic Journal*, September 2002, Volume 30, Issue 3, pp. 244-262
17. Lucas R. (1972), Expectations and the Neutrality of Money, *Journal of Economic Theory*, 1972, vol. 4, issue 2, pp. 103-124
18. Lucas R. (1973), Some International Evidence on Output-Inflation Tradeoffs, *The American Economic Review*, Vol. 63, No. 3, (Jun., 1973), pp. 326-334

19. Milas, C., & Legrenzi, G. (2006). Non-linear real exchange rate effects in the UK labor market. *Studies in Nonlinear Dynamics & Econometrics*, 10(1), 1-34
20. Mohammadi, T., & Gholami, A. (2008). An investigation into the effects of the policy of exchange rate unification on major variables of macroeconomic. *Economic Questionnaire*, 29, 49-74
21. Nyahokwe, O., & Ncwadi, R. (2013). Impact of exchange rate volatility on unemployment in South Africa. *Mediterranean Journal of Social Sciences*, 4(3), 109-120
22. Phelps E. S. (1967), Phillips Curves, Expectations of Inflation and Optimal Unemployment Over Time, *Economica*, New Series, Vol. 34, No. 135 (Aug., 1967), pp. 254-281
23. Phelps E. S. (1968), Money-Wage Dynamics and Labor-Market Equilibrium, *Journal of Political Economy*, 1968, Vol. 76, No. 4, Part 2 (Jul.-Aug., 1968), pp. 678-711
24. Phillips A. W. (1958), The relation Between Unemployment and the Rate of Change of Money Wage Rates in United Kingdom 1861-1957, *Economica*, New Series, Vol 25, No. 100 (Nov., 1958), pp. 283-299
25. Prasanna, V. S., & Gopakumar, K. (2009). An Empirical Analysis of Inflation, Unemployment and Economic Growth in India from 1973 -2008
26. Richard, T. B., Ching-Fan, C., & Margie, A. T. (1996). Analyzing Inflation by the Fractionally Integrated ARIMA-GAGCH Model for the Period 1960-1992, *Journal of Applied Econometrics*, issue 11, 23-40
27. Samuelson P. A. and Solow R. M. (1960), Analytical Aspects of Anti-Inflation Policy, *The American Economic Review*, Vol. 50, No. 2, Papers and Proceedings of the Seventy-second Annual Meeting of the American Economic Association (May 1960), pp. 177-194
28. Sargent T. and Wallace N. (1975), "Rational" Expectations, the Optimal Monetary Instrument, and the Optimal Money Supply Rule, *Journal of Political Economy*, 1975, vol. 83, issue 2, pp. 241-254
29. Shaari, M. S., Hussain, N. E., & Abdul Rahim, H. (2013). The effects of oil price changes and exchange rate volatility on unemployment: Evidence from Malaysia. *International Journal of Research in Business and Social Science*, IJRBS, 2(4), 72-83
30. www.bnr.ro
31. <https://ec.europa.eu/eurostat>
32. www.zf.ro

AN INVESTIGATION OF SOME DETERMINANTS OF ENTREPRENEURIAL INTENTIONS OF STUDENTS

MARIA MUSTUC¹, EMANUEL EMIL SĂVAN²,
OANA ADRIANA GICĂ³

ABSTRACT. The main purpose of this paper is to investigate the determinants of entrepreneurial intentions of university students from Romania and Republic of Moldova. The findings indicate that the entrepreneurial background of the family had influenced the decision to start a business for the students that already have a business but is not an influencing factor for the decision to launch a business in the future. In what concerns education the results indicate that students that took entrepreneurship course have a stronger desire to become entrepreneurs. The entrepreneurial context is not a factor that favors the decision to start a business in neither of the two countries.

Keywords: entrepreneurial intentions, students, family background, education, entrepreneurial context

JEL classification: M10, M19

Recommended citation: Mustuc, M., Savan, E.E., Gica, O.A., *An investigation of some determinants of entrepreneurial intentions of students*, Studia UBB Negotia, vol. 65, issue 4 (December) 2020, pp. 69-90, doi: 10.24193/subbnegotia.2020.4.04

¹ Graduate Faculty of Business, Babeş-Bolyai University Cluj-Napoca, maria.mustuc@yahoo.com

² Teaching Assistant, PhD, Faculty of Business, Babeş-Bolyai University Cluj-Napoca, emanuel.savan@ubbcluj.ro

³ Assoc. Prof., PhD, Faculty of Business, Babeş-Bolyai University Cluj-Napoca, oana.gica@ubbcluj.ro

