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Entrepreneurial potential of young people in Bosnia and Herzegovina

Abstract

This paper presents the analysis of the results of research of the entrepreneurial potential of young people in Bosnia and Herzegovina, in order to answer the question of what are the resources, capabilities and readiness of young people to develop entrepreneurship and realize business enterprise? The survey was conducted on a sample of 546 respondents aged 19 to 35 years. In the first part we see literature as well as the clarification of some general attitudes about entrepreneurship as one, now increasingly important, branch of the economy using the opinion of a significant number of authors who are engaged in research in the field of entrepreneurship.

Keywords: *youth, entrepreneurship, entrepreneurial motivation, attitude of young people towards entrepreneurship, entrepreneurial potential.*

Introduction

Entrepreneurship is a very important area of contemporary economic, social and cultural activities, behavior and work of individuals and groups in contemporary society, as well as an important element of overall social relations and social structures all over the world, including Bosnia and Herzegovina. Entrepreneurship is the instrument and the mechanism of the economic development, raising living standards, in rich countries, and even more in underdeveloped and poor countries. That is why any research on the state

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of entrepreneurship in one country, is a very important and useful work for those involved in the theory and those engaged in the practice of entrepreneurship.

While setting up a theoretical framework for the collection of data relevant for this study, we took into account some general concepts of entrepreneurship, as well as recent discussions on character of motivation, culture, ideas, innovation and enterprise for understanding the theory of entrepreneurship. We here questioned the level of the motivation and desire to start entrepreneurship and entrepreneurial potential of young people in BH society. Into consideration is taken a large number of factors affecting the development of entrepreneurship in one society, in what we include both socio-economic as well as cultural, economic, developmental, individual and similar factors. In particular, we stressed the importance of entrepreneurial education, the special education in this area, but also we came to realization about the presence and quality of entrepreneurship studies in Bosnia and Herzegovina.

The importance of developing entrepreneurial potential of young people in our society is of the utmost importance. The development of information technologies, different, faster way of life, as well as the generalized economic globalization are the main precondition for the variability and flexibility of the new global market. Given the fact that young people are particularly vulnerable social category with high level of unemployment, entrepreneurship gives the ability to solve this problem, but also the social integration of this social group and it represents some sort of a starter of socio-economic development of a society. Entrepreneurship as such is particularly attractive for young people as it requires flexibility, innovation, dynamism and similar characteristics that have younger populations. In this sense, the development of their own businesses, to entrepreneurs not only solves the problem of unemployment, but also brings a certain socio-psychological satisfaction that gives pleasure because of your work, corresponding to a dynamic, individualistic way of life that is present in young people.

1. Theoretical background of the research

1.1. Individual, socio-economic and cultural conditions for development of entrepreneurship

Entrepreneurship, energy of entrepreneurs, entrepreneurial venture, entrepreneurial will, entrepreneurial potential and entrepreneurial propensity represent the mechanisms and instruments of individual and collective busi-

ness and economic success. With their creativity and innovative aspiration, entrepreneurs increase the competitiveness of companies and other business entities by discovering new spaces in the market, mobilize hidden and unused economic resources, they bring new knowledge and new methods of management and organization of companies.

Entrepreneurship is a set of knowledge, skills, ideas and initiatives held by an individual, but also a group, team or business entity. "Boldness, impulse, feeling and awareness are the building blocks of entrepreneurial success."² Entrepreneurial alertness and vigilance means that the entrepreneur discovers new possibilities, for which he did not search and were not planned, but they were very close, ignored, skipped and unexpected in this place. Economists argue that entrepreneurs treat the external effects of the market and its "invisible hand". Thus, to some "unforeseen circumstances" may provide an opportunity to achieve high profits, while to others can reduce the chances of success. However, economists neglect the cognitive and psychological abilities (the belief in themselves, courage, internal energy) that distinguish individual entrepreneurs and have different influence on their decisions, undertakings, commitments and risks that will (or will not) lead to entrepreneurial success in the market. The internal "locus of control is one of the essential characteristics" that affects the creation of entrepreneurs.³ In contemporary literature on entrepreneurship we encounter the term "self-efficacy" (personally expected readiness) as an important element of entrepreneurial behavior. Bandura believes that "a strong sense of personal effectiveness is vital to the willingness of entrepreneurs" to adapt to the resulting changes and new circumstances in the market and in business.⁴ The entrepreneur is not a one-dimensional being, he is not just homo economicus, focused on the immediate struggle in the market and maximizing the profits, but he is a "multidimensional being with a lot of emotions, values, beliefs, behavior patterns"⁵ affecting his entrepreneurial venture and entrepreneurial style and way of life. The entrepreneur is also economic, social and cultural being, who does not want to make losses, but often does not want to abandon the creativity, innovation and cultural dimension of their work to the detriment of 'naked' profits.

