Entrepreneurial risk perception and entrepreneurial intention of employed and unemployed in the context of entrepreneurial individual resources

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Abstract:
Aim: The changes in the nature of economic and social issues has renewed the attention on the role of entrepreneurship, and point to a multifaceted way of how entrepreneurship activities can mediate and foster sustainable development and social welfare. Recent research on entrepreneurship has redirected attention away from the entrepreneur as an individual with inborn personality dispositions and more towards entrepreneurship competence as a composition of skills and attitudes interacting with a range of factors affecting individual and his/her work and life circumstances. In this paper we point to the way risk perception and entrepreneurial intentions are associated with the entrepreneurial individual resources of the employed and unemployed.

Method: The online questionnaire was completed by 413 individuals, 23 respondents were excluded from analysis because of their work status (entrepreneurs). Data was collected using the survey agency panel of respondents across Slovakia. The period of data collection was November 2017. The final sample consisted of 390 respondents, 182 males (46.7 %), 208 females (53.3 %) with an age range between 18 – 50 (M=32.37).193 respondents were currently unemployed (49.5%) and 197 employed (50.5%). The majority of the sample had high school diplomas (56.2 %), followed by a master’s degree (33.8 %), a bachelor’s degree (7.9 %), and a doctorate (1.8 %). To secure the comparability of employed and unemployed respondents the composition of these two groups was controlled. The current paper aims to contribute to the studies of entrepreneurship through evidence of the interaction between entrepreneurial intentions, risk perception and entrepreneurial resources. Additionally, the context of employment and unemployment status is considered. The following research questions were formulated: 1. Do employed and unemployed people differ in their entrepreneurial intentions? 2. Do they differ in the entrepreneurial risk perception? 3. Do employed and unemployed people see their entrepreneurial resources differently? 4. Is there a correlation between risk perception and entrepreneurial intention and is it significant for both groups of respondents (employed and unemployed)? 5. Is there a difference between the employed and unemployed in terms of the associations between the entrepreneurial resources and the intention to enterprise? 6. Is there a difference between the employed and unemployed in terms of the associations between the entrepreneurial resources and the entrepreneurial risk perception? 7. Do internal and external resources and the employment status stand as predictors of entrepreneurial risk perception and entrepreneurial intention?
Results: This paper contributes to the field of entrepreneurship studies by proposing that perceived individual resources for enterprising activity are relevant in the research of entrepreneurial intention and risk perception. When comparing the subjective perception of the entrepreneurial resources, sufficiency employed and unemployed “created” the same ranking starting with the internal resources at the top: education, skills, relevant personality characteristics and experience; ending with two external resources: sufficient social capital and needed financial capital. The results show that employed and unemployed people in our sample did not significantly differ either in intention or in risk perception. However, they do differ in the perception of external entrepreneurial resources when employed respondents reported a significantly higher level of them in comparison to unemployed. We found that perceived risk which was often sought to function as a barrier for being open to entrepreneurial opportunities correlated negatively with the external entrepreneurial resources of both the employed and unemployed. The differences between the employed and unemployed in risk perception were present in association with internal individual resources; where the risk perception of employed correlated significantly negatively while in the sample of unemployed there was no significant correlation present. Interestingly, the outcomes were different for the association between entrepreneurial intention and perceived individual resources for enterprising. In both samples of the employed and unemployed the correlations between intention for enterprising and individual’s internal and external resources were all positively significant.

When identifying predictors of entrepreneurial risk perception, two out of three predictors in the regression model were significant: external resources and employment status. Results confirmed that lower level of external entrepreneurial resources and being employed are both predictors of higher level of entrepreneurial risk perception. Further, when identifying predictors of entrepreneurial intention two predictors in the regression model were significant: internal and external resources. Results indicated that higher level of internal and external entrepreneurial resources were predicting a higher level of entrepreneurial intention. The employment status turned out not to be a significant predictor of entrepreneurial intention in the analysed sample.

Conclusion: The main findings of the current paper were summarized separately in the context of employment and unemployment. Employed respondents in our sample did not indicate serious intentions to undertake entrepreneurial activities within the following 3 years, and they stated quite a high perception of risk related to entrepreneurship. Surprisingly, the association between entrepreneurial intention and risk perception was not significant, which indicates that the lower level of entrepreneurial intention is not related to the more intense perception of the risk. This finding could be explained by the employed being content with their work situation and feeling secure to such extent that they do not consider changing it. Regarding the entrepreneurial resources, employed respondents reported a higher level of internal entrepreneurial resources than external. The entrepreneurial intention of the employed was associated with both internal and external entrepreneurial resources. Moreover, both internal and external entrepreneurial resources were confirmed as significant predictors of entrepreneurial intention. The entrepreneurial risk perception of employed respondents was associated with both internal and external entrepreneurial resources, but negatively. When identifying predictors of entrepreneurial risk perception, external resources and employment status turned out predicting risk perception both significantly and negatively. Interestingly, being employed acted as a significant predictor of higher entrepreneurial risk perception.

