The Motivation of Entrepreneurs to

start a business:

A case of Denmark and Bulgaria





**Index**

**Aalborg University**

**Master of Science**  Innovation, Knowledge and Entrepreneurial Dynamics

Innovation, Knowledge and Economic Dynamics

**Authors** Alya Cheiri

Milen Angyozov

Simon Kolev

**Supervisor**  Nazanin Eftekhari

**Master Thesis Title** The Motivation of Entrepreneurs to start a business:

A case of Denmark and Bulgaria

**Number of pages** 122

**Date** June 2015

**Acknowledgement**

**We want to express our gratitude to the people who supported us and without whom this thesis would not be possible. First of all, we would like to thank Nazanin Eftekhari, our supervisor, for the professional help and feedback. We also want to thank all the 32 entrepreneurs in Denmark and Bulgaria who responded to our requests and who gladly cooperated and shared their business stories. Last but not least, we thank our families for the moral support during the difficulties we faced while working on this final university project.**

# Abstract

The aim of this qualitative study is to explore what influences the motivation of people in Denmark and Bulgaria to become entrepreneurs. For this purpose, a framework of predetermined codes was used, resulted from a thorough review of the relevant literature. Thus, we found that the motivation for new venture creation is determined by two main groups of drivers - personal and situational. The personal factors comprise needs, traits and values. Accordingly, situational factors refer to the opportunities and constraints that entrepreneurs have identified in the environment.

In order to analyze these factors, 32 interviews with entrepreneurs based in Denmark and Bulgaria were conducted (16 in each country). Firstly, the findings led to the exclusion of needs and consequences blocks from the framework. Secondly, it was observed that traits do not have a different influence on motivation in the two groups of entrepreneurs. In terms of values, significant differences were observed only with regards to teamwork and social recognition, which is explained by the historical and cultural differences between the countries. Finally, the analysis of situational factors led to the conclusion that they strongly differ across the countries in focus. Apart from some common opportunities and constraints, many of them were identified in only one of the countries. Furthermore, certain categories, such as the regulations, are perceived as an opportunity in one of the countries and a constraint in the other.

Thus, it was concluded that in an example of comparison between entrepreneurs based in developing (Bulgaria) and developed (Denmark) countries, the motivation to start a business among entrepreneurs creates exceptions due to the differences in the situational factors of access to network, financial security, access to capital, regulations, available workforce, small market, ability to change and market competition. We suggest that this framework of factors should be considered by entrepreneurs when planning to create new businesses in developing or developed countries. We encourage future researches on this topic which test quantitatively our findings in order to confirm the validity and generalize our conclusions.

Table of Contents

[Abstract 3](#_Toc421032770)

[Table of Figures 6](#_Toc421032771)

[1. **Introduction** 7](#_Toc421032772)

[2. **Theoretical background** 11](#_Toc421032773)

[2.1. The role of Entrepreneurship 11](#_Toc421032774)

[2.2 What is an Entrepreneur? 13](#_Toc421032775)

[2.2.1. Approaches to define entrepreneurs 13](#_Toc421032776)

[2.2.2. Definition of an Entrepreneur 14](#_Toc421032777)

[2.3. Entrepreneurial motivation and behavior 15](#_Toc421032778)

[2.3.1. Motivation and Entrepreneurship 15](#_Toc421032779)

[2.3.2. Entrepreneurial behavior as a result of motivation 16](#_Toc421032780)

[2.3.3 The decision to start a business 19](#_Toc421032781)

[2.4. Conceptual Framework 21](#_Toc421032782)

[2.4.1. Initial model 21](#_Toc421032783)

[2.4.2. New motivation model 23](#_Toc421032784)

[2.5. Problem statement 44](#_Toc421032785)

[3. **Methodology** 48](#_Toc421032786)

[3.1 The choice of the countries – Denmark and Bulgaria 48](#_Toc421032787)

[3.2 Research design 49](#_Toc421032788)

[3.1.1. Research philosophies 49](#_Toc421032789)

[3.1.2. Data collection 53](#_Toc421032790)

[3.1.3. Research Setting 60](#_Toc421032791)

[3.1.4. Method of analysis 64](#_Toc421032792)

[4. **Analysis** 66](#_Toc421032793)

[4.1. Needs - Findings 67](#_Toc421032794)

[4.2. Consequences - Findings 70](#_Toc421032795)

[4.3. Personal factors 73](#_Toc421032796)

[4.3.1. Traits - Findings 73](#_Toc421032797)

[4.3.2. Values - Findings 80](#_Toc421032798)

[4.3.3. Personal factors - Conclusion 90](#_Toc421032799)

[4.4. Situational factors 91](#_Toc421032800)

[4.4.1. Opportunities and constraints - Findings 93](#_Toc421032801)

[4.5. The final motivation model 118](#_Toc421032802)

[5. **Discussion** 120](#_Toc421032803)

[6. **Conclusions** 124](#_Toc421032804)

[7. **Limitations and future research** 128](#_Toc421032805)

[Bibliography 130](#_Toc421032806)

[Appendix A - The eight cells of Kelley’s attribution cube applied to an educational setting 153](#_Toc421032807)

[Appendix B – The Rubicon model of action phases 153](#_Toc421032808)

[Appendix C – Determinants of motivation action: General model with outcome – and consequence-related expectancies 154](#_Toc421032809)

[Appendix D - Interview questions 154](#_Toc421032810)

[Appendix E – Opportunities Denmark 155](#_Toc421032811)

[Appendix F – Interviewees information 156](#_Toc421032812)

