

THE ANALYSIS OF ENTREPRENEURIAL DIMENSION IN THE CONTEXT OF EUROPEAN COUNTRIES

UZŅĒMĒJDARBĪBAS DIMENSIJU ANALĪZE EIROPAS VALSTU KONTEKSTĀ

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Abstract. *Under the rapid processes of globalization, education should help strengthen the creative powers of society, especially of the younger generation, to preserve and to develop the identity, as well as to educate civil society, increasing employment opportunities, particularly the ones of the youth, as well as economic competitiveness, reducing poverty and social exclusion. This paper defines the concept of entrepreneurship, the importance of entrepreneurial competence in the context of learning to act, it also presents an overview of youth employment and unemployment situation in the labour market, entrepreneurship level evaluation problem. The paper presents results of the survey carried out among young people in Lithuania, Slovakia and Germany, the attitude towards decision-making, time management, initiative, leadership, communication, confidence, responsibility, money and investment risk, mental stamina, creativity, acquired and inborn personal characteristics of businessmen as well as small (family) business development opportunities.*

Keywords: *business environment, competence, entrepreneurship, entrepreneur, innovation, level of entrepreneurship, motivation.*

Introduction

The research problem is the youth entrepreneurial education, one of the most important areas of critical economic development, reducing unemployment that has an impact on contributing to social and economic welfare of society. It is important to ensure the comprehensive understanding of the principle if young people have access to their family business, they continue their parents' business. Future professionals must be able to work in a team (it is necessary for workers and supervisors), to coordinate the individual and social competences, to be prepared for lifelong learning, scientific and technical progress and increasing demands for new knowledge, to adapt to the frequent change

concerning work, to corporate globalization requiring multi-management, which entails flexibility and tolerance, intellectual openness and all the efforts to execute the work. They have to be aware of the international arena, which is understood as the ability to work in different cultural systems, a great sense of responsibility for manufacturing a product, service, quality, likewise taking the responsibility over the collaborators. The main aim is to disclose the value of youth, the family approach to the constantly changing business environment. In order to accomplish this aim, the following tasks have been set: to describe the concept of entrepreneurship; to review the attitudes of young people participating in the survey of personal characteristics; to explore the opinions of respondents on the essential characteristics of an entrepreneur. According to A. Tajani, vice-president of the European Commission, responsible for enterprise and industry, business growth means more innovative and competitive jobs. Becoming an entrepreneur is allowing one's own vision to become a reality which requires a lot of personal risk and efforts. Entrepreneurs are the heroes of our time. Entrepreneurship is also the strongest growth promoter in the history of economy (10).

The aim of the article is to analyse the entrepreneurial dimension and to describe the attitude of the surveyed students towards personal characteristics in the changing business environment.

The objectives of the article are to define the concept of entrepreneurship in the context of learning to act, to evaluate and compare the level of entrepreneurship in Lithuania, Slovakia and Germany and to reveal young people's attitude towards decision-making, time management, initiative, leadership, communication skills, self-confidence, responsibility, investment risk, creativity, and small (family) business opportunities.

The Entrepreneurship and the level of Entrepreneurship

Entrepreneurship is the practice of establishing new organizations, particularly new businesses, generally in response to identified opportunities. Entrepreneurship is often a difficult undertaking, as the majority of new businesses fail. Entrepreneurial activities are substantially different depending on the type of organization that is being established. Entrepreneurship is the ability to transform the existing human and material resources into the production that is demanded and required by other people. The choice, frequency and stability of consumption point in relation to the production demand and its competitive advantages on the market (2).

The concept of entrepreneurship has a wide range of definitions. Entrepreneurship in a proper sense is understood as knowledge of earning money, creating surplus value, receiving investments. Entrepreneurship in a broad sense is understood as an individual way of thinking, personal, social and managerial competences. Joseph Schumpeter (1883 – 1950), one of the most well-known theorists on entrepreneurship, defined an entrepreneur as the one who reorganizes economic activity in an innovative and valuable way. His definition of entrepreneurship placed an emphasis on innovation, such as new products, new production methods, new markets and new forms of organization. J. Schumpeter (1961) defined innovation, creativity and discovery as the vital core subjects (2).

