



YOUTH'S PERCEPTIONS OF INNOVATION START-UP BUSINESS

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ABSTRACT

This paper focuses on youth's decision process to become innovation entrepreneurs. The first part of the paper delivers the problem statement and a literature review of latest (empirical) contributions in the field of entrepreneurship. The present survey indicated the view of the potential entrepreneurs as well as already successful youth's entrepreneurs – indicating suitable attempts for possibilities of improvement. In addition, it was useful to track youth's entrepreneurship along the enterprise life-cycle to reveal specific strengths and weaknesses in specific phases of enterprise development.

KEYWORDS : Innovation Start-up, Youth's Entrepreneurs, Entrepreneurship

1. INTRODUCTION

In the globalization phase, changed conditions in the job market are discussed which are connected, above all, to measure youth's labour force participation rate. Nevertheless, meanwhile the quality of concluded education and professional training of youth's entrepreneurs is on average better than that of young men. In the future this fact could also make a rise of the youth's rate in top positions more likely (Baumon, 1990). Besides, during the last years the share of women has clearly increased, above all, in the lower and middle management enabling them a career on top management levels (Neuberger, 2002).

The conditions on labour markets, particularly the youth employment rates are affected by huge changes in economic structures, e.g. globalisation, work-time flexibility but also social trends like single households, and the role and forms of entrepreneurship (Moore and Buttner, 1997). Especially the role of youth entrepreneurship as driving force of economic growth and development increased significantly. This fact presumes an increase of the youth employment rate in leading positions but also an increase of young entrepreneurship (Carter and Cannon, 1992).

2. LITERATURE REVIEW

In literature motives are summarised in two different categories. This is based on Gilad's and Levine's (1986) developed explanation attempts which deliver two very similar theories of entrepreneurial motivations (Segal et al., in 2005). On the one hand there are the so-called 'pull' factors which show positive incentives for the step into independence (e.g., a higher income). In contrast the 'push' factors exists which force individuals, due to negative external effects, to overcome the negative situation when founding a business. These factors are, for example, dissatisfaction with the occupation, unemployment, and insufficient payment during employment or too rigid working hours (Segal, et al., 2005).

2.1 INDEPENDENCE MOTIVES

The striving for independence is looked at as the most important 'pull' factor for independence. Carter and Cannon (1992) divide the motivation of independence into four different groups including (1) aspirants; (2) high achievers; (3) re-entrants; (4) traditionalists

These different forms of motives and the grouping of youth entrepreneurs resulting from it, is of course not lasting, because entrepreneurship takes also strong flexibility for being successful in the long run.

2.2 ECONOMIC MOTIVES

Baumol (1990) analyzed the factors 'necessity', 'usability' and

'desirability' of an entrepreneurial career. Praag and Cramer (2001) assumed that somebody will decide on independency when the expected remuneration of the independent activity exceeds the one being employed. Besides, entrepreneurial activity consists of the factors feasibility and desirability. Accordingly Levesque et al. (2002) also dealt with a use maximising model that analyzes the decision between independent and dependent work, whereby this often changes depending on the age of the individual (Segal et al., 2005).

2.3 PERSONAL MOTIVES

Besides striving for independence and economical goals even other motives are imaginable which mostly originate from personal experience leading therefore to the final decision for independence. These kinds of motives can be seen as 'push' as well as 'pull' factors (Gartner et al., 2000).

Results from earlier studies are summarised in the following table which especially analyzed the motives of youth's entrepreneurs. The most often identified main factors are compatibility of job and family (Lundstrom, 1999; Caputo and Dolinsky, 1998, Marlow and Strange, 1994; Birley 1989), independence (Sacirbey, 1998), autonomy (Kleinman, 1998; McKay, 2001), overcoming discontent with work (Babaeva and Chirikova, 1997; Oeltjen, 1992) and loss of the workplace (Sacirbey, 1998; Babaeva and Chirikova, 1997).

3. METHODOLOGY

We used interview methodology for our study. The interviews have been carried out during spring and summer 2018. The average duration of an interview was 60 minutes. The interview questionnaire based on the results of a quantitative evaluation in which 150 start-up business and 120 students from economic faculty were asked about their entrepreneurial attitude. The aim of the overall project was to assess differences between youth's expectations about entrepreneurship and young's evaluations of their entrepreneurial activity. Therefore, the qualitative interviews attempted to assess motivators of youth entrepreneurship, perceived difficulties during their entrepreneurial activities.

4. RESEARCH RESULTS

The interviewees most often called the motive of continuation of family tradition as most decisive for becoming an entrepreneur. Nevertheless, this seems to be a motive which is relatively superficial, on account of the small scaled business. Motives, such as independence and self-realization were named in each case as a determining motive for independent employment by two entrepreneurs. These two motives have also been determined as essential in international studies over and over again (McKay, 2001).

'Being a staff leader' as well as 'having fun at work' was mentioned only once as a decisive reason in each case for considering an entrepreneurial activity. Surprisingly the possibility to combine job and family likewise was also only important for one of the young entrepreneurs.



Figure 1: Motivators for the start of independent employment

Even if the compatibility of job and family was no reason for the questioned female entrepreneurs to become independent, the double load was called as essentially difficult by at least three youth entrepreneurs.

The reason why of the big dispersion within the named difficulties individual circumstances seem to be very decisive for the appearing problems. For example, a high time expenditure, prize competition as well as tax and finance problems or the procurement of capital can be counted to it. Merely one female entrepreneur represented the view that no difficulties appear with independent employment.

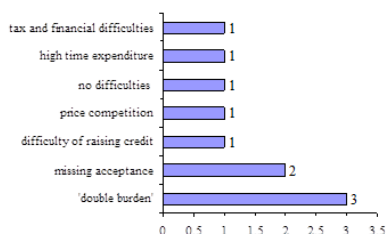


Figure 2: Difficulties of a young's entrepreneur

Following that, similarly to the quantitative questionings also the results of the single case studies are briefly summarised in tabular form. The results refer to those answers which were stated by the majority of the interviewed youth entrepreneurs and to average values.

Table 1: Summary of results from surveys

Variables	Youth entrepreneurs
time of business foundation	with ~ 20 years
form/Type of business foundation	sole business foundation
legal form	single enterprise
business size	smallest or small enterprise
motivators for entrepreneurship	continue family tradition
difficulties during business foundation	double load
differences between female and male entrepreneurs	only achievement counts, but perhaps difficulties in some branches for women or due to double load
family status	married
children	yes, partially already grown up
highest level of education	finished apprenticeship (+ master's certificate)

financing	primarily and exclusively with privately owned capital
changes	would do it again essentially the same way and become an entrepreneur

5. CONCLUSIONS

In summary, we found a positive trend is to be recognised from that point of view that in the future will be more successful youth entrepreneurs. A strong need for action is obviously still necessary to reach similar equalization also in the area of young entrepreneurs (at least numerical) as it can be registered with employees. Therefore, measures would have to be taken at the different levels; on the one hand at political level to create suitable juridical basic conditions for still necessary support measures e.g. in the area of child care. In this area, above all, the initiative of parents, educators and different training centres is required, to cause necessary changes especially within the younger generation.

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