

DIFFERENCES IN UNDERSTANDING OF ENTREPRENEURSHIP DEPENDING ON CITIES' POPULATION

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Abstract

The paper presents a qualitative research study of understanding of entrepreneurship depending on cities' population. Research was conducted among Warsaw University of Technology (WUT) employees in two campuses: in Warsaw and in the city of Plock. The main aim of the study was to identify the differences in the perception of entrepreneurship considering WUT employees place of residence and university location. Specific aims of the study included: (a) identification of understanding of entrepreneurship both in Warsaw and Plock (entrepreneurial behaviour and entrepreneurial features perceived as supporting entrepreneurship), and (b) identifying differences in entrepreneurship understanding and attitudes depending on the region. Research is based on previous quantitative studies conducted at WUT with reference to entrepreneurship among graduates and academic faculty. Paper presents exploratory qualitative research building framework for quantitative follow-up. Primary data gathered via focused group interview with WUT employees. The research identified differences in entrepreneurship understanding from the regional perspective which proved to be vital for effective communication within one organisation located in two cities of various types.

Key words: entrepreneurship, young generation, qualitative research, regional differences

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Introduction

In the era of tension between big corporations and start-ups, the necessity to analyse the way entrepreneurship is understood by various stakeholders is of prime importance. Studies show “the main antecedent of entrepreneurial intention the attitude towards entrepreneurship”, and it is also influenced by creativity and entrepreneurial experience (Miranda, Chamorro-Mera, & Rubio, 2017). Though creative personalities may be of genetic influence (Shane & Nicolaou,

2015) and previous studies show tendencies to identify entrepreneurial opportunities or to be an entrepreneur are heritable, the discussion on understanding entrepreneurship is necessary for universities to identify and adapt to the factors that effectively shape the ecosystem supporting entrepreneurship.

In literature the terms entrepreneur and entrepreneurship are understood in various ways and are seen from different perspectives. Depending on the discipline perspective (economy, psychology, sociology), definitions provide explanations focused on business ventures, entrepreneurial orientation, or the socialisation process and operational context. International agenda, i.e. the OECD (OECD 2016), states that entrepreneurs and entrepreneurial forces are present in variety of ventures and key factor is understanding the dynamic of these actions. Shockley and Frank (2011) pay attention to Schumpeter's and Kirzner's functional understanding of the entrepreneurship; entrepreneurs combine existing resources in new way within the frame of existing organizations. This leads to the assumption that not every entrepreneurial person is an entrepreneur.

An entrepreneur may be perceived as a person seen through the lens of his traits, personality, entrepreneurial mind-sets, skills, behaviour and performance. The OECD (OECD 2016) defines an entrepreneur as someone who creates enterprise, has good management skills, is creative and innovative, and is able to take a risk. Entrepreneurs are also described as having high social skills in order to communicate with others, imagination and pragmatism in order to visualise opportunities, and self-awareness to know their limitations and avoiding unwanted situations (Casson & Casson, 2013).

The place of residence is considered one of the most important things influencing entrepreneurship. Freytag and Thurik (2009) explored differences in entrepreneurship and entrepreneurship understanding across the countries; entrepreneurial activity depends on the perception of entrepreneurship, on people beliefs and values, which in turn depends on country development, culture, access to institutions, demographic conditions. It was found that place, the country where business is conducted plays a crucial role in both entrepreneurship understanding and activities; not only the size, culture, institutions and the like have an effect on entrepreneurship understanding but also the history of the region is also a very important and statistically significant factor (Freytag & Thurik, 2009).

Davidsson (1995) found that the size of the region, i.e., population size and facilities related to the size of the city influence entrepreneurship understanding and attitude, however the relationship was not fully understood. It was found that there are significant differences in entrepreneurial attitude in big cities in comparison to small ones, though they are more

important for generation Y (Gen-Y) than for generation Z (Gen-Z). It turned out that there are no differences in entrepreneurship understanding in the medium-sized cities across all age groups. Hand in hand with the size of the city the entrepreneurship understanding is affected by ability, need and opportunity to run a business.

