

## HOW UNIVERSITY STUDENTS PERCEIVE RUNNING A BUSINESS – SELECTED ASPECTS

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### ABSTRACT

Nowadays when the knowledge-based economy is being built, running a business plays a significant role. A society in which entrepreneurial activities are taken up is the base for creating a modern and competitive economy. Forming an entrepreneurial society causes a situation in which setting up and running one's own company concerns a considerable part of citizens and each social group. The article was to present students' views on setting up and running their own business. Students' opinions were gathered by means of the method of diagnostic survey with the use of the technique of a standardized questionnaire. The outcomes of the study reveal that the respondents have a high willingness to take entrepreneurial actions (57.1%). Only 16.5% of them do not plan such an undertaking.

**Key words:** business activity, entrepreneurship, student

### INTRODUCTION

In the source literature, entrepreneurship is tackled by representatives of numerous scientific fields, i.a. economics, sociology or psychology. They focus on slightly different aspects of this phenomenon. In many research approaches, especially those related to economics, entrepreneurship is associated with business activity. It is also frequently meant as setting up and running a company, analysed by means of economic benefits which can be gained thanks to taking up entrepreneurial activities in business entities, in local communities, in regions or in the national economy. Psychologists associate the term of entrepreneurship with a set of an individual's characteristics and they analyse internal mechanisms, called personality mechanisms, which form these characteristics and direct entrepreneurial behaviours. Nevertheless, sociologists analyse mechanisms which contribute to promulgating innovations in a particular society, the role that local leaders play in the process of diffusion and the influence that entrepreneurial activities have on local communities [Sikorska-Wolak 2008].

Entrepreneurship occurs as a common phenomenon in various forms, which in turn indicates this term ambiguity. In its vernacular meaning, entrepreneurship is the result of setting up and running business on one's own account. And one is usually an entrepreneur on the initial stage of their own company. When it increases and works better, running it is more often referred to as managing [Łoboda 2005].

The terms of entrepreneurship and entrepreneur have existed in economic literature for a long time and they have been a domain of classic economic authors' interests. J.B. Say was among the first ones who defined entrepreneurship. He described it as such an entrepreneur's behaviour which moves economic resources from

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an area of a lower capacity to an area of a higher capacity by increasing their utilization and benefits from them [Wawrzyniak 2007]. According to A. Smith, the ability to save and mobilize capital was one of the more important characteristics that an entrepreneur should have. Smith thought that an entrepreneur is an enterprise owner and capital provider, and their success comes after a quick adjustment to the events that take place in the economy [Piecuch 2010].

R. Cantillon indicated that the market system coordinates producers' and consumers' activities by means of their selfish personal interest, and an entrepreneur plays a key role in this system. Pursuing gains, an entrepreneur causes much better effects than those that would result from the state interference [Gaweł 2007].

According to P.F. Drucker, it is an inter-relation of entrepreneurial and innovative activities which makes it possible to reach one's goal – to succeed in a specific segment of the market or in a particular business [Drucker 1992]. An entrepreneur gains their knowledge and experience both from market successes and failures, which may result in taking up business initiatives.

J. Schumpeter emphasized the close relation between entrepreneurship in its macroeconomic meaning as the main factor of economic growth, and the microeconomic concept of an individual entrepreneur, who he called an innovator [Sikorska-Wolak 2008].

Entrepreneurship is also defined as a way of a person's behaviour in business activity [Janiak 1996]. It means particular people's pursuit of acting, seeking new solutions, introducing changes in their existing activity, taking opportunities and looking for additional and alternative sources of income [Bórawski 2004].

Generally speaking, one can assume that entrepreneurship means creating something new and valuable, bearing in mind a potential financial risk, but also assuming financial compensation or personal satisfaction [Hirisch and Pater 1989]. It is a special kind of activity of people who work individually or within an organization, and it consists in taking chances which appear in the environment and in carrying out undertakings (implementing innovations, creating new organizations or renewing the existing ones) which bring economic and (or) non-economic effects to both their performers and the environment [Kraśnicka 2002].