# Table of Figures

[Figure 1. The determinants and course of motivation action: General model 22](#_Toc420851473)

[Figure 2. Motivation model 25](#_Toc420851474)

[Figure 3. Motivation model - Personal factors 26](#_Toc420851475)

[Figure 4. Maslow's hierarchical model of needs (Krech, et al., 1962) 27](#_Toc420851476)

[Figure 5. Taxonomy of Values 31](#_Toc420851477)

[Figure 6. Motivation model - Situational factors 33](#_Toc420851478)

[Figure 7. Research design structure 49](#_Toc420851479)

[Figure 8. Findings - Traits 75](#_Toc420851480)

[Figure 9. Findings - Values 81](#_Toc420851481)

[Figure 10. Findings - Gratification of desires 82](#_Toc420851482)

[Figure 11. Teamwork and satisfaction with working conditions. Source EWCS 2000/2001 88](#_Toc420851483)

[Figure 12. Findings - Social values 90](#_Toc420851484)

[Figure 13. Findings - Common opportunities 94](#_Toc420851485)

[Figure 14. Findings - Common constraints 94](#_Toc420851486)

[Figure 15. Venture capital investment as a percentage of GDP (European Commission's Directorate General for Enterprise and Industry, 2014) 101](#_Toc420851487)

[Figure 16. Final motivation model 120](#_Toc420851488)

# Introduction

Entrepreneurship as a field of research gained a high popularity in the last few decades due to its association with national economic growth facilitation, creation of new businesses and new jobs, re-orientation of existing organizations toward more entrepreneurial goals, and redirection of national institutional infrastructure. The Global Entrepreneurship Monitor’s longitudinal studies show an intensifying systematic relationship between the GDP per capita of a country, its economic growth and its level of entrepreneurial activity (Reynolds & Bosma, 2005). Furthermore, small and new firms are considered to generate innovations, fill market gaps, increase competition and eventually contribute to the economy’s efficiency:

*“Entrepreneurship is vital for a larger economy”* (Shrivastava & Shrivastava, 2013)

At the centre of this economic development and other numerous benefits of entrepreneurship, stands ‘the entrepreneur’. Individuals represent actually the energizers of the entrepreneurial process. As Schackle argued, *“the entrepreneur is a maker of history*” (Schackle, 1982) and according to Schumpeter, the entrepreneur is the prime mover in economic development and its main role is to innovate (Schumpeter, 1934).

Only a small part of the population takes the entrepreneurship path though. Therefore, several questions around why people start businesses and how they differ from the ones who do not, arise. In order to answer these questions, Johnson (1990) higlighted the importance of studying the role of the individual, including his or her psychological profile. In the same vein, some of the questions can be answered by looking at the ‘motivation’ of entrepreneurs that leads to the behavior of setting a new business (Urban, 2007).

Motivation is another concept greatly discussed in the literature with the main purpose to help “enhance human performance” (Graham & Bernard, 1996). Most of the theories try to find out how people decide to take a certain act or execute an action (Heckhausen & Heckhausen, 2010). Since people are different, there are variables that differ between people, some of them being activation, control and persistence of goal oriented behaviour.

As Herron and Sapienza (1992) stated, motivation plays an important role in the creation of new businesses and we need appropriate theories that can address this topic. However, the numerous theories of organization creation existent in the literature that tried to provide an understanding for the motivation of creating a new business are incomplete (Herron & Sapienza, 1992). The evolution of entrepreneurial motivation studies exhibits many different approaches taken by researchers and instead of integrating all these approaches into a widely accepted framework, they have been considered as contrasting views and treated separately. For example, the study of new venture creation started with assumptions exclusively about the psychological characteristics of entrepreneurs. Then, over the years, these characteristics have been discarded, debunked and proven to have been measured ineffectively. As a result, researchers started to focus on anything else except the individual. They promoted economic circumstances, marketing, finance and even public agencies assistance as important. However, none of these will actually lead to new venture creation. Only individuals will take the challenge to face these circumstances when starting a business. These individuals need to be driven by the motivation of conducting such activities and to persist until their purpose is reached. As a result, we need a truly psychological perspective on new venture creation that includes person, process and choice (Shaver & Scott, 1991). The one-side determinist theories of entrepreneurship – either environment or personality driven – failed to capture the complexity of human action that is subordinated by the interaction of environmental, cognitive and behavioral variables (Bandura, 1986). In the same vein, Endler (1983) defined behavior as a function of the interaction between the individual and the environment.

However, there have been few studies that explicitly addressed how the psychological predispositions, individual behavior and surrounding environment are related:

*“We lack a generic definition of the psychology of the entrepreneur and the relationship of psychological traits to both the initiation and growth of new enterprises”* (Churchill, 1992).

Therefore, this research paper takes the challenge of building an integrated framework to study the motivation of entrepreneurs, by including personal, environmental factors and the relationship between them. We consider that entrepreneurship is a multidimensional process that requires utilizing multidimensional research models and the scarce existence of this type of models in the literature still represents a gap that needs to be addressed.

Other aspects to be discussed in the paper are the economical and the cultural ones at the country level. According to Hechavarria et al. (2009), entrepreneurship scholars are still at pains to explain why countries differ in terms of rates of entrepreneurial activity. The current research focuses on the role that country-level framework conditions and national culture play in new business creation (Busenitz, et al., 2003), but they do not provide a full understanding of how these framework conditions, national conditions, and supporting institutions create a fertile environment for new ventures.

A number of studies discuss about the influence of cultural values on entrepreneurial behavior. It is believed that national culture influences a variety of economic/management behavior (Hofstede, 1980; 2001) and entrepreneurship (McGrath & MacMillan, 1992). Also, cultural values govern people’s selective attention to stimuli in the work environment (Urban, 2007).

