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The influence of barriers on entrepreneurial intentions: student entrepreneurship in Western Balkan countries

Утицај баријера на предузетничке намере: студентско предузетништво у земљама Западног Балкана

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Abstract: The paper is based on the findings of the research of students of business administration in the countries of the Western Balkans and aims to identify the impact of entrepreneurial barriers on their intentions to start entrepreneurial ventures. Barriers are classified into four categories. The first category is knowledge and skill barriers. The second group of barriers includes financial barriers. Subjective circumstances represent the third, and administrative procedures and fiscal burdens are the fourth groups of barriers. The research was conducted with 910 respondents, which consists of 71 questions. For the analysis, 6 questions related to the demographic profile and general information were used, while for the second part, 14 were used, which belong to the categories of barriers. The SPSS program was used for the empirical analysis of the results. The results showed that financial barriers, administrative procedures, and fiscal burdens harm entrepreneurial intentions. Within the group of barriers of knowledge and skills, the lack of business plan development skills and the lack of financial skills harm entrepreneurial aspirations, while the other barriers are not statistically significant. It was confirmed that statistically significant barriers to entrepreneurial intentions belong to subjective circumstances: lack of support from the environment and fear of failure.
Keywords: Student entrepreneurship, entrepreneurial intentions, barriers to entrepreneurship, students in Western Balkan countries
JEL classification: L26, M13, O19

Сажетак: Рад је заснован на налазима истраживања студената пословне администрације у земљама Западног Балкана и има за циљ да идентификује утицај предузетничких баријера на њихове намере за

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покретање предузетничких подухвата. Баријере су разврстане у четири категорије. Прва категорија су баријере знања и вештине. Другу групу баријера обухватају финансијске баријере. Субјективне околности представљају трећу, а административне процедуре и фискална оптерећења четврту групу баријера. Истраживање је реализовано са 910 испитаника, путем који чини 71 питање. За потребе анализе је коришћено 6 питања везаних за демографски профил и опште информације, док је за други део коришћено 14 која припадају претходно наведеним категоријама баријера. За емпиријску анализу резултата коришћен је програм СПСС. Резултати су показали да финансијске баријере, административне процедуре и фискална оптерећења утичу негативно на предузетничке намере. У оквиру групе баријера знања и вештине, недостатак вештина израде бизнис плана и недостатак вештина из области финансија утичу негативно на предузетничке аспирације, док остале баријере нису статистички значајне. Потврђено је да су за предузетничке намере статистички значајне баријере које припадају субјективним околностима: недостатак подршке из окружења и страх од неуспеха.
Кључне речи: Студентско предузетништво, предузетничке намере, баријере за предузетништво. Студенти земаља Западног Балкана
ЈЕЛ Класификација: L26, M13, O19

Introduction

Entrepreneurship is seen to achieve economic progress in developed and developing countries (Temetime et al., 2004). Differences in the macroeconomic environment influence the fact that the contribution of entrepreneurship to economic development is different in countries at different levels of development (Lepojević et al., 2016). For maintaining a knowledge-based economy, and strengthening innovation and competition, entrepreneurship is a decisive factor (Gorji & Rahimian, 2011; Sarri & Trihopoulou, 2005). Hatala (2005) states that an individual's decision to start a business is a complex, multifaceted process. From the perspective of the individual, it tends to focus on the orientation, attitude, and behaviour of the entrepreneur (Miles et al., 1993). The propensity towards entrepreneurship, i.e., the intention of an individual to engage in business, is a key issue addressed by De Pillis & Reardon (2007). Students can be great resources and strong drivers of entrepreneurial activities. The solution to the problem of unemployment of graduates can be to start their entrepreneurial venture, on the way of which there are numerous limitations and aggravating circumstances recognized as potential barriers. Getting to know the barriers and finding ways to overcome them is the only way to increase an entrepreneur's chances of success. Barriers were divided into four groups. The first group refers to the lack of knowledge and skills. The second group consists of financial barriers. Subjective circumstances are the third group of barriers, and administrative procedures and fiscal burdens form the fourth group. With this work, the authors want to examine the entrepreneurial intentions of business administration students in the countries of the Western Balkans and see what their perception is of the set of barriers that stand in the way of starting a business venture.