Similarly, unemployed respondents in our sample did not indicate a serious intention to undertake entrepreneurial activities within the following 3 years and they also perceived quite a high level of risk related to entrepreneurship. The association between entrepreneurial intention and risk perception was significant and negative, which indicates that the lower level of entrepreneurial intention could be affected by quite intense perception of the risk. This is in line with other studies where fear of failure and financial instability acted as barriers to entrepreneurship (Shinnar et al., 2012; Thurik et al., 2008). Regarding entrepreneurial resources, similarly to the sample of employed, unemployed respondents reported a higher level of internal entrepreneurial resources than external. The entrepreneurial intention of the unemployed was associated with both internal and external entrepreneurial resources. The entrepreneurial risk perception of unemployed respondents was associated with the external entrepreneurial resources only, and the relationship was negative. When identifying predictors of entrepreneurial risk perception, external resources and employment status turned out predicting risk perception significantly and negatively. Interestingly, being unemployed acted as a significant predictor of lower entrepreneurial risk perception.

Our evidence provides an initial indication for understanding the preconditions of entrepreneurial intentions and how these can be altered by interventions seeking to support individuals in the uptake of entrepreneurial activities. However, based on our findings it is not possible to conclude whether the perceived entrepreneurial resources would be used in an efficient way.

Keywords: Entrepreneurship. Risk perception. Entrepreneurial intention. Individual resources. Employed. Unemployed.
Introduction

Entrepreneurship activity is important and in the long-term a positive factor for economic growth via innovations and employment and consequently also the created wealth (e.g. Schumpeter 1997, Acs & Audretsch, 1988). The policy makers involved in education and employment policies also understand the entrepreneurial activities of individuals as an important alternative to economic and social survival for individuals, especially in times of economic downturns and labour-demand contractions. The intensity of entrepreneurship activities at national and regional levels is related to the intentions of individuals to react to entrepreneurship opportunities and to their willingness to face risk related to entrepreneurial activities. The research on factors and determinants relevant to the entrepreneurship activities of individuals is hence experiencing continued and increased attention especially at the level of national and local policy makers.

At the European and national level, the policy discourse reflects increasing an understanding of the universal value of individual entrepreneurship initiatives and the view of entrepreneurship as a viable opportunity for gainful work for a more diverse range of individuals. There exists a great uncertainty about the shape of future labour markets, with further changes expected in connection with automation and robotization. The changes now or in the future redefine the need for active individuals and their entrepreneurial activities as a career and work option at any stage of life.

The European Commission is strongly promoting the importance of dealing with new skills requirements and focusing on adult skills competencies and what it takes to support them by participation in training and learning. Within the structure of competences for the 21st century, entrepreneurship competence is regarded as one of the key adult competencies in communication at the European policy level. The European reference framework on key competencies (European Parliament, 2006) includes entrepreneurship competence in 8 key competence areas.

The notion of entrepreneurship competence gives full voice to i) relevance of entrepreneurial intentions to any individual ii) importance of being attentive to entrepreneurial opportunities all throughout one’s life and develop competencies to have real choice to exploit such opportunities.

In this paper we refer to the need to view potential entrepreneurs as any adults in different stages of life as opposed to the prevailing focus of studies on the entrepreneurship intentions of students, especially in higher education level studies. Studies are showing that new generations of entrepreneurs are coming up with entrepreneurial ideas, as they wish to continue their working life beyond the age of 50 as entrepreneurs (Growing the European Silver Economy, 2015).

What drives the entrepreneurial process?

The researchers in the field of entrepreneurship have in the past focused a lot on the personality of an entrepreneur and the factors leading to the success of entrepreneurial activities; referring mostly to concepts based on economic and management sciences. More

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1 Entrepreneurship competence is referred to as involving i) skills to identify viable opportunities, assess and take risks and ii) entrepreneurial attitudes such as initiative, pro-activity and motivation.
recent approaches have redirected the attention away from the personality of an entrepreneur and his or her business success to the key phases of entrepreneurial activities. This has led to a considerable shift away from the focus on an entrepreneur as an individual with inborn personality dispositions to entrepreneurship competence as a composition of skills, attitudes and self-beliefs interacting with a range of factors affecting an individual and his or her work and life circumstances.