² Israel M. Kirzner, *How Markets Work: Disequilibrium, Entrepreneurship and Discovery*, IEA Hobart Paper No. 133, London: Institute of Economic Affairs, 1997. p. 32.

³ David A. Harper, "Foundations of Entrepreneurship and Economic Development", New York: Routledge, 2003. p. 43.

⁴ Albert Bandura, (ed.) *Self-Efficacy in Changing Societies*, New York: Cambridge University Press. 1995. p. 34.

⁵ Alex Nicholls, „Social Entrepreneurship: New Models of Sustainable Social Change“, New York: Oxford University Press, 2006. p. 40.

Entrepreneurship is both collective and individual business activity. It depends on the economic conditions, economic, social and political environment, as well as good (bad) business climate at the local and global levels. In poor and underdeveloped economies, it is usually poor and entrepreneurship, and in a strong and developed economies, stronger is the entrepreneurship. However, there is a specificity of entrepreneurship, it can trigger a weak, sleepy and anemic economy of a country or a community. As pointed out by Bruce Kirchoff whenever started the economic downturn and decline in economic activity, especially in the US, entrepreneurship, its ideas, creations and technological innovations launched the economy and led to new growth and increase of employment. Simply, the entrepreneurship started, gave and held the "dynamics of capitalism."⁶ This refers to the entrepreneurship of small companies but also on entrepreneurial ventures, innovations and changes in large companies (corporations).

Culture is a very important dimension of the source and foundation of entrepreneurship and entrepreneurs as actors in the business area and market arena. We're here to observe the culture into three levels: national, business and entrepreneurial culture. National culture encompasses a set of beliefs, traditions, ideas, values, style and way of life in a society or community,⁷ while business culture includes a set of shared values, attitudes, rituals, habits and practices shared by members of a business entity. From these common cultural elements arises, according to Svenson and Roberts, six important characteristics of business: strategic orientation; search for opportunity; search for resources; control and use of resources; management style and business policy.⁸ Entrepreneurial culture implies a tendency towards innovation, creative work, constant search of new opportunities, initiative, determination, courage and willingness to constant change. Entrepreneurial culture leans (is rooted) at national and business culture.

Enterprise and business culture are very important, especially today when the entrepreneurship and business are globalized and entrepreneurial ventures meet with various local and national cultural patterns. Thus, for exam-

⁶ Bruce A. Kirchoff, *Entrepreneurship and Dynamic Capitalism: The Economics of Business Firm Formation and Growth*, Westport, CT: Praeger Publishers, 1994.

⁷ Hofstede talks about the five dimensions of national culture that decisively influence the business (organizational) culture: power distance (low-high); avoidance of the uncertainty (less -More); tendency towards individualism or collectivism; domination of material or social value; weather orientation. (Geert Hofstede, *Cultures Consequences*, Thousand Oaks: Sage Publications, 2001.

⁸ Howard H. Stevenson, Michael J. Roberts, and Irving H. Grousbeck, *New Business Ventures and the Entrepreneur*. Boston, New York: Irwin McGraw-Hill. 1994.

ple, Western European, American and Canadian investors came across various problems and obstacles while investing or buying companies in the Czech Republic, Bulgaria, Croatia, Hungary, Romania and Serbia.⁹

On the basis of cultural characteristics, we can mention several dominant types of entrepreneurship: imitative (successfully uses the knowledge and experience of others and transfers it to their ventures); routine (remains on the same level and less cares for Innovation); entrepreneurship as “creative destruction” (Schumpeter), which implies changes in innovation, new quality of production and organizations of enterprises; adaptive (adapting the conditions occurring) and creative (always searching for new solutions, changes and opportunities).

1.2. Entrepreneurial education

We concluded that entrepreneurship is of a primary importance for the development of the overall economic growth of a country. For entrepreneurship to have that role and to be a key element in stimulating an economy, it must be monitored by quality entrepreneurship education, both in academic institutions (colleges and universities), as well as in research institutes and non-formal education. The main issues set are: Is it in educational institutions sufficiently present entrepreneurship as a study program (direction, department, independent faculty)? Are the study programs and courses modern, innovative, scientifically and practically based? How and how much are trained teachers and educators to implement these programs? What is the interest of young people to attend study programs in entrepreneurship and entrepreneurship as a single object on other studies?¹⁰

Through good education can be created entrepreneurs who “need to innovate in a close, competitive environment with unreliable information.” In such a dynamic environment, “entrepreneurs are important destabilizing forces of the economy, while their other characteristics perception based on which these changes will be used and direct to ensure the business stability.” These two characteristics (destabilization and business stability) entre-

