

## THE QUALITY OF BUSINESS ENVIRONMENT AND UNIVERSITY STUDENT ENTREPRENEURSHIP - COMPARISON OF THE CZECH AND THE SLOVAK REPUBLIC

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### Abstract

*The aim of this paper was to define and quantify significant factors that potentially influence university students' propensity for entrepreneurship. A part of this aim was a comparison of defined factors in the Czech and the Slovak Republic. A survey-based research was conducted with university students in the Czech Republic and Slovakia. 409 students in the Czech Republic and 568 students in Slovakia were approached during this research. To verify the defined scientific hypotheses, two custom Indexes were created: the Business environment Index and the Propensity for Entrepreneurship Index. The research results brought interesting findings. Even though the aggregated Business environment Index proved to be lower in Slovakia than in the Czech Republic, Slovak students' determination to run a business is higher. The evaluation of respective constructs was quite similar. Students in both countries gave the advantages of entrepreneurship and the quality of education a similar rating. In Slovakia, the third most important construct was Access to financial resources, and in the Czech Republic, it was the Quality of the macroeconomic environment. According to Slovak students, the most significant factors determining the quality of the business environment and the propensity for entrepreneurship are: business allowing them to fully utilize their own skills, a better career growth and interesting job possibilities, as well as financial support from the state. Similarly, Czech students positively assessed the possibility of utilizing their skills, and gave the quality of university education in the context of entrepreneurial activities a very positive rating. Students in Slovakia view the state's role in establishing business environment as a significantly negative factor. The students in the Czech Republic view media's attitude towards entrepreneurs as very negative. This research has its limitations, but it has brought interesting findings and a possible inspiration for further research aimed at university students' propensity for entrepreneurship.*

**Key words** university students, factors influencing entrepreneurship, propensity for entrepreneurship,

**JEL Classification:** A20, I25, I26

### Introduction

Entrepreneurship is a significant part of the economic system, having important effects on the growth of the entire society. It is therefore important that the young generation develops an interest in entrepreneurship and starts building actual businesses. Obviously, this is the group of people who should be the most active part of the country's population. It is the very university graduates who should utilize their acquired knowledge and their innate intelligence to form the country's economic power.

Entrepreneurship requires a combination of knowledge, skills, and the potential to establish and maintain a new business (Dutta, Li and Merenda, 2011). According to Kuratko and Hodgets (2004), entrepreneurship is a dynamic work of vision, change, and creativity. It requires energy and passion to introduce and implement new ideas and creative solutions.

Many studies confirmed that entrepreneurs with university degrees have significantly better preconditions for doing business (Lafuente and Vaillant, 2013; Velez, 2009; Naude et al., 2008;

Rauch and Rijdsdijk, 2013; Van der Sluis and Van Praag, 2008; Millian et al., 2014). According to Ključnikov et al. (2016), entrepreneurs with university education perceive factors that form the business environment more intensively. Within this context, Belás et al. (2016) claim that entrepreneurs with university education have better predispositions for managing business and financial risks in an enterprise.

The decision regarding entrepreneurship is determined by a whole array of social and economic factors in combination with people's personality traits and motives.

This paper examines significant factors of a social and economic character that influence university students' propensity for entrepreneurship in the Czech and the Slovak Republic. The originality of this research lies in the definition and quantification of these factors and the comparison of business conditions in both countries via aggregated indexes.

The structure of the paper is the following: The theoretical part presents the research results of the significant factors of business environment. The second part defines the aim of the research, the methodology, and the description of the data used. The third part presents the results of the research and

the discussion about the issue. The conclusion offers a final summary of the research.

## 1 Theoretical part

College students' propensity for entrepreneurship is determined by many factors, part of which fall under the social sphere and another part under the economic sphere. Numerous research teams have long been exploring the issue of the impact of social and economic factors on student entrepreneurship (e.g. Bedzsula and Köves, 2016; Delgado-Márquez et al., 2016).