Economic literature provides many definitions of entrepreneurship. Entrepreneurship can be defined as an initiative of the organization, including the risk behaviour, increasing the value of the development process, as the opportunities for searching and using, focusing on innovation. The concept is derived from the English word “entrepreneurship”, which is associated with the possibility of discovering new opportunities, the opportunity to realize ourselves and the creation of economic or social value. Economic Glossary defines entrepreneurship as people’s propensity and ability to take the economic activity by combining capital, labour and other economic resources, in order to make profit and assuming all of the activities associated with risk. Entrepreneurship in its explicit sense is understood as creation of added economic value of the payment to make money, attracting investments. Entrepreneurship in its broad sense is a set of natural or acquired personal characteristics, which allows us creating not only economic but also social values. Entrepreneurship is a personal way of thinking, personal, social, managerial excellence, which allows adapting already existing knowledge to the needs of everyday life – specific skills, providing the opportunity not only to organize one’s own business, but also to take the risk for any decisions. If a fundamental mathematician and theoretical astronomy researcher had entrepreneurial qualities and abilities, he would be an innovator. If such a person were an artist, he would have to belong to avant-garde. In the world of business entrepreneurship family is the family of great strategists, the conquerors of new markets, new products, services and facilities. As the English sociologist and cultural historian Henry Thomas Buckle wrote: “In ancient times, the richest countries were those, which had generous nature; now those which have more active people.” (2). In regards with the educational services, young people are provided unique opportunities on the market, where they use practical experience and

theoretical knowledge in small and medium-sized enterprises. Promotion of youth entrepreneurship is one of the most important objectives of the educational institutions. Joseph Schumpeter once argued that economic progress takes place in “cracks” and “leaps” rather than “infinitesimal small steps” as it is driven by rule-breaking entrepreneurs. It might be nice to think that we could have growth and job-creation without a good deal of Schumpeterian cracking. But, unfortunately, some thoughts are really worthless, impossible to be implemented and even silly.

Small entrepreneurs need to develop new technologies, products and services that are competitive in the market. An entrepreneur must have a long-term strategy that should be implemented. Innovation is one common trend which is essential to ensure the success of entrepreneurship. Innovation brings something new or unusual onto the market and exacerbates the competitive process, as well as generates wealth. New companies, new products and new opportunities for business development increase the gross added value and improve the quality of life. Therefore, young people must deliberately use their inborn characteristics and acquire the characteristics during the study process which are necessary for their business development.

An entrepreneur is a person who undertakes and operates a new enterprise or venture and assumes some accountability for the inherent risks. Individual characteristics of the entrepreneur are the following: the ability to take the lead, self-sufficiency, innovative skills, creativity, enthusiasm, push, persistence, being a leader, the ability to overcome obstacles and communicate (1).

Today's producers are entrepreneurs, i.e. persons engaged in business and working independently at their own risk, and financially accountable for themselves. When working, businessmen have to make difficult decisions and to manage the flow of information. Entrepreneurship is a human way of thinking and acting, making money, attracting investments and customers, i.e. creating economic added value. Entrepreneurial characteristics are useful for a successful businessman in everyday and professional life and are closely related to the ability of strengthening one's position on the market.

Nowadays Lithuanian society is characterized by rapid changes in political, economic and social spheres. Changing business environment is alternating social lifestyle, values and relationship of individuals.

Rapidly changing business environment increased the number of enterprises: since 2007 till 2012 the number increased from 76516 to 83624 enterprises, that is 9.3 percent. The number of private enterprises since 2008 till 2012 decreased from 23406 to 12155, that is 52 per cent

(Table 1). Although the activity of a private enterprise provides more freedom, it simultaneously increases the risk of being responsible for one's own assets.

Table 1.

Number of enterprises (at the beginning of the year) in Lithuania, from 2007 to 2012 (3)

2007		2008		2009		2010		2011		2012	
Total	Private	Total	Private	Total	Private	Total	Private	Total	Private	Total	Private
76516	23406	81376	22704	84574	20499	83202	16742	86987	16410	83624	12155

Long-term national economic development strategies emphasize the fact that business development is one of the most important economic policies. It basically works on the general economic development, creation of job and ensuring social stability.

Unemployment is currently one of the most pending problems. Youth unemployment emerges due to the overall labour market situation.

Table 2.

