

## **YOUNG PEOPLE'S ATTITUDES TOWARDS ENTREPRENEURSHIP IN FINNISH SOCIETY**

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### **—Abstract —**

In this study, we analyze young people's attitudes towards entrepreneurship in the Helsinki-Uusimaa region of Finland. First, our theoretical framework links with attitude research, in particular, Ajzen's theory of planned behavior. Our second perspective derives from the theory of representations. Third, our analysis is based on discussions of the welfare state and democratic values. We ask what social psychological factors explain young people's entrepreneurial intentions. Survey data (N=873) was collected in electronic format from secondary and vocational schools. The questions were mainly multiple choice Likert-scale questions. The analysis was undertaken using simple statistical methods. Our results demonstrate that the relationship between social values, representations concerning entrepreneurship, and entrepreneurial intention is complex in the Finnish context. While we further argue that the theory of planned behavior is valid in this instance, the representations and social values serve to explain entrepreneurial intention only weakly.

**Key Words:** *Entrepreneurship, Attitudes, Social values*

**JEL Classification:** I21

## **1. REPRESENTATIONS CONCERNING ENTREPRENEURSHIP AND SOCIAL VALUES IN FINNISH SOCIETY**

According to international comparative studies (Flash Eurobarometer 2009; Stenholm et al. 2011), the image of Finnish entrepreneurship is complex. At a general level, Finnish business infrastructure is in a good shape. However, the Finnish people's desire to become entrepreneurs is not at the same level as in many Western countries. In this study, we ask why this is true. Can this be explained by Finnish social values, or by Finnish ideas about entrepreneurship? To examine this, we analyze young people's attitudes towards entrepreneurship in the Helsinki-Uusimaa region. We are interested in whether students are willing to become entrepreneurs in the future, and what factors affect this willingness.

Traditionally, there have been two contradictory schools of thought concerning entrepreneurship in Finnish society. First, entrepreneurs have been seen as responsible, and as ideal citizens. On the other hand, entrepreneurs have been seen as greedy, and as exploiters (Pitkänen and Vesala, 1988:79-80). We can assume that this conflict has also joined the political debate and social values, especially in terms of the relationship between individualism and collectivism.

First, Western individual values, such as the freedom of the individual and the rights of the citizen, have had a strong role in Finnish society, and international comparative studies have shown that Finland has an individualistic culture (e.g., Howstede). Additionally, the freedom to run a business has been seen as a right of the individual. In traditional Finnish culture, entrepreneurship has been seen as a symbol of individualism and the free market economy (see Vesala, 1996).

Second, Finland is also a so-called Scandinavian welfare state (see Esping-Andersen, 2006). This means that there are universal social policies and extensive public welfare services. The starting point of the Scandinavian welfare state is one kind of collectivism, which emphasizes common responsibility and the significance of the public sector. Because of this political background, entrepreneurship has sometimes been seen from a negative point of view: the individual's business is connected to egoism, not to the common interest.

There are also different views regarding the entrepreneur's work in Finland. Traditionally, it has been emphasized that entrepreneurship requires perseverance and hard work. However, recently, the significance of social skills and networking with stakeholders has been emphasized.

During the last few years, entrepreneurship has been highlighted in Finland and many other countries. It has been emphasized that entrepreneurship can be one way to solve national and regional competitiveness issues, as well as individual employment problems. The promotion of entrepreneurship and entrepreneurship education has also been stressed in many policy statements. However, at the same time critical issues have been raised: has entrepreneurship become the new "must"? Is this debate a sign of neo-liberal management? (See Rose and Miller, 1992.) According to some researchers (Keskitalo-Foley et al., 2010: 21–22), the new entrepreneurial debate is based on the idea of the citizen as a consumer; the idea that a person's value is determined through consumption.

In this paper, we will examine these Finnish debates, starting from a social psychological perspective. We are interested in the individual's representation concerning entrepreneurship, the individual's social values, and some theoretical factors regarding attitudes. How can these factors explain young people's entrepreneurial intentions?

## **2. AJZEN'S THEORY OF PLANNED BEHAVIOR**

In economic, psychological, and social scientific discussions, a number of theories have been developed that aim to explain entrepreneurial intention and behavior. One theory, which has proven to be useful (e.g., Linan, 2008, Linan and Chen, 2009, Goether et al., 2012), is Ajzen's theory of planned behavior. Ajzen's theory is based on attitude theory, but it contains other dimensions, too. This theory examines the specific attitudes targeted at a person's own actions (Ajzen and Fishbein, 2000:16-17). Several studies suggest that these kinds of specific attitudes explain human behavior much better than general attitudes.

