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New Business : Perceptions,
Behaviours and Attitudes of Students
of a Portuguese Higher Education
Institution**

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Entrepreneurship and Creation of New Business: Perceptions, Behaviours and Attitudes of Students of a Portuguese Higher Education Institution

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Entrepreneurship encompasses the creation of new businesses and the development of new business opportunities in existing organizations. This work intends to understand the perceptions and attitudes of Portuguese students from a public institution of higher education regarding the creation of new businesses. A survey was conducted in 2014 and 2015 using an accidental sample of 336 students. The data were analysed using SPSS 22.0. The respondents believe that entrepreneurship contributes to the creation and growth of employment, that an entrepreneur is someone who has a radically new idea for creating a new business, and 46% of them could imagine themselves creating their own business. For these students, the probability of being able to create a successful business is, on average, 47%, and the right age to do it is 28 years old. Around 49% of the respondents are interested in creating a new business from an idea, mostly because it allows personal independence. Furthermore, despite being very optimistic as regards the start-up survival rate, students show little proactivity. Indeed, the majority of the respondents consider that business creation would be encouraged if the teaching institution provided ideas for students willing to create new businesses.

Keywords: higher education, entrepreneurship, business creation, Portugal.

Przedsiębiorczość i tworzenie nowych przedsiębiorstw: postrzeganie, zachowania i postawy studentów portugalskiej wyższej uczelni

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Przedsiębiorczość obejmuje tworzenie nowych przedsiębiorstw i rozwój nowych możliwości biznesowych w istniejących organizacjach. Praca ta ma na celu zrozumienie sposobów postrzegania i postaw

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portugalskich studentów publicznej wyższej uczelni odnośnie do tworzenia nowych przedsiębiorstw. Badanie zostało przeprowadzone w 2014 r. i 2015 r. na przypadkowej próbie 336 studentów. Analiza danych została przeprowadzona przy zastosowaniu programu SPSS 22.0. Respondenci uważają, że przedsiębiorczość przyczynia się do tworzenia miejsc pracy i wzrostu zatrudnienia, że przedsiębiorca jest osobą, która ma całkowicie nowy pomysł na stworzenie nowej firmy, a 46% respondentów mogłoby wyobrazić sobie założenie własnego biznesu. Dla tych studentów prawdopodobieństwo, że będą w stanie stworzyć dobrze prosperującą firmę, wynosi średnio 47%, a odpowiedni na to wiek to 28 lat. Około 49% respondentów jest zainteresowanych stworzeniem nowej firmy, głównie dlatego, że pozwala to na osobistą niezależność. Ponadto, pomimo dużego optymizmu co do wskaźnika przetrwania nowych przedsiębiorstw, studenci wykazują niewielką aktywność. Większość respondentów uważa wręcz, że zachętę do zakładania przedsiębiorstw stanowiłyby pomysły przedstawiane przez uczelnię studentom chętnym do stworzenia nowej firmy.

Słowa kluczowe: szkolnictwo wyższe, przedsiębiorczość, tworzenie przedsiębiorstw, Portugalia.

JEL: L26, I25, O13

1. Introduction

Entrepreneurship encompasses the creation of new businesses or the development of new business opportunities in existing organizations. Entrepreneurship is at the heart of regional and national economic policies, by contributing to the creation of an innovative and dynamic business culture where companies seek to move up the value chain in a global economic environment. Indeed, entrepreneurship is widely considered to be an important mechanism for economic development through job creation, innovation and its welfare effect. Entrepreneurs are the ones who create new businesses, drive and shape innovation, speed up structural changes, introduce new competition and contribute to an economy's fiscal health (Schøtt, Kew and Cheraghi, 2015).

The effects of the 2008 financial crisis and the ensuing global downturn – in particular, the persistent jobless growth – continue to be felt worldwide. This is affecting above all the new entrants into the labour market. Effectively, young people are three times more likely than adults to be unemployed or underemployed. Thus, fostering effective entrepreneurial activity among the youth is regarded as a critical development strategy in order to integrate them into the labour market as well as harness their potential to contribute to sustainable economic development in their regions (Schøtt, Kew and Cheraghi, 2015).

Several authors, such as Filion (1999) and Bohnenberger, Schmidt and Freitas (2007) cited in Marinha et al. (2014), highlight the importance of contact with entrepreneurial role models in the family context and the surrounding environment – including schools – as a key element in the emergence of an entrepreneurial identity in young people. Indeed, entrepreneurial interest is now regarded as a mind-set that can be instilled and

nurtured through socialisation and education, and entrepreneurial competencies are considered learnable through instruction and training (Hoffmann et al., 2005; Levie et al., 2013; Schøtt, Kew and Cheraghi, 2015). Thus, entrepreneurship as a major phenomenon in the social and economic development of a country has become a key competence in educational strategies defined by the European Union, since reaching a critical mass of young entrepreneurs requires a long-term investment in human capital development. Androulla Vassiliou, Member of the European Commission responsible for Education, Culture, Multilingualism and Youth, said: "Education for entrepreneurship is the engine of future growth and it will help us to inspire tomorrow's entrepreneurs. If Europe wants to remain competitive it must invest in people, in their skills and their adaption and innovation capacities. This means that we need to promote a real change of mentality in Europe to support entrepreneurship, starting to encourage this spirit since the early levels of education."

It is necessary to encourage individuals that do not have the characteristics considered optimal to start a business by providing them with learning tools for the development and management of a business (Redford et al., 2013). Such teaching-learning methodology will only be possible by changing mentalities, allowing investment in people and their ability to adapt and innovate.

Schøtt, Kew and Cheraghi (2015) note the importance of individuals' perceptions of their entrepreneurial ability, their recognition of start-up opportunities, how risk-averse they are, and the extent to which their social networks include entrepreneurs as being instrumental for them to become involved in starting new businesses. Entrepreneurs may be motivated by either necessity (a lack of better job choices) or opportunity (choosing to pursue an entrepreneurial opportunity). Potential entrepreneurs will also consider the extent to which society attitudes support their efforts, whether the environment for entrepreneurship is sufficiently enabling and supportive.

