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**BARRIERS TO ENTREPRENEURSHIP: DATA ANALYSIS
AND RESEARCH FINDINGS IN MONTENEGRO**

Factors affecting entrepreneurship, both, internal and environmental, form the framework within which an enterprise has to make business plans and do business. The goal of this study is to explore and define the barriers to entrepreneurship development in Montenegro. Therefore, this study identifies the most significant barriers that have strong negative influence on the process of creating a healthy competitive entrepreneurship environment and its further development. The questionnaire that was developed for the purpose of this analysis and research consists of 30 questions covering up to 6 groups of barriers to entrepreneurship. In total, 102 entrepreneurs completed the abovementioned questionnaire.

Keywords: entrepreneurship, entrepreneurs, barriers, Montenegro.

Душан Бобера, Боян Лекович, Сандра Джурович
**ЛІМІТУЮЧІ ФАКТОРИ У ПІДПРИЄМНИЦТВІ: АНАЛІЗ ДАНИХ
ТА РЕЗУЛЬТАТИ ДОСЛІДЖЕНЬ ПО ЧОРНОГОРІЇ**

У статті обґрунтовано, що внутрішні і зовнішні фактори впливу на підприємництво створюють рамки, в яких підприємство має сформувати бізнес-план і вести сучасний бізнес. Вивчено і визначено лімітуючі фактори розвитку підприємництва в Чорногорії, виявлено найбільш серйозні бар'єри із сильним негативним впливом на процес створення здорового конкурентного середовища підприємництва та його подальший розвиток. Для цього аналізу і досліджень розроблено анкету з 30 питань, що охоплюють до 6 груп лімітуючих факторів. В цілому було опитано 102 підприємця.

Ключові слова: підприємництво, підприємці, лімітуючі фактори, Чорногорія.

Табл. 5. Літ. 18.

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**ЛИМИТИРУЮЩИЕ ФАКТОРЫ В ПРЕДПРИНИМАТЕЛЬСТВЕ:
АНАЛИЗ ДАННЫХ И РЕЗУЛЬТАТЫ ИССЛЕДОВАНИЯ
ПО ЧЕРНОГОРИИ**

В статье обосновано, что внутренние и внешние факторы влияния на предпринимательство создают рамки, в которых предприятие должно сформировать бизнес-план и вести современный бизнес. Изучены и определены лимитирующие факторы развития предпринимательства в Черногории, выявлены наиболее серьезные барьеры с сильным негативным влиянием на процесс создания здоровой конкурентной среды предпринимательства и его дальнейшее развитие. Для этого анализа и исследований разработана анкета из 30 вопросов, охватывающих до 6 групп лимитирующих факторов. В общей сложности было опрошено 102 предпринимателя.

Ключевые слова: предпринимательство, предприниматели, лимитирующие факторы, Черногория.

1. Introduction

The goal of this study is to analyze the entrepreneurial environment in Montenegro to identify and specify the barriers that really slow down the implemen-

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tation of the entrepreneurial concepts and values, and entrepreneurship development itself. The purpose of the given research is to identify and classify the barriers that have strong negative influence into six clusters. This research includes the questionnaire, specifically developed for the purpose of this analysis and research, and interviews with entrepreneurs, face to face in order to collect the answers. The research covered all the three regions of Montenegro (northern, southern and central). Data collected are processed using the software package for statistical analysis-SPSS. Descriptive statistics, independent samples T-test, analysis of variance-ANOVA statistical test were used to determine the existing differences between respondents based on age (younger and older) and business activity (manufacturing, service, commercial).

