

STUDENTS' OPINIONS ON DETERMINANTS OF ENTREPRENEURS' SUCCESS OR FAILURE

Wioletta Bienkowska-Golasa¹, PhD

¹ Faculty of Economics Sciences, Warsaw University of Life Sciences (SGGW)

Abstract. Nowadays when the knowledge-based economy is being built, running a business plays a significant role. A society, in which entrepreneurial activities are taken up, is the base for creating a modern and competitive economy. Forming an entrepreneurial society causes a situation in which setting up and running one's own company concerns a considerable part of citizens and each social group. The article is to present students' views on entrepreneurial attitudes and factors which, according to the students, determine entrepreneurs' successes or failures. Students' opinions were gathered by means of the method of diagnostic survey with the use of the technique of a standardized questionnaire. The research proved that nearly 60 % of respondents considered themselves as enterprising. A brilliant idea, the knowledge of the market and the ability to plan were indicated as factors which determine entrepreneurs' success in running one's own company. A bad idea, a lack of appropriate knowledge and too little experience were mentioned most often as factors which result in a failure.

Key words: entrepreneurship, success, entrepreneur, student, Poland.

JEL code: R11

Introduction

Entrepreneurship is a social-economic category which is a significant element in any political conditions, both within a country and internationally. It is also essential at each stage of civilization and economic development of a society.

In Poland, entrepreneurship started to show up alongside with the construction of the market economy, when the previous principles of a welfare state stopped functioning. Having such characteristics as creativity, resourcefulness, courage or savvy became desirable and more valued, not only in business but also in other spheres of human life and activity. Entrepreneurship in the economy, at a state, regional, or global level, is of the utmost importance to social and economic progress. It is also a sophisticated process of organized activity based on many people's cooperation and accomplishment of their initiatives (Bienkowska W., 2013).

In the source literature, entrepreneurship is presented from different perspectives, mainly as an economic term, but it is also considered from the social and cultural point of view. Nowadays entrepreneurship is one of the essential production factors next to labour, capital and land (Krajewski K., 2013). Quite frequently, entrepreneurship is understood as a human's behaviour which is related to their personality; on some other occasions, it is treated as a process. That is why defining entrepreneurship is slightly difficult: it can be considered in different ways.

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

leaders play in the process of diffusion and the influence that entrepreneurial activities have on local communities (Sikorska-Wolak I., 2008).

Entrepreneurship is a sophisticated process, the origins and development of which depend on numerous different factors. It results from various determinants which are related to both internal abilities of particular people (entrepreneurs) and external conditions which determine the development pace of newly established businesses (Moczydlowska J., Pacewicz I., 2007).

At present, a state's economic system includes small, medium-sized and large enterprises, which significantly differ in carrying out entrepreneurial activities. Each of them will aim in a different direction and pursue a different goal. For example, micro and small enterprises will mainly operate in services and trade, while large ones will work in industry, innovation development or even intra-organizational activity development (Gwiazda P., 2002).

Considering either success or failure in the operation of a business, one should talk about a large scale of gradability. This means that for some entrepreneurs a particular activity can be a success, but in case of others, it will be perceived as a failure. Success in business is often seen, paradoxically, as a lack of failures in economic activity. J. Skalik indicates five essential factors which influence success in a company. They are innovation activity, ability and quality of management, responsibility – both social and individual one, ability to attract talented employees and investing in their development, quality of products and services. These factors appear mainly in companies of large scale and range (Skalik J., 2002). Success in small businesses can be perceived in a slightly different way, which is indicated by B. Piasecki. This author states that for many so called small entrepreneurs, gaining profits does not have to be the most important motive for acting. It can be more significant to reach such a level of income that it will be possible to keep the business and get satisfaction from possessing it (Piasecki B., 2002). That is why mutual relations of processes and economic phenomena that can influence entrepreneurs and contribute to greater variety of products and services rendered by those entrepreneurs seem to be important (Golasa P., 2013).