Within social factors, many authors analyze personality traits or the influence of the family background on entrepreneurship.

Shirokova et al. (2016) examine the disparities between business students' intentions and real business start-ups. They found significant positive association between entrepreneurial intentions and student entrepreneurship. This relationship has a strong impact on the family business background (positive), age (positive), gender (dependence is stronger among men), university business environment (positive), acute situation conditions for doing business in the country (negative).

The results of the study by Chaudhary (2017) clearly demonstrate that the characteristics of the locus of control, tolerance for ambiguity, self-confidence and innovativeness were significant in distinguishing entrepreneurs from non-entrepreneurs. The need for achievement and risk-taking propensity did not differ significantly for these two groups, which was inconsistent with expectations. The study's results highlighted the important role of family background and school in predicting the propensity for entrepreneurship. Dugan (2015) analyzed in his work the entrepreneurial plans of students in their last year of university studies in Turkey. One of his findings was the correlation of their success level in an entrepreneurship class and their intentions to run a business after graduating from university. It also confirmed the positive correlation of the relationship between father - entrepreneur and the intention to run a business after graduating from university. The relationship between mother - entrepreneur and the intention to run a business was not confirmed. This finding reflects the cultural influence on the decision regarding entrepreneurship.

According to Pruett et al. (2009), the students' social status and family background are significant factors. A research aimed at the comparison of cultural differences between university students in the USA, China, and Spain showed that the social background in form of family support can increase the

students' propensity for entrepreneurship regardless of differences between countries. Flešková et al. (2011) present opposite study results. They examined the professional preferences of university students in Slovakia and found no correlation between parents' entrepreneurial activities and those of their children. A closer correlation was discovered between parents - entrepreneurs' success and their kids' tendency to run a business. A successful parent - entrepreneur as a role model is apparently a strong stimulus for children to contemplate a possible entrepreneurial career.

A considerable attention is being paid to the influence of the university education on university students' propensity for entrepreneurship. Farhangmehr et al. (2016) state that entrepreneurial education does not increase the motivation of university students to become entrepreneurs. The study calls for the development of entrepreneurial psychological and social skills of students, thus encompassing the emotional dimension and critical thinking. The results by Sesen (2013) highlighted the fact that the university environment has no significant impact on establishing students' relationship to entrepreneurship. Similarly, Wang and Wong (2004) claim that the education level has only limited effect on propensity for entrepreneurship. These findings are in contrast with the findings by Zollo et al. (2017) who state that the university environment significantly affects students in their relationship to entrepreneurship. The relationship to business was influenced in particular by the business attitude that influences the personality characteristics of the individual as well as the risk-taking propensity and locus of control.

Among the most significant economic factors motivating students to future entrepreneurship are the level of support from the state, the quality of the macroeconomic and the business environment, and access to financial resources. These factors form the quality of the business environment. It is apparent that a higher quality of the business environment creates a higher motivation to run a business and vice versa.

On the theoretical level, Conorto et al. (2014) define three significant quality areas of the business environment: *a broader business environment, a competitive environment, and a narrower business environment*. *A broader business environment* comprises factors on the macroeconomic level that exist regardless of the existence or the rank of individual entrepreneurial subjects. These are economic factors, technological factors, and social factors. *Economic factors* are the result of the character and the orientation of the country's economy, while the economic environment influences the changes of the material, energy, financial, investment and information conditions. The economic

