

THE INTEREST IN ENTREPRENEURSHIP AMONG ROMANIAN STUDENTS

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Abstract. *This paper aims to provide an insight into the current state of the students' interest in entrepreneurship in our country. At the beginning, it comprises a synthetic overview of the literature on entrepreneurial university and entrepreneurial education accompanied by an analysis of data offered by the most recent and relevant studies on youth entrepreneurship conducted in Romania and in other European countries. A survey conducted by the authors of this paper on students from three Romanian universities (N=945) shows that the majority of respondents, especially students that study in the field of economics, are interested in having their own business after graduation. Materialistic students are more interested in entrepreneurship, thus one of the possible explanations for this high level of interest in entrepreneurship is the belief that having a business would bring more money and consequently more happiness. Nevertheless, this study shows that socio-demographical variables are not significant predictors of the interest in entrepreneurship. The paper will conclude with a series of concrete recommendations addressed to the Romanian universities, to encourage and to develop entrepreneurial skills among students.*

Keywords: *entrepreneurship; students; entrepreneurial education; university.*

Literature review

The old model of higher education institutions was designed and operated to prepare specialists especially theoretically. Currently, in today's society of knowledge, interests in the universities expanded, by involving them in activities that fall outside the strictly didactic aim, i.e. activities which include research, innovation and dissemination of results of innovation and therefore, requiring them to prepare students with the knowledge, skills and motivation to create their own businesses.

Thus, a few years ago, Clark (2000) introduced a concept, "the entrepreneurial university", to describe the new type of university that is born because of the reaction of this institution to the changing requirements of the external environment. In addition, one of the university changes that converts a traditional institution of higher education in an entrepreneurial one, alongside existing incubators, science parks etc., is the even offering programs and courses that promote entrepreneurship among young people (Mureşan, 2002).

Entrepreneurial education can help promoting an entrepreneurial innovative culture by changing values and basic conceptions (Brătianu & Stanciu, 2010). The major difference between Europe and USA regarding entrepreneurial education is due to the dynamics of the social systems (Potter, 2008). The Europeans are used to social protection policies derived from state conception of wellbeing, which offer them a considerable economic safety, thus determining them not to take high risks. In the USA, the entrepreneurial education is strongly connected to the business environment; the professors frequently have a solid experience in developing and management of start-ups. On the other hand, in Europe, interactive approaches usually based on projects are also used, but most of the entrepreneurship courses are taught according to a classic method, and these professors do not have any entrepreneurial experience (Potter, 2008).

Starting a business is not just innate abilities, but also the acquiring of managerial knowledge. So entrepreneurship as a "behavior", as a "mood" etc. is acquired also by education; besides those very important innate personal characteristics, it needs a systematic acquisition, through the education system, of those qualities necessary for the initiation and management of a business (Leovaridis & Gavra, 2013). People who want to become entrepreneurs face a difficult environment, a cause being also the lack of entrepreneurial training within the education system (European Commission, 2013).

More than half of European students do not have access to entrepreneurship education; specifically 11 million students out of about 21 million students in Europe do not have the opportunity to participate in a curricular or extra-curricular activity to encourage their interest in entrepreneurship (European Commission, 2008).

Over half of Europeans want to be employed (58%) and only 37% want to become entrepreneurs, a percentage that decreased compared to 2009 when entrepreneurship represented a more attractive (45% of Europeans wanted then to become entrepreneurs). The employment status remains the preferred option for many Europeans who feel this way better protected in the face of economic storms. Men more than women want to be on their own (42% of men would like to start a business, compared with 33% of women) and young people want more to be their own bosses than the general population (European Commission, 2012). Also in our country newly created companies are set up by entrepreneurs who are found mainly in the 30-39 years group (33.3%), followed by the age group 40-49 years; more than half of newly created enterprises are founded by men (National Institute of Statistics, 2015).

Among European youth, the desire to become an entrepreneur feels more: 45% of young people aged 15-24 would prefer to be entrepreneurs, compared to only 37% of those 25-39 years, 36% of the 40- 54 years and 35% of those over 55 years. The main reasons that young Europeans want to start a business are the prospects of higher revenues and autonomy (European Commission, 2012).

