

SOCIAL DETERMINANTS OF CONDUCTING INNOVATIVE BUSINESS ACTIVITY IN THE OPINION OF THE INHABITANTS OF THE SILESIA VOIVODESHIP (POLAND)

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Abstract: This article analyzes the results of social research on the determinants of decision-making in the field of running a business – especially the innovative one. The research was conducted on a sample of 400 inhabitants of the Silesian Voivodeship (Poland). The region of the Silesian Voivodeship is, in this respect, a specific region in Poland - highly urbanized, industrialized with a rich communication and transport infrastructure. The analyzed research was based on the results of a survey conducted using a questionnaire based on selected socio-demographic characteristics, considering the current distribution characterizing the inhabitants of the Silesian Voivodeship. Supporting factors and areas of expected support in starting a business activity were identified, as well as factors limiting the interest and readiness to start such activity. The results indicate that the main obstacles are the lack of financial support for starting, fear of risk, lack of access to information on the possibilities of financial support, frequent changes in legal regulations, lack of updating knowledge regarding the possibilities of financing and starting a business, lack of support in strengthening skills. in managing all areas of management of micro, small and medium-sized enterprises. An interesting result with a sociological dimension is the support of family and relatives in terms of motivation to start a business.

Keywords: human capital, economic activity, innovations, motivations,

1. INTRODUCTION

At the turn of the 20th and 21st centuries, the Silesian Voivodeship was subject to dynamic socio-economic changes. Changes have taken place in this old industrial region, leading to its transformation into a knowledge region (Suchacka, 2014). The socio-economic processes accompanying these phenomena consisted in creating a network of connections, transfer, and accumulation of knowledge, establishing mutually supportive local communities, building an innovative climate and the emergence of a creative class (Suchacka, 2015). All this made it necessary to look at the development of the region through the prism of new sociological conditions. They imply running a business - including the creation of start-ups. The development of enterprises is the driving force of the local and regional economy; therefore, it should be in the interest of authorities to take

actions to provide organizational and resource support to enterprises. However, in conditions of limited public funds, this is a difficult task and related to building human capital to ensure innovative activities in the transformation of the region (Spender et.al., 2017, Jonek-Kowalska and Wolniak, 2021). Therefore, an attempt was made to determine the impact of social conditions on running a business, including the creation of start-ups. Cities (in Poland) where the availability of infrastructure and human resources are high and, therefore, favorable to creativity and innovation are the natural environment for the development of this type of entrepreneurship. The research results confirm the dominant influence of human and financial capital on the creation of enterprises - including start-ups. The research also shows a slightly smaller impact of business incubators and technology parks on the creation of start-ups, which implies the need to improve the operational efficiency of these entities. The results of research conducted so far, also indicate the positive role of the city's direct involvement in the development of this form of entrepreneurship. Local factors and demographic characteristics of entrepreneurs also have a significant impact on the creation of startups (Del Bosko et al., 2021). The factors influencing the creation of startups, i.e. new enterprises that produce, develop, and commercialize innovative goods or services of high technological value, were examined. Analyzing data on Italian provinces, it was examined whether and how the following local context factors influence the rate of creation of innovative startups: local density of universities and research centers, education level of the local population, number of incubators in each area. Researchers attempted to determine whether the impact of these contextual factors changes when companies are created by entrepreneurs with specific demographic characteristics, i.e. women, young people or people born abroad. The results regarding the general sample of startups show that the rate of creation of innovative startups is positively related to the level of education and the number of incubators in each area. The business transformation of large companies is influenced by cooperation between enterprises and start-ups (Steiber and Alänge 2021). Corporate emphasis on startup collaboration for corporate innovation has reached new heights in the context of digital transformation. Other studies present factors influencing the creation of startups. (Christos, et al. 2022).

