

Challenges in Developing Student Entrepreneurship in the New Startup Ecosystem of Eastern Finland

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Abstract: Student entrepreneurship is a key source of future innovation and potential vitality, especially in areas where population development and skills shortages challenge economic growth. In Eastern Finland, student entrepreneurship is strongly linked to the functionality of regional entrepreneurship ecosystems and the role of universities as enablers of new business ideas and paths. Despite this, the development of student entrepreneurship appears fragmented and project-based, and the current structure does not support the long-term and systematic construction of entrepreneurship skills. The aim of this article is to examine what is missing from the student entrepreneurship ecosystems in Eastern Finland and why the current structures do not meet the needs of student entrepreneurship. Special attention is paid to Generation Z, whose work-life values, expectations, and ways of operating challenge traditional entrepreneurship support models. The study was conducted as a descriptive case study, and the data consists of semi-structured theme interviews and a group interview with key ecosystem actors and student entrepreneurship actors. In addition, the results are reflected in the observations of the Slush Finnish Founder Survey. The results show that the most significant deficiencies in the student entrepreneurship ecosystem are the lack of systematics and continuity, the weakness of trust between actors, and the lack of common physical and digital spaces. These factors weaken the ecosystem's ability to meet Generation Z's expectations of a meaningful, communal, and well-being-supporting entrepreneurial environment. The article highlights the need to move from fragmented support measures towards a systematic, student-centered, and generation-sensitive ecosystem development in Eastern Finland. The findings indicate that the current ecosystem lacks structural coordination and long-term continuity, which limits its ability to support student entrepreneurship in a sustainable manner. The results contribute to entrepreneurship ecosystem research by highlighting the importance of generation-sensitive and student-centered design. Future research should focus on comparative ecosystem models and the impact of coordinated interventions on student entrepreneurial outcomes.

Keywords: Generation Z, Student Entrepreneurship, Incubators

1. Introduction

Entrepreneurship has emerged as a key source of regional competitiveness, renewal, and economic growth, especially in a rapidly changing global environment. Higher education institutions play a significant role in this development, as they generate new innovations, knowledge, and entrepreneurial paths. Student entrepreneurship is increasingly seen not only as an individual career option but also as a broader ecosystem phenomenon that requires effective cooperation between higher education institutions, student communities, businesses, and public actors. Particularly in Eastern Finland, the development of student entrepreneurship is strategically important from the perspective of regional vitality and talent retention.

In recent years, startup and entrepreneurship actors in Eastern Finland have sought to strengthen their cooperation by building a common regional entrepreneurship ecosystem. Despite this, student entrepreneurship still appears fragmented, and the activities largely rely on individual projects, events, and active actors. Previous research shows that a functioning entrepreneurship ecosystem requires a shared vision, trust-based networks, and structures that enable the continuous circulation of resources, knowledge, and skills. Without these elements, the ecosystem easily becomes fragmented and does not sustainably support the emergence and growth of new businesses.

At the same time, expectations related to working life and entrepreneurship are changing with Generation Z. Generation Z values meaningfulness, flexible roles, continuous learning, psychological safety, and structures that support well-being. These expectations challenge traditional, hierarchical, and short-term entrepreneurship support models and emphasize the importance of community-based and student-centered ecosystems. If student entrepreneurship ecosystems are unable to meet these expectations, a significant portion of entrepreneurial potential remains untapped.

The aim of this article is to answer the research question: what is missing from student entrepreneurship ecosystems in Eastern Finland and why does the current structure not support the development of student entrepreneurship? The article examines the phenomenon from the theoretical framework of entrepreneurship ecosystems and systems thinking, considering the specific features and expectations of Generation Z. The study

uses a qualitative case study design and provides practical information on the structural and cultural development needs of student entrepreneurship in Eastern Finland.

In addition to answering the research question, the study contributes by integrating ecosystem theory with generation-based perspectives, particularly highlighting how Generation Z's values reshape the requirements of entrepreneurship ecosystems. The study also provides empirically grounded insights for regional ecosystem development in resource-constrained environments.

