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ATTITUDES OF YOUNG PEOPLE TOWARDS ENTREPRENEURSHIP AS A DETERMINANT FOR STARTING UP A BUSINESS

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Abstract

Entrepreneurship is one of the key phenomena of the modern society. Entrepreneurship represents a very dynamic process, which anticipates taking over initiative, aspiration for gaining profit, but also readiness to take the risk in order to realize the business idea. In most economies entrepreneurship is regarded as a reply to many problems in society, as a true way for finding new jobs. This is why entrepreneurship is understood as a new economy sector in many countries and entrepreneurs as creators of new jobs. That is why a question is being imposed - what is needed to set up a critical number of entrepreneurs in order to contribute to successful development of national systems. The author of this essay tried to investigate whether there are entrepreneurial potentials and ambitions with young people (students), whether these potentials are connected with general demographic features and in what way we should direct educational processes so that the entrepreneurial potentials with students could increase and create prerequisites for developing entrepreneurship in our country. Finally, the aim of this work is to point out that the possibility of gaining success in modern economy is offered to anybody who is entrepreneurial enough. Successful young entrepreneurs are seen as "heroes" today – self-initiative individuals who take over a big risk in order to provide benefits to the consumers at the global market.

Keywords: entrepreneurship, entrepreneurial potential, attitudes of young people towards entrepreneurship, ambitions of the youth

1. Introductory settings

*"Entrepreneurship is to live for a few years of your life
in the way that many people wouldn't like
so that they could spend the rest of your life in the way
the others wouldn't be able to."*

*Warren G. Tracy,
renowned American entrepreneur*

Continuous changes are inevitable and everyday phenomena in the turbulent environment in which we live. Accelerated technological development, information era, as well as unscrupulous competitiveness represent conditions under which primarily "today organizations" i.e. those organizations that are oriented towards entrepreneurship and continuously adapt to the market challenges can operate successfully. Those organizations which are not ready for changes cannot survive at the market for a long time. Big changes take place in all aspects of economy and society, and it all influences changes in the nature of the business itself, which requires shifts in behaviour patterns of the employees who still react to the new conditions in different ways.

One of key questions regarding changes is – *to what extent will our future entrepreneurs, managers, economists, engineers face with them and how will they react?* All of this determines the future of the biggest number of world economies. One thing, among others, determines the way of accepting the changes are attitudes towards entrepreneurship i.e. development of small and middle enterprises (SME). It is necessary to emphasize something when we mention changes in the process of doing business: we mostly think of entrepreneurship and innovations, since the changes and entrepreneurship cannot be imagined without each other.

There are numerous factors which influence the processes of intensifying entrepreneurship development (market, financial, urban, communal, legal, human etc.) which represent the environment where the entrepreneurship is being affirmed, as a way to start and develop business, as well as the way of improving the quality of life and work in certain areas. Apart from that, key trend of modern development is passing from industrial into information society. We primarily anticipate the end of the industrial society and emerging the society where the basic resource is information resource, i.e. skill, knowledge and competence. The basic impulse of the development is exchanging information with the environment. The most profitable branches are not steel and textile production any more, but those where knowledge is more important than the capital. These are the basic causes for modern expansion of entrepreneurship and starting up small and medium enterprises. (Melovic et al., 2011).

Based on the range of researches, it is confirmed that entrepreneurship is the key generator of innovation, employment and economic development (Audretsch and Keilbach, 2004). Also, entrepreneurship represents a process of transformation of knowledge into practical results (Shane and Venkataraman, 2000) and makes the basis of intellectual capital development (Zahra and Dess, 2001). Young people who wish to become entrepreneurs have to be aware that the *entrepreneur* is somebody who is gifted with business spirit and creative skills always “awake” and ready to recognize and use new business opportunities with appropriate combination of production factor (Mitrovic and Melovic, 2013). Also, an entrepreneur is somebody who is decisive to take the risk of managing the organization based upon innovation and permanent development, with the aim to create new values.