1. Theoretical background

The creation of new enterprises has been highlighted as an innovative instrument in the economy, which generates development and provides salvation from the general unemployment of any economy (Teixeira & Davey, 2010). Entrepreneurship affects people's lives through the introduction of new technologies, products, and services. Entrepreneurs overcome failure with their approach and creativity, improve the world, and help build a

richer, more socially capable, and technically advanced society (Gautam et al., 2015). The world's biggest entrepreneurs are among the most influential and most followed people in the world. They are often role models for young generations. Students' decision to become entrepreneurs is conditioned by many factors that influence their entrepreneurial intention. Pihie (2009) points out two ways to measure entrepreneurship. The first involves the measurement of entrepreneurial initiative, which includes established entrepreneurial ventures. The second relates to the measurement of entrepreneurial activity by considering entrepreneurial intentions. The authors opted for another way, which is also called latent entrepreneurship. Researchers claim that entrepreneurial intention is the main indicator of entrepreneurial behaviour (Sitaridis & Kitsios, 2019; Wong & Choo, 2009; De Pillis & Reardon, 2007; Van Gelderen et al., 2008). The development of entrepreneurship is a complex, long-term and comprehensive process, the goal of which is to increase the inclination to undertake entrepreneurial actions. Entrepreneurial intention means the percentage of people who will support or establish a business in the next 12 months (Nawaser et al., 2011). The entrepreneurial intention of students is determined by the motives and barriers they encounter during their studies. Constraints and motivations faced by students have different relative importance on entrepreneurial intentions (Sitaridis & Kitsios, 2019). Barriers are an extremely important factor in the entrepreneurial process (Schlaegel et al, 2015). Kolvereid & Isaksen (2006) point out that the realization of intentions and entrepreneurial activities becomes complicated when entrepreneurial barriers are present. By eliminating certain barriers, stronger entrepreneurial activity can be encouraged, by observing them concerning certain incentives (Sarasvathy, 2004). During all stages of an entrepreneurial career, barriers act and increase the entrepreneur's uncertainty (Iakovleva et al., 2014; McMullen & Shepherd, 2006). Entrepreneurial barriers can hinder or prevent entrepreneurial activities altogether (Sitaridis & Kitsios, 2019). Pittaway & Cope (2007) also confirmed the negative relationship between individuals' perceptions of barriers to the creation of new ventures. Khanin et al. (2022) defined barriers to entrepreneurship as conditions that prevent opportunity seeking and opportunity recognition.

Due to the importance and negative impact that entrepreneurial barriers can create, it is necessary to identify them and eliminate their challenges. In this way, the background for the development of entrepreneurial activity is provided. Hatala (2005) points out that identification begins with the individual who is faced with them, and often reacts to them uncontrollably. Effective formulation of policies requires a thorough understanding of the barriers that affect entrepreneurial propensity. This will assist policymakers in formulating strategies to mitigate or remove barriers, thereby enabling entrepreneurial activity (Sandhu et al., 2011). Based on the analysed literature, the authors classify the barriers into four categories. Barriers related to knowledge and skills are the first. They consist of human resource management skills, operational skills, and business plan development skills, from the fields of management, finance, and marketing. Financial barriers, which include lack of savings and lack of financial resources, are another category. The third category includes subjective circumstances. These include finding an adequate business partner, lack of support from the environment, and fear of failure. The last category consists of administrative procedures and fiscal burdens. In the following, attention will be paid to each category individually.