factors include areas such as inflation tendencies, evolution of the interest rate, general availability of loans and other means of financing an enterprise, population's money saving and money spending tendency, etc. *The political stability and the political orientation of the country* in which the enterprise operates are of a great importance for entrepreneurial subjects. The political factors define the legal conditions and regulate the business environment. The political-legal environment creates a legislative and support frame for entrepreneurial activities, regulates international business relations, the tax and levy politics, the anti-monopoly politics, the stability of the legal environment, the effectivity of the judicial system, the enforceability of the law, the administrative burden on enterprises, etc. *Technological factors* are mainly the availability of human capital and the infrastructure in the field of research and development, and the cooperation of the public sector with the private sector, etc. The *social factors* can be considered quite marginal, they only affect the business environment indirectly – these are values, opinions, and lifestyles of the people in the environment, and the evolution of population, cultural, ecological, demographic, religious, and ethnic conditions. The broader economic environment is characteristic for its nearly identical influence on all entrepreneurial subjects, and its improvement or deterioration has a direct impact on the quality of the business environment. *The competitive environment* comprises barriers to entry, buyer power, supplier power, threat of substitution, and competitive rivalry (the concept of Porter's five forces). The *narrower business environment* includes direct competitors, customers, suppliers, and employees.

In *reality*, the following elements may be viewed as the basis of the country's business environment: the legal frame for business and the enforceability of the law; the burden on enterprises (administrative, financial: taxes, levies, and fees); interference with the freedom to do business, and the infrastructure for entrepreneurship (conditions for entrepreneurship, the quality and availability of key production factors and services for entrepreneurs) (Conorto et al., 2014).

Detailed information on the quality of the business environment as a whole and its individual attributes are offered by a number of indexes, such as: the Global Competitiveness Index, the Index of Economic Freedom, the Corruption Perception Index and others that constitute the method of multicriterial evaluation of the country's competitiveness (Belanová, 2014).

These theoretical bases present the platform for this research. The research presents a complex approach to the evaluation of social and economic factors determining the university students' decision

to start a business.

## 2 Research aim, methodology, and data

The aim of this paper was to define and quantify significant factors that influence university students' propensity for entrepreneurship. A part of this aim was a comparison of defined factors in the Czech and the Slovak Republic.

The research was conducted in September 2016 – January of 2017. 409 students from 14 universities in the Czech Republic and 568 students from 8 universities in Slovakia were surveyed. The Czech students were from the following universities: Technical University of Liberec, Newton College in Brno – University of Applied Business, University of Economics Prague, Masaryk University in Brno, Sting Academy in Brno, College of Entrepreneurship and Law in Prague, Palacký University Olomouc, and the Mendel University Brno. Students from Slovakia were studying at the following universities: University of Economics in Bratislava, Alexander Dubček University in Trenčín, University of Žilina, University of Prešov, Matej Bel University in Banská Bystrica, Technical University of Zvolen, Technical University of Košice, and Pan-European University in Bratislava. Universities were approached on basis of willingness to participate in the research. The research focused on students of the 3rd year of Bachelor study and higher grades (Master's degree, engineering studies), who are supposed to be thinking about their future. A total of 408 college students (156 men (38.2%) and 252 women (61.8%)) participated in the survey. There were 568 students from the Slovak universities (216 men (38.0%) and 352 women (62.0%)). The data were collected by means of a questionnaire. The questionnaire contained a total of 40 business queries that students had to rate by agreeing to the classical five-level Likert scale: 1 - I strongly disagree, 2 - I do not agree, 3 - I do not agree or disagree; 4 - I agree, 5 - I definitely agree.

In this research, individual constructs were defined using the following statements which are also the factors influencing university students' propensity for entrepreneurship:

*K1: Social environment: the aim was to find out how the social environment (family relations, society, politicians, and media) affects the propensity for entrepreneurship.*

*K11: There is a businessperson in my family and I highly respect him/her.*

*K12: The society in general appreciates businesspeople.*

K13: Politicians as well as the public consider businesspeople to be beneficial for the society.

K14: Media provide true information regarding the status and the activities of businesspeople.

*K2: Business support from the state: it was assumed that the state has a significant role in forming the business environment, the business attitude and the propensity for entrepreneurship.*

K21: The state supports entrepreneurship by using its tools.

K22: The state creates high-quality conditions for starting a business.

K23: The state supports entrepreneurship financially.

K24: Legal conditions for doing business are of high quality.