⁹ See more, based on the case study, in: János Mátyás Kovács; Violetta Zentai. *Capitalism from Outside? Economic Cultures in Eastern Europe after 1989*, Budapest: Central European University Press, 2012. Page number: 75

¹⁰ Calvin Kent is similarly thinking about the role of education in raising entrepreneurship, putting emphasis on the question of “whether entrepreneurship can be taught in a way that will increase the number of active entrepreneurs”. (Calvin A. Kent, *Entrepreneurship Education: Current Developments, Future Directions*, New York: Quorum Books, 1990. p. 30.).

preneurs should use at the same time, because “innovation is the cause of change, uncertainty is a consequence of it, and progress is its reward.”¹¹

Bruce Kirchhoff notes that entrepreneurial education should include at least four characteristics: First, programs should be broad to include as many young people, because it is difficult to estimate in advance who has a special talent for entrepreneurship; Second, every economic education should include training in entrepreneurship; Third, the development of entrepreneurial talent is not possible only through economic education and school access and fourth, we need to develop entrepreneurial talent through various forms of gaining the practical entrepreneurial skills.¹²

Entrepreneurship education should focus on innovation, creativity, imagination, ideas and risk-taking in solving entrepreneurship and business problems. The constant search for new solutions and new challenges is at the core of entrepreneurial ventures, and this should be encouraged by creative education. Entrepreneurial education “encourages entrepreneurial culture among students, fostering an entrepreneurial mindset, attitudes and skills that enable the individual to identify the new opportunities”¹³, chances and opportunities for progress of work and starting the new entrepreneurial ventures. Entrepreneurial education or education for entrepreneurship needs to develop awareness and encouraging the students and young people to run the business as a form of self-employment, which means to enable the theoretical examination and entrepreneur skills, such as development and evaluation of a business plan, marketing research, to understand customer perception, to establish good communication with the environment and to protect the environment.¹⁴ Education must follow the entire career of an entrepreneur and to complete, upgrade and transform its entrepreneurial abilities and to encourage creativity.

1.3. Motivation and Entrepreneurship

Besides education, motivation is another important factor for the development of entrepreneurship. Under the motivation implies the willingness of

¹¹ Calvin A. Kent, *The Same*, p. 31.

¹² Bruce A. Kirchhoff, *Entrepreneurship and Dynamic Capitalism: The Economics of Business Firm Formation and Growth*, Westport, CT: Praeger Publishers, 1994. p. 38.

¹³ Bakar Rosni; Islam Md. Aminul et al., *Entrepreneurship Education: Experiences in Selected Countries*, Malaysia: International Education Studies, January 2015.

¹⁴ An interesting overview of the skills and practical details in entrepreneurial education gives Ahmad in the example of entrepreneurial education in Malaysia. See in: Syed Zamberi Ahmad, (2013) “The need for inclusion of entrepreneurship education in Malaysia lower and higher learning institutions”, *Education + Training*, 2013. Vol. 55 Iss: 2, pp.191 - 203

individuals to invest some effort in order to achieve the intended objective. Motivation is associated with the “theory of expectations”¹⁵ that the individual will be motivated to produce, create and work because he expects for it to bring important results, success and advantages. Motivation is the energy that directs the individual to a form of behavior that will lead to achieving the objective. Motivation has internal drivers (success, achievement, awards) and external drivers (competition, influence and reputation in society).¹⁶

In terms of entrepreneurship, motivation means that the individual will be “motivated to invest the effort to launch a business if he expects the job to make more money, social promotion and reputation in his / her environment.”¹⁷ Individuals are motivated and by high life expectations and it encourages them to get involved in entrepreneurial ventures. De Clercq points out that entrepreneurs who believe in their capabilities are significantly more motivated to make an effort to achieve certain goals (make an important decision, start a business, realize the set objectives)¹⁸ than those entrepreneurs who work routinely and spontaneously.

1.4. Innovative entrepreneurship

Entrepreneurship and entrepreneurial venture succeed best if accompanied by innovation and innovation activities of individuals, groups and teams. Innovation is the specific instrument of entrepreneurship, “the means with which is used the change as an opportunity for a different business or service.”¹⁹ Entrepreneurs are constantly looking for changes that will bring improvement in operations and the changes are doubly important for innovation: first, innovations are the condition of change and second, the changes are a source of new innovations. Innovations are the intermediaries between the resources and the resulting wealth. Innovations are also prerequisite for the survival of companies in the market and its successful struggle with com-

¹⁵ Dan K.Hsu, Rachel S. Shinnar and Benjamin C. Powell, “Expectancy Theory and Entrepreneurial Motivation: A Longitudinal Examination of the Role of Entrepreneurship Education”, *Journal of Business and Entrepreneurship*, 2014. p. 124.