Probably the most notable change came in with the integration of approaches based on social and cognitive psychology. To mention briefly some major streams of conceptualisation, the bulk of recent research is based on adapting Ajzen's (Ajzen, 1991) Theory of planned behaviour e.g. (Krueger & Carsrud, 1993). An alternative approach proposed referring to the key role of opportunities (Shane & Venkataraman, 2000) (Eckhardt & Shane, 2003). Opportunity work has been extended by empirical research into opportunity identification competence, including employee level and connection to the innovation capacity of companies and their skills development (Baggen, et al., 2015; Baggen, Lans, Biemans Harm, Kampen, & Mulder, 2016).

The intentions are acknowledged as key antecedents of entrepreneurial actions and in some works regarded as the core of entrepreneurial process. Individual perceptions interact with intentions, beliefs, knowledge structures and learning (Krueger, 2003). Individuals intentionally choose to engage in entrepreneurship (Krueger, 2007).

Individual responses to entrepreneurial intention can be also seen as depending on the perception of available options and alternatives which include i) perceived desirability (the degree to which a person feels an attraction towards a given behaviour i.e. to become an entrepreneur) and ii) perceived feasibility defined as the degree to which people consider themselves personally able to carry out that behaviour. The desirability to start a new business is determined by the individual’s beliefs and perceptions about the positive and negative consequences of that behaviour (Shapero & Sokol, 1982; Singh, Prasad, & Raut, 2012). That means desirability is related to certain results or outcomes of entrepreneurship, in terms of the costs and benefits for the entrepreneur (Zellweger, Sieger, & Halter 2011).

**Entrepreneurial individual resources**

The widening base of conceptual frameworks available for empirical assessments of selected aspects of entrepreneurship will hopefully lead to strengthened empirical evidence. So far, empirical studies examining the association between entrepreneurial intention and individual resources and/or characteristics are still scarce. The operationalization of the entrepreneurial resources varies across studies and is associated with the context (e.g. organizational, workplace, individual etc.) Some studies use the term of entrepreneurial potential when referring to preparedness for enterprising instead of resources (Santos et al., 2013, Kreuger & Brazeal, 1994). The existing research describes many factors affecting decisions about establishing a new venture. A more integrated approach has been proposed with respect to social capital (De Carolis, & Saparito, 2006; Adler & Kwon, 2002; Lesser, 2000) and individual capacities (van Gelderen, 2000; Kreuger & Brazeal, 1994).

Aldrich and Zimmer (1986) reviewed research findings that showed that stronger social ties to resource providers facilitate the acquisition of resources and enhance the probability of opportunity exploitation. Not all potential entrepreneurs will exploit opportunities with the same expected value. The decision to exploit an opportunity involves weighing the value of the opportunity against the costs to generate that value and the costs to generate value in other
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ways. Thus, individuals who consider the opportunity cost of pursuing alternative activities in making the decision, whether or not to exploit opportunities and pursue opportunities when their opportunity cost, is lower (Amit, Mueller & Cockburn, 1995). Cooper, Woo and Dunkelberg (1989) found that people are more likely to exploit opportunities if they have developed useful information for entrepreneurship from their previous employment; presumably because such information reduces the cost of opportunity exploitation.

The model of entrepreneurship based on the decisive role of social capital was proposed by De Carolis and Saparito (2006). The authors point to the limited discussions in research on how the social capital and personal factors interact and influence entrepreneurial behavior. In their approach the entrepreneurial behaviour is centred around opportunity exploitation building on the opportunity nexus concept (Shane & Venkataraman, 2000) and modelled as a result of the interplay of environments, such as social networks, and some cognitive biases in entrepreneurs. The authors adopt the view that the core entrepreneurial actions are associated with the presence of opportunities and enterprising individuals who decide to exploit the opportunities. The decision-making is influenced by external factors, social capital, and internal factors, individual cognitive biases.

The concept of social capital is appealing also in the context of developmental (life-course) approaches. Schmitt-Rodermund’s (2004) developmental model assumes that adolescents’ early entrepreneurial competencies are, along with the influence of early stimulating environments, affected by their personality profile. They found early entrepreneurial competencies (defined by leadership and inventive behaviour in adolescence) to have an indirect positive effect on engagement in entrepreneurship in adulthood via early entrepreneurial interests in adolescence and entrepreneurial career goals. As expected, personality and early competence appeared to be associated. Individuals with an entrepreneurial personality profile reported higher levels of early entrepreneurial competence (Obschonka, Silbereisen, & Schmitt-Rodermund, 2010).

