

From School Dropout to Entrepreneurial Success: Case Studies from Algeria

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ABSTRACT

In developed countries entrepreneurs are generally graduates of major universities or higher schools. They then pass through specialized trainings to acquire practical experiences before considering the creation of companies.

While in developing countries, as is the case with Algeria, we can find young people who are embarking on the creation of small businesses without appropriate training, for various reasons, among others those related to unemployment and Lack of infrastructure that can integrate them. They manage and manage to set up their own business. As a result, they manage to create a saving and reassuring autonomy in spite of all the risks generated.

This paper will present three cases of Algerian entrepreneurs with no scientific background, who have been able to adapt to their socio-economic environments and who have succeeded in business. It allows us to shed light on the mysteries of entrepreneurial success in hostile environments such as those observed in developing countries,

Companies initiated by entrepreneurs with a low level of education are mostly constraint firms rather than opportunity firms. The success of these companies is that:

- Entrepreneurs show intelligence, adaptation and learn from their experiences.
- Contractors work hard and rigorously.
- They have difficulty finding serious workers working rigorously.

This study allowed us to understand the psychological characteristics and motivations of a sample of entrepreneurs who were able to overcome the obstacles encountered and develop strategies adapted to their success in their business.

Keywords: school failure, instruction level, on-the-job learning, entrepreneurship, success, Algeria.

INTRODUCTION

It is generally known in developed countries that entrepreneurs are generally graduates of major universities and higher schools, engineering and management. Before going on to the action of creating companies, they go through specialized trainings, which confront them with the field. Business projects require in-depth studies with the help of experts to ensure their success.

While in developing countries, such as Algeria, and because of unemployment, and the lack of adequate training and follow-up infrastructures, we can find young people who embark on small business, which can be described as small Necessity companies. They manage and manage to build their project. The majority of these

young people have not had the opportunity to follow their studies for various reasons, including the fact that they have not been able to adapt to the formal education system. They are engaged in business without proper training, in building, trade or human management, and without financial assistance. They were able to succeed despite all the obstacles of a discouraging environment. In developing countries, a majority of the population is working in agriculture. The drought and the harshness of traditional agricultural work, with the needs under construction, pushed young people to work in cities, as maneuvers and then as Masons. Many of them become entrepreneurs. This paper will present three cases of Algerian entrepreneurs with no

scientific background, who have been able to adapt to their socio-economic environments and who have succeeded in business. It helps us to discover the mysteries of entrepreneurial success in an underdeveloped environment.

Literature review: Several factors affect entrepreneurial success in developing countries, we can summarize them in environmental factors, level of education, motivation and control of business management.

Socio-Economic and Business Environment of the Father

The environment affects positively or negatively the action of creation and management of companies as well as their successes. Among the environmental factors, we find the needs of the environment of the different services, such as the need for housing. The professions of family members, such as crafts or masonry, encourage young people to embark on entrepreneurship.

According to Hamidi and Hibaq, "an individual who creates a micro-enterprise in the same field where the father or mother has professional experience, has more chance of success than an individual whose parents do not hold professional seniority" In the field of Creation "(Hamidi and Hibaq: 2013, 14).

The business of the entrepreneur in Algeria is influenced by the profession of parents and by the socio-economic environment.

Level of Education and Training

From a theoretical point of view, there is a close link between education level and entrepreneurial success. Higher education allows the individual to better cope with the problems and seize the opportunities on which the creation and management of the company depend (Julien, 2000).

In a study on young entrepreneurial candidates in Algeria, Hamidi and Hibaq concluded that "the analysis of the school level of entrepreneurs surveyed, showed that 35.2% have a secondary level and 29.8% have an average level or 65% of young Creators have a middle or secondary level (Hamidi and Hibaq: 2013, 14). A study conducted by Geddes, on professional and entrepreneurial intentions from a sample of students from the Algerian university, concluded that the majority of students prefer to work in a public enterprise (Geddes, 2015, 42). This can be explained by the fact that: "Young academics have several possibilities of

employability because if they fail in their entrepreneurial approaches, they have the opportunity to find employment rather than a non-university youth." (Hamidi and Hibaq: 2013, 17).

This has encouraged the spread of the phenomenon of entrepreneurship among young people without adequate training.

Motivations behind the Choice of Entrepreneurship

According to Giacomini et al. "We will talk about necessity or forced entrepreneurship, when an individual creates his business, among others, by the absence of other alternatives of employment and/or family constraint, and entrepreneurship of opportunity or voluntary, when an individual creates his business in particular as a result of the discovery of an opportunity and/or for the desire for independence (Giacomini, et al., 2010 p. 213).