2. Work-life Values and Expectations of Generation Z

Generation Z (born approximately between 1997 and 2012) is rapidly establishing its position in the European and Finnish job markets. Several recent international studies show that their work-life expectations differ significantly from previous generations, particularly in terms of the meaningfulness of work, flexibility, and well-being. Work-life balance repeatedly emerges as the most important career preference. According to a European study conducted by EDHEC Business School and JobTeaser in 2025, about six out of ten Generation Z respondents consider work-life balance as their most important career goal. (EDHEC Business School & JobTeaser, 2025) This phenomenon is confirmed by an analysis published by Novorésumé in 2026, which states that as many as 77 percent of Generation Z place balance as more important than rapid career progression. This challenges organizations to examine work time structures, workload, and remote and hybrid work practices more strategically. (Novorésumé, 2026)

The role of meaningfulness and purposefulness of work is strongly emphasized in the work-life experience of Generation Z. According to the Gen Z and Millennial Survey published by Deloitte Global in 2025, nearly nine out of ten Generation Z respondents consider the meaningfulness of work as a key source of job satisfaction and well-being. In addition, LinkedIn HR reviews show that Generation Z is willing to compromise on salary level to choose an employer whose values, responsibility, and social impact are perceived as genuine (LinkedIn, 2025). This suggests that an organization's mission, value base, and practical actions are becoming an increasingly central competitive factor in the talent market. (Deloitte, 2025.)

Continuous learning and professional development are also key factors guiding Generation Z's employer choices. Deloitte reports that the opportunity to learn new things and develop skills is one of the most important reasons to seek employment with a particular employer. Generation Z expects structural support for development, such as mentoring, short-cycle learning opportunities, and flexible role transformation. In particular, the development of skills related to technology and artificial intelligence is seen as a critical part of future careers. (Deloitte, 2025.)

Well-being and mental health have become key criteria for choosing a workplace. According to The Interview Guys report, over 60 percent of Generation Z would be willing to change jobs to get better mental health support services. This shows that psychological safety, restorative work rhythm, and low-threshold well-being practices are no longer additional benefits, but basic prerequisites for an attractive work environment. (The Interview Guys, 2025.)

For Generation Z, flexibility is not limited to working hours and location, but also extends to roles, career paths, and organizational culture. Based on EDHEC/JobTeaser's research, they prefer flat hierarchies, a more informal culture, and the opportunity to influence their own work. This is reflected in a particular interest in small and medium-sized organizations, where responsibilities, projects, and roles are dynamic. (EDHEC Business School & JobTeaser, 2025.)

In terms of leadership, Generation Z expects openness, authenticity, and continuous interaction. McKinsey's analyses show that they value easily approachable leaders, quick feedback, and dialogue related to values more than traditional annual development discussions. (McKinsey & Company, 2025.) At the same time, many studies show that a traditional leadership career is not the primary goal for Generation Z. Deloitte and Novorésumé report that only about six percent of Generation Z primarily aim for leadership positions, although career development per se is considered important. (Novorésumé, 2026, Deloitte, 2025) Development is seen as new areas of responsibility, projects, and skill sets rather than hierarchical titles.

In summary, it can be said that the work-life values of Generation Z are built on balance, meaningfulness, continuous learning, well-being, and people-oriented and open leadership. Organizations that can meet these expectations structurally and culturally significantly improve their attractiveness in the future talent market.

3. Student Entrepreneurship Ecosystems

Recent research shows that digitalization significantly changes the structure and development dynamics of entrepreneurship ecosystems. Marquardt and Harima (2024) emphasize that digital solutions enable ecosystems to transcend traditional regional boundaries and utilize external resources, which is particularly important in resource-scarce areas such as Eastern Finland. Digital border crossing allows the expansion of student entrepreneurship ecosystems and the utilization of international expertise and capital without physical presence. (Marquardt & Harima, 2024)

Estonia's e-Residency program serves as an example of how digital infrastructure can attract foreign entrepreneurs and experts as part of the local ecosystem. Similar digital solutions in Eastern Finland can support student entrepreneurs in networking, sharing expertise, and internationalizing business operations. According to the research, the development of the ecosystem requires four interrelated capabilities: joint definition of system-level goals, harmonization of ecosystem management (integration of physical and digital structures), coordination of resource flows, and continuous renewal of the ecosystem architecture. (Marquardt & Harima, 2024)

The development of student entrepreneurship ecosystems has been studied in several international studies, emphasizing the importance of both internal and external support structures. Astuty et al. (2022) show that the entrepreneurship orientation of students is particularly strengthened by the synergistic combination of internal (e.g., entrepreneurship courses, mentoring) and external (networks, environment) elements of the ecosystem. The study found that students who received support from both the university and external networks were more active in business and felt their entrepreneurial skills were developing comprehensively. (Astuty, Suharti & Hidayat, 2022.) Jurgelevičius et al. (2025) highlight the importance of teachers' entrepreneurial experience and mentoring programs in the emergence of student-led startups. Their research found that traditional support forms, such as space and funding, are not enough alone, but more important is the development of attitudes and skills in a communal environment. (Jurgelevičius, Stankevičienė & Šimanskienė, 2025.)