Unemployment rate (%) in Lithuania, Germany and Slovakia from 2000 to 2011 (3)

Country	Lithuania	Germany	Slovakia
2000	16.4	7.5	18.8
2001	16.5	7.6	19.3
2002	13.5	8.4	18.7
2003	12.5	9.3	17.6
2004	11.4	9.8	18.2
2005	8.3	11.2	16.3
2006	5.6	10.3	13.4
2007	4.3	8.7	11.1
2008	5.8	7.5	9.5
2009	13.7	7.8	12.0
2010	17.8	7.7	14.4
2011	15.4	7.1	13.5

The youth (aged 20–24) unemployment rate in Lithuania in 2010 made up 17.8 per cent, and was twice as high as in 2005. The situation was very similar in Slovakia. The highest unemployment rate in Germany was in 2005 and every year decreased. The analysis shows that current situation

of the business environment in Lithuania and Slovakia is not favourable to young people.

The entrepreneurship index of the Department of Statistics is calculated on the basis of two criteria: the level of entrepreneurship (1) – according to the existing businesses per thousand of the population, the level of entrepreneurship (2) – by individuals engaged in individual activities, including those working under a business license, per thousand of the population. According to the Department of Statistics, it is possible to calculate the cumulative total of the level of entrepreneurship (3).

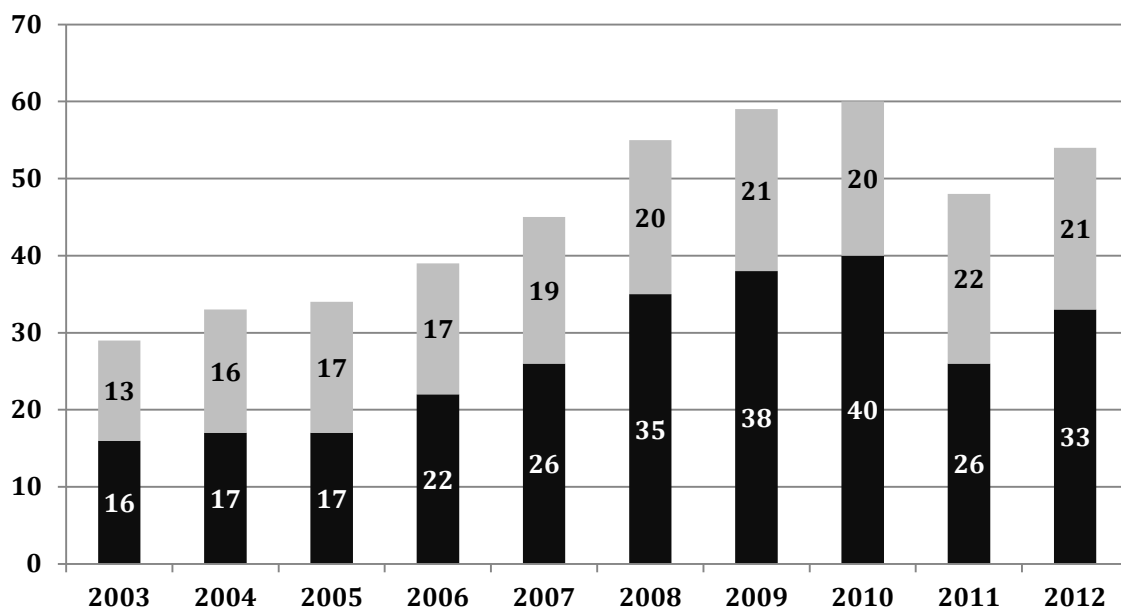


Figure 1. Cumulative total of the level of entrepreneurship rate in Lithuania in 2003–2012: operating companies (light grey) and persons engaged in individual activities, including those working under a business license (dark grey), the number of 1000 inhabitants (Authors, 2012)

The research on motivation and entrepreneurship

The goal of the research is to reveal the attitude of the youth towards entrepreneurship. The research objectives are the following:

- To find out the youth attitude towards essential characteristics of an entrepreneur.
- To reveal the 18–24 year old respondents' motivation in relation to setting up their own business or getting it from their parents.

The research methods are as follows: analysis and synthesis, grouping, and self-completion questionnaire methods. The research “Would you like to set up your own business or get it from your parents?” The period is defined as 2011–2012 in Vilniaus kolegija/University of Applied Sciences, Faculty of Economics, Lithuania, Kiel University of Applied

Sciences, Germany, University of Trencin, Slovakia. The questionnaire consisted of closed and open questions.