This work intends to understand the perceptions and attitudes of students of a public institution of higher education located in the north-eastern Portugal regarding the creation of new businesses. To this end, a quantitative, observational, cross-sectional and descriptive study was carried out. The data were collected through a survey directed at the student community, resulting in an accidental sample of 336 individuals.

This work is structured into five sections, namely introduction, literature review, methodology, results and conclusion. This section presents the objectives, study justification and work structure. In the second section, an overview of entrepreneurship among Portuguese young people is carried out. The third section describes the methodology, namely participants, materials and procedures. The fourth section presents and discusses empirical study results. The fifth section offers final remarks.

2. Youth Entrepreneurship in Portugal

According to Sarkar (2007), the promotion of entrepreneurship and innovation is a primary need in Portugal. The INE (2009) data for the period 2004–2007 show that about 167,473 new enterprises were created during 2007, and that trade is the activity sector that stands out most. In the same study, the INE (2009, p. 1) states that, “about 73% of enterprises born in 2006 survived in 2007”. The industry sector showed the highest survival rates at the end of the first year, while the construction sector recorded the highest survival rates at 2 and 3 years, from 50% up.

According to the *Global Entrepreneurship Monitor – GEM* (2013), in 2013, Portugal occupied the 47th position among 67 countries in terms of *Total Early-Stage Entrepreneurship Activity – TEA*.¹ Also according to the GEM (2013, p. 33), in 2013, the established business ownership rate was 7.7%, which means that in Portugal there are about eight established entrepreneurs (owners and individuals involved in running a business for more than three and a half years) per 100 adult individuals. In 2013, the TEA rate for Portugal was 8.2%, thus it can be concluded that there is no significant difference between the two rates, indicating that most businesses can survive for three and a half years. However, according to Kelley et al. (2015a), in 2015, the TEA rate for Portugal increased to 9.5%, while the established business ownership rate decreased to 7.0%, indicative of a worsening of survival conditions for start-ups.

According to the International Labour Organization (OIT, 2013, p. 2), “the labour market has not recorded any improvement since the launch of the financial assistance program agreed with the European Commission, the European Central Bank and the International Monetary Fund in 2011”. The economic and social crisis in Portugal proved to be a crucial factor within young adult entrepreneurship. A more detailed analysis of the labour market shows that, in 2014, the overall employment rate in Portugal was 50.6% (55.6% in males and 46.1% in females) (INE, 2015). These low values translate, among others, into high unemployment rates, emigration and poverty. The demand for economic and social stability and the lack of opportunities for income earning are reflected in the starting of new businesses, generating an induced entrepreneurship.

In 2012, most of Portuguese early-stage entrepreneurs (58.3%) were opportunity-motivated, mainly seeking to improve their situation, either through increased independence (20.8%) or through increased income (37.5%). In contrast, 26.2% of early-stage entrepreneurs state to be necessity-motivated. The remaining 15.6% claim a mix of opportunity and necessity motives (GEM, 2012). The proportion of opportunity-motivated entrepreneurs decreased in last years, and, in 2015, there were on average only one and a half times as many improvement-driven opportunity entrepreneurs as necessity-driven ones (GEM Motivational Index = 1.5) (Kelley et al., 2015a).

The Amway Europe (2014) study for 2013 states that 61% of the Portuguese people perceive entrepreneurship positively, and 32% of the Portuguese consider the possibility of starting a business. However, despite the strong entrepreneurial intention of the Portuguese people, the discontinuation rate for established businesses is also high, confirming that the number of entrepreneurs who decided to terminate their business is above the average for innovation-driven economies (Amway Europe, 2013; Palma and Silva, 2014). Additionally, Amway Europe (2014) points out that 56% of Portuguese young people (under the age of 30 years) demonstrated the desire to create their own jobs. Marinha et al. (2014), in a survey on Portuguese youth entrepreneurship, get identical results, with 47% of young people pointing out entrepreneurship as the first choice to integrate the labour market and 58% claiming to have a business idea (16% already started a business, and about 26% intend to start up a business in the next 6 months), which ultimately demonstrates entrepreneurial intention.

Also according to Amway Europe (2014), the main reasons for the abandonment of entrepreneurial intention among the Portuguese people are risk aversion and fear of failure. The fear of failure was reported by 83% of the respondents and is mainly associated with financial expenses (41%), economic crisis (31%), unemployment (15%), personal disappointment (14%), legal penalties (13%) and taking on responsibility (13%). These results were partly confirmed by Marinha et al. (2014), as for the most part of the respondents the fear of failure was rather sharp, mainly resulting from financial difficulties (66%) and the adverse economic situation of the country (54%). However, risk aversion presented a low score, as only 10% of the respondents point to this indicator as a constraint to entrepreneurship. Furthermore, Marinha et al. (2014) identified another obstacle preventing young people from starting a business – a lack of knowledge/experience, reported by 28% of the respondents.

As regards entrepreneurial motivation, Marinha et al. (2014) conclude that the indicators related to the opportunity-based motives of entrepreneurship on average score more than the items relating to the necessity-based motives of entrepreneurship. Indeed, personal accomplishment, application and valuation of personal competencies as well as autonomy were highlighted by 57%, 37% and 31% of the respondents, respectively; a lack of attractive job opportunities was mentioned by 37%. These results are reinforced by the answers to the question regarding the origin of the business idea, since the opportunity-based motives, such as personal preferences (39%) and the knowledge acquired (30%), have higher scores than the necessity-based motives, such as self-employment (15%). These results are similar to the ones of Amway Europe (2014), where self-accomplishment overlaps second income prospects and a way out of unemployment.

Marinha et al. (2014) also notice the low impact of family on youth entrepreneurship, as merely 11% of the respondents indicate the family as

the source of the first contact with the topic of entrepreneurship, only 9% point out family influence in the development of a business idea, and just 5% mention its influence as a reason for starting a business.