1.1 Knowledge and skills barriers

Starting an entrepreneurial venture requires skills from various disciplines. Knowledge, skills and other abilities are the main element that guarantees the success of the organization (Amidžić et al., 2022). Skills can be provided through practice, training, education, or engagement of third parties as needed (Hatala, 2005). In their research, Sitaridis & Kitsios (2019) conclude that the lack of entrepreneurial knowledge and skills has a great impact on the entrepreneurial intentions of students. The vital role of knowledge is emphasized by Caraiannis et al. (2003). The importance of education as a barrier that stands out from others is also found in other authors (Scott & Twomey, 1998; Wang et al., 2020). For students, in addition to academic knowledge, the acquisition of practical skills, which are acquired in cooperation between universities and employers, is very important (Kurczewska et al., 2022). Personal investments, such as acquiring new skills or improving existing ones, remain the smartest entrepreneurial decisions one can make (Robinson, 2018). Knight (1996) writes that financial planning, marketing, and operations management are required business skills. An entrepreneur should have the managerial capacity for the day-to-day management of the organization. Practical skills are necessary to manage an entrepreneurial venture. These skills include setting operational goals, planning, organizing, decision-making, and directing day-to-day tasks. These skills are most easily mastered through practice, working with mentors, or successful entrepreneurs. Gorji et al. (2011) emphasize the importance of marketing skills, because today there is no problem with the lack of goods or customers, but with the arrival and successful transmission of the message to the customer. In the research conducted by Elango et al. (2007), many students agreed that they lack the knowledge to start a business and develop a business plan, which immediately excludes the possibility of accessing finance and support from formal institutions. Maintaining billing systems, accounting, and financial records, supervisory skills, and tools at lower management levels are just added to the list of barriers to starting an entrepreneurial venture. The authors list the following as key skills that can influence entrepreneurial aspirations: human resource management skills, operational skills, business plan development skills, business process control skills, financial skills, and marketing skills. Based on the previously stated views, the first hypothesis was put forward:

H1: The lack of knowledge and skills has a negative impact on the entrepreneurial intentions of students from Western Balkan countries.

1.2 Financial barriers

Access to capital is a critical resource for the success of an entrepreneurial venture (Sriram et al., 2007; Ramayah & Harun, 2005). The lack of standardized measures for evaluating the results of entrepreneurs make it difficult to attract capital into their hands (Talić et al., 2022). Smith and Beasley (2011) state that finance is a limiting factor and is necessary for capital equipment and paying bills in the earlier stages of a start-up. In his research, Birdthistle (2008) concludes that the lack of debt capital is related to starting a new business. Credit constraints are one of the main obstacles to the growth of small and medium enterprises (Pissarides, 1998). In most countries, an underdeveloped capital market forces entrepreneurs to rely on self-financing or borrowing from friends and relatives. Small businesses are doomed to expensive short-term financing. Financial barriers affecting entrepreneurs include

the high cost of credit, relatively high bank fees, and high collateral (David & June 2001; Bartlett & Bukvič, 2001; Cressey, 2002). Supplier credits are an important aid to entrepreneurship (Klapper et al., 2004).

H2: Financial barriers have a negative impact on the entrepreneurial intentions of students from Western Balkan countries.

1.3 Subjective circumstances

Under subjective circumstances such as barriers, the authors mean finding an adequate partner, lack of support from the environment, and fear of failure. Fini et al. (2016) point out that entrepreneurs and budding entrepreneurs have significant difficulties in finding the right partners. It is of great importance for success to have close friends around you, from whom an adequate team is created. Support from various stakeholders, such as family, community, and business partners, helps foster entrepreneurship (Soluk et al., 2021). Ashwin et al. (2015), Adjei et al. (2019) showed in their research a positive relationship between family support and entrepreneurship. The lack of support, which consists of the difficulty of convincing others of the viability of a business idea, is a barrier that can hinder the launch of a venture. The challenge is to match the process with the characteristics of the idea, environment, and people. Matching the elements with the process will lead to a reduction in uncertainty. It is important to take small steps, to ensure that the price of a mistake is paid less (Mathews & Moser, 1995). There is no unique recipe for this, but the ability to evaluate the idea and the environment implies a planned, systematic, iterative, and flexible approach (Davidsson, 2005). Entrepreneurship requires persuasive skills to influence other firms and gain support or investment in joint ideas. The lack of entrepreneurial networks can be an obstacle to starting a venture (Matthews & Moser, 1995). Bartlett & Bukvič (2001) state the following obstacles, which are a consequence of the external position: business sector, degree of competition and their behaviour, the extent of the network, and support alliance. Fear of failure is at the top of the barrier scale in many studies (Choo & Wong, 2007, Sandhu et al., 2011). It is common for entrepreneurs to encounter an aversion to risk, fear of failure, aversion to stress, and hard work when deciding. Failure and entrepreneurship go hand in hand (Sandhu et al., 2011). Starting a business is a big commitment, which is not easy to commit to when there is uncertainty (Hatala, 2005). According to the Global Entrepreneurship Monitor (GEM), many aspiring entrepreneurs cite the fear of failure as the main reason for entrepreneurial passivity, since most can experience failure as a shame. (Lepoutre et al., 2007).

