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ENTREPRENEURIAL CAREER PERCEPTION OF MASTER STUDENTS: REALISTIC OR RATHER ENTHUSIASTIC?

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Abstract: *The importance of entrepreneurship for the economic development has been, for a long time, undeniable, and the preparation of the new generations for this reality enjoys a special attention. Understanding entrepreneurship as an option for their future career, the entrepreneurial orientation and attitudes among students, the entrepreneurial programs integration in academic curricula are theoretical and practical research topics everywhere in the world. The results can influence both the public policies aiming to stimulate entrepreneurship, and the development and improvement of academic programs, in order to meet the expectations of young people and of the economy as a whole. In this paper, we focus on investigating how entrepreneurship is regarded as an opportunity in life and career, the forms in which master students perceive their entrepreneurial future, the personal advantages and threats that will trace these career prospects. The paper is based on a survey research, carried out among post-graduate students in Business Administration (1st and 2nd year students) from a public university in Romania, namely University of Oradea. We found out that master students are attracted by riskier and difficult forms of entrepreneurship (i.e. start-ups), often in stereotyped patterns. Furthermore, in their future entrepreneurial career, they believe that they will have suitable knowledge, skills and opportunities. Furthermore, the threats are often independent of their efforts. Although a lot of expressed intentions are marked by a naive enthusiasm and an exaggeration of their personal skills and knowledge, in declarative forms, the entrepreneurship is a real and noteworthy option for the graduates, but also for the higher education institutions (HEI). Our paper, in line with other researches in the field, points once again the constant HEIs' responsibility to adapt academic programs to the requirements of a challenging economy, to the correct orientation of students and graduates potential towards an inspiring and prosperous entrepreneurship.*

Keywords: master students, business education, entrepreneurship as career, entrepreneurial orientation

JEL classification: I23, L26

1. Introduction

Entrepreneurship, as an opportunity alternative to the classic employment option, and given its role in achieving personal ambitions and projects, enjoys a special interest of young students and graduates and, consequently, stimulates theoretical research in the field.

The practical value of the theoretical research is circumscribed to designing and implementing appropriate public policies to promote a genuine entrepreneurial spirit among students and graduates, to adapt academic curricula to the expectations of young people and employers, to increase self-employment and stimulate innovation and adaptability.

Our paper substantiates on a survey-based research conducted in 2013 within master students in Business Administration from a Romanian public university, i.e. University of Oradea. The overall research aims to complement the existing knowledge in the literature on master students' ability to capitalize the academic studies by considering the

entrepreneurial career.

This paper attempts to clarify the following dilemma: to what extent the accumulation of knowledge and skills of high scientific value prepares young students for the realities of the launching and managing their own company, to what extent the graduates realistically understand the risks and challenges of such options.

In practical terms, the answers to these questions could help improving academic curricula, adapting it to future entrepreneurs. Moreover, the answers can reveal if the master studies in business administration are followed only for getting a diploma or the academic approach and political decision begin to move towards obtaining a well-prepared graduate, holder of a unique and single set of high-level knowledge, able to use them also in their entrepreneurial activity.

2. Brief literature review

The literature on the entrepreneurship education for students and graduates is consistent and diverse. It addresses diverse topics such as motivation, predictors, influences on the economic environment, the effects of economic policies etc. The approaches go from simple themes such as the propensity to association and gainful initiative, to sophisticated models taking into account the social and business influences on the chances of entrepreneurial careers (Pittaway & Cope, 2007).

Thus, Hatten and Ruhland (1995), Koh (1996), Ang and Hong (2000) or Luthje and Franke (2003) found that attitudes on self-employment and launching a venture are related to personality traits. The authors insist on identifying all contextual factors perceived as barriers and on reducing their influence. Concurrently, HEI should encourage the supporting elements by moving towards entrepreneurship. Souitaris et al. (2007) insist on a symbiosis between the proper understanding of entrepreneurship and inspired educators in order to lead to higher levels of entrepreneurial intentions among students.