¹⁶ Matthew R.Marvel, Abbie Griffin, Abbie at. al. “Examining the Technical Corporate Entrepreneurs’ Motivation: Voices from the Field”, *Entrepreneurship: Theory and Practice*, September 2007.

¹⁷ The Same, p. 125.

¹⁸ De Dirk de Clercq, Teresa V. Menzies, at al. „Explaining nascent entrepreneurs’ goal commitment: An exploratory study”, *Journal of Small Business and Entrepreneurship*, 2009, 22(2), 130.

¹⁹ Peter F. Drucker, *Innovation and Entrepreneurship: Practice and Principles*, New York: Harper & Row, 1985. p. 19.

petitors, as well as the attractiveness of the argument with customers and clients. Innovation is “making better products and efficient processes, services, technologies and ideas that are accepted by markets, governments and society.”²⁰ Scientists believe that innovations contribute to the success of the company in the international market, as well as better access to financial entities and resources.

As pointed out by Peter Drucker, innovation is not just a privilege for technical, production or economic structure and operations, but innovation is characteristic for social space, as it represented the emergence of newspapers, television, insurance or loans in the banking business. Drucker talks about the seven sources of innovative entrepreneurship: a discrepancy, a discrepancy between what is and what ought to be; the development of needs (“necessity is the mother of invention”); the changes in industry and market structures; demographic changes; changes in the perception of work and conditions (“the glass is half full or half empty”); new skills; at the end as the seventh is the source of the “great idea”²¹

Innovative entrepreneurship is the counterpart of the opposite replicative entrepreneurship, which is repeated and maintained at the same level, which is routine and slow. Some authors consider that the innovative entrepreneurship belongs to small and medium-sized enterprises because they use the dynamics, innovation and risk, while replicative entrepreneurship is characterized by big companies because they appreciate reliability and simplicity.²² Shane defines entrepreneurship from the standpoint of innovation as “an activity that involves the detection, assessment and use of the opportunities to introduce new goods or services” or to otherwise organize the appearance on the market, to organize the process and the use of raw materials, “through the effort that has not previously existed,” all based on the assessment that there are “ways in which resources will be converted into a profitable business.”²³

It is necessary to emphasize the relationship between creativity and innovation. Creativity is the power of entrepreneurship, which includes knowledge, creative thinking and motivation, but without innovation, it remains only a possibility or assumption. So, innovation is implemented creativity,

²⁰ Yu Xiaoyu; Si Steven, „Innovation, Internationalization and Entrepreneurship: A New Venture Research Perspective“, *Innovation : Management, Policy & Practice*, Volume: 14. Issue: 4, December 1, 2012. p. 525

²¹ Peter F. Drucker. *The Same*, pp. 57-133.

²² William J. Baumol, *The Microtheory of Innovative Entrepreneurship*, Princeton, NY: Princeton University Press, 2010.

²³ Scott Andrew Shane, “A General Theory of Entrepreneurship. The Individual-Opportunity”, *Nexus*. Cheltenham: Edward Elgar. 2003. p.10, 11.

creative idea turned into a product, service, organization, change, or new process. “Creativity is an idea that emerged, while innovation is successfully implemented idea” of a completely new product, service, organization and business procedure.²⁴

Innovation and innovative entrepreneurship are particularly important prerequisites for young entrepreneurs and young people who are employed in companies or want to start their own business as a form of self-employment.

2. Methodological approach

2.1 The subject of research, objective and hypotheses

The subject of empirical research in this scientific work is set through the question: what is the potential of young people in Bosnia and Herzegovina for the development of entrepreneurship? That is, do young people in BiH have the potential to start and develop their own entrepreneurship?

The aim of the research is to describe and highlight the potential, ability and readiness of young people in BiH for entrepreneurship development and realization of entrepreneurial ventures.

Hypotheses

H1: There is a noticeable tendency of young people in BiH to develop entrepreneurship and entrepreneurial culture.

H2: Young people in BiH are not sufficiently trained for entrepreneurship.

H3: Young people in BiH have a solid motivation for starting their own business.

H4: Young people are able to detect obstacles that prevent the development of entrepreneurship in BiH.

2.2. Characteristics of the sample

The survey of attitudes and basic knowledge about entrepreneurship, as well as its development and readiness of young people in BiH society to adopt, represent and apply the entrepreneurial culture was conducted through a

²⁴ Vimala Veeraraghavan, “Entrepreneurship and Innovation”, *Asia-Pacific Business Review*. Volume: 5. Issue: 1, January-March 2009. p. 16.

questionnaire on the total sample of 546 respondents. Respondents were interviewed in the whole territory of Bosnia and Herzegovina, including big cities, small cities (to 50 000 inhabitants), as well as suburban and rural areas.