According to Ajzen's theory, behavioral intention is impacted by three components: *attitude towards behavior*, *subjective norm*, and *perceived behavioral control* (Ajzen, 1991:182). In this theory, the subjective norm refers to the expectations and hopes of people who are close to the individual, as the person

feels it. Similarly, perceived behavioral control means the person's assessment of how he or she would be able to cope with a given activity. Pursuant to this theory, young people's entrepreneurial intentions are influenced by their attitudes towards entrepreneurship, the appreciation of entrepreneurship and the expectations of their closest circle, and the young people's own perceptions of their capacity as an entrepreneur.

Ajzen's theory of planned behavior is our major theoretical starting point, with our own conceptual clarifications and extensions. First, the concept of perceived behavioral control is complicated. It is based on Albert Bandura's (1982) social learning theory and its concept of *perceived self-efficacy*. Bandura differentiates between *efficacy expectancy* and *outcome expectancy*. In our entrepreneurship context, efficacy expectancy means how well young people think they can cope with the duties and responsibilities of entrepreneurship, whereas the outcome expectation is connected to how well they believe they can succeed as an entrepreneur. So, many external factors affect the outcome expectancy.

Second, there is a fundamental problem connected with the concept of attitude: if all behavior is linked with its own attitude, the concept of the attitude becomes too narrow and its explanatory importance decreases. This kind of attitude differs from the traditional theory's attitude. Some social psychologists have even suggested that the concept of the attitude should be rejected (e.g., Potter and Wetherell, 1987). Thus, we replaced Ajzen's concept of the attitude with the cognitive concept of the attitude, which leads to the analysis of the attitudes' targets. In practice, this means that we look at different representations of the enterprise as factors that are connected with entrepreneurial intention.

Third, Ajzen's concept of the subjective norm is connected to an especially close environment and its normative expectations. It is obvious that these expectations play an important role in young people's behavior. However, we will also examine the more general valuations. We assume that social values also create normative expectations that influence behavior. In particular, we will examine democratic values and welfare state attitudes.

### **3. QUESTIONS, HYPOTHESES AND METHODS**

In this study, we are also interested in finding out how well social values, social representations, subjective norms, and perceived control explain the observed entrepreneurial intention. Our hypotheses are:

*(H1) Entrepreneurial intention depends on representations concerning entrepreneurship.*

*(H2) Entrepreneurial intention depends on social values.*

*(H3) Entrepreneurial intention depends on social norms and perceived control.*

The survey data (N=873) was collected from an electronic questionnaire in January and February 2012. The respondents were 17- and 18-year-old students in secondary schools (N=464) and vocational schools (N=409) in Uusimaa, Finland. The sample consisted of students from different fields (culture, business economics, social and health care, technology and transport, etc.).

The questions (72 pcs) were mainly multiple choice Likert-scale questions (1=Strongly disagree, ..., 5=Strongly agree). The questions were connected to themes, such as background information, entrepreneurial intention, representations concerning entrepreneurship, social values, subjective norms, and perceived control. The questionnaire was pretested with 19 students.

We analyzed our data with statistical methods. Sum variables were constructed by using factor analysis, and the means of the variables and the reliabilities were calculated by using Cronbach's alpha. The normality of the distribution was examined using the Kolmogorov-Smirnov test. Spearman's rho coefficient was used to calculate the correlation. During the process, there were no unexpected problems concerning the questionnaire's form, its questions, or answering. The used measures turned out to be functional and the reliabilities were relatively good. However, all of the variables did not correspond with normal distribution.

### **4. RESULTS**

We studied young people's entrepreneurship intentions using four questions that asked about issues related to the young people's intentions, but also to an assessment of how likely they consider entrepreneurship to be an alternative to them. Table 1 shows these questions and the distribution of the responses.

**Table 1:** Questions concerning entrepreneurial intention

Question	N	agree%	disagree%
55. If I could freely choose, I'd rather be an entrepreneur than an employee	873	34.0	38.3
59. My aim is to become an entrepreneur in the future	873	18.8	48.9
63. I am going to make a living as an entrepreneur	873	13.6	49.1
67. For me, entrepreneurship is a probable career choice	873	17.1	51.3

The results show that young people's willingness to become entrepreneurs is relatively low. If we look at the issues that are directly related to intention, less than 20 percent of the respondents agree and about half of the respondents disagree. These results are similar to previous studies. The international *Global Entrepreneurship Monitor* -research (Stenholm et al., 2011) shows that the Finns' entrepreneurial willingness is at quite a low level. According to the *Flash Eurobarometer* (2009) survey, most Finnish people would rather be an employee than an entrepreneur, if they were free to choose.

