

Izvorni znanstveni članak / Original scientific paper

WHAT DRIVES A STUDENT TO START A BUSINESS? EVIDENCE FROM BOSNIA AND HERZEGOVINA

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ABSTRACT

The existing literature pays particular attention to the investigation of motives and start-up intentions of potential entrepreneurs, especially investigating students' intention to start a firm after the completion of studies. The purpose of this paper is to investigate the influence of fifteen motives and entrepreneurship experience of student's family on the intention to start a business. Given the importance of entrepreneurship for the growth of developing countries, this insight from a post-conflict, transitional country such as Bosnia and Herzegovina will provide valuable feedback for policymakers and will deepen our understanding of motives and intention to start a business. Our research supports existing findings that growing up in a family where parents are entrepreneurs represents an important predictor of intention to start a business. These family-related early life experiences play a major role in molding an individual's beliefs, attitudes, personality, and intentions. In addition, our findings suggest that the following motives have statistically significant effects on the intention to start a business: two independence motives (opportunity to be your own boss and proving that you can do it), propensity for risk acceptance, opportunity for better organization of work and private time, and ensuring appropriate care for future generations. In the context of Bosnia-Herzegovina, a possible explanation of our results might be that less attractive working conditions in the private companies combined with high unemployment rates influence the motives of potential entrepreneurs. Their intention to start a business comes from a perceived opportunity, but taking care of future generations and being independent can contribute to the explanation of the intention to start a business. Bosnia-Herzegovina is considered a collectivistic society, which explains

why one of the statistically significant motives is an opportunity to pass a business to future generations.

Keywords: *entrepreneurship intentions, entrepreneurship motives, family business background*

1. INTRODUCTION

The existing literature pays particular attention to the investigation of motives and start-up intentions of potential entrepreneurs, especially investigating students' intention to start a firm after the completion of studies. The purpose of this paper is to investigate the influence of fifteen motives and entrepreneurship experience of student's family on the intention to start a business. To understand the motives of entrepreneurs, it has become increasingly common to distinguish between 'necessity' entrepreneurs, pushed into entrepreneurship because other options for work are absent or unsatisfactory, and 'opportunity' entrepreneurs who seek to exploit some business opportunity and are pulled into entrepreneurship more out of choice (Williams, 2008; Harding et al. 2006; Maritz 2004; Minniti, Bygrave and Autio, 2006; Perunović 2005). The importance of examining entrepreneurial intentions has been recognized in the Southeast European countries. There have been several studies recently, for example in Bosnia and Herzegovina (Petkovic, 2017; Pašić Mesihović and Šestić, 2016; Macura, Konda, and Končar, 2015), in Croatia (Langer, Alfirević, Pavičić, and Krneta, 2016; Pfeifer, Šarlija, and Zekić Sušac, 2014), and in Serbia (Stanković, Dedjanski, and Vojteški-Kljenak, 2015). According to the broader study of entrepreneurial intentions in selected Southeast countries, the context matters and this might be even more important for post-transition countries (Rajh et al. 2016). As such, this paper examines the relationship between perceived opportunity, motives, and intention in the context of a post-conflict country with high unemployment rates. Our findings prove that perceived opportunity is an important predictor of entrepreneurial intention and that certain entrepreneurial motives, such as motives that explain risk propensity, willingness to be independent, better organization of time, and caring for future generations, foster the intention to start a business.

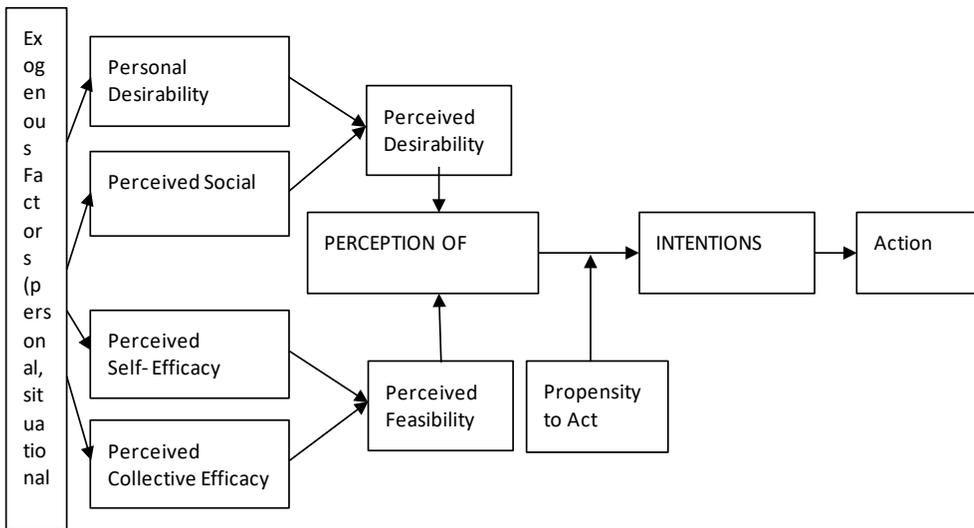
2. THEORETICAL BACKGROUND

This paper follows the mainstream theories in entrepreneurship in order to show what the most important antecedents of early start-up intentions are. First, we briefly go through the Theory of Planned Behavior (Ajzen, 1991), Entrepreneurial Potential Model (Krueger and Brazeal, 1994) and Model of Entrepreneurial Event (Shapero, 1984).

