

STUDY REGARDING THE ENTREPRENEURIAL INTENTION AMONG YOUNG PEOPLE IN THE CONTEXT OF THE ROMANIAN BUSINESS ENVIRONMENT

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ABSTRACT

The desirable effects of entrepreneurial activity development bring an increasing number of actors in a position to consider the most appropriate methods that contribute to the creation of a propitious framework that would strengthen the entrepreneurial phenomenon. The present article responds their wish to act to promote entrepreneurship, its purpose being the identification of the level of impact that motivation along with certain external environment factors and higher education – as entrepreneurial competences developer – have on influencing young people's intention to start their own business. Thus, on the assumption that intention is an important precursor of action, this research aims to investigate aspects of the relationship between the entrepreneurial phenomenon and the business environment. The results point out that the importance given to barriers and opportunities along with the interest in education and the existence of multiple motivations are directly related to the entrepreneurial intention, as shown in the developed model.

Keywords: *entrepreneurial intention, business environment, education, motivational factors, model, Romania*

JEL Classification: *M10, M13*

1. Introduction

Considered to be an optimal solution for developing, sustaining or even “saving” modern economies that evolve in a constantly changing environment, entrepreneurship became over time a “social construction of an inner reality that maximizes the potential for added value” (Karp, 2006, p. 302). Thus, being a subject that gained momentum over the past decades worldwide, many authors (Moore, 1986; Timmons, 1989; Krueger, Reilly and Carsrud, 2000; Beugelsdijk, 2007; Nistoreanu and Gheorghe, 2014) approached entrepreneurship from different perspectives, studying: the entrepreneurial process, the entrepreneurial framework, the entrepreneurial behavior, the entrepreneurial culture, the entrepreneurial education as well as the connections between them. Although a model that could fully explain the entrepreneurial behavior has not been developed yet, there were, however, identified some external and internal factors with influence upon perception, learning, motivation, attitude and, further, in terms of entrepreneurial intention, upon the actual behavior.

Given that the external environment factors (political, economic, social, technological, demographic and natural - Kotler and Keller, 2011) vary both spatially and temporally, creating differences from one state to another in terms of entrepreneurial culture (Baumol, 1990), the European Union currently supports policies that encourage entrepreneurship through „Europe 2020” strategy and „Entrepreneurship Action Plan 2020”, thereby aiming to level the economic development of the member countries and also to increase their international competitiveness. To achieve the objectives related to entrepreneurship, the European Union relies on entrepreneurial training stimulation through academic education, thus preparing, simultaneously, the new generation of entrepreneurs and a social framework where this culture is understood and supported. As a concrete measure, The European Commission recommended that member countries, through the line ministries, should integrate „the entrepreneurship key competence in the curricula of primary, secondary, higher and adult education” (European Commission, 2013, p.8).

In this respect, given the important role that education plays in training entrepreneurs, the article presents a model that evaluates the influence of education – both theoretical and practical - upon entrepreneurial intention, while also taking into account motivational factors and some of the opportunities and barriers of the present business environment, according to the perception of young people who want to have their own business. Thus, human capital affects entrepreneurship through education (Becker, 1975) and experience (Miao and Liu, 2010).

Aimed at identifying the significance level that theoretical and practical education, along with motivational factors and external factors have in influencing young people to become entrepreneurs, an exploratory research was conducted on a young audience (aged between 20-30 years), in the context of higher education. Choosing the academic environment for the study is based on the fact that the higher education system can foster entrepreneurial culture development best; the argument supporting this statement being the important role that universities play in their communities as entrepreneurial education providers, as advanced research and development centers or as hubs that connect academia with the public and private sector.

Considering the situation in Romania, where most people owning businesses are university graduates (Fundatia Post-Privatizare, 2012), a study of the young people’s perceptions on the business environment brings a plus to the Romanian specialized literature, the results being useful to academia, the private sector and the public institutions responsible in the field.

2. Review of scientific literature

The business environment finds itself in a continuous transformation, several factors such as “the regulatory framework, the market conditions, the access to financing sources, the knowledge development and dissemination, the entrepreneurial abilities and culture” (OECD, 2014, p. 13) contributing to this issue. In Romania, following a study carried out by Ernst & Young on a number of 106 top entrepreneurs, five pillars that support the entrepreneurial environment were identified: “access to finance, regulation and taxation, entrepreneurial culture, education and training, coordinated support” (EY, 2013, p. 3), these pillars constituting the development framework of a private business.