From the conceptual approaches reviewed above we find particularly well-suited the interaction of external factors with individual resource and a resulting effect on risk perception. Risk is a mediator of the decisions to act on opportunities, and more about risk is elaborated in the following section.

Therefore, further on we have opted to refer to the conceptual framework based on an individual resources structured as external (social and financial capital) and internal resources (education, skills, experience and personality). We stay with the simple factors that are more relevant for the open type of the sample we have, i.e. a panel of respondents from the population including individuals with a wide spectrum of socio-economic characteristics. Our key variable linked to an actual entrepreneurial action is with the intention to engage in entrepreneurial activity. Entrepreneurial intentions predict actual intensity relatively well. Literature sources show that entrepreneurship intention is a significant predictor of entrepreneurial opportunity identification (Karimi, Biemans, Lans, Aazami, & Mulder, 2014). Perceived opportunities on the other hand vary, and for countries with similar risk aversion and entrepreneurial intensity we can observe significant differences in perceived opportunities when inspecting cross-country evidence based on the GEM framework below. Despite the focus of the study on the one country (Slovakia) sample only Table 1 shows the context in which Slovak respondents act in comparison to other country data.

\(^2\) e.g. compare Slovakia and Poland for relatively similar values in all measure except large difference in perceived opportunities
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Table 1: GEM 2017 results on entrepreneurial resources, intentions and outcomes (Total early-stage entrepreneurial activity), measure as % share in 18-64 population

| Economy              | Perceived opport. | Perceived capabilities | Fear of failure rate | Entrepreneur. intentions | TEA early stage EA |
|----------------------|-------------------|------------------------|----------------------|--------------------------|------------------|
| Bosnia and Herzegovina | 13.4              | 35.5                   | 27.2                 | 4.6                      | 4.0              |
| Bulgaria             | 19.5              | 38.4                   | 20.9                 | 5.0                      | 3.7              |
| Croatia              | 33.6              | 50.8                   | 26.6                 | 17.5                     | 8.9              |
| Cyprus               | 51.0              | 46.4                   | 55.9                 | 16.7                     | 7.3              |
| Estonia              | 61.0              | 49.7                   | 31.8                 | 18.1                     | 19.4             |
| France               | 34.1              | 36.3                   | 39.1                 | 17.6                     | 3.9              |
| Germany              | 42.0              | 37.5                   | 36.3                 | 7.2                      | 5.3              |
| Greece               | 13.7              | 43.4                   | 55.5                 | 7.1                      | 4.8              |
| Ireland              | 44.5              | 42.2                   | 39.2                 | 11.9                     | 8.9              |
| Italy                | 28.8              | 30.4                   | 49.4                 | 10.3                     | 4.3              |
| Latvia               | 36.3              | 49.0                   | 42.3                 | 17.3                     | 14.2             |
| Luxembourg           | 54.8              | 40.9                   | 47.0                 | 11.0                     | 9.1              |
| Netherlands          | 64.1              | 44.6                   | 29.7                 | 8.1                      | 9.9              |
| Poland               | 68.8              | 52.4                   | 34.4                 | 9.7                      | 8.9              |
| Slovakia             | 25.8              | 48.5                   | 32.8                 | 9.0                      | 11.8             |
| Slovenia             | 34.6              | 53.3                   | 31.8                 | 14.2                     | 6.9              |
| Spain                | 31.9              | 44.8                   | 39.2                 | 5.6                      | 6.2              |
| Sweden               | 79.5              | 34.5                   | 36.7                 | 8.1                      | 7.3              |
| Switzerland          | 47.2              | 42.1                   | 29.5                 | 10.5                     | 8.5              |
| United Kingdom       | 43.0              | 48.2                   | 35.9                 | 7.3                      | 8.4              |

Source: GEM 2017 edition, adapted by authors from the data available online at: http://www.gemconsortium.org/data/key-aps

To support our rationale for the approach adopted in this paper, we suggest that the concept of social capital is reflected well in countries like Slovakia, i.e. post transition EU member states where developing entrepreneurial activities at smaller individual scale have a relatively short history, while individuals are being confronted with dramatic changes in welfare and social structures as well as individual and societal values. In relatively young countries, with possibly unstable external conditions, which are quickly trying to catch up with "old" European democracies, the value of social networks and support should logically increase for an individual.