In an underdeveloped environment with few job opportunities, forced entrepreneurship becomes a necessity, and sometimes the only solution to escape unemployment (Giacomini et al., 2010).

According to Hamidi and Hibaq, "... the desire to break unemployment is the main motivation for enterprise creation". (Hamidi and Hibaq: 2013, 14).

Berreziga and Marty concluded, in turn, that "entrepreneurship in Algeria is described as a" survival entrepreneurship "where the entrepreneur creates his business by social constraint, creates it out of necessity and not to exploit an opportunity." (Berreziga and Mathew, 2012, p. 1).

A difficult environment can motivate young entrepreneurs to work hard and rigorously. They have no choice but to succeed in their projects.

Management of the Company

Business Management needs the mastery of technical and managerial skills, which requires extensive and appropriate training. Entrepreneurs often recruit engineers and management executives to meet the needs of businesses for their good walking.

In the case of micro-enterprises, entrepreneurs are obliged to manage their staff, because their businesses are small, and their resources do not allow to recruit managers in HRM. This applies to businesses created by young people without educational bases or appropriate training. The

ability to learn and create is required for their entrepreneurial success.

METHODOLOGY

In order to clarify the relationships of the educational level on entrepreneurial success, a qualitative study was conducted, through the study of three cases, of entrepreneurs with low levels of education. The purpose of this communication is to answer the following questions concerning the three entrepreneurs concerned:

- What are the causes of their school dropouts?
- What are their motivations for engaging in entrepreneurship?
- How did they learn the skills useful to their work?
- What are their psychological characteristics?
- How do they manage their businesses?
- What are their constraints and recommendations?

A maintenance guide was developed and used for data collection at the three contractors' sites.

The cases of our study were selected according to two criteria:

- Leaving school from the primary education cycle.
- The success in the creation and management of their enterprises despite of the socio-economic environment constraints.

Case study:

The cases studied are from the region of Maghnia – Algeria -, near the border of Morocco. This region is known by three economic activities: smuggling, agriculture and construction.

The three selected cases are contractors in the construction and building field.

Case Number one: Mr. Maliki.

- Age: 36 years
- Education Level: Primary
- Family Situation: Married with children
- Entrepreneurial activity: trade and real estate.

This person has stopped his studies in the sixth grade (CM2). He was influenced by his father

who had a coffee, which explains his choice and his inclination to trade.

His father did not want his son to leave school. He said, "If you study, you will remain under my responsibility and I take care of all your expenses." But if you give up, I guarantee you the accommodation, the rest you have to manage."

Our young man decided to leave school at the age of 12. He said, "I left school to secure my future."

He started his work before the age of 10, with two tables to sell the candies, assisted by children who work for him.

After the opening of the Algerian-Moroccan border, he began to sell the cigarettes.

He did not have any working capital. He bought the cigarettes from a bookstore in the nearby city, the bookseller had trusted him by giving him an amount between 3 and 4 million cents in credit (it was an important sum in those days). He takes the merchandise by taking a taxi by himself to the border (about 10 kilometers), because he feared being attacked. Despite his trade in tobacco, he never smoked, and did not accept smoking in his car or in his house.

At the age of 10, he began working in the foreign exchange field because of the absence of foreign exchange offices at the border. Africans began to enter Algeria, with the African Franc (CFA).

And since he needed a greater capital, he borrowed from his father, agreeing to give him half the profits in exchange for the loan.

He began crossing the border towards Oujda, with large sums in African currency, to convert them to Moroccan Dirham, and return with, in Algeria. At ten years old he already had his passport.

The border was closed on August 26, 1993, and then everything stopped. At that time he wanted to buy a lot of land near his father's house, with a good location. He learned that a customer offered to the owner 10 million cents, to buy it.

When he asked the owner of the land for the sale price of his lot, he replied: "Go play, you are still young". He was 13 years old.

He returned the following week, and offered him 15 million cents for the purchase of this lot. The owner replied that he wants to sell the ground floor only to this amount, and that he

wants to keep the right to build on the first floor, because the terrain was hilly, the youngster refused.

Finally he was able to buy the lot for 35 million cents, and the seller was surprised to have a young child of 13 years, buy this lot of land at that amount so high at that time. A year later, the brother of the former owner of the lot proposed to the young owner the sum of 170 million cents to redeem it, which was refused.

Since that time, he had aspired to the construction of a coffee shop on the ground floor and a flat above it. He spent all his savings to buy this lot of land and had to start from scratch.