An entrepreneur acquires their knowledge from both the successes that they achieve in the market and the failures. Gaining experience requires humility and time, while a lack of experience causes fear and raises doubts. That is why education, starting from the lowest and finishing at the highest levels, is a significant element of entrepreneurship. Thanks to education, it is possible to form entrepreneurial attitudes by preparing an individual for business activity, encouraging them to watch the market, follow entrepreneurial activities, take up traineeships or seasonal jobs and finally run their own business. Its core is to invest today's resources in future expectations [Drucker 1992], which means a certain risk that cannot be removed even by extensive experience. However, thanks to knowledge, skills and experience, this risk can be minimized and even calculated so that it will not hazard the undertakings.

To sum up, the core and term of entrepreneurship is explained by means of listing the characteristics of its scope (kinds of activity). Entrepreneurial activities boil down to [Narski 2000]:

- joining factors of management (e.g. employees, energy, objects that are used to do the work or means of work) into non-conflicting functional systems;
- innovative behaviour which means improving particular elements of activity (techniques, technology, organization or economic activity), which, consequently, translates into new chances of management;
- diversification of production ranges or service types, their prices, particularly new and refined products;
- opposition against competitive managing entities or alliances with them to develop one's own business.

The growing competition and technological advancement are the reasons why the future will be in the hands of entrepreneurs who are open to changes and perceive them as a requisite for survival and development. Such perception of changes requires providing proper conditions which will boost entrepreneurship while using and developing the existing knowledge [Siuta-Stolarska and Siuta-Brodzińska 2011].

Speaking of entrepreneurship and people who create it (entrepreneurs), one needs to realize their significance. It manifests in various forms and occur in different periods of life. They change, develop and as a whole, they build wealth: new values create innovations, new jobs as well as the growth of a particular managing entity. Regardless of how new initiatives arise, entrepreneurship is becoming an important economic category [Janasz 2004].

## MATERIAL AND METHODS

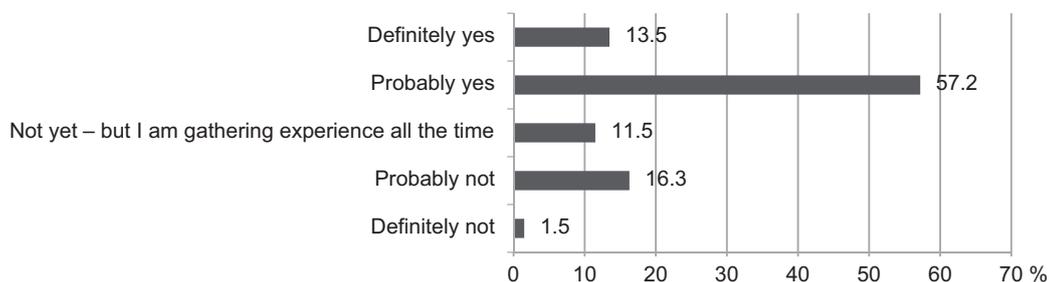
The main goal of the research was to get to know the attitudes of students (representatives of the young generation) towards running a business, what their career plans were and whether they were connected with running a business. The research was done in 2016–2017 among students of various specializations at Warsaw University of Life Sciences – SGGW. Students' opinions were gathered by means of the method of diagnostic survey with the use of the technique of a standardized questionnaire, which was the source of information necessary to accomplish the goal. The study covered 1,197 students, but after verifying the correctness of questionnaires which had been filled in, 1,189 respondents were qualified for the analysis. Respondents were selected randomly.

## RESULTS AND DISCUSSION

To make a more effective presentation of the outcomes, the research population was analysed, inter alia, from the point of view of the following characteristics: gender, age and income sources.

Women were 64.2% of the respondents and men were 35.8%. The age of the respondents was as follows: up to 22 – 51.6%, 23–25 – 42.9%, over 25 – 5.5%. Although the study covered young people, the several years' difference in age can influence the perception of running one's own business. As far as the income source is concerned, 57.6% of the respondents were their parents' dependents, 35.4% were partly dependent on their parents and 7% declared that they were entirely financially independent.

