

Elena Šúbertová  
Michaela Kinčáková

## EVALUATION OF THE RESULTS ANALYSIS IN THE ENTREPRENEURIAL THINKING OF BUSINESS STUDENTS IN SLOVAKIA<sup>1</sup>

**Abstract:** Nowadays, it is very important to promote the development of entrepreneurial and managerial skills within the university students, particularly promising young economists. Entrepreneurship and managerial education are implemented at several universities in Slovakia, including the Faculty of Business Management, University of Economics in Bratislava. Education of future entrepreneurs and managers is done in many programmes and courses. Each course has its own defined objectives, syllabi, literature and knowledgeable teachers for quality education. Teaching tools and methods are differentiated for each programme. Traditional educational methods are not correlated with current entrepreneurial development anymore. Recommended additional methods are practical examples and case studies. Cooperation of the faculty with economic practice and high mobility of teachers and students are also required to improve the quality of education in entrepreneurship. The survey which results are presented in this article was executed within the students of the Faculty of Business Management, as a part of the course in "Entrepreneurship in small and medium enterprises". The objective was to evaluate students' knowledge and skills in entrepreneurship, especially in SMEs. The survey results are subject to the present scientific article.

**Keywords:** education, entrepreneurship, small and medium sized enterprises, knowledge, experience, practice

**JEL:** E 13, B 41

### Introduction

The University of Economics in Bratislava was established by transformation from the Higher School of Economics to the University, and precisely this year we celebrate the twentieth anniversary of this change. Based on these changes, in July 1992, Faculty of Economics and Managing Industries was also renamed to the Faculty of Business Management.

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Since its founding in 1953 more than fifteen thousand graduates in internal and external forms have successfully completed their studies at Master programmes and nearly five hundred of them reached a PhD degree. The structure of the Faculty theoretically and practically orients its students to the field of management and entrepreneurship with an emphasis on business, economic, managerial, and financial skills. The study is divided into two study programmes 3.3.16 *Economics and Business Management* and 3.3.13 *Financial Management*. At the Faculty there are currently studying about two thousand students at the various study programmes at all three levels of higher education – the Bachelor, Master and doctoral studies. The higher is the level of education, the lower is the number of the students in a study programme.

Entrepreneurship education at the Faculty is provided continuously from the first year in the form of compulsory subjects, such as Enterprise and Entrepreneurship, Entrepreneurship in SMEs, but also in the form of optional courses, such as Entrepreneurship in Construction Business, Entrepreneurship in Agriculture, Business Environment in the European Union, etc. Except the lectures, very important are especially active forms of teaching – exercises for internal students and consultations for external students.

The Faculty also participates in teaching several courses in the English language. The main priorities of the Faculty come from the “Long-term Strategy of the University of Economics in Bratislava for 2011 to 2015 with a view to 2019” and also from its own documents such as “Long-term Strategy of the Faculty of Business Management till 2015.”

Priorities of the Faculty in the educational activities are [2]:

1. The main objective of the educational activities is to create conditions for the implementation and development of teaching in accredited study programmes at all levels and forms of study with a view to obtaining and maintaining the status of the Economic University in Bratislava as a University College.
2. Preparation of Master degree programme for internal students taught in foreign languages for international accreditation.
3. In collaboration with the University create a system of selecting candidates for admission to Bachelor degree studies so that the number of students admitted to the Faculty reflects the interest of applicants for undergraduate study and their success in entrance exams.

## **Goal and Methodology**

The main and the most important goal of this study, is to evaluate knowledge, skills and mindset in entrepreneurship, especially in SMEs, of the students within business studies in the Slovakia. To reach this goal there were set also several partial goals.

The first partial goal is to evaluate the students' own practical experience with entrepreneurship in Slovakia. The second partial goal is to analyse the experiences of the business students with entrepreneurship within their families, either in family businesses or in companies of their parents. The third partial goal was to examine the mindset and entrepreneurial thinking and intentions of the students and based on this to identify what how they envisage their future life after graduation from the University.

The methodological approach constitutes a combination of desk research (literature review, information collection) and quantitative primary research (questionnaires). The research was done on 67 students of third year at the Faculty of Business Management, University of Economics in Bratislava. The research was executed as part of the compulsory subject "Entrepreneurship in SMEs".