Finally, a special note for the gender gap on the business arena, particularly regarding entrepreneurship. Over the past decade and around the world, women have made substantial progress in struggling gender discrimination. Young women are often doubly disadvantaged in their attempts to integrate into the work force – by their gender as well as by their age. The results presented by Kelley et al. (2015a) show that early-stage male entrepreneurs predominate in relation to the female gender. The factor-driven economies have the highest average Female/Male TEA ratios (0.86), while in the efficiency-driven and innovation-driven economies the average Female/Male TEA ratios are of 0.73 and 0.59, respectively. In a broad sense, women are less likely than men to start a business, and it is more likely necessity-based. Particularly, the factor-driven economies exhibit high entrepreneurship gender equity, but it is mostly due to higher female necessity-motivated entrepreneurship (Kelley et al., 2015a). On the other hand, analyses of TEA rates with gender gap indicators measured by the Women's Economic Forum show that female entrepreneurial activity decreases significantly with greater educational attainment, indicating that where women achieve a higher level of education than men (as is presently usual in the European Culture Countries – ECC), they start businesses less frequently (Kelley et al., 2015b). This may partly be so because the fear of failure tends to be more common in developed economies, where the greater prevalence of alternative career options may create the impression that people have more to lose by forgoing these other opportunities.

In 2015, Portugal's female TEA rate was 6.7%, higher than the average for innovation-driven Europe (5%). Still, the gender gap is similar to the European average, with the Female/Male TEA ratio of 0.54. However, in terms of the Female/Male Opportunity ratio, the Portuguese performance (0.8) is not as good as the innovation-driven economies' average (0.94) (Kelley et al., 2015a; 2015b, p. 141) state that, "Women in Portugal show somewhat higher levels of activity despite low opportunity perceptions, although capabilities are higher than the regional average. Innovation rates among women entrepreneurs are less than 2/3 the average for the innovation-driven European economies and business services activity is lower than average. Growth ambitions, however, are above the average for the region".

3. Methodology

This work intends to understand the perceptions, behaviours and attitudes of students of a public institution of higher education located in the northeast of Portugal regarding the creation of new businesses and entrepreneurship.

To this end, a transversal, observational, quantitative and descriptive study was carried out. According to Hoppen, Lapointe and Moreau (1996) and Jung (2004), this study assumes a horizontal nature because information was collected only once, providing a “snapshot” of the relevant variables of the study at a given moment. Since the present study fits in the social sciences subject and aims to identify the attitudes of students at the Polytechnic Institute of Bragança (PIB) toward the starting of new businesses, according to the same authors, it can also be classified as observational. On the other hand, the study can be classified as quantitative as it allows the representation of acquired knowledge in the form of charts, graphs and calculations. Finally, this study is descriptive as it only involves the calculation of descriptive statistics.

To carry out this work, a non-probabilistic, accidental sample of 336 students was collected. To collect the data, a questionnaire adapted from the GEM (2013) was used and directly administered to the students at the PIB. The questionnaire was anonymous and took less than ten minutes to complete. Data collection took place in late 2014 and early 2015.

Since it is a descriptive study, treatment of statistical data involved the use of descriptive statistics, namely the calculation of absolute and relative frequencies for the variables of nominal or ordinal nature, and measures of central tendency and dispersion for quantitative variables (Maroco, 2007; Pestana and Gageiro, 2002). The data were handled by using the Statistical Package for Social Sciences system – SPSS 22.0.

4. Results and Discussion

The sample includes students aged between 17 and 43 years. As can be seen in Table 1, most of the respondents were between 17 and 21 years old (62.3%), female (59%) and second-year students (43.3%) of an undergraduate degree (97.2%).

Variable	Categories	Frequency	
		N	%
Gender (N = 326)	Male	133	40.8
	Female	193	59.2
Age group (N = 318)	Between 17–21 years old	198	62.3
	22 or more years old	120	37.7
College degree year (N = 319)	1st year student	122	38.2
	2nd year student	138	43.3
	3rd year student	59	18.5
College degreee (N = 323)	Undergraduate student	314	97.2
	Post-graduate student	3	0.9
	Master's student	6	1.9

Tab. 1. Sample description. Source: the authors' own elaboration.

The GEM research has shown that entrepreneurs often work in the same industry prior to starting their own businesses. On-the-job experience is invaluable in instilling both an understanding of how business operates and, even more importantly, allowing entrepreneurially-minded people to develop the experience and confidence to start off-shoot businesses within the industries they have knowledge of and experience in.

The distribution of students according to professional experience shows that a great part of them have some kind of professional experience: 22% did an internship, 35% worked full-time or part-time, 5% did volunteer work, and 2% had other professional experience (Fig. 1). Only 36% of the students have no previous work experience.

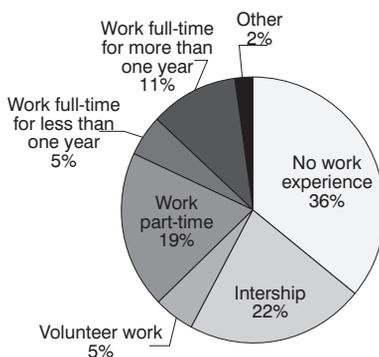


Fig. 1. Students' professional experience (N = 321). Source: the authors' own elaboration.

Societal values of entrepreneurship are crucial to lead to intentions to start a business. Figure 2 indicates that, overall, the respondents display a highly positive perception regarding the role of entrepreneurship in economic development. Indeed, the vast majority of the students believe that entrepreneurship contributes to the creation and growth of employment (91%), reveals the individual's potential (79%), is crucial for the competitiveness of the economy (77%) and contributes to the innovation and technological progress of the economy (75%). On the other hand, the crucial role of entrepreneurship in sustainability and social welfare is less obvious for the students, as only 64% agree that entrepreneurship responds to social interests, and a lower percentage of them (46%) consider that it helps to increase the wealth of poor people.