By statistical analysis and data processing were obtained relevant information of the targeted research. To the data important for the scientific work we have come through empirical research that was done in the area of Bosnia and Herzegovina during March and April 2016, on a sample of 546 respondents aged between 19 and 35 years, of which 55.1% were women, and 44.9% men. When we talk about age, respondents were divided into three age groups: 19-25 years old (youth group, which mainly included those who are still in a stage of education, and includes a relatively small percentage of those who have their own businesses and / or have aspirations towards it); 26-30 years old (the age group that includes a number of individuals who are relatively equal and / or more difficult to start their own businesses and those who have entrepreneurial preferences); 31-35 years old (youth group that has the highest percentage of respondents who already have their own business, entrepreneurial aptitude and / or have aspirations towards it).

A sample of this study consisted of young people from the entire territory of Bosnia and Herzegovina out of which 41% live in large cities, 35.9% in small towns (up to 50 000 inhabitants); and the same percentage of people living in suburban and rural areas 11.5%, providing this sample, as well as the overall research with the necessary representativeness. The selection of respondents from the basic set was elected partly by targeted pattern, since it had to include subjects that fall into the category of young people and assuming they have some knowledge in the field of entrepreneurship, so individuals between 19 and 35 years old. Processing of the data obtained was performed with the help of SPSS software program.

3. Analysis of research results

Bearing in mind the subject of research (entrepreneurial potential of young people in BiH), we wanted to find out first whether the respondents have knowledge and information about what the entrepreneurship is as an economic and social activity. When asked *Are you familiar enough with the characteristics of entrepreneurship?* 37.2% of respondents chose the option "Yes, I taught about it in school"; 16.7% of them chose the I listened about it in the media"; option I read about it myself circled the 9% of respondents, while 17.9% of respondents chose the option "I have some practical experi-

ence of entrepreneurship”; while 16.7% said that “they know a little something about that,” and only 2.6% are not at all familiar with the phenomenon of entrepreneurship.

Based on respondents’ answers and the percentage of those with the following response from the introductory questions in the survey, we assume that there is a very small number of young people in BiH who are not familiar with entrepreneurship and what it represents and offers. The fact that more than a third of respondents believe they are sufficiently familiar with the characteristics of entrepreneurship, is a good support for encouraging the search and measurement of entrepreneurial potential of young people.

3.1. The tendency of young people in BiH for Entrepreneurship

The tendency of young people in the Bosnian-Herzegovinian society towards entrepreneurship will be examined through the analysis of the sample that is backing this study, the first by reviewing the data we obtained by scaling of certain claims. Respondents were supposed to rank the degree of agreement with the proposed statements, through which we got a glimpse of their attitude towards work and entrepreneurship in our society. In the statement, “I can not work for a long time, especially overtime,” the degree of agreement with it was expressed by 34.6% of respondents, while the level of disagreement showed a significantly higher number of respondents (65.4%). If we analyze further this claim, we will find that there is nearly twice as much of those who are willing to work for a long time (overtime), which gives us grounds to assume that this is the first indicator that indicates the willingness of young people to the entrepreneurial venture, that is the expressed resistance which must accompany every entrepreneurial activity.

With the statement “I work as much as the job requires,” agreed 69.3% of respondents, while disagreement expressed 30.7%. The claim “I like to work long and hard, I’m a workaholic,” was supported by 64.1% of respondents and 35.9% disagreed with that statement. We see that two thirds of respondents support the diligence and work compared to one-third of which is not prone to long and hard work. However, one third of those who are not willing to work long and hard, warns us to accept with reservations the full propensity of young people to commit themselves to hard work.

To further verify the willingness of young people to the persistent and long work, we partly reversed previous statements and the first set in the form: “I can work long and hard, but try to avoid it.” This claim has not been supported by 57.6% of respondents, while 42.4% agree with this statement. Here we see that the support of diligent and persistent work decreased by

about ten percent. On this basis, we conclude that it is, however, more than half of young people (our respondents) supporting the hard work. Another claim that we set differently was: "I work hard only if others force me to". Such a statement is now approved by 32%, while the opposite is stated by 68% of respondents. On this basis, we conclude that young people are not willing to work under pressure, but they are ready to work on their own initiative.

The willingness of young people to entrepreneurship, we checked through their attitude towards work tasks. We set the statement "I love it when I am familiar with the area that I am in charge of" and got the result that 70.5% of our respondents "totally agree" with this statement. This suggests that young people are in a large number very responsible towards their work and are willing to learn and grow. But when we set the argument "I hate it when someone 'resources' over the shoulder", we got that 51.3% of respondents "totally agree" and 30.8% of them "partly agree", while 9% of the respondents "partly disagree" and at the same percentage "strongly disagree" with the aforementioned statement. So now we see that only 18% of young people shows a marked willingness that their work is monitored and controlled, indicating their lack of readiness for teamwork and inclusion in the system that monitors and controls the entire process of labor and stakeholder engagement in entrepreneurship.