Table 3.

The questions which could be used to describe the natural and acquired characteristics of the respondents in Lithuania, Germany and Slovakia
(Authors, 2012)

Questions	Lithuania			Germany			Slovakia		
	Yes (%)	No (%)	No answer (%)	Yes (%)	No (%)	No answer (%)	Yes (%)	No (%)	No answer (%)
Do you like to make decisions?	76	12	12	68	30	2	88	10	2
Are you able to plan?	74	11	15	96	4	-	83	12	5
Do you finish your work on time?	71	17	12	68	28	4	85	12	3
Are you able to take the initiative?	66	18	16	91	7	2	78	18	4
Are you a leader?	30	38	32	40	60	-	43	47	10
Do you like working with people?	73	11	16	86	12	2	89	9	2
Do you easily adapt to changes?	64	24	12	76	20	4	80	15	5
Are you self-confident?	77	16	7	72	28	-	85	12	3
Are you determined to take risks investing money in business?	46	14	40	36	64	-	52	42	6
Are you physically and morally fit enough if it falls to work 12-16 hours per day, 6 days per week, weekends and holidays?	30	37	33	24	76	-	48	50	2
Are you strong enough to bear the strain?	34	33	33	49	48	3	42	55	3

Answering the question “Do your parents have their own business?” there were 6 per cent. The respondents emphasized the following characteristics of their parents–businessmen: ability to plan their work, make decisions, determination, risk–taking, diligence, thoroughness, leadership, ability to have logical mind and self–confidence.

The respondents pointed out the reasons why they were not motivated to set up their own business: having a negative opinion of a business sphere, present business situation, having no interest in a particular business sphere, having a wish to start business on their own. The respondents highlighted the essential characteristics of an entrepreneur. The research stated that the respondents had essential inborn and acquired characteristics of a businessman, but the reasons why they were not motivated to set up their own business were the following: studies are focused on the acquisition of the theoretical knowledge, business is a risky venture, most of them do not get practical knowledge in families and they do not want to succeed in their parents’ business.