The students were asked how they perceived the entrepreneur profile (Fig. 3). A significant majority of the respondents point out the entrepreneur's potential to recognize the presence of market opportunities for starting a business and the characteristics of risk-taking. In fact, 84% of the students mention the entrepreneur's ability to realize the potential

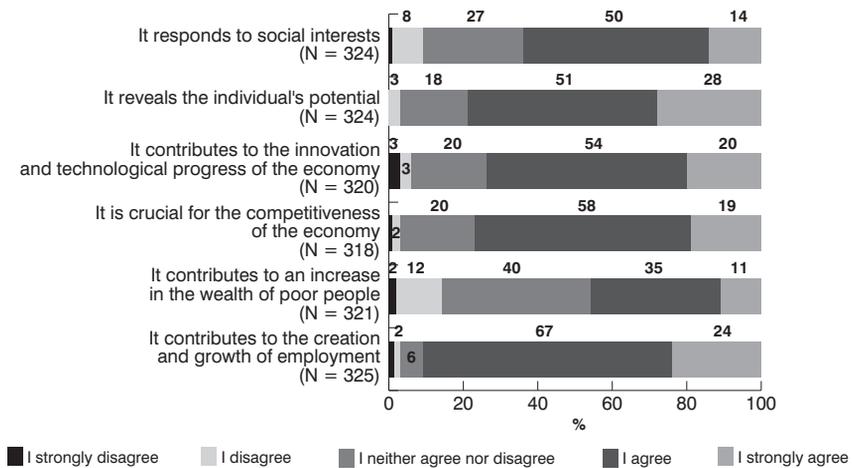


Fig. 2. Students' beliefs regarding the role of entrepreneurship. Source: the authors' own elaboration.

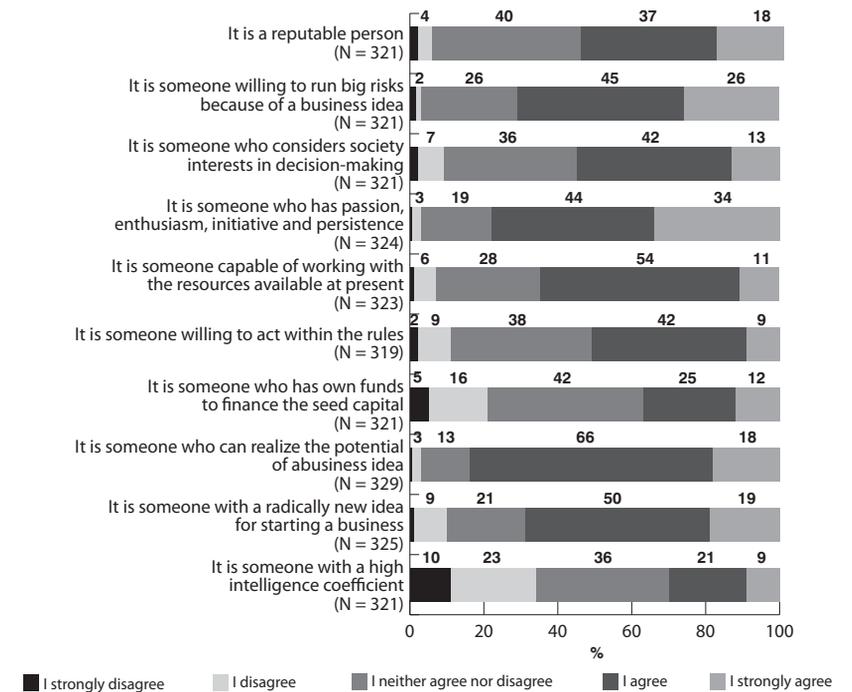


Fig. 3. Students' beliefs regarding entrepreneur profile. Source: the authors' own elaboration.

of an idea; 78% notice the entrepreneur’s passion, enthusiasm, initiative and persistence; roughly 70% see the entrepreneur as someone who has a radically new idea for starting a new business and is willing to take big risks because of it; and 65% observe the entrepreneur’s aptitude to work on the basis of resources available in the present. Rightness and self-giving characteristics are less noticed, with only 55% of the respondents believing that entrepreneurs consider society interests in decision-making, and a lesser percentage perceiving the entrepreneur as a reputable person (55%), who is willing to act within the rules and regulations (51%).

In contrast, intellect and personal wealth features present the highest percentages of respondents’ disagreement, as 34% of the students disagree with entrepreneurs’ high intelligence coefficient, and 21% do not think that entrepreneurs have own funds to finance the seed capital required to start a business (Fig. 3).

In order to assess the students’ acquaintance with entrepreneurial activity, they were asked whether they could name an entrepreneur/businessperson or specify a company with an entrepreneurial spirit. Although the findings on students’ beliefs regarding entrepreneurship and entrepreneur profiles suggest that the respondents know and understand these concepts, most respondents could neither identify (give an example of) an entrepreneur/businessperson (64%) nor specify a company with an entrepreneurial spirit (55%), as can be seen in Figure 4.



Fig. 4. Students’ examples of entrepreneurs and companies with an entrepreneurial spirit (N = 326). Source: the authors’ own elaboration.

The 31% of the students able to exemplify an entrepreneur mainly point to Steve Jobs (5.5%), Bill Gates (4.6%) and Belmiro de Azevedo (1.5%). Similarly, the 40% of the students who indicated a company mainly refer to Apple (4.3%), Google (4.0%) and Sonae (3.0%). The first to be named are foreign companies and entrepreneurs linked to information and communication technologies, which are characterized by innovation and heading for research and development. The last example is linked to the national retail sector. In the study by Silva, Gonçalves and Figueira (2014) regarding the profile of entrepreneur students at three higher education

institutions of the central littoral region of Portugal, Sonae was the most named company with an entrepreneurial spirit.

Figure 5 captures the respondents' entrepreneurial experience, whether they have started/owned a business. It indicates that a great part of the respondents (over 80%) have no actual entrepreneurial background. Only approximately 20% of all the respondents expressed having entrepreneurial experience, 11% reported to be presently thinking about that possibility, 5% are nascent entrepreneurs as they have already taken steps to start a new business, and 4% already own/manage a business. Around 60% reveal to be potential entrepreneurs, as 46% can imagine themselves starting a business in future, and 13% have a business idea they believe is likely to attain success. Approximately 21% of the respondents show no interest in ever starting/owning a business. These results are similar to the ones reported by Silva, Gonçalves and Figueira (2014).

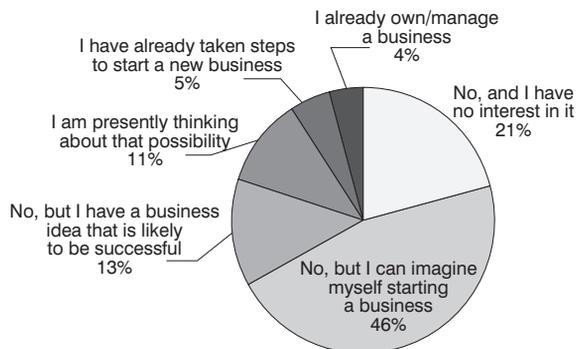


Fig. 5. Students' entrepreneurial experience (N = 319). Source: the authors' own elaboration.