Introduction

The entrepreneur is being defined as the person who initiates a business having certain psychological features, qualities and values (Thomas and Mueller, 2000). Over the years, researchers have studied the differences in personality between entrepreneurs and non-entrepreneurs, starting from the idea that there are certain specific psychological traits that characterize potential entrepreneurs. Hisrich et al. (2007) and Pillis and Reardon (2007) consider that certain individuals have a combination of personality traits, which in interaction with the background factors of the individual or under their influence, make the individual more prone to launch into business. In support to this statement, Mueller and Thomas (2001) mention that the socio-cultural background of the individual acts as a stimulating and/or motivating factor on entrepreneurial behavior, especially in the direction of starting a small business. The socio-cultural background refers to: cultural values (the values and ideals of the family to which the individual belongs and of the circle of friends) the family's entrepreneurial history, previous experiences, and level of education. Culture is considered to influence managerial practices, thus guiding and shaping entrepreneurial behavior. Setting entrepreneurial priorities and making decisions to start a new business are influenced by values. The entrepreneurial history of the family to which the individual belongs and entrepreneurship or economic education are also factors that influence the intention to start a business, giving the individual the skills and vision to take on the challenges of business (Altinay, 2008; Altinay and Altinay, 2006). Education that endows the individual with the knowledge and experience to cope with certain situations can stimulate or demotivate his entrepreneurial intention. Krueger and Carsrud (1993) state that entrepreneurship education, through which individuals come to know the reality of the business environment, can increase the entrepreneurial self-efficacy of individuals, but simultaneously can decrease their desire to start a business.

Thus, this paper aims to investigate the influence of family background, education and perceptions on entrepreneurial context on the entrepreneurial intentions of bachelor and master students from Romania and Republic of Moldova, two former communist countries that are still in the process of building an entrepreneurial culture.

Literature review and hypotheses development

Family as an influencing factor of entrepreneurial intentions

Previous research on this topic has shown that individuals who come from a family with an entrepreneurial past are much more willing to start a business than those who come from families that have no connection with entrepreneurship (Basu and Virick, 2008). Due to the entrepreneurial family tradition, the individual acquires the skills necessary to start a business, thus increasing the probability that he/she will start a new business, or that he/ she will run the family business, in the future. In addition to skills, such a family experience offers the individual: new ideas, strategies, as well as the confidence and courage to start a business (Altinay and Altinay, 2006). According to the study conducted by Global Entrepreneurship Monitor, in some countries, the percentage of entrepreneurs who have been targeted by the family's entrepreneurial past is higher than in others. This is associated with culture and social values. The results obtained in the mentioned study showed that in Poland and India, the preservation of the family tradition is a reason to start a business for more than 8 out of 10 respondents, while in the United Kingdom and the Republic of Korea, only for one of 10 respondents.

H1: The entrepreneurial past of the family is a determining factor of the entrepreneurial intention of the individual.

Education as a determinant of entrepreneurial intentions

The specialized literature on this topic is quite consistent but, at the same time, divided into two categories of great contrast. On one hand, certain researchers argue that formal education diminishes an individual's entrepreneurial intent because it leads to conformity, reduced tolerance of ambiguity, and therefore inhibits the young person's creative thinking (e.g. Krueger & Carsrud, 1993). On the other hand, other researchers contradict this idea, arguing that an individual's entrepreneurial inclination increases with his/ her level of education giving the individual the skills and mentality to remain flexible and open to market forces and the opportunities it offers (e.g. Clercq & Arenius, 2006, and Crant, 1996).

The first group of researchers argues that education helps to develop individual creativity, flexibility, the ability to cope with various uncertain situations, and therefore it contributes to the development of innovative behavior. It is found that individuals who have a certain level of education, know: when, where and how to open a business. In confirming the above, Peters (2002) argues that the level of education gives the individual the skills and mentality to remain flexible and open to market forces and the opportunities it offers. By correlating the level of education to entrepreneurial intent, studies have shown that in the case of students, who have taken management courses and, especially, entrepreneurship, there is a higher probability that they will become a freelancer than those who have not done so. This is demonstrated by the meta-analysis of the literature by Dickson et al. (2008), who argue that there is a positive correlation between the level of education in a specific field of entrepreneurship and entrepreneurial intent.

However, from the perspective of the other group of researchers, formal education can lead to a reduction in the young person's level of curiosity, destruction of strategic vision, and even the emergence of risk aversion (Fallows, 1985). Traditional education leads to conformity, reducing the level of tolerance for ambiguity and therefore inhibiting the young person's creative thinking and his/her intention to start a business. For this reason, universities and business schools need to review their curricula, teaching and learning methods, in order to stimulate students' critical and innovative thinking.

Learned (1992) says that although individuals may have the right combination of qualities and background factors, in other words they have the potential to start a business, the final decision is based on the interaction of that potential with the actual situation or opportunity. Opportunity can both ease and discourage the individual from finding their role in entrepreneurship.