From 67 respondents there were 12 men and 55 women. Respondents were students aged from 20 to 22 years. Speaking about the regional distribution, there were covered almost all Slovak regions, because 15 students were from the Bratislava Region, 12 from the Banská Bystrica and Trnava Regions, 8 from Nitra, Prešov and Trenčín Regions and 4 from the Žilina Region.

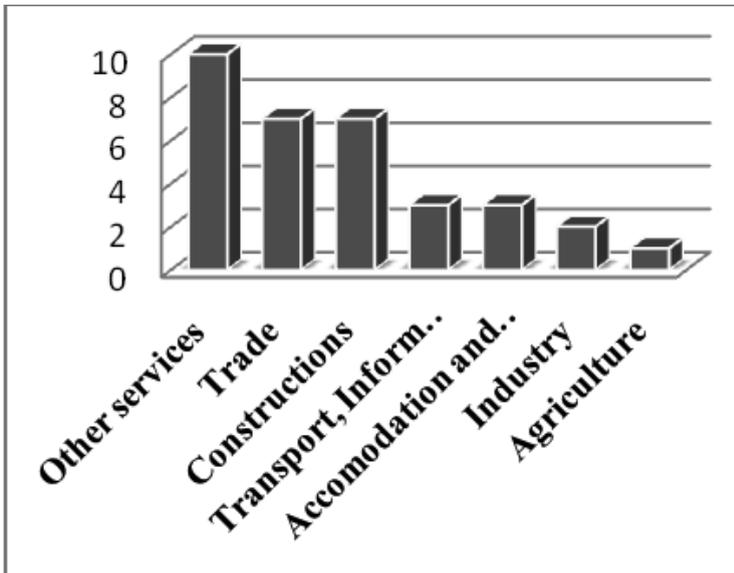
## Research Results

According to the research results just 3% of respondents have had personal experience with entrepreneurship. Rest of them, 97% proclaim that they have never had an experience with their own company. While according to the research "Global Entrepreneurship Monitor", that is, the world largest study on entrepreneurship, a typical Slovak entrepreneur is a man at the age of 25–44 years with secondary education; a typical entrepreneur at university is a woman at the age of 21 year, working within the service sector.

On the other hand, almost 45% of family members of our students have had an experience with entrepreneurship and 73% of those businesses have been present on the market for more than 5 years. Geographical and sector distribution of those companies is depicted in Graphs 1 and 2.

Graph 1

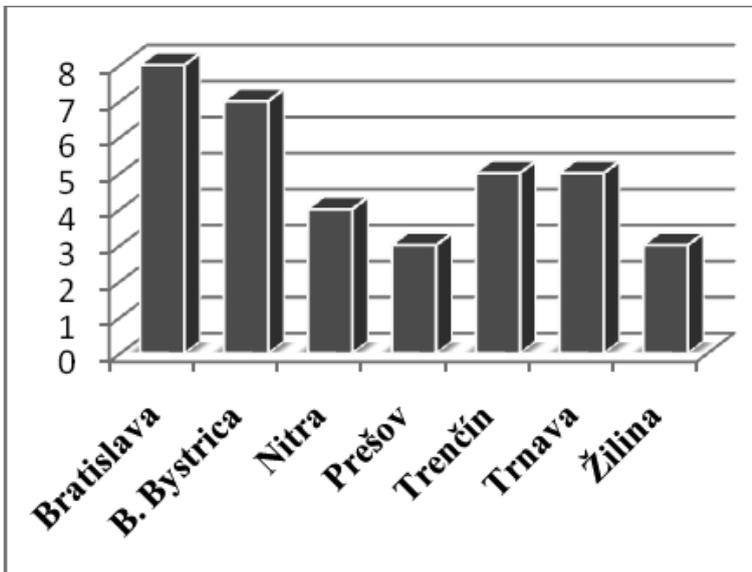
Sector distribution of the family businesses