Since there haven't been done researches of this kind on barriers of entrepreneurship in Montenegro, this study in its own way contributes to the theory and practice of entrepreneurship in this country. The new aspect of the research which takes into consideration age of the entrepreneurs, company's head office, educational skills, business activity makes a real refreshment to the existing theory and practice of entrepreneurship in Montenegro. In the first part of this study, the authors give a theoretical review on entrepreneurship, and barriers to entrepreneurship that influence establishment and development of business projects in entrepreneurial environment. In the second part of this study the authors provide a wide explanation of the methodology used in this research in order to make it more familiar and comprehensive. This part includes all the details about the questionnaire, about how the relevant data are collected, data collected sample, as well as the purpose of the statistical analysis used. In the third part of the study, the authors represent the results of the statistical analysis in the form of tables. This part includes the authors' detailed evaluation, discussion of results and final conclusions to point out the significance of the research taken for future investigations in this area as well as its theoretical and practical contribution to entrepreneurship development in Montenegro.

2. Theoretical background

Entrepreneurship can be defined as "the process of creating value by bringing together a unique package of resources to exploit an opportunity" (Stevenson et al., 1989). Some authors define the entrepreneurship as an area in which one makes effort in research, identification of possibilities and chances in order to create something new on the market, a new product or service that would fulfill the customer's expectations and needs so it could be exploited and gained a wide range of effects (Shane, Venkataraman, 2000). In fact, entrepreneurship is based on finding new possibilities to exploit. Enterprise is like a living organism, it cannot be framed nor existing in a vacuum, on the contrary, environment, i.e. internal and external factors, regulate entrepreneurial activities. Restrictive factors known as barriers to entrepreneurship have negative influence on a process of starting a new business project, its implementation and development. It is necessary to identify and analyze those barriers in order to create valid business strategies to minimize their negative influence. Many authors put the barriers to entrepreneurship in focus of their researches.

Sarasvathy (2004) has identified and discussed the barriers to entrepreneurship, revealing them through the answers to the question: "What barriers to entrepreneurship exist?" rather than asking "What induces people to become entrepreneurs?".

Doern (2009) did some research work in the field of barriers to entrepreneurship and growth of the SME sector in former centrally planned economies and now economies in a transitioning process, like it is the economy of Montenegro in present. Bitzenis and Nito (2005) showed their interest in barriers to entrepreneurship in economies in transition, too. Some authors in their research determined the influence of motivational factors (Choo and Wong, 2006; Nawaser et al., 2011). Miltiades (2010) set up a hypothesis and proved that barriers to entrepreneurship do influence the increase of unemployment rate. Hatala (2005) identified the barriers that should be eliminated so that self-employment could give expected results. Sandhu et. al.(2010) conducted a research among 226 Malaysian postgraduate students and confirmed that most significant barriers are the lack of social networking followed by the lack of resources and aversion to risk. Results of this research are very similar to the results of the research conducted by Lekovic and Berber (2012) among 57 entrepreneurs on the territory of Vojvodina (Autonomous Province of Republic of Serbia). Gorji and Rahimian discovered differences in reactions between males and females in their research based on 3 types of barriers: individual, organizational and environmental. Klapper, Laeven, and Rajan (2004) studied how the business environment in a country drives the creation of new firms.

3. Methodology

The goal of this study is to analyze the entrepreneurial environment in Montenegro, to identify and specify the barriers that really slow down the implementation of the entrepreneurial concepts and values, and entrepreneurship development itself. The research was driven by the idea to identify and explicitly determine the barriers that interfere with starting business activities and creating a competitive entrepreneurial environment. Barriers were grouped into 6 sections: individual and psychological factor, socio-cultural factor, human resource, real estate and construction, enterprise registration and legal certainty. This research includes the questionnaire, specifically developed for the purpose of this research, consists of 30 questions covering up 6 groups of barriers. Data were collected within the interviews with entrepreneurs. When responding to a Likert questionnaire item, respondents had to specify their level of agreement or disagreement on a symmetric agree-disagree scale for a series of questions. Options for each determined barrier, presented in Table 1, in business on agree-disagree scale were: 1. Strong significant negative influence. 2. Mostly negative influence. 3. Present, but with no significant influence. 4. Mostly, doesn't have negative influence. 5. Doesn't represent a barrier at all. The purpose of the questionnaire was to get the answers on how the entrepreneurs deal with barriers in business and find out if there were differences between them based on the criteria of:

- a) Age – younger than 40, older than 41.
- b) Business activity – manufacturing, commercial or services.