Villegas Mateos and Amann (2025) in their extensive survey show that a university-based ecosystem, where resources, mentors, and entrepreneurial culture are systematically supported, significantly increases students' entrepreneurial intentions - especially among those who do not study business (Villegas Mateos & Amann, 2025). Matt and Schaeffer (2018) emphasize that expanding the ecosystem stakeholder field (alumni, incubators, public sector) and strengthening coordination between physical and digital support is crucial for student entrepreneurship growth (Matt & Schaeffer, 2018). Ketemaw et al. (2025) in their systematic review highlights that a strong ecosystem increases students' entrepreneurial self-confidence, practical experiences, and network support, which is reflected in concrete business growth (Ketemaw, Zewde & Bogale, 2025).

Based on the research results, diverse support, practical learning environments, mentoring, and the ecosystem's ability to renew and adapt particularly affect the growth of student entrepreneurship. Ecosystem work provides Eastern Finnish universities and regional actors with the opportunity to build a strong, student-centered entrepreneurial culture that utilizes both local and global resources.

4. Methodology and Data Collection

The research method applied in this article is an explanatory case study. The aim of the study is to explain why the examined case is as it is, or why it has developed in a particular way. The phenomenon to be explained concerns the relationships between complex real-life events or related practices (Eriksson & Koistinen, 2014). The thematic analysis employed data triangulation and was used to generate insights and analytical perspectives on the current state of the student entrepreneurship ecosystem in Eastern Finland.

The link between empirical findings and theory was established through a holistic examination of the phenomenon, interpretative analysis of the observations, and systematic connection of the findings to the applied theoretical framework. The analysis focused on identifying recurring and general patterns in the data and examining the relationships and interconnections between these phenomena (Ojasalo, 2018, pp. 110–111). Four clearly recurring themes emerged from the individual interview data, which were readily alignable with the theoretical framework. The data derived from the focus group interview likewise correspond well with existing theoretical understandings of students' experiences of entrepreneurship promotion measures.

The study is based on qualitative data consisting of six semi-structured individual interviews and one focus group interview. The focus group interview included four active actors from student entrepreneurship organisations in Eastern Finland.

5. Results

5.1 Finnish Founder Survey

The Finnish Founder Survey conducted by Slush provides a comprehensive empirical overview of the experiences of Finnish startup founders in their operating environment and the development needs they face. Over 300 founders responded to the survey, which represents approximately ten percent of Finland's active startup scene, making the data exceptionally broad and representative. According to the results, over half of Finnish startup founders are seriously considering moving their business outside of Finland or are actively planning to do so, indicating structural challenges in the national entrepreneurial environment. However, it is significant that the majority of potentially relocating companies see their future in Europe rather than the United States, signaling the founders' willingness to build their companies close to their home country and European institutional context, provided the basic conditions are in place. (Slush, 2026)

Based on the survey results, the most significant barriers to growth are perceived to be cultural and attitudinal factors. The stigma associated with risk-taking, the poor awareness of career paths in growth companies, and the caution of large companies and the public sector in procuring from domestic startups create an environment that does not fully support rapid growth and a culture of experimentation. Alongside these, more structural factors also emerge, such as taxation, the small size of the domestic market, and the complexity of regulation, which together reduce Finland's attractiveness in the international competition for growth companies. According to Slush's interpretation, the current legislation and institutional framework reflect a time when startup activity was more marginal and do not meet the needs of the current, employment-creating, and economic growth-driving startup sector. (Slush, 2026)

The report positions startup companies as a central source of economic growth and emphasizes that founders make their location decisions based on the best possible operating conditions in a global comparison. Therefore, according to the survey, relative goodness alone is not enough, but Finland should strive to be the best possible environment for founding and scaling companies. Based on the survey, Slush has compiled a set of concrete reform proposals and submitted them to the government for use in economic policy preparation, reflecting the direct connection of the research to decision-making processes. Overall, the Finnish Founder Survey challenges us to examine the Finnish startup ecosystem as a systemic whole, where cultural, institutional, and economic factors together shape entrepreneurs' opportunities and national competitiveness. (Slush, 2026)

5.2 Thematic Interviews

According to a study conducted by Slush, the most significant factor in startups' dissatisfaction in Finland relates to structures, but attitude also emerges in the study as a significant barrier. Attitude, and especially courage, also came up in the interviews when stakeholders were asked what is currently missing from the student/startup entrepreneurship ecosystem (Table 1.).