Since the Algerian-Moroccan border was closed, it began to work on the weekly market. He used a large rocker of his father's goods to offer his services to the sellers of fruit and vegetables and to the farmers. He had good relations with them, and began to take it to the fields to make them weigh their goods. He explained that "it was a tiring work, but he was obligatory to do it. It was necessary to do anything, better than to stay without at home." He explained, "It was important that I work instead of flying." He worked six months in weighing goods for others.

And then he wanted to open a shop to sell the crusts. "And when I didn't have enough capital," he said, "I was forced to borrow a small amount of money from my father, to start my new business."

He was able to save a sum of money that allowed him to build a modern café in 2001. He spent all his savings, and to open it, he didn't even have enough to buy the glasses and cups of coffee. He was forced to borrow from his friends the money needed to buy them.

So he started work in the coffee shop, and in parallel he engaged in the used car trade, which was lucrative at the time.

Then he invested in the real estate business. His father built a house of residence in 2008, and after a while he sold it, to begin to build a new house. He spent a lot of time following the works with his father and observing the builders, while trying to understand the craft of the builder. He learned a lot and that influenced his professional intentions.

Among his projects, he intends to build a polyclinic on a lot of land he owns. He thinks of charging his brother-in-law, soon to retire, to

take over the management of the polyclinic. He also has a project to open a supermarket.

In response to questions about the causes of his success, he replied that:

- Being modest-knowing how to communicate with people,
- Gaining People's trust, and not losing them.
- Keeping his words and promises.
- Have serenity in relationships with people
- Following up works in person.
- Look after the quality of the work in order to earn a good reputation.
- Consider that the most important thing is the reputation
- Avoid cheating at work because it leads to self-destruction by oneself.

Among the things he regretted was that he did not follow his studies. However, he says that is not an obstacle. He confirmed: "I travel, I went to China and Turkey, and I feel that I understand more than those who have a higher level of education than mine."

Case # 2: Mr. Mansor

- Age: 55-education Level: Primary
- Family Situation: Married with children
- Entrepreneurial activity: building and public works.

He learned the craft of his father, who was illiterate, a former emigrant in France, and who worked at the Buick Company in the sixties of the twentieth century. He was a conductor of the works in 1979. He had 160 workers under his responsibility. He began his work as a manoeuvre, crane, chief scraper, Foreman and conductor of the works.

For our case, he left school despite his father's opposition, because he liked to work in the construction field like his father. His father forced him to work as a simple worker in building for four years, serving 5 masons as punishment by his father, because he left school.

He went through all the tasks and responsibilities in public works, before becoming an independent contractor.

Currently, despite his level of study, he does everything from tracing to the study of plans with architects and engineers in public works.

As for the management of his business, he works with two accountants. The first for

workers' pay, expenses and purchases of the company. The second is an accredited accountant, hired to deal with tax-related issues and treatment with the financial services of clients and the state.

His job is to run his business. He recruited building managers who work with him. He chairs the meetings, listens to his collaborators and discusses with them the work plans. He deals with workers as if they were his children, he lives and works with them. Among his problems with the workers, according to him were "broken arms", workers who badly affect their task.

He spoke: My father gave me three tips:

- "When you make credits, never exceed 50% of your capital".
- "You must respect the workers".
- "The quality of the work must be respected, and when you see a defect, it must be repaired or demolished if it is done to do it well again". "You have to be sincere and avoid cheating."

He thinks that's why he gained a good reputation. His father visits him to the site from time to time to make sure of his work, and according to him, "When my father is there, he always remains the leader".

Case number three: Mr. Ayach

- Age: 58 years-educational level: Quranic studies, he never studied in public school. He reads Arabic, but cannot read or write French. He doesn't know how to use the Internet.
- Family Situation: Married with children
- Entrepreneurial activity: ETB SARL ARISTO Certification III.

He started his work as a simple maneuver and progressed in the trade. He went through all the steps: Maneuver, Mason, artisan Mason before becoming an entrepreneur after having his trade register.

He has about 80 workers under his responsibility. He treats the workers with fraternity and closely follows their work. He pays his employees every week, and if necessary he uses credits.

He is supported in his duties by a team leader and an accountant, as well as a quantity surveyor. His brother-in-law and two of his sons assist him in control and follow-up.

At the beginning of his career as an entrepreneur, he had loans from his family and friends. He regrets having done so.

Among the problems encountered in the management of his company he quotes: The bureaucracy, the slowness of getting paid the endorsement and the Propagation of corruption (demand for bribes in direct or indirect ways).