Data collected sample was analyzed in three consecutive steps by using the software package for statistical analysis – SPSS 17. In the first step, descriptive analysis of data was done to create a hierarchy of barriers. In the second step, independent samples T-test was done in order to determine existing differences between younger and older entrepreneurs in recognizing the barriers in business. In the third step, one-way ANOVA test was done in order to determine existing differences between entrepreneurs based on the criterion of business activity. In total, 102 entrepreneurs from

Montenegro completed the questionnaire. Summarizing the data collected in the sample Bobera and Lekovic came to the following results and groups based on the criteria of:

- a) Age
 - 53 younger entrepreneurs
 - 49 older entrepreneurs
- b) Education
 - 50 entrepreneurs with a high-school diploma
 - 12 entrepreneurs with a college diploma
 - 38 entrepreneurs with a university degree
- c) Business activity
 - 23 entrepreneurs in manufacturing business
 - 52 entrepreneurs in service industries
 - 27 entrepreneurs in commercial business

Table 1. Barriers to Entrepreneurship – I&P, S-C, HR, REC, ER and LC

Individual and psychological	Sociological and cultural	Human resources
- Idea, initiative - Support in inner circle - Education, skills - Financial assets (lack) - Fear of failure	- Social conditions - The political situation - Regional development disparities - Infrastructur - Global crisis	- Labour legislation - Administrative procedures (hiring) - The process of layoffs - The lack of specialized training programs - Qualification structure
Real estate and construction	Enterprise registration	Legal certainty
- Urban regulations - Urban planning - Authorities cooperation - Professionalism of administrative staff - Efficiency of municipal structures	- Access to information - Registration procedure - State authorities procedures - Centralized procedures - Procedures under local jurisdictions	- The legal framework - Tardiness of the courts - The lack of legal aid - Grey economy and unfair competition - Corruption

Source: Developed by the author's.

In accordance with theoretical background, available literature and questionnaire the authors set up the following hypotheses:

H0: There are entrepreneurship barriers related to individual and psychological factor, sociological and cultural factor, human resources, real estate and construction, enterprise registration and legal certainty.

H1: There are differences between younger and older entrepreneurs related to individual and psychological factor, human resources and legal certainty

H2: There are differences based on the level of education related to individual and psychological factor, enterprise regulation and human resources.

4. Results of the analysis

Results from the descriptive analyses showed that respondents have recognized the barriers with strong negative influence in the following order: corruption, professionalism of administrative staff, shadow economy and unfair competition, funding and procedures under local jurisdictions. The hierarchy of barriers in Table 2 shows that presented 10 barriers come from all 6 sections. In order to compare the data obtained from the two groups of respondents, younger and older, data were processed by independent samples T-test.

Table 2. The hierarchy of entrepreneurship barriers (top 10) – SC, SOC, HR, REC, ER and LC – obtained from the sample (N=102)

Descriptive statistics	Mean	Std. Deviation
LC Corruption	1,8	1,039
REC Professionalism of administrative staff	1,89	1,188
LC Shadow economy and unfair competition	1,9	0,985
SC Lack of financial assets	1,97	1,121
ER Procedures under local jurisdiction	1,99	1,182
ER Centralized procedures	2,01	1,221
SOC Global crisis	2,06	1,066
REC Efficiency of municipal structures	2,06	1,213
ER State authorities procedures	2,11	1,067
SOC Regional development disparities	2,12	1,237

Source: Author's analysis.

Results from the independent samples T-test unambiguously showed that differences between younger and older entrepreneurs in recognizing the barriers in business were not just existing but significant.

Barriers perceived differently by these 2 groups of respondents are: education and competences, fear of failure, lack of specialized training programs and legal framework. Those are presented in Table 3.