This article undertakes research on the social conditions of running innovative business activities - including start-ups. This type of research in the region results from the need to learn about the conditions for the creation of a start-up and social feelings, difficulties, fears, satisfaction, and other emotions related to the creation of a start-up. They concern the intention to formulate a start-up idea, determination, and belief in the feasibility of the proposed project resulting from a professional assessment of the business plan. Next, it is important to be aware of one's own financial capabilities or creditworthiness, to understand the market and competition, to be able to negotiate when obtaining external support from appropriate financial institutions, to be highly committed and to believe in success. The decision to run a business is accompanied by various problems. It is important to be able to correct your business plan, not to overestimate the value of your first success, and to realistically assess your future activities. All these emotions and needs operate in the social space and constitute a set of factors influencing the functioning of start-ups in the region. Hence, the general aim of the work was to conduct a diagnosis of the entrepreneurship ecosystem as a foundation for startup activities. Achieving this goal was ensured by obtaining the opinions and views of the inhabitants of the Silesian

Voivodeship - the most urbanized and industrialized region in Poland. For the needs of this research, a research tool was developed based on the following problem issues:

- idea, features, activity, motivation for running your own business,
- personal and institutional support,
- the greatest difficulties of the organization,
- sources of information about the possibilities of running your own business,
- training on financing sources,
- training in managing management areas,
- key factors to increase or limit interest and readiness to start startup activity.

The presented problems were the basis for formulating the following research hypotheses:

H1: Preparing and starting a business activity most often occurs with the involvement of respondents from the youngest age groups surveyed.

H2: Start-up creators believe in the possibility of using institutional assistance from agencies and institutions supporting entrepreneurship.

H3: Organizational units of universities support those interested in organizing and helping in launching start-up activities.

2. METHODOLOGY

The research was conducted in 2022 between July and November. 400 inhabitants of the Silesian Voivodeship (Poland) took part in the research. The selection of the sample was purposeful, maintaining the socio-demographic characteristics of the surveyed population, considering place of residence, age, gender, and level of education. Moreover, the number of 400 respondents was divided by 100 people into 4 subregions of the Silesian Voivodeship (western, central, southern, and northern). Residents of the province took part in the study. Silesia representing the age category 18-40. These were studies conducted using the CATi survey technique. It involves conducting a telephone conversation with the respondent based on a prepared questionnaire that was available only to the interviewer. The research tool used included questions covering all previously accepted problem issues. The results were analyzed based on the prepared result tables and drawings.

3. RESULTS

Among the 400 residents surveyed, 49.2% were women and 50.8% were men. In each of the four subregions of the voivodeship, 25% of the respondents were selected to obtain as uniform a proportion throughout the voivodeship as possible. Considering age, the largest group were people aged 33-40 - 44.3% of respondents. The second largest group were people aged 26-32 - 30.3%. Respondents with secondary education constituted 37.5% of the surveyed group of respondents. Next was the group with basic vocational education - 27.5%, followed by those with higher education - 22.5%. In each age group, the group of people with secondary education was the largest, and in the group of people aged 18-20 this result was the highest - 41.7% of the group of surveyed respondents. The analysis of the respondents' professional status was also based on the categories used in the reports for the Central Statistical Office. The data show that the most represented were skilled workers and foremen with vocational or secondary education - 20.3% of responses. Right behind this group were trade and service workers, postmen, conductors, etc. (19% of responses). However, the indications in total below 6% are: the unemployed, unskilled workers, farmers and their family members, and owners of private enterprises.

The most important question from the point of view of interest and readiness to start startup activity was whether the respondents had heard about the creation of startups - small companies created with the aim of building new, innovative solutions, products, or services, usually based on the use of new technologies. In the age categories, among 26-32-year-olds most often (64.5%) encountered such entities. The youngest group of 18-20-year-olds was also familiar with this term (58.3% of responses).

They were also asked whether people knew what they should do to start their own business. The results are ambiguous because most of the answers focused on the "hard to say" category - as many as 41.3%. At the same time, answers such as "rather yes" and "rather no" received a similar number of responses - 24.8% and 24.5%, respectively. However, it is extremely interesting to analyze detailed tables of answers to this question, considering education and the percentage of "rather yes" and "rather no" responses. The results generally do not differ from the general rankings, however, people with primary education more often indicated positive answers, and vice versa - people with higher education more often indicated negative answers. This may mean that higher education, which should provide higher competences in understanding the principles of running one's own business, does not provide such certainty - on the contrary. In response to this question, the owners of private establishments stood out - craftsmen, agents, taxi drivers and members of their families, who marked a total of 46.6% of positive responses in their group.