H3: Subjective circumstances have a negative impact on the entrepreneurial intentions of students from Western Balkan countries.

1.4 Administrative procedures and fiscal burdens

The simpler and shorter the administrative processes and procedures in a country, the greater the propensity of entrepreneurs to start a business (Gorji & Rahimian, 2009). This is why counter-regulations are considered obstacles to entrepreneurship. Laws and regulations represent limitations due to the complexity or inconsistency of the legal framework. Constant changes in regulations and procedures are perceived by students as obstacles (Iakovleva et

al., 2014). Government legislation related to taxation has a negative impact on entrepreneurial activities. Increasing costs of starting a business and related regulations lead to the rejection of entrepreneurship (Georgiou, 2010). Complicated laws, rules, and regulations can be especially tough on small and growing companies. Bureaucracy, administrative burdens, and difficulties in complying with regulations stand as obstacles between entrepreneurs and the state (Martins et al., 2004). Over-regulation of the business sector can be a reason for entrepreneurs to seek ways to avoid regulations, leading to the growth of the shadow economy. An inappropriate tax system and various discriminatory legal regulations can be a heavy burden for entrepreneurs (Bartlett & Bukvič, 2001). This leads to the creation of financial and psychological barriers for future entrepreneurs (Choo & Wong, 2006). Regulations that hinder the creation of new firms are especially found in industries that should naturally have high entry. When these regulations are effectively enforced, they are not benign and do not improve well-being. Finance regulations, unlike entry regulations, improve welfare. Regulations that protect intellectual property, and labour regulations lead to reduced entry. Higher corporate taxes act much like regulatory barriers (Klapper et al., 2004). The absence of some regulations can be an effective barrier to the entry of new entrepreneurs (Rajan & Zingales, 2003).

H4: Administrative procedures and fiscal burdens have a negative impact on the entrepreneurial intentions of students in Western Balkan countries.

2. Methodology

The work aims to identify the barriers to starting entrepreneurial ventures and their influence on the entrepreneurial intentions of business administration students in the countries of the Western Balkans. For the research, a questionnaire consisting of two groups of questions was conducted. The first group refers to the demographic profile of the respondents. These are data on gender (1. male; 2. female), age (1. up to 22 years; 23+), and education (1. Undergraduate studies; 2. Master's studies; 3. Doctoral studies), citizenship (1 Serbia; 2. Bosnia and Herzegovina; 3. Montenegro; 4. Croatia; 5. Macedonia), work experience (1. No, I have no work experience; 2. 0-3 months; 3. 3-6 months; 4. 6-12 months; 5. 12+ months), entrepreneurial experience (1. No, I have no work experience; 2. 0-3 months; 3. 3-6 months; 4. 6-12 months; 5. 12+ months). The second group consists of 14 questions, which make up of four groups of barriers: Knowledge and skills barriers: 1. Lack of financial skills 2. Lack of operational skills (organization and delegation of daily tasks) 3. Lack of business plan development skills 4. Lack of skills in areas of management (establishing control over business processes) 5. Lack of skills in the area of finance 6. Lack of skills in the area of marketing (sales and promotion of products); financial barriers: 7. Lack of savings 8. Lack of financial resources; Subjective circumstances: 9. finding an adequate business partner 10. Lack of support from the environment 11. Fear of failure; Administrative procedures and financial burdens: 12. High taxes and contributions for employed workers 13. Administrative procedures (bureaucracy). Answers were presented on a symmetrical Likert scale from 1 to 7, where respondents indicated their level of agreement or disagreement. The questionnaire was filled out partly online in the form of a Google questionnaire, and partly in paper form. The software package for statistical analysis - SPSS - was used for data analysis. Logical regression was used to determine the statistical significance of motives and their relationship