Table 3. Differences between SC, SOC, HR, REC, ER and LC as entrepreneurial barriers for the participants according to the age – obtained from the sample (N=102)

Group statistics - age		N	Mean	Std. Deviation	Std. Error Mean
I&P. Education and competences	<40	52	3,58	1,226	0,17
	41+	49	3	1,323	0,189
I&P. Fear of failure	<40	53	3,58	1,292	0,178
	41+	49	2,86	1,339	0,191
HR. The lack of specialized training programs	<40	52	3,21	1,391	0,193
	41+	48	2,4	1,216	0,175
LC. The legal framework	<40	53	3,08	1,222	0,168
	41+	48	2,5	1,321	0,191

Source: Author's calculation

T-test for independent samples was used to analyze the results of the education and competences as barriers to business startups, business ventures and developing business for older and young entrepreneurs. There was found a significant difference between younger respondents ($M = 3.58$, $SD = 1.226$) and older entrepreneurs ($M = 3$, $SD = 1,323$), $t(97.215) = 2.269$, $p < (0.025)$ two-tailed. The difference between the mean values of the groups characteristics (mean difference = 0.577, 95% CI 0.95%: 0.074 to 1.080) was of undersize influence (eta squared = 0.04916).

T-test for independent samples was used also to analyze the results of the Fear of failure as barriers to business startups, business ventures and developing business for older and young entrepreneurs. There was found a significant difference between younger respondents ($M = 3.58$, $SD = 1.292$) and older entrepreneurs ($M = 2.86$, $SD = 1,339$), $t(98.713) = 2.789$, $p < (0.006)$ two-tailed. The difference between the mean values of the groups characteristics (mean difference = 0.728, 95% CI 0.95%: 0.210 to 1.246) was moderate (eta squared = 0.072171).

T-test for independent samples was used also to analyze the results of the The lack of specialized training programs as barriers to business startups, business ventures and developing business for older and young entrepreneurs. There was found a significant difference between younger respondents ($M = 3.21, SD = 1.391$) and older entrepreneurs ($M = 2.4, SD = 1,216$), $t(97.721) = 3.128, p < (0.002)$ two-tailed. The difference between the mean values of the groups characteristics (mean difference = 0.816, 95% CI 0.95%: 0.298 to 1.333) was moderate (eta squared =0.089123).

T-test for independent samples was used also to analyze the results of the The legal framework as barriers to business startups, business ventures and developing business for older and young entrepreneurs. There was found a significant difference between younger respondents ($M = 3.08, SD = 1.222$) and older entrepreneurs ($M = 2.5, SD = 1,321$), $t(95.990) = 2.265, p < (0.026)$ two-tailed. The difference between the mean values of the groups characteristics (mean difference = 0.575, 95% CI 0.95%: 0.071 to 1.080) was of undersize influence (eta squared =0.048798).

Table 4. Independent sample T test (N=102, grouping variable: age)

		Levene's Test for Equality of Variances		t-test for Equality of Means					95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
I&P. Education and competences	Equal variances not assumed	,038	,845	2,269	97,215	,025	,577	,254	,072	1,081
I&P. Fear of failure	Equal variances not assumed	,025	,875	2,789	98,713	,006	,728	,261	,210	1,246
HR. The lack of spec. train. programs	Equal variances not assumed	2,110	,150	3,128	97,721	,002	,816	,261	,298	1,333
LC. The legal framework	Equal variances not assumed	1,294	,258	2,265	95,990	,026	,575	,254	,071	1,080

Source: Authors calculation.

Further statistical data analysis using a one-way ANOVA test showed that entrepreneurs performing different business activities refer to barriers: idea and initiative, lack of financial assets, fear of failure, procedures under local jurisdiction and lack of specialized training program, in a different way Results are presented in table 5.