In order to realize everything that was mentioned above in an effective and efficient way, it is necessary to set up an adequate education system which treats the entrepreneurship issue in an appropriate way. The concept of training and education which supports entrepreneurial way of thinking and is based upon advanced training of an individual, including basic principles of efficiency in everyday life, without special focus on starting up the business leads to entrepreneurial literacy for the society as a whole (SEECCEL, 2011).

2. Entrepreneurial training and education – "strategy of developing young people"

*If you plan a year ahead, plant corn.
If you plan ten years ahead, plant trees.
If you plan for a whole life, train and educate people"
Chinese proverb, Guanze (around 645 BC)*

In total society and economy reform in our region, the orientation towards entrepreneurship and small and medium enterprises takes a significant position, and private sector is being treated as one of the pillars of the sustainable economic development. SME development and entrepreneurship is not realized only through entrepreneurial practice and measures of economic policy, but also through systematic effort to realize direct, structural changes in the education sphere. Based on former researches (Cotic et al., 2007) more and more young people will connect their professional development with the SME sector in the future. Many learned lessons and experiences (Dollinger, 2005), taken from successful projects confirm that entrepreneurs should have further potentials and competences: emphasized insight for new market opportunities and consumers' needs; general and individual managerial skills, clear mental business model which they want to develop; enough creativity, good communication with potential investors/funders, partners, employees; analytical skill, enthusiasm, self confidence and innovation.

In case that somebody wants to become an entrepreneur, he should start up a new business or establish a new business unit in a different, innovative manner compared with the existing practice. Those are conditions which initiate the need to implement entrepreneurial management and appropriate education in this area. *Entrepreneurial management* comprises activities of managing, organizing, planning and controlling of an entrepreneurial adventure.¹ Successful entrepreneurs are able to make a chance out of trouble, and to create a concrete possibility out of potential possibility (Mitrovic and Melovic, 2013).

The necessity to study entrepreneurship and education in this area is for sure clear and essential today and that is why entrepreneurship is positioned as a special independent scientific discipline in many academic institutions nowadays. Studying entrepreneurship should enable young people to understand the significance and role of entrepreneurs in the economic development and to master new knowledge, but also key skills necessary to start up and successful management of their own business. Young people should be trained for independent evaluation of business opportunities, their market valorization, evaluation of their own entrepreneurial skills; entrepreneurial strategies, creating business plans and this will create prerequisites for successful entrepreneurial management of their own business, but also in the conditions of concrete economic reality of bigger companies (Mitrovic et al., 2012).

Thus, modern entrepreneurial education has to satisfy demands for new knowledge and abilities which are necessary for successful operating in this sector, which anticipates introducing new professions and profiles which will provide achieving better flexibility in coping with changeable

¹ *Entrepreneurial management* is today a subject of research of many scientific disciplines out of which we can especially mention economics, sociology and psychology. It is often met in literature under the name of *management of small and medium enterprises*.

work requirements and bigger mobility of the labour. *European charter for small enterprises* gives an example how important the entrepreneurial education is, and it represents a framework which enables countries to systematically monitor, evaluate and compare the development in order to achieve these goals in annual, cyclical process based on compulsory goals from this Charter. By signing this Charter, countries signatories are obliged to work according to the manner of operating that are enforced in the European Union, taking into consideration needs of small enterprises. European Charter contains ten points, where the first point refers to entrepreneurs' education and training.²

Our experience shows that studying entrepreneurship hasn't enough been integrated in the system of formal education yet. However, we can notice some moves achieved within the education system reform, and also with individual initiatives in this field. It is essential to continue with the education system reform which will enable that the education for entrepreneurship will be present at all levels of formal education – starting from high, higher and academic to the level of postgraduate studies, then within informal education and in the context of lifelong education and studying. New approaches to the education should be oriented towards useful knowledge which will help to set up higher levels of professionalism more quickly and climate which will support and reward such defined desired behaviour. Also, education for entrepreneurship must comprise studying and development of motivation, creativity and innovativeness with young people who would be prepared for entrepreneurial activities. Entrepreneurship anticipates continuous changes, thus the readiness and openness for changes is one of the most important features of the entrepreneur's personality and also it is one of features which are possible to learn and improve.

3. Methodology and results of research of young people's attitude towards entrepreneurship

Methodology of research was chosen in compliance with the defined objectives of the research and based on the combination of qualitative and quantitative methods, and also in comparison with relevant literature and scientific achievements.