H2: Education is a determining factor for the intention to start a business

The entrepreneurial context as a determinant of entrepreneurial intentions

Another major factor that can determine the entrepreneurial intention is the entrepreneurial context given by the country or location, in

which the individual carries out his/ her activity e.g. how much new entrepreneurs are supported by: the government, local authorities, banking institutions or private investors. According to GEM (2019), in more developed economies, potential entrepreneurs are more likely to access the resources or funds needed to start a business. From another point of view, however, in less developed economies, individuals may be more motivated to start a business due to the lack of alternative sources of income. At the same time, in such countries, competition in the business environment may be lower and the demand for new products and services may increase, respectively, and the chances of success of new entrepreneurs are higher. Therefore, this factor serves as an important one for this research, as it tries to outline a comparison of the entrepreneurial intention of young people from 2 different countries, Romania and the Republic of Moldova, based on the entrepreneurial context in the country where they operate.

H3: The entrepreneurial context is a determining factor of the entrepreneurial intent

Research methodology

The survey was chosen as the primary research method. The data collection tool used was the questionnaire. The questionnaire was addressed to students from Romania and from Republic of Moldova, between April and May 2020. In the existing pandemic context, the questionnaire could be implemented only online, through social networks, and especially groups of students with studies in economic domain. The technique of implementing the online questionnaire proved to be a positive one in terms of its flexibility, giving respondents the opportunity to participate whenever they want, depending on their schedule, and the speed of information collection is faster than in the case of applying the physical questionnaire. However, we also identified a disadvantage, namely the reduced response rate, the respondents being more difficult to convince, in the online environment, to participate. The collected data was analyzed using SPSS.

Research variables

Entrepreneurial intention

In order to analyse the entrepreneurial intention of students, we used two multiple choice questions which aimed to identify the entrepreneurial intention of the student i.e. whether he/she owns or has owned a business, and when he/she would like to launch a business.

Family background

To identify the entrepreneurial background of the family, we asked a dichotomous questions to find out whether someone in the family owns or has owned a business. The next question comes in identifying the young person's intention towards the family business, namely if he/she wants to start his own business, or to take over the management of the family business.

Education

Moreover, within the identification of the background, another factor that determines entrepreneurial intentions is the knowledge in the field of entrepreneurship so we asked if the young person took certain courses in the field of entrepreneurship or business administration.

The entrepreneurial context

To analyze the entrepreneurial context, 13 statements with answers on a 1 to 7 Likert scale ("1" representing total disagreement, "4" - neither agreement nor disagreement, and "7" - total agreement) were used. The purpose has been to identify the respondent's opinion about the entrepreneurial context in the country in which he/ she carries out his/ her activity, in order to see if this aspect serves as a factor that determines the entrepreneurial orientation. This question is related to the dichotomous question, which precedes it, with the help of which we identified the country from which the respondent is (Romania or the Republic of Moldova).

Sample structure

The questionnaire was filled-in by 123 students: 71 Romanian students and 52 students from the Republic of Moldova. All questionnaires were completed accordingly and analysed. Out of the total number of respondents, 79 people are female, and 44 respondents are male.

Table 1. Sample structure by country and gender

Country	Percentage	Gender	Percentage
Romania	57,7%	Female	64,2%
Republic of Moldova	42,3%	Male	35,8%

Source: Authors' own elaboration

An important share of the respondents study the field of economics and business administration, which represents 44.7% of the total number of students, and 36.6% of the respondents attend the Faculty of Business. The study also involved students from other faculties, with a different profile (from the economic one) as the table below shows.

Table 2. The structure of the sample according to the faculty attended

University/Faculty	Percentage
Business	36,6%
Economics and Business Administration	44,7%
Law	4,9%
Technical Faculty	6,5%
Medicine	0,8%
Mathematics and Computer Science	2,4%
Faculty of Political, Administrative And Communication Sciences	4,1%

Source: Authors' own elaboration

A majority of 72.4% respondents follow an undergraduate bachelor's program out of which: 10.6% are first-year students, 17.9% are second-year students, and 43.9% are third-year students. Another 19.6%

are master students: 9.8 are in the first year, and the other 9.8% are in year 2. Finally, 8.1% of the participants are already graduates. Moreover, 25.2% of the respondents say that they only want to complete Undergraduate studies, 54.5% want to follow a master's program, and 20.3% want to continue with doctoral studies.

Table 3. Sample structure depending on the level of studies

Current level of education	Percentage	Desired level of education	Percentage
Bachelor	72,4%	Bachelor	25,2%
Master	19,5%	Master	54,5%
Graduates	8,1%	Phd/doctoral studies	20,3%

Source: Authors' own elaboration

Out of the total of 123 surveyed students: 36.6% follow the specialization Business Administration, 13.8% follow Management, 8.9% Finance-banks, 8.1% Tourism / Hospitality, 5.7% Engineering, 4.9% Accounting and management informatics, 4.9% Economy, 4.1% Marketing, 4.1% Law, 1.6% Medicine, 1.6% Psychology, 1.6% Sociology, 1.6% Informatics, 0.8% Economic Informatics, 0.8% Political Sciences, 0.8% Communication in Business. Due to the fact that the chosen sample is represented by students, so far 13.8% of respondents have not had any job. Most respondents: 36.6% have a work experience of less than a year, and 33.3% have an experience between 1-3 years. At the same time, 10% of young people have a work experience of 3-5 years, 4% have an experience of 5-10 years, and only 2% have a work experience of over 10 years.