As a result of the above mentioned aspects, this research study, even though it is built on the individual level, gathers entrepreneurs from two countries – Denmark and Bulgaria. The countries chosen differ in terms of economical development - Denmark is part of the group of developed countries, while Bulgaria belongs to the developing countries – and culture - Scandinavian and respectively the East-European. To sum up, we are trying to find out the factors that influence entrepreneurs’ motivation to start new ventures and how they differ in the two countries. Therefore, the impact of entrepreneurs on their national environment, as well as the impact of the environment on the entrepreneurs, is going to be tackled. By taking the two countries comparison approach we aim to contribute to the literature with findings regarding the effect of the culture, national conditions and supporting institutions on entrepreneurial events.

On another level, when going through the motivational studies on entrepreneurship across the years, one can notice the abundance of quantitative studies. As researchers proposed some predetermined characteristics of entrepreneurs and their surrounding environment, these have been taken for granted and used in most of the papers. We believe that a qualitative approach on this topic is much more fruitful in terms of the possible findings. By proceeding in this way we can explore the environmental settings and the personal factors of entrepreneurs more freely and the study will not be burden by the existent limited typologies and popular environmental aspects.

We have discussed thus the main purpose of our study, the gaps we are going to cover and how this will contribute to the literature. In order to touch upon these aspects, the paper was structured as it follows: a theoretical chapter in which the main theories around entrepreneurship, motivation and behavior to start a business are presented, a conceptual framework that contains a motivational model meant to structure the analysis and the way we think of the motivation process, and the analysis chapter which will present the findings for the two countries, Denmark and Bulgaria followed by a more ample discussion and the conclusions of the research study. The paper ends with the limitations presented by the data collection and analysis and a couple of suggestions for future research.

# Theoretical background

This section provides the necessary theoretical background to understand the main concepts implied by our topic: the motivation of entrepreneurs to start a business in Denmark and respectively, in Bulgaria. After a thorough research in the relevant literature we are making a discussion and present the main theories, their evolution over time, and the definitions of the core concepts we are working with: entrepreneurship and motivation. After familiarizing with the general theories we narrow down the discussion to the most popular studies around the motivation of entrepreneurs and its effect on entrepreneurial behavior. This is followed by a discussion around the behavior of starting a business and the conceptual framework of the whole project. The latter has at its core the model of motivation which not only helps us to understand better how motivation is formed and how it is influenced by various factors, but it is also a strategy in the way we will be conducting the analysis. The theoretical chapter closes with the problem statement formulation.

## 2.1. The role of Entrepreneurship

The interest in entrepreneurship started decades ago, but in the last few years the research and debates around the topic have exponentially increased. It is mentioned in mostly all political debates, scholars devote a lot of time in revealing its underpinnings and universities programs started including entrepreneurship as an aside discipline to the existent majors in order to incentive students to start new ventures. All the interest manifested around the process of entrepreneurship is explained by the association of new venture creation with economic development (Cromie, 2000). Entrepreneurship as a driver for economic evolution and growth has been recognized by various scholars:

*“In* *order to solve the many problems of today both in the private and the public sectors, entrepreneurial activity on a large scale, based on a sensitive and innovative attitude, guided by a broad concert of welfare, is needed even more than before”* (Heertje, 1982).

*“It* *is widely believed that economies that are abundantly supplied with entrepreneurs will tend to grow far more rapidly than those in which entrepreneurial talent is scarce”* (Baumol, 2004)

but also by the larger politico-economic unions which include fostering entrepreneurship as part of their strategy for development:

“*The challenge for the European Union is to identify the key factors for building a climate in which entrepreneurial initiative and business activities can thrive. Policy measures should seek to boost the Union’s levels of entrepreneurship, adopting the most appropriate approach for producing more entrepreneurs and for getting more firms to grow [and shrink]”* (Commission of European Communities, 2003).

Entrepreneurship is indeed a process that often leads to the creation of new enterprises. The newly created enterprises contribute to economic development by introducing and implementing innovative ideas. These ideas vary from product and process innovation to market and even organizational innovations. By making that available, consumers’ satisfaction increases and more jobs are supplied to the working population. Therefore, entrepreneurship contributes to both product and labor markets, and entrepreneurs are given the credits of economic growth. It should be taken into account that not all entrepreneurs are successful though, and many of them do not even get to the stage of employing personnel. Specific policy measures can help in this regard, by making accessible useful information in terms of chances of success to individuals who are still thinking about starting a business, by providing trainings for unsuccessful entrepreneurs or by offering incentives to potential successful entrepreneurs (Van Praag, 1999). However, the purpose of this chapter is to clarify the concept of entrepreneurship and of the entrepreneur and to familiarize with the main theories on the topic, in order to have a better understanding of our study’s subjects: entrepreneurs established in Denmark and Bulgaria who started (at least) a venture in 2010 or later.

As stated above, entrepreneurship is vital for economic growth and in this process the business-owning entrepreneur is seen as a crucial actor. Both the entrepreneur and entrepreneurship in general, are recognized as products of different societal, organizational, and individual factors (Cromie, 2000). Nevertheless, there are a large number of points of view about the nature of entrepreneurship and it has also been proved difficult to identify the entrepreneur (Chell, et al., 2000). The different views build a full set of entrepreneurship qualities such as: coordination and organization, risk taking, gap-filling, leadership, innovation and creative imitation. These characteristics can explain to some extent why only some individuals become entrepreneurs (Bula, 2012).