Social Learning Theory (SLT) proposes that learning can occur vicariously, through the observation of behaviors in others (Bandura, 1977). This theory explains how a role-model (mostly within a family) can motivate someone to become an entrepreneur. Ajzen's Theory of Planned Behavior (Ajzen, 1991), designed to predict and explain human behavior, centers on the individual's intention to perform a certain behavior. According to this theory, an important predictor of entrepreneurial intention is perceived behavioral control, personal attitudes, and social norms. Shapero's model of entrepreneurial event formation focuses on how the cultural and social environment affects the choice of an entrepreneurial path. Their research confirms that the intent to start a business is derived from perceptions of both desirability and feasibility. Krueger and Brazeal (1994) have developed

an entrepreneurial potential model that fits Institutional Economic Theory. Their model takes a social psychology perspective and is a “process-based, theory-driven micro model with macro consequences”. The model draws upon Shapero’s work on the entrepreneurial event and Ajzen’s Theory of Planned Behavior. Krueger and Brazeal’s (1994) entrepreneurial potential model places Shapero’s work within the context of the intention process. According to the authors, Ajzen’s theory of planned behavior and Shapero’s model of the entrepreneurial event overlap (see Figure 1).

Figure 1. Intentions Model



Source: Krueger (2003, 116)

2.1. Entrepreneurial Intentions

From the works of Shapero, about 30 years ago (Shapero 1984; Shapero and Sokol 1982), there has been a rapid growth in the literature of entrepreneurial intentions. Generally, most of the research in this field is based around intention models (i.e. Theory of Planned Behavior and Entrepreneurial Event) supported by a premise that intention translates to action in terms of actually starting a business (Nabi and Holden, 2008). Entrepreneurial intentions can be seen as the first step in the process of venture creation (Lee and Wong, 2004). They could be described as processes of thought that are configured with both rational thinking or analytical thinking and intuitive thinking (Boyd and Vozikis, 1994). Also, Fishbein and Ajzen (1975, 368) define entrepreneurial intentions as a function of attitude that constitutes a link between belief and behavior for future opportunities. As stated by different authors (Ajzen, 1991; Fishbein and Ajzen, 1975) intention is considered as the single best predictor of behavior. Different factors, such as beliefs, habits or needs

affect the intention of carrying out entrepreneurial behaviors (Bird, 1988). In that sense, the use of intention models is well accepted in the literature, developing richer and more comprehensive models to predict the intention to start a business (Drennan, Kennedy, and Renfrow, 2005). However, as different factors can affect entrepreneurial intentions, we develop our model in order to include as many predictors as possible. Such research is needed as predictors of entrepreneurial intention differ in various contexts. As entrepreneurial activity leads to decrease in unemployment, useful recommendations can be drawn out from understanding how factors, such as perception of opportunity, motives for becoming entrepreneurs, gender, age, study program, and family business background, affect entrepreneurial intention of students in Bosnia and Herzegovina.

2.2. Motives

As noted by (Chu, Kara, Zhu, and Gok, 2011, 87) “reasons for becoming a business owner differ from person to person, from one country to another depending on the economic, political, social, and cultural environment in which entrepreneurs operate”. In Table 1 we identified several relevant studies that analyze entrepreneurial motives (Stefanovic, Prokic, and Rankovic, 2010; Robichaud, Cachon, and Haq, 2010; Benzing, Chu, and Kara, 2009; Chu et al., 2011; Williams 2008). These studies determine similar underlying factors/constructs for a set of measured variables: income, intrinsic, independence, security, and achievements. However, different statements were assigned to each specific factor in those studies. In addition to discovering the underlying structure of motives, Stefanovic et al. (2010) concluded that in developing countries, income increase is the most important motive for starting a business. Benzing et al. (2009) found similar results in Turkey, where income reward was a more important motive for small and medium-sized enterprises than intrinsic reward. Contrary to these findings, the intrinsic factor seems to be the most important driver for Canadian female small business owners (Robichaud et al., 2010).