Research Results

Entrepreneurial intentions

When considering the strongest entrepreneurial intent – to launch a business as soon as possible, in this case being represented by those who want to launch a business during their studies, we identified that only 16.3% of respondents would like to launch a business whilst still

being students. The results show that most of the respondents, which represents 22.8%, want to start a business in the first 1-3 years after completing their undergraduate studies, a share of 18.7% want to start a business in the first 1- 3 years after completing master’s studies, 16.3% want to start a business during their studies, and 13% -in the first 3-5 years after completing master’s studies. Finally, 10.6% choose to start a business in the first 3-5 years after completing their bachelor’s degree, and 18.7% of respondents said they do not want to start a business.

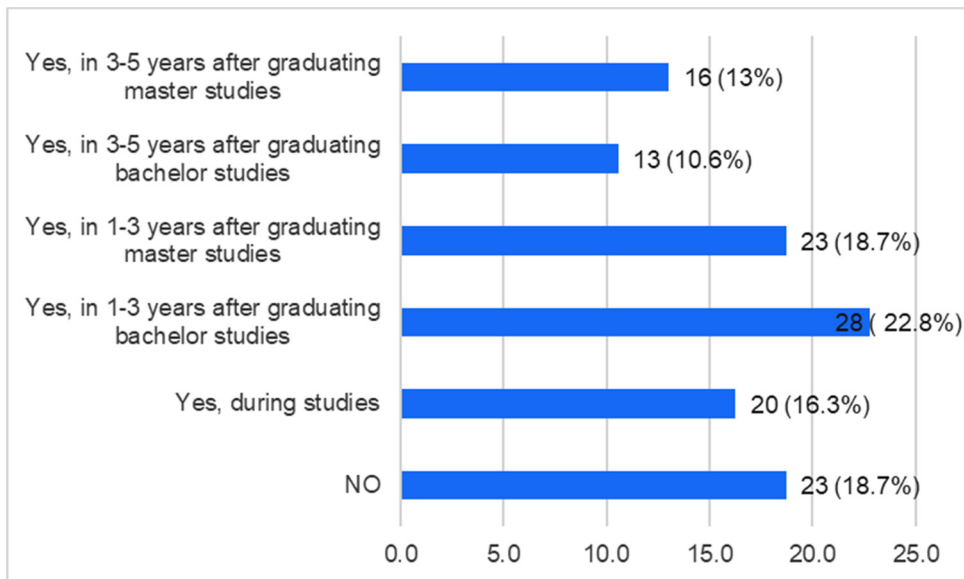


Fig. 1. Intention to launch your own business

Source: Authors' own elaboration

Based on the above totals, we also performed an analysis by country, obtaining the following results: among those who do not show an entrepreneurial intention (do not want to start a business) 65.2% are students from Romania, and 34.8% are from the Republic of Moldova. In the case of those who want to start a business as soon as possible (i.e. during their studies): 55% are from Romania and 45% from the Republic of Moldova. The share of students who want to launch a business in the first 1-3 years after completing their undergraduate studies is 57.1% for those in Romania, respectively, 42.9% for those in the Republic of Moldova.

From the category of those who want to launch a business in the first 1-3 years after completing their master's studies, 73.9% are students from Romania, and only 26.1% from the Republic of Moldova. Among the respondents with a less intense entrepreneurial orientation, namely those who want to start a business only within 3-5 years after completing their undergraduate studies, 46.2% are from Romania and 53.8% are students from the Republic of Moldova. A large share, of 62.5%, in the category of those who want to launch a business in the first 3-5 years after completing their master's studies, is held by those from the Republic of Moldova, the other 37.5% being students from Romania.