As mentioned, the GEM research has confirmed the importance of individuals' perceptions regarding their entrepreneurial competencies in whether or not they become involved in starting new businesses. Figure 6 shows the respondents' level of confidence in their capabilities to create and manage a business. It shows that the students generally present low levels of perceived entrepreneurial competencies such as self-efficacy, as only two fifths or fewer of them declare having the knowledge, skills and experience required to start a new venture, namely they comprehend the issues faced by an entrepreneur to turn an idea into a viable business; know the techniques to identify market needs; are able to make a business plan and a business concept; and no more than 28% understand how to finance, legally, a new business concept.

These findings are in line with the ones reported by Schøtt, Kew and Cheraghi (2015). The authors draw attention to the low self-efficacy of the

ECC youth (41%), which is understandable in view of their high relative lack of work experience. Still, given their level of general education and relatively high levels of business-related training, the quality of business and entrepreneurship training offered raises concerns.

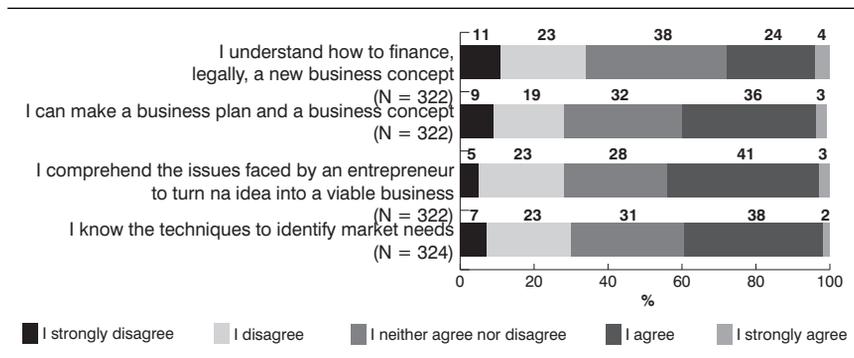


Fig. 6. Students' self-perceived entrepreneurial competencies. Source: the authors' own elaboration.

Entrepreneurs find it problematic to obtain funding, especially those intending to start a business and those in the early stages of activity (nascent and new firms) (Schøtt, Kew and Cheraghi, 2015; Kelley et al., 2015b). Particularly, the younger entrepreneurs do not have the required track record nor have they been able to acquire the required collateral demanded by the financial institutions; thus, personal sources (own savings, family and friends) are their main source of business financing. Individuals' perceptions of their financial capability, whether or not they can access finance for starting new businesses, often depend on their beliefs regarding the needs of seed capital and can be crucial to allow entrepreneurship to thrive. When asked about seed capital required to start a business, most of the students (54%) proved to have conservative expectations, indicating an amount between 5 thousand and 30 thousand euros, as can be seen in Figure 7.

Entrepreneurship is inherently risky, and a certain level of business closure is inevitable, particularly when there are numerous start-ups (Kelley et al., 2015b). However, in order to have any possibility of success, a potential entrepreneur must be willing to take the chance. Personal perceptions of the life expectancy of a start-up may influence, more or less, whether one would consider starting a business and can inhibit a potential entrepreneur. The students surveyed consider that the probability of being able to create a successful business is, on average, 47% (± 20.628). This result shows great optimism and a lack of knowledge among the respondents since the survival rate of Portuguese start-ups at the fifth year, according to Dun & Bradstreet (2015), is around 39%.

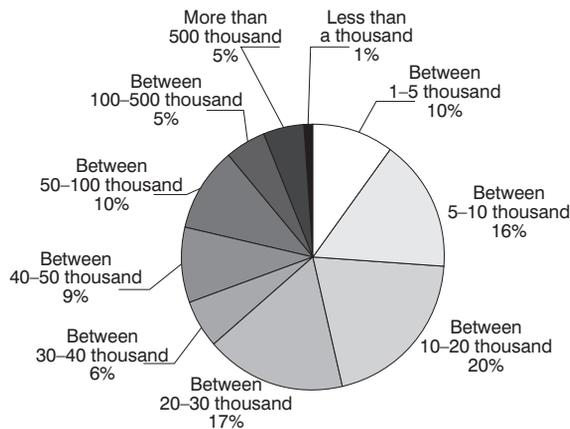


Fig. 7. Students' beliefs regarding seed capital (euros). Source: the authors' own elaboration.

Additionally, the respondents consider that the right age for starting a business is, on average, 29 years (± 5.818). This result shows that the respondents are of the opinion that individuals at this age have had the time and opportunity to develop their skills and knowledge through education as well as through work experience. Indeed, Schøtt, Kew and Cheraghi (2015) study findings show that the youth, as a group, demonstrate significantly higher levels of entrepreneurial intention than the adults (1.6 times higher). The older youth (25–34 years) translate this intention into a relatively high level of actual entrepreneurial activity, while the young youth show a significant decline between intention and entrepreneurial activity. The older youth have the highest level of confidence in their own ability to run a business, are most likely to know a start-up entrepreneur and perceive good opportunities in the area in which they live.

As mentioned, in a broad sense, women are less likely than men to start a business, and it is more likely necessity-based. In Portugal, the surveyed students discern the gender gap in the entrepreneurship area, given that respondents believe that the male entrepreneur is dominant with an average of 60% (± 17.052). This result is indicative of a widespread gender discrimination still prevailing in the Portuguese society, despite the progress made in recent decades.

The individuals' involvement in entrepreneurship is influenced by individual attributes and environmental conditions. Young people's desire to pursue entrepreneurship may be influenced by cultural traditions, as is the case in some societies that place social value on achievement, social development, entrepreneurship and innovation; and value independence in young people (Schøtt, Kew and Cheraghi, 2015).