The following questions analyzed factors perceived as supporting interest and readiness to start startup activity. The respondents were asked about their participation in lectures/workshops, among others, in the field of searching for sources of financing, effective use of financial resources, effective investing, as well as acquiring or strengthening skills in managing all areas of management of a micro, small and medium-sized enterprise. Simple responses confirming or denying this resulted in 29% to 71% in favor of negative responses. This means that less than every third respondent had the opportunity to participate in such meetings. Interestingly, considering professional categories within groups such as housewives or owners of private workshops, craftsmen, agents, taxi drivers and their family members, as many as 40.7% and 40%, respectively, indicated that they had participated in such lectures/workshops. Similarly, the category - nurses, lower-level managers, white-collar workers, clerks, teachers - as many as 35.4% admitted that they had participated in such events.

The next question was: "What do you think determines your business idea will be successful?" The question concerned broadly understood business activity - not only startup activity. The most frequently mentioned idea was "a good idea" - as many as 52.5% of respondents. Secondly, "courage and entrepreneurship" were mentioned most often - 36% of responses. The third and fourth most frequently chosen categories are "acquaintances, arrangements, protection" (23.8%) and activity and determination (22.3%). Neither "practical skills", e.g. computer skills, driving license, "readiness to improve professional qualifications", nor even "knowledge of foreign languages" - which received a few percent each - were of greater importance. It is significant that the youngest group of respondents in the 18-20 age category indicated the highest percentage of responses in each category, 30.6% compared to other age groups, to "acquaintances, arrangements, protection" as a factor determining the success of their own business idea. Also, when analyzing this category and the education of the respondents, the group of people with primary education had the most such indications - 30.2% - compared to

people with other education. Unfortunately, this proves that people are looking for the sources of their success beyond the skills related to professionalism.

The respondents were asked to respond to several statements regarding their business idea. Among all indications, the answer "rather yes" had the highest percentages (from approximately 27 to 50%) (Fig. 1).

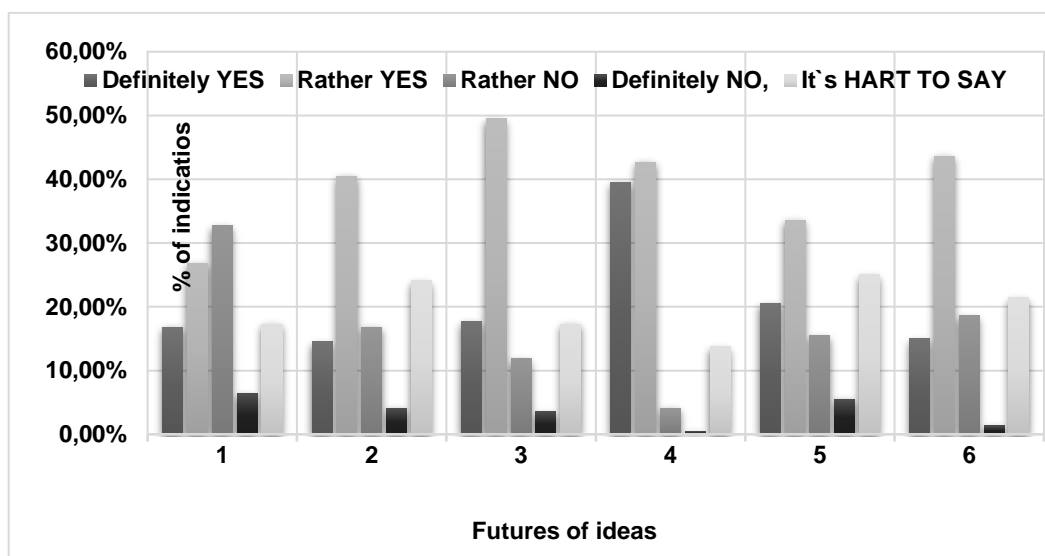


Fig.1 Define your business idea (N=400)

Source: Study (CATI) with residents of the Silesian Voivodeship (age group 18-40)

1. It is based on new technologies, 2. It provides a new solution to an old problem, 3. It is based on the traditional way of doing business, 4. It is a chance to make money, 5. It is my original idea, 6. It is the result of my market analyzes and observations trends.

