

## ATTITUDE OF YOUNG PEOPLE TOWARDS ENTREPRENEURSHIP

<sup>a</sup>ALICE REISSOVÁ, <sup>b</sup>JANA ŠIMSOVÁ

*Jan Evangelista Purkyně University in Ústí nad Labem, Faculty of Social and Economic studies, Moskevská 54, 400 96 Ústí nad Labem*

*Email <sup>a</sup>alice.reissova@ujep.cz, <sup>b</sup>jana.simsova@ujep.cz*

**Abstract:** Entrepreneurship has a very important role in every economy. Small businesses are flexible, they can react to demands on the market much faster, and they are a source of innovation. Supporting young people's businesses is therefore very important. The objective of this study was to find out what the attitudes of secondary school students are to entrepreneurship. 373 students of secondary schools were selected. It was found that only a small number of respondents (4 %) has an interest in entrepreneurship and that there is a statistically important gender difference. Men have the intention to do business statistically significantly more than women. It was simultaneously found that the respondents that stated that they want to do business also expect a higher wage than students who don't want to do business. It was also found that the amount of the expected gross wage isn't related to the type of high school (technical versus economic field of study and grammar schools.)

**Keywords:** entrepreneurship of young people, attitudes towards business, gender differences, expected wages

### 1 Introduction

Entrepreneurship and its development has a very important role in every economy. It is not only a tool to develop innovations but it also helps economic growth and to create new job vacancies. It has an irreplaceable place not only in developed but also in developing and transitional economies (Ateljevic, 2013). If small and medium-sized businesses are compared in less developed areas and in developed economies, it can be seen that small and medium-sized businesses have a lower business quality in economies with lower incomes (Fernández-Serrano & Romero, 2013). It also plays an important role in the development of regions and rural areas (Paresishvili, Kvaratskhelia & Mirzaeva, 2017). The institutional environment also has a significant impact on the level of business, as it can create barriers to the development of business. These barriers can be political, regulatory or economic (Yukhanaev et al., 2015). An explanation as to how public policy levers influence small businesses is brought by (Dennis, 2011). He creates four typologies that involve institutions and culture, competition and expected immediate income, barriers and support for economic competition, and the aims of politics and direct/indirect actions. One of the problems in developing businesses is financing small companies. Zarezankova-Potevska points out that a shortage of financial funds is exactly what prevents the realization of business intentions and innovations (Zarezankova-Potevska, 2017). At the same time, she points to the fact that banks are not very willing to provide adequate loans to entrepreneurs and small and medium-sized businesses, which also have the biggest potential in the field of innovations. Majková, Ključnikov and Solík (2017) had similar findings. According to their conclusions, small businesses have trouble acquiring capital which they can use for further development and activities across borders. The lack of financial resources is a very limiting factor. In the Czech Republic, a survey was made that involved more than 1 000 respondents – entrepreneurs. The results of the survey showed that 45 % of the respondents think that small and medium-sized businesses have limited access to external sources (Klučikov et al., 2016).

As a consequence of the difficulty in accessing financial resources, entrepreneurs choose the conservative financial strategy of maximum liquidity, which is not an ideal situation for further development of the business. Svatošová carried out a research survey in the field of agriculture where she identified an absence of company strategy focused on further development of entrepreneurship (Svatošová, 2017). Empirical data are not available in other fields of entrepreneurship but it can be assumed that the situation is similar.

Balla, Carpenter a Robinson (2017) researched the motivation of banks in being involved in a special program (Small Business Lending Fund) that is focused on a change in attitude of banks on a segment of small and medium-sized entrepreneurs. It seems that this program brings positive results as in the banks that joined the program, greater growth of credit provided to small companies was registered compared to the banks that were not involved.

Another barrier to business can be circumstances of a social character like, for example, a shortage of social capital or high rate of crime (Sleutjes & Schutjens, 2013). The state can also help in the development of businesses. In some countries, support from the state is non-existent or very limited (Jaafar, Rasoolimanesh, & Lonik, 2015). Směkalová et al. (2014) state that most government policies mostly focus on the question of financial support but support for entrepreneurs should be broader and should also include an effort to create positive attitudes to entrepreneurship and business. These attitudes are negative nowadays. As far as financial support from the state is concerned, this field is also very weak in the Czech Republic. Only 10 % of entrepreneurs evaluated the usable state financial support as positive (Klučikov et al., 2016).