Figure 8 portrays students' entrepreneurial culture. The students' attitudes and behaviour show that an entrepreneurship culture is rather absent among the respondents. Most of the students' background lacks work experience, as a freelancer or self-employed (71%) or in the teenage years (e.g., delivering newspapers, babysitting, mowing the lawn, etc.) (60%). Indeed, Portuguese cultural traditions do not value independence in young people, which may negatively influence the youth's desire to pursue an entrepreneurial career. Additionally, a great part of them do not work or try to acquire entrepreneurial competencies through instruction and training, as 63% do not regularly read books and articles or attend conferences, lectures or workshops on innovation and entrepreneurship.

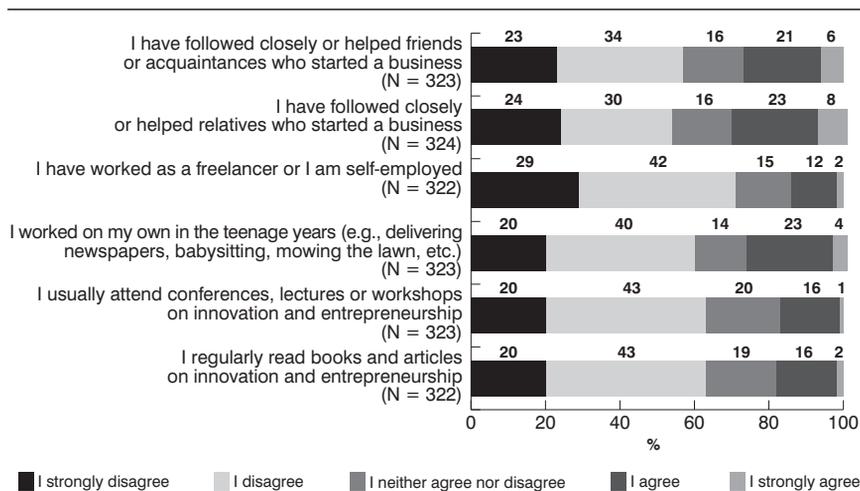


Fig. 8. Students' attitudes and behaviours regarding entrepreneurship. Source: the authors' own elaboration.

Furthermore, in general, the individuals' social networks do not include entrepreneurial role models, as more than half of the students have not followed closely or helped someone (family, friends or acquaintances) who started a business. As mentioned, the extent to which the individuals' social networks include entrepreneurs is instrumental in whether or not they start new businesses, especially young entrepreneurs often struggle to build up appropriate professional networks (Schøtt, Kew and Cheraghi, 2015).

Then again, when enquired about their interest in the three topics related to entrepreneurship, 65.5% of the respondents said that they were interested in starting a new business from a new business idea. However, the interest is smaller for research-based entrepreneurship (51%) or intra/entrepreneurship (41%), that is, the entrepreneurial activity carried out in already established organizations.

Young people entering the labour market are confronted with high youth unemployment rates, mainly due to their lack of experience and the lack of strong work-related networks that are often important for finding a job. Thus, self-employment or work as an employee is not always a personal choice. Social conditions such as poverty, high unemployment and widespread dissatisfaction are examples of negative factors that may push people into starting a business to make a living. In order to understand the students' choice of career and their motivations regarding entrepreneurial intentions, the students were asked to point out the reasons why they value work as an employed person *versus* entrepreneurship as a career choice.

Figure 9 reports on the reasons why students value work as an employed person as a career choice. Similarly to the study by Silva, Gonçalves and Figueira (2014) regarding the profile of entrepreneur students at three higher education institutions of the central littoral region of Portugal, the majority of the respondents treasure stability as well as job and salary security (68%), minor risk (61%) and social security benefits (54%) of work as an employee. A great part of them also refer to the work overload inherent in self-employment (62%) and no detection of market

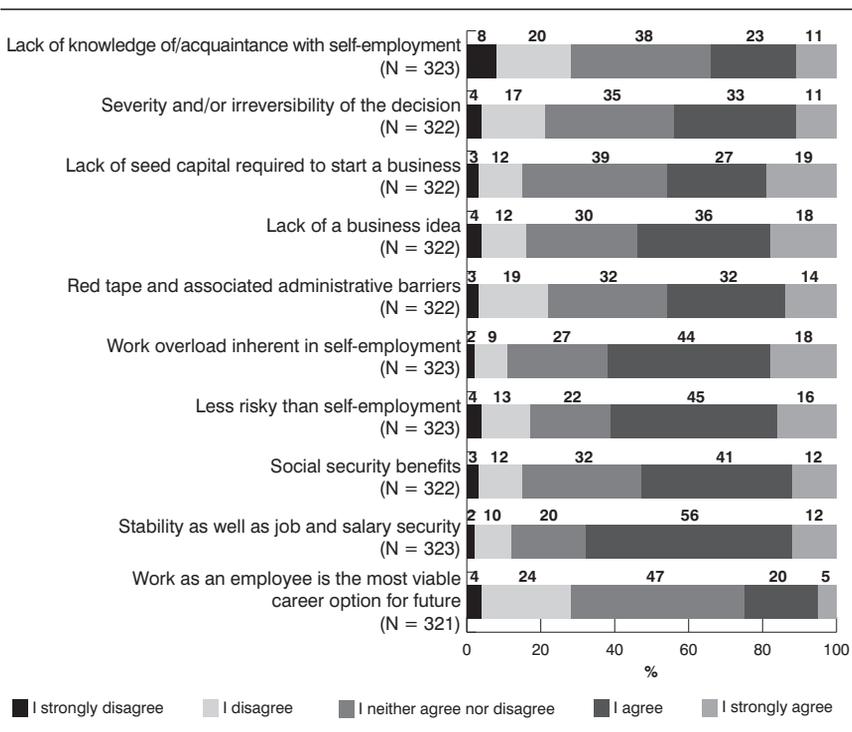


Fig. 9. Students' reasons to work as an employed person. Source: the authors' own elaboration.

opportunities for start-ups (54%). The reasons less valued were the “red tape” and associated administrative barriers as well as the absence of seed capital to start a business (46%), severity and/or irreversibility of the decision (44%), lack of acquaintance with self-employment (34%), and considering the work as an employee as the most viable career option for future (25%).