The entrepreneurial intention represents the necessary condition of the creation process of new start-ups. Therefore, promoting entrepreneurship among young people has become a priority for the European policy makers, as a solution to youth unemployment. Allowing young people to implement their talents and creative ideas has many benefits: entrepreneurship provides jobs for young people who set up

business and for the employees of the new company, including the marginalized and disadvantaged young people; it encourages innovation, competition and alternative solutions including new models of work organization in a changing market; offers other young people positive examples of success based on good ideas together with hard work. In Europe, about 49% of young people aged 15-34 consider the entrepreneur as a desirable career for them (but only 41% consider it a feasible idea), a value that varies between Member States, ranging from 32% or less in Britain, Denmark, Holland, Slovakia, Sweden and Germany, to 57% or more in southern countries Portugal, Greece, Italy and Croatia, the Baltic countries, Romania and Bulgaria (Eurofound, 2015). Insufficient information about how to start a business is considered by 49% of young Europeans obstacles to entrepreneurship, after lack of funding and financial support (82%) and administrative procedures too complex (72%), thus the likelihood of young people to become entrepreneurs depends to a great extent also on the degree of knowledge about how to initiate a business.

Romanian students would rather be entrepreneurs and not employees after graduation (57%) to a great extent, and most would like to start their own business in the next two years (52%), although only 11% of active companies in Romania are owned by young people less than 29 years. Only about a quarter (28%) of Romanian students believes that the faculty is preparing them to become entrepreneurs “to a large extent”, almost half (44%) believe that “average” and the remaining one-quarter (28%) – “to a small extent”. More than half of respondents (56%) consider it appropriate to start a business after gaining work experience, while 20% would like to start business immediately after graduation or 19% even during faculty (Ernst & Young, 2014). The fact that a so high percentage of students (39%) considers desirable such a step as a student or graduate shows an inclination to entrepreneurship and risk-taking, but also maybe that students feel ready for such a step from the point of the acquired education.

The essential role of the entrepreneurial university education is emphasized also by Amos, Oluseye, and Bosede (2015), who found that entrepreneurial educational support has a significant relationship with the entrepreneurial intention of university students. Their survey also showed that informal network has positive significant effects on the entrepreneurial intention of university students to start their desired business, which is why the authors recommend that universities should establish entrepreneurial development centers that will serve as a platform where students with entrepreneurial intentions can begin their business initiative.

A research conducted by Franco, Haase and Lautenschläger (2010) on nearly 1000 students from western and eastern Germany and central Portugal could not detect any influence of students' gender and age or of their social background (having self-employed family members or friends), on their entrepreneurial intention. On the other hand, it detected some influence of motives for occupational choice on students' entrepreneurial intention (“Working on my own initiative”, “Being my own boss”, “Realizing my business or product ideas” and “Continuing of family tradition” exert a positive impact).

Testing the influence of social and personal skills perceptions on students' entrepreneurial intention, Linan (2008) observed that perceived behavioural control indicates a high level of self-efficacy, which reinforces one's impression that starting a

firm is feasible; also, a high level of other skills, such as personal attraction and subjective norms, helps a lot in the individual's decision to start a firm. Therefore, a direct consequence of entrepreneurship education may be that university education initiatives aiming to increase the entrepreneurial potential of the students should include courses specifically addressed to the development of those entrepreneurial skills.

Different studies have focused on the influence of various demographic characteristics such as previous job, gender, family antecedents, age, ethnicity etc. as factors that influence the youth interest in creating new firms. Thus, although in general individuals with lower risk aversion are more likely to become self-employed, according to Caliendo, Fossen, and Kritikos (2009) this is true only for those individuals who were previously employed; for previously unemployed or inactive persons they observed that risk attitudes do not play a role in the decision process.

In addition, Harris and Gibson (2008) associated students' demographic characteristics and entrepreneurial experience with more significant entrepreneurial attitudes: specifically, male students scored higher on both personal control of business outcomes and innovation in business (as attitude subscales of an entrepreneurial attitudes orientation survey), and students with family business experience had more developed entrepreneurial attitudes. Karim and Venkataiah (2016) confirm that there is a relationship between the student's gender and the perception of new venture desirability (male more than female students); more, there is a relationship between the variable *entrepreneurs among relatives* and *feasibility perception to create a new firm* in the case of MBA students; and there is a relationship between the variable *entrepreneurs among relatives* and *intention to create a firm* – students with entrepreneurs in their families have thought more seriously to create a new firm.