Table 1: Entrepreneurial motives in selected studies

No	Statement / Motives	Source and Factor Classification
1	Self-employment	Williams (2008)
2	To increase my income	Greater Business Achievement (Stefanovic et al., 2010), Income (Robichaud et al., 2010, Benzing et al., 2010)
3	Business opportunity observed	Williams (2008)
4	For my own satisfaction and growth	Intrinsic (Stefanovic et al. 2010, Robichaud et al. 2010, Benzing et al. 2010)
5	To be able to use my past experience and training	Greater Business Achievement (Stefanovic et al., 2010), Independence (Robichaud et al., 2010, Benzing et al., 2010)
6	So I will always have job security	Job Security (Stefanovic et al., 2010), Income (Robichaud et. al., 2010), Security (Benzing et al., 2010)
7	To maintain my personal freedom	Greater Business Achievement / Independence Factor (Stefanovic et al., 2010), Income (Robichaud et al., 2010, Benzing et al., 2010), Intrinsic (Benzing et al., 2010)
8	The financial security of the family	Williams (2008)
9	Risk propensity	Williams (2008)
10	To prove I can do it	Greater Business Achievement / Job Security (Stefanovic et al., 2010), Independence (Robichaud et al., 2010), Security (Benzing et al., 2010)
11	To be my own boss	Greater Business Achievement / Intrinsic Factor (Stefanovic et al., 2010), Independence (Robichaud et al., 2010, Benzing et al., 2010)
12	Unsatisfied with the previous work	Williams (2008)
13	Better organization of private/family time	Williams (2008)
14	To have fun	Intrinsic (Stefanovic et al., 2010, Robichaud et al. 2010, Benzing et al. 2010)
15	To build a business to pass on	Independence Factor / Job Security Factor (Stefanovic et al., 2010), Family / Security (Robichaud et al., 2010), Income (Benzing et al., 2010)

2.3. Family Business Background

Adapting the principles of Social Learning Theory to career selection, Krumboltz, Mitchell, and Jones (1976) and Mitchell and Krumboltz (1984) propose role models as an important environmental factor in forming career preferences and making a career path salient to the observer (Scherer, Adams, Carley, and Wiebe, 1989). The basic idea is that one is more likely to express a preference for a certain career if that person has observed the model in the family or important “others” (friends, teachers, etc.) who successfully perform activities associated with that career. In other words, the primary role in the socialization process is taken by parents and one’s career aspiration very much depends on their parents’ behavior and (lack of) support. This role-modeling process may thus explain the findings of descriptive studies that entrepreneurial individuals are often the children of entrepreneurial parents.

The entrepreneurial family background is related to individuals whose family members (mostly parents) are involved in self-employment (Bae, Qian, Miao, and Fiet, 2014). Kolvereid (1996) alleges that an entrepreneurial family background may impact vocational choice to pursue an entrepreneurial career through the formation of attitudes, subjective norms, and perceived behavioral control. Parents, serving as role models, are considered to influence entrepreneurial attitudes and behavior (Dyer and Handler, 1994) and students from those families should have more motivation in starting their own business than students without this background (Kolvereid, 1996).

Different arguments may confirm this relationship. Students raised by self-employed parents are often closely exposed to the challenges and opportunities of an entrepreneurial career (Chua, Chrisman, and Sharma, 1999). They have the possibility to learn from their parents’ actions and to gain the necessary experience for starting a business. Also, many of them are placed on the position with responsibility at the very young age (Dyer and Handler, 1994). On the other hand, student entrepreneurs have more possibilities to benefit from their parents in the terms of networking (contacts with suppliers, business partners) (Laspita, Breugst, Heblich, and Patzelt, 2012) and gaining necessary initial financial resources for starting a business (Dunn and Holtz-Eakin, 2000). In that sense, students whose parents are self-employed have higher intentions and fewer concerns in starting their own business. With the possibility of obtaining the necessary experience and advice in the early stages of a business, they have a much easier decision to opt for entrepreneurship.

Literature also confirms a positive relationship between family business background and entrepreneurial intentions (Carr and Sequeira, 2007; Zellweger, Sieger, and Halter, 2011; Hadjimanolis and Poutziouris, 2011; Shirokova, Osiyevskyy, and Bogatyreva, 2016; Wang, Wang, and Chen, 2017; Egger, Dimitrova, and Misoska, 2018). Using a sample of 308 individuals in the USA, Carr and Sequeira (2007) confirmed that the higher level of prior family business exposure is predicted to be positively associated with entrepreneurial intent. In the case of more than 5,000 students

at 87 universities in eight different countries (Austria, Belgium, Finland, Germany, Hungary, New Zealand, Norway, and Switzerland), the findings from Zellweger et al. (2011) showed that students with family business background are pessimistic about being in control in an entrepreneurial career, but optimistic about their efficacy to pursue an entrepreneurial career. Hadjimanolis and Poutziouris (2011) reported a low, but statistically significant correlation between a family business background and the intention to start a new business in Cyprus. Shirokova et al. (2016) concluded that the positive relationship between entrepreneurial intentions and the scope of start-up activities was stronger for student entrepreneurs with the family entrepreneurial background than for student entrepreneurs without such background. From the sample of 131 Chinese business family offsprings Wang et al. (2017) concluded that perceived parental entrepreneurial rewards are positively related to entrepreneurial intentions, and this relationship is found to be partially mediated by entrepreneurial self-efficacy; additionally, offspring's family business involvement weakens the positive impact of perceived parental entrepreneurial rewards on entrepreneurial intentions but strengthens the impact of entrepreneurial self-efficacy. Regarding the region of Western Balkans, Egger et al. (2018) analyzed the level of entrepreneurial intentions among students from Slovenia and Macedonia. Using secondary data from the GUESS Project the authors confirm a positive relationship between the experience in the family business and the decision to become an entrepreneur in the future.

3. MODELS AND METHODS

This paper seeks to test how different motives for starting a business contribute to the explanation of the variability of the intention to start a business. In this section, we specify models and explain the methods used to make conclusions about the relationship between motives and intention. First, we start by explaining the data and afterwards variables included in each model.