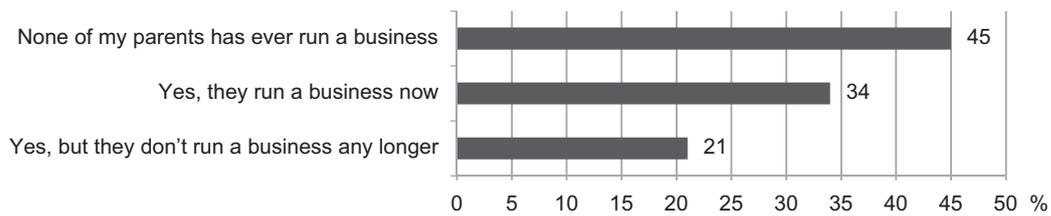
Because of the research goal, the respondents were asked if they considered themselves enterprising. More than a half of the students considered themselves rather as enterprising (57.2%), while only 1.5% of the respondents thought they were not enterprising. The others marked partial responses. The detailed data are presented in Figure 1.



**Fig. 1.** Students' self-assessment as regards entrepreneurial attitude

Source: The author's own research outcomes.

Additionally, students were asked if their parents had ever run a business. The detailed data are presented in Figure 2.

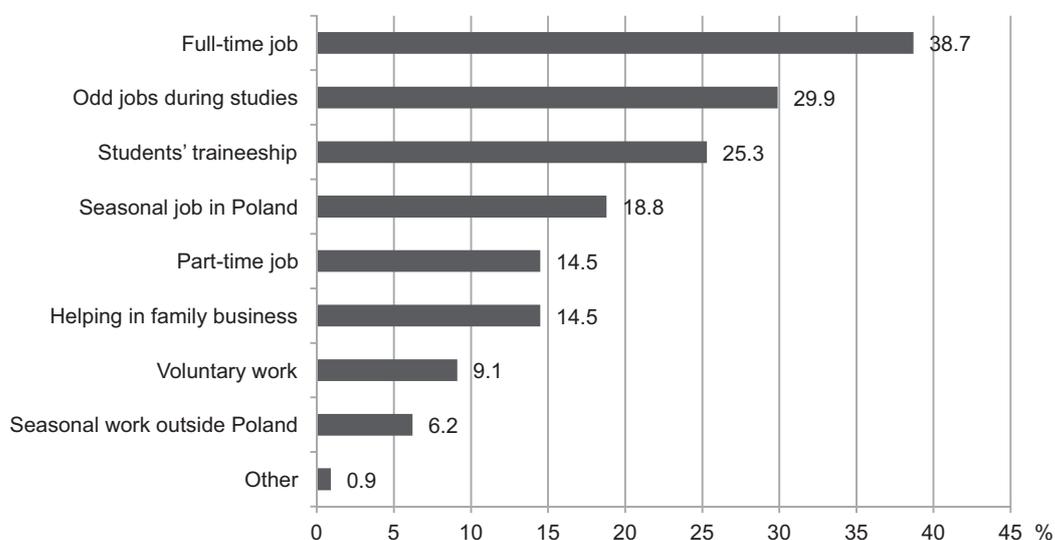


**Fig. 2.** Answers to the question: have your parents ever run their own business

Source: The author's own research outcomes.

Almost a half of the respondents declared that their parents had never run their own business, while 55% of the respondents indicated the positive answer. However, it must be pointed out that at present 34% of parents run their own company, and 21% did it in the past. The fact that parents have run their own business can have a significant influence on how their children perceive this type of career path.

At present work experience of potential employee candidates matters in the labour market. In the study, respondents were asked if they had any work experience despite their young age. Over 73% of respondents declared that they had (maybe small) experience related to doing a job. In the further part of the study, the students were asked to indicate the sources of their work experience. The detailed data on this aspect are presented in Figure 3.

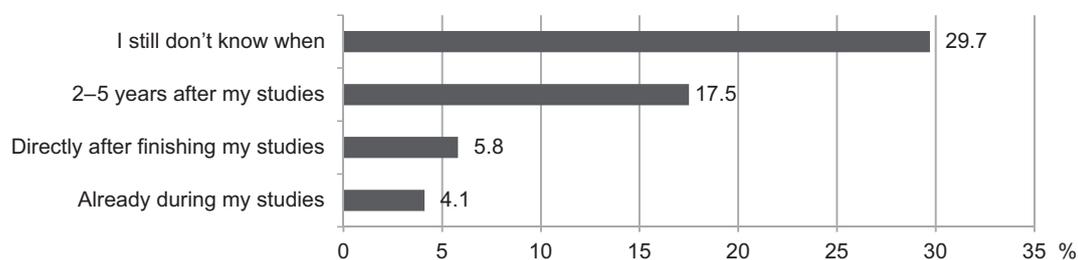


A respondent was allowed to indicate more than one answer.

