

Abstract

Entrepreneurship is agreed to be the major driving force of economic growth and innovation, which is why Stockholm School of Economics in Riga (SSE Riga) was established – to provide the Baltic States with the stock of young entrepreneurs. The aim of this research, however, is to find out, whether SSE Riga has been successful in doing so, or particularly, whether good performance in SSE Riga is of influence when becoming an entrepreneur. When exploring the previous researches in the field, several other factors emerge that should be taken into account as well, when explaining the entrepreneurial capacity of the person, such as education background, employment background, family characteristics and personal factors. The hypothesis with respect to entrepreneurial capacity for each variable is stated, and a *probit* model is formed with the aim to find out, whether it is the academic performance or other independent factors that influence the fact that a person has become an entrepreneur. The data gathered by graduate interviews, survey and with the help of school's administration produce the final results, showing that there is a considerable amount of graduates who have become entrepreneurs and that entrepreneurs and non-entrepreneurs have significant differences in terms of explaining factors. Further analysis, however, shows that academic performance in business related courses in SSE Riga has quite a weak link with probability of being an entrepreneur. Instead, other factors such as education level, family background and personal characteristics are of influence much more. In result, as the academic performance has proven to be less significant than expected and the personal factors have more explanatory power, it is suggested that greater emphasis should be on effective admission procedures rather than academic content and performance. Finally, the research model makes the probability of SSE Riga graduate being an entrepreneur be 16%, which suggests quite promising potential for SSE Riga, if personality factors are stressed in admission and finalized by entrepreneurial education.