What is missing from the student entrepreneurship ecosystem?

Table 1: Interviewees' responses to deficiencies in the student entrepreneurship ecosystem.

<i>"During the time of Covid, a lot was lost. The ecosystem is slowly built through collaboration, and the remote period during the pandemic dismantled a lot. Now, the right people should be brought together to work in unison. Students and their ideas need to be taken seriously and met with courage." (A1)</i>	Trust, communal space, continuity.
<i>"A chaos control system cannot manage chaos. So first, there needs to be a will to start building trust, and next, leadership is required. There should also be continuity in knowledge sharing and development of operations. If we know what has already been done and how we can avoid many unnecessary mistakes in the future." (A2)</i>	Systematic work, trust,

<i>"For instance, even a virtual platform where initial 'friend' trading could take place. And this should be supported in such a way that teams would actually network with each other and utilize each other's expertise. We should support even bold ideas and teams in developing their own ideas forward, not try to predict who will succeed and who will not." (A3)</i>	Shared spaces, systematic support and guidance.
<i>"Continuous exchange of information and mutual sparring. I don't mean that someone's actions should be directed from the outside, but if new initiatives were always discussed in advance together, much more could be achieved with less. Twice a year, there should be a joint information exchange and planning day for the entire entrepreneurship ecosystem, where each actor would also boldly seize new initiatives without prejudice." (A4)</i>	Systematic and planned action, continuity.

The four most common terms that recurred in interviews when asked what is currently lacking in the entrepreneurship ecosystem were systematicity, continuity (basic funding), trust, and common spaces. Support for business activities also emerged in many interviews. By support, it is meant that entrepreneurship would be supported and encouraged throughout the studies, including postgraduate studies. It is difficult to commercialize business ideas originating from research, and if the institute does not support this path, many ideas remain at the idea level. In many interviews, events were discussed, mainly noting that there are already many business idea competitions, and the same teams are already circulating the events throughout Eastern Finland anyway. "We don't need more events, their level should be raised in the eyes of investors, but we don't need any new ones."

The interviews also emphasized the respondents' desire for cooperation across regional boundaries. Respondents recognized the added value of cooperation directly as customer benefit and were ready to invest to make the ecosystem work. Respondents were also willing to help student entrepreneurship organizations develop their own activities and support them in securing their funding.

5.3 Group Interview

The group interview was conducted via Teams and was attended by four experienced actors from student entrepreneurship organizations across Eastern Finland. The interview was semi-structured and consisted of themes such as what is good and what needs to be developed in the current ecosystem? As well as what kind of hopes do student representatives have for other actors in the ecosystem, those who work for student entrepreneurship as paid employees either in higher education institutions or in other public organizations.

What is now missing from the student entrepreneurship ecosystem?

Table 2: Students' views of the student entrepreneurship ecosystem in the group interview.

<i>"An early-stage fund. One that could finance the initial development of student business ideas, regardless of the institution where the student studies."</i>	Early-stage fund,
<i>"Incubator place and a community manager. Someone should also organize programs in the space and help startups move forward. And such an event where one would push their own idea forward. For example, a hackathon."</i>	Incubator place, hackathon,
<i>"The basic funding for the operation is now completely missing. Every year, we have to find the basic budget from somewhere anew. We need to secure permanent funding."</i>	Continuity, Fund,
<i>"Accelerator program. We can only focus on a few main events per year. There is no such program where one could genuinely develop their own idea further. Also, the connection to the area's large companies is missing."</i>	Acceleration program, networks

In Eastern Finland, the situation between different student entrepreneurship organizations varies greatly. While one organization is in its early stages, another has a long history and strong basic funding. However, there is still very little cooperation between entrepreneurship communities, and it was brought up in the group interview

how smaller, early-stage ES organizations could learn and receive support from those that have been operating for a longer time. This would require a common mission or a clear bridge builder.