**Fig. 3.** Students work experience

Source: The author's own research outcomes.

Another aspect tackled in the research was the question if students considered the option of setting up their business. As many as 57.1% of the respondents declared that they did and 26.4% did not know yet, while 16.5% did not intend to set up their company. The students who planned to set up a business were asked when they wanted to do it. The data are presented in Figure 4.

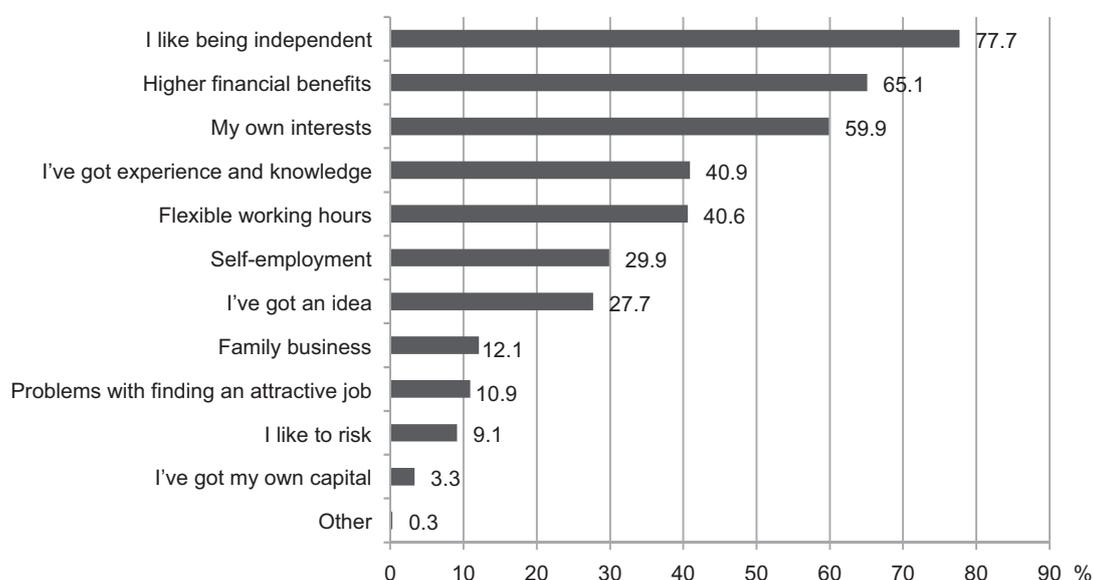


**Fig. 4.** Answers to the question when the respondents planned to set up their own business (in %)

Source: The author's own research outcomes.

The majority of those who declared setting up a business did not know when they would take necessary steps (29.7%), nearly 20% – 2–5 years after studies, while almost 10% wanted to take such an initiative already during the studies or directly after finishing them. Among the respondents, women declared more frequently that in the future they would like to have and run their own business – 31.6%, while in the group of men every fourth one responded in the same way (25.5%).

As far as the analysis of entrepreneurial activities is concerned, getting to know the motivation to set up and run one's own business seems to be significant. The data are presented in Figure 5.



A respondent was allowed to indicate more than one answer.

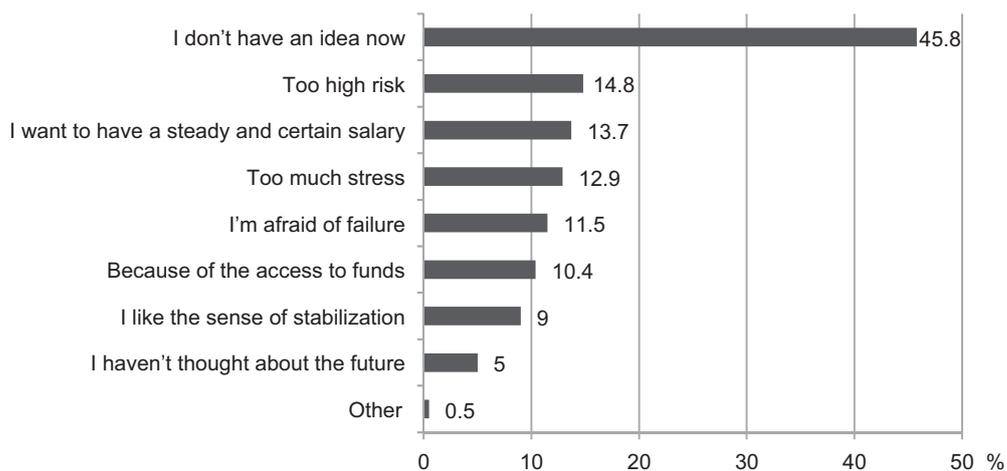
**Fig. 5.** Motivations of those planning to set up their own business