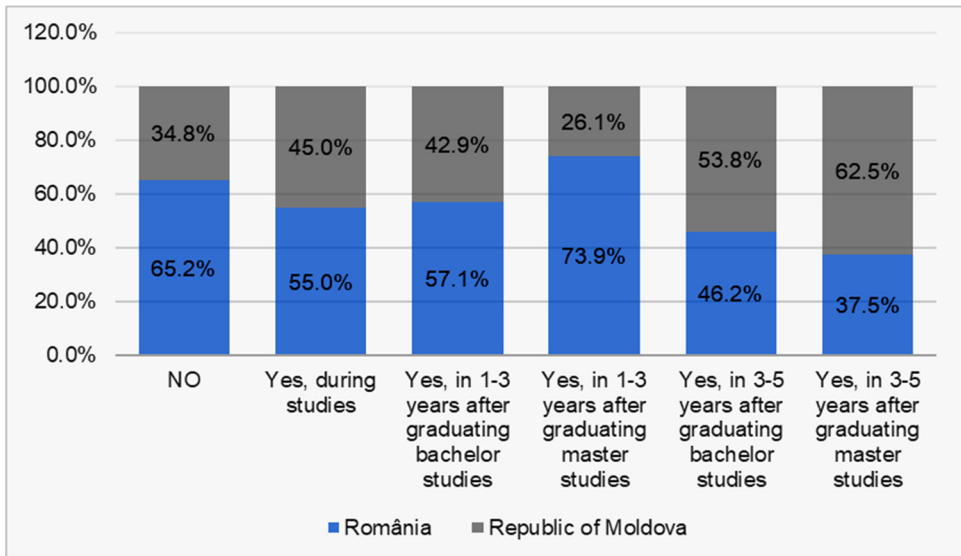


Fig. 2. Intention to launch your own business by Country

Source: Authors' own elaboration

Family entrepreneurial background

For the purpose of analyzing the entrepreneurial past of the respondents' family, we used a question to identify whether at least one of the: parents, grandparents, or siblings own or have owned a business. To this question, 57.7% of respondents answered with "NO", and the remaining 42.3% answered with "YES".

Table 4. The family's entrepreneurial background

<i>Did anyone in the family own a business?</i>	<i>Percentage</i>
<i>No</i>	57,7%
<i>Yes</i>	42,3%

Source: Authors' own elaboration

Furthermore, we wanted to identify the respondents' intentions towards the existing family business. According to the answers received, most respondents: 79%, want to start their own business, separately from the family business, while only 12% would intend to take over the management of the family business. The remaining 10% do not want to start a business or have other intentions.

H1: The entrepreneurial past of the family is a determining factor of the entrepreneurial intent of the individual:

Table 5. T-test for "Entrepreneurial background"

	t-test for Equality of Means						
	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
						Lower	Upper
Intention to launch a business in the future	.046	121	.963	.01490	.32124	-.62107	.65087
	.047	116.168	.962	.01490	.31574	-.61045	.64025
Owning a business now / in the past	-2.267	121	.025	-.16685	.07359	-.31254	-.02116
	-2.171	90.639	.033	-.16685	.07685	-.31950	-.01419

Source: Authors' own elaboration

The hypothesis regarding the entrepreneurial past of the family was tested with the help of T-test. Taking into account the value of the coefficients of statistical significance (Sig), it can be stated that the entrepreneurial past of the family has a significant impact on the entrepreneurial intention expressed as owning a business, in terms of the value of coefficients below the 0.05 threshold. In the case of entrepreneurial intention expressed as the desire to start their own business, the entrepreneurial past does not have a significant impact on it, the value of the coefficient of statistical significance (Sig) being above the threshold of 0.05.

Education

According to the existing literature, individuals who have taken courses in the field of entrepreneurship are more willing to start a business. In this regard, we identified whether the respondents attended courses, in what context, and what kind of courses. We found out that:

Table 6. Courses taken in the field of entrepreneurship

Courses taken in the field of entrepreneurship	Frequency	Percentage	Courses within the faculty	Percentage
They did not follow, they did not answer	20	16%	YES	78%
Business Administration	10	8%	NO	22%
Entrepreneurship	55	45%	Individually selected courses	Percentage
Management	58	47%	YES	22,8%
Marketing	39	32%	NO	77,2%
Finance	29	24%	They did not take any courses at all	16,3%
Accounting	32	26%		
Business Communication	1	1%		
E-business	1	1%		
Leadership	24	20%		

Courses taken in the field of entrepreneurship	Fre- quency	Percentage	Courses within the faculty	Percent- age
Financial education	3	2%		
Enterprise economy	2	2%		
Economy	4	3%		
Human Resources	2	2%		
Applied mathematics in business	1	1%		
Economics computer sci- ence	1	1%		
Business evaluation	1	1%		
Economic analysis	2	2%		

Source: Authors' own elaboration

78% of the respondents took courses at the university and 22% did not attend university. 22.8% of the total respondents claim that they took courses in the field of entrepreneurship on their own, respectively 77.2% did not take courses on their own, and 16.3% of the total respondents did not attend any courses in this field. Most of those who took courses on their own or in college, namely 47%, say they took management courses, 45% of them claim to have taken entrepreneurship courses, 32% marketing courses, 26% accounting courses, 24% finance, 20% leadership courses, and 8% business administration courses. Some of them also attended economics courses (only 3%), financial education (2%), business economics (2%), economic analysis (2%), business communication (1%), E-business (1%), applied mathematics in business (1%), economic informatics (1%), and business evaluation (1%).

H2: Education is a determining factor for the intent to start a business

The hypothesis that verifies the correlation between education and entrepreneurial intention was also tested by T-test. Following the analysis of the results obtained, namely the registration of a value of significance coefficients (Sig), lower than the threshold of 0.05, it can be stated that education has a significant impact on students' intention to start a business during or after graduation.