There is no doubt about the contribution of small and medium-sized businesses. Unlike big companies, they are more flexible and able to react to fulfilling local or specialized demands on the market. (Burch et al., 2016). They are also the main source of innovations (Booyens, I. 2011). For an increase in the output of small and medium-sized businesses, Campbell and Park (2017) suggest the combination of an approach based on resources (social capital and business orientation, intellectual capital and strategic control).

However, not every person has the precondition for business. Coda, Krakauer and Berne (2017) looked into characteristics that entrepreneurs show. They found that they are, besides other things, significantly more competitive, they focus on resources and concentrate on innovations, and on improving the planning and organizing of a small business. Personal initiative, time management, goal setting and the ability to overcome barriers are said to be further important features for an entrepreneur (Frese, Hass, & Friedrich (2016). Another necessary condition is also the ability of business decision-making and identification of business opportunities (Xueyan & Hisrich, 2016). A very interesting discovery was made by Dai and Cole (2017), who looked into the role of business optimism. They came to the conclusion that optimistic entrepreneurs often have better loans and lower costs. Many more authors are concerned with the specific characteristics of entrepreneurs, for example, Lofstrom, Bates & Parker, S. C. (2014). Other researchers focus on gender differences in business (Webster & Haandrikman, 2017).

Although there is no doubt about the benefits of entrepreneurship and the business activity is welcome, this activity can be lower in many countries than many would expect (Urban, 2011). In this article, we focus on business from the point of view of young people and their willingness to do business.

### 2 Materials and Methods

The aim of the research was to find out what sort of attitude towards business students of secondary schools have. 373 students were selected (166 men and 207 women) from secondary schools in Ústecký region. The respondents were students from the 3rd and 4th Years, who we can assume are thinking about their future professional careers. The research questions were focused on finding out if the students have the intention to do business after they finish secondary school and if there are differences between men and women. Another intention was to find out if the students that have the intention to do business also expect a higher wage than those students who

do not have any intention to do business. The last research question was focused on identifying differences in the expected amount of the wage connected with the type of school that the students are currently studying at (technical versus economic field of study). The questionnaire was in written form.

The SW Statistica was used to evaluate the data (Chi test, Test of correspondence of two parameters with binomial division, Kruskal-Wallis and Mann Whitney test).

**3 Results**

From the results it emerged that almost a quarter of the secondary school students who are at the end of their secondary school studies (3rd and 4th Years) are not thinking about their future career yet. More than 50 % of respondents assume that they will continue their studies at college, 10 % want to start working after their school leaving exam and only 4 % of respondents state that they will do business.

Table 1 Visions of secondary school students about their further plans after finishing secondary school

What are your plans after finishing secondary school?	absolute frequency	relative frequency in %	relative frequency in %	relative frequency in %
	total	total	men	women
I want to study at college	199	53.35	45.78	59.42
I want to start working	38	10.19	11.45	9.18
I want to do business	15	4.02	7.23	1.45
I don't know, I haven't thought about it	91	24.40	27.11	22.22
Either studying at college or working	12	3.22	3.01	3.38
Business is stated as one of the options	18	4.83	5.42	4.35
sum	373	100.00	100.00	100.00

Source: own

From Table 1 it can be seen that men think about their future career differently than women. The questioned women often have the intention to continue in their studies at college, less often think about starting to work right after finishing secondary school than men, they think about doing business very sporadically but overall, they think about their future more than men. With the Chi-Square test, it was verified that these plans between sexes are statistically significantly different. The found p value = 0.028668 confirmed that the ascertained gender differences in future plans of secondary school students are statistically important.

The intention to do business was expressed by more than 7 % of men but less than 2 % of women. The test of correspondence of two parameters with binomial division established that the percentage of men who plan to do business is statistically significantly higher than the percentage of women (p = 0.010301102). Given that almost a quarter of the respondents answered that they have not thought about their future career yet, it was also tested whether there is a significant gender difference in this matter. It was found that the attitudes of the yet undecided are not that big of a statistically important difference between men and women (p = 0.137232).

Table 2 Wage expectation of students

	1 category	2 category	3 category	4 category	5 category	6 category
I will start doing business	Less than 15,000 CZK	15,000 – 19,999 CZK	20,000 – 24,999 CZK	25,000 – 29,999 CZK	30,000 – 49,999 CZK	50,000 CZK or more

Absolute frequency	17	43	82	71	75	85
Relative frequency	0.046	0.115	0.220	0.190	0.201	0.228

Source: own

Every student also answered the question of what gross wage they would expect if they were to start doing business. Wage categories were created and the students marked their wage expectations in the chosen category (Table 2).