## What is an Entrepreneur?

### 2.2.1. Approaches to define entrepreneurs

Defining what exactly stands for the concept of an entrepreneur is a challenge dating from decades ago. In this regard, Yeats (1956) raised a question that got very popular in this field of studies:

*“How can we know the dancer from the dance?”* (Yeats, 1956),

referring to the problem of distinguishing the entrepreneur definition from entrepreneurship. In the same vein, Cole (1969) shares:

*“My own personal experience was that for ten years we ran a research center in entrepreneurial history, for ten years we tried to define the entrepreneur. We never succeeded”*  (Cole.A.H., 1969)

As Gartner (1988) asserts, regardless the doubts Cole had about the probability that anyone would ever manage to define the entrepreneur, attempts have not stopped.

1. **The trait approach**

Numerous studies in the 60’s and 70’s were exclusively focused on the so called ‘trait approach’ to define the entrepreneur. The main question then was – Why do certain individuals start firms when others, under similar conditions, do not? (Gartner, 1988) Answering this question suggests revealing some personal traits that can differentiate entrepreneurs from non-entrepreneurs. As a result, a number of personal factors were identified to describe the entrepreneur’s personality – need for achievement (McClelland, 1961); (McClelland, 1969), locus of control (Brockhaus, 1979); (Liles, 1974), risk-taking (Palmer, 1971; (Liles, 1974), and values (DeCarlo, 1979) (Hornaday, 1971) are just some of them.

However, in the last two decades this approach was strongly criticized (Gartner, 1988) (Gartner, 1988), (Low & MacMillan, 1988), (Jelinek, 1988), (Timmons, 1990). The main concern was that previous studies failed in their attempt to find unique characteristics to differentiate entrepreneurs from other people. Their approach focused on the distinction between entrepreneurs and managers or between entrepreneurs and business owners. It, however, appeared that most of the characteristics identified were not unique to entrepreneurs but are also common for many successful individuals (non-entrepreneurs), including managers (Chell, 1991). Thus, many scholars claimed this approach to be inappropriate to define entrepreneur (Low & MacMillan, 1988).

1. **The behavioral approach**

As a result, another approach was proposed – the behavioral approach. In this manner, the focus was moved from ‘who the entrepreneur is’ to ‘what the entrepreneur does’ (Gartner, 1988). Gartner continues explaining the idea of this approach stating that – it *“views the creation of an organization as a contextual event, the outcome of many influences”.* And in this regard *“the entrepreneur is part of the complex process of new venture creation”* (Gartner, 1988). In other words, the behavioral approach links better the entrepreneurship and entrepreneur concepts, as the company is ‘the primary level of analysis’ and the individual (entrepreneur) is assessed by the set of activities he or she undertakes in order to bring the company to existence (Gartner, 1985).

### 2.2.2. Definition of an Entrepreneur

Thus, we assume that an entrepreneur should be someone who not just possesses certain traits, but is also involved in certain activities of an organization. Hence, in this project we apply the definition of entrepreneur, presented as a person who:

*’owns, launches, manages, and assumes the risks of an economic venture’* (Cromie, 2000).

However, considering this definition, there is still the need for a distinction between entrepreneurs and business owners, as both of them can appear to be involved in the above stated activities. In this regard Carland et al. (1992) clarifies that entrepreneurs are innovative individuals who act in order to obtain profit and business growth, while business owners possess and manage conservative, non-innovative small businesses with the purpose of achieving personal goals. Chell et al. (2000) for example, stress on the importance of studying entrepreneurs’ behavioral acts which show a certain characteristic, such as proactivity. As they suggest, entrepreneurs are opportunistic, innovative, creative, imaginative, ideas-people, proactive, restless, adventurous, and agents of change (Greve & Salaff, 2003). Moreover, they see entrepreneurs as persons who *“strive to be the best, seeking opportunities to enhance the visibility of the company through the development of an image or product concept”* (Chell, et al., 2000).

In the end, as Gartner (1988) asserts – ‘Who is an entrepreneur?’ is a wrong question, as we do not try to separate the dancer from the dance. Instead, one needs to ask what an entrepreneur does and to take into account the individuals that behave in certain ways in order to create a business.

## 2.3. Entrepreneurial motivation and behavior

### 2.3.1. Motivation and Entrepreneurship

The studies on motivation comprise a broad field of disciplines, ranging from clearly psychological perspectives – including not only the study of humans but of animals as well (Schultheiss & Wirth, 2010) through social observations (Forgas, 2005), to the field of entrepreneurship. As we already mentioned, motivation studies on entrepreneurs date from decades ago, since a number of scholars were initially interested in what personality traits are unique for entrepreneurs (McClelland, 1961) (Hull, 1982); (Liles, 1974). Although these studies have been criticized for their approach and validity, the interest on the topic has not decreased but just the focus has been changed.

In order to facilitate the discussion on motivation and entrepreneurship we will first define what we consider under the term of motivation. Given different definitions and theories of motivation that have been evolving since the 40s’ of the last century (Young, 1941) (Young, 1950); (Marx, 1960); (Weiner, 1969); (Ball, 1982); (Weiner, 1990), motivation is seen from many perspectives. There is one common thing though among all of them – the focus on the individual’s behavior. Thus, the choice of behavior, the latency, the persistence, as well as emotions accompanying behavior are examined (Graham & Bernard, 1996).

In order to fulfill the purpose of our research study it is enough to consider a broad definition of motivation:

“*Motivation is the study of why people think and behave as they do*” (Graham & Bernard, 1996).