In the present article, in order to coherently structure the analysis of the factors that shape the Romanian business environment, a PEST framework analysis was used (external factors: political-legal, economic, socio-cultural, technological).

The political-legal factor, which defines the degree of interventionism applied towards national economy, influences the entrepreneurial sector through fiscal policy making, the regulation and implementation of the right to work, trade restrictions generating and by creating a stable, predictable and transparent implementation framework for these policies. Among the functional elements generated by this factor, the bureaucracy represents the main impediment to the development of entrepreneurial sector (Stephen, Urbano and Van Hemmen, 2005), constituting a barrier for the people who intend to have their own business. Another aspect to be considered is the presence and perception of corruption as an operational element with a negative impact over the predictable functioning of the business environment (Avnimelech, Zelekha and Sharabi, 2014).

According to the „*Doing Business 2014*” analysis, Romania ranks 73 out of 189 countries in terms of starting and operating a private business (World Bank Group, 2014, p. 3) with an effective taxation rate of 44,2% for a company, with 8,2% above the European average of 36% (Ernst & Young, 2014, p. 31). The excessive taxation, together with the fiscal bureaucracy causes a company to spend on average 216 labor hours to pay for 41 taxes corresponding to a fiscal year (World Bank Group, 2014).

In contrast to this, in terms of business framework, Romania has registered, compared to fiscal year 2012/2013, a facilitation of the relationship between regulators and the private sector, by transferring the powers to issue certificates for commercial activity headquarters from the ANAF to the Trade Register, through the reduction of the tax payment frequency from quarterly to biannually and through the adoption of a simplified procedure of the Civil Code relating to commercial disputes (World Bank Group, 2014, p.168).

The economic factor covers the macroeconomic elements such as: economic growth, interest rates, exchange rates and inflation. The direct influence on the macroeconomic framework was caused by the 0.4% economic growth registered in Romania in 2012-2013, i.e. 3.9% of GDP, with an expected growth of 2.4% by the end of 2014 and a forecasted growth of 3.2% in 2015 and 2.9% in 2016 (World Bank Group, 2014b). In 2011-2013 the inflation rate decreased from 5.8% in 2011 to 3.2% in 2013 (Eurostat, 2014). Also, interest rates and foreign exchange fluctuations are consistent with the main financial indicators and causing in this context, a difficulty in accessing funds. This remains a significant barrier to the initiation and development of a business (Meier and Pilgrim, 1994).

The social-cultural factor is based on concepts such as beliefs, values, norms, attitudes that influence individual behavior in the business framework. The entrepreneurial intention depends on its planned behavior, based on three variables: the individual’s attitude towards the chosen behavior, the social pressure regarding the behavior and self-control (Kolvereid, 1996). An important aspect related to the social-cultural factor is the existence of models of entrepreneurial success, while the lack of successful examples might constitute an obstacle (Kirkwood, 2009).

Through the development of new technologies, products or even methods of organization, the technological factor generates a number of opportunities for an entrepreneur (Eckhardt and Shane, 2003). Also, tax incentives and funding lines provided by a state for the development of research and technology can help a company to overcome its competition and achieve a unique strategic position (Porter, 1996).

In Romania, the factors stimulating technological development are included in "Government Strategy for the Development of Small and Medium Enterprises (SMEs)", founded by the Ministry of Economy through the 2.1-2.4 set of measures of this national strategy. One of its priorities is "to encourage the innovative spirit of SMEs and increase their competitiveness" (Ministry of Economy, Trade and Business Environment, 2010, p.3), which channels the focus of the Romania entrepreneurs' efforts towards the development of technological innovation.

The components of the PEST analysis generate a series of barriers and opportunities in the entrepreneurial sector in Romania, through the interdependencies of the political and legal, economical, social-cultural and technological elements, which do not show a linear structure generated by a bi-univocal relationship. These elements are present in a layered network composed of all the elements of the system and they have punctual differences in intensity and influence.

In addition to the opportunities and barriers generated strictly by the business environment, the quality of entrepreneurship education along with the ease of access to information have a major influence on entrepreneurial intention. For potential young entrepreneurs, theoretical studies and gained experience remain the main factors in determining them to start their own business.