Source: own calculations according to the research

Graph 2

Geographical distribution of the family businesses

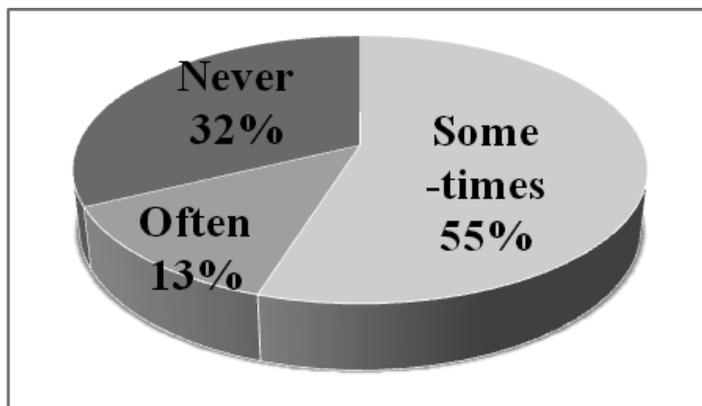


Source: own calculations according to the research

Most of the companies operate within other services, trade and constructions. Speaking about regions, most of the companies operate in the Bratislava and Banská Bystrica regions, which reflects demographical structure of the students' origins. Size classification of family businesses is as follows: 71% are micro-enterprises (less than 10 employees), 23% are small enterprises (10-50 employees) and 7% medium-sized enterprises (50-250 employees).

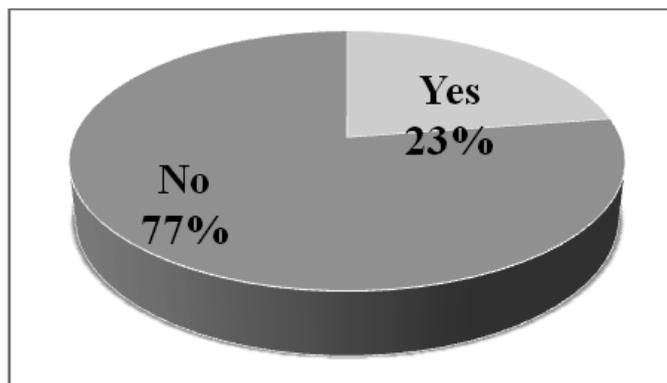
Very interesting is also the fact which concerns engagement of our students in daily operations of those businesses. Almost 55% of the students participate in the running of the businesses partially from time to time; 13% are engaged in family business activities often and 32% have never participated in those family businesses. The results may be seen also in Graph 3.

Graph 3

**Participation of the students in running of the businesses of family members**

Source: own calculations according to the research

Graph 4

**Intentions of the students to work within the family business after the University**

Source: own calculations according to the research

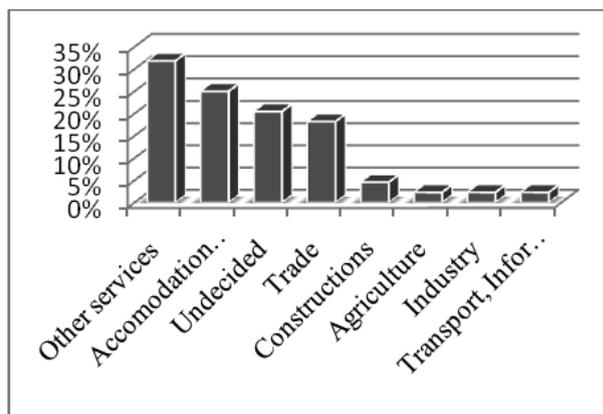
Even more interesting is the fact, that only 23% of students express their intentions to work within the family business also after graduation from the University. The most frequent argument to stay within the family business was a good family background and intentions to enlarge the company and help the family. On the other hand, 77% of the students proclaim that they have no intentions to stay with the company after the University. The most frequent arguments were different interests of the students, unattractive sector or industry, or their own willingness to realize their own ideas.

The third part of the questionnaire was dedicated to the entrepreneurial intentions of the students, their future plans and perception of the University in the entrepreneurship education process. The students were asked to state whether they are planning to be entrepreneurs in the future. To this question 65% of the students answered that they want to have their own business. The remaining 35 % do not want to be entrepreneurs. It is interesting to observe that there are more students from families of entrepreneurs who have stated that they do not want to be entrepreneurs. Judging from the reasons they have given, they have seen an example in their own families, i.e. how hard entrepreneurship within SMEs can be and also that to be an employee is in many cases less difficult.