From a different perspective, the individual resources or perceived feasibility are also connected with the competency development of individuals. In all stages of life there are increased requirements on adults in what they need to learn and what new skills they need to master for daily life. One of the best illustrations for such requirements is the financialization of all people’s daily lives and the importance for all of a required competence for dealing well with personal finances (Bačová & Baláž, 2017; Hershey, Jacobs-Lawson, & Austin, 2013). Such competence is particularly relevant in connection with entrepreneurial competence as well. The perception of financial resources for entrepreneurship is one of our external resources, as is shown further, and clearly depends on an individual's competence to solve

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3 The variables are defined as follows, Perceived opportunities: Percentage of 18-64 population who see good opportunities to start a firm in the area where they live, perceived capabilities: Percentage of 18-64 population who believe they have the required skills and knowledge to start a business etc. TEA refers to Percentage of 18-64 population who are either a nascent entrepreneur or owner-manager of a new business. Source: GEM custom data available online at: http://www.gemconsortium.org/data/key-aps
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different financial problems. Some aspects of entrepreneurial environment might be country-specific, and it is very useful if some individual attributes can be compared internationally. For this the data from GEM (Global Entrepreneurship Monitor) is quite appropriate. There also exists a solid base of evidence on entrepreneurial behaviour for Slovakia, with the recent focus on inclusivity based on the GEM methodology (e.g. Pišková, Holienka, Kovačičová, & Rehák, 2015).

**Entrepreneurship as a risk?**

We have explained above our rational in this paper regarding individual resources, social capital and interaction with perceived risk associated with entrepreneurship. To comment further on cultural differences of entrepreneurial pre-conditions mentioned in connection with social capital, risk is a dimension that has been looked at in a limited way; especially in regards to decision-making about work and a career in the times of socially planned economies. The current generations of above forty are likely to be systematically affected by this history. However, exploring the effect of risk perception and how it affects entrepreneurial intentions remains of interest in entrepreneurship in general.

Risk is a key element in the general theory of entrepreneurship (Carland et al., 1984; Johnson, 1990; Goldsmith & Kerr, 1991; Stewart, Watson, Carland, & Carland, 1998; Elston & Audretsch, 2011). Kuechle (2013) postulates that risk is implicit in entrepreneurship, related to creating a new market, identifying an opportunity or starting up a business. Different stages and elements of entrepreneurial behaviour involve a series of expected results, and these can be unattained, which implies the possibility of failure.

Risk has been traditionally considered to hinder entrepreneurship activity, as the perceptions over potential losses derived from business activity would negatively affect entrepreneurial intentions (Venkataraman, 2002). Other authors (Dickson & Giglierano 1986; Barbosa, Gerhardt, & Kickul 2007) show that risk can be perceived by entrepreneurs not only as a threat but also as an opportunity (associated with the potential earning of the new business); however, the empirical support for this perception is still limited. As a consequence, this research takes on a traditional approach and considers that the perception of risk has a negative influence on entrepreneurial behaviour.

Risk can also be conceptualised as a more complex structured factor. Schaper and Volery (2004) identify four types of risk that new business owners must face: financial, career/time, social and health risks. Along the same research lines, Barbosa, Kickul and Liao-Troth (2007) distinguish between personal, social and financial risk dimensions. Vasumathi et al. (2003) state that entrepreneurship generates high levels of stress for individuals who face different risk dimensions such as financial, professional, and time (psychological) and health-related (physical) risks.

Giordano Martínez et al. (2017) found that the economic risk associated with entrepreneurship has a negative effect on the feasibility to start a business but does not significantly influence the desirability of that behaviour. On the other hand, a significant effect from the risk related to health is not seen as a desirability and feasibility, but the negative influence of personal risk is empirically supported for both variables.

In what follows we work with a simple measure of risk as perception of risk related with entrepreneurship. This is relevant for our sample of individuals including different age groups, including the unemployed who do not have entrepreneurial experience.
Method

Sample

The online questionnaire was completed by 413 employed and unemployed respondents, 23 respondents were excluded from analysis because of their work status (entrepreneurs). Data was collected online using a panel of respondents in Slovakia. The period of data collection was November 2017.

The final sample consisted of 390 respondents, 182 males (46.7 %), 208 females (53.3 %) with an age range of 18 – 50 (M=32.37). 193 respondents were currently unemployed (49.5%) and 197 employed (50.5%). The majority of the sample had a high school diploma (56.2 %), followed by with a master’s degree (33.8 %), bachelor’s degree (7.9 %), and doctorate (1.8 %). To secure the comparability of employed and unemployed respondents the composition of the group was controlled (see table 2).