The results of Koh (1995) survey also show that students' interest in entrepreneurship is significantly associated with psychological, demographic and family characteristics: more precisely, it is significantly associated with a greater need for achievement, higher propensity to take risk, more tolerance of ambiguity and greater innovativeness; from a demographic point of view, entrepreneurial inclination is also significantly associated with gender (male), birth order (first-born) and the existence of an entrepreneur in the family.

Regarding the influence of age on interest in entrepreneurship, according to Grilo and Irigoyen (2005) the probability of being self-employed increases with age and the probability of preferring self-employment decreases with age, due to youth characteristic of lower risk-aversion. However, although young people desire to be self-employed, only a few are also, due to lack of capital: "as time goes by, some of them seize the opportunity of becoming self-employed, which explains why older cohorts display a higher fraction of self-employment" (Grilo & Irigoyen, 2005, pp.14-15).

Other authors use the national dimension as a driver of their research: aiming to identify differences among some selected nations (US, Korea, China and Fiji) in terms of factors that are important to enhance the pedagogical effect of entrepreneurship education, Lee, Lim, Pathak, Chang and Li (2006) found that the unique cultural context of each country differentiated students from the four countries in terms of

intention of venture creation, confidence in venture creation, and intention of overseas venture creation: consequently, each country has to offer an “entrepreneurship curriculum” centred on those factors identified as relatively weak factors, in order to increase their students’ interest in beginning an entrepreneurial career.

Against this theoretical background, our study aims to find answers to the next research questions:

RQ1. What is the level of students’ interest in entrepreneurship?

RQ2. Is there a relationship between socio-demographical characteristics and students’ interest in entrepreneurship? In this regard, we will consider the next socio-demographical variables gender, age, and parents’ income or level of education.

RQ3. Is there a relationship between students’ field of study and students’ interest in entrepreneurship? We can hypothesise that students in economics are more interested in entrepreneurship than students in communication or in engineering.

RQ4. Is there a correlation between students’ interest in entrepreneurship and self-efficacy? Considering previous findings, we can hypothesize that the higher is the level of self-efficacy the higher is the level of students’ interest in entrepreneurship.

RQ5. Is there a correlation between students’ interest in entrepreneurship and materialism? Based on the fact that we live in a consumption society where people believe that position and acquisition of goods bring happiness (Atay, Sirgy, Husić & Čičić, 2010; Belk, 1985; Richins & Dawson, 1995), we can hypothesize that materialists have a higher interest in entrepreneurship.

Method

Sample

The sample (n=945) comprised both undergraduate (n=568) and master students (n=377) from three university fields of study: communication (n=530), economics (n=203) and engineering (n=212). The students’ age ranged between 18 and 51 (mean = 22.60) and almost 90% of them were younger than 25. The majority of students were women (n=634). Questionnaires were administered collectively during class and took approximately 20 minutes to complete. Anonymity was guaranteed.

Measures

To measure students’ interest in taking an entrepreneurial career we asked them on a Likert-type scale how much is important to them to have their own business after graduation.

Self-efficacy was measured with a ten-item scale available at IPIP (2016) and respondents expressed their agreement to each of the items on a seven-point Likert scale, ranging from 1 (strongly disagree) to 7 (strongly agree). Two representative items for this scale are “I complete tasks successfully” and “I misjudge situations”. The second one is a reverse item.

Materialism values were measured with a six-item scale developed by Marsha L. Richins (1987). Two items representative for this scale are “I would like to be rich enough to buy everything I want” and “People place too much emphasis on material

things". The second one is a reverse item. Both self-efficacy and materialism scales are reliable (Crombach alpha were .76 and .73).

Findings

Over 55% of the students from our sample consider that it is important and very important to have their own business after graduation (Figure 1). This data confirms previous finding (Ernst & Young, 2014) that showed that 57% of students prefer to be entrepreneurs and not employees after graduation. Moreover, considering that only a small percent of students (4.2%) says that it is not at all important to have their own business after graduation, we can state that Romanian students show, to a rather high extent, an interest in having their own business instead of being employed.