Source: the author's own research outcomes.

Over three quarters of the respondents indicated that the strongest factor that motivates them to set up and run their own company was the sense of independence. On the second place, higher financial benefits were mentioned, and one's own interests came third. Having one's own capital is not a factor motivating to set up

a business – this response was marked by merely 3.3% of the respondents. Slightly over 10% of the respondents indicated their fear that they would not find an attractive job. This reveals that students do not see running a business as a solution for unemployment.

Nearly one out of five students is not going to take steps towards setting up and running their own business. That is why in the study, the respondents were asked why they had made such a decision. The detailed data are presented in Figure 6.



A respondent was allowed to indicate more than one answer.

**Fig. 6.** Answers to the question why the respondents do not plan to set up their own business

Source: the author's own research outcomes.

As the study shows, a lack of an idea what kind of company to run is the greatest obstacle for students – 45.8% of the respondents stated this. Moreover, the students indicated that obstacles may also include too high risk which is related to one's own business (14.8%) as well as the willingness to have a steady and certain salary (13.7%), and stress (12.9%). Only 5% of the respondents did not think about their future yet. This means that the respondents think about their career already during their studies.

## CONCLUSIONS

The results of the research on how students perceive running a business make it possible to find out if they consider themselves enterprising, what motivates them to take necessary steps towards setting up their own company and what their career plans are like.

The study reveals that respondents have a high willingness to take entrepreneurial actions (57.1%). Only 16.5% of them do not plan an undertaking of this kind. However, it must be pointed out that while there is a high willingness to set up a company, there is also a lack of idea what it could deal with (45.8%). This may be the beginning to emphasize this kind of obstacle in curriculums related to entrepreneurship. Nearly 60% of the respondents assessed themselves as enterprising, which may indicate that running one's own business is considered as a potential career path. The majority of the respondents reconciled studies with work, gathering their own work experience in this way. In the future it can be the basis for creating entrepreneurial attitudes.

The analysis of factors motivating people to take steps towards setting up their own company indicates that students want to be independent (77.7%). In this respect, it is significant that the respondents want to merge their interests with running a business, which may consequently translate into higher financial benefits.

However, while starting a business, it is important to analyse market trends, changes in the market and one needs to look for an appropriate moment, favourable for one's own undertaking.

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## PROWADZENIE DZIAŁALNOŚCI GOSPODARCZEJ W ŚWIADOMOŚCI MŁODZIEŻY AKADEMICKIEJ – WYBRANE ASPEKTY

### STRESZCZENIE

W obecnych czasach duże znaczenie w procesie budowy gospodarki opartej na wiedzy ma prowadzenie działalności gospodarczej. Społeczeństwo, w którym podejmowane są działania przedsiębiorcze, jest podstawą do tworzenia, budowania nowoczesnej i konkurencyjnej gospodarki. Kształtowanie społeczeństwa przedsiębiorczego przyczynia się do sytuacji, w której zakładanie i prowadzenie własnej firmy dotyczy znacznej

części obywateli i każdej z grup społecznych. Celem artykułu było przedstawienie opinii studentów na temat założenia, a następnie prowadzenia własnej działalności gospodarczej. Posłużono się metodą sondażu diagnostycznego z wykorzystaniem techniki ankiety według standaryzowanego kwestionariusza. Z wyników badań wynika, iż respondenci cechują się dużą skłonnością do podejmowania działań przedsiębiorczych (57,1%), jedynie 16,5% nie planuje tego typu przedsięwzięcia.

**Słowa kluczowe:** działalność gospodarcza, przedsiębiorczość, student