This means that respondents base their business idea on the following features: new technologies, market analysis and observation, and new solutions to old problems. Making money turns out to be not the most important thing in this characterization of the idea's features, as it accounts for only up to 5% of respondents' responses. The question - "Have you ever had an idea for your own business" - was also analyzed according to age category. People aged 33-40 thought about it most often (59.3% of responses), i.e. at the age when they already have some experience and probably education, contacts, knowledge, and therefore certain grounds for making such a decision. The slightly younger group - between 26 and 32 years of age - also relatively often indicated that they had an idea to run their own business (56.2%). The group that had a clearly negative attitude towards looking for a business idea was the youngest group of respondents, aged 18 to 20. Over 60% of them indicated that they had not thought about running their own business. This is obvious, because young people - as this category of respondents could be defined - at this age are still learning or making decisions mainly about further education at the higher education level. Despite this, even in this group there were almost 40% of those who had ever had an idea for their own business.

The respondents were asked whether they had taken any steps to implement their idea. In this case, half of the respondents who had ever had any business idea decided to take such action. Interesting information here is the fact that in the group of unemployed people, as many as 70% declared that they had not taken any steps towards implementing their idea. This is undoubtedly disturbing information in the context of shaping appropriate economic policy.

The answers to the question why no steps were taken to implement your business idea are interesting. As many as 64.5% of respondents give the answer that they "did not have enough cash." Secondly, as many as 48.2% indicated the answer "I didn't know how to clarify my idea" (Fig. 2).

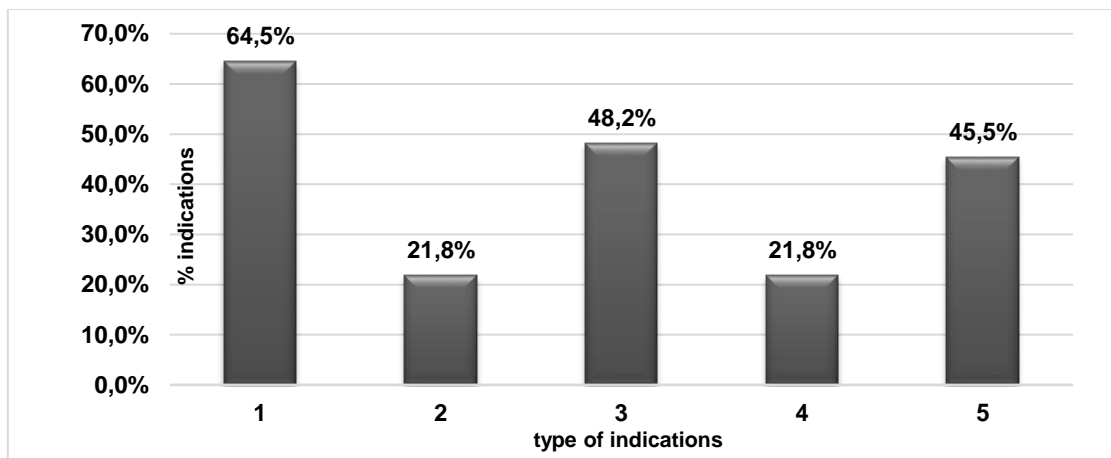


Fig.2 Why did you not take any steps to implement this idea (N=110)

Source: Study (CATI) with residents of the Silesian Voivodeship (age group 18-40)

1-I had no money, 2-I had no one to ask about development opportunities, 3-I didn't know how to clarify my idea, 4-I was discouraged, 5-I didn't believe in my own abilities.

The next stage of the analysis was to check what further steps the respondents took, the aim of which was to start their business. (Fig.3). The most common answer was to talk to someone experienced in the field in which they planned to start a business - 58.6% of the answers. Secondly, 35.5% of the respondents marked the answer - "I was looking for a partner." The third most popular answer was "I went to the appropriate office/institution/office" - 30.9% of responses. All in all, it was quite a commitment to implementing my idea. To the smallest extent - only 8.2% - marked the answer "I was looking for an investor."