Most of the students want to be entrepreneurs in the service sector and in accommodation and food services. More than 20% of students who have proclaimed their intention for entrepreneurship in the future still do not know the sector in which they want to have their business. The question about the location of the future businesses 90% of the students' answers that they want to stay in Slovakia and 10% answer that they want to operate also abroad. Most of those who want to operate in Slovakia want to have their business in the Bratislava Region, even though they do not come from this region. More details on those questions are in Graphs 5 and 6.

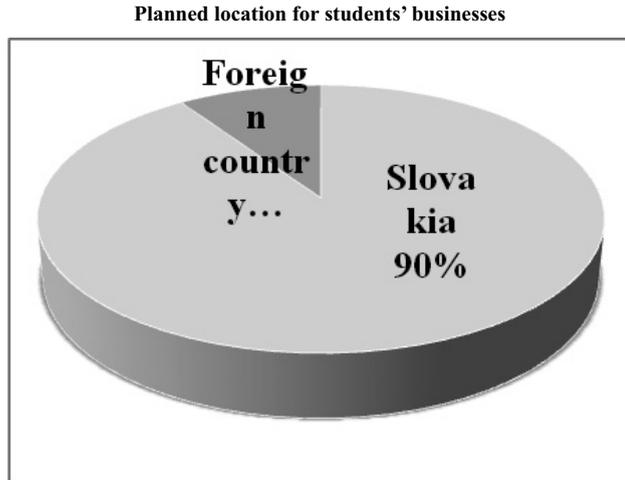
Graph 5

Planned sectors of students' future businesses



Source: own calculations according to the research

Graph 6

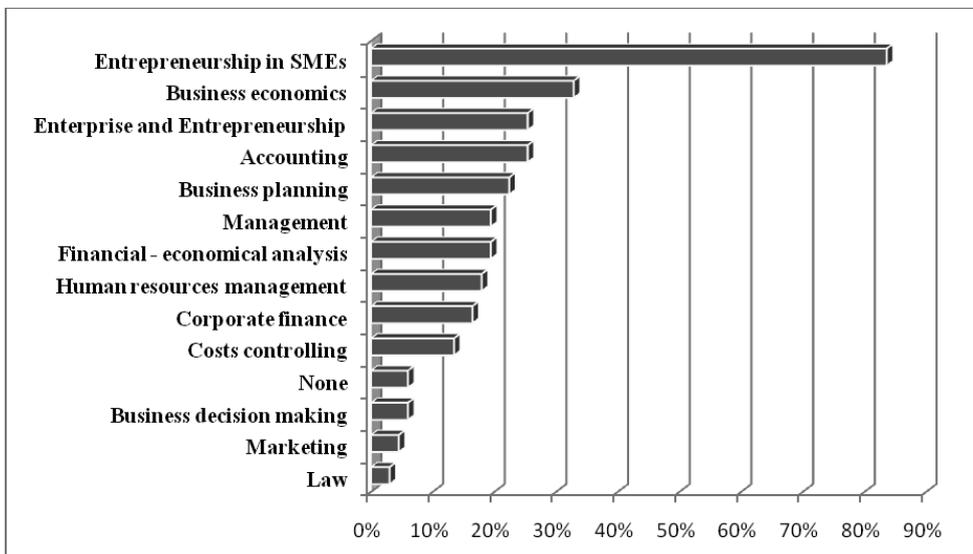


Source: own calculations according to the research

In the research we have also asked the students for their opinion on the subjects at the University. We wanted to know, which subjects they consider the most important for their future entrepreneurship. Answers of all students are in Graph 7.

Graph 7

**Importance of the subjects at the University of Economics in Bratislava for future entrepreneurship according to the students**



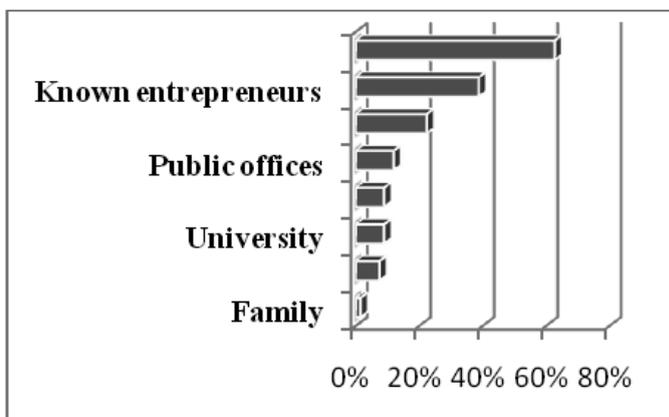
Source: own calculations according to the research

As the most important and relevant subject for the potential future entrepreneurship 83% of all students identify *Entrepreneurship in SMEs*, because the subject is full of important theoretical and practical information from business sphere. More than 30% of the students also mentioned *Business Economics* as an important and relevant subject and a quarter of the students mentioned here also *Enterprise and Entrepreneurship* and *Accounting* as important for their future businesses.