Table 7. T-test for "Education"

	t-test for Equality of Means						
	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
						Lower	Upper
Intention to launch a business in the future	-2.051	121	.042	-.86699	.42277	-1.70398	-.03000
	-1.841	24.659	.078	-.86699	.47081	-1.83732	.10334

Source: Authors' own elaboration

According to the averages obtained, those who took courses in entrepreneurship have a stronger entrepreneurial intention than those who did not take such courses. The term stronger entrepreneurial intent implies the desire to launch a business in the near future. The lower the average obtained, the stronger the entrepreneurial intention is considered. The average can be in a range from 1 to 6: "1" representing the desire to start a business during studies, "2" - in the first 1-3 years after graduation, "3" - in the first 1-3 years after completing the master's degree, "4" - in the first 3-5 years after completing the bachelor's degree, "5" - in the first 3-5 years after completing the master's degree, and "6" - lack of desire to launch a business.

Table 8. Averages for "Education"

Courses were followed	N	Mean	Std. Deviation	Std. Error Mean
YES	103	3.2330	1.68153	.16569
NO	20	4.1000	1.97084	.44069

Source: Authors' own elaboration

Entrepreneurial context

Another relevant factor influencing entrepreneurial intent is the entrepreneurial context (in the country/location). Therefore, we proposed 13 statements on which young people should express their agreement or disagreement, in order to determine their opinion in relation to the entrepreneurial environment in the country where they work. In order to be able to draw conclusions, the averages for each statement were calculated, ranging from 1 to 7, with "1" representing the total disagreement, "4" - neither agreement nor disagreement, and "7" - the total agreement. The results are summarized in Table 9.

Table 9. Entrepreneurial context averages by country

Statements Describing the Entrepreneurial Context	Romania	Republic of Moldova
<i>1. Entrepreneurs enjoy a good image in the community</i>	5,7	4,94
<i>2. The government supports entrepreneurship by developing a sufficient number of programs</i>	4,46	3,79
<i>3. Local authorities support entrepreneurship by developing a sufficient number of programs</i>	4,42	3,17
<i>4. The process of setting up a company in my country is easy and fast</i>	4,08	3,88
<i>5. The process of closing a company in my country is easy and fast</i>	3,79	3,52
<i>6. There are a large enough number of banking institutions that support the launch of new businesses</i>	4,89	4,38
<i>7. There are a sufficient number of banking institutions that support the development of small and medium-sized businesses</i>	4,85	4,42
<i>8. There are a sufficient number of investment firms that support the launch of new businesses</i>	4,52	3,73
<i>9. There are a sufficient number of investment firms that support the development of small and medium-sized businesses</i>	4,46	3,79

Statements Describing the Entrepreneurial Context	Romania	Republic of Moldova
<i>10. There are a sufficient number of private investors (business angels) who support the launch of new businesses</i>	4,44	3,33
<i>11. There are a large enough number of business angels to support the development of small and medium-sized businesses.</i>	4,25	3,38
<i>12. High school students are encouraged by teachers to become entrepreneurs</i>	3,31	2,31
<i>13. Students are encouraged by teachers to become entrepreneurs</i>	4,68	3,1

Source: Authors' own elaboration

As can be observed, certain statements register quite high averages for both countries, indicating a high level of agreement from respondents. The highest averages are registered in statements 1: "Entrepreneurs enjoy a good image in the community", 6: "There are a large enough number of banking institutions that support the launch of new businesses", and 7: "There are a sufficient number of banking institutions that support the development of small and medium-sized businesses".

On the other hand, the statements which are generally contested (respondents disagree with them) registered low averages (close to 1). Both countries exhibit quite low averages for statements 12: "High school students are encouraged by teachers to become entrepreneurs", 5: "The process of closing a company in my country is easy and fast", and 4: "The process of setting up a company in my country is easy and fast". These indicate potential areas of concern and future improvement. It can be observed that the least support is perceived to be received by high school teachers and the greatest obstacle is considered to be the bureaucracy of creating and closing companies.

The results indicate certain similarities between the perceived entrepreneurial contexts of the two countries. However, it can be easily observed, from Table 9 and Fig. 3, that respondents from the Republic of Moldova awarded lower averages to all statements, when compared to

respondents from Romania. These results clearly indicate that respondents perceive a more “positive” entrepreneurial context to exist in Romania. The greatest gaps between the two countries are registered for statements 3: “Local authorities support entrepreneurship by developing a sufficient number of programs”, 10: “There are a sufficient number of private investors (business angels) who support the launch of new businesses”, and 13: “Students are encouraged by teachers to become entrepreneurs”. Indicating that the local context for Republic of Moldova is perceived to be much inferior to Romania in terms of existing government programs, the existence of private investors, and encouragement from university teachers.