According to Wang and Wong (2004), the attitude of students towards entrepreneurship is influenced by three background factors: gender, family business experience, and educational level. In general terms, male students, younger, coming from an entrepreneur's family, are more likely to start a business. They are often eager to replicate the Western model of business success (Hatten & Ruhland, 1995) or (DeMartino & Barbato, 2003).

Peterman and Kennedy (2003), in a study on a group of Australian students, have found that participation in entrepreneurship education programs significantly increases the desire to start a business and improves perceptions (in terms of desirability and feasibility) about the chances of an own business.

Krueger et al. (2000), in a research on the antecedents of entrepreneurial intentions among students, has underlined the importance of the propensity to self-employment of young researchers. This propensity, when properly guided and fuelled by adequate training and business knowledge, can help to a rapid and successful exploitation of their research results.

Carayannis et al. (2003), in a study on two groups of entrepreneurship students at the undergraduate, graduate and continuing education levels in France and the US, found in the French group (compared to the US' group) less positive attitudes and perceptions towards entrepreneurship, on its social status and economic impact, and a considerable dose of scepticism regarding institutional facilities for venture creation. In another comparative approach, this time on some groups of students from Catalonia (Spain) and Puerto Rico (US), Veciana et al. (2005), when analysing the perception on the entrepreneurs within society, found a positive perception on new venture desirability, but a significant circumspection on its feasibility. The authors have confirmed the presence of a strong correlation between the existence of an entrepreneur in the family and the intention to create a new venture. Acknowledging the increasing availability for entrepreneurship of

students with family business background, Zellweger et al. (2011) stated they are more optimistic about their efficacy to pursue an entrepreneurial career, but, in the same time, they are pessimistic about being in control in an entrepreneurial career.

The statistics for the European Union and, in particular, for Romania are suggestive. Around 7-8% of the graduates from European universities decide to start their own business immediately after graduation, in a higher percentage than first degree graduates who work as self-employers (Mora & Vila, 2009). For Romania, the share of individuals having at least post graduate degree and involved in TEA (Total Early-Stage Entrepreneurial Activity) reported a strong growth, i.e. it increased from 11.25% (2007) to 42.39% (2012) and 49.70% (2013) (Petru, et al., 2011), (Nagy, et al., 2013), (Badulescu & Vancea, 2013) and the same increase is recorded among the EB (established businesses) category, testifying the fast growing entrepreneurial activity during last years.

3. Research methodology

Aiming to investigate significant aspects of entrepreneurial attitudes, orientation and potential of young graduates from economic higher education institutions/faculties, the curricula' contribution to entrepreneurial attitudes and skills, we have performed, during February - March 2013, a study based on administering a questionnaire to a relevant sample of master students belonging to the economics faculty. We tried to find out what is the students' opinion regarding the importance of Master in Business Administration studies in enhancing employability and promoting entrepreneurship options, by revealing intentions regarding the future career, specific measures and stages of launching business initiatives and effective involvement in entrepreneurial activities

The questionnaires were administered to 123 master students in Business Administration (1st and 2nd year) from the public university in Oradea, Romania, representing all the students enrolled in this program, as follows: 56 master students (i.e. 46%) from Regional Business Administration master programme (AAR) and 67 master students (54%) belonging to the Economics and Business Administration in Tourism and Hospitality Industry master program (EAATIO). Out of them, 71 (57%) are master students in the first year of studies, and 52 of them (43%) in the second (final) year (Badulescu & Vancea, 2013). The main description of the sample is as follows (Table 1):

Table 1: Description of the sample

Occupational status	%	Gender	%
Full time master students	33	Males	29
Master students, with full-time job in public sector	3	Females	71
Master students, with full-time job in private sector	43		
Master students, with part-time job in private sector	11	Matrimonial status	%
Master students, entrepreneurs or self-employed	10	Single	92
		Married	8
		Residence	%
		Cities	66
		Small towns	10
		Rural areas	24

Source: own calculations based on questionnaires' responses

4. Results and discussion

Half of the respondents would like, after graduation, to start or to continue an entrepreneurial career; they are followed by those who intent to work in the private sector as an employee (i.e. 28%). An important share of them (i.e. 13%) wants to work in the public sector, and 7% of them take into consideration other options (not specified, probably a certain indecision, lack of options or less "standardized" alternatives, e.g. emigration etc.). The possibility of continuing studies with a doctoral programme counts few options (i.e. 2%), otherwise, a normal situation, if we consider the small percentage of people with doctorate in total employment, or the offer of the universities (Badulescu & Badulescu, 2014).