However, the emphasis will be on the motivation of entrepreneurs to venture into a new business. Using the above stated definition, the focus here is on questions such as – Why (potential) entrepreneurs decide to run their own business? What makes or influence them taking this decision? etc.

In this regard, before a motivated person behaves in a certain way that leads to entrepreneurship, he or she has to take the decision to behave in this certain way. Hence, as Shane, Locke and Collins, (2003) assert – *“entrepreneurship depends on the decisions that people make about how to undertake that process”.* In this regard, they add that human motivations influence these decisions and that the variance across people will influence who pursues entrepreneurial opportunities, who assembles resources and how people undertake the entrepreneurial process (Shane, et al., 2003).

Such assertions are being criticized as more and more scholars tend to move the focus to other aspects such as entrepreneurial opportunities and external environment (Christiansen, 1997) (Aldrich, 2000). Thus, they put in doubt the role of human motivation in entrepreneurship with the assumption that it is a decision taken upon the conditions that the environment offers (Aldrich, 1986) (Christiansen, 1997) (Aldrich, 2000). However, it should be stated that those debates are rather trying to answer the question of what is more important in studying motivation of entrepreneurs or what influences more the decision to venture into a new business. Motivation actually comprises both personal and situational factors (Heckhausen & Heckhausen, 2010) and both will be taken into account when analyzing entrepreneurial motivation in this paper.

### 2.3.2. Entrepreneurial behavior as a result of motivation

Although there are many motivational theories trying to explain behavior, only few of them have been applied to the study of entrepreneur (Canabal, 2009). Thus, for a long time, rational models were used to describe and predict human behavior. The main problem with this approach was, as Busenitz and Lau (1995) assert – the lack of information. Hence, the limitations in both information and human rationality concepts were the reason to be substituted with the motivation as a mean to explain human behavior (Simon, 1976). This is more concretely explained by Barba-Sánchez (2012):

*“A person accepts a priory set of assumptions that simplify subsequent behavioral choices. These assumptions are based on the motivation or inclination to act in a certain way”.*

In the same vein, Birch (2009)proposed that the commitment to act in a certain way is based on two components – plan and motivation. According to the motivational component as a drive to certain action, life is presented as a stream of behavior which is changing from one activity to another. In this regard, when having a multiple choice situation, the behavior is determined by taking action.

At the end, although not always considered to be the only determinant*,* the *“motivational system of a particular person should have a decisive influence on his or her behavior”* (Barba-Sanchez, 2012).

**Definition of entrepreneurial behavior**

As already mentioned, motivation is an undoubtedly important aspect that determines humans’ behavior. In the first section of the theory we introduced the definition of the entrepreneur applied in this project by discussing the behavioral approach. Thus, starting from the concepts of entrepreneurship and entrepreneur, and discussing the motivation in entrepreneurship as an important study field, we got to the relation between motivation and behavior. However, nothing has been mentioned so far about entrepreneurial behavior in particular and what it is about.

Having in mind the variety of definitions on the ‘entrepreneur’ we expected that the same applies to entrepreneurial behavior. According to Lundqvist (2013), the goals in the research of entrepreneurial behavior include – explaining the behavior, understanding the relationship between the individual and other business parties, understanding how entrepreneurial behavior can be learned and what influences development, adaption and adoption. In this regard, Bird and Schjoedt (Bird, 2009) propose that entrepreneurial behavior studies the human behavior with regards to the identification and exploitation of opportunities through creating and developing new businesses. It is also *a “proponent to social change and facilitating innovation within established organizations”* (Kuratko, 2005)

Thus, taking into account the focus of the present project, i.e. the motivation of entrepreneurs to venture into a new business, we hereby consider entrepreneurial behavior until the phase of establishment of the new company. We are not interested in measuring how successful or unsuccessful the entrepreneurs have become or will be. Hence, the definition of entrepreneurial behavior we employ here is given by Gartner, Carter and Reynolds (2010):

*“Entrepreneurial behavior involves the activities of individuals who are associated with creating new organizations rather than the activities of individuals who are involved with maintaining or changing the operations of on-going established organizations”* (Gartner, 2010)*.*

When talking about entrepreneurial behavior we recognize multiple facets of the entrepreneurship concept, including: self employment, small business, new ventures from scratch, new ventures within the organization, entrepreneurial management, an enterprising attitude (self knowledge and leadership skills), social entrepreneurship (not-for-profit), and so on and so forth. In their behavior, entrepreneurs manifest some important and well-known characteristics such as the need for independence, need for achievement, internal locus of control, ability to live with uncertainty and take measured risks, opportunity seeking, innovativeness, self confidence, proactiveness rather than reactiveness and self-motivation (Van Gelderen, et al., 2008).

Entrepreneurial behavior is also associated with leadership and dimensions of teamwork, organizational creation, opportunity recognition, innovation, risk assumption, marshaling of resources, and value creation (Stearns & Hills, 1996). However, researchers agree that an integrative approach can explain best entrepreneurial behavior (Becherer & Maurer, 1999). For example, Gartner (1985) proposes integrating four main dimensions of entrepreneurship: individual characteristics of the potential entrepreneur, the venture which is created, the environment in which the business will run its activity, and the venture creation process. Gartner also argues that the interaction of these variables leads to varying patterns of new business creation.

Going further in the entrepreneurial behavior literature, we find that both personality traits and values should be taken into account. This view is quite recent and has not been explored enough, since Allport (1937) recommended the exclusion of evaluative traits when investigating personality. We are going to develop more on traits and values when elaborating our motivational model, but it is important to mention that values in this case are a result of a person’s unique social environments (e.g. family, peer groups, educational and professional influences), whereas traits are considered inborn individual characteristics. The main entrepreneurial traits are considered to include need for achievement, internal locus of control and risk taking propensity (Achchuthan & Nimalathasan, 2013).