Material and methodology

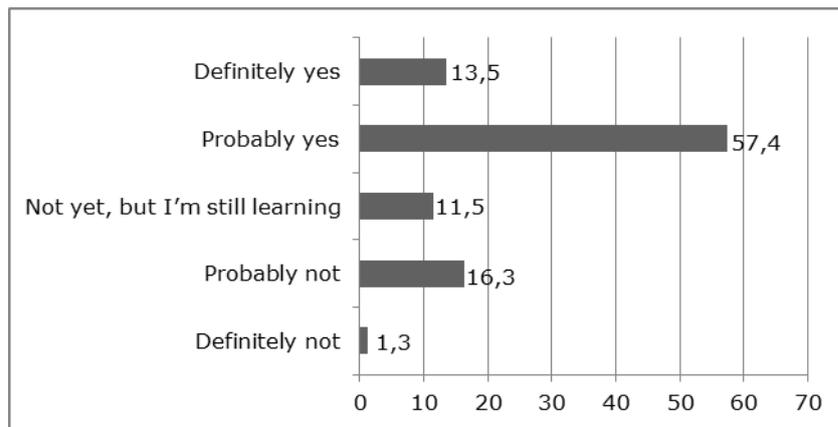
The study was mainly oriented to find out students' views on entrepreneurship and factors which, according to the students, determine entrepreneurs' successes or failures. The research was done in 2016-2017 among students of Warsaw University of Life Sciences. Students' opinions were gathered by means of the method of diagnostic survey with the use of the technique of a standardized questionnaire, which was the source of information necessary to accomplish the goal. The study covered 1197 students, but after verifying the correctness of questionnaires which had been filled in, 1189 respondents were qualified for the analysis. Respondents were selected randomly.

Research results and discussion

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

Because of the research goal, the respondents were asked if they considered themselves enterprising. More than a half of the students considered themselves rather as enterprising

(57.4 %), while only 1.3 % of the respondents thought they definitely were not enterprising. The others marked partial responses. The detailed data are presented in Figure 1.



Source: the author's research outcomes

Fig. 1. Students' self-assessment as regards entrepreneurial behaviours (in %)

Table 1 presents students' self-assessment as regards entrepreneurial behaviours, depending on gender.

Table 1

Students' self-assessment as regards entrepreneurial behaviours, depending on gender

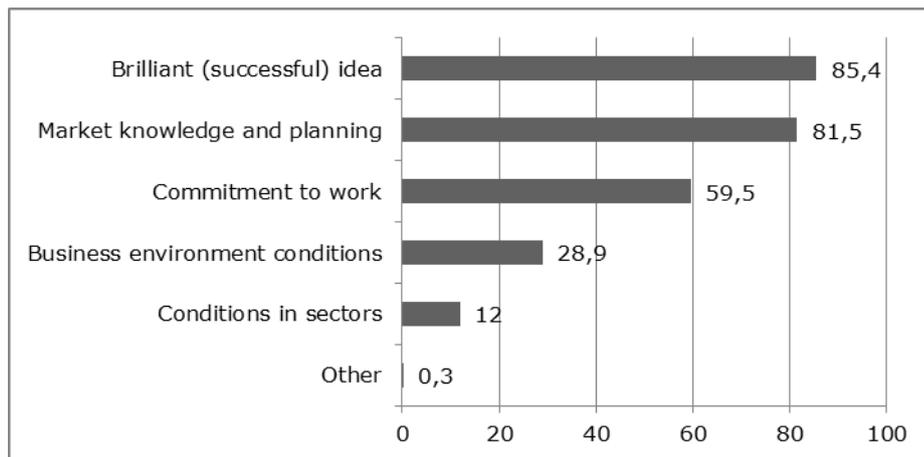
List of items	Gender N = 1189			
	Women N = 763		Men N = 426	
	Number	%	Number	%
Definitely yes	82	10.7	79	18.5
Probably yes	433	56.8	249	58.5
Not yet – but I am gathering experience all the time	91	11.9	46	10.8
Probably not	144	18.9	50	11.7
Definitely not	13	1.7	2	0.5
Total	763	100	426	100

Source: the author's research outcomes

Both women and men indicated that they considered themselves as rather enterprising. Such perception of oneself can translate into willingness or a real attempt to set up and run their own business in the future.