The results of the one-way analysis of variance (ANNOVA) showed that there were differences among participants in terms of business activity. ANNOVA showed that there was a significant difference between entrepreneurs in case of idea and initiative, lack of financial assets, fear of failure, procedures under local jurisdiction and the lack of specialized training programs. One-way ANOVA test was used to test differences in ideas and initiative among enterprises operating in 3 different business activities. Preferences in ideas and initiative differed significantly among enterprises operating in 3 different business activities, $F(2,99) = 4.708, p = .011$. Tukey's post-hoc comparison of enterprises operating in three different business activities showed that

entrepreneurs in manufacturing business ($M=2.43$, 95% CI 1.92, 2.95) find ideas and initiative more aggravating to their business than entrepreneurs in service industries ($M=3.42$, 95% CI, 3.05, 3.80), $p=.008$. Comparison between enterprises in commercial business ($M=3.07$, 95% CI 2.58, 3.56) and enterprises in manufacturing business as well as in service industries were not statistically significant, $p<.05$.

Table 5. One-way Anova test, barriers to entrepreneurship, (N=102)

Multiple Comparisons							
Tukey HSD							
Dependent Variable	(I) Activeness of enterprise	(J) Activeness of enterprise	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
						Lower Bound	Upper Bound
SC. Idea, initiative	Manufacturing	Services	-.988*	.322	.008	-1,76	-,22
		Commercial	-.639	.365	.192	-1,51	,23
	Services	Manufacturing	,988*	.322	.008	,22	1,76
		Commercial	,349	.305	.490	-,38	1,08
SC. Lack of financial assets	Manufacturing	Services	-.719*	.274	.027	-1,37	-,07
		Commercial	-.639	.310	.103	-1,38	,10
	Services	Manufacturing	,719*	.274	.027	,07	1,37
		Trade	,080	.259	.949	-,54	,70
SC.Fear of failure	Manufacturing	Services	,860*	.332	.029	,07	1,65
		Commercial	,412	.376	.519	-,48	1,31
	Services	Manufacturing	-.860*	.332	.029	-1,65	-,07
		Commercial	-.447	.314	.333	-1,20	,30
ER.Procedures under local jurisdiction	Manufacturing	Services	-.358	.287	.429	-1,04	,33
		Commercial	-.916*	.325	.016	-1,69	-,14
	Commercial	Manufacturing	,916*	.325	.016	,14	1,69
		Services	,558	.272	.105	-,09	1,21
HRThe lack of specialized training programs	Manufacturing	Services	1,583*	.310	.000	,85	2,32
		Commercial	,707	.349	.111	-,12	1,54
	Services	Manufacturing	-1,583*	.310	.000	-2,32	-,85
		Commercial	-.876*	.289	.009	-1,56	-,19
	Commercial	Manufacturing	-.707	.349	.111	-1,54	,12
		Services	,876*	.289	.009	,19	1,56

Source: Author's calculation.

One-way ANOVA test was used to test differences in lack of financial assets among enterprises operating in three different business activities. Preferences in lack of financial assets differed significantly among enterprises operating in 3 different business activities, $F(2, 99) = 3.615$, $p=.031$. Tukey's post-hoc comparison of enterprises operating in 3 different business activities showed that entrepreneurs in manufacturing business ($M=1.43$, 95% CI 1.15, 1.72) find lack of financial assets more aggravating to their business than entrepreneurs in service industries ($M=2.15$, 95% CI, 1.82, 2.49), $p=.027$. Comparison between enterprises in commercial business ($M=2.07$, 95% CI 1.62, 2.53) and enterprises in manufacturing business as well as in service industries were not statistically significant, $p<.05$.

Preferences in fear of failure differed significantly among enterprises operating in 3 different business activities, $F(2, 99) = 3.544$, $p=.033$. Tukey's post-hoc comparison of enterprises operating in 3 different business activities showed that entrepreneurs in service industries ($M=2.92$, 95% CI 2.54, 3.30) find fear of failure a bigger obstacle to their business than entrepreneurs in manufacturing business ($M=3.78$,

95% CI, 3.25, 4.32), $p = .029$. Comparison between enterprises in commercial business ($M = 3.24$, 95% CI 2.85, 3.89) and enterprises in manufacturing business as well as in service industries were not statistically significant, $p < .05$.

