
SHOULD I BECOME AN ENTREPRENEUR OR AN EMPLOYEE: DILEMMAS OF STUDENTS IN MACEDONIA AND SLOVENIA?

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Abstract

Although extensive research evidence has been available on different scopes of entrepreneurship not much has been revealed about intentions and motives of possible successors of family businesses. Future career choices wise, children of entrepreneurs may have three options: to found their own companies, to find jobs elsewhere and become employees or to inherit and success their parents' family businesses. The theory of planned behavior helped us explore how three potential prototypes differ from the viewpoint of locus of control, self-efficacy and independence. We used quantitative approach to analyze the survey results, conducted among senior students at university level in Macedonia and Slovenia. Certain differences in the attitudes of students in the two countries were identified. We believe that the suggested topic will provide recommendations for improving the entrepreneurial businesses succession motivation among students.

Key words: *Entrepreneurship, career, students, family business, Macedonia, Slovenia*

Introduction

Entrepreneurship literature intensively investigates career choice intentions related to various motives to start a business (1,2). On the other hand, not much has been researched on career options of those who were born to family business parents because most of the literature compares the two options: establishing own business or search for employment and so far there have been no instruments developed to investigate this issue (3). One of the recent contributions in the field investigated the relationship between the possible family background and entrepreneurial intentions of university students in several countries (4). One of the ambitions of this particular study is to replicate it in the two countries which share several cultural similarities i.e. Slovenia and Macedonia. We try to decrease the particular research gap by contributing with findings about determinants of career choice intentions of business students with family business background. As a theoretical framework, the theory of planned behavior is applied in its entrepreneurial context (5).

We examine how perceived behavioral control (defined by general locus of control and entrepreneurial self-efficacy) and attitudes (influenced by the independence and innovation motives) impact the likelihood of three career choice intentions: founding own firm, taking over a family business from parents or being an employee outside the family firm.

To examine the backgrounds of career choice intentions, we draw on theory of planned behavior (5). Intention is a state of mind directing an individual's attention and experience toward a specific object or method of behaving. Intentions are formed as a result of three factors: attitude toward performing the behavior, subjective norms, and perceived behavioral control. Attitude toward the behavior is determined by underlying beliefs about the likely outcomes of that behavior and reflects the positive or negative evaluation of these outcomes (6).

Perceived behavioral control refers to 'people's perception of the ease or difficulty of performing the behavior of interest' (5). It combines Bandura's (7) concept of self-efficacy and the concept of locus of control (8, 9), the perceived ability to execute a target behavior. Based on assertions that intentions are the single best predictors of actual behavior (10), theory of planned behavior is used to predict entrepreneurial behavior (11, 12). Krueger et al. (1) argue that much of what we consider entrepreneurial activity is intentionally planned behavior.

Growing up in a family where parents are managers and owners of a family business is a specific context in which career intentions are formed. Children raised in the family firm (13), are often closely exposed to the challenges and opportunities related to an entrepreneurial career. It has been put forth that if parents serve as positive role models, children from business families should be more motivated to start their own firm than children without this background (14). This may be related to family support in terms of resources needed to start a business, learning effects or increased perceptions about the challenges related to an entrepreneurial career (15).

In line with Bandura (16), the family may then influence perceptions of controllability and self-efficacy. Besides a familial context, by opting for succession, children also face a particular organizational context in comparison to the founding or employment contexts. Children, then, may face strong inertial forces inhibiting timely and creative adaptations of the business (17).

Entrepreneurship research suggests that perceived behavioral control is among the most important causes to entrepreneurial career intent (1, 18). An important question, for both theory of planned behavior in a broader sense and its application to the entrepreneurship and family business context, is the potentially differing impact of locus of control and self-efficacy as different aspects of perceived behavioral control (19, 9). The case has been made that measures of perceived behavioral control need to incorporate both locus of control, which is assumed to deal with external factors that may facilitate or impede performance of a behavior, and self-efficacy, which reflects internal factors (9).

Bandura (20) claims that individuals may show strong internal locus of control in general, but believe they have low skill levels in certain areas, which would lead to low efficacy perceptions on relevant tasks. A second difference is that locus of control as measured by Rotter's I-E scale (21) includes outcome expectancies in addition to behavior expectancies, while self-efficacy concerns only behavioral control. An individual perceives the outcome of an event as being either within or beyond his or her personal control and understanding. An 'internal' believes that one has influence over outcomes through ability, effort, or skills. 'Externals' believe that forces outside the control of the individual determine outcomes (18). A lot of entrepreneurship research suggests that individuals with high levels of general internal locus of control are more inclined to choose an entrepreneurial career path than those individuals with general external locus of control (8, 22, 23).