Figure 10 reports on the students’ reasons to value entrepreneurship as a career choice. A vast majority of the respondents (over three-quarters) point out personal independence as well as being able to manage their own time and personal fulfilment; roughly two thirds of them consider being an entrepreneur a more interesting, prestigious work with better remuneration prospects, and they regard it as a perfectly normal career choice. Other reasons related to actual labour market conditions, such as unemployment and lack of attractive employment opportunities, were valued by half of the respondents. These results tend to be analogous to the ones obtained by

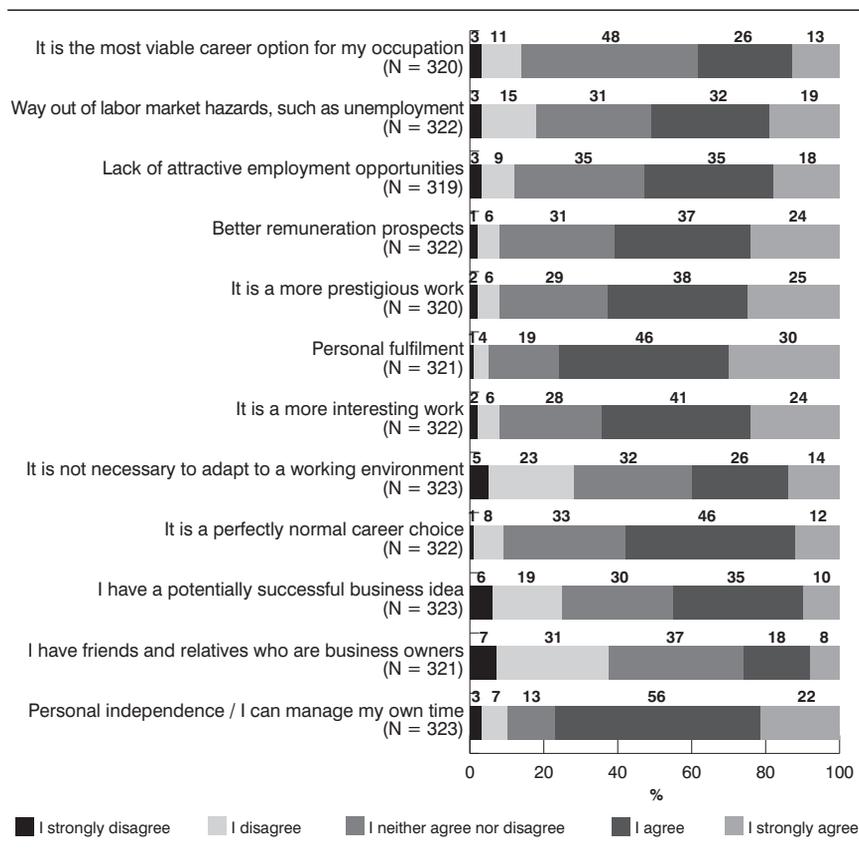


Fig. 10. Students’ reasons to start a business. Source: the authors’ own elaboration.

Silva, Gonçalves and Figueira (2014) with regard to the extent of personal fulfilment (59%).

Finally, setting eyes on a good business opportunity (45%), not requiring the adaptation to a working environment (41%), considering entrepreneurship as the most viable career option for a line of work (38%), having friends and relatives who are business owners (25%) show a lower percentage of agreement expressed by the respondents (Fig. 10).

The possibility of combining work as an employee with self-employment could reduce the risk inherent in business ownership and present an opportunity for complementing the individuals' income. When confronted with that option, almost three quarters of the students consider mixing work as an employee with work on their own. Plus, the number of the students who choose full-time work on their own is four times higher than the number of students who prefer to work as an employed person on a full-time basis (Fig. 11). In contrast, in the study by Silva, Gonçalves and Figueira (2014), 48% of the respondents wish to work on their own (which is more than double), and 46% intend to work as an employee.

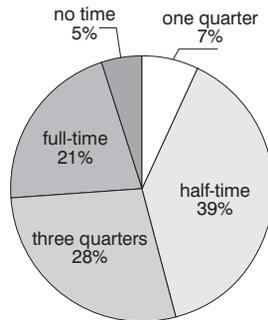


Fig. 11. Students' preferred proportion of time to work on their own (N = 312). Source: the authors' own elaboration.

Portuguese cultural traditions of the society grant authority to older people, and thus influence young people's proactivity and constrain their self-achievement appeal. Such cultural traditions coupled with the present economic crisis increase the dependence of the youth on parents and institutions. In general, Portuguese students do not have work experience in schooling years, thus they have not acquired entrepreneurial competencies through working. On the other hand, the society, parents and young people rely on institutions, such as teaching institutions, to care for the youth's entrepreneurial career through education, training and institutional arrangements, such as incubators.

This viewpoint is reflected in the students' answers regarding the incentives that the teaching institution should offer to increase students' entrepreneurial capacity (Fig. 12). The respondents proved to be little proactive and over-demanding regarding the PIB's role in fostering students' entrepreneurship, as all entrepreneurship incentive schemes registered compliance rates above 65%, which in some cases is even inconsistent. Indeed, it should not be the PIB's role to spot market opportunities for students to start their own business (75%), grant students the financial resources necessary to do it (71%) or supply work projects on entrepreneurship (66%).

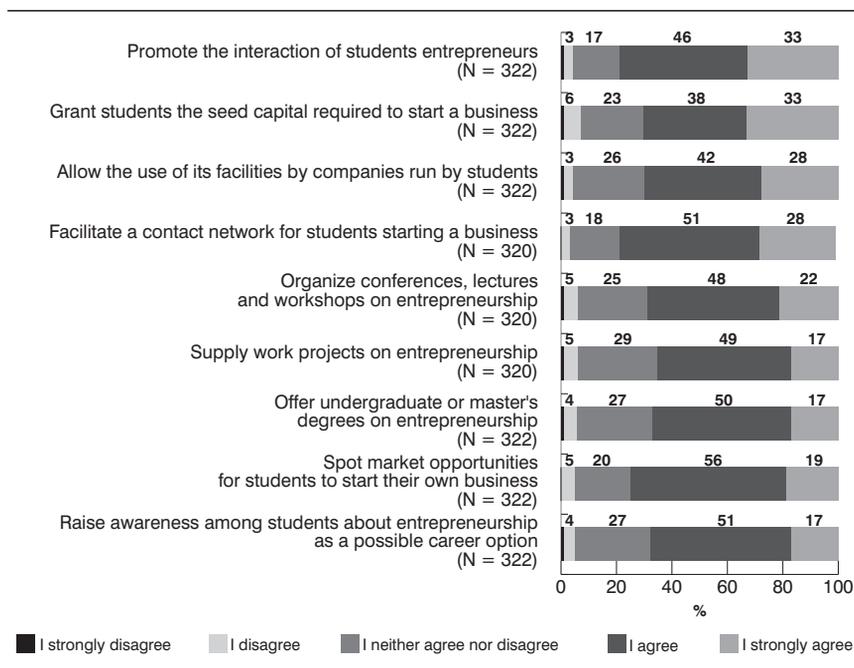


Fig. 12. Students' recommendations for the entrepreneurial incentives offered by the teaching institution. Source: the authors' own elaboration.