Gathering the most important and relevant information is crucial for all entrepreneurs, so we have also asked the students, where they would search for the most relevant information on entrepreneurship.

Graph 8

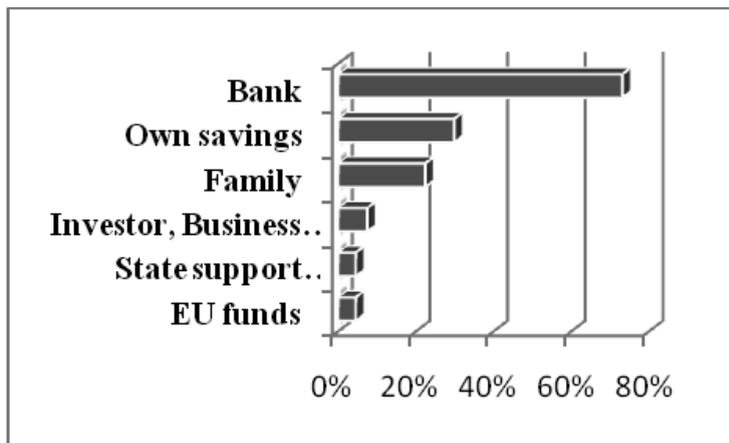
Planned sectors of students' future businesses



Source: own calculations according to the research

Graph 9

Planned sectors of students' future businesses



Source: own calculations according to the research

As you may see also in Graph 8, more than 60% of all students would search for this information on the Internet. Almost 40% of the students would communicate their questions and problems with entrepreneurs, whom they know personally, and little bit more than 20% would search in the legislative, laws and acts. Just 9% of all respondents think that they gain the most relevant information on entrepreneurship at the University.

The last question, we asked students, was what source of financing they would use for starting their own business. As may be seen in Graph 9 more than 70% of the students would use a bank loan. Students' own savings and money from family members are placed second and third, respectively.

## Discussion

Nowadays, students are highly differentiated in terms of claims for their study. This follows from the overall situation in society. Some are looking for deep academic theoretical knowledge, others just practical advice for life "how to get money as soon as possible". Part of the students want to get the best education and are interested in studying abroad and foreign universities; others are happy if they are able to graduate in a standard length of study. To bring up good entrepreneur or manager takes years and students are obliged to do an internship in the company as a part of their study programme.

"According to its mission, principles and values, the Faculty seeks to shape the personality of students so that they can become not only excellent economists, managers and other professionals in the socio-economic practice, but they should also behave in accordance with the values of the University and the Faculty in their professional and civil lives." [2]

Information technologies are of a great help to today's young people. On the one hand, students find there a lot of information available; on the other hand, they are often unable to effectively process and choose important ones. In this case, helping tools are an active form of teaching especially exercises and consultations. However, more and more students prefer passive forms, as for example just calculating exercises without presenting their results and opinions. It is also a frequent problem to solve case studies and seek the optimum alternatives in a discussion. Since there are high numbers of students in study groups, their communication skills consistently decline, especially the ability to argue their own opinion.

There is also problem with literature: students are not willing to seek for additional sources recommended; however, higher education should be based on self-study; students should be able to distinguish the value of the information provided in the educational process and also in the relevant literature. Nevertheless, students are studying just a minimum of external sources.

Students usually prefer exams in the form of written tests, where they can "hide" their weak preparation in closed questions, because open questions can easily show

it. Students have also a problem with the objective evaluation, and they feel that they should be at least partially awarded when they write any answer (even a wrong one). On the other hand, teachers also differ in terms of qualification, specialization and in attitude to teaching and research activities. Likewise the content of the course and forms of teaching are very important. The most popular subjects are those with a minimum of calculations. Students tend to like teachers, who teach communications rather than those who teach mathematics. Although every university teacher gradually undergoes pedagogical minimum, they have to find the way how to behave to students on their own. Whether their way is appropriate shows later feedback. Single methodology is questionable.