Concerning these conclusions, we expect that students with a family business background who display high levels of general internal locus of control will

be inclined to prefer the founding to the succession intention. A member of the younger generation joining the family business might experience a lack of acceptance and legitimacy among long-time employees but also among family members (24). Successors in family firms often need to adapt to existing decision-making and control structures, making it difficult to implement ideas and control the organization's further development (25). The successor's personal control over outcomes is limited by several external factors that may even be beyond the domain of the firm. Consequently, students with high general internal locus of control are expected to prefer the starting of own business to the succession of a family business option. When becoming an employee, the opportunity to control outcomes is restricted due to the lack of influence through ownership because the employee's career is influenced by many external factors beyond his or her control.

Slovenia and Macedonia were two out of six member republics in the state federation, the Socialist Federative Republic of Yugoslavia, which was politically created in 1945 after the World War II and after long-lasting political crisis, fell apart after 1991. Yugoslavia has been a communist party led confederation of autonomous republics which had never assembled for economic reasons but merely to fulfill the ancient political dream that many nations in the territory of Yugoslavia had had: all the people of one nation living in one country (this was mostly the case for Serbians and Slovenes, but also for Macedonians and Croats). The differences in economic development measured by purchasing power were tremendous. In 1985, Slovenia was on the level of Spain while Macedonia could have been compared to Pakistan. In order to aim for sustainable development of the country a lot of capital flows and know-how transfer took place from richer to poorer republics. Thus, relationships between Slovenia and Macedonia were very close although one being geographically on western end and the other on eastern end of the federation (26).

The differences between the two countries are nowadays quite substantial: Republic of Slovenia is a full time member of EU while the Republic of Macedonia is among candidate countries, having per capita GDP less than half of the Slovenian one. According to Global Entrepreneurship Monitor, the Republic of Macedonia has been an efficient economy while Slovenia has already positioned itself among innovative economies. Total entrepreneurial activity is higher in the Republic of Macedonia (7.96 % comparing to only 4.56 % in Slovenia), however, majority of start-ups in Macedonia are from necessity reasons (58.66 % comparing to only 16.24 % in Slovenia). Entrepreneurial intentions among population are quite higher in Macedonia, however, the perceived respect for entrepreneurs and positive media coverage are more evident in Slovenia (27).

Material and methods

A questionnaire was reconstructed from the Zelweger et al. (4) work and was based on given variables exposed in the paper. The questionnaire was developed in English and later translated in the languages of two countries: Slovenian and Macedonian. It was kept short (two pages) to maximize response rate and give opportunistic ability to be delivered in the classroom just before lectures devoting 15 minutes of the time to be filled in. Students were of comparable age study and program: graduate students of business with different backgrounds. In both countries, students were surveyed only in one business school which may be a delimiter for the study. Both schools which hosted the study are private with comparable tradition

in the industry (6 to 15 years). In Slovenia 72 students returned the filled in questionnaires while in Macedonia the sample was slightly bigger, we collected 79 responses. Thus, the complete sample consisted of 151 usable questionnaires. The data was collected in late 2011 and early 2012.

The data was analyzed with SPSS version 18 software. Few standard tools were used among which descriptive, t-test for analyzing means, Cronbach alpha for testing consistency of several blocks of questions and computation of summated scales. In order not to lose valuable cases of respondents, a decision was made to replace missing value with the most frequent value provided by other respondents. Some demographics regarding the two samples are collected in Table 1.

Table 1 Demographics of the two samples: Slovenia and Macedonia

	Gender		Total	Average age	Sig.
	Male	Female			
Slovenia	35	37	72	28,94	0,006**
Macedonia	34	45	79	26,18	
Total	69	82	151		

Source: own processing

As one can see from the Table 1, the two subsamples are quite balanced. The participants from Macedonia are significantly younger (2,76 years difference) but yet represent comparable generations. While in Slovenia the sample is quite balanced. Regarding the gender, there are significantly more women who participated in the study from Macedonia. This may be due to the higher number of women enrolled.

Results and debate

First, feelings regarding the family business were examined.

Table 2 Feelings regarding family business

	My feelings regarding family business are mainly			Total
	Positive	Negative	Don't have experience	
Slovenia	36	7	29	72
Macedonia	57	2	20	79
Total	93	9	49	151

Source: own processing

Surprisingly, more than 40% of respondents from Slovenia (29 out of 72) did not have any experience in family business thus making the research irrelevant to investigate in this direction. On the contrary, in Macedonia, the share of those without the experience in the family business is much lower (25,3%).