Research focuses on representatives of two young generations entering the labour market: of Gen-Y (1980-1989) and Gen-Z (1990-2000). Dates for describing generation may differ for countries and major events in formative years. In international perspective, generation Z is more global, mobile, practical, risk averse, driven people with strong work ethics and diversity awareness (Lufkin, 2018). With technology, social media, global perspective and mobility, Gen-Z is replacing the traditional career path with more entrepreneurial, especially micro-entrepreneurial modes as their primary way of earning a living. Activism and striving for changes also feed into entrepreneurial attitude: “early look at the data suggests at least for Gen-Y there appears to be a positive relationship between ethical behaviour and financial success” (Zagorsky, 2017).

A European study on perception of work shows “generation Z has a constant need for development, expects to be mentored by its superiors and desires to develop good working relationships” (Iorgulescu, 2016). The youngest generation values work-life balance (Kirchmayer & Fratricova, 2017), which is however part of steady increase of family life importance among other generations (Pyöriä, Ojala, Saari, & Järvinen, 2017). Gen-Z values also personal development, appreciates independence, variety and diversity: “they believe in meritocracy, although they do not believe in formal hierarchy, they ask for transparency from the companies they work for” (Pînzaru , et al., 2016). Also, Gen-Z values independent virtual work in co-working centers (Kubátová, 2016). Using this potential can be of competitive advantage for both companies, but also universities with regards to teaching methods.

1 Methodology

The present paper gives an overview of quantitative research performed at WUT in its Warsaw and Plock campuses. Research main objective was the identification of differences in the understanding of entrepreneurship among residents of one large and one medium-sized city on the example of technical university employees. The research was performed with use of qualitative data gathered via focused group interviews (FGI) analysed within an interpretative framework (Rubin & Rubin, 2005). An FGI is a group interview in the form of a facilitated discussion conducted in accordance with a standardized scenario consisting primarily of open

questions. The distinguishing feature of FGI is to focus on a specific problem and develop a discussion providing an opportunity to get acquainted with different perspectives, views and opinions but also their immediate verification: correction of opinion or disputes. The interview is recorded (audio-video), transcribed and coded.

WUT and its two campuses (main campus in Warsaw and a branch campus in Plock) is an example of one institution operating within two regional contexts: one large city and a medium-sized city (according to Statistical Office in Poland, population for cities in 2016 were: 1753977 – Warsaw, 121295 – Plock¹). As a capital city, Warsaw concentrates cultural and business life, and provides accessible education and institutions. Plock, a district town located 100 km west from Warsaw, is, however, home for the biggest Polish Petrochemical Plant for more than 50 years. Nowadays this company is the primary source of income for the majority of urban population. The WUT Branch in Plock was established in 1967 to provide high quality staff for the plant. Since then city population increased dramatically, though due to the proximity of Warsaw, the number of facilities for residents have not increased proportionally.

The research was based on the population of academic staff in WUT, currently working at Warsaw and Plock (N=26). Purposive sample, based on variables relevant for the research objective “of regional perspective: place of current residence and place of residence at age 14. Sample included 26 people with equal representation for men and women, and equal representation of Generation Y (1980-1989) and Generation Z (1990-2000), among whom were 12 representatives for Warsaw (with the majority having a different place of residence at age 14) and 14 representatives for Plock (with half of the people having a different place of residence at age 14). Study was performed in March-April 2018.

2 Results

For representatives of Y and Z generations, both from large and medium-sized city, entrepreneurship does not mean starting a new business. Also, the perception of a company as a manifestation of entrepreneurial attitude is perceived as typical of the past generations (prior to Gen-Y). Younger generations recall the founding of a company as something more complicated and less common than today. At present, a B2B relationship is much more popular, yet it is difficult to perceive it as entrepreneurship when it is forced by the market and

¹ GUS. (2018). Population. Size and structure and vital statistics in Poland by territorial division in 2017. As of December 31. Retrieved April 27, 2018, from <https://stat.gov.pl/en/topics/population/population/population-size-and-structure-and-vital-statistics-in-poland-by-territorial-division-in-2017-as-of-december-31,3,23.html>

professional practices. However, having a company is just a way of securing livelihood and does not define the nature of the person. Consequently, owning a company does not make this person an entrepreneurial person, because although someone has taken the initiative (entrepreneurial action) and set upon an activity, the company might be poorly managed. Eventually, generations Y and Z agree that entrepreneurship is not equal to having an enterprise, yet an entrepreneur must have entrepreneurial features.

