

Contemporary Issues in Business, Management and Education 2013

Factors influencing students' venture creation process

Urve Venesaar^a, Marianne Kallaste^a, Merle Küttim^{a*}

^aTallinn University of Technology, Tallinn School of Economics and Business Administration, Akadeemia Road 3, 12618 Tallinn, Estonia

Abstract

There is currently a strong global drive towards encouraging a greater proportion of students to consider and pursue venture creation as an alternative graduate career path (Nabi, Holden, & Walmsley, 2006; Leffel & Darling, 2009). Previous studies have shown that a small proportion of students are founding their enterprises before graduation and those enterprises are relatively small, primarily micro-enterprises with a modest turn-over (Fueglistaller *et al.*, 2009). The purpose of this article is to study students' entrepreneurship in Estonia based on the information of international survey GUESSS (Global University Entrepreneurial Spirit Students' Survey), undertaken in 2011. The comparison of the experience of Estonian students with other European countries (e.g. Hungary, Finland) will be included. The research questions answered in this study are: 1) how is venture creation process organized by students, 2) how does university support students' entrepreneurship. The conceptual framework for describing the process of new venture creation is based on Cartner (1985) that integrates four major perspectives in entrepreneurship: the characteristics of the individual(s) starting the new venture; the organization they create; the environment surrounding the new venture; and the process by which the new venture is created. The methods of linear statistical analysis are utilized with the help of the computation package SPSS 20.0. The contribution of the paper is to improve our understanding of factors influencing students' venture creation process and how the environment in universities should be developed for activating students' entrepreneurship.

© 2014 The Authors. Published by Elsevier Ltd. Open access under [CC BY-NC-ND license](https://creativecommons.org/licenses/by-nc-nd/4.0/).
Selection and peer-review under responsibility of the Contemporary Issues in Business, Management and Education conference.

Keywords: entrepreneurship education; venture creation.

* Corresponding author. Tel.: +372-620-3971; fax: +372-620-3953.
E-mail address: merle.kuttim@ttu.ee

1. Introduction

There is currently a strong global drive towards encouraging a greater proportion of students to consider and pursue venture creation as an alternative graduate career path (Nabi, 2006; Leffel & Darling, 2009). As a result of this viewpoint, many authors have studied factors influencing students' entrepreneurial career intentions and motivations in both developed and developing countries (e.g. Kolvereid, 1996; Carter *et al.*, 2003) as well as the role of higher education institutions in the promotion of entrepreneurial initiative among students (Autio *et al.*, 1997, 2001; Fayolle, Gailly, & Lassas-Clerc, 2006).

Previous studies have shown that a small proportion of students are founding their enterprises before graduation and that those enterprises were relatively small, primarily micro-enterprises with a modest turn-over (Fueglistaller *et al.*, 2009). Although as start-up entrepreneurs the students did not assess the market share, growth rate and self-financing of their enterprise to be very high when compared with competitors, they were satisfied with their career choice and with becoming an entrepreneur (*ibid.*). This experience makes student entrepreneurship a potential and important source of competitiveness, growth and economic development. There is not enough research and analysis currently about the processes (i.e. the major steps) carried out by students when implementing their entrepreneurial intentions as well as the factors influencing this process.

The purpose of this article is to study students' entrepreneurship in European countries and the behaviour of students in the process of starting their enterprises based on the information of international survey GUESSS (Global University Entrepreneurial Spirit Students' Survey), undertaken in 2011. The comparison of the experiences of Estonian students with European countries (e.g. Hungary, Finland and European average) will be included. The analysis of the article is aimed at better understanding of the main features of student entrepreneurs, the steps for starting an enterprise as well as students' opinions of different statements connected with this process. The factors for fostering the entrepreneurial activities in universities will also be taken into account. The research questions we will answer in this study are:

- What are the main features of student entrepreneurship in European countries?
- How are students evaluating the importance of the main steps for founding an enterprise?

The survey is administered through a web-based questionnaire and is standardised for all participating countries based on a common study design. A total of 52 899 students of higher education institutions from sixteen European countries who participated in the study are included in the analysis that is being conducted in this paper. The European results are compared with the Estonian data and with average indicators of the total sample of the study – 26 countries and 93265 responses. In the current paper, Cartner's framework for describing a new venture creation is used to the extent that survey details support the characterisation of the perspectives of the four dimensions within the framework. The contribution of the study is to improve our understanding of both the similarities and differences in student entrepreneurial activities in European countries, supplementing previous analyses (such as Fueglistaller *et al.*, 2009; Sieger, Fueglistaller, & Zellweger, 2011).

As to the structure of the article, the next section consisting of the theoretical framework provides an overview of previous studies in the field. This is followed by the description of method and sample. Next, the results of the study are described and the article ends with conclusions.

2. Theoretical framework

Several studies have focused on entrepreneurial behaviour, and on the processes by which the foundations of an enterprise have been laid down by the different types of entrepreneurs, the differing organisational forms through which entrepreneurial behaviour is expressed, and the importance of the external environment (Carter, Gartner & Reynolds, 1996; Lee & Venkataraman, 2006; Shane & Venkataraman, 2000). In previous studies researchers have looked at the background of entrepreneurs, their experience and attitudes, e.g. previous work experience, job satisfaction, parents' entrepreneurial tendencies, age and education. Relying on the need for studies to explain the contexts and processes associated with entrepreneurial behaviour (e.g. Low & MacMillan, 1988) this paper will

Download English Version:

<https://daneshyari.com/en/article/1116326>

Download Persian Version:

<https://daneshyari.com/article/1116326>

[Daneshyari.com](https://daneshyari.com)