A considerable share of respondents (i.e. 91% of total) declared their interest for an entrepreneurial career in the future. However, after a deeper investigation about the preparations for such an option, the interest appears to be hypothetic. Thus, only 18% of the respondents said they had started some business before, and the survival rate of these firms is quite low: only a third of them (i.e. 6% from total) said that those businesses still operate on the day of the survey.

Does this intention has any chance to substantiate in the next years? To find the answers to this question (if the previously stated entrepreneurial options are real or merely declaratory), our intention was to ask respondents for further details and explanations on their entrepreneurial options (in terms of agreement / disagreement), by offering them five pre-defined answer options concerning the effective steps to be undertaken.

Table 2: Types of entrepreneurial / business related intentions

In the next 5 years I intend to ...	Strongly disagree	Partial disagree	Partial agree	Strongly agree
develop own or family business	24%	5%	29%	41%
take-over/buy an existing business	43%	33%	22%	2%
start a franchise	45%	23%	27%	6%
invest in an existing company	47%	24%	24%	5%
start-up my own business	15%	5%	22%	59%

Source: own calculations, based on the dataset

The analysis (see Table 2) led to quite surprising and, somewhat, disappointing results. Therefore, the possibility to *develop or to continue the existent family business*, as a consolidated business at the time, seems to be quite interesting for master students. The literature addresses this particular issue under the concept of "the models in entrepreneurial decision" and many studies highlight the positive aspect, the direct correlation between the existence of an entrepreneur in the family (parents or close relatives) and the decision of young students to enter into entrepreneurship, during or after graduation (Veciana, et al., 2005), (Henderson & Robertson, 2000), (Zellweger, et al., 2011).

The answers to this question count a high number of positive responses (i.e. 41% strongly agree and 29% partial agree). It shows not only the importance of such family models, but also the realism of young respondents, whether they consider that as a turning point in their lives, or a simple stage in entrepreneurial career: for experience, direct transfer of knowledge and managerial skills, building human, social and financial capital, avoiding a tough and frustrating "apprenticeship".

However, in order to effectively achieve this option, it requires the existence of the family business "to be taken" and to be available for that. There are cases where the owner (i.e. the parents) has no intention to give up in the next future, and in (many) others, there is no family business "to be taken"!

The second option, i.e. the *takeover of an existing business*, records rather negative options: 43% of the respondents totally disagree and 33% partially disagree with this option. On one hand it appears to be a normal attitude: without any significant experience in understanding and assessing the potential of an existing (but largely unknown) business, the young people could take wrong decisions based on superficial aspects. A business could be offered because it was never profitable. Of course, an existing business for sale, if it isn't a patented fraud, could have many advantages. An existing successful company will continue to be a successful one; there is a pattern for success, satisfied customers and a verified operating system (Morar, et al., 2007). However, the responses on this alternative reached only 22% partial agreements and 2% (!) total agreements.

The third option, i.e. *starting a franchise business*, seems to have a similar response as taking over an existing business: 45% and 23% of the respondents considering it as a not at all or a hardly desirable option. Probably, the respondents assimilated it with the previous option, or interpreted it as a "less entrepreneurial" option. The aspect of a "successful recipe" was perceived rather a disadvantage in the view of enthusiastic future entrepreneurs. Although not so visible and spectacular for an entrepreneurial success story, the franchise enjoys a considerable appreciation in developed countries, especially in trade and services sector. A franchise is usually a turn-key operation where business risk is significantly lower than for a start-up. The franchisees success rate is between 80 and 97%, and, only 3% of franchises fail within 5 years after their entry into business (Arthur Andersen LLP, 1996). Franchising is recommended because basics have been developed and tested and, what is bought is, in fact, the reputation. However, as in any business, simply buying a franchise is not a warrant to success; it needs ambition, organization and competence (Morar, et al., 2007).