Preferences in procedures under local jurisdiction differed significantly among enterprises operating in 3 different business activities, $F(2, 99) = 4.150$, $p = .019$. Tukey's post-hoc comparison of enterprises operating in 3 different business activities showed that entrepreneurs in manufacturing business ($M = 1.57$, 95% CI 1.20, 1.93) find procedures under local jurisdiction a bigger obstacle to their business than entrepreneurs in commercial business ($M = 2.48$, 95% CI 1.90, 3.07), $p = .016$. Comparison between enterprises in service industries ($M = 1.92$, 95% CI 1.63, 2.22) and enterprises in manufacturing business as well as in commercial business were not statistically significant, $p < .05$.

Preferences in lack of specialized training programs differed significantly among enterprises operating in 3 different business activities, $F(2, 97) = 14.113$, $p = .000$. Tukey's post-hoc comparison of enterprises operating in 3 different business activities showed that entrepreneurs in service industries ($M = 2.24$, 95% CI 1.90, 2.57) find lack of specialized training programs more aggravating to their business than entrepreneurs in manufacturing business ($M = 3.82$, 95% CI 3.32, 4.41), $p = .000$. Tukey's post-hoc comparison of enterprises operating in 3 different business activities showed that entrepreneurs in service industries ($M = 2.24$, 95% CI 1.90, 2.57) find the same barrier more aggravating to their business than entrepreneurs in commercial business ($M = 3.11$, 95% CI 2.64, 3.58).

5. Discussion

All the results we received using several statistical analyses should be interpreted with regard to the hypotheses set up before. Results of descriptive analysis show that main hypothesis H_0 is confirmed. According to data from Table 1, 102 respondents identified potential barriers to entrepreneurship dividing them into two groups, those with strong negative influence: corruption ($M = 1.8$), professionalism of administrative staff ($M = 1.89$), grey economy and unfair competition ($M = 1.9$), lack of financial assets ($M = 1.97$) and those not considered as threats to business: idea and initiative ($M = 3.11$), fear of failure ($M = 3.24$), education and competences ($M = 3.3$) and access to information ($M = 3.3$).

Results of independent samples T-test show that hypothesis H_1 is confirmed. Even though younger and older respondents find important the influence of certain barriers to their business, they however differ in defining which are those exact barriers. The most obvious differences arise from the following barriers: education and competences, fear of failure, the lack of specialized training programs and the legal framework.

Older entrepreneurs find the education and competences as a significant barrier in doing business whilst younger do not show that kind of "fear". Education is certainly important when starting a business project, although not seen formally as a level of education but more as an intellectual capability of developing entrepreneurial skills for dealing with barriers and solving the problems created by the same. Numerous examples from practice indicate that having a formal education is not of key importance for starting a business project, however it is valuable for integration and accumulation of new knowledge (Hisrich et al., 2008).

Fear of failure is the barrier that many authors find important in a moment of entrepreneur's decision making whether the new business project is or not going to be started.

Younger entrepreneurs are more flexible whilst older find this barrier hard to deal with. Sandhu et al. (2011) have also recognized this barrier as an obstacle in their research conducted over the graduate students. GEM stated in its annual survey, 2010 Global Report, that 30,4% of respondents in Montenegro age between 18–64 have recognized a fear of failure as one of the barriers to starting business project.

Older entrepreneurs find the lack of specialized training programs discouraging for their business development whilst younger are more resistant to it. This results from the fact that entrepreneurs requires applied skills. Training programs designed for entrepreneurs to improve their applied skills, different kinds of government subsidized programs stimulating self-employment and entrepreneurship development gave poor results.

Younger entrepreneurs are again more flexible regarding legal framework barrier than older ones. The Government of Montenegro has identified legal framework as one of the barriers to entrepreneurship and created a Strategy for development of SME 2011–2015 together with action plans on how to overcome the barriers. The Government of Montenegro has also determined that SME sector runs business within a legal framework unique for all business entities on the territory of Montenegro. Stable and stimulating legal framework in accordance with the needs of SME sector is a prerequisite for competitive environment and the Government recommends the same.