to intentions to start entrepreneurial ventures. The dependent variable is the question: Have you seriously considered the option of becoming an entrepreneur? Answers are marked as follows: 1. No; 2. Yes. The independent variables are the 13 questions above about barriers to starting entrepreneurial ventures. The questionnaire was filled out by 910 students who come from the countries of the Western Balkans and are predominantly business administration majors. Table 1 and Table 2 provide an overview of the research sample and descriptive statistics.

Table 1. Research sample

Gender		Age range		Level of education		Nationality		Work experience		Entrepreneurial experience	
Male	261	Until the 22nd	602	BSc	813	Serbia	204	None	464	None	772
Female	649	From the 23	308	MA	88	Baha	181	0-3 months	112	0-3 months	51
				PhD	8	Montenegro	147	3-6 months	71	3-6 months	16
						Croatia	193	6-12 months	68	6-12 months	14
						North Macedonia	185	12+ months	195	12+ months	57

Source: the authors' analysis, 2022.

Table 2. Descriptive statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Gender	910	1	2	1.71	0.453
Age range	910	1	2	1.34	0.473
Level of Education	910	1	3	1.11	0.345
Nationality	910	1	5	1.36	1.013
Work experience	910	1	5	2.36	1.640
Entrepreneurial experience	910	1	5	1.39	1.057
Valid N (list wise)	910				

Source: the authors' analysis, 2022.

3. Results

Binary logistic regression was used to examine the impact of barriers to starting entrepreneurial ventures on the entrepreneurial intentions of students from the Western Balkan countries. Estimates of the logistic coefficient, which were identified as independent variables in block one (column B), can be seen in Table 3. In column S.E. asymptotic standard errors for individual logistic coefficients are shown. The "Wald" column contains the results of the Wald statistic and the chi-square test, the "do" column shows the degree of freedom, and the "Sig" column represents the probability from the Wald test hypothesis when the logistic coefficient for the dependent variable is equal to zero. In the column "Expo (b)" there

are exponential logistic coefficients, which are important for the interpretation of logistic regression.

Table 3. Variables in the equation

Variables in the equation									
		B	S.E.	Wald	df	Sig.	Exp(B)	95% C.I.for EXP(B)	
								Lower	Upper
Step 1a	Lack of human resource management skills	-0.010	0.071	0.021	1	0.884	1.010	0.879	1.162
	Lack of operational skills (organization and delegation of daily tasks)	-0.082	0.078	1.110	1	0.292	0.921	0.791	1.073
	Lack of business plan creation skills	-0.076	0.060	1.595	1	0.021	1.079	0.959	1.215
	Lack of skills in the field of management (establishing control over business processes)	-0.056	0.072	0.598	1	0.439	1.057	0.918	1.217
	Lack of financial skills	-0.089	0.063	2.012	1	0.026	0.915	0.809	1.035
	Lack of marketing skills (sales and promotion of products)	-0.064	0.059	1.189	1	0.275	1.066	0.950	1.196
	Lack of savings	-0.057	0.051	1.271	1	0.026	0.944	0.855	1.043
	Lack of financial resources	-0.076	0.061	1.553	1	0.013	0.927	0.823	1.044
	Finding an adequate business partner	-0.032	0.053	0.376	1	0.540	1.033	0.931	1.145
	Lack of support from the environment	-0.122	0.048	6.355	1	0.012	0.885	0.805	0.973
	Fear of failure	-0.152	0.051	9.010	1	0.003	1.164	1.054	1.286
	High taxes and contributions for employed workers	-0.085	0.082	1.084	1	0.030	0.918	0.782	1.078
	Administrative procedures (bureaucracy)	-0.061	0.065	0.875	1	0.035	0.941	0.828	1.069
	Constant	-0.632	0.299	4.458	1	0.035	1.881		

a. Variable(s) entered on step 1: Lack of human resource management skills, Lack of operational skills (organization and delegation of daily tasks), Lack of business plan development skills, Lack of management skills (establishing control over business processes), Lack of financial skills, Lack of marketing skills (sales and promotion of products), Lack of savings, Lack of financial resources, Finding an adequate business partner, Lack of support from the environment, Fear of failure, High taxes and contributions for employed workers, Administrative procedures (bureaucracy).