These four issues were formed into the sum variable entrepreneurial intention. The reliability of the constructed variable was quite good ( $\alpha=0.899$ ). Next, we analyzed the factors that influence entrepreneurship intentions. First, we will look at the four representations concerning entrepreneurship. Two of the representations are associated with the social valuation of entrepreneurship: is the entrepreneur an ideal citizen or an egoistic exploiter? The other two representations are associated with the work of the entrepreneur: does the entrepreneur's work emphasize hard work or networking with stakeholders? The representation sum variables were formed by 3-4 questions. Their reliabilities, as well as their correlation with entrepreneurial intention, are shown in Table 2.

**Table 2:** Entrepreneurship representations and their correlations (N=872)

	Items	Cronbach's alpha	Correlation with ent. intention	
			Spearman's rho	sign., 2-tailed
Entrepreneur as an ideal citizen	4	.740	.229	.000
Entrepreneur as an exploiter	4	.652	-.040	.233
Entr. as "persevering hard worker"	4	.741	.034	.316
Networking	3	.663	.041	.227

Only one representation, the entrepreneur as an ideal citizen, was significantly correlated with entrepreneurship intention. Also, this correlation is relatively small. So, hypothesis 1 is only partially valid. Entrepreneurship intention depends on representations concerning entrepreneurship, but only a little. For example, a critical entrepreneurship attitude does not affect entrepreneurship intention. From the perspective of entrepreneurial intention, it is also irrelevant, in terms of how young people understand the work of the entrepreneur.

Next, we will examine social values, and how entrepreneurial intention is dependent on them. We will look at two major social values: *democratic values* and *welfare state as a value*. In addition, we studied what young people think about the debate on entrepreneurship. How critical are young people toward the entrepreneurial discourse? The sum variables' reliabilities as well as the variables' correlation with entrepreneurial intention are shown in Table 3.

**Table 3:** Social values and their correlations (N=873)

	Items	Cronbach's alpha	Correlation with ent. intention	
			Spearman's rho	sign., 2-tailed
Democratic values	3	.729	-.005	.884
Welfare state as a value	3	.629	-.147	.000
Critique of entrepreneurial discourse	4	.717	-.145	.000

So, hypothesis 2 is partially valid. *Welfare state as a value* as well as *the critique of entrepreneurial discourse* correlated significantly with entrepreneurship intentions. However, the correlations are quite small. Further, we argue that the relationship between democratic values and entrepreneurial intention is not significant. This is interesting, because in the traditional Finnish way of thinking, business freedom have been seen as an important part of Western democracy.

Finally, we studied the two concepts of the theory of planned behavior: subjective norms, and perceived behavioral control. On the basis of Bandura's analysis, we also looked at the control of outcomes. See Table 4.

**Table 4:** Control and subjective norms, and their correlations (N=873)

	Items	Cronbach's alpha	Correlation with ent. intention	
			Spearman's rho	sign., 2-tailed
Subjective norms	4	.781	.717	.000
Perceived behavioral control	4	.863	.595	.000
Control of outcomes	3	.839	.608	.000

So, hypothesis 3 is valid. All three variables correlated very strongly with entrepreneurial intention. In addition, the alpha coefficients of these sum variables are quite high. We can especially see that these correlations are much larger than the other correlations of entrepreneurial intention that we examined in this study. Thus, entrepreneurial intention depends primarily on the values and expectations of people close to the young person, as well as the young person's trust in his or her own skills and success.

## **5. CONCLUSION AND DISCUSSION**

Our results demonstrate that the relationship between social values, representations concerning entrepreneurship, and entrepreneurial intention is complex in the Finnish context. While we further argue that the theory of planned behavior is valid in this instance, the representations and social values serve to explain entrepreneurial intention only weakly.

In the traditional Finnish debate, entrepreneurship has been associated with some political dimensions. On the other hand, it has been emphasized that the right of free enterprise is part of a democratic society's freedom rights. But, the Finnish social policy debate has specifically highlighted the importance of collective responsibility and the public sector. At times, entrepreneurs have been even seen as exploiters who are aiming only for their own benefit, not for the collective good. Thus, it is interesting that there was only a weak dependence between social values and entrepreneurial intention in our data. We argue that the importance of the social expectations of the people close to the young person is much greater. In addition, our results show that the person's own control expectations have an important role.

But what are the reasons for this weak dependence? We can't answer this question based on our data. Nevertheless, we suppose that the reason is a change in the social meaning of entrepreneurship. Young Finns do not connect the entrepreneurship with strong political values. The concept of entrepreneurship has become rather neutral and practical in Finnish society.

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