The importance of entrepreneurship also emerges from the attention it is given by universities in countries with established market economies which rely on this phenomenon to develop and strengthen the national economy and even to decrease the unemployment among young graduates (Jaafar and Abdul Aziz, 2008). In the academic environment, courses in the curriculum are mainly inter-disciplinary, based on the known fact that education directly affects entrepreneurial intention (Franke and Lüthje, 2004). The main master's programs of the top universities in the world combine theoretical aspects of various fields with practice - by providing internship programs (Ticlau, 2014). In Romania, however, theoretical education comes first and is appreciated both by students and teachers, given that the main aspects which contribute to the fostering of young entrepreneurs are the teaching methods (Tam, 2009) and the information provided by teachers (Education, Audiovisual and Culture Executive Agency, 2012, p.67). Thus, the actual practical involvement of students is a secondary element in the development of entrepreneurial skills.

Besides the major courses that form the theoretical education of future entrepreneurs like marketing, management and courses related to the future business domain, creativity is another key point in the development of entrepreneurial spirit among young people. Also, mentoring programs have, in turn, a beneficial role (Solomon, Duffy and Tarabinshy, 2002), young people being most often motivated when they hear about success stories or when they are guided by experienced people (Goldsmith and MacGeorge, 2000).

In conclusion, entrepreneurship can be learned (Drucker, 2007), with education playing an important role in influencing entrepreneurial intention (Fayolle, Gailly and Lassas-Clerc, 2006), while the entrepreneur can be defined as an innovative person who identifies opportunities and exploits them, developing new solutions for the market's needs, while taking risks (Hatten, 1997).

According to TNS Opinion & Social (2012, p.33), the Romanian entrepreneur profile has the following characteristics: male, aged 25-34 years, secondary education and high income per household. The importance of the level of education is found in the case of entrepreneurs who have developed several successful businesses: they have a higher level of education and experience.

The motivational factors underlying the entrepreneurial intention are important elements in the study of decision-making process of starting a business. The study of motivational factors underlying the entrepreneurial intention was given great interest for many authors (Ward, 2005; Santos, Curral and Caetano, 2010).

In a classification of motivations for entering the business world, conducted by Kvedaraite (2014), they are grouped into: social (the possibility of innovation, the entrepreneur status), economic (the desire to earn more) and personal motivational factors (the desire for personal freedom). In turn, entrepreneurial intention is influenced by the following motivational factors, as identified in various studies: financial gains (Brice and Nelson, 2008), the status of the entrepreneur (Chell, 2008), the freedom of being one's own boss (Hornaday and Aboud, 1971) and schedule flexibility (Shabbir and Di Gregorio, 1996).

Beyond the entrepreneurial intention, the decision to become an entrepreneur, as an occupational choice, is made at the individual level, depending on the existing opportunities, available resources, perceived risks, preferences, abilities and personality traits. This study shows the importance of external (current context: political-legal, economic, socio-cultural, technological) and internal (perceptual, educational or motivational) influences on entrepreneurial intentions of young people, considered precursors of action.

Even though a clear and comprehensive definition of the entrepreneurial intention has not yet been developed, the authors give the entrepreneurial intention the following meanings: a) a set of personal orientations, provisions, desires and interests that could lead to the creation of businesses or b) the steps taken by a nascent entrepreneur towards the creation of a business (Thompson, 2009). According to Bird (1988, p.442), "intentionality" or the deliberative state is the "state of mind directing a person's attention (and therefore experience and action) toward a specific object (goal) or a path in order to achieve something (means)."

Krueger et al (2000) consider entrepreneurial intention a more accurate predictor of entrepreneurial activity, than demographic factors, personality traits or certain situations. Research (Ajzen, Csasch and Flood, 2009) indicates strong correlation (0.90-0.96) between intention and actual behavior. Sondari (2014) considers it important to study the factors that determine entrepreneurial intention. Thus, several authors, including Maes, Leroy and Sels (2014) and Nitu-Antonie, Sirghi, Hațegan, Feder and Socoliuc (2014) studied the entrepreneurial intention based on the theory of planned behavior (Ajzen, 1991), which shows the influence of attitudes, social norms and perceived control over entrepreneurial intention. Of the models considering that entrepreneurial intentions are based on a combination of personal factors and contextual factors was Bird's model (1988). Davidsson (1995) also developed and empirically tested a model of economic and psychological factors influencing entrepreneurial intentions. Popescu, Maxim and Diaconu (2014) conducted a research which shown that education, as well as gender and personality traits influence the entrepreneurial intentions of Romanian students.