In the present conditions, numerous factors determine successes and failures of entrepreneurs, and the people who lead a company are required to possess an ability to manage changes, which are considered to be a constant element of running a business (Moczydlowska J., Pacewicz I., 2007).

The respondents in the study were asked to mention the source of success in their opinion (Figure 2), and kinds of failures (Figure 3) in entrepreneurs' activities.



*A respondent was allowed to indicate more than one answer
 N = 1189

Source: the author's research outcomes.

Fig. 2. Factors determining entrepreneurs' success (in %)*

The vast majority of respondents indicated that the factors which can determine company's success are: brilliant (successful) idea for a business (85.4 %), the knowledge of the market and the ability to plan (81.5 %). It may seem that entrepreneurs' commitment to work should be given a higher position because this is often they who manage, decide and hold the responsibility, and first of all they create a company. The respondents, however, decided that entrepreneurs' commitment to work is significant only in 60 %. The respondents decided that conditions in particular economic sectors (12.0 %) and conditions in business environment (28.9 %) are the least important factors influencing entrepreneurs' successes.

As regards factors determining entrepreneurs' success depending on gender, the outcomes are presented in Table 2.

Table 2

Factors determining entrepreneurs' success, depending on gender

List of items*	Gender N = 1189			
	Women N = 763		Men N = 426	
	Number	%	Number	%
Brilliant (successful) idea	667	87.4	348	81.7
Market knowledge and planning	641	84.0	328	77.0
Commitment to work	440	57.7	267	62.7
Business environment conditions	228	29.9	116	27.2
Conditions in sectors	81	10.6	62	14.6
Other	6	0.8	10	2.3

*A respondent was allowed to indicate more than one answer

Source: the author's research outcomes.

The study does not reveal any big differences between women and men in terms of perceiving the factors of entrepreneurs' success. Both groups indicated brilliant (successful) idea and market knowledge and planning as two most important determinants. Men mentioned commitment to work as a source of success slightly more often (62.7) than women (57.7). Conditions in sectors took the last position in both groups.



*A respondent was allowed to indicate more than one answer
 N = 1189

Source: the author's research outcomes.

Fig. 1. Factors determining entrepreneurs' failures (in %)*

In terms of potential reasons for entrepreneurs' failures in their business, the respondents indicated a bad (unsuccessful) idea as the most important one – 60.3 %. This means that there should be a necessity to reflect on an idea before a business is started so that the idea will not cause trouble and later a complete failure. More than 50 % of the respondents indicated a lack of appropriate knowledge – 51.2 %, and too little experience in running a business and too low competences – 50.6 %. The respondents indicated a volatile business environment as the factor which had the least importance to entrepreneurs' failures – 16.2 %.

The analysis of factors which can have an influence on failures in business depending on gender did not show any big differences in the respondents' answers, either. The detailed data are presented in Table 3.

Table 3

Factors determining entrepreneurs' failures, depending on gender

List of items*	Gender N = 1189			
	Women N = 763		Men N = 426	
	Number	%	Number	%
Bad (unsuccessful) idea	452	59.2	265	62.2
Lack of appropriate knowledge	406	53.2	203	47.7
Too little experience and low competences	404	52.9	198	46.5
Too high costs of running a business	265	34.7	156	36.6
Bad market situation	206	27.0	124	29.1
Lack of commitment to work	198	26.0	117	27.5
Too much bureaucracy	139	18.2	101	23.7
Volatile business environment	138	18.1	55	12.9
Other	2	0.3	1	0.2

*A respondent was allowed to indicate more than one answer

Source: the author's research outcomes

Both men and women mentioned in the first place a bad (unsuccessful) idea as a factor which can have an influence on a failure in entrepreneurial activity. Women indicated slightly more often than men: a lack of appropriate knowledge, too little experience and low competences, and volatile business environment. The following factors were indicated by men slightly more frequently than

women: too high costs of running a business, bad market situation, a lack of commitment to work and too much bureaucracy.

Summary and conclusions

Based on the empirical studies, the following conclusions can be articulated.