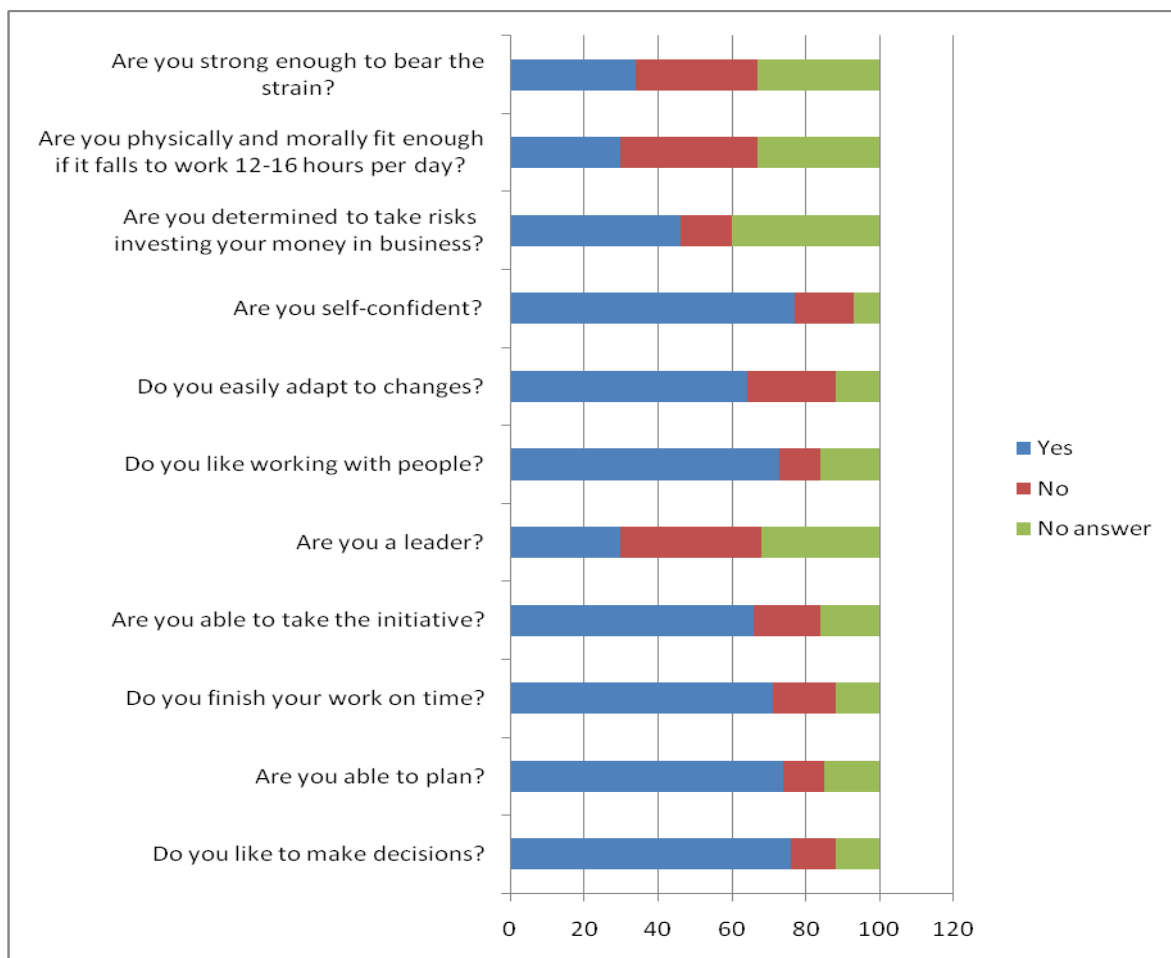


Figure 2. Answers of the students of Vilniaus kolegija/University of Applied Sciences, Faculty of Economics, Lithuania (Authors, 2012)

In order to successfully manage a business enterprise, you need to plan and be diligent. The survey results show that an average of 80 per cent of the respondents like to make decisions, about 80 percent of the respondents know how to plan their activities. Almost 83 per cent of German students can plan their activities. Slovak students finish their work on time (85 per cent). German students are proactive (91 per cent). Head of the company is a business planner and implementer, a leader influencing others to achieve company's goals. A successful business is very important for communication, adaptability to the environment. The survey showed that more than 80 per cent of German and Slovak students had good communication skills and 73 per cent of the surveyed Lithuanian students were easy to communicate with. About 80 per cent of German, Slovak and Lithuanian respondents noted that they could easily adapt to changes. In the survey such characteristics as ability to take the lead, self-sufficiency, innovative skills, creativeness, enthusiasm, push, persistence, being a leader, communicativeness were emphasized. Inborn and acquired characteristics rated by respondents are adequate to the characteristics of a successfully working entrepreneur. The respondents did not point out theoretical differentiation between characteristics of people and entrepreneurs because of the following reasons:

- The respondents of the three questionnaires equally rate the characteristics of an entrepreneur – communicativeness, diligence, self-confidence and the characteristics of people in agriculture – perceptivity, diligence and responsibility.
- People who are self-sufficient and are determined to risk, want to be businessmen, but only half of them were determined to take risks investing their money in business. It is true to say that business is a risky activity that is why motivation of making business is usually diminished.

Most parents possess such business characteristics: leadership, spiritual strength, responsibility, activity, integrity, determination and ability to perform work on time, work overtime, risk, and so forth. If their parents have business, half of the respondents, participating in the survey, want to have their own business, half of such respondents do not want to take over the business because of the following reasons: they do not like business and do not want to put a lot of effort in it, not all of them answered this question. 0.5 per cent of the respondents noted that their parents do not have their own business, but they admitted that if their parents had their own business, they would be very interested in such an activity and they would be ready to continue the family tradition.