As shown above, the entrepreneurial intention is related to a series of factors. Based upon the theoretical aspects analyzed over time by experts in the field, the following hypotheses were formulated:

H1: There is a direct and positive relation between the importance that young people give to existing market barriers and their intention to start a business

H2: There is a direct and positive relation between existing market opportunities and young people's intention to start a business

H3: There is a direct and positive relation between theoretical and practical education and young people's intention to start a business

H4: There is a direct and positive relation between motivational factors and young people's intention to start a business

3. Research methodology

Starting from a methodology suggested by Koe, Sa'ari, Majid and Ismail, (2012), this study aims to assess the entrepreneurial intention among young people in the context of a changing business environment. The objectives of this exploratory research are: to expose the young people's perceptions of the Romanian business environment through the main factors influencing it and also to develop and empirically test a model that presents the relationship between a set of variables (considered by the authors and supported by the literature) and entrepreneurial intention.

The research was conducted during April-June 2014, on a sample of 653 young people aged between 20 and 30 years, following bachelor's and master's programs in management and business administration. The data were collected using self-administered questionnaires and processed with the specialized software IBM SPSS 20.0; as for the model, it was tested using IBM SPSS AMOS. Respondents had to answer questions with identical ten points scale. Given the fact that they are familiar with the grading system in Romania, they could appreciate the values more precisely this way. Also, this scale has a higher discriminatory power (Balaure Cătoiu and Vegheș, 2005).

Regarding the structure of the sample, the two sexes were represented in almost equal percentage (49% male subjects and 51% females). Of the respondents, 74% are in the 20-24 years age group and 26% in the 25-30 years age group. As to the residence, 80% of respondents live in urban areas while 20 % in rural areas. In terms of monthly income, 23% have up to 1000 lei, 38% have between 1001 and 2000 lei, while the remaining 22% chose not to specify any amount.

4. Results and discussion

In order to evaluate the entrepreneurial intention among the members of the group, their perception regarding the business environment in Romania was analyzed via the main factors that influence it (the P.E.S.T. factors). In this regard a multiple and linear regression model was employed, in which the overall perception of the business environment by young professionals is regarded as the dependent variable of the model, and the independent variables are the elements of the P.E.S.T. model analysis (as the results from *Table 1*. show).

Table no. 1: Young people's perception on the business environment (model summary)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.744 ^a	.554	.551	1.347	.554	201.267	4	648	.000

The value of R square (0.554) allows drawing a first conclusion related to the simultaneous influence of the studied variables over the variance of the dependent variable, that there is a positive correlation of moderate intensity between the variables analyzed. Therefore, 55.4% of the variations in perception of the Romanian business environment are determined by the elements in the P.E.S.T. model. Furthermore, to sustain the validity of the multiple linear regression model was applied an ANOVA analysis and the F test was used (showed in *Table 2*), through which the model's significance was determined: the value of the Sig coefficient is smaller than 0.05, meaning that the regression model is significant at a probability level of $P > 0,95$.

Table no. 2: Variance analysis (ANOVA)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1460.374	4	365.094	201.267	.000 ^b
	Residual	1175.454	648	1.814		
	Total	2635.828	652			

If taken into account the fact that the perception of our demographic group is explained in proportion of 55.4% by the factors in the P.E.S.T. model and we will further analyze each component factor, the impact of outside influences will be limited (not taken into consideration when developing the model). The detailed view of the P.E.S.T. factors that determine the group's perception regarding the business environment and their coefficients and correlations, are presented in *Table 3*.