- 1) Nearly 60 % of the respondents assessed themselves as enterprising, which may indicate that running one's own business is considered as a potential career path.
- 2) The analysis of the sources of entrepreneurs' successes and failures in running a business shows that the respondents, in spite of their young age, are aware of how entrepreneurship is important in the market. In the moment of taking a decision on setting up a business, a brilliant idea, appropriate planning of activity and market knowledge are extremely significant.

It can be concluded that entrepreneurship relates to business and to other forms of human activity where creativity, initiative, and innovativeness – simply entrepreneurship – are necessary. It is becoming "a way of life" of all the actors in the market economy, both households and business units. Such a situation is caused by the market, which is a natural creator of entrepreneurial behaviours in the market economy (Bienkowska-Golasa W., 2015).

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

Bibliography

1. Bienkowska, W. 2013. Activities of Local Authorities in Promoting Entrepreneurship in Poland. In: Economic Science for Rural Development. Jelgava, Issue: 32, p. 27.
2. Bienkowska-Golasa W. 2015. Entrepreneurship and Trends in Development of Rural Communes in Poland. In: Economic Science for Rural Development. Jelgava, Issue: 39, p. 108.
3. Golasa, p. 2013. Taxes and Social Insurance Contributions Charges of Farms in Poland in the Years 2004-2008. In: Economic Science for Rural Development. Production and Cooperation in Agriculture / Finance and Taxes. Proceedings of the International Scientific Conference, Issue: 30, pp. 242-247.
4. Gwiazda, p. 2002. Metody przedsiębiorczego zarządzania [Methods of Entrepreneurial Management]. In Rudolf, S. (ed.): Przedsiębiorczość i twórcze myślenie w biznesie [Entrepreneurship and Creative Thinking in Business]. Łódź: Publishing Company of The Department of Economics of the University of Łódź, p. 325.
5. Janasz W. 2004. Przedsiębiorczość w świetle uwarunkowań działalności gospodarczej [Entrepreneurship in the Context of Business Activity Determinants]. In Janasz, W. (ed.), Innowacje w rozwoju przedsiębiorczości w procesie transformacji [Innovations in Entrepreneurship Development in the Process of Transformation]. Warsaw: Difin sp. z o.o., pp. 17-18
6. Krajewski, K. 2013. Zarządzanie rozwojem przedsiębiorczości lokalnej przez gminę [Local Entrepreneurship Development Managed by a Gmina]. Warsaw: Instytut Przedsiębiorczości i Samorządności [Institute for Entrepreneurship and Home Rule], p. 29.
7. Moczydłowska, J., Pacewicz, I. 2007. Przedsiębiorczość [Entrepreneurship]. Rzeszów: Wydawnictwo Oświatowe FOSZE, p. 29.
8. Piasecki, B. 2002. Mała firma w teoriach ekonomicznych [Small Business in Economic Theories]. In Piasecki, B. (ed.): Ekonomia i zarządzanie małą firmą [Small Business Economics and Management]. Warsaw – Łódź: Wydawnictwo Naukowe PWN, p. 36.
9. Sikorska – Wołak, I. 2008. Wieloaspektowość przedsiębiorczości i jej postrzeganie przez mieszkańców wsi [Multi-Faceted Character of Entrepreneurship and How it is Perceived by Inhabitants of Rural Areas]. In Krzyżanowska K. (ed.), Doradztwo w działalności przedsiębiorczej [Consultancy in Entrepreneurial Activity]. Warsaw: Wydawnictwo SGGW, p. 11.
10. Siuta-Stolarska, B., Siuta-Brodzińska, M. 2011. Rola przedsiębiorczości w zarządzaniu [Role of Entrepreneurship in Management]. Wrocław: Zeszyty Naukowe WSOWL [WSOWL Scientific Publications], no. 4(162), p. 398.
11. Skalik, J. 2002. Bariery osiągnięcia sukcesu przez firmy rodzinne [Barriers in Achieving Success by Family Businesses]. In Jaremczuk, K., Połuszny, J. (eds): Uwarunkowania sukcesu przedsiębiorstwa [Determinants of Business Success]. Przemysł: Wyższa Szkoła Administracji i Zarządzania w Przemysle [ULPA], p. 19-20.