3.1. Data and Sample

We collected 245 questionnaires from 1000 students of one private college in Bosnia and Herzegovina. Our focus on one education institution limits opportunities for generalization of our results. However, the private college was selected because it offers five types of studies: (a) Business studies, (b) Security studies, (c) Energetics, (d) Occupational health, safety, and fire protection and (e) Traffic engineering. In addition, our population includes students of various ages. While the typical student at publicly financed faculties is younger than 25, our respondents represent students that decided to get educated at a different stage of life. However, 62% of the individuals in our sample are younger than 26. Authors of the study collected data between May and July 2018. In order to ensure higher response rates, we decided to use a printed questionnaire. We used convenience sampling as a specific type of non-probability sampling method. Our sampling strategy entails collecting data from respondents participating in different activities during the day at the

College. In order to achieve randomization, students were asked to fill in the printed questionnaire at different parts of the day.

The survey contained questions regarding students' intention, their perceived desire to start a full-time business in the following four years, fifteen different motives, entrepreneurial activities of students' family and demographic data from research participants (gender, age, and type of study). The largest number of participants is in the 22-26 age group (32%) and 18-21 age group (31%). About 16% of students are older than 36 years. The most dominant type of study among student is a business: those participants represent 35% of the sample. However, other majors are not negligible: about 21% of participants are involved in Security studies, 6% in Energetics, 15% in Occupational health and safety and fire protection and, finally 23% in Traffic engineering. Male participants represent about 64% of the sample. However, this is in accordance with our expectation as more male students are involved in the institution where the data collection process was undertaken. Figure 2 shows two key variables (the type of study and age) for both males and females.

Figure 2. Type of study and age by gender

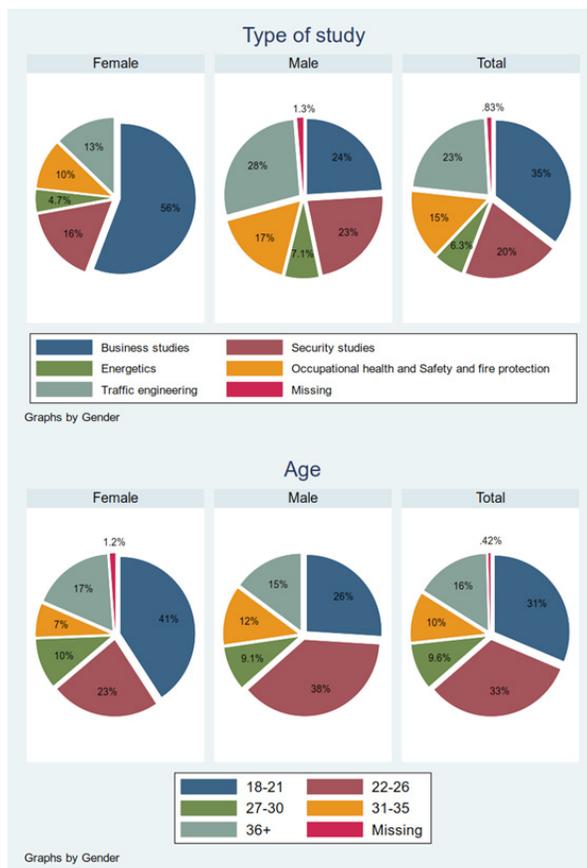


Table 2 provides additional information about our sample. We calculated the average value for each motive and ranked them in order to get some understanding of their importance. Different motives simultaneously can lead students to become entrepreneurs. However, two out of the top five motives are related to financial stability (motive number 1 and 3). The least common motives for starting a business are dissatisfaction with the previous work, risk-propensity, having fun, and self-employment. We provide separately average values and standard deviation for two groups: male and female. The largest difference between women and men can be observed for the statements “for my own satisfaction and growth”, “to prove I can do it” and “so I will always have job security”.