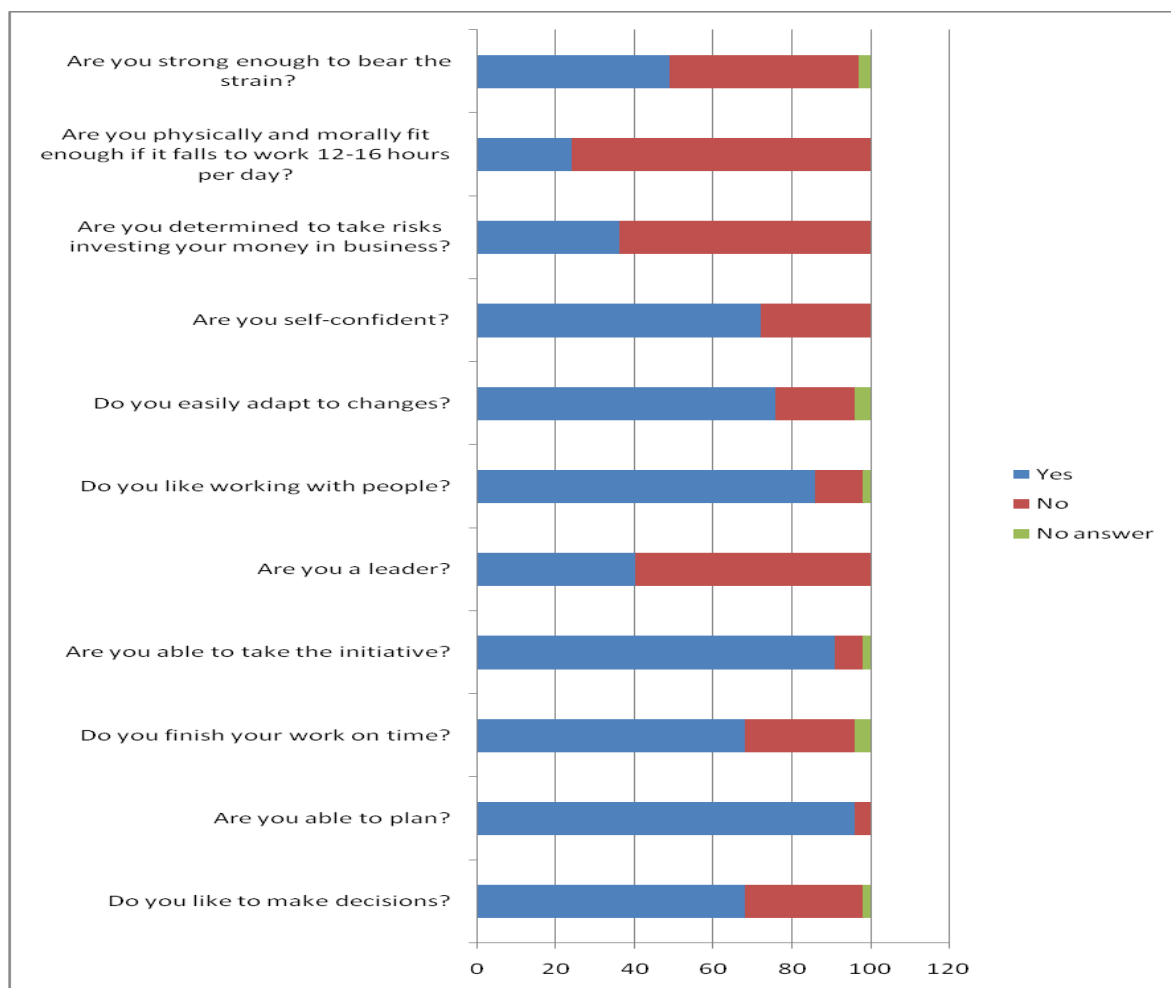


Figure 3. Answers of the students of University of Trencin, Slovakia (Authors, 2012)

An entrepreneur has to be self-sufficient and willing to risk. The question about confidence had a positive response rate of 80 per cent out of all surveyed students, almost every second respondent was determined to risk investing his/her money in business and about 30 per cent were physically and morally fit enough to work 12–16 hours per day, 6 days a week, weekends and holidays, and about 35 per cent of respondent were spiritually strong enough to work under pressure.

If to compare the results of three questionnaires, the views regarding essential inborn and acquired characteristics of an entrepreneur have changed. Essential common inborn and acquired characteristics of an entrepreneur are communicativeness, diligence, and self-confidence.

During their studies, students improve their theoretical knowledge. In order to get practical experience related to their field of studies, the students made a suggestion to volunteer their consulting services to the market, experiencing unique learning opportunities by doing

professional project work on the one hand and managing small and medium-sized enterprises on the other.