On the other hand, students are unaware of the institutional arrangements, such as the PIB business incubator, courses, awards on entrepreneurship and others, offered by the PIB to pull students into entrepreneurship. The respondents consider that the institution should facilitate a contact network for students starting a business (79%), promote interaction between entrepreneur students (79%) and allow the use of its facilities by companies run by students (70%). Additionally, the institution should contribute more actively to raising awareness among students about entrepreneurship as a possible career choice (67%); providing undergraduate or master's degrees (67%); and organizing conferences, lectures and workshops on entrepreneur-

ship (70%). Such incentives are currently provided to students and former students at the PIB. These results tend to be similar to the ones obtained by Silva, Gonçalves and Figueira (2014), in which the students value more the organization of conferences and workshops on entrepreneurship as well as meetings between entrepreneurs and mentors, the inclusion of the unit of entrepreneurship as an optional curricular unit in the graduation courses and the offer of intensive courses on entrepreneurship.

5. Conclusion

This study intends to understand the perceptions, behaviours and attitudes of the students of a public institution of higher education located in the northeast of Portugal regarding the creation of new businesses and entrepreneurship. These were the students who have little or no professional experience, which is easily justified by the fact that most of them were very young second-year students of a degree. Nevertheless, they can imagine themselves starting a business, and some of them are already business owners.

For the surveyed students, entrepreneurship reveals the potential of the individual and is essential for the competitiveness of the economy, as it contributes to the creation and growth of employment as well as to the innovation and technological progress. In turn, the entrepreneur has passion, enthusiasm, initiative and persistence; is someone with the ability to realize the potential of a business idea; and is willing to take big risks for it.

The study findings reveal some weaknesses in the skills needed for students to become entrepreneurs, particularly regarding the techniques to conduct market research, formulate a business plan and a business concept, and methods of financing their business. Furthermore, the study demonstrates the widespread gender discrimination in the Portuguese society and, in particular, the gender gap prevailing on the business arena. The results also show great optimism among students as regards the survival rate of start-ups. Nevertheless, the behaviour and attitudes of the students do not favour entrepreneurship. In fact, the students do not usually read books and/or articles, neither do they attend events on entrepreneurship and/or innovation or work on their own in teenage years. Indeed, the students proved to be little proactive and uninformed about the incentive schemes offered by the teaching institution to boost the entrepreneurial competencies of students. Indeed, the PIB has a business incubator within which the institution allows the use of its facilities by students who are start-up owners. Furthermore, there is an Entrepreneurship Office which advises and helps potential entrepreneur students to make a business plan, start a business and finance it. Founded in 2009, this office has helped set up an average of six new businesses per year. The Entrepreneurship Office has a regular training plan including lectures, workshops and two courses

on entrepreneurial competencies – the *Entrepreneurship Intensive Program* and the *Poliempreende* program. Plus, the *Poliempreende* program offers an annual award for the students' best business plans.

Despite the optimism shown and the interest expressed by some students in starting a business, they are confronted with the first obstacle created by themselves – their inertia. Indeed, they lack the proactivity attribute of entrepreneurs. This was demonstrated when they demanded institutional incentives that should be their task, namely to spot market opportunities for students to start their own business, grant students with the financial resources necessary to do it or supply work projects on entrepreneurship. Nevertheless, the institution can, and should, respond to some of the students' demands, in particular introduce the subject of entrepreneurship in the curricula of undergraduate and master programmes of the various organizational units that are part of the PIB or, more ambitiously, offer specialization courses and master programmes in entrepreneurship, and intensify the organization of conferences, lectures and workshops on entrepreneurship, thus contributing more actively to raising awareness among students about entrepreneurship as a viable career choice.

As Geldhof et al. (2014) cited in Schøtt, Kew and Cheraghi (2015) note, many young people intend to become entrepreneurs, but few of them go on to start an enterprise, presumably because of insufficient training. It is, therefore, necessary to rethink teaching in higher education because, despite the visible change in the curricula of the courses, knowledge is still transmitted as absolute and irrevocable truths, constraining the development of constructive and creative ability of students. Although higher education institutions include a course in entrepreneurship in the curricula of undergraduate and master programmes, many are still not aware of how this subject is critical to the integration of students in business and country's economy. Plus, given the above-mentioned lack of information among the students, the PIB should take more publicity actions regarding its Entrepreneurship Office and the business incubator.

Furthermore, the social entrepreneurship has become increasingly important in today's society, particularly given the present challenges to worldwide social welfare, economic development and sustainability. Thus, it is a matter of concern that a great part of the students think that entrepreneurs do not take into consideration the interests of society in decision-making.

Two limitations can be identified in this study. First, the sample is accidental, which may eventually bias the results, since the sample may not be representative of the population under study. Nevertheless, the conclusions will always be valid for the studied group of students. Second, this is a cross-sectional study and, for this reason, it is a static study. However, this limitation is likely to be overcome in future research by monitoring the evolution of perceptions, behaviours and attitudes of students with regard to the creation of new businesses and entrepreneurship.

Endnotes

- ¹ TEA rate measures the percentage of the adult population (18 to 64 years old) in the process of starting a business and those who have recently started one. This indicator measures individuals at two phases of the entrepreneurship process: nascent entrepreneurs who have not paid salaries for more than three months, and new business owners who have moved beyond the nascent stage and paid salaries for more than three but fewer than 42 months. These individuals are called early-stage entrepreneurs.

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