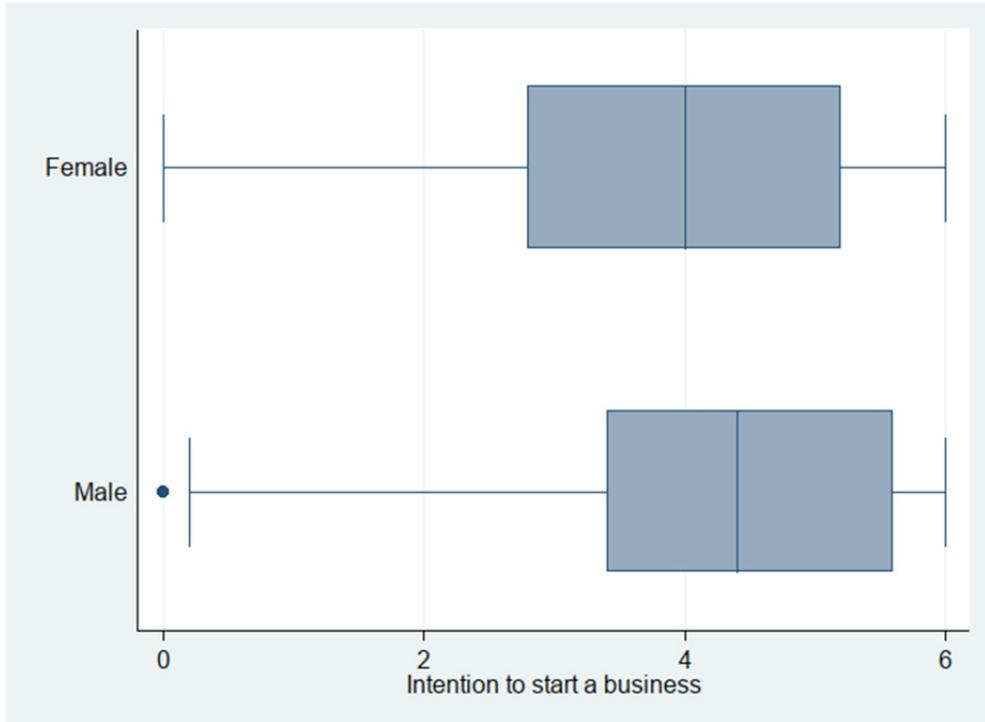
Table 2: Ranking of students’ motives to become entrepreneurs

Rank	Statement / Motives	Women		Men		Overall	
		Mean	SD	Mean	SD	Mean	SD
1	The financial security of the family	4.46	1.01	4.32	0.90	4.37	0.94
2	To be able to use my past experience and training	4.43	0.98	4.28	1.01	4.33	1.00
3	To increase my income	4.22	1.23	4.35	0.99	4.30	1.08
4	Better organization of private/family time	4.34	1.07	4.17	1.08	4.24	1.08
5	Business opportunity observed	4.23	1.13	4.18	0.96	4.20	1.02
6	To maintain my personal freedom	4.25	1.04	4.17	0.94	4.20	0.97
7	For my own satisfaction and growth	4.37	1.11	4.10	1.11	4.19	1.12
8	So I will always have job security	4.31	1.09	4.10	1.04	4.17	1.06
9	To build a business to pass on	4.15	1.31	4.18	1.07	4.17	1.16
10	To be my own boss	4.17	1.22	4.07	1.19	4.11	1.20
11	To prove I can do it	4.20	1.10	3.97	1.08	4.05	1.09
12	Self-employment	3.84	1.40	3.85	1.29	3.85	1.33
13	To have fun	3.87	1.32	3.72	1.23	3.78	1.26
14	Risk propensity	3.49	1.44	3.64	1.14	3.58	1.25
15	Unsatisfied with the previous work	3.47	1.38	3.43	1.37	3.44	1.37

Legend: SD: Standard Deviation

Almost 60% of questionnaire participants have a high intention to start a business (score higher than 4), while only 13% have no desire to start it at all. Figure 1 shows a box-plot graph for a variable that represents the intention to start a business. As we can observe from Figure 3, there is a difference between male and female participants in the research: 62.23% male participants have high intention to start a business compared to 55.17% female participants (score higher than 4).

Figure 3: Intention to start a business



3.2. Models and method

We specified four models. The dependent variable in each model is the entrepreneurial intention. We used a Likert-type scale with six items from Linan and Chen (2009). In order to employ six items as a dependent variable, we calculated the average value of items representing entrepreneurial intention. In the first model, we added only one explanatory variable: a proxy for a perception of opportunity. According to the theory of planned behavior, a perception of opportunity is an important predictor of entrepreneurial intention. We assumed that individuals, who want to start a business in the next four years and work full-time on it, have perceived a business opportunity. Perceived opportunity is measured using the Likert-type scale as well. Our first model is:

Model 1

$$\text{INT} = a + b \text{ OPP} \quad (1)$$

INT - entrepreneurial intention

OPP - perceived opportunity

In the second model, we added a series of motives that we identified in the existing literature. Therefore, a total of 15 new variables representing different motives were added. Our initial idea was to run exploratory factor analysis, but existing studies show that different motives can have high loadings on different factors. Since we did not discover a high correlation between 15 motives used in this study (see Appendix 1), we decided to proceed with all individual variables. While some variables might represent a similar factor, they all represent unique motives that can influence intention to start a business.

Model 2

$$\text{INT} = a + b \text{ OPP} + c_1 M_1 + c_2 M_2 + \dots + c_{15} M_{15}$$

M - motives to start a business

In addition to previous variables, the third model adds the entrepreneurial experience of family members. More specifically, we added five variables measuring if father, mother, brother, partner or other family member had entrepreneurial experience in the past. We assumed that such experience can increase intention to start a business since it increases chances that student interacted with them at some point in the past. Role models have been proposed as important environmental factors in forming career preferences and making a career path salient to the observer (Scherer et al., 1989).