The objective of the research was to determine existence of entrepreneurial potential with young people, operationalized through the variable: attitudes towards entrepreneurship. Based upon the defined goal of the research the general hypothesis was set up (H1): ***Attitudes of young people (students) towards entrepreneurship are positive, which represents good basics for starting up a business and strengthening total economic system.***

Research sample: The study involved 573 students of the first, second and third year of undergraduate and Applied Studies at the University of Montenegro.

Data processing: The data were processed by standard statistical procedures, univariate (analysis of frequency ranges, arithmetic means, a one-way analysis of variance) and multivariate methods.³

² You can see more about *European charter for small enterprises* at:

http://ec.europa.eu/enterprise/policies/sme/files/charter/docs/charter_en.pdf2009, approaching date 01.10.2013.

³ Data of this research are entered into the program *Excel* and data processing itself was done in the program *SPSS 13.0*.

Research instruments: Research was carried out by the questionnaire especially designed for this purpose and which consists of 23 (23) open questions and six (6) questions with regards to demographic features of the interviewees.

Based on the defined methodology and conducted research, the following key results were obtained:

Attitudes of young people towards entrepreneurship indicate differences between the sexes when it comes to attitudes towards their own company (*Table 1*). For the female population of students, having their own company represents "possibility to show their own creativity and imagination", whereas for male population it is primarily an opportunity to be "their own bosses" and also the possibility to show their creativity. (Pearson Chi-Square=16.907; Asymp. Sig.=0.000).

Table 1: Interviewees' gender – My own company means to me...?

		My own company means to me:			Total
		the chance to be my own boss	possibility to show my creativity and imagination	exclusively a good source of income	
Interviewee's gender:	Female	30.6%	51.6%	17.7%	100.0%
	Male	37.5%	37.9%	24.6%	100.0%
Total		35.4%	42.1%	22.5%	100.0%

Source: Author's research

Research indicates bigger interest of the female population for the area of entrepreneurship, starting up a business, as well as possibility to show their creativity and imagination (51.6%). It is interesting that the male population treats entrepreneurship rather as a "good source of income" compared with the female population.

Family environment, in the sense whether the students come from families who have their own business or not, has a significant impact on the attitudes of students what they will do after graduation (Pearson Chi-Square = 136.223; Asymp. Sig.=0.000). Thus, those students who come from families who run their own business are more ready to open their own company, whilst the other students rather choose to continue with their studies or look for jobs (*Table 2*).

Table 2: Do you come from the family that has its own company? – What are you going to do after graduation?

		After graduation:					Total
		I have no idea what I will do	I will continue my studies	I will look for a job	I will open my own company	I will continue family business	
Do you come from the family that has its own company?	Yes	12.4%	13.5%	42.1%	12.4%	19.7%	100.0%
	No	13.5%	19.0%	61.3%	5.1%	1.2%	100.0%
Total		13.3%	18.0%	57.9%	6.3%	4.5%	100.0%

Source: Author's research

The research indicates that almost a fifth of young people (19.7%) who come from families that have their own company are going to continue "family business" upon graduation. On the other hand, those who do not come from "entrepreneurial families" - only 1.2% cases, think of setting up their own business immediately upon graduation. The fact that is really worrying is that more than a quarter of young people do not have a precise attitude what they are going to do (what they will do) upon graduation.

Also, students who come from families that run their own business state that they know a lot about entrepreneurship, opposite to other students who mainly state that they have little information about entrepreneurship (Pearson Chi-Square=22.431; Asymp. Sig.=0.000) (*Table 3*).

Table 3: Do you come from a family that has its own company? – How well are you informed about the term entrepreneurship?