Table no. 3: The values of the model's coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations			% of total
		B	Std. Error	Beta			Zero-order	Partial	Part	
1	Constant	.359	.218		1.648	.100				
	Political-legal factor	.284	.029	.330	9.875	.000	.633	.362	.259	0.35
	Social-cultural factor	.215	.038	.190	5.622	.000	.561	.216	.147	0.20
	Economic factor	.227	.028	.277	8.178	.000	.617	.306	.215	0.29
	Technological factor	.153	.033	.143	4.613	.000	.469	.178	.121	0.15

The „political-legal” factor has the largest influence (35%) in explaining young peoples' perception of the business environment in Romania in relation to the opportunity to become entrepreneurs. Also, the economic factor can explain youth opinion about the business environment in Romania in proportion of 29%, followed by the social-cultural factor (20%) and the technological factor (15%).

Once the perception of young people about the business environment was understood, the study continued with the creation of a model that would try to explain some dimensions of the entrepreneurial intention. For an efficient selection of the variables introduced in the model, the fidelity method was used (Reliability Analysis). The items used in the research model were measured using a semantic differential scale with 10 steps, 1 being the minimum level of relevance (defined as "Not at all") and 10 being the maximum level of relevance (defined as "To a great extent").

The variables considered for analysis in the model are:

- The degree of importance given to the obstacles met when opening a business: *lack of material and financial resources, excessive bureaucracy, excessive taxation, corruption, lack of models / success stories and rapidly changing consumer preferences;*
- The degree of importance given to existing opportunities for opening a business: *the evolution of technology, the integration in the European Union (EU), globalization, the emphasis on social responsibility / sustainable development / environmental protection;*

- The degree of importance given to education in terms of gaining the experience or knowledge required to develop a business:

- Practical education: *working as an employee in the field, internships in the field, internships in complementary areas, seminars, workshops with successful entrepreneurs, mentoring programs, business incubators;*

- Theoretical education: *courses in the field of the future business, financing sources, legislation, marketing, management, accounting, creativity / innovation, the use of information and communications technology (computers, gadgets, internet, specialized software etc.);*

- The degree of importance given to existing motivational factors when opening a business: *financial gains, entrepreneur status, reputation / popularity gained, the freedom of being your own boss, schedule flexibility, innovation opportunity.*

According to the value of the index of internal consistency Cronbach Alpha (0.923), the variables have a very good internal consistency: the corresponding items associated with the variables were perceived correctly and in the same way by all respondents. However, because the fidelity analysis of the proposed variables for inclusion in the model resulted in a high value of the Cronbach Alpha coefficient, it was considered using the exploratory factorial analysis method to compress the number of variables in latent factors. These factors have the potential of closely representing a large number of observable variables that correlate well with each other. After analyzing the items that compose each category of attributes proposed for the model (barriers, opportunities, practical education, theoretical education, and motivational factors), those items referring to barriers encountered when starting a business were chosen. By applying the method of fidelity analysis in order to identify the degree of uniformity in understanding the scale for perceived barriers, a Cronbach Alpha coefficient of 0.724 for the 6 items present in the barriers factor was obtained. This value indicates a consistent understanding of the selected variables.

In the explanatory factorial analysis of the six items of perceived barriers in the environment when opening a business, the major elements for verifying the validity of the analysis are present in *Table 4*.

- The Bartlett test: the value of the Sig factor (.000) indicates an important result for the explanatory factorial analysis (Sig<0.05) that concludes the correlation matrix and the identity matrix are different;
- KMO (Kaiser-Meyer-Olkin) test: taking into account that the value of the KMO test is 0.762 (>0.5), it can be stated that the chosen variables for the model are proper, leading to the validity of the factorial model.

Table no. 4: Validation of variables : the Kaiser-Meyer-Olkin and Bartlett tests

Kaiser-Meyer-Olkin Measure of Sampling Adequacy		.762
Bartlett's Test of Sphericity	Approx. Chi-Square	1030.344
	df	15
	Sig.	.000

Using the analysis of the main components as an extraction method, it was reached the conclusion that the six items of the barrier factor contribute in a proportion of 87.19% to the explanation of the main analyzed model.

Table no. 5 The elements that determine the perception of barriers for future entrepreneurs (the matrix of the components after rotation)

	Components			
	Political-legal barriers	The fast evolution of consumer preferences	The lack of success models/stories	Financial barriers
Lack of funds	.182	.141	.033	.971
Excessive bureaucracy	.889	.207	.083	.136
Excessive taxation	.845	.310	-.015	.137
Corruption	.833	.328	-.126	.067
The lack of success models/stories	.029	.064	.970	.024
The fast evolution of consumer preferences	.215	.760	.350	.178
Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization. Rotation converged in 5 iterations.				