Model 3

$$\text{INT} = a + b \text{ OPP} + c_1 M_1 + c_2 M_2 + \dots + c_{15} M_{15} + d_1 E_1 + d_2 E_2 + \dots + d_5 E_5$$

E - family experience related to entrepreneurship

Finally, we added several control variables: gender (dummy variable representing males), age group (five categories with 18-21 age group as a reference group), and type of study (five categories with business studies as a reference group). Therefore, the specification of model 4 is as follows:

Model 4

$$\text{INT} = a + b \text{ OPP} + c_1 M_1 + c_2 M_2 + \dots + c_{15} M_{15} + d_1 E_1 + d_2 E_2 + \dots + d_5 E_5$$

$$+ e \text{ Male} + f \text{ Age} + g \text{ Major}$$

Male - dummy variable for gender

Age - categorical variable (age group 18-21 as a reference group)

Major - type of studies (business studies as a reference group)

4. RESULTS AND DISCUSSION

In this section, the regression results for previously specified models are presented. The results in all four models confirm a positive statistically significant effect of the perceived opportunity on the intention to start a business. The R^2 in the first model indicates that the perception of opportunity can account for 36% of the variation in entrepreneurial intention. We argue that those students who perceive opportunity in the environment, have a higher intention to start a business, which is in line with findings from the existing literature.

The addition of entrepreneurial motives in the second model led to an increase in adjusted R^2 by 9%. Perception of opportunity still has a significant and positive effect on entrepreneurial intention. Among total 15 motives, self-employment, risk propensity, one intrinsic motive (“proving that you can do it”), and one independence motive (“to be my own boss”) have a statistically significant influence on entrepreneurial intention. On the other hand, better organization of a private/family life has a statistically significant, but negative effect on the intention to start a business. However, motivation to start a business that reflects a willingness to be own boss or to better organize private/family time is significant at 0.1 level. The third model increases R^2 slightly, more precisely by 3%. Perception of opportunity and the same motives still have a statistically significant effect on entrepreneurial intention. However, all effects are now significant at 0.05 level. Entrepreneurial experiences of different family members do not have any effect on our response variable. Finally, the fourth model increases R^2 additionally by 3%. Self-employment has no longer a significant effect, while other motivational variables from the previous model have significant effects on entrepreneurial intention, significant at 0.05 level. Entrepreneurial experience of the mother positively influences the intention of students to start a business; however, this is significant at 0.1 level. Male students have higher entrepreneurial intention than females ($b=0.37$, $p<0.05$). Entrepreneurial intention also varies among different age groups: older participants have lower entrepreneurial intentions than our reference group (18-21), though not all results are significant at 0.05 level. Regarding the type of studies, we identified a negative coefficient for all majors, however, the only statistically significant and negative coefficient is found for students at Energetics. In other words, students studying Energetics have lower intentions than those students at business studies.

Table 3. Estimation results

	Model 1	Model 2	Model 3	Model 4
	B (SE)	B (SE)	B (SE)	B (SE)
Constant	2.8*** (0.21)	1.05** (0.53)	0.87 (0.54)	1.2** (0.58)
Perception of opportunity	0.66*** (0.06)	0.53*** (0.06)	0.53*** (0.06)	0.55*** (0.06)
Motives				
M1. Self-employment		0.17** (0.08)	0.13* (0.08)	0.11 (0.08)
M2. To increase my income		0.12 (0.11)	0.13 (0.11)	0.07 (0.11)
M3. Business opportunity observed		0.10 (0.12)	0.13 (0.12)	0.12 (0.12)
M4. For my own satisfaction and growth	-	0.08 (0.11)	-0.07 (0.12)	-0.01 (0.12)
M5. To be able to use my past exp. & training	-	-0.09 (0.12)	-0.02 (0.12)	-0.01 (0.12)
M6. So I will always have job security	-	0.01 (0.10)	-0.07 (0.10)	-0.03 (0.11)
M7. To maintain my personal freedom	-	-0.09 (0.12)	-0.09 (0.14)	-0.09 (0.14)
M8. The financial security of the family	-	-0.05 (0.13)	-0.11 (0.14)	-0.10 (0.14)
M9. Risk propensity	-	-0.18 (0.14)	0.20** (0.08)	0.20** (0.08)
M10. To prove I can do it	-	0.16** (0.08)	0.22** (0.11)	0.24** (0.12)
M11. To be my own boss	-	0.21** (0.11)	0.23** (0.10)	0.21** (0.10)
M12. Unsatisfied with the previous work	-	0.17* (0.09)	-0.01 (0.07)	0.01 (0.07)
M13. Better organization of private/family time	-	-0.02 (0.06)	-0.27** (0.11)	-0.35*** (0.12)
M14. To have fun	-	-0.19* (0.11)	-0.11 (0.08)	-0.13 (0.08)
M15. To build a business to pass on	-	-0.05 (0.08)	0.18* (0.10)	0.19** (0.10)