*K3: Macroeconomic environment: the actual state of the economy can determine the decision about starting a business. This research was supposed to measure the intensity of this relation.*

K31: I consider the macroeconomic environment of my country to be positive for doing business.

K32: The state of macroeconomic environment of my country supports starting a business.

K33: Present macroeconomic environment does not prevent me from starting a business.

K34: Present level of basic macroeconomic factors (GDP, employment, inflation) supports business and creates interesting business opportunities.

*K4: The quality of business environment – it was assumed that a positive evaluation of the quality of the business environment has a positive effect on the propensity for entrepreneurship.*

K41: The business environment of my country is of good quality and convenient for starting a business.

K42: The business environment of my country is relatively risk-resistant and enables to start a business.

K43: Conditions for doing business have improved in my country in the last five years.

K44: The amount of administrative work of businesspeople in my country has decreased in the last five years.

*K5: Access to financial resources – it was assumed that a positive evaluation of the access to external financial resources has a positive effect on the propensity for entrepreneurship.*

K51: There is no intensive financial risk in the business environment, i.e. having limited access to external financial sources, bad payment habits, etc.

K52: Business entities have easy access to bank credits.

K53: I consider the credit conditions of commercial banks in my country to be appropriate.

K54: The interest rates of commercial banks support business activities.

*K6: Quality of university education – it was assumed that a positive evaluation of the quality of university education has a positive effect on the propensity for entrepreneurship.*

K61: I consider university education of my country to be of good quality.

K62: I consider the educational structure at my faculty (university) to be of high quality.

K63: The knowledge acquired at my faculty (university) will help me when doing business.

K64: The knowledge acquired by students in my country will help them to start a business.

*K7: Entrepreneurs' personality traits – the aim was to find out how students evaluate the requirements on entrepreneurs' personality traits (K7 will, given its content, not be included in the aggregated index)*

K71: A businessperson does not have to have any special innate abilities.

K72: The most important characteristics of a businessperson are specialization, persistence, responsibility, and risk-resistance.

K73: It is easier to do business if close relatives are in business.

K74: Every person has certain prerequisites for doing business.

*K8: Business advantages – it was assumed that a positive evaluation of business advantages has a positive effect on the propensity for entrepreneurship.*

K81: The advantages of entrepreneurship outnumber the disadvantages.

K82: A businessperson is wealthier and has a higher social status.

K83: Entrepreneurship enables career growth and leads to interesting job opportunities.

K84: Doing business enables making use of own abilities.

*K9: Business disadvantages – it was assumed that a positive evaluation of business disadvantages has a negative effect on the propensity for entrepreneurship.*

K91: The disadvantages of entrepreneurship outnumber the advantages.

K92: The disadvantage of doing business is not having a regular income.

K93: The negative aspect of doing business is the fact that a businessperson does not have time to be with his/her family.

K94: The disadvantage of doing business is not having a good reputation within society.

*KY: Entrepreneurial propensity: the result of the research - the aim was to determine university*

students' inclination (tendency, attitude) to start a business after graduating from university.

KY1: I am very interested in doing business.

KY2: I am convinced that I will start a business after I graduate from university.

KY3: In case nothing unexpected happens, I will start a business within three years at the latest.

KY4: At present, I have business activities.

In order to quantify and compare important factors determining the propensity for entrepreneurship, an aggregated index of the quality of business environment was created. It can be characterized as the average value of the positive evaluation of individual factors:

$$Ikpp = (\sum_{i=1}^4 \phi K1i/4 + \sum_{i=1}^4 \phi K2i/4 + \sum_{i=1}^4 \phi K3i/4 + \sum_{i=1}^4 \phi K4i/4 + \sum_{i=1}^4 \phi K5i/4 + \sum_{i=1}^4 \phi K6i/4 + \sum_{i=1}^4 \phi K8i/4 - \sum_{i=1}^4 \phi K9i/4)/8 \quad (1)$$

$Ikpp$  – aggregated index of business environment,

$Kn$  – average value of the positive evaluation of individual constructs incorporated into the aggregate index, expressed via simple index for  $n = 1, 2, 3, 4, 5, 6, 8, 9$ .