The fourth option, i.e. *investing in an existing business*, is rightly considered the furthest from the spirit of "classic" entrepreneurial initiatives. With 71% strongly disagree and 24% partially disagree, this option does not appear interesting for master students. The score of 24% partially agree responses could be regarded as a neutral position, an expectation, for the future possible developments and opportunities. We assume that this choice was suggested mainly to cover the full spectrum of entrepreneurial options, even there is a lot of unbalances in real entrepreneurial content in the five suggested options.

Finally, the last option (the fifth) is *to launch a business on their own* or, more synthetic, to start-up a business. In this case, our findings looks fundamentally changed compared with the first three options: the total agreements get 59% of responses, and the partial agreements 22%. The sum of these comfortable exceeds three-quarters of all options. At the opposite side, the partial disagreements get 5% of the answers, and total disagreements 14%. The clear commitment to start a business is positive and hopeful, but we must be cautious about the practical value of this attachment, because some of these answers are the expression of a naive enthusiasm. Often this enthusiasm is not enough to transform a "formidable" idea into a successful business or to provide endurance during difficult periods in the business life. As Roger Stevens (2009, p. 12) have noticed, "creating a company from nothing other than an idea for a product or service is the most difficult and risky way to be a successful entrepreneur".

Our opinion is that the enthusiasm of young entrepreneurs for business start-ups is a dare specific for the lack of life experience, but far away from the true realities of business life. It

hampers the launch and consolidation of a new business (incomparably greater than those of taking over a family business or a franchise). The independent nature of the entrepreneurial life and the idea that new businesses can start with minimum capital are exaggerated and, sometimes, dangerous. Often, the independence is a source of errors that otherwise could be avoided, a high price paid to discover facts and ideas already known. The insufficient start-up capital condemns the company to small size, low profits and achievements for a long time, far from the original desires and hopes.

In this stage of the research, we asked ourselves how prepared are master students for the tough realities of future business career and whether master students do not remain "captive" in the theoretical sphere and do not really understand the real risks and difficulties of entrepreneurship. Another explanation may lie in the comfort of a theoretical positioning, a trendy options, fuelled by naivety or bravado.

Identifying constraints and difficulties in entrepreneurial career path completes the picture of the students' attitude towards entrepreneurial option. From the responses received (see Table 3) it seems that young students do not consider that they lack specific business skills and competencies (34% "to a very large extent" and 49% "to a large extent") or time (38% "to a very large extent" and, respectively, 44% "to a large extent"). Also, they reject the possibility of deficiency in entrepreneurial skills (44% "to a very large extent" and 39% "to a large extent"). They count on a specific and constant support from their family when starting or continuing a business on their own (i.e. 53% "to a very large extent" and 37% "to a large extent").

Concurrently, the same respondents consider that a great restriction on setting up a business is the bureaucracy (28% "to a very large extent" and 35% "to a large extent"), the financial risks (23% "to a very large extent" and 54% "to a large extent") and the lack of capital (24% "to a very large extent" and 42% "to a large extent") or the current economic crisis (18% "to a very large extent" and 41% "to a large extent"). They find "the business environment" as reasonable, as well as the possibility of finding customers for the products and services offered by the company they run / hold (for example, the lack of customers threat is rejected by 25% of respondents in a very large extent, and by 48% in a large extend) and they have valuable ideas that can attract business partners. With such considerations, it seems natural that fear of failure affect 20% of them "in a very small extent" and 51% "in a small extent". The lack of courage is recognised by 23% "in a large extent" and only by 3% "in a very large extent".

Table 3: What do you think there are the main restrictions on launching your own business?