Source: Authors' analysis, 2022.

Omnibus Tests of Model Coefficients consider the independent variables and based on the data (Sig.=0.000), ($p<0.0005$) predict the results better than in the situation where it is predicted that all students seriously considered the option of starting an entrepreneurial venture. The chi-square indicator is 39,799 with 14 degrees of freedom.

According to the Hosmer-Lemesh test, the chi-square is 10.100 with a significance of 0.258, which shows that the model is supported.

Cox & Snell R Square and Nagelkerke R Square indicators show that the model explains between 14.2% and 15.7% of the variance of the dependent variable. The reason for this is that in the research questions related to motivation were singled out. A greater percentage of the variance of the dependent variable would be explained if the other segments of the questionnaire were considered. Nagelkerke R Square is a modification of Cox & Snell R Square, so in this research, we report on Nagelkerke R Square. Therefore, the model explained 14.2% of the variance in the intentions to start entrepreneurial ventures of students, and correctly classified 59.2% of the cases. The conclusion is that the sensitivity of the model is 82%, which means that the model correctly recognized this percentage of students who did not consider the option of becoming entrepreneurs. The certainty of the model is 28.6%, which means that the model recognized exactly this percentage of students who considered the option of becoming entrepreneurs.

The contribution and importance of each independent variable were analysed. First of all, it is necessary to look at the variables, i.e., barriers that are statistically significant for the model. These are barriers that significantly affect whether a student will answer whether he seriously considered the option of becoming an entrepreneur. These are lack of business plan development skills (p=0.021), lack of financial skills (p=0.026), lack of savings (p=0.006), lack of financial resources (p=0.013), lack of support from the environment (p=0.012), fear of failure (p=0.003), high taxes and contributions for employees (p=0.030) and administrative procedures (bureaucracy) (p=0.041). Barriers that are not statistically significant: lack of skills in the field of human resource management (0.885), lack of operational skills (organization and delegation of daily tasks) (0.292), lack of skills in the field of management (establishing control over business processes) (0.439), lack of skills in areas of marketing (sales and promotion of products) (0.275), finding an adequate business partner (0.540).

Since the coefficient B for each barrier has a negative sign, it can be concluded that the increase in the rating of the significance of the barrier will affect the increase in the answer "No", i.e., that the intention of students to start an entrepreneurial venture will decrease.

Further analysis of the results can lead to the following conclusions:

The probability of a student answering that they have seriously considered becoming an entrepreneur is 1.079 times higher for students who say that their lack of business plan skills is not significant, all other factors being equal. This also means that when the importance of the barrier of lack of business plan-making skills increases by one unit, the probability of a student answering that he seriously considered becoming entrepreneur decreases by 1.079.

The probability of a student answering that they have seriously considered becoming an entrepreneur is 0.915 times higher for students who say that their lack of financial skills is not a barrier, all other factors being equal. This also means that when the importance of the lack of financial skills barrier increases by one unit, the probability of a student answering that they have seriously considered becoming entrepreneur decreases by 0.915.

The probability of a student answering that they have seriously considered becoming an entrepreneur is 0.944 times higher for students who say that their lack of savings is not a

significant barrier, all other factors being equal. This also means that when the significance of the lack of savings barrier increases by one unit, the probability of a student answering that he seriously considered becoming entrepreneur decreases by 0.944.