Independence in work, initiative and entrepreneurial spirit we tried to verify with claims, "I love it when I have precise instructions" and "I like to start by myself job / task." The first argument (Table 1) indicates that 53.8% of young people (represented in our sample) supports a situation where they were given precise instructions, and if we add the percentage of those who "partially agree" with the statement, then something more than 80% of respondents shows willingness to be a "man of the task," or to follow the precise instructions as a "safe zone" of their work and the fulfillment of tasks without major concerns about what personally to take over.

Table 1

| <i>"I love when I have precise instructions"</i> | Numerically | Percentage |
|--|-------------|------------|
| I Totally agree | 294 | 53.8% |
| I Partially agree | 161 | 29.5% |
| I Partly disagree | 84 | 15.4% |
| I Strongly disagree | 7 | 1.3% |
| Total | 546 | 100.0% |

When we offered the claim of self-setting the tasks and starting a job, respondents were highly supportive with the attitude “I completely agree” with 55.1% (Table 2) and nearly thirty percent with an attitude “I partly agree”. With these attitudes young people in our questionnaire expressed a willingness to independently undertake activities and set tasks, which tells us that they have creative abilities. This is partly contradictory in relation to the views expressed in the previous table (Table 1), because it refers to the simultaneous willingness of young people to accept orders from others and that they prefer to create their own. If we compare the same verbal agreement in these two tables, we see that 2.6% of respondents, however, are more willing to be “creative” rather than just “the man of the job”.

Table 2

| <i>“I like to start job/task by myself”</i> | Numerically | Percentage |
|---|-------------|------------|
| I Totally agree | 301 | 55.1% |
| I Partially agree | 168 | 30.8% |
| I Partly disagree | 63 | 11.5% |
| I Strongly disagree | 14 | 2.6% |
| Total | 546 | 100.0% |

The analysis of the previous claims, clearly shows that young people in BiH (represented in our sample) have developed a solid work ethic, which, among other things, is one of the basic prerequisites for the development and success of entrepreneurship. Data that are visible in the above representations are encouraging, and we can say that there is great potential for the entrepreneurial culture to start and in BiH society.

When we talk about confidence and security in the business success the respondents to the statement “I can work with incomplete information and uncertainty” in nearly equal percentage agreed (51.3%) and disagreed (48.7%). However, the statement “I am upset if I do not know the answer / solution significantly more of them (66.6%) pleaded stacking, while 33.4% of them, disagrees. In this group of claims relating to the safety of their work is certainly important to mention the one that was “I am going by logic: Sometimes I win-sometimes I lose” where we have the following results: 71.8% of respondents said they would like the option “I agree”, and 28.2% disagreed. Previous statements we can supplement and with the degree of agreement of respondents with the statement “I get bored when things go quiet”, where 21.8% chose the option “I strongly agree”, and 29.5% the option “I partly

agree”. Here, of course, should be added and the willingness of young people (our participants) to take risks in their activities. Specifically, a total of 52.3% of respondents expressed a willingness to risk with the options “completely” and “partially” agreement.

From these data we can see that among the respondents there is a high degree of security and of confidence when it comes to the execution of business tasks and taking responsibility, which is also one of the most important factors important for the development of the entrepreneurial potential.