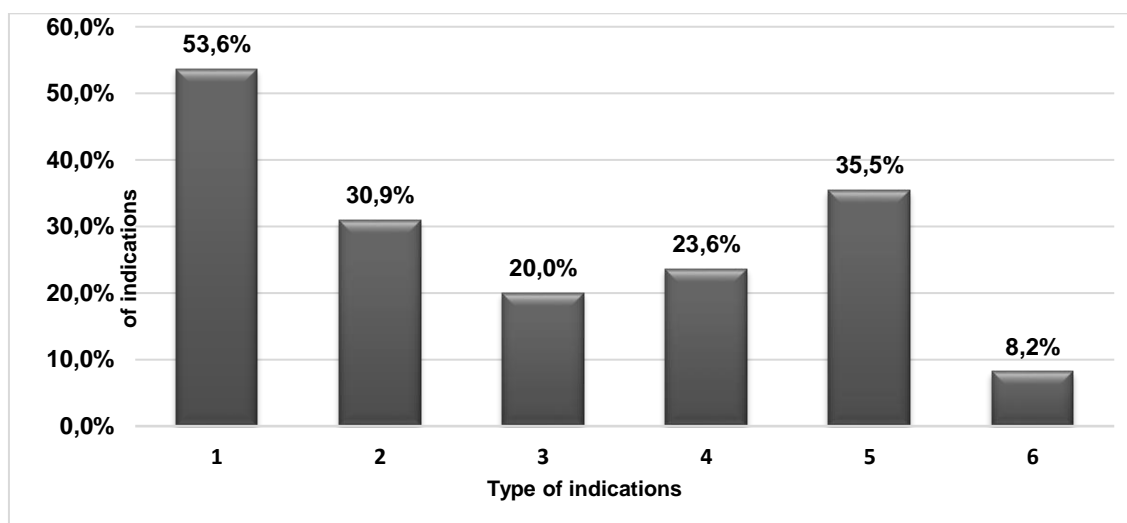


Fig.3 What steps did you take to implement your idea for your own company (N=110)

Source: Study (CATI) with residents of the Silesian Voivodeship (age group 18-40),

1- I talked to someone more experienced, 2 - looking for a partner, 3 - I went to the appropriate institution/, 4 - I received a loan (e.g. from the district labor office) to start my business, 5 - I looked for a partner, 6 - I looked for an investor.

In this situation, further implementation is only supported by high motivation. Hence, the study asked how respondents assessed their motivation to implement their own idea. In this case, the results are quite optimistic, as many as 60.9% declared rather high motivation, and 24.5% very high. No one declared very low motivation.

Considering the above answers related to starting a business, the respondents were asked whether their company was still operating. Most of respondents, as many as 84.8% of all respondents, admitted that they did not. From the point of view of organizing business activities, it was important to obtain information about who supported the respondents in the implementation of their business idea. As it turns out, most often beginner entrepreneurs can count on friends (46.4%), or their own strength (42.7%), or the help of parents (38.2%). No one mentioned Venture Capital funds, foreign investment funds investing in Silesian startups (Fig.4). In this case, there were no significant differences in indications considering gender. The youngest age categories of respondents (18-20 years of age) quite predictably indicated parents as the group that provided support in starting a business (66.7% of responses). In the case of the oldest people aged 33-40, the most frequently selected option was "I decided it myself" - 49.1% of responses.