Table 2: Descriptive table of sociodemographic variables

|               | Employed |   | Unemployed |   |
|---------------|----------|---|------------|---|
|               | N        | % | N          | % |
| Gender        |          |   |            |   |
| Male          | 97       | 49.2 | 85         | 44.0 |
| Female        | 100      | 50.8 | 108        | 56.0 |
| Age           |          |   |            |   |
| 18-30         | 86       | 43.7 | 87         | 45.1 |
| 31-50         | 100      | 50.8 | 106        | 54.9 |
| Education     |          |   |            |   |
| high school diploma | 105     | 53.3 | 114     | 59.1 |
| bachelor’s degree | 15     | 7.6  | 16        | 8.3  |
| master’s degree | 70     | 35.5 | 62        | 32.1 |
| PhD.          | 7        | 3.6  | 0         | 0    |
| Other         | 0        | 0    | 1         | 0.5  |
| Family status |          |   |            |   |
| Single        | 89       | 45.2 | 98         | 50.8 |
| Married       | 70       | 35.5 | 58        | 30.6 |
| Divorced      | 12       | 6.1  | 11        | 5.7  |
| Separated     | 0        | 0    | 1         | 0.5  |
| In a relationship | 26     | 13.2 | 24        | 12.4 |
| Children      |          |   |            |   |
| Yes           | 88       | 44.7 | 71         | 36.8 |
| No            | 109      | 55.3 | 122        | 63.2 |
| Sum           | 197      | 100  | 193        | 100  |

Measures

Entrepreneurial intention was measured by one item: I plan to start my own business within the next 3 years. 5-points Likert response scale (1 strongly disagree, 5 strongly agree).

Entrepreneurial risk perception was measured by one item: To what extent you agree or disagree with the statement that Entrepreneurship means a big/considerable risk” 5-points Likert response scale (1 strongly disagree, 5 strongly agree).
Entrepreneurial individual resources were measured by 6 items. Internal entrepreneurial resources were measured by 4 items on: personality, skills, education and experience (Personality: I have sufficient personal qualities to become a successful entrepreneur; Skills: I have sufficient skills to become a successful entrepreneur; Education: I have sufficient education to become a successful entrepreneur; Experience: I have sufficient experience to become a successful entrepreneur). External entrepreneurial resources were measured by 2 items on: financial and social capital (Financial Capital: I have sufficient financial capital to start a business; Social Capital: I have sufficient social contacts to start a business). Respondents were asked to express their agreement or disagreement with the following statements using the 5-points Likert response scale (1 strongly disagree, 5 strongly agree).

Research questions

The current paper aims to contribute to the studies of entrepreneurship by evidence on the interaction between entrepreneurial intentions, risk perception and entrepreneurial resources. Furthermore, the context of employment and unemployment status is considered. The following research questions were formulated:

1. Do employed and unemployed people differ in their entrepreneurial intentions?
2. Do they differ in the entrepreneurial risk perception?
3. Do employed and unemployed people see their entrepreneurial resources differently?
4. Is there a correlation between risk perception and entrepreneurial intention and is it significant for both groups of respondents (employed and unemployed)?
5. Is there a difference between the employed and unemployed in terms of the associations between the entrepreneurial resources and the intention to enterprise?
6. Is there a difference between the employed and unemployed in terms of the associations between the entrepreneurial resources and the entrepreneurial risk perception?
7. Do internal and external resources and the employment status stand as predictors of entrepreneurial risk perception and entrepreneurial intention?

Results

The first and second research question inquired about differences between the employed and unemployed in entrepreneurial intention and in the perception of entrepreneurship as a risk. The results show that the employed and unemployed people in our sample did not differ significantly either in intention or in risk perception. The value of mean score for the entrepreneurial intention was M=2.38 (SD=1.29) for unemployed and M=2.46 (SD=1.22) for employed, which was below the middle point of 5-point response scale indicating that they were not planning about starting a new business much. The value of the mean score for the entrepreneurial risk perception was M=3.85 (SD=0.96) for the unemployed and M=3.97 (SD=1.02) for the employed, which was above the middle point of 5-point response scale; indicating that there is a shift in risk perception towards a higher risk aversion, i.e. the sample is not risk neutral on average but more risk averse when considering entrepreneurship.
Graph 1: Mean values of the responses about individual entrepreneurial resource and comparison of them between employed and unemployed.