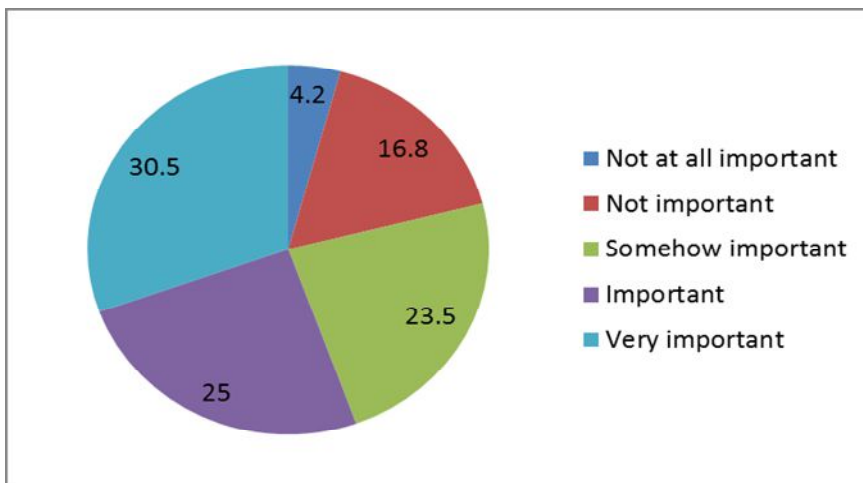


Figure 1. How much important is that after graduation to have your own business?

Regarding the second research question, the findings show that there is not a relationship between the socio-demographical characteristics and students' interest in entrepreneurship. So men and women have a similar interest in having such a career ($t(911)=-.445$, $p=.66$). Regarding family, mother's education ($r=-.01$, $p=.83$), father's education ($r=-.01$, $p=.72$) and family income ($r=.04$, $p=.22$) does not correlate with the interest in entrepreneurship. These findings advocate the view that family (at least the variables taken into consideration in our study) has not an impact on students' interest in entrepreneurship. One possible explanation stems from the fact that in Romania there is not a family tradition considering that the communistic regime ended only 26 years ago yet. Nevertheless, a future qualitative study is needed to explore these and to offer other possible explanation to this data.

Students in management are more interested in having their own business compared to students in communication and in computer science ($F(2) = 12.519$, $p < .01$). The average score was 3.49 for the students in communications, 3.54 for those in computer science and 3.98 for students in management. Among the possible explanations are the different motivations of candidates that enroll in these university fields of study. These results would indicate that some students study management in order to learn how to manage a business.

There is not any relationship between self-efficacy and the students' interest in entrepreneurship ($r=0.05$, $p=.18$). Therefore, no matter how much students believe in their ability to complete tasks or to succeed, they show interest in having their own business instead of being an employee.

Happiness seeking via consumption is a characteristic of materialistic people in the context of consumption society. These people consider that acquisition and possession of goods would bring them happiness and would show to others how successful they are (Richins & Dawson, 1992). People higher in materialism consider that if they had more money they would be happier. Thus, we can expect that students who share these kinds of values to a higher extent are more interested in having their own business after graduation. Our study confirms that there is a significant positive correlation between materialism and students' interest in entrepreneurship ($r=.13$, $p<.01$). Even if this correlation is small, it reveals that one possible motivation for entrepreneurship is the belief in money as a source of happiness.

Conclusions

This paper confirms previous studies regarding the high level of interest in entrepreneurship among Romanian youth. Our study conducted on Romanian students shows that socio-demographical variables such as gender, the parents' education, and the family income are not significant predictors of their interest in having their own business after graduation. One possible explanation for the interest in entrepreneurship is the students' belief in money as a source of happiness. Thus, the higher is the level of materialism the higher is the students' interest in entrepreneurship.

In this context, entrepreneurial university education may have an essential role, as Amos, Oluseye, and Bosede (2015) showed, in developing entrepreneurial intention of university students. Universities must contribute to encouraging and to build entrepreneurial skills especially among those students who consider entrepreneurship career, offering them continuing entrepreneurial education.

Entrepreneurial education should consist not only in teaching introductory and advanced courses on entrepreneurship (formal entrepreneurial education) such as finances, marketing, management, business law etc., covering all skills necessary for a start-up entrepreneur. Moreover, it should provide a system of various co-curricular activities (informal entrepreneurial education) such as: competitions of business ideas and business plans and pitching to business angels and other investors, simulations of "create and manage your own business" type, internships in entrepreneurial companies, meetings and workshops with entrepreneurs for finding their success stories, university business incubators and accelerators in order to generate students' start-ups, networking programs creating links between interested students on the one hand and mentors or potential investors on the other hand.

It should be noted that these findings are based on a survey conducted only in three universities in three fields of study. Future research could investigate a larger and a more diverse sample of students from more universities that attend more areas of

study. Furthermore, a qualitative research could bring deeper explanations regarding our findings and may portray other possible reasons of students' interest in entrepreneurship.

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