After applying exploratory factorial analysis on the existing barriers four factors were identified ("political-legal barriers", "rapidly changing consumer preferences," "lack of successful models / stories"," financial barriers "), of which only one is considered to be a latent factor: "political-legal barriers" (Table 5). The reason is because it includes the three political-legal barriers ("excessive bureaucracy", "excessive taxation" and "corruption").

The model on the entrepreneurial intention of young people was developed based on the assumptions presented in the first part of this article and after processing of the data (Figure no.1). The variables taken into account in this model are displayed in Table 6.

Table no. 6: Variables considered in the research model

Variable	Code	Items	Item description
Importance of existing barriers	B	4	<i>Elements that hinder entrepreneurship permeability</i> (B1-financial barriers, B2-political-legal barriers, B3-lack of successful models / stories, B4-fast evolution of consumer preferences)
Opportunities existing on the market	O	4	<i>Elements that facilitate entrepreneurship permeability</i> (O1-technological evolution, O2-EU integration, O3-globalization, O4- emphasis on social responsibility / sustainable development / environment protection)
Theoretical education	TE	8	<i>Areas of study and related accumulated knowledge</i> (ET1-courses in the line of the future business, ET2-financing sources, ET3-legislation, ET4-marketing, ET5-management, ET6-accounting, ET7-creativity/innovation, ET8-use of information and communications technology)
Practical education	PE	7	<i>Activity fields and information and skills gained</i> (EP1-working as an employee in the field, EP2-internships in the field, EP3-internships in complementary areas, EP4-seminars, EP5- workshops with successful entrepreneurs, EP6-mentoring programs, EP7- business incubators)
Motivational factors	F	6	<i>Elements that positively or negatively influence the perception of the first four variables</i> (F1- financial gains, F2-entrepreneur status, F3- reputation / popularity gained, F4-the freedom of being your own boss, F5-schedule flexibility, F6- innovation opportunity)

The model presented in *Figure 1* illustrates aspects that may lead to influencing the entrepreneurial behavior among young people in Romania in terms of entrepreneurial intention generated by the assessment of market barriers and opportunities in the context of their exposure to the theoretical and practical education in an academic environment.

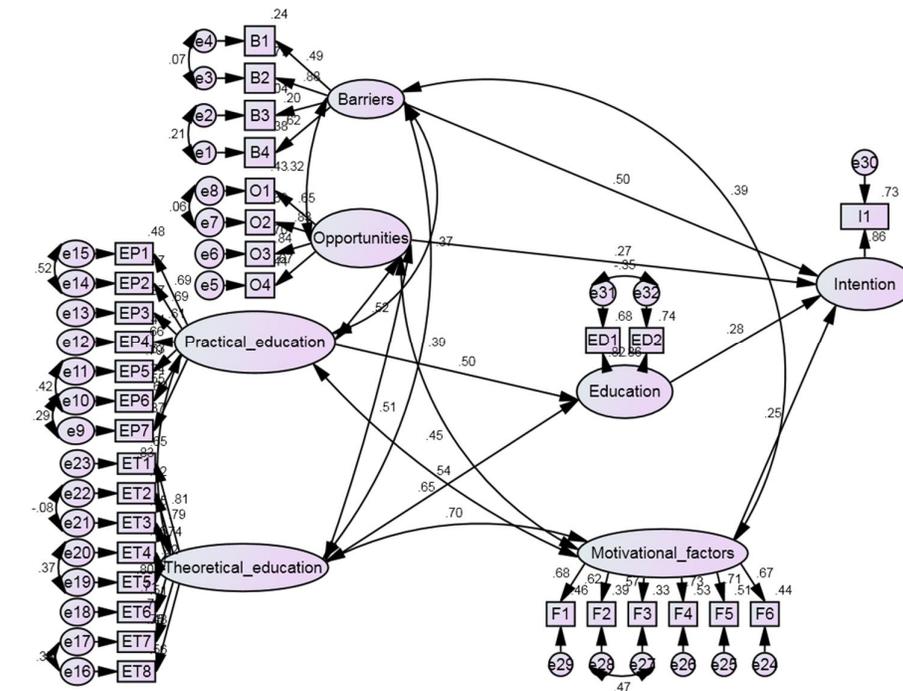


Figure no. 1: Model regarding the entrepreneurial intention

From the conducted research it can be seen that the values obtained for the variables confirm the above assumptions. Thus, the more importance individuals give to barriers, the more they are moving towards becoming entrepreneurs (the coefficient obtained is 0.50). These people's behavior is justified by the fact that they are constantly concerned with finding information about financial, regulatory or economic barriers on the market. They seek methods and elaborate strategies to overcome the identified obstacles. On the other hand, those who attach less importance to these barriers do not show a high interest in becoming entrepreneurs.