In the next step, the respondents were divided into three categories depending on their answer to what will they do after finishing secondary school (i.e., whether they have the intention to do business or not), see Table 3.

Table 3 Categorization of respondents according to their future plans

What are your plans after finishing secondary school?	Category of group	Absolute frequency
I have no intention to do business (I will work or study)	1	249
I have the intention to do business	2	33
I do not know, I haven't thought about it yet	3	91

Source: own

Afterwards, whether the median of wages of each group (Table 3) differ statistically significantly was ascertained. The Kruskal Wallis method was used because the data did not show a normal distribution. The results of the test are stated in Table 4.

Table 4 Statistical test of differences of the median of wages

Test Statistics <sup>a</sup>	Ascertained values
Chi-Square	9,584
df	2
Asymp. Sig.	0.008

a. Kruskal Wallis Test

Source: own

From Table 1 it can be seen that the expected amount of wage (or the wage category) in case the students have the intention to do business in the monitored groups (I have no intention to do business, I have the intention to do business, I do not know, I haven't thought about it yet) is statistically significantly different.

Next, it was researched in which category (according to the intention/plan of what they will do after finishing secondary school) the median of the expected wage is the highest. We compared the medians of two categories at a time. First, we compared the group who have the intention to do business and the group who don't.

The Mann Whitney test was used to test it and the results are shown in Table 5.

Table 5 Statistical significance of differences in expected wages according to future plans (I have the intention to do business versus I do not have any intention to do business)

Test Statistics <sup>a</sup>	Ascertained values
Mann-Whitney U	2,832.00
Wilcoxon W	33,957.00
Z	-2.955
Asymp. Sig. (2-tailed)	0.003

Source: own

From the results it emerged that students who have the intention to do business after finishing secondary school also expect a

higher wage than those who do not have any intention to do business.

On the other hand, if we compare the medians of the expected wage of the students who have not decided yet what they want to do after finishing secondary school and who want to do business, then a correspondence of medians on the 5 % level cannot be denied. (Even though it is very close). The results of the Mann-Whitney test are shown in Table 6.

Table 6 Statistical significance of differences in the amount of the expected wage according to their future plans (undecided versus plan to do business)

Test Statistics <sup>a</sup>	Ascertained values
Mann-Whitney U	1,177.00
Wilcoxon W	5,363.00
Z	-1.888
Asymp. Sig. (2-tailed)	0.059

Source: own

The last question was focused on finding out whether the type of secondary school plays any role in the expected income or not. The respondents were divided into two groups. Students who study at a school with technical specialization were put in one group and students who study at an economics school or a grammar school were in the other. The results of the Mann-Whitney test are shown in Table 7.

Table 7 Statistical significance of differences in wage expectation according to the type of secondary school

Test Statistics	Ascertained values
Mann-Whitney U	15,381.50
Wilcoxon W	24,426.50
Z	-0.65
Asymp. Sig. (2-tailed)	0.52

Source: own

From the results it emerged that the correspondence of medians cannot be denied. There were no statistical differences found in the amount of the expected wage in connection with the type of secondary school using the Mann-Whitney test.

#### 4 Discussion

Within the research, it was found that women are less interested in entrepreneurship than men. Civelek, Rahman and Kozubikova (2016) carried out a rather extensive research in which they surveyed 1141 small businesses. Their objective was to identify differences in business orientation in gender as well as in other socio-economic characteristics (age, education). However, no gender differences emerged from the conclusion of their study. Education appeared to be a substantial criterion where entrepreneurs with college education were identified as more innovative and independent. Other authors who did their research similarly to this research found gender differences in business intentions within their selected students. They claim this is down to different personal attitudes and behavioural control (Maes, Leroy, & Sels, 2014). It also emerged from their conclusions that women are less oriented towards doing business.

It was mentioned in the introduction of this article that one of the significant barriers in business is the difficult access to external financial resources. Gicheva and Link (2015) ascertained, based on data from the National Research Council of the National Academies that small businesses that are owned by women are less likely to receive financing from the program Small Business Innovation Research than small businesses that are owned by men. This disadvantage in accessing financial resources was seen especially in some areas in the USA. Other authors, for example, Mijid and Bernasek (2013), came to the same conclusion, and they proved a higher rate of declined loans and lower rate of utilization of loans by female entrepreneurs compared to male entrepreneurs.