The third research question was addressed by comparing the subjective perception of the entrepreneurial resources sufficiency where employed and unemployed “created” the same ranking starting with their internal resources: education, skills, relevant personality characteristics and experience ending with two external resources: sufficient social capital and needed financial capital. Independent samples t-test revealed significant differences between employed and unemployed respondents in the availability of their own resources in education, social capital and financial capital. In all cases employed respondents reported a higher level of the entrepreneurial resources. Graph 1 shows that both employed and unemployed respondents reported sufficient education, skills and personality characteristics all above the middle point of 5-point scale. On the other hand, experience, social capital and financial capital evaluated by respondents under the middle point of the scale indicated insufficiencies in these resources. When comparing employed and unemployed in internal and external entrepreneurial resources, significant differences were found in the case of external resources. See table 3.

Table 3: T-test results of comparison employed and unemployed respondents in internal and external resources for enterprising

| Resource     | Status      | N  | Mean | SD  | t   | sig  |
|--------------|-------------|----|------|-----|-----|------|
| internal_resource | employed    | 197| 3.182| .816| 1.658| 0.098|
|              | unemployed  | 193| 3.041| .864|     |      |
| external_resource | employed  | 197| 2.340| 1.041| 2.367| 0.018|
|              | unemployed  | 193| 2.103| .926|     |      |

The research question number four was answered with an interesting outcome. The results of Pearson’s correlation analyses confirmed a significant negative correlation between entrepreneurial intention and perceived risk for unemployed respondents ($r=-0.219**$), while for employed respondents that relationship was not significant ($r=-0.087$; see row 1 in table 3).

The fifth research question was formulated to find out whether there was a difference between employed and unemployed in interplay between the entrepreneurial resources and the intention to start up a new business? In the sample of unemployed, the correlations between intention for enterprising and individual’s resources were significant in both types of
resources - internal and external. The same was true for the sample of employed respondents. The correlations coefficients were higher in the case of the sample of unemployed (see table 4).

**Table 4: Correlation coefficients for entrepreneurial intention and entrepreneurial resources**

| Entrepreneurial intention          | Unemployed | Employed |
|------------------------------------|------------|----------|
| Perceived entrepreneurial risk      | -0.219**   | n.s.     |
| Perceived internal entrepreneurial resources | 0.550**    | 0.452**  |
| Perceived external entrepreneurial resources | 0.502**    | 0.215**  |

**p<0.01 level

The sixth research question was formulated to find the answer on whether there was a difference between the employed and unemployed in interplay between the entrepreneurial resources and the perceived risk? The entrepreneurial risk perception of unemployed correlated significantly negatively with external resources (financial and social capital). The risk perception of the employed correlated significantly negatively with both external resources and internal resources (see table 5).

**Table 5: Correlation coefficients for perceived risk and entrepreneurial resources**

| Perceived entrepreneurial risk      | Unemployed | Employed |
|------------------------------------|------------|----------|
| Perceived internal entrepreneurial resources | n.s.       | -0.222** |
| Perceived external entrepreneurial resources | -0.284**   | -0.310** |

**p<0.01 level

The seventh research question was answer by applying linear regression analysis. The regression model for predictors of entrepreneurial risk perception (Table 6) was significant and explained 8.5% of variance. External resources and employment status represented significant predictors of entrepreneurial risk perception.

**Table 6: Results of linear regression for entrepreneurial risk perception as dependent variable**

|                      | B     | S.E.  | Beta  | t     | Sig.  |
|----------------------|-------|-------|-------|-------|-------|
| (constant)           | 4.935 | .248  |       | 19.931| .000  |
| internal resources   | -.033 | .066  | -.028 | -.501 | .616  |
| external resources   | -.286 | .056  | -.285 | -5.119| .000  |
| Status (dummy)       | -.192 | .097  | -.097 | -1.975| .049  |

Dependent Variable: entrepreneurship as a risk; Status (dummy): employed 0, unemployed 1
Model sig: 0.000; Adjusted R Square=0.085; F=13.002

Regression model for entrepreneurial intention (Table 7) was significant and explained 25.9 % of variance. Internal and external resources both stood as significant predictors of entrepreneurial intention.
Table 7: Results of linear regression for entrepreneurial intention as dependent variable

|                  | B     | S.E.  | Beta  | t     | Sig.  |
|------------------|-------|-------|-------|-------|-------|
| (constant)       | -.076 | .281  | -.270 | .787  |       |
| internal resources | .649  | .074  | .435  | 8.731 | .000  |
| external resources | .175  | .063  | .138  | 2.759 | .006  |
| Status (dummy)   | .060  | .110  | .024  | .540  | .590  |

Dependent variable: entrepreneurial intention; Status (dummy): employed 0, unemployed 1
Model sig: 0.000; Adjusted R Square=0.259; F=46.320

Discussion

This paper contributes to the field of entrepreneurship studies by proposing that individual resources are relevant in the research of entrepreneurial intention and risk perception. We summarize the main findings in the context of the employment status.