Simultaneously, the propensity for entrepreneurship index was created and can be characterized as the average value of the propensity for entrepreneurship:

$$Isp = \sum_{i=1}^4 \phi KYi/4 \quad (2)$$

In theory, the following should be true:  $Ikpp = Isp$ . It means that the evaluation of important factors determining the propensity for entrepreneurship should equal the propensity for entrepreneurship. If the difference between the given indexes is less than 10 %, it can be said that this model has a good predicative potential.

When developing this paper, three scientific hypotheses were established:

H1: The aggregated index of the quality of business environment in Slovakia is lower than 0.400.

H2: The aggregated index of the quality of business environment in the Czech Republic is lower than 0.400.

H3: The difference between the aggregated index of the quality of business environment and the propensity for entrepreneurship index is lower than 10 %.

### 3 Results and discussion

The research results for the Slovak Republic are listed in Tab. 1

**Tab.1 Research results for the Slovak Republic**

Source: own processing

Factor	The ratio of positive responses expressed via index	Factor	The ratio of positive responses expressed via index	Factor	The ratio of positive responses expressed via index
K11	0.687	K21	0.222	K31	0.216
K12	0.467	K22	0.164	K32	0.241
K13	0.199	K23	0.680	K33	0.431
K14	0.144	K24	0.174	K34	0.285
<i>Index K1</i>	<i>0.374</i>	<i>Index K2</i>	<i>0.310</i>	<i>Index K3</i>	<i>0.293</i>
K41	0.215	K51	0.224	K61	0.516
K42	0.472	K52	0.516	K62	0.667
K43	0.313	K53	0.491	K63	0.641
K44	0.174	K54	0.391	K64	0.544
<i>Index K4</i>	<i>0.294</i>	<i>Index K5</i>	<i>0.406</i>	<i>Index K6</i>	<i>0.592</i>
K81	0.518	K91	0.312	KY1	0.588
K82	0.423	K92	0.616	KY2	0.357
K84	0.778	K93	0.479	KY3	0.266
K85	0.870	K94	0.165	KY4	0.178
<i>Index K8</i>	<i>0.647</i>	<i>Index K9</i>	<i>0.393</i>	<i>Index KY</i>	<i>0.347</i>

Based on the research results, the aggregated index of the quality of business environment and the

propensity for entrepreneurship index were quantified for university students in Slovakia:

$$I_{kppSR} = (0.374 + 0.310 + 0.293 + 0.294 + 0.406 + 0.592 + 0.647 - 0.393) : 8 = 0.315$$

*IppSR does not equal IspSR because 0,315 < 0.347*

The aggregated index of the quality of business environment reached the value of 0.315. This can mean that the average value of the positive evaluation of individual factors evaluating the quality of the business environment reached the value of 31.5 %. The Propensity for entrepreneurship index reached the value of 0.347 which means that approximately 35 % of the students in Slovakia expressed interest in starting a business, or the fact that they are already involved in business activities. It was interesting to find out that the propensity for entrepreneurship is higher than the evaluation of the quality of business environment.

The following constructs reached the highest values of partial indexes: K8, K6, and K5. Students in Slovakia expressed a high level of agreement with the defined business advantages (with the average value being 64.7 %), with the quality of university education in the context of business activities (59.2 %), and with the access to financial resources (40.6 %). K84, K83, and K23 factors reached the highest value of partial indexes and K22, K94, K24, and K44 factors the lowest.

University students strongly identified with the advantage that doing business enables full use of own abilities (87 % agreed with this statement). 77.8 % of the students think that entrepreneurship enables career growth and leads to interesting job opportunities. 68 % of the students agree with the statement that the state financially supports entrepreneurship.