One of the important findings of this article is that students who claim that they want to do business also expect a higher wage. That is exactly in compliance with the conclusions of another study that was interested in the question of why some people become owners of small businesses and some don't. The conclusions show that what makes an entrepreneur different are the different rewards (Lofstrom, Bates, & Parkern, 2014).

#### 5 Conclusion

In this study, the attitudes of students are towards entrepreneurship were ascertained. Component research questions were focused on the willingness/intention to start doing business and on gender differences in these attitudes. Then it was found that students who want to do business also expect a higher wage than those who do not want to do business, and finally, whether there are differences in the expected wage connected to the type of school that the students study at.

It was found that only a small percentage of the secondary school students (about 4 %) has a positive attitude towards entrepreneurship. A considerable number of the 3rd and 4th year students of secondary schools (about a quarter) are not thinking about their future careers yet. Most frequently, students said that they have the intention to continue studying at college (about half of the students). Their visions are statistically significantly different depending on gender.

Men are statistically significantly more interested in entrepreneurship than women. Students who think about doing business after they finish secondary school also expect a larger income than those who don't plan on doing business. Even this difference was statistically significant. A statistically significant difference in the amount of the expected gross wage in case of doing business was not confirmed between the students who are planning on doing business and those who have not decided yet what they will do after secondary school. No statistically significant difference was found between the amount of the expected wage and the type of secondary school (economic and technical field of study).

#### Literature:

- Ateljevic, J. (2013). Economic Development and Entrepreneurship in Transition Economies: A Contribution to the Current Scholarly Debate. *Journal of Balkan & Near Eastern Studies*, 15(3), 237-239. doi:10.1080/19448953.2013.789298
- Balla, E., Carpenter, R. E., & Robinson, B. L. (2017). The other capital infusion program: The case of the Small Business Lending Fund. *Review of Financial Economics*, 3499-108. doi:10.1016/j.rfe.2017.05.001
- Booyens, I. (2011). Are small, medium- and micro-sized 4. enterprises engines of innovation? The reality in South Africa. *Science & Public Policy (SPP)*, 38(1), 67-78. doi:10.3152/030234211X12834251302445
- Burch, S., Andrachuk, M., Carey, D., Frantzeskaki, N., Schroeder, H., Mischkowski, N., & Loorbach, D. (2016). Governing and accelerating transformative entrepreneurship: exploring the potential for small business innovation on urban sustainability transitions. *Current Opinion in Environmental Sustainability*, 22(System dynamics and sustainability), 26-32. doi:10.1016/j.cosust.2017.04.002
- Campbell, J. M., & Park, J. (2017). Extending the resource-based view: Effects of strategic orientation toward community on small business performance. *Journal of Retailing and Consumer Services*, 34302-308. doi:10.1016/j.jretconser.2016.01.013
- CIVELEK, M., RAHMAN, A., & KOZUBIKOVA, L. (2016). Entrepreneurial Orientation in the Segment of Micro-Enterprises: Evidence from Czech Republic. *International Journal of Entrepreneurial Knowledge*, 4(1), 72-89. doi:10.1515/ijek-2016-0006
- Coda, R., Krakauer, P. C., & Berne, D. F. (2017). Entrepreneurship: Are small business owners entrepreneurs? Exploring small business manager behavioral profiles in the São

Paulo Metropolitan region. *Revista De Administração*, doi:10.1016/j.rausp.2017.05.011

8. Dai, N., Ivanov, V., & Cole, R. A. (2017). Entrepreneurial optimism, credit availability, and cost of financing: Evidence from U.S. small businesses. *Journal of Corporate Finance*, 44(289-307). doi:10.1016/j.jcorpfin.2017.04.005

9. Dennis Jr., W. J. (2011). Entrepreneurship, Small Business and Public Policy Levers. *Journal of Small Business Management*, 49(1), 92-106. doi:10.1111/j.1540-627X.2010.00316.x

10. Fernández-Serrano, J., & Romero, I. (2013). Entrepreneurial quality and regional development: Characterizing SME sectors in low income areas. *Papers in Regional Science*, 92(3), 495-513. doi:10.1111/j.1435-5957.2012.00421.x