The probability of a student answering that they have seriously considered becoming an entrepreneur is 0.927 times higher for students who say that lack of financial resources is not a significant barrier for them, all other factors being equal. This also means that when the importance of the barrier of lack of financial resources increases by one unit, the probability of a student answering that he seriously considered becoming entrepreneur decreases by 0.927.

The probability of a student answering that (s)he seriously considered becoming an entrepreneur is 0.885 times higher for students who say that the lack of support from their environment is not a significant barrier when all other factors are equal. This also means that when the importance of the lack of environmental support barrier increases by one unit, the probability of a student answering that he seriously considered becoming entrepreneur decreases by 0.885.

The probability of a student answering that they have seriously considered becoming an entrepreneur is 1.164 times higher for students who say that fear of failure is not a significant barrier for them, all other factors being equal. This also means that when the importance of the fear of failure barrier increases by one unit, the probability of a student answering that he seriously considered becoming an entrepreneur decreases by 1.164.

The probability of a student answering that they have seriously considered becoming an entrepreneur is 0.918 times higher for students who say that high taxes and contributions for employed workers are not a significant barrier for them, all other factors being equal. This also means that when the importance of the barrier of high taxes and employee contributions increases, the probability of a student answering that he seriously considered becoming entrepreneur decreases by 0.918.

The probability of a student answering that he has seriously considered becoming an entrepreneur is 0.941 times higher for students who say that administrative procedures are not a significant barrier for them, all other factors being equal. This also means that when the importance of administrative barriers increases, the probability of a student answering that he seriously considered becoming entrepreneur decreases by 0.941.

4. Discussion

The findings of the study largely support the literature and conclude that the mentioned barriers faced by students of the Western Balkan countries affect their entrepreneurial intentions. 910 business administration students from Serbia, Bosnia and Herzegovina, Montenegro, Croatia, and Macedonia participated in the research. The questionnaire was predominantly filled out by students of basic studies, which is 89% of the surveyed students. More than 50% of students answered that they do not have any work experience, and an interesting fact is that 15% say that they have entrepreneurial experience.

The work is based on the presentation of barriers that affect entrepreneurial intentions and determining their impact. Knowledge and skill barriers are presented as a real group of barriers that have a negative relationship with entrepreneurial intentions. The significance of the lack of knowledge and skills was confirmed in their work by Sitaridis & Kitsios (2019),

where they state that entrepreneurial knowledge and experience are the basis for individual success. Based on the presented results, it can be concluded that hypothesis H1 is partially confirmed. The lack of business plan and financial management skills are knowledge and skills barriers that are statistically significant and affect the entrepreneurial intentions of students. Analysing their results, Elango et al. (2007) point out that many respondents commented that they lacked knowledge on how to develop a business plan, manage reimbursement, maintain a billing system and keep financial records. According to the results, other barriers to knowledge and skills mentioned in the paper are not statistically significant, so hypothesis H1 is partially confirmed.

Hypothesis H2 was fully confirmed, stating that financial barriers have a negative effect on entrepreneurial intentions. Financing is one of the keys to success and progress in starting a business (Gorji & Rahimian, 2011). Poor economic indicators are generally cited as the biggest obstacle to starting a business (Choo & Wong, 2006). Lack of financial resources and lack of savings were seen as barriers in the research, and both are statistically significant and have a negative relationship with entrepreneurial intentions. Financing has been confirmed in many works as the most significant barrier to entrepreneurship (Bartlett & Bukvič, 2001; Hatala, 2005; Choo & Wong, 2006; Li, 2007; Sandhu et al., 2011; Sitaridis & Kitsios, 2019).