Factor K22 got the lowest grade from the students, as only 16.4 % of them agreed with the statement that the states creates high-quality conditions for starting a business. In this research, only 16.5 % of the students agreed with the statement that a bad reputation within the society is a disadvantage of doing business. Only 17.4 % of the students agreed with the notion that legal conditions for doing business are of high quality and that the amount of administrative work of businesspeople has decreased in the past years.

*H1 was confirmed. The aggregated index of the quality of business environment in Slovakia was lower than 0.400.*

Research results for the Czech Republic are listed in Tab. 2.

Tab.2 Research results for the Czech Republic

Factor	The ratio of positive responses expressed via index	Factor	The ratio of positive responses expressed via index	Factor	The ratio of positive responses expressed via index
K11	0.680	K21	0.330	K31	0.487
K12	0.435	K22	0.298	K32	0.445
K13	0.181	K23	0.254	K33	0.606
K14	0.071	K24	0.259	K34	0.511
<i>Index K1</i>	<i>0.342</i>	<i>Index K2</i>	<i>0.285</i>	<i>Index K3</i>	<i>0.512</i>
K41	0.408	K51	0.274	K61	0.685
K42	0.677	K52	0.592	K62	0.709
K43	0.386	K53	0.560	K63	0.680
K44	0.130	K54	0.460	K64	0.560
<i>Index K4</i>	<i>0.400</i>	<i>Index K5</i>	<i>0.472</i>	<i>Index K6</i>	<i>0.659</i>
K81	0.533	K91	0.215	KY1	0.494
K82	0.355	K92	0.579	KY2	0.269
K83	0.609	K93	0.479	KY3	0.259
K84	0.868	K94	0.120	KY4	0.191
<i>Index K8</i>	<i>0.591</i>	<i>Index K9</i>	<i>0.348</i>	<i>Index KY</i>	<i>0.303</i>

Source: own processing

$$IkppCR = (0.342 + 0.285 + 0.512 + 0.400 + 0.472 + 0.659 + 0.591 - 0.348) : 8 = 0.364$$

*IkppCR does not equal IspCR because 0,364 > 0.303*

The aggregated index of the quality of business environment reached the value of 0.364. The average value of the positive evaluation of individual factors evaluating the quality of the business environment in the Czech Republic reached the value of 31.5 %. The Propensity for entrepreneurship index reached the value of 0,303, which means that approximately 30 % of the students expressed interest in starting a business, or the fact that they are already involved in business activities. The propensity for entrepreneurship is lower than the evaluation of the quality of business environment.

The following constructs reached the highest values of partial indexes: K6, K8, and K3. Students in the Czech Republic expressed a high level of agreement with the quality of university education in the context of business activities (65,9 %), with the defined business advantages (with the average value being 59.1 %), and with the quality of the macroeconomic environment (51.2 %). K84, K62, K61 factors reached the highest value of partial indexes, and K14, K94, and K44 factors the lowest.

University students in the Czech Republic strongly identified with the advantage that doing business enables full use of own abilities (86.8 % agreed with this statement). The students also positively evaluated

the quality of education in their country (68.5 %) and at their faculty (70.9 %).

Factor K14 received the lowest grade from the students, as 7.1 % of them agreed with the statement that the media provide true information regarding the status and the activities of businesspeople. Only 12 % of the students agreed with the statement that an entrepreneur does not have a good reputation within the society, and only 13.0 % of the students agreed with the notion that the amount of administrative work of businesspeople has decreased in the past years.

*H2 was confirmed. The aggregated index of the business environment in the Czech Republic was lower than 0.400.*

*H3 was confirmed. The difference between the aggregated index of the business environment and the propensity for entrepreneurship index in both countries was lower than 10 %.*

These research results are, to a great extent, compatible with the opinion of Shirokova et al. (2016), Chaudhary (2017), Dugan (2015), and Pruett et al. (2009) who claim that the family background creates favorable conditions for future entrepreneurship. In this research, up to 86 % of

students in the Slovak Republic and 85 % of students in the Czech Republic agreed that it is easier to run a business if there is another businessperson in the family.