Also, the feelings respondents share regarding the family business are much positive comparing to Slovenian pattern. Namely, only 3,4% (2 out of 59) of Macedonians report negative feelings towards family business, comparing to 16,3% (7 out of 43) in Slovenia. Perhaps, this can be explained with a bit longer tradition of family business in Slovenia leaving those who experienced the trans-generational dimension of a family business to develop a far more critical view comparing to maybe a more idealistic view in Macedonia. The two frequency distributions (positive, negative and no experience) are also statistically different at significant level ($\alpha=8,867$, $df=2$, $X^2=0,012$).

Entrepreneurial motives were checked through a set of classical statements which are evident from the Table 3.

Table 3 Entrepreneurial motives

	SLO	MK	t-test	Sig.
Fulfill a personal vision	4,83	4,97	-0,975	0,331
Grow and learn as a person	5,13	4,96	1,076	0,284
Get greater flexibility for personal life	4,94	4,73	1,211	0,228
Free to adapt my approach to work	4,65	4,65	0,039	0,969
Build great wealth, high income	4,32	4,54	-1,408	0,161
Financial security	4,93	4,87	0,385	0,701
Lead and motivate others	4,76	4,77	-0,055	0,957
Earn a large personal income	4,33	4,70	-2,186	0,030**
To challenge myself	5,15	4,78	2,231	0,027**
Achieve something, gain recognition	4,68	4,97	-1,723	0,087
Develop an idea for a product	4,46	4,51	-0,250	0,803
Power to influence an organization	4,26	4,63	-2,094	0,038*
Gain a higher position for myself	4,26	4,72	-2,501	0,013*
Innovative, be at the forefront of technology	4,01	4,33	-1,523	0,130
Build a business my children can inherit	3,69	4,66	-4,218	0,000**

Source: own processing

The importance of statements was evaluated on a 6-point Likert scale with following meanings: 1-absolutely not important, 2-not important, 3-less important, 4-important, 5-very important and 6-extremely important. In Table 3, the mean values are disposed together with the values of t-test for means and level of significance of possible mean differences. For several types of motives, one can find out that the differences between responses of Slovenians and Macedonians are not of significant difference. However, there are a couple of statements where differences in means are significant.

The motive to earn a large personal income is much more exposed in Macedonia ($p=0,030$) thus, Macedonians are more likely to establish a business more often for the money reward reasons comparing to Slovenians. This may be explained with lower standard in Macedonia, measured in per capita GDP, purchasing power, average salary etc. Second, for Slovenians, entrepreneurship is a far more of a challenge

($p=0,027$) which is in a way consistent with the previous findings regarding the money motives. Third, the motive to have power and be influent in an organization is much more underlined in Macedonia ($p=0,038$) which is consistent with the statements which Macedonians also see as significantly more important: gaining a higher position ($p=0,038$).

Macedonians, due to the transitional economy and lack of self-confidence, for long period of time looked at public administration posts as a possibility to live secured life. In this context, higher position meant influence and power over others, so the finding does not come as surprise. Last, the wish of Macedonians to establish a business also to provide security for the children is significantly higher to the Slovenian one ($p=0,000$). This can be again explained with the much more uncertain current economic situation in Macedonia comparing to Slovenia.

As one can see in the Table 4, both in Slovenia and Macedonia, the majority of those, who had positive experience in family business plan to establish business in the next five years or already run his/her own.

Table 4 Career intentions depending of feelings regarding family business

In five years, I will be:	My feelings regarding family business are mainly			Total
	Positive	Negative	Don't have feelings	
Employee	4	3	6	13
Running own company	17	2	12	31
Career in my family business	8	0	3	11
Don't know yet	7	2	8	17
Total	36	7	29	72
Employee	7	0	1	8
Running own company	22	2	7	31
Career in my family business	19	0	6	25
Don't know yet	9	0	6	15
Total	57	2	20	79

Source: own processing

In Slovenia 54, 8% of those who plan to establish their own business (17 out of 31) derives from good experience in the family business. This relation is similar in Macedonia, where 70, 9% (22 out of 31) plans to run his/her own business which will be based on positive family business experience. On the other hand, consistency of responding can be argued with the interesting finding: no one, neither in Slovenia nor in Macedonia plans to continue his/her career in the family business where he/she gained mainly negative experience.

Discussions

Summing up the results from the survey, the issues that stands out is how to overcome the barrier of human properties and values (28) in succession of family business, moreover the negative experience of the succession generation. The challenge is to improve the set of tools to decrease the possible tensions within the family members given the family relations and the business environment, and build a better basis for succession management. In Macedonia, in addition, there should be a significant improvement of the educational system to reflect the needs of entrepreneurs and solutions to family business management issues.