Suitable working conditions are necessary for each university teacher. The Faculty of Business Management, University of Economics in Bratislava, can rely on strong factors as for example, relatively good space conditions, while the entire Faculty and the University are concentrated in a modern complex of buildings.

Students are free to use computers, including the Internet and e-mail. Computers are centred in own Data Centre, and all the computers at the University are logged in the network.

Table 1

## SWOT analysis of evaluation the students and their entrepreneurial skills

<b>Factors</b>	<b>S (Strengths)</b>	<b>W (Weaknesses)</b>
<ul style="list-style-type: none"> <li>• Foreign mobility of teachers and students</li> <li>• Knowledge and experience of teachers, practical experience of students</li> <li>• Possibility to obtain a bank loan to start business</li> </ul>	<p><b>SO strategy (max-max)</b>  <b>use all the opportunities, a proactive approach:</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Starting their own business during the university studies, in the form of helping in family business</li> <li><input type="checkbox"/> Cooperation with organizations supporting businesses</li> </ul>	<p><b>WO strategy (min-max)</b>  <b>cautious about sharing opportunities:</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Cooperation between universities and economic practice</li> <li><input type="checkbox"/> Supplementary funding in the form of temporary students' work in practice</li> </ul>

Source: own elaboration

<b>T (Threats)</b>	<b>ST strategy (max-min)</b>	<b>WT strategy (min-min)</b>
<ul style="list-style-type: none"> <li>• Strong competition between universities</li> <li>• Conflicting information from individual entrepreneurs and managers, possible corruption</li> </ul>	<p><b>use a position of strength to block danger:</b></p> <ul style="list-style-type: none"> <li>□ Update knowledge and own literature</li> <li>□ Application of motivation tools for good students</li> </ul>	<p><b>consideration of trade-offs:</b></p> <ul style="list-style-type: none"> <li>□ Students' thoughts of a slow entry into the business because of various barriers</li> <li>□ Vague ideas about the entrepreneurship</li> </ul>

Differentiation in the quality of education process is also due to different attitudes of teachers to their work, because of the continuing wages novelisation. Because of the lack of finance, young and forward/looking teachers are leaving to teach abroad, where they can earn more. New cooperation with leading professionals from practice is appearing and the cooperation between universities and economic practice is changing.

According to the European Commission Expert group, there are several good practical criteria in delivering entrepreneurship education, which we can implement in our education [1].

1. Precisely defined purpose of the course/ programme.
2. Balance between theoretical and practical aspects; using of interactive and pragmatic methods: action-oriented pedagogy, group work, learning through projects, etc.
3. Activities are organised to improve students' ability to work in teams and groups.
4. Involving different guest lecturers; collaborative approach with business practice.
5. Involving young entrepreneurs and experienced business people to cooperate with students on concrete enterprise projects embedded in the programme.
6. Courses are part of wider entrepreneurial programme, with support mechanism for students' start-ups.
7. Exchanges of ideas and experience between teachers and students from different countries; encouraging mutual learning and giving international perspective to programmes, courses and activities.

## Conclusion

According to our research most of the students at the Bachelor level at the Faculty of Business Management, University of Economics are interested in entrepreneurship in their future. Unstable business environment is one of the reasons which discourage them from the objectives they had set, when they started the university studies. It is very bad that the enthusiastic bachelors often become cautious realists after

completing the studies, practice and internships, who are just waiting for suitable jobs. In times of economic crisis there occurred renaissance of studies in general, particularly the social sciences. According to the Ministry of Education, Science, Research and Sport of the Slovak Republic, the average graduate of the University of Economics in Bratislava has a starting salary of 910 euros, and our graduates are successful in practice as managers at all levels of management. On the other hand, entrepreneurs in general earn more money, but they have also much more obligations concerning paying insurance, taxes, and other local taxes and fees, which is one of the reasons why students are afraid of starting their own new business.

We believe that economic practice will continue to be continuously interested in our graduates. Each year many job offers takes place also directly at our University. Entrepreneurs, and HR managers from businesses come to select students of higher grades and offer them work. We are pleased that our students are so successful in the business practice, and we would be also pleased to see them as successful entrepreneurs.

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