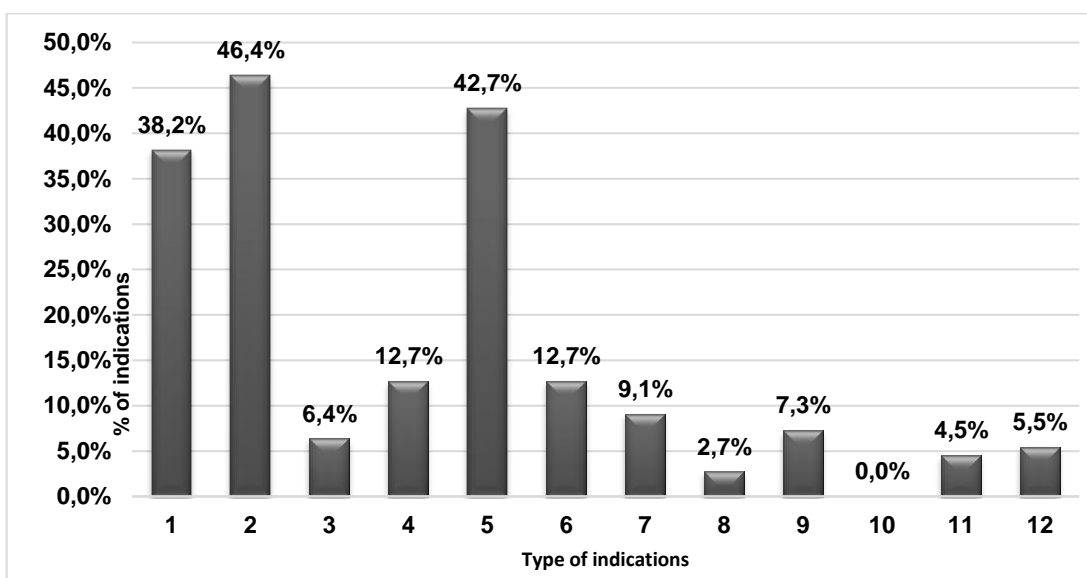


Fig.4 Who supported you significantly in implementing your idea (N=110);
 Source: Study (CATI) with residents of the Silesian Voivodeship (age group 18-40)
 1- Parents, 2- Friends, 3- Class teacher/school teacher, 4- Career advisor, 5- I decided myself, 6- Industry professional, 7- Investor, 8- Representative of the business incubator; accelerator; science and technology park, 9- Business angels; 10- Venture Capital Funds; foreign investment funds investing in Silesian startups, 11- Coworking offices; 12- Units / departments / local government offices responsible for the development and support of entrepreneurship;

People who still run their businesses were asked what the greatest difficulty is in running a business currently (Fig. 5).

Here, respondents mentioned as many as 16 different difficulties. The data received shows that the biggest problem is unstable law - 37.5% of responses, as well as high inflation (also 37.5%). The second priority was the acquisition of customers/contractors - 35.4% of responses. The next place was taken by accounting and bureaucracy/offices - in both cases, 25% of responses. The responses received more than a dozen percent were corruption and employment of employees. No one marked the answer - "I have no problems".

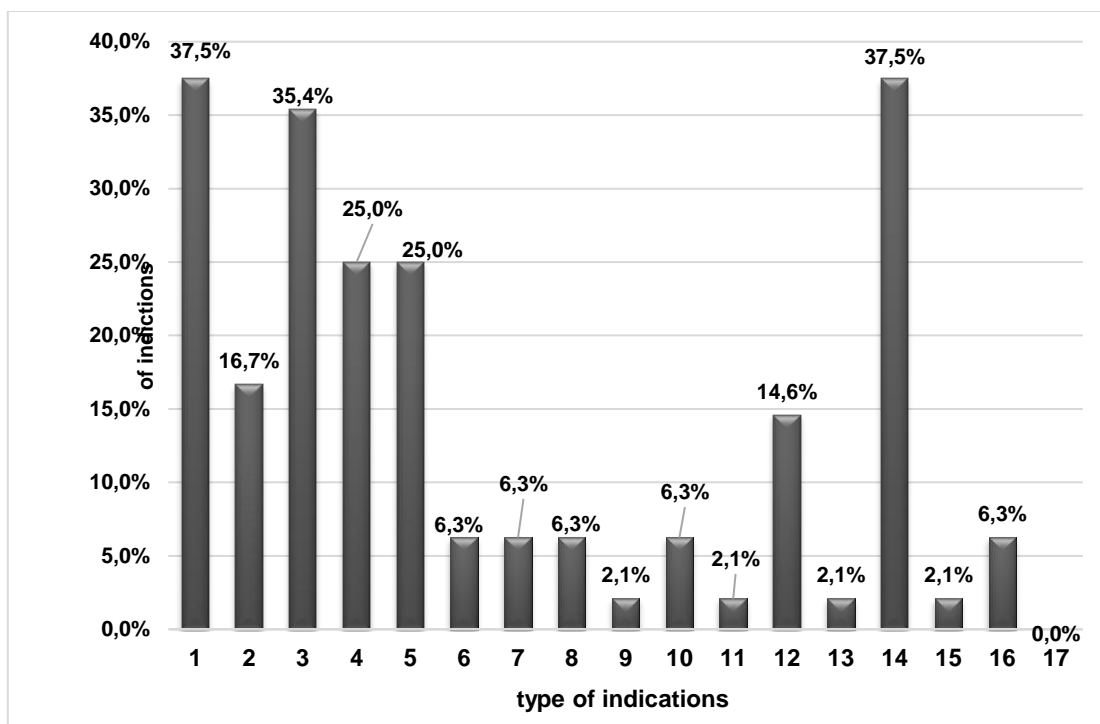


Fig.5 What is currently your greatest difficulty in running your business (N=48)

Source: Study (CATI) with residents of the Silesian Voivodeship (age group 18-40),
 1- Unstable law, 2- Corruption, 3- Acquiring clients/contractors, 4- Accounting, 5 - bureaucracy/offices, 6- Purchasing necessary tools/equipment, 7- Obtaining start-up capital/investments, 8- Managing company finances, 9- Creating company development plans, 10- Choosing the form of taxation, 11- Managing the work of others, 12- Hiring employees, 13- Translating the idea into a business plan, 14- High inflation, 15- Problems with current access to capital, 16- Rental costs media premises, 17- I have no problems.