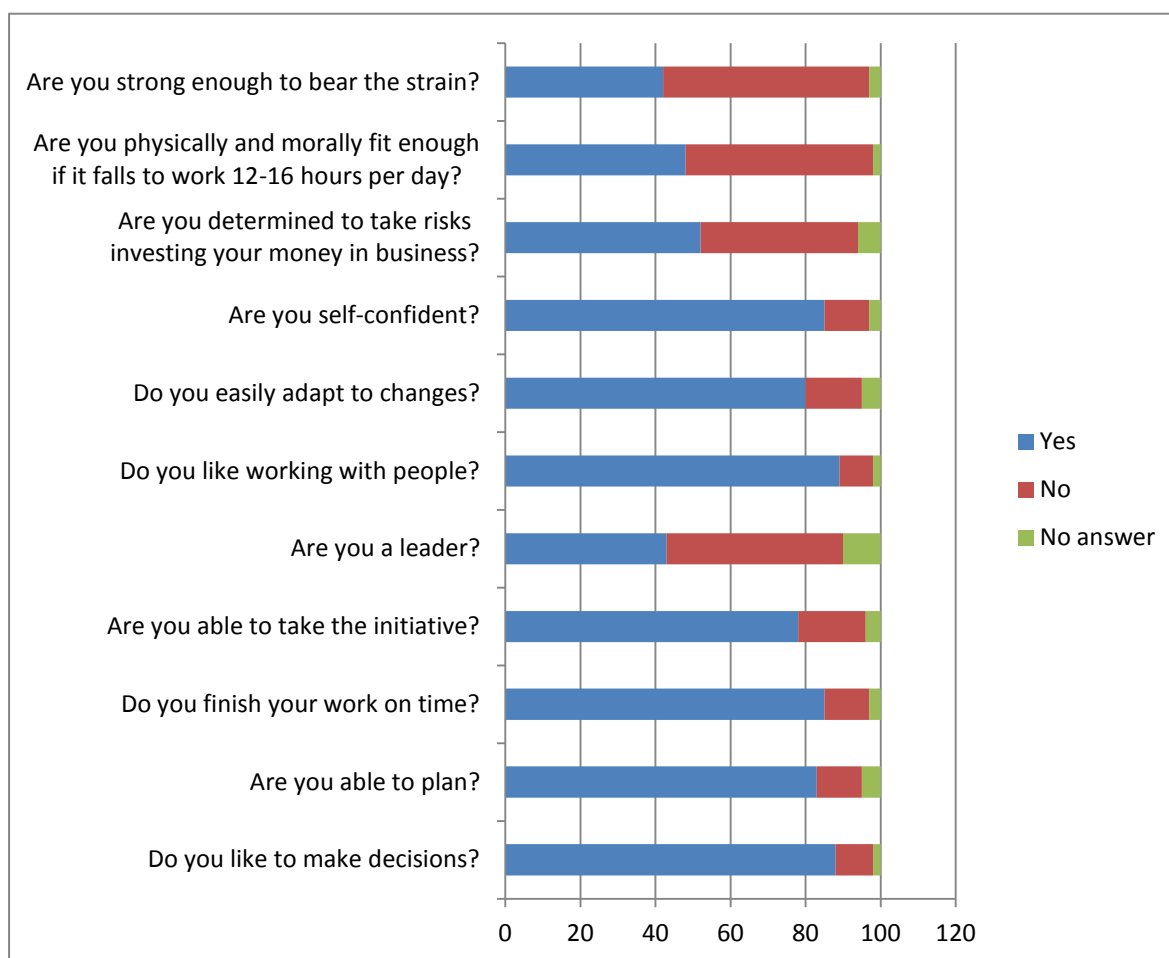


Figure 4. Answers of the students of Kiel University of Applied Sciences, Germany (Authors, 2012)

Conclusions

1. One of the most important strategic goals of the economic development is to create a favourable legal and economic environment for business in order to protect welfare and employment of society.
2. Today's producers are entrepreneurs, i.e. persons engaged in business and working independently at their own risk being also financially accountable for themselves.
3. The concept of entrepreneurship has a wide range of definitions. Entrepreneurship in a proper sense is understood as knowledge of earning money, creating surplus value, receiving investments. Entrepreneurship in a broad sense is understood as an individual way of thinking, personal, social and managerial competences.