Distribution of responses	To a very small extent	To a small extent	To a large extent	To a very large extent
Lack of valuable business ideas	24%	46%	24%	6%
Bureaucracy in setting-up a company	11%	26%	35%	28%
Financial risks	9%	15%	53%	23%
Lack of courage	23%	51%	23%	3%
Lack of a business partner	31%	40%	22%	7%
Lack of capital	11%	23%	42%	24%
Lack of skills and sector specific skills / business	34%	49%	13%	4%
Lack of customers	25%	48%	24%	3%
The current economic crisis	11%	30%	41%	18%
Business environment	8%	50%	36%	6%
Fear of failure	20%	51%	20%	9%

Lack of family support	53%	37%	10%	0%
Lack of time	38%	44%	15%	3%
Lack of entrepreneurial skills	44%	39%	14%	3%

Source: own calculations, based on the dataset

If the above answers express the optimism and (over)confidence as mentioned in the previous paragraphs, their distribution is acceptable and predictable. However, we believe that the answers can reveal also supplementary conclusions:

- Some assessments are age-specific, according to personal commitments and conditionalities: they have *enough time* to design and launch a business, most of them still living with their *parents* and considering their *support* also in the future, and the *business partners* are actually belonging to their circle of friends, with common interests and hobbies. This view is not as idyllic as it might seem at first glance, but it is rather the expression of a limited experience on the labour market in general, and in entrepreneurship in particular;
- Other considerations are quite formal, probably as a result of limited information and economic media stereotypes. For example, *excessive bureaucracy* in setting up a company is *exaggeratedly* invoked, although in reality it is bearable, and the true ugly face of bureaucracy begins sometimes after the launch of the company. In a similar way, the current *economic crisis* seems to be a stereotype of convenience. Moreover, *the business environment* is assessed as relatively permissive, although for a young small company, the business environment can be a major threat and difficulty;
- Finally, a consistent number of opinions shows a dangerously over-optimism, or a worrying ignorance of the realities of the business world, ignorance that cannot be attributed to incomplete or superficial information received through educational systems. We refer here, for example, to the assertion of *the existence of valuable ideas* easy to implement, although, from previous questions, we find that 60% of the surveyed master students declared that they had not even had in mind a business idea that deserves to be implemented. We also refer to the overvaluation of *entrepreneurial or specific business sector abilities and skills*, or to the reduced importance given to finding *customers*. Only to remember, according to European Commission reports (2013, p. 17), *finding customers* remained the most frequently-cited problem by SMEs across the EU in the last 10 years. Regarding the *availability of skilled staff or experienced managers*, the same EC reports shows that it ranked three and remained stable compared with previous years;
- Briefly, the results of the above question seem to get a major importance in the economy of our research, revealing both gaps in (entrepreneurial) education, and a state of contentment and conformism from students, an easy call to stereotypes, away from authentic entrepreneurial traits and the demands of the business world.

5. Conclusions

The interest in entrepreneurship is clear and obvious. Entrepreneurship is interesting, in different forms and for different aims: the young students and graduates - as a future career opportunity; the political and economic deciders - as a solution to development; the HEIs - in order to adapt the academic offer to the younger generations' expectations and to the real economy requirements.

The vast majority of researchers have linked the entrepreneurial motivations of young students and graduates to the existence of personality traits, favourable business

conditions (family background, patterns, social perceptions, networks etc.) and the possibility to access the best practical and theoretical knowledge in the field of business administration.

In our research we have tried to investigate to what extent entrepreneurship is a viable option for master students and the way they perceive their entrepreneurial future, how they appreciate their abilities and the obstacles following this decision. We found out that the master students perceive entrepreneurial choice often through the most risky and difficult form, i.e. launching a start-up, being less interested in taking over the family business or developing a franchise. In a self-assessment attempt, the young master students credit themselves with a very broad set of skills and opportunities (e.g. business/entrepreneurial specific skills and competencies, courage), often declaratively. Instead, risks and threats to the future business are acceptable, or independent of their efforts.

We found out that a large part of students intentions and opinions are enthusiastic, but also naive, overbidding personal skills, but ignoring dramatic realities of the business world (such as finding customers or finding a valuable business idea). However, we have reasons to consider that the overall picture is not so discouraging. It rather indicates a considerable potential of young generations for entrepreneurship, which has to be properly expressed and targeted.

In this respect, the HEI role is to provide to academic curricula in Business Administration study programs a more realistic approach, to clearly indicate both the advantages and difficulties in launching and developing a business. Thus, the entrepreneurship option of young generations would be wittingly, they would be prepared to understand the risks, to overcome difficulties, and, finally, to exploit the opportunities.

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