When deciding to run a business, an entrepreneur often looks for opportunities to obtain important information, to confront those already experienced in this field and to obtain organizational support in the first period of running his business. Therefore, the question was asked whether the respondents had the opportunity to confront their concept with the experience of entities involved in organizing support for entrepreneurship development. The data obtained shows that as many as 83.1% did not have such an opportunity. Among those who had such an opportunity, the percentage of positive responses increased with education. This is proof that information about the confrontation does not effectively reach the people concerned. People with better education probably know where to look for such information and are better motivated and more determined.

The aim of the next question was to identify the main sources of information (Fig.6) from which the respondents benefited from the possibilities of running their own business, including startup activities. Among the dozen or so suggestions given, the Internet received the most responses - 75%, followed by friends - 33.6% and family 22.4%.

Radio and TV received a dozen or so percent each, followed by the employment office - 11.7% and career advisors - 10.3%. Such as business angels, business incubators; accelerators; science and technology parks, venture capital funds; foreign investment funds investing in Silesian startups – collected only a few percent each. Respondents indicated that the most important support would be knowledge about finding sources of financing - this was indicated by as many as 42.3% of respondents. In this case, there were no significant differences considering gender. Analyzing this problem in age groups, it was found that in the oldest group, aged 33-40, this answer was selected by 44.6% - the highest number of responses compared to other age groups. In turn, considering

education, a similar answer was most often given by people with primary education - 46% of responses in this group. Also considering professional status - this answer was the most popular among the unemployed - it was chosen by as many as 60.9% of this group. Interestingly, the category of owners of private workshops - craftsmen, agents, taxi drivers and their family members - chose this answer only in 13.3%. However, the answer most frequently indicated by them was support in strengthening skills in managing all areas of enterprise management, which received as many as 46.7% of the choices.

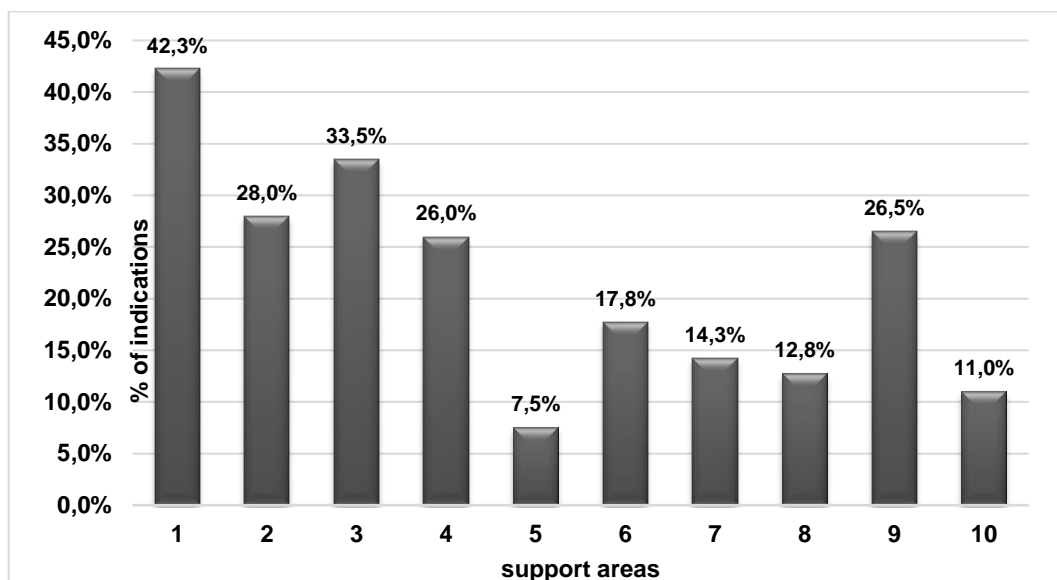


Fig.6 Which areas of support would be key to increasing your interest in economic activity (N=400).