Regarding the influence of opportunities on the entrepreneurial intention, the coefficient obtained is 0.27, showing that this factor has a direct and positive influence on the final variable: the more the respondents are aware of the opportunities in the external environment, the more they intend to start a business. In addition, they believe that both technological developments and the integration of Romania into the European Union along with globalization have had a wide influence on their entrepreneurial intention.

A higher influence on entrepreneurial intention has been registered by the concepts assimilated or competencies developed over time by respondents. Both theoretical concepts and practical experience have the ability to influence young people's entrepreneurial intention. Also, in Figure 1 it can be seen that theoretical education has a higher importance among respondents compared with practical experience.

Motivational factors make up for yet another important factor (the coefficient obtained is 0.25). This variable has the ability to positively influence entrepreneurial intention. Thus, the more young people want to have a certain freedom, a more flexible schedule and the entrepreneur status, the greater their interest in becoming entrepreneurs.

Regarding the indicators obtained from the model, the indicator CMIN / DF of 1.72 (<3) means that the model was accepted. In addition, the value of GFI (Goodness of Fit Index) or distribution dispersion index registered a value of 0.915 (<1). RMSEA (Root Mean Square Error of Approximation) or median of square root of the error of approximation is 0.048, while the CFI (Comparative Fit Index) or comparison index between the hypothetical model and the data collected is 0,927 supporting the fact that the model is appropriate.

Out of the analysis performed it can be noted that the intention of starting a business is greatly influenced both by the awareness of market barriers (0.5) and opportunities (0.27), the education of individuals in the field (0.28) and motivational factors (0.25), strongly influencing the behavior of the individual.

Finally it can be said that out the factors contributing to the realization of the entrepreneurial intention, the individual perception of the barriers encountered when facing the business environment in Romania is the leading element. It is followed by the education factor, perception of opportunities and individual motivational factor. Also, a major influence (0.70) can be noticed between theoretical education and motivational factors and between theoretical education and overall education (0.65).

5. Conclusions

From the conducted study it can be observed that respondents exhibiting a stronger intention are the people who have identified several political, legal and economic barriers of the Romanian business environment. Analyzing the perception of the political-legal barriers together with the economic and social opportunities one can notice that the majority of subjects presented low levels of confidence for each category of factors (with influence values of maximum 0.5).

Noteworthy is also the emphasis respondents put on the importance of motivational factors and their direct relation with the intention to start a business along with the influence of potential gains and improvement of social status. There is also a motivational influence given by the acquired theoretical education towards the intention to start a business because if an individual has the perception of having acquired information, knowledge and skills drawn from the academic environment, he is more open in terms of starting a business. Moreover, it was observed that the respondents put more emphasis, in terms of motivation, on the theoretical concepts acquired rather than the practical ones, reflecting their view that a critical level of academic courses (in the same fields) would facilitate the initiation and management of a business. Regarding the existing opportunities in the business environment, respondents believe that both globalization and the integration of Romania in the European Union brought a number of benefits to young entrepreneurs.

In conclusion, it can be stated that in order to promote entrepreneurship among young people in Romania, an increased support from the educational sector is required, particularly from the academic environment. In this respect, the development of business schools may successfully lead to the formation of the new generations of entrepreneurs. These schools should function as platforms for integrating theoretical and practical education; they should be adapted to the current business environment and have a pro-active approach towards the environmental factors, along with fostering leadership.

Since the sample was not representative at a national level, that being one of the limitations of this research, future studies will focus towards achieving this kind of representation and also towards developing the model by integrating additional factors that influence entrepreneurial intention. Eliminating some factors that manifest little influence could also be considered. Further research on actual behaviour may provide relevant results.

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