The fact that more than 60% of all European companies are family owned, representing between 40% – 50% of all jobs will be crucial in adopting family business friendly policies on wider European level in future. The EU in this respect offers quite few programs to support this type of business both on the policy and implementations side. The focus now is on educational entrepreneurial programs to further engage young people in start ups or offer support of already established family business.

In former socialist countries, among which Slovenia and Macedonia, succession is more problematic than in Europe in general as it has not always been recognized as the problem and family businesses' founders/owner-managers lack previous succession experiences (29). They have almost no possibility to share succession experiences with others given that the majority of their owner-manager colleagues are founders (not successors). The succession experiences seem to play an important role as some evidence suggests that the survival of an enterprise beyond the first generation increases the probability of the success of subsequent successions (30).

As for Macedonian case the family business are in their first generation of succession and are quite vulnerable (researchers individual research in the field). This stage may be improved by a transnational platform for targeted education of family business founders as well as their potential successors. Slovenian experience is crucial given the close cultural dimensions and once shared country values. The young generations entrepreneurs, students and potential owners of family business have to have role models. These may help them overcome the negative experiences in most cases due to the generation gap and further commit to family business take over.

In order to support the vitality of family business in broader economic sense we have to tackle challenges such as family business enabling environment, educational and firm level issues. Challenges related to educational aspects, which have an impact on both the business environment and on family firms' internal matters focus on the lack of entrepreneurship education and family-business-specific management training and research into family-business-specific topics, plus effective coordination with education systems to ensure proper follow-up (28).

Conclusion

As entrepreneurship is hugely relevant to family businesses, most start-ups in b;th Macedonia and Slovenia begin as a family business and are faced with the question as to whether they want to continue the business beyond the founders. Therefore, promoting entrepreneurship is directly linked to promoting family businesses.

Higher education should also include specific family business issues such as ownership, succession and family governance to better prepare future entrepreneurs

to successfully run their businesses. Management training should not be confined to business schools. It should be somehow included in the curricula of all professions to promote the entrepreneurial spirit in all fields. The concept of 'ownership education' should be further developed as indicated in the current state of research.

Entrepreneurship education should aim to foster new family entrepreneurs, but also to promote entrepreneurial behavior (including innovation) in existing family firms. This knowledge should enable heirs to re-invent the business, which is proved to be what keeps the company going from each generation (28). National governments could plan to make changes to their education systems and work closely or in partnership with private-sector organizations and educational institutions (e.g. business schools and universities) to develop family-business-specific courses as part of existing curricula or as new curricula. Lifelong Learning Programme is an option of European businessman as well.

There is a need to continue with targeted researches in the field to better cope with the future challenges of succession in family business.

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SKÚMANIE VYBRANÝCH ASPEKTOV NEZAMESTNANOSTI V OKRESE KRUPINA

REVIEW OF SELECTED ASPECTS OF UNEMPLOYMENT IN THE DISTRICT KRUPINA

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Abstract

These days, unemployment is one of the key problems of economically active society in most countries of the European Union. Despite significant economic growth after the join to EU, Slovak Republic, has failed to solve this economic and social problem even in the period of greatest expansion of our economy. Continuing problems are still significant regional disparities, especially between the west part of the country and the rest of Slovak territory. This scientific paper studies and evaluates the development and current state of unemployment as well as selected aspects of real causes in the Krupina district, which is according to its unemployment rate which is higher than the average considered as one the most problematic region. Article also identifies conclusively causality among the unemployed (registered jobseekers) and points to possible solutions to the situation.

Key words: *unemployment, employment policy, regional economy*

Abstrakt

Nezamestnanosť predstavuje v súčasnosti kľúčový problém ekonomicky aktívnej spoločnosti vo väčšine krajín Európskej únie. Slovenská republika napriek výraznému ekonomickému rastu po vstupe do EÚ nedokázala vyriešiť tento hospodársko-sociálny problém ani v období najväčšej expanzie nášho hospodárstva. Neustálym problémom sú pretrvávajúce výrazné regionálne rozdiely predovšetkým medzi západným Slovenskom a zvyškom územia. Vedecký článok skúma a hodnotí vývoj a aktuálny stav nezamestnanosti ako aj vybrané aspekty samotných príčin nezamestnanosti na území okresu Krupina, ktorý je z daného hľadiska problémovým regiónom v dôsledku nadpriemernej miery nezamestnanosti. Článok zároveň identifikuje preukazné kauzality medzi nezamestnanými (evidovanými uchádzačmi o zamestnanie) a poukazuje na možnosti riešenia daného stavu.

Kľúčové slová: *nezamestnanosť, politika zamestnanosti, regionálna politika*