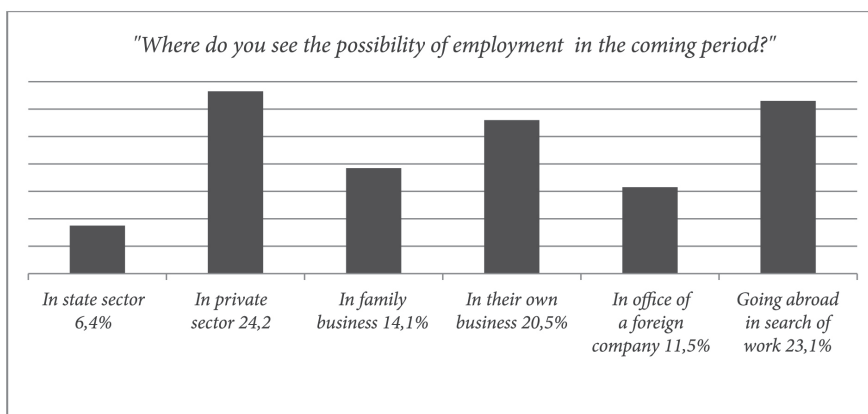
3.2. Perception of entrepreneurs

Understanding entrepreneurship as an idea among young people in BiH, ie. its perception, we wanted to keep track of the answers to the question Who is an entrepreneur and what qualities he possess? By circling the eight predefined responses (respondents were supposed to circle 2 offered answers) we got the following sequence of perception: “He who has the business capacity and quality” (43.5%); “He who has a good business idea” (34.6%); “He who knows how to manage in difficult times” (32.1%). “Anyone who is engaged in private business” (15.4); “The owner or manager of a private enterprise” (15.2%). The least widespread response was “He who studied to become entrepreneur” (9%). We note that the business capacity and quality, business ideas and the ability to cope in the business environment are the dominant traits that young people attribute to the entrepreneurs properties. However, the smallest percentage of those who believe that the entrepreneurial traits are acquired by education, indicates that young people prefer the experience, endowment, a good idea and resourcefulness (“original features”) in relation to what can not be learned in school or college. These indicators must be added the fact that 53.8% of our respondents comes from non-entrepreneurial milieu because they pleaded that their parents “do not have a preference and interest in entrepreneurship.”

3.3. Motivation and readiness for entrepreneurship

When we talk about the motivation of young people in BiH for the development of entrepreneurship and starting their own businesses, the results of their attitudes have been given by analyzing the questions *Where do you see the possibility of employment for young people in the coming period?* and *Are you ready to start your own business?* The answers to the first question we have shown in Graph 1.

Graph 1



In this chart it is evident that for the individuals covered by this pattern in most, the prevailing opinion is that the employment opportunities are in the private businesses, but also family business which is a solid basis for the development of entrepreneurship in BiH society. Of course, there is a significant percentage of those who go abroad and work in the office of a foreign company and consider it to be the best choice, but it is also one of the indicators that accelerating development of entrepreneurship and its culture is necessary to implement as soon as possible, given the fact that the permanent departure of young people and the so-called “brain drain” is everyday occurrence in BiH.

Table 3

| <i>Are you ready to start your own business?</i> | Numerically | Percentage |
|--|-------------|------------|
| I already have my own business | 133 | 24.4 |
| Yes, if I can get a grant to start a business | 112 | 20.5 |
| Yes, I just do not know what I would do | 56 | 10.3 |
| Yes, if I can get a favorable loan | 63 | 11.5 |
| I do not know, mixed emotions | 56 | 10.3 |
| I do not have enough courage for something like that | 21 | 3.8 |
| I prefer to work with another employer | 42 | 7.7 |
| I have no sense of private business | 14 | 2.6 |
| I do not like to risk | 7 | 1.3 |
| It is not a good business climate, I fear that it would bankrupt | 42 | 7.7 |
| Total | 546 | 100.0 |

From Table 3, we see that a large number of respondents already have their own business, or aspires to if they existed favorable conditions for starting it, which again shows that in our society there is a solid basis for the development of entrepreneurship. There is also a relatively common percentage of those who are deliberating, so creating the more favorable conditions and mastering the entrepreneurial skills, for this group, would probably initiate and encouraged to start their own / family business or partnership. The reason for uncertainty, and commitment to work for another employer, according to research, is that a number of respondents thought that would go bankrupt because of the unfavorable business climate, which, in this case, indicates that these subjects are not sufficiently aware of the benefits that allow the development of entrepreneurship.

As a good indication of motivation and willingness of young people to start an entrepreneurial venture, we can get an answer to the question "What are the reasons that young people opt for an entrepreneurial venture?" Or, selecting the option "I expect to realize both my knowledge and potential" (37.2%) and the option "I want to be my own boss" (41.0%). Belief in their own knowledge, the total potential and the desire to be "their own boss", represents a significant motivating potential for young people in BiH.

Looking at the previous two sets of indicators, we see that there is a motivation and willingness of young people in BiH for the development of entrepreneurship, but there is also a need to present this phenomenon in a wider social circle because we have quite a number of young people who would dare to enter into some kind of business if they could acquire the necessary skills and master the skills and abilities of a good entrepreneur.

3.4. Terms and obstacles for the entrepreneurship development

In order to learn more about motivation and perception of barriers for the development of entrepreneurship among young people in BiH, we asked our respondents the question: What determines the success of entrepreneurship in BiH? Of the eleven possible answers (respondents chose two answers) the most common were: "From the knowledge and skills" (34.6%) and "From the good ideas and willingness to endeavor" (33.3%); "From persistent and hard work" (27.8%). Also very common were replies "From connections with powerful people" (25.3%) and "From party and political connections" (20.5%). On the other side answers with the lowest percentages were that the success of entrepreneurship depends the least: "From the state aid and quality regulations" (5.3%) and "From happiness at work" (5.1%).