Source: Study (CATI) with residents of the Silesian Voivodeship (age group 18-40)

- 1-Support in the field of knowledge on searching for sources of financing, 2-Support in strengthening skills in managing all areas of management of a micro, small and medium-sized enterprise, 3-The emergence of the right moment/economic situation, 4-Organization of training for employees and company managers; 5- Organization of networking meetings - creating opportunities to develop relationships with startups; 6- Ongoing exchange of information regarding development opportunities and experiences of cooperation with startups; 7- Institutional/professional form of support/advice regarding cooperation with startups; 8- Available catalog of startups operating in Silesia, including a description of their specific features; 9- Availability of external resources/funds dedicated to cooperation with startups; 10- I don't know

Secondly, when answering the question - which of the above-mentioned categories they would consider crucial for increasing their interest and readiness to start start-up activity - the respondents most often indicated the appearance of the right moment / economic situation - which was emphasized by 33.5%. This was the most common second answer among people with higher education and in the oldest age group, 33-40. Among the dozen or so other factors mentioned, the most important were the organization of training for employees and company managers (26%) and the availability of external resources/funds dedicated to cooperation with startups (26.5%).

4. DISCUSSION

The research conducted on the conditions for running an innovative business activity of a start-up nature provided a wide range of respondents' attitudes to the examined problems. Respondents agreed with the fact that to run a start-up it is necessary to have a good business idea. In the opinion of respondents, such an idea should be the result of market analyzes and trend observations, a chance to earn money, if possible, based on new technologies, provide a new solution to an old problem, and be the creators' original idea.

It was found that the Silesian Voivodeship is a rich source of human capital, in which the age categories of 33-40 years and 26-32 years constitute a significant pool of people to carry out start-up activities. The first hypothesis, that the two youngest age categories with good IT preparation and youthful enthusiasm, will be most motivated to implement start-up activities, does not work here. Another condition for starting a business - including a startup - is a dense network of connections between various regional development agencies, business incubators and other business support institutions. However, in the opinion of respondents, it is not helpful enough. This confirms the fact previously stated that the role of business incubators and accelerators as well as science and technology parks is not as significant as they were usually attributed to (Jonek-Kowalska and Wolniak, 2021). Therefore, in this respect, the second hypothesis about their necessity and help is difficult to verify. There is a significant institutional density of universities, polytechnics, and colleges in the region, which provide powerful scientific support for cooperation and implementation of scientific solutions. Unfortunately, such a diverse base of factors supporting business activity was not appreciated in the percentages indicated by respondents. Therefore, the third hypothesis, that organizational units of universities support those interested in organizing and helping in launching start-up activities, is false. Starting an effective business is therefore quite difficult and running it, itself encounters many difficulties. First, they are related to the instability of the law, high inflation, difficulties in acquiring customers and contractors, and bureaucracy. When starting their own business, novice businessmen count most on their own strength, friends, looking for a partner or possible help from their parents. They are aware of the need to participate in various training courses in the field of economic law, finance, environmental cooperation, etc. These are usually companies that employ only a few employees and not all of them are able to cope with the necessary duties. Hence, a significant number of them close their operations. Respondents also do not indicate any favorite sectors of the economy in which it is profitable to start a new business. Respondents indicate certain key areas to increase their interest in economic activity. They point to the need to create opportunities to develop relationships with startups, and to exchange information on development opportunities and experiences in cooperation with startups on an ongoing basis. (Steiber, A., and Alänge, S., 2021). To increase interest in start-up activity, they request wider dissemination and making available a catalog of startups operating in Silesia, including a description of their specific features.

5. CONCLUSIONS

The conducted research allowed for several final conclusions to be drawn in the form of a diagnosis for the operation of Silesian enterprises - including the activity of start-ups. The region of the Silesian Voivodeship is characterized by a high value of human capital, professionally active most in the age category of 26-40. Features that are particularly characteristic of this region are: diligence, courage and entrepreneurship, activity and determination, motivation and education, and knowledge of foreign languages. They are important when starting any business, but according to the respondents, the most important thing is a good idea. There are many untapped institutions in the region that can provide support for start-up activities. Starting and running a business is associated with difficulties due to unstable law, inflation, difficulties in acquiring customers and contractors, and bureaucracy.

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