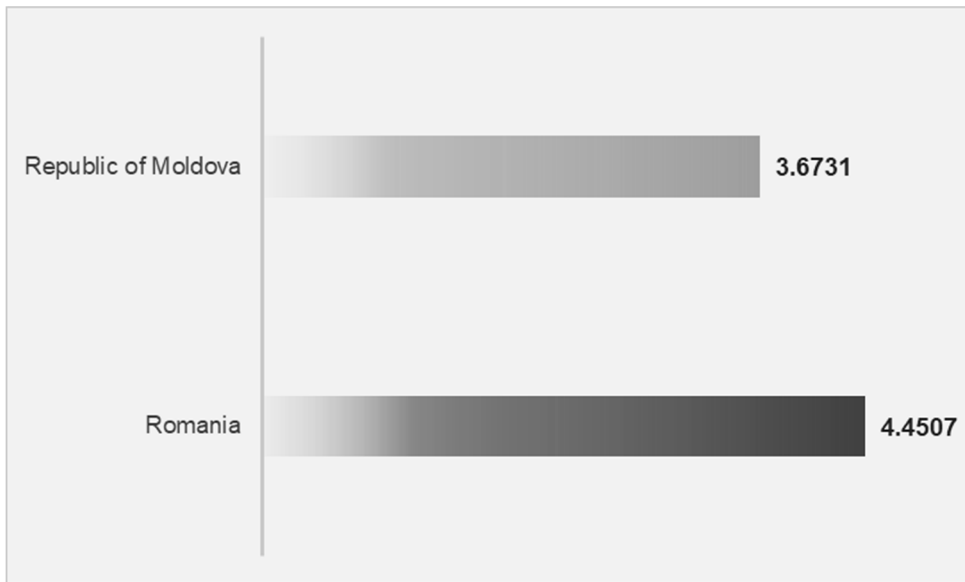


Fig. 3. The entrepreneurial context

Source: Authors' own elaboration

H4: The entrepreneurial context is a determining factor of the entrepreneurial intent:

The hypothesis regarding the influence of the entrepreneurial context in the country where the individual carries out his activity on the entrepreneurial intention, expressed by the desire to launch a business in

the future, is refuted after testing it by the Spearman correlation coefficient. Taking into account the value of the coefficients of statistical significance (Sig), it can be stated that the entrepreneurial context does not have a significant impact on the entrepreneurial intention, in terms of the value of the coefficient above the threshold of 0.05.

Table 10. Spearman's coefficient for the "Entrepreneurial Context"

Spearman correlation coefficient		Intention to launch a business in the future
The entrepreneurial context	Correlation Coefficient	-.135
	Sig. (2-tailed)	.136
	N	123

Source: Authors' own elaboration

The same can be said in the case of the influence of the entrepreneurial context on those who already own or have owned a business in the past, due to the value of the coefficients of statistical significance (Sig) above the threshold of 0.05. We state that the context does not have a significant impact on their decision.

Table 11. T-test for "Entrepreneurial context"

	t-test for Equality of Means						
	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
						Lower	Upper
Entrepreneurial context	-.952	121	.343	-.20927	.21981	-.64443	.22590
	-.983	41.231	.331	-.20927	.21291	-.63918	.22064

Source: Authors' own elaboration

Conclusions

Recent trends indicate that entrepreneurship is following significant changes. The ideas, skills, talents and knowledge that encourage the development of entrepreneurial behavior are increasingly evident especially among young people, and not so much among established corporate people (Dollinger, 2008). The young generation is much more prone to enroll in this field due to high changes, growth and development in the technological environment. Being very familiar with gadgets and computers, having free access to many sources of information, programs and tools, they can grow a business, and be prepared for any change brought by the progress of new technologies. At the same time, they are characterized as being attracted by challenges, thinking unconventional (outside the box), and much more independent. According to a study, all these aspects position young people as having a stronger entrepreneurial intent: 54% of young people aged 18-24 being oriented towards entrepreneurship, compared to only 36% for people aged 35-64 for years (Dollinger, 2008).

Background factors such as the entrepreneurial past of the family and the education of the individual have a major influence on entrepreneurial intent, there is a positive relationship between them. The family's entrepreneurial past has proven to have a significant impact on entrepreneurial intent, expressed by owning a business now or in the past. According to previous studies, this is due to the fact that such experiences support the individual with new ideas, strategies, as well as the confidence and courage to start a business or take over the management of the family business (Altinay and Altinay, 2006). Therefore, it is confirmed that young people, who come from such families, are much more likely to develop entrepreneurial behavior than those from families who had no connection with entrepreneurship (Basu and Virick, 2008).

Entrepreneurial education has also been shown to have a significant impact on entrepreneurial intent, expressed by the desire to launch a business during or after graduation. Although previous studies on the influence of education on entrepreneurial intent fall into 2 categories, those who confirm that there is a positive relationship between them, and those who refute this. In this paper we identified that students who

took courses in entrepreneurship have a stronger entrepreneurial intention, which means that they want to start a business in the near future. In explaining the positive relationship between education and entrepreneurial intention, Peters (2002) argues that studies in a specific field of entrepreneurship, give the individual the skills and mentality to remain flexible and open to the opportunities offered by the market.

The entrepreneurial context, expressed through the encouragement and support provided by the authorities, investors, banks, teachers to future entrepreneurs does not have a significant impact on the entrepreneurial intention of students. However, according to the averages obtained regarding the attitude of young people towards their national entrepreneurial context, many areas of improvement can be identified.