The research results in the Slovak Republic considerably differ from the findings by Flešková et al. (2011) which claim that only 10.4 % of the students expressed definite interest in starting a business after graduating from university. Their research was conducted on a sample of 298 university students at 4 universities.

In this research, 36 % of the students in the Slovak Republic expressed intent to start a business after graduation.

At the same time, the results in the Czech Republic are partially compatible with the findings by BusinessInfo.cz (2015). Based on their data, up to 50 % of university students contemplate doing business in the future. When thinking about entrepreneurship, the students claimed that they receive support from their families (75 %); however, up to 70 % of them claimed a lack of such support from universities, and two thirds of them said that the Czech Republic does not make starting a business easy for new entrepreneurs.

In the current research, 46 % of the students in the Czech Republic claimed that they are active in business or definitely plan to start a business after graduating from university.

It is interesting to see the evaluation of disparities of both indexes, namely the differences between the evaluation of the quality of business environment and the propensity for entrepreneurship.

FinExpert (2015) states that the entrepreneurial potential in the Czech Republic is at 38 %, however, only 6 % of the people are in business, therefore the entrepreneurial "gap" represents up to 30 %. Based on this, the Czech Republic does not deviate from the European Union average, but does fall behind the international level, e.g. the business potential of 51 % in the USA, or even 81 % in Mexico. By contrast, it is only 33 % in Slovakia and 25 % in Germany.

It would be logical to assume that the index of the quality of business environment should be higher, as the propensity for entrepreneurship may be determined by students' personality traits or by existing business myths. In this research, 78 % of the students in Slovakia and 63 % in the Czech Republic agreed with the statement that the most important personality traits expected of an entrepreneur are specialization, persistence, responsibility, and risk resistance. On the other hand, students in both countries expressed strong disagreement with the claim that a businessperson does not have to have any

special innate abilities (53 % in Slovakia and up to 62 % in the Czech Republic).

It is the very differences in personality traits, especially risk resistance, or the existence of a number of business myths that can explain the gap between given indexes, and act as a significant barrier in starting a business at the same time. The fact that entrepreneurs themselves do not consider risk resistance the most important personality trait can also be interesting.

This research was conducted in the Czech Republic in 2015 on a sample of 1,141 respondents, and the following sequence of necessary entrepreneurial character traits and skills were indicated: *professional knowledge*: (this skill was indicated by 54,25 % of entrepreneurs within this research); *responsibility*: (this skill was indicated by 52,94 % of entrepreneurs within this research); *persistence*: (this skill was indicated by 51,10 % of entrepreneurs within this research), and fourth, *risk resistance* (this skill was indicated by 46,36 % of entrepreneurs within this research).

## Conclusion

The aim of this paper was to define and quantify significant factors that create the business environment and influence university students' propensity for entrepreneurship. A part of this aim was a comparison of the defined factors between the Czech and the Slovak Republic.

The results of this research have brought interesting findings. Although the aggregated index of the quality of business environment reached a lower level in Slovakia than in the Czech Republic, the Slovak students' determination for entrepreneurship is larger.

The evaluation of individual constructs was quite similar. Students in both countries provided a similar evaluation of the business advantages and the quality of university education. Access to financial resources ended up being the third most important construct in Slovakia. In the Czech Republic, it was the Quality of the macroeconomic environment.

According to Slovak students, the most important factors determining the quality of the business environment and the propensity for entrepreneurship are the following: business enabling full use of own abilities, career growth and interesting job opportunities, and financial support from the state. Similarly, Czech students highly appreciated the possibility to fully use their own abilities and the quality of university education in the context of business activities.



Students in the Slovak Republic pointed at the state as being a significant negative factor in creating a business environment. Czech students identified media's approach to entrepreneurs as a negative factor.

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This research has its limitations, but it has brought interesting findings and a possible inspiration for further research aimed at university students' propensity for entrepreneurship.

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