His future project is to become a promoter. He regrets having trusted others too much, and having agreed to work in partnership.

His point of view on entrepreneurship: It is a tiring work and with many obstacles, but also a profitable field for those who work hard and know how to manage.

He advises young and former entrepreneurs of perseverance, patience and not to despair.

A young engineer who deals with him explained to me that by dint of dealing with the invitations to tender, our contractor remembers the keywords of the contracts, he also understands the schemes, despite the fact that he does not know how to read or write French.

He has mastered the language of numbers and arithmetic.

He visits his yards every three or four days. The other days are devoted to the purchase of building materials as well as all the administrative paperwork.

DISCUSSION

The results of our survey, obtained from observations, interviews and visits to the shipyards, made us remember several points that need to be discussed.

Causes of School Dropouts

A common denominator between the three cases, their level of education that does not exceed the primary level. This is not due to their failures in the studies, but their exit from school was due to their own circumstances and their urgent desire to join the work on the ground. Although the first case, Mr. Maliki can read and write Arabic and French, because of his personal efforts, he can also use the Internet and consult the designs and design of the mounts via Google, while the last two cases cannot do so.

The success of the subjects in our study confirms that the high scientific level is not always a condition for success in the entrepreneurial field. This can be noted by the fact that the first entrepreneurs, in Europe and

the United States, did not have higher degrees, however, they highlighted their abilities, and proved their successes.

Motivations for Commitment to Entrepreneurship

The most important motivations for entrepreneurial work were the need and the need to have a job, which has evolved in the entrepreneurial direction.

Entrepreneurship in Algeria is a necessary necessity in the absence of an industry likely to employ a large number of young job seekers. Likewise, the lack of qualifications makes it possible for them to be recruited into the public service or the bureaucracy of the state almost impossible. Work in agriculture or public works, as a maneuver or bricklayer, remains the only refuge.

Smart and creative workers, can often "start-up" their own businesses. These results confirm the conclusions presented by Giacomini (2010) and Hamidi and Hibaq (2010), that young people without university degrees are more motivated to engage in entrepreneurship.

Learning Entrepreneurial Skills

In addition to the low school level, we find the absence of vocational training, because these people did not have access to vocational training centers. The first case had an experience in construction, without needing to be a mason. He hired masons and artisans and coordinated their actions. He buys lots of land and builds houses to sell them.

The other two entrepreneurs started as maneuvers, then Masons to end up as entrepreneurs. They had contracts of execution of several projects of the state.

All three have learned the entrepreneurial craft through their intelligence, their ability to learn and their experience. They exploited experimental learning to acquire skills, learned on the job. At a time when we are seeing the failure of the university in the training of entrepreneurs, the environment and socio-economic conditions, can be real schools for the training of competent entrepreneurs. This is proven by the subjects of our study.

Psychological Characteristics

What helped them to succeed in the entrepreneurial field was their intelligence and insight. In discussing with the three entrepreneurs, we understand that they are calm, intelligent,

have a sense of communication, they observe and listen attentively. All three believe in success through work, rigor and perseverance. They are well motivated and have the confidence in themselves. Their psychological characteristics have allowed them to have ambitious and challenging aspirations, and they work hard to achieve them.

Management Practices and Methods

With regard to the management of workers, this is done in a spontaneous way, thanks to their experience. Typically entrepreneurs without training, employ young graduates in some key positions, or technical positions. We often find close relatives, as in the case of accountants and workshop leaders, which we have seen in the last two cases.

Entrepreneurs without appropriate training learn from their experience, and often ask more experienced people for advice, if needed.

Constraints and Recommendations

The most important obstacles faced by Algerian entrepreneurs, especially in the field of construction, are the lack of skilled workers, and the difficulties of managing human resources in the environment that Lack of traditions and entrepreneurial cultures. These barriers create a source of suffering for both public and private sector enterprises (Geddes, 2015). The recommendations of the entrepreneurs studied, given to young entrepreneurs, are: dedication to work, patience and not to despair in the face of environmental problems.

CONCLUSION

The survey has enabled us to identify a number of characteristics that influence the success of companies, created by young people, low levels of education and without vocational training.

The results of this survey show that intelligence and the ability to learn are key factors in the success of entrepreneurs, rather than determined by the level of academic education and training. The ability to learn from their mistakes and take lessons from their experiences are important qualities.

The state can intervene with entrepreneurs without training, providing them with advice and training support, through permanent training methods tailored to their needs and situations, in order to strengthen their capacities and Performance. This improves the business

climate in an environment that has exhausting obstacles and demotivating difficulties.

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