The impact of entrepreneurial courses on the intention of starting a business was indicated to be significant. The promotion and development of as many quality educational programs: courses or study programs in entrepreneurship, projects, events with the participation of entrepreneurs, is a good tool promoting entrepreneurship among young people and developing an entrepreneurial intent for them.

Although we did not identify a positive correlation between the entrepreneurial context and the entrepreneurial intention, it may be due to research limitations. Following the literature review, we identified that, in previous studies, entrepreneurial context was found to influence the decision to start a business. Consequently, we strongly urge local authorities, the government, banking institutions, investment firms and private investors to get as involved as possible in the development of entrepreneurship by providing support to young people who want to develop new businesses.

Limitations and directions for further research

One of the limitations of the research is the size of the samples, concerning both populations students from Romania and those from the Republic of Moldova. Therefore, the aim of future research would be to collect a larger number of questionnaires in order to obtain more representative results. In addition to the motivating factors analyzed in this

research, additional aspects that influence entrepreneurial intention can be identified. Therefore, as a future direction of research, it would be of interest to identify and analyze other factors that influence the entrepreneurial orientation of students.

REFERENCES

- Altinay, L. (2008). The relationship between an entrepreneur's culture and the entrepreneurial behaviour of the firm. *Journal of Small Business and Enterprise Development*, vol. 15, no. 1, p. 111-120.
- Altinay, L., & Altinay, E. (2006). Determinants of ethnic minority entrepreneurial growth in the catering sector. *The Service Industries Journal*, vol. 26, no. 2, p. 203-221.
- Basu, A., & Virick, M. (2008). Assessing entrepreneurial intentions amongst students: A comparative study, *Proceedings of the Annual Conference National Collegiate Inventors & Innovators Alliance*, p. 79-86
- Clercq, D. D., & Arenius, P. (2006). The role of knowledge in business start-up activity. *International Small Business Journal*, vol. 24, no. 4, p. 339-358
- Crant, M. J. (1996). The proactive personality scale as a predictor of entrepreneurial intentions, *Journal of Small Business Management*, vol. 34, no.3, p. 42-49.
- Dickson, P. H., Solomon, G. T., & Weaver, K. M. (2008). Entrepreneurial selection and success: Does education matter?, *Journal of Small Business and Enterprise Development*, vol. 15, no. 2, p. 239-258,
- Dollinger, M., J. (2008), *Entrepreneurship: strategies and resources*, 4th Edition. Editura Marsh. Lombard, Illinois U.S.A, p.4-5.
- Fallows, J. (1985). The case against credentialism, *The Atlantic Monthly*, p. 49-67, available on-line at <https://www.theatlantic.com/magazine/archive/1985/12/the-case-against-credentialism/308286/> accessed on 21.02.2020.
- Hisrich, D. R., Langan-Fox, J., & Grant, S. (2007). Entrepreneurship research and practice. A call to action for psychology, *American Psychologist*, vol.62, no. 6, p. 575-589
- Koh, H. C. (1996). Testing hypotheses of entrepreneurial characteristics: A study of Hong Kong MBA students, *Journal of Managerial Psychology*, vol. 11, no.3, p. 12-25

- Krueger, N. F., & Carsrud, A. L. (1993). Entrepreneurial intentions: Applying the theory of planned behavior, *Entrepreneurship and Regional Development*, vol. 5, p. 315–330.
- Learned, K. E. (1992). What happened before the organization? A model of organization formation, *Entrepreneurship Theory and Practice*, vol. 17, no. 1, p. 39–48.
- Lumpkin, G. T., & Dess, G. G. (1996). Clarifying the entrepreneurial orientation construct and linking it to performance, *The Academy of Management Review*, vol 21, no.1, p. 135-172.
- Mueller, S. L., & Thomas, A. S. (2001). Culture and entrepreneurial potential: A nine country study of locus of control and innovativeness, *Journal of Business Venturing*, vol. 16, p. 51–55.
- Peters, N. (2002). Mixed embeddedness: Does it really explain immigrant enterprise in Western Australia?, *International Journal of Entrepreneurial Behaviour and Research*, vol. 8, no.1/2, p. 32–53
- Pillis, E., & Reardon, K. K. (2007). The influence of personality traits and persuasive messages on entrepreneurial intention: A cross-cultural comparison, *Career Development International*, vol.12, no.4, p. 382–396
- Thomas, A. S., & Mueller, S. L. (2000). A case for comparative entrepreneurship: Assessing the relevance of culture, *Journal of International Business Studies*, vol. 31, p. 287–301.
- Bosma, N., Hill, S., Ionescu-Somers, A., Kelley, D., Levie, J., Tarnawa, A., and the Global Entrepreneurship Research Association (GERA) *Global Entrepreneurship Monitor 2019-2020*, Global Entrepreneurship Research Association, London Business School, UK