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SUMMARY

THE INTERPLAY OF INDIVIDUAL AND CONTEXTUAL FACTORS IN THE FORMATION OF UNIVERSITY START-UPS A MULTI-LEVEL ANALYSIS OF NASCENT ENTREPRENEURS

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Principal Topic

Recent research has demonstrated the relevance of start-ups by students and recent graduates: they greatly outnumber faculty spin-offs and are not of low quality (Astebro, Bazzazian, & Braguinsky, 2012). Also, there is growing evidence that the regional environment (Drakopoulou Dodd & Hynes, 2011; Feldman, 2001; Sternberg, 2007) and the entrepreneurial climate at universities (Bercovitz & Feldman; 2008) is relevant for shaping entrepreneurial attitudes and behavior of academics. However, research on student entrepreneurs has two main limitations: First, it usually only looks at the determinants of entrepreneurial intentions rather than activities. Second, it typically focuses on individual-level determinants and ignores contextual influences on the university or regional level. We know of only two studies that investigate student entrepreneurship from a multi-level perspective (Dohse & Walter, 2012; Walter, Parboteeah, & Walter, 2013). However, both studies focus on entrepreneurial intentions rather than activities.

Method

Based on micro data of the 2011 Global University Entrepreneurial Spirit Students' Survey (GUESSS), this paper analyzes nascent entrepreneurial activities of students in six European countries taking account of individual, university, and regional determinants. We use data from those universities where a representative survey could be accomplished. This gives us a sample of 26,623 respondents at 61 universities in 31 regions. We calculate binary logistic multi-level regressions in which nascent entrepreneurial activity acts as dependent variable.

Results and Implications

Our results suggest that entrepreneurial activities of students can be considered as a multi-level phenomenon: They mainly depend on individual-level determinants. Yet, contextual influences on the regional and especially on the university-level also play a role and interact with individual-level determinants. The university entrepreneurial climate has a direct impact on nascent entrepreneurial activity and interacts with the family business background of students. Both effects are positive but also partly substitute each other. Thus, a positive entrepreneurial climate at university can - at least partly - make up for a lack of support and role models from home. We also find indications for an "ivory tower-effect": Post-graduate students are more likely to develop venture ideas from inside rather than outside the university. As expected, the subject of study influences the entrepreneurial aptitude with applied subjects being more conducive to starting a business than others.

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