2.1 Entrepreneurship as an abstract concept not used in everyday language

Respondents are not clear about the understanding of entrepreneurship. For both the Y and Z generation, the term is ambiguous, general, confusing. In the description attempts, it takes the form of a set of terms referring to personal characteristics, skills, and type of action (Tab. 1). Interestingly, explanation of entrepreneurship often follows the pattern of an idem per idem mistake. The term “is associated with everything” and is so multidimensional that “everyone understands it differently”.

Language used to describe entrepreneurship is interesting in itself, as a form of building up a meaning conveys additional meaning. For example, entrepreneurship can be maximized and understood as “something extra”, what you must have to “break out”, reach beyond everyday responsibilities, achieve more. In this regard, entrepreneurship is perceived as either maximizing efforts or the will to maximize. Consequently, an entrepreneurial person has the initiative, performs tasks well but faster than others, thus has more time for additional activities. At the same time, entrepreneurship can be minimized and understood as a set of synonyms for resourcefulness. As a result, respondents provide a gradation of entrepreneurship: “standard” entrepreneurship (which would indicate a certain standard that can be expected) and “additional” entrepreneurship (which distinguishes particularly active individuals from the inactive others). Also, in the description of entrepreneurship, emotional language often appears, often contrary to the formal understanding of words. Certain phrases indicate a discrepancy between the declared understanding of entrepreneurship and the wording used for formulating an opinion.

None of the sample, both the Gen-Y and Gen-Z, regardless of the city size, use the word entrepreneurship on a daily basis. “Entrepreneurship” is perceived as a concept so general and vague that it is not used in informal conversation, even when referring to economics in everyday life. If the term occurs, it is in the context of professional discussion. It would seem that “entrepreneurship” is a scientific term that somehow entered into private, everyday language, but still remains a stranger, external to the everyday experience. Avoiding the scientific term

due to its lack of precision is particularly interesting, since scientific terms should be examples of sharpness and accuracy, difficult to replace by synonyms.

Tab. 1: Entrepreneurship as a conglomerate of meanings: features, skills and types of activities – examples form the research (alphabetical order)

City	Generation	Personal features	Skills	Types of activities
Large city	Gen-Y	An innovative approach Being organized Charisma Courage Creativity Development Diligence Effectiveness Flexibility Modesty Perseverance Persistence Pragmatism Proactivity Rationality Resourcefulness Stubbornness	Creativity Decision making Planning Learning from mistakes Resource management Searching for opportunities Risk management Human resource management	Striving for development Diversification of revenues Effective use of resources Planning Rational use of potential Rational resource management Professional success Setting goals and achieving them Managing home budget and savings Management
	Gen-Z	Agility Confidence Consistency Own initiative Positive attitude Proactivity Resourcefulness Sincerity	Resourcefulness Teamwork Using opportunities	Achieving above a certain standard Continuous development Effective use of resources Listening to people Managing home budget and savings Running own business Setting goals and achieving them
Medium-sized city	Gen-Y	Consistency Courage Creativity Dedication Diligence Knowledge Perseverance Positive attitude Resourcefulness	Ability to bear risk Creativity Searching for opportunities Striving for continuous development Understanding the environment Work-flow management	„Getting something done” Decision-making Risk The desire to do something The desire to start your own business
	Gen-Z	Ability to bear risk Agility Courage Confidence	Time management Money management	Development Efficiency Innovation Money management Self-management Setting goals and achieving them Time management

Source: own research.

The most important consequence of the abstract understanding of the term is the abstract way it is taught, both at the level of high school and university. Since year 2002 “entrepreneurship” has been taught as a separate subject in high schools in Poland, alongside

“biology” and “history”. All representatives of the Gen-Z attended such classes, while only some of the representatives of the Gen-Y had such an opportunity. If the respondents recall the issues discussed during the course, they indicate: business plan, definitions (demand, supply, personality types, SWOT analysis, preparation of a cover letter and CV, self-presentation). Entrepreneurship classes at school were rather theoretical and connected the identification of entrepreneurship manifestations with the running of their own businesses. The respondents gathered similar experiences during their studies. Entrepreneurship is being taught in abstract form as a separate course at the university, derived from practical context, entrepreneurship, while it should be integrated within the curriculum.