Entrepreneurial Experience				0.07 (0.08)
E1. Father	-	-	0.12 (0.08)	0.14**
E2. Mother	-	-	0.12 (0.08)	(0.10)
E3. Brother/Sister	-	-	0.02 (0.07)	0.03 (0.07)
E4. Partner	-	-	0.00 (0.06)	0.01 (0.06)
E5. Other family members	-	-	-0.04 (0.06)	-0.04 (0.06)
Gender (Male)	-	-	-	0.38** (0.18)
Age				Ref. group
18-21 (reference)	-	-	-	-0.34* (0.21)
22-26	-	-	-	-0.73** (0.32)
27-30	-	-	-	-0.41 (0.30)
31-35	-	-	-	-0.44*
36+	-	-	-	(0.26)
Major / Type of study				Ref. group
Business studies	-	-	-	-0.34 (0.21)
Security studies	-	-	-	-0.73**
Energetics	-	-	-	(0.32)
Occupational health & safety, fire protection	-	-	-	-0.41 (0.30)
Traffic engineering	-	-	-	-0.44*
				(0.26)
Number of observations	244	223	211	206
R²	0.36	0.49	0.53	0.58
Adjusted R2	0.36	0.45	0.48	0.51

*** Significant at 0.01 level, ** Significant at 0.05 level, *Significant at 0.10 level.

Note: standard errors are between brackets

Among 15 motives, our results confirm that five have a statistically significant influence on the intention to start a business. Risk propensity reflects an individual's characteristics but also represents a motive why some students decide to become

entrepreneurs. When translated into “motivation”, it has a positive and significant effect on the intention to start a business. We argue that students, whose motivation to become entrepreneurs comes from the willingness to accept the risk, perceive entrepreneurship as a more attractive way of earning money and living fulfilling lives, hence increasing intention to start a business. Two motives that belong to the independence factor, i.e. “to prove I can do it” and “to be my own boss” also have positive effects on our dependent variable. We argue that an increase of this motivation can lead to a higher intention to start a business because as students want to become more independent, entrepreneurship is perceived as a more desired choice in life and a solution for becoming independent, thus leading to increase of entrepreneurial intention. Bosnia-Herzegovina is considered a collectivistic society, which explains why one of the statistically significant motives is the opportunity to pass a business to future generations. Entrepreneurship could also be a solution to taking care of future generations, therefore the increase of this type of motivation leads to an increase in entrepreneurial intention. Finally, we argue that students with higher motivation to start a business in order to better organize their private/family life have lower entrepreneurial intention because they have low-developed time management skills. Their dissatisfaction with the current use of time and inability to organize private and family life in more satisfying ways might provide less time to think about starting a business and more about spending time with loved ones.

5. CONCLUSION

The purpose of this paper was to investigate the influence of fifteen motives and entrepreneurship experience of student’s family on the intention to start a business. Given the importance of entrepreneurship for the growth of developing countries, this insight from a post-conflict, transitional country such as Bosnia and Herzegovina provides valuable feedback for policymakers and deepens our understanding of motives and intentions to start a business. Our research proves that growing up in a family where parents are entrepreneurs represents an important predictor of intention to start a business. However, only the entrepreneurial experience of the mother positively influences the intention of students to start a business. This might be explained by the traditional role of the mother in raising children, where mothers traditionally have assigned roles to take care of children from the early days. In that sense, Dietrich and Kracke (2009) state that parents, especially mothers, are found to be the most important advisors of their children in the process of making career plans. Therefore, in cases when the mother has gained entrepreneurial experience, this can be passed on to the children because of more frequent and more qualitative interaction between the child and the mother. Interestingly, we run a separate regression model for female and male participants. The experience of the mother has a statistically significant influence on the intention of male students to start a business, while the entrepreneurial experience of the father has a positive effect on female participants. These family-related early life experiences play a major role in molding an individual’s beliefs, attitudes, and personality. In addition, our findings suggest that following motives have statistically significant effects on the intention to start a business: two independence motives (opportunity to be your own boss and

proving that you can do it), propensity for risk acceptance, opportunity for better organization of work and private time and ensuring appropriate care for future generations. The findings of Glas, Drnovšek, and Mirtić's (2000) research show that achievement (success) and independence also represent the two most important motives for starting a business in the context of Slovenia and Croatia. Achievement (success) is reported by 31% of respondents as a motive to start a private company in Croatia; whereas 22% reported this motive is important for starting a private company in Slovenia. On the other hand, independence is reported to be an important motive for starting a private company for 27% and 29% of respondents in Croatia and Slovenia, respectively. Independence and achievements seem to be important for both entrepreneurs and those who are considering to start a business. As we already noted in our introduction, the context matters for the entrepreneur's decision to start the business. In the context of Bosnia-Herzegovina, a possible explanation of our results might be that less attractive working conditions in private companies combined with high unemployment rates influence the motives of potential entrepreneurs. Their intention to start a business comes from perceived opportunity, but taking care of future generations and being an independent can contribute to the explanation of antecedents of the intention to start a business. Bosnia and Herzegovina is considered a collectivistic society, which explains why one of the statistically significant motives is the opportunity to pass a business to future generations. However, the results should be taken with caution. Our focus on one education institution limits opportunities for generalization of our results. Therefore, the results might be only specific to our population. In addition, as our sample is collected based on the convenient sampling method, a truly random sample with students coming from different universities (both private and public) might lead to different conclusions. Therefore, future studies should focus on eliminating the limitation of our study in order to provide stronger arguments for our conclusions.