Thus, proper definitions for all the main subjects of this project’s topic – entrepreneurship, entrepreneur, motivation and entrepreneurial behavior have been given. This enables a further discussion on the topic of entrepreneurs’ profile and behavior as a result of their motivation.

### 2.3.3 The decision to start a business

Even though entrepreneurs may seem very similar when looking at their characteristics, they have different objectives when starting a business. Some entrepreneurs direct their actions towards ‘getting ahead’ (growing a large business, acquiring wealth), whereas others look for ‘balance’ (accommodating demands from other life spheres, for example by running a home-based business or a part-time business), or ‘autonomy’ (the possibility to decide on the ‘what’, ‘how’, and ‘when’ aspects of work), ‘challenge’ (entrepreneurship comes with many opportunities of challenge and learning), or even ‘security’ (people who feel more secure when taking their fate into their own hands rather than when they leave it to organizational employment) (Van Gelderen, et al., 2008). Furthermore, being an entrepreneur implies some other advantages that come within, no matter if the business fails or no. Entrepreneurs gain a rich variety of skills, knowledge and expand their network significantly, due to the holistic quality of the startups, i.e. the entrepreneur will engage in all kind of tasks from setting the corporate strategy to putting the rubbish bin out. Thus, starting and running a business also contributes to the employability of the entrepreneurs (Van Gelderen, et al., 2008). However, entrepreneurs do not think about their future set of skills and increased employability when they start a venture. In addition, the statistics regarding startup success and failure are rather depressing. Hamilton (2000) found that, except for the highest 25% of entrepreneurial incomes, staying in a normal job or moving back to it is more profitable financially than starting a new business. Moskowitz and Vissing-Jorgensen (2002), who analyzed the risk-return profile of investments in private organizations, concluded that they are inferior to those in alternative investment options, such as stocks. Even so, there are individuals who prefer to start their own business, which makes a very interesting field of study – how the decision to start a business is made, which are the factors that influence this decision, what kind of errors will entrepreneurs likely make, and in fact the whole entrepreneurial behavior (Koellinger, et al., 2005).

Microeconomic models of entrepreneurial behavior take both objective variables and subjective preferences and perceptions in analyzing the decision of starting out a new business. The main objective variables which hinder entrepreneurial behavior are the financial constraints. The condition of the labor market has also been found as an important determinant of employment status choice, but the way it influences it is quite unclear (Bogenhold & Staber, 1991). Age and gender also have an influence, as the likelihood to starting a venture has been shown to increase with age up to a threshold point and to decrease thereafter, and men are likely to be entrepreneurs than women (Blanchflower, 2004). A surprising finding was revealed in the education factor, which showed that education is negatively related to the probability of becoming an entrepreneur, except in some rich countries where post graduate training proved to have some positive effects (Blanchflower, 2004).

Another interesting aspect in entrepreneurs’ behavior is their tolerance toward risk. Although it is considered that risk aversion has some negative effects on entrepreneurial choices, the causality of this relationship is still unclear (Cramer, et al., 2002). The perception of risk is subjective though and it is systematically distorted by factors such as prior gain and loss experiences of the individual (Weber & Milliman, 1997). Besides risk adversity people face as well ambiguity adversity, which is considered to decrease when knowing other entrepreneurs (Ellsberg, 1961). By reducing the ambiguity individuals tend to accept more risk (Einhorn & Hogarth, 1985). Last but not least, the subjective preferences and perceptions of individuals are also important determinants of entrepreneurial behavior (Arenius & Minniti, 2005). Jack and Anderson (2002) find that subjective perceptions about one’s environment and about the individual’s relative position in that environment are very important, as entrepreneurship is an embedded phenomenon.

The decision to start a business is taken if the sum of perceived potential outcomes weighted by their respective perceived probabilities is larger than the perceived potential outcomes of a wage job, weighted by its perceived probabilities in case risk is also involved (Simon, et al., 1999). However, it is still a very subjective decision, as we stated above, entrepreneurs can be overconfident and consider their situation unique. In the end, entrepreneurs are individuals who deviate from the norm. They isolate their situation and treat is as an original and unrepeatable event. They do not think about the statistics registered for similar situations that would offer them a more realistic forecast of their likelihood of success (Koellinger, et al., 2005). If they did, many of the present innovations would not exist. Their way of thinking and acting leads many times to evolution, unlikely to be accomplished with a complete rational and objective way of thinking.

All in all, there are many factors that influence a person to start his or her own business, but the crucial part of the entrepreneurial process is the motivation of the entrepreneur (Shane, et al., 2003). The individual motivations influence differently the entrepreneurial process such as people’s perception of risk, constraints and opportunities. People can take different decisions when facing similar circumstances (Shane, et al., 2003), and this can be explained through a holistic view on their motivation.

## 2.4. Conceptual Framework

The conceptual framework contains the main concepts and theories applied in the research study, and shapes the structure of the analysis. It presents at its core a model considered to be the appropriate approach to study entrepreneurial motivation. The model is basically a psychological representation used to explain what influences the behavior of people. Therefore, the following part is dedicated to its development. It will show the different phases it got through from the beginning to the final version.