Results from ANOVA test show that hypothesis H2 is confirmed. Tukey's post hoc test showed that entrepreneurs in manufacturing business find ideas and initiative, as well as lack of specialized training programs as treating barrier more than entrepreneurs in service industries. As results also show, procedures under local jurisdiction affect entrepreneurs in manufacturing business more than entrepreneurs in commercial business. Tukey's post hoc test also showed that entrepreneurs in service industries find fear of failure as barrier that significantly affects their business more than entrepreneurs in manufacturing business. Finally, entrepreneurs in service industries do consider that lack of specialized training programs has negative influence on their business, whilst entrepreneurs in commercial business and manufacturing business.

Fear of failure is mostly driven by fear of financial failure. While the significance and impact of financial resources to the realization of a business venture cannot be ignored, it should be noted (Bobera, 2010) that the lack of adequate funding is often an indicator of other problems such as managerial incompetence, lack of understanding in the field of finance and the like. Entrepreneurs' capability to manage difficulties in business and retain profitability in periods of crisis, usually accompanied by lack of financial assets, makes him successful entrepreneur and distinguishes him from unsuccessful ones.

Most of the enterprises operate locally. Therefore, procedures under local jurisdiction gain on importance. The role of the local authorities is to stimulate development of SME sector by creating a favorable local business environment. It implies that local economic development offices which provide business information, servic-

es, trainings for employers and employees in SME sector, financial support etc. should facilitate their procedures.

6. Conclusion

The goal of this study is to determine the barriers to entrepreneurship in Montenegro with strong negative influence on starting and running business. Authors have chosen to do statistical data analysis based on a questionnaire they created for the purpose of this research. This kind of research haven't been done yet in Montenegro, therefore this study contributes to the theory and practice of entrepreneurship in this state. Limitation that occurred during this research refers to a few entrepreneurs that haven't completed the questionnaire in a proper way. All the results from data analysis in this research made the base according to which the authors gave their final conclusions.

Noticeably, entrepreneurs mostly complained on: corruption, lack of professionalism of administrative staff, shadow economy and unfair competition, lack of financial assets, procedures under local jurisdiction. Following barriers: registration procedure, ideas and initiative, fear of failure, education and competences and access to information were perceived as least influential on business. Explaining the above mentioned, the authors point out that threatening barriers are actually external factors coming out from the entrepreneurial environment.

Individual and psychological factors and sociological and cultural factors are not perceived as threatening. When it comes to the barriers in the entrepreneurial environment, entrepreneurs are helpless. Barriers stay out of their reach and they are unable to eliminate them. Respondents of different age, younger and older, perceived barriers significantly different. Results showed that older entrepreneurs are more affected by negative influence of all 4 barriers: education and competences, fear of failure, lack of specialized training programs and legal framework, than younger entrepreneurs. Therefore, older entrepreneurs expressed their need to continuous personal growth by gaining knowledge in long-term, which would eventually give results in practice. Gaining knowledge is a lifetime commitment and it is closely related with the fear of failure. Respondents pointed out that their lack of knowledge and skills are the key elements that prevent them in developing the business. More knowledge – less fear of failure.

Entrepreneurs performing different business activities refer to barriers in a different way. Entrepreneurs in manufacturing business perceive ideas for new business projects as a barrier. They also consider that lack of financial assets significantly affects the attempts of starting a new business and that procedures under local jurisdiction make their business activities difficult to manage. Entrepreneurs in service industries are affected by the fear of failure and lack of specialized training programs. They are in need for knowledge and skills in order to provide a higher quality service. Each product is accompanied with certain services, so there is possibility for cooperation for those two categories of entrepreneurs in a function of finding a solution for the same difficulties overcoming the above mentioned barriers.

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Стаття надійшла до редакції 07.02.2013.