ŠTO POKREĆE STUDENTE DA ZAPOČNU VLASTITI BIZNIS? DOKAZI IZ BOSNE I HERCEGOVINE

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SAŽETAK

Postojeća literatura posebnu pažnju pridaje istraživanju motiva i poduzetničke namjere potencijalnih poduzetnika, a posebice istraživanje namjere studenata da započnu biznis nakon završetka studija. Svrha ovog rada je istraživanje utjecaja petnaest motiva i prethodno poduzetničko iskustvo obitelji studenta na namjeru da pokrene biznis. S obzirom na važnost poduzetništva na razvoj države, pogled iz post-konfliktne, tranzicijske zemlje kao što je Bosna i Hercegovina, pruža korisne povratne informacije za stvaratelje politike i produbljuje naše shvaćanje motiva i namjere za pokretanje biznisa. Naše istraživanje podržava postojeće spoznaje u literaturi da odrastanje u obitelji u kojoj su roditelji poduzetnici predstavlja važan prediktor namjere za pokretanje biznisa. Ova životna iskustva iz ranih obiteljskih dana igraju važnu ulogu u oblikovanju vjerovanja, stavova, osobnosti i namjera pojedinaca. Pored toga, naša istraživanja sugeriraju da sljedeći motivi imaju statistički značajan utjecaj na namjeru za pokretanje biznisa: dva motiva koja opisuju neovisnost (prilika da se bude vlastiti gazda i dokazivanje da on/ona to može učiniti), sklonost prihvaćanju rizika, prilika za boljom organizacijom vremena i osiguranje odgovarajuće brige za buduće naraštaje. Neodgovarajući radni uvjeti u privatnim kompanijama kombinirani s visokom stopom nezaposlenosti čine identificirane motive značajnim prediktorima namjere za pokretanje biznisa. Njihova namjera da započnu biznis primarno potječe iz uočene prilike, ali briga o budućim naraštajima i želja za neovisnošću mogu doprinijeti objašnjenju namjere za započinjanje biznisa. Bosna i Hercegovina spada u kolektivistička društva što može objasniti razlog zbog kojega statistički značajan utjecaj ima i mogućnost da se biznis prenese na buduće naraštaje.

Ključne riječi: poduzetnička namjera; poduzetnički motivi; poduzetnička pozadina obitelji

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APPENDIX 1: PEARSON CORRELATION MATRIX

	Correlations														
	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	M13	M14	M15
M1	1.00	0.51	0.45	0.33	0.29	0.25	0.30	0.17	0.16	0.18	0.20	0.18	0.23	0.24	0.28
M2	0.51	1.00	0.48	0.48	0.33	0.30	0.31	0.38	0.24	0.18	0.32	0.13	0.38	0.20	0.27
M3	0.45	0.48	1.00	0.47	0.53	0.38	0.47	0.21	0.28	0.26	0.28	0.22	0.26	0.21	0.25
M4	0.33	0.48	0.47	1.00	0.53	0.24	0.40	0.36	0.38	0.39	0.46	0.20	0.36	0.31	0.39
M5	0.29	0.33	0.53	0.53	1.00	0.42	0.45	0.34	0.23	0.35	0.27	0.17	0.25	0.10	0.20
M6	0.25	0.30	0.38	0.24	0.42	1.00	0.55	0.47	0.14	0.25	0.32	0.26	0.44	0.27	0.33
M7	0.30	0.31	0.47	0.40	0.45	0.55	1.00	0.59	0.36	0.51	0.46	0.22	0.45	0.39	0.40
M8	0.17	0.38	0.21	0.36	0.34	0.47	0.59	1.00	0.30	0.42	0.50	0.22	0.54	0.28	0.41
M9	0.16	0.24	0.28	0.38	0.23	0.14	0.36	0.30	1.00	0.47	0.31	0.15	0.26	0.40	0.35
M10	0.18	0.18	0.26	0.39	0.35	0.25	0.51	0.42	0.47	1.00	0.49	0.17	0.50	0.44	0.43
M11	0.20	0.32	0.28	0.46	0.27	0.32	0.46	0.50	0.31	0.49	1.00	0.19	0.59	0.43	0.42
M12	0.18	0.13	0.22	0.20	0.17	0.26	0.22	0.22	0.15	0.17	0.19	1.00	0.25	0.19	0.18
M13	0.23	0.38	0.26	0.36	0.25	0.44	0.45	0.54	0.26	0.50	0.59	0.25	1.00	0.41	0.50
M14	0.24	0.20	0.21	0.31	0.10	0.27	0.39	0.28	0.40	0.44	0.43	0.19	0.41	1.00	0.44
M15	0.28	0.27	0.25	0.39	0.20	0.33	0.40	0.41	0.35	0.43	0.42	0.18	0.50	0.44	1.00

M1. Self-employment

M2. To increase my income

M3. Business opportunity observed

M4. For my own satisfaction and growth

M5. To be able to use my past exp. & training

M6. So I will always have job security

M7. To maintain my personal freedom

M8. The financial security of the family

M9. Risk propensity

M10. To prove I can do it

M11. To be my own boss

M12. Unsatisfied with the previous work

M13. Better organization of private/family time

M14. To have fun

M15. To build a business to pass on