Looking at the results arising from the answer to the previous question, we can see that young people in BiH have good entrepreneurial motivation (answers to the first three available options listed in the previous paragraph), as they rely on knowledge, ideas and hard work. Also, we notice that young people are able to see and obstacles that stand in front of them when they want to start their own business. Obstacles perceived by young people are needed “connections with influential people”; party and political connections and influences, and in particular, the weak state support both in financial terms and in a safe and supportive regulations for the development of entrepreneurship and creating a good business climate.

4. Discussion of results

Given that we for the subject of this research took analyzing the potential of young people to develop entrepreneurship and starting their own business, in accordance with that we set certain hypotheses that we will discuss further here.

By analyzing the statements that we have covered in the subtitle Tendency of young people in BiH for entrepreneurship, we can see that young people have a pretty well developed work ethic, diligence, ideas, perseverance and independence, indicating their propensity to entrepreneurship. But we noticed that young people are not prone to teamwork, control by others, a more detailed search for the information and taking full responsibility for their decisions, which truncated the overall impression of the preparedness of young people in BiH (the represented in our sample) for the full entrepreneurial activity. Therefore our first hypothesis (H1: There is a noticeable tendency of young people to develop entrepreneurship and entrepreneurial culture) was partially confirmed.

When we talk about the second hypothesis (H2: Young people in BiH are not sufficiently trained in entrepreneurship), we can conclude that it is confirmed in the attitude of young people about who is an entrepreneur, where 9% of respondents answered that it is someone who is “educated for the job “. On the other hand, 37% of respondents said that they learned about entrepreneurship in the school, which can act as an incentive for the future development of entrepreneurship, but not enough for its more serious momentum since, however, it is expected that more than fifty percent of young people learned the basic elements of entrepreneurship (or acquires solid knowledge) in school and / or university. Also, the survey showed that 8.9% of young

people (the represented in our survey) learns more about entrepreneurship through self-monitoring literature and informal education. These data indicate that our second hypothesis is confirmed.

Proving the third hypothesis (H3: Young people in BiH have a solid motivation for starting their own business), we sought in analyzing the results obtained on the questions and their options, which talks of readiness and the reasons for young people to start their own business. One argument about the existence of motivation among young people is found in the fact that 1/4 of our respondents already have their own business (24.4%) and the other is that a group of young people declared that they would start their own business if they had favorable conditions and expert advice (summary - 52.6%). On the other hand, the percentage of those who do not tend to commence their own business or any other form of entrepreneurship is not, given the sample size, discouraging (summary- 20.5%). It should be added, and the percentage of those respondents who see their future employment in starting their own business (20.5%) or in an existing family business (14.1%). In the example of presented results, we can conclude that our third hypothesis is confirmed, or that there is a good motivation of young people to launch an entrepreneurial venture.

The fourth hypothesis (H4: Young people are able to detect obstacles that prevent the development of entrepreneurship in BiH) is confirmed, as the young perceive non-entrepreneurial and non-operating factors of which depends the success of entrepreneurial ventures: connection to "powerful people" (33.3%); party and political connections and support (20.5%). Also, young people identify lack of state support and adequate quality regulations (94.6%) as the biggest obstacle to the mass development of entrepreneurship in BiH, much bigger than the lack of financial resources (15.4%).

Conclusion

Starting from the statement that entrepreneurship, among other things, is one of the major factors of socio-economic development of modern society, we wanted to examine the entrepreneurial potential of young people in BiH. In this regard, we pointed out the importance of this phenomenon and the importance of developing and implementing an entrepreneurial culture in our society, especially bearing in mind that the entrepreneurship in the population of young people positively directs its dynamism, innovation, creativity and flexibility (features most often inherent in this

population). Development of entrepreneurship, also partially solves the problem of unemployment, but it is certainly crucial for increasing the level of competitiveness, both domestically and on the global labor market. The research conducted in this paper, which refers to the entrepreneurial potential of young people in BiH, shows a fairly encouraging data. The young people in BiH society have developed a solid sense of work ethic, independence, dynamism, innovative ideas and perseverance which indicates a tendency towards the development of entrepreneurship. The existence of the interests of young people to develop entrepreneurship we observe through the information that a number of respondents already have their own business or they opted to start one in the case of appropriate conditions. Also, we can see that young people realize that the lack of impact of the national economy, or state support and prescribing appropriate legislation are the greatest obstacles for the development of entrepreneurship in BiH. It is significant to point out the lack of adequate training (formal and informal) for entrepreneurship. Propensity and interest of young people should be an incentive for studying of this phenomenon and its characteristics to be required and included in formal education (in schools / colleges).

According to all the above, it is clear that the development of entrepreneurship is very important and in the case of BiH society essential element for the political, economic, commercial and social development, especially given the alarming problem of youth unemployment, but also having in mind the problem of lack of competitiveness of the economy at the regional and global markets.

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