11. Frese, M., Hass, L., & Friedrich, C. (2016). Personal initiative training for small business owners. *Journal of Business Venturing Insights*, 527-36. doi:10.1016/j.jbvi.2016.01.001

12. Gicheva, D., & Link, A. (2015). The gender gap in federal and private support for entrepreneurship. *Small Business Economics*, 45(4), 729. doi:10.1007/s11187-015-9664-y

13. Jaafar, M., Rasoolimanesh, S. M., & Lonik, K. T. (2015). Tourism growth and entrepreneurship: Empirical analysis of development of rural highlands. *Tourism Management Perspectives*, 1417-24. doi:10.1016/j.tmp.2015.02.001

14. Klučikov, A. K., Belás J., B., Kozubíková, K. & Paseková, P. (2016). The Entrepreneurial Perception of SME Business Environment Quality in the Czech Republic. *Journal of Competitiveness*, 8(1), 66-78. doi:10.7441/joc.2016.01.05

15. Lofstrom, M., Bates, T., & Parker, S. C. (2014). Why are some people more likely to become small-businesses owners than others: Entrepreneurship entry and industry-specific barriers. *Journal of Business Venturing*, 29232-251. doi:10.1016/j.jbusvent.2013.01.004

16. Majková, M. S., Ključnikov, A., & Solík, J. (2017). Impact of Age of the Entrepreneur on the Export Financing. Case Study from Slovakia. *Scientific Papers of the University Of Pardubice. Series D, Faculty of Economics & Administration*, 25(40), 199-209.

17. Maes, J., Leroy, H., & Sels, L. (2014). Gender differences in entrepreneurial intentions: A TPB multi-group analysis at factor and indicator level. *European Management Journal*, 32784-794. doi:10.1016/j.emj.2014.01.001

18. Mijid, N., & Bernasek, A. (2013). Gender and the credit rationing of small businesses. *The Social Science Journal*, 5055-65. doi:10.1016/j.soscij.2012.09.002

19. Paresishvili, O., Kvaratskhelia, L., & Mirzaeva, V. (2017). Rural tourism as a promising trend of small business in Georgia: Topicality, capabilities, peculiarities. *Annals of Agrarian Science*, 15344-348. doi:10.1016/j.aasci.2017.07.008

20. Sleutjes, B., & Schutjens, V. (2013). Anchoring of Firms in the Neighbourhood: Does Local Social and Physical Order Affect Local Firms' Investment Strategies? *European Planning Studies*, 21(8), 1256-1275. doi:10.1080/09654313.2012.722946

21. Směkalová Lenka, Oldřich, Hájek. Jaroslav, Belás, & Jiří, Macháček. (2014). Perception of Small and Medium Entrepreneurship in the Czech Republic. *Journal of Competitiveness*, 6(4), 41-49. doi:10.7441/joc.2014.04.03

22. Svatošová, V. (2017). Identification of Financial Strategy in Small and Medium-Sized Entrepreneurship. *Acta Universitatis Agriculturae et Silviculturae Mendelianae Brunensis*, 65(4), 1435-1453. doi:10.11118/actaun201765041435

23. Urban, B. (2011). Entrepreneurial networking differences: An ethnic in-group and out-group analysis. *SAJIP: South African Journal of Industrial Psychology*, 37(1), 15-28. doi:10.4102/sajip.v37i1.826

24. Webster, N. A., & Haandrikman, K. (2017). Thai women entrepreneurs in Sweden: Critical perspectives on migrant small businesses. *Women's Studies International Forum*, 6017-27. doi:10.1016/j.wsif.2016.11.001

25. Yukhanaev, A., Fallon, G., Baranchenko, Y., & Anisimova, A. (2015). An Investigation into the Formal Institutional Constraints that Restrict Entrepreneurship and SME Growth in Russia. *Journal of East-West Business*, 21(4), 313-341. doi:10.1080/10669868.2015.1092190

26. Xueyan, W., & Hisrich, R. D. (2016). Error Orientation and Entrepreneurial Decision Making in Chinese Enterprises: Opportunity Identification as Mediator. *Social Behavior &*

*Personality: An International Journal*, 44(4), 555-568. doi:10.2224/sbp.2016.44.4.555

27. Zarezankova-Potevska, M. (2017). Most Favorable Financial Instruments for Entrepreneurship Development. *Vizione*, (28), 337-347.

**Primary Paper Section: A**

**Secondary Paper Section: AE**