

Does the Students Perception of Business Environment Matter for Their Entrepreneurial Intention

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Previous studies have highlighted the importance of several business environment attributes in determining new venture creation. The present study was designed to develop an understanding of the relationships among business environment and students intention to start a business. The development of business environment in society depends on the historical development and the social values, on entrepreneurship traditions, on how society and government promote and support entrepreneurship as also on the development of entrepreneurial support infrastructure. The entrepreneurial environment embraces a combination of dimensions that influence the development of entrepreneurship. Countries that are in favour of entrepreneurship development are trying to provide training, coaching and mentoring to start-up entrepreneurs; they keep regulations at minimum, provide the availability of financial resources (Pennings 1982), invest in education and research and minimize entry barriers (Zapalska and Fogel 1998). A non-adequate entrepreneurial environment is one of the main reasons why so many countries are not successful enough in promoting people to start an entrepreneurial action. Improving environmental factors for entrepreneurship is a necessity for facilitating the creation of new business ventures (Sadeghi et. al, 2013).

Scholars and researchers in the area of entrepreneurship agree, that more incentivized as the business environment is, the higher number of new ventures will emerge. Individuals are more likely to start a business when entrepreneurship is recognized in the social environment. Therefore, infrastructure should be available, and the future entrepreneurs should have enough knowledge and skills to start the entrepreneurial journey. The favorable general climate for entrepreneurship (local government and population in favor of entrepreneurship, available infrastructure, the quality of the banking and business services, the competitive and developed market) can significantly contribute to the success of an entrepreneurial venture.

The environmental conditions of entrepreneurship in Slovenia were examined and assessed by undergraduate and postgraduate students at the University of Primorska. Following the conceptualization and operationalization of the business environment construct, a 19-item instrument for assessing students' perception of business environment attributes was formulated and empirically tested. Additionally, the students' entrepreneurial intention was measured with 4 items. All variables were measured with a five-point Likert scale, ranging from 1 (strongly disagree) to 5 (strongly agree). The questionnaire was pretested (evaluated) on a sample comprising ten students and based on their suggestions some minor changes (in terms of questionnaire's clarity) were made. Later the study included all students (193) attending the entrepreneurship course at the University of Primorska. The SPSS and EQS software were used for the data analysis. In the first step, descriptive statistics analysis was used to analyse respondents' demographic characteristics. The next section of the analysis was concerned with the students' evaluation of the entrepreneurial environment dimensions and the

students' entrepreneurial intention. Afterwards an exploratory factor analysis was performed to assess the factor structure of business environment. By using the structural equation modelling a statistically significant influence of all four environmental factors (extracted by using factor analysis) to entrepreneurial intention was found.

Keywords: entrepreneurship, entrepreneurial environment, entrepreneurial intention, structural equation modeling

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