4. Business is a risky activity and personal bankruptcy together with the fear of failure weakens the motivation to engage in it.
5. Research stated that the respondents have essential inborn and acquired characteristics of a businessman, but the reasons why they are not motivated to establish their own business are the following: studies are more focused on acquiring theoretical knowledge, business is a risky venture, most of them do not get practical knowledge in families and they do not want to succeed in their parents' business.
6. An average of 80 per cent of the respondents from all countries like to make decisions, know how to plan their activities, complete their work on time, they are responsible, self-confident and able to communicate. German students are proactive. About 80 per cent of German, Slovak and Lithuanian respondents noted that they could easily adapt to changes.
7. During their studies, students do not get enough practical experience that is why they make a suggestion to volunteer their consulting services to the market, experiencing unique learning opportunities by doing professional project work and managing small and medium-sized enterprises.

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Kopsavilkums

Mūsdienu straujās globalizācijas apstākļos izglītībai būtu jāstiprina sabiedrības radošās spējas, jo īpaši tas attiecas uz jauno paaudzi. Tādējādi tiktu aizsargāta un attīstīta identitāte, audzināta pilsoniska sabiedrība, palielināta nodarbinātība, jo īpaši jauniešu vidū, veicināta ekonomiskā konkurētspēja, samazinot nabadzību un sociālo izstumtību. Darbā ir skaidrots uzņēmējdarbības jēdziens, konkurētspējas nozīme, uzņēmējdarbības kompetences nozīme mācoties rīkoties, kā arī atainota kopējā situācija attiecībā uz jauniešu nodarbinātību un bezdarbu darba tirgū, problemātika saistībā ar uzņēmējdarbības līmeņiem. Darbā ir arī atspoguļoti aptaujas, kas veikta Lietuvas, Slovākijas un Vācijas jauniešu vidū, rezultāti. Galvenais mērķis bija atklāt jaunās paaudzes vērtību, viņu ģimenes pielāgošanās spēju nemitīgi mainīgajai uzņēmējdarbības videi. Šī mērķa sasniegšanai tika izvirzīti šādi uzdevumi: uzņēmējdarbības jēdziena izpēte, veiktajā aptaujā iesaistīto jauniešu attieksmes pret personīgām iezīmēm noteikšana, respondentu uzskatu attiecībā uz galvenajām uzņēmējdarbības iezīmēm izpēte. Uzņēmējdarbība ir cilvēku domāšanas un rīcības veids, naudas pelnīšana, investīciju un klientu piesaistīšana, t.i., ekonomiskās pievienotās vērtības radīšana. Uzņēmējdarbības īpašības uzņēmējam ir būtiskas ikdienas un profesionālajā dzīvē, kā arī tās ir cieši saistītas ar spējām nostiprināt pozīciju tirgū.

Aptauja tika veikta laika posmā no 2011. līdz 2012.g. 3 šādu iestāžu studentu vidū: Viļņas kolēģija/ Lietišķo zinātņu Universitāte, ekonomikas fakultāte (Lietuva) (*Vilniaus kolegija/University of Applied Sciences, Faculty of Economics*), Ķīles Lietišķo zinātņu Universitāte (Vācija) (*Kiel University of Applied Sciences*), Trenčīnas Universitāte (Slovākija) (*University of Trencin*). Aptaujas rezultāti parādīja, ka vidēji 80% respondentu visās minētajās valstīs patīk lēmumu pieņemšana, viņi zina, kā plānot savas aktivitātes, kā laicīgi pabeigt savu darbu, kā arī viņi ir aktīvi. Uzņēmuma vadītājs ir arī uzņēmējdarbības plānotājs un īstenotājs, līderis, kas ietekmē citus uzņēmuma mērķu sasniegšanai. Veiksmīga uzņēmējdarbība ir ļoti būtiska komunikācijas procesam, piemērošanās spējām videi. Aptauja pierādīja to, ka vairāk nekā 80 procentiem Vācijas un Slovākijas studentu piemīt labas komunikācijas spējas, 73 aptaujātajiem Lietuvas studentiem nesagādāja grūtības komunicēt ar citiem cilvēkiem. Apmēram 80 procenti Vācijas, Slovākijas un Lietuvas respondentu norādīja, ka viņiem būtu viegli pielāgoties izmaiņām.