Employed respondents in our sample did not indicate serious intentions to undertake entrepreneurial activities within the following 3 years and they stated quite a high perception of risk related to entrepreneurship. Surprisingly, the association between entrepreneurial intention and risk perception was not significant. This is an indication that the lower level of entrepreneurial intention is not related to the more intense perception of the risk. This finding could be explained as the employed being content with their work situation and feeling secure to such extent that they do not consider changing it. It also mirrors the GEM 2017 results for Slovakia (Table 1) with a relatively low percentage of entrepreneurial intentions. Regarding the entrepreneurial resources, employed respondents reported a higher level of internal entrepreneurial resources than external. The entrepreneurial intention of employed was associated with both internal and external entrepreneurial resources. Moreover, both internal and external entrepreneurial resources were confirmed as significant predictors of entrepreneurial intention and they contribute to entrepreneurial potential (Santos et al., 2013). The entrepreneurial risk perception of employed respondents was associated with both internal and external entrepreneurial resources but negatively. When identifying predictors of entrepreneurial risk perception, external resources and employment status turned out predicting risk perception significantly and negatively. Interestingly, being employed acted as a significant predictor of higher entrepreneurial risk perception.

Similarly, unemployed respondents in our sample did not indicate serious intention to undertake entrepreneurial activities within the next 3 years and they also perceived quite a high level of risk related to entrepreneurship. The association between entrepreneurial intention and risk perception was significant and negative, which indicates that the lower level of entrepreneurial intention could be affected by a quite intense perception of the risk. This is in line with other studies where fear of failure and financial instability acted as barriers to entrepreneurship (Shinnar et al., 2012; Thurik et al., 2008). Regarding entrepreneurial resources, similarly to the sample of employed, unemployed respondents reported a higher level of internal entrepreneurial resources than external. The entrepreneurial intention of the unemployed was associated with both internal and external entrepreneurial resources. The entrepreneurial risk perception of unemployed respondents was associated with the external entrepreneurial resources only and the relationship was negative. When identifying predictors of entrepreneurial risk perception, external resources and employment status turned out predicting risk perception significantly and negatively. Interestingly, being unemployed acted as a significant predictor of lower entrepreneurial risk perception.
Our evidence provides an initial indication for understanding the preconditions of entrepreneurial intentions and how these can be altered by interventions seeking to support individuals in the uptake of entrepreneurial activities. Our findings indicate that internal and external resources for enterprising act as an important factor in strengthening entrepreneurial intentions. Moreover, external resources could be useful as a significant agent in lowering entrepreneurial risk perception. However, based on our findings it is not possible to conclude whether the perceived resources would be used in an efficient way.

Despite the mentioned contributions, the current paper suffers from several limitations that need to be addressed. The simple design of the paper in the sense of the applied measures restricts the finding to a narrow scope. For a deeper understanding more variables should be applied in a future study. Inspecting selected variables by correlation analysis was an intentional choice to understand and discuss the interplay of the factors in a national (country) context. This is an important stage for adapting a model of entrepreneurship behaviour that would explain patterns observed in Slovakia.

Following up on this initial analysis we would like to extend the research by a focus on barriers. Shinnar et al. (2012) examined the perception of three types of barriers to entrepreneurship: lack of support, fear of failure, lack of competency. We have shown indications for such barriers in the current sample and it would be of interest to structure and add measures accordingly. We believe that perceived risk is a significant and meaningful measure relevant in explaining entrepreneurial intentions not only in countries like Slovakia but it might be interesting to study cross-cultural differences in the field. An additional dimension would be of interest based on a sample of entrepreneurs including the self-employed. Another research intention we plan to develop is to work with the concept of Opportunity identification competence (Baggen, Lans, Biemans Harm, Kampen, & Mulder, 2016; Studená & Fedáková, 2016). This requires experimental data collection with individuals. The opportunity identification competence is a potentially interesting link referring to the reported importance of an individual competences and skills. While the measure of perceived opportunities varies across countries in an interesting way, it does not seem to be linked with the intentions or actual entrepreneurial intensity. Opportunity identification competence is a way forward to measure the connections with intentions and address the possibilities of actually support learning for opportunity identification competence.
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