### 2.4.1. Initial model

One of the main topics that motivation psychology tries to explain is the *“direction, persistence, and intensity of goal-directed behavior”* (Heckhausen & Heckhausen, 2010). When it comes to goal-directed behavior, both person and situation factors can have an influence. It is important to notice that the ‘outcomes of actions and their consequences’ (Heckhausen & Heckhausen, 2010) are also included. All variables that may exist are directly connected with these types of factors. The model has been created to reveal how the different factors relate to each other. It basically comprises the extended cognitive model of motivation made by H. Heckhausen (1997) and the basic model of classical motivation psychology made by Rheinberg (1995). The model can be seen in the following figure:

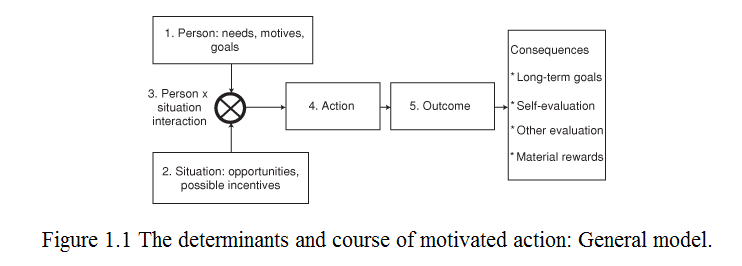


Figure 1. The determinants and course of motivation action: General model Source: (Heckhausen & Heckhausen, 2010)

#### 2.4.1.1. Personal Factors

One of the bases of the model is the concept of motivation affected by the personal factors: needs & behavioral tendencies, motives and goals. The needs are the basic physiological demands that each person faces with, such as thirst and hunger, and also higher ones such as esteem and self-development. As the physiological needs are considered to be universal, one more aspect is described here - universal behavioral needs. This is represented by a factor called ‘striving for control’. People are born with this motivational orientation; it is mainly concerned with the personal competence, motives for achievement and development.  The situation is different with the motives. They are considered to be implicit motives opposing to goals which are explicit. This means that individuals are made of different sets of motives on a personal level. A model called Kelley’s Cube of causal inferences (

Appendix A - The eight cells of Kelley’s attribution cube applied to an educational setting) is used to appoint differences in behavior of an individual. It is a simple process which places people in the same environment and observes their individual behavior. If the behavior of an individual is far from the behavior of the mass it is concluded to happen because of a personal factor. The last component of the person factors is ‘goals’. Goals are seen as the ‘direction of behavior’ and ‘criterion for success’ (Heckhausen & Heckhausen, 2010). This gives them a main importance when it comes to motivated behavior. The goals that individuals have set for themselves are their expected behavior.

#### 2.4.1.2. Situation factors

Over the years it became accepted that the person factors are not enough to cover the topic of motivated behavior, and the situation has to be taken into account. By situation it is mostly understood the opportunities and constraints that surround the entity. Those positive and negative factors according to the literature are called incentives. Each incentive by definition has ‘demand characteristics’ for a certain behavior (Heckhausen & Heckhausen, 2010). The interesting part here is that an incentive can actually be related to not only the behavior, but also to the expected results and the consequences of the behavior.

#### 2.4.1.3. Consequences

Consequences are considered to have a direct influence on the motivation of the individuals (Heckhausen & Heckhausen, 2010). When a person starts to think about an idea he or she has the tendency to always look in the future, in terms of what his or her behavior would result in. In this way, if the person decides that the consequences will be positive the motivation to execute the desired behavior increases.

### 2.4.2. New motivation model

The conceptual framework of our research study stands around the motivation model we have built after researching in the motivational literature from a psychological perspective and narrowing it down to the entrepreneurship field. The model presented above which combines the extended cognitive model of motivation made by Heckhausen (1997) and the basic model of classical motivation psychology made by Rheinberg (1995), is the point of departure for our model (Figure 1. The determinants and course of motivation action: General model ). Besides, we found also other models and we tried to compare them, analyzed their similarities and differences and in the end, another model resulted. It is considered that the new model (Figure 2. Motivation model) fits better our study and more importantly, our research questions. The other models taken into consideration and used in building our model are: the Rubicon model (Appendix B – The Rubicon model of action phases) and the General model with outcome and consequence-related expectancies (Appendix C – Determinants of motivation action: General model with outcome – and consequence-related expectancies)

As it can be seen below, our motivational model, besides the person and situation factors, contains the **‘motivation’** aspect as a result of the two types of factors, and the **‘behavior’** as the visible result of the motivation and which represents in our case the act of starting out a new business. The **‘outcome’** was not included in the model, as we consider the perceived outcome of a possible future action as part of the motivation, but we included the **‘consequences’**, as they might not only be different from the prior expected consequences but they might also influence the current motivation of entrepreneurs to continue with process of establishing their business.

As Graham and Weiner (1996) stated, the main purpose of the theories on motivation is to help ‘enhancing human performance’, and as a result, not only the psychologists tried to understand the reasons behind people’s actions and behavior. In fact, all of us try sooner or later to answer questions around what motivates us or other people to do certain things and how we could do only the things that give us a satisfaction and avoid the ones with perceived negative consequences.

However, motivation studies could not provide so far a complete understanding of how personality relates to motivation (Parks & Guay, 2009). According to Barrick et al. (2001) personality impacts job performance largely through motivational processes, but *“research is hindered because an accepted framework does not exist for studying motivational constructs”.* Since his publication, the framework he was talking about still has not been built, one of the reasons why we tried to create our own framework in which situational factors also have a significant impact on the individuals’ motivation.

Motivation in psychological studies has been used for understanding mainly motivation in school and employee performance. Research in entrepreneurial motivation has been trying to build typologies of entrepreneurs and to assess their performance based on their motivation, by using very broad concepts of motivation, such as extrinsic and intrinsic motivation. Our study differentiates from all previous studies through the close inspection we make on the motivation concept and how it relates to entrepreneurs, not by trying to classify them into certain groups, but by understanding how each of the motivation’s elements reflects on their behavior.