The research shows an internal contradiction, where entrepreneurship is an abstract term, but at the same time it is seen as a hint of practical action. Also, conversation about entrepreneurship is dominated by business attitude, while there are other dimensions i.e. being entrepreneurial scientist, being an entrepreneurial person. Even among university employees, entrepreneurship is not associated with being an entrepreneurial scientist carrying out research work in entrepreneurial manner via applied research projects with business, publication strategy, conference networking or grant applications.

2.2 Understanding entrepreneurship depending on the population

Entrepreneurship is not equated with the maximization of material profit, although the argumentation leading to this perception is different depending on city size. In the opinion of respondents from a medium-sized city, entrepreneurship is a profit of various types and although entrepreneurship is mainly associated with a material dimension, well-being can also be seen in the profit category. This theme appeared in a large city narrative in the context of satisfaction when achieving a plan or a purpose. In the case of both generations, the intangible value of profit is significant. Also, respondents from a medium-sized city paid more attention to the role of family support - this topic did not appear in the large city.

In both samples, the theme of failure connected with the entrepreneurship was indicated, although also from two different perspectives. In a medium-sized city in both generations Y and Z, the fear of failure was pointed out as one of the major barriers to being entrepreneurial. Gen-Z from large city pays more attention to learning experience (conclusions drawn from mistakes prevent from future errors).

Place of residence is defined by operating conditions: access to resources and development opportunities. A large city is perceived as a melting pot, an inspiring place where

the achievement of added value is enabled. Similarly, among respondents from a large city, there is a common perception that in a medium-sized city less activity is already enough to be considered an entrepreneurial person. On the contradictory note, a large city enforces being entrepreneurial due to high competition, suggesting a certain level of “compulsory” entrepreneurial activity in opposition to “optional” entrepreneurship in a medium-sized city, where (as perceived by respondents) any entrepreneurial person stands out. Moreover, after learning experience in large city one can implement a working business model in a medium sized-city (“if I would return to this small town, at this moment, it seems to me that I could do fewer things and be an entrepreneurial person. In Warsaw not necessarily”).

While it is possible to learn entrepreneurial skills in a large city using ecosystems of universities, incubators, accelerators and business partnerships with companies, in a medium-sized city a certain “innate” talent for entrepreneurship is valuable, because otherwise there is no one to learn from. However, paradoxically, a small town may encourage people to “break out” and thereby generate entrepreneurial behaviour.

Last but not least, modern technologies enable a virtual workplace and facilitate operations regardless of place (less restrictions on contacts, meetings, work style). Respondents claim it is possible that differentiating between large and medium-sized cities is an approach typical of older generations, raised in times before Internet when spatial distance really mattered.

3 Discussion

Due to the limitations of the sample the research can be clearly understood as an exploratory research, providing argumentation for further quantitative research. Among interesting themes for further investigation is sources of analysis perceiving economic activity as the main manifestation of entrepreneurship in previous generations, and also in-depth research of the consequences of the abstract understanding of entrepreneurship affecting the higher education institutions curriculum used to teach on entrepreneurship and entrepreneurial skills. With regards to regional differences, a stereotypical simplification perceiving large cities as more enabling than medium cities is in line with the notion of “compulsory” and “optional” entrepreneurship. However, even such preliminary results obtained in the research can be directly used to shape the entrepreneurial education curricula which may contribute to students success in their prospective careers.

Conclusion

Universities face the external demand to adapt to the needs and expectations of young generation and take them into account in the study programs. At present, courses focused on entrepreneurship and business programmes include knowledge about running a business, accountancy, law and such but is clearly a limited vision of entrepreneurship. University business programs are structured in a superficial way as a consequence of misconceptions developed based on vague and abstract language. The study shows the necessity to implement entrepreneurship courses integrated within the discipline framework (to overcome abstract understanding of practical concept), possibly by introducing courses conducted by experienced, thus credible, practitioners with good theoretical background.

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