		When it comes to entrepreneurship:				Total
		I have no idea what it is and I am not particularly interested	I've heard something from other people and I've also read something	I know a lot about it	I have no idea what it is but I would like to find out	
Do you come from the family that has its own company?	Yes	5.1%	33.7%	49.4%	11.8%	100.0%
	No	8.2%	40.2%	31.5%	20.1%	100.0%
Total		7.6%	39.0%	34.7%	18.6%	100.0%

Source: Author's research

Readiness of the students to listen to the new subject at their studies where they will gain knowledge on starting up and running their own business is influenced by the gender of the interviewees. This is shown by the results of our research (Pearson Chi-Square=28.770; Asymp. Sig.=0.000). Thus, female population of the students think that introducing such subjects would

be a "great thing" for them, whereas the male population of the students rather choose the answer "it depends on how demanding it will be" (33.6%), but more than a half thinks it will be very useful (Table 4).

Table 4: Interviewee's gender – I would like to have such subject where I would learn how to start up and run my own business

		I would like to have such subject where I would learn how to start up and run my own business:			Total
		No, not at all	It depends how demanding it would be	It would be great	
Interviewee's gender:	Female	5.5%	21.3%	73.2%	100.0%
	Male	10.9%	33.6%	55.5%	100.0%
Total		9.2%	29.8%	61.0%	100.0%

Source: Author's research

Apart from the interviewees' gender, the readiness to learn how to start up and run their own business is influenced by close friends of the students as well (Pearson Chi-Square=19.533; Asymp. Sig.=0.000). Thus, the students who have friends who run their own business mostly think that introducing such subject is a great opportunity to find out something more about starting up and running a company, whereas those who do not spend time with people who run their own companies care more how much additional time this course will require (Table 5).

Table 5: Do you have close friends who have their own companies? – I would like to have such subject where I would learn how to start up and run my own business:

		I would like to have such subject where I would learn how to start up and run my own business:			Total
		No, not at all	Everything depends how demanding it would be	It would be great	
Do you have close friends who have their own companies?	Yes	9.2%	25.5%	65.2%	100.0%
	No	9.2%	38.8%	52.0%	100.0%
Total		9.2%	29.8%	61.0%	100.0%

Source: Author's research

Based on the conducted research, we can conclude that the *attitude towards entrepreneurship* of interviewed young people (students) is partially ambivalent, positive in significant part, negative in less part, and the conditions for developing entrepreneurship are not most convenient, which does not contribute to regard entrepreneurship as a desirable value. Also, the research clearly indicates that young people who come from families that have their own companies understand the term entrepreneurship much better and they are interested in doing it, compared to those who come from families who do not have their own company. Regardless all limitations, the research

showed that young people generally have positive attitudes towards entrepreneurship, which means that the starting hypothesis was proved.

4. Concluding remarks

The results of the research indicate that there are entrepreneurial potentials, measured through the attitudes towards entrepreneurship, in different proportion with regards to general demographic features. Attitudes towards entrepreneurship are primarily positive, which confirmed the starting hypothesis of the research. Knowledge that young entrepreneurs gain in the system of formal education is mainly not enough to answer all challenges that are posed by modern society. That is why informal education and life long studying are regarded as an important segment of personal development and entrepreneur's improvement.

Results of other, similar researches from the region point to similar conclusions. So, the research that was carried out in Serbia (Markov and Stankovic, 2008) which measured entrepreneurial aspiration of students in Serbia showed that students have rather positive attitudes towards the profession of an entrepreneurs, but that they have negative grade for the atmosphere for entrepreneurship and think that entrepreneurship education is not enough for the development of positive attitudes towards entrepreneurship and that only 44% of the students would like to start up their own business after graduation.

Obtained results in the above mentioned research point to compatible conclusions with majority of questions. Since it is possible to develop and improve all measured features in our research, we think that little money is invested in developing knowledge on entrepreneurship. Also it is possible to develop individual features and education for entrepreneurship anticipates the development of the personality, raising awareness on self development and development of various skills and knowledges (European Commission, 2009).

With the lack of research pertaining to specific research instruments, the relative narrowness of the survey sample, we believe that the results clearly indicate the need for a different education model which would help young people to develop an entrepreneurial spirit and positive attitudes towards entrepreneurship.

Finally, young entrepreneurs should work on their own development, to be self confident, self organized and innovative, to initiate constant changes in business and try to master them successfully. Among these features, we think that innovativeness should be dominant since that innovations are a basis for all types of entrepreneurship (Mitrović and Melović, 2013).

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