Hypothesis H3 is partially confirmed. The lack of support from the environment and the fear of failure are barriers that the research results confirm as statistically significant for the entrepreneurial intentions of students from the Western Balkan countries. Other authors have also recognized the importance of institutional support. (Giacomin et al., 2011; Purett et al., 2019). Uncertainty or the unknown creates anxiety in people, which leads to stress. Many view failure as a shame and want to avoid that feeling. The importance of stressing the fear of failure as a barrier has been confirmed by other authors (Fatoki, 2014; Şeşen, & Pruett, 2014; Iakovleva et al., 2014). One of the possibilities for mitigating the impact of the fear of failure, as the biggest barrier to starting an entrepreneurial venture, is the second chance program. This program would require not only institutional support in the process of starting the next entrepreneurial venture, but also the support of the social community. According to the results, finding an adequate partner as a barrier is not statistically significant. Jakubczak (2015) in his research emphasizes that over 70% of respondents agree that their lack of business connections is an obstacle to entrepreneurial activity, which is not in agreement with our research. Sandhu et al. (2011) in their work points out that a face-to-face approach is needed to discover how social networks hinder entrepreneurial propensity. Our research did not go that deep into the analysis of respondents.

Administrative barriers and tax restrictions are the fourth group of barriers observed in the paper. The results showed that hypothesis H4 was fully confirmed since according to them, high taxes and contributions for employees and administrative procedures are barriers that affect entrepreneurial intentions. An inadequate tax system and different legal regulations can be a heavy burden for potential entrepreneurs (Bartlett & Bukvič, 2001). Klapper et al. (2004) confirm in their work that entry regulations hinder the creation of new firms in industries that should have high entry. In the framework of research carried out in the United Kingdom, it was shown that regulation and taxation are the factors that inhibit the start of a business (Robertson et al., 2003). Georgiou (2010) confirms that countries with

strict regulations deter people from entrepreneurship. It recommends that regulations should be simple and protect the interests of entrepreneurs.

Conclusion

Entrepreneurship is one of the choices when looking for a job. Encouraging and directing students to start a business can contribute to solving the unemployment problem. The entrepreneurial intentions of students are determined by the degree of positive entrepreneurial activity. The strength of entrepreneurial intentions affects entrepreneurial activity, which is the basis and assumption of entrepreneurial behaviour. Entrepreneurial barriers are forces that hinder entrepreneurial activity. Therefore, the authors decided to examine the individual importance of barriers and determine the relationship between entrepreneurial intentions and barriers that prevent students from starting their ventures. The research was conducted on students of business administration, who attend studies in the countries of the Western Balkans.

The work analysed four groups of barriers: knowledge and skills barriers, financial barriers, subjective circumstances, administrative procedures, and fiscal burdens. The goal was to determine the importance of the mentioned groups of barriers to entrepreneurial aspirations. For the research, a questionnaire was conducted on a sample of 910 business administration students. The first and third hypotheses were partially confirmed, while the second and fourth were fully confirmed. Within the group of barriers of knowledge and skills, the lack of business plan development skills and the lack of financial skills have a negative effect on entrepreneurial aspirations, while the other barriers are not statistically significant. The results showed that statistically significant barriers to entrepreneurial intentions belong to subjective circumstances: lack of support from the environment and fear of failure. Barriers made up of groups of financial barriers, administrative procedures and fiscal burdens have a negative impact on the entrepreneurial intentions of students from the Western Balkan countries.

The research comes with certain limitations. Individual barriers were analysed based on only one question. The research approach used is not able to reveal more details about the barriers. A more detailed discussion with the students might have raised awareness or reduced the importance of certain barriers. The contribution of the work is in increasing the literature in the field of student entrepreneurship, entrepreneurial intentions, and barriers that affect entrepreneurial intentions. The paper can serve policymakers as a guideline for the selection of barriers, whose influence is to be eliminated, to encourage student entrepreneurship. Students who intend to engage in entrepreneurship can use the work to raise awareness and familiarize themselves with the risks that exist on the entrepreneurial path. The work provides a broader picture of the obstacles, which allows an understanding of the current position and targets them, to waste resources as little as possible.

Future research could go in the direction of expanding the questionnaire, to examine in more detail, the attitude toward the defined barriers. It is possible to expand the list of barriers by adding e.g., other resources needed for the undertaking or analysis of the personality and characteristics of the respondents. The direction of research could also be towards determining ways to overcome barriers. It would be good to examine the attitudes of students who already have entrepreneurial experience and compare it with the attitudes of

students who intend to engage in entrepreneurship. The questionnaire could cover a larger geographical area, thus comparing the results between different territorial units.

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