Another observation in the group interview was that, although the students had been operating in the area for some time and had been part of student entrepreneurship activities for a long time, they were not fully aware of their area's startup services. The interviewees discussed, among other things, the lack of an incubator program, even though all areas in Eastern Finland have some kind of incubator concept. This reflects more the fact that networks are still limited, and the functions and structures of the area may still be unfamiliar. Structured communication is therefore needed. As well as support for students to get to know the area's companies and economic structure. Cooperation with local companies was a wish of all the students participating in the interview, but it was still seen as challenging and laborious. "If we wanted to organize a hackathon for a company in the area, we would call and ask, but the other way around, for them to contact us, hardly ever happens."

The significance of student entrepreneurship organizations is clearly not yet understood by all actors, especially on the public side, as almost without exception, organizations highlighted the challenges of their own operation's financing. A lot of resources go into basic funding acquisition, and therefore only a few larger events can be focused on each year.

6. Conclusions

The results of this study provide a consistent and empirically grounded explanation of why student entrepreneurship development remains fragmented in Eastern Finland.

Compared to previous studies on entrepreneurial ecosystems (e.g. Matt & Schaeffer, 2018; Marquardt & Harima, 2024), the findings emphasize more strongly the role of cultural and relational factors, particularly trust and continuity, rather than merely structural components. This suggests that ecosystem maturity is not only dependent on resource availability but also on social cohesion and coordination mechanisms.

Based on this study, it can be concluded that the key development challenges of student entrepreneurship ecosystems in Eastern Finland are not related to individual forms of support, events or actors, but primarily to the structural and cultural functionality of the ecosystem. Empirical results show that the lack of systematicity, continuity, trust, and common physical and digital spaces weakens the ecosystem's ability to support student-led entrepreneurship in the long term. Both the Slush Finnish Founder Survey and the interview material emphasize that factors related to attitudes and culture form significant barriers to the growth of entrepreneurial activity, even though there would be actors and potential in themselves.

When examining the results in relation to the theory dealing with entrepreneurship ecosystems, it can be stated that the student entrepreneurship ecosystem of Eastern Finland is still in the development phase in relation to the maturity models of ecosystems. The ecosystem lacks a commonly shared mission, a coordination structure that brings together actors, and mechanisms that would enable the systematic sharing of resources, knowledge, and skills. The results of the study support the view that without mutual trust and structural continuity, individual support measures remain detached, and the ecosystem is unable to renew or learn collectively. Digitalization emerges in the study as a possible catalyst that can support the expansion of the ecosystem, cross-border cooperation and more efficient use of resources, but it does not alone replace the importance of the physical community and encounters between people.

From the perspective of Generation Z's work life values and expectations, the results of the study are particularly significant. Generation Z is motivated by meaningfulness, continuous learning, well-being, flexible roles, and low hierarchies, which are in line with the basic principles of entrepreneurship ecosystems. However, current structural deficiencies prevent the ecosystem from responding to these expectations consistently. The need for trust, courage, and community that emerged in the interviews directly reflects Generation Z's need for a psychologically safe and inclusive operating environment. Without clear continuities, mentoring, and visible paths to entrepreneurship, student entrepreneurship easily remains project-like and short-term, which is against the wishes of Generation Z.

The results have clear practical implications. They suggest the need for coordinated ecosystem governance, permanent funding mechanisms, and shared platforms that connect students, universities, and companies. In addition, the findings highlight the importance of designing entrepreneurship support structures that are aligned with Generation Z's expectations of meaningfulness, flexibility, and community. The discrepancy between existing theoretical models and the empirical findings may be explained by the regional context of Eastern

Finland, where ecosystem structures exist but lack integration and coordination. This indicates that the challenge is not the absence of elements, but their fragmentation.

In conclusion, it can be stated that the development of the student entrepreneurship ecosystem in Eastern Finland requires a transition from fragmented actions towards systematic, student-centered, and generation-sensitive ecosystem work. This means building permanent structures, a common direction, and trust-based cooperation between universities, student communities, and regional actors. Only in this way can student entrepreneurship respond to both regional vitality goals and the values and expectations of Generation Z and serve as a sustainable basis for future startup and innovation activities in Eastern Finland.

Ethics Declaration

The study did not require ethical declarations.

AI Declaration

Artificial intelligence (AI) tools called Future Objects and Copilot have been used for checking and editing the language of the study. The AI tools have translated some of the Finnish terms and checked the spelling. Artificial intelligence (AI) tools were used to support the drafting process of this article and to facilitate idea development and academic sparring. The author critically reviewed, edited, and take full responsibility for the final content of the paper.

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