These been said, the resulted model can be observed below:

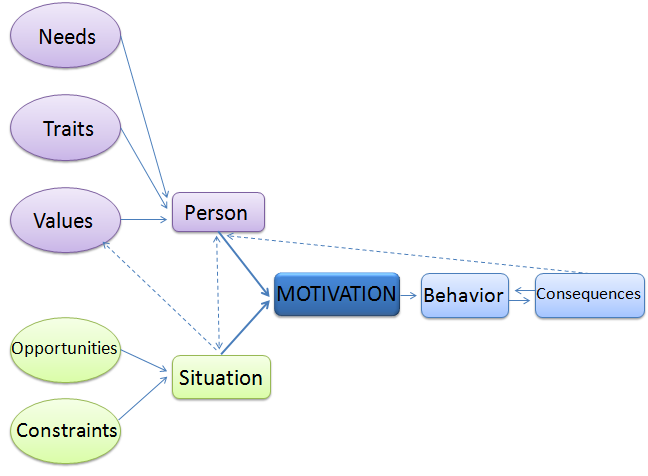


Figure 2. Motivation model

The model makes thus our conceptual framework, it is comprised of all concepts we are working with and it will be described in detail in the rest of the current chapter. As it can be observed in the figure above, we consider motivation as a product of both person and situation factors, which is transmitted to behavior and the consequences that follow. The personal factors are mainly the needs, motives and goals of people. Even if most of them are biological or inborn, we find that the goals and values are influenced by the environment (external or situation factors). Also, during the motivational process, the person will think ahead of the consequences of his/her actions and this will have an impact on the motivation to pursue an action. The situational factors are represented by the opportunities and constraints. Together with the personal factors, they will contribute to a person’s motivation, although their intensities or the importance given to each of them varies. Then, an individual’s motivation will lead to a certain behavior or action and based on that consequences will appear. If the consequences are perceived as a success then ‘the likelihood of subsequent repetitions of this desired behavior’ is increased (Skinner, 1953). All the concepts that form our model are explained in the following part.

#### 2.4.2.1. Personal Factors

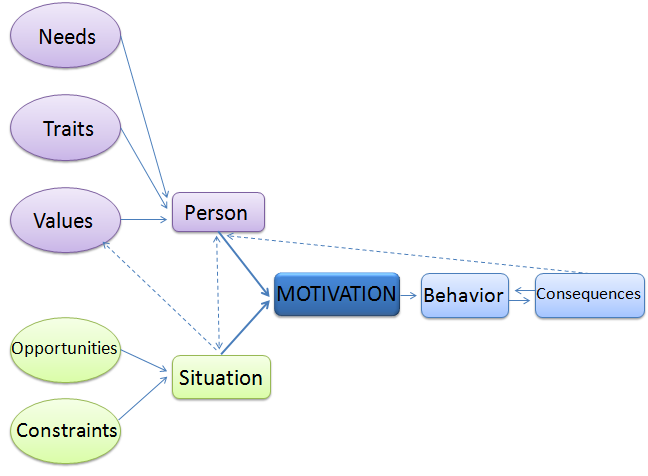
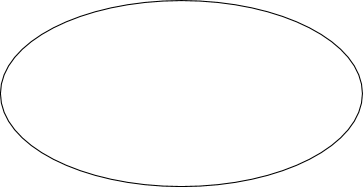


Figure 3. Motivation model - Personal factors

##### Universal behavioral tendencies and needs

Needs, in this context, refer to all basic and higher needs experienced by all people and which vary in intensity depending on the degree of deprivation (e.g. hunger, thirst). A need is defined as a discrepancy between an actual state and a desired state (McClelland, et al., 1953).

An alternative approach to needs was taken by Maslow in his book “Motivation and Personality” (1954) and classifies motives in terms of needs. Maslow proposes groups of needs, in a hierarchical order, meaning that behavior will be activated to satisfy a certain group of needs only if the previous group has been satisfied. A need activates and guides behavior only as long as it is unsatisfied.

Maslow’s model presents the different groups of needs in order, from low to high needs. Therefore, it starts with existential, physiological needs via security needs, needs for belongingness and love, and esteem needs, and ends with the need of self-actualization, as it can be observed below.

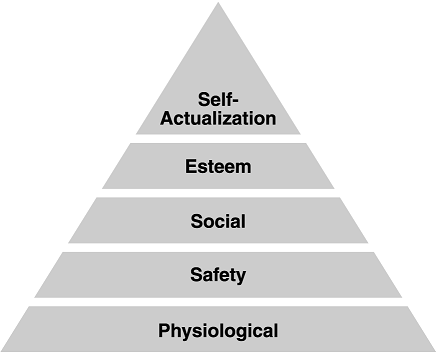


Figure 4. Maslow's hierarchical model of needs (Krech, et al., 1962)

Furthermore, these five categories are conditionally divided into two broader categories – deficiency and growth needs (Maslow, 1954). Thus, the first three needs – physiological, security and needs for belongingness and love - fall into the first category, whereas self-esteem (self-respect) and self-actualization are part of the category of growth needs. Logically, the deficiency needs have priority over the growth needs as an order of fulfillment (Wahba & Bridwell, 1976).

The literature on the relationships between Maslow’s needs and the business field is still scarce. Although not directed to entrepreneurs but to company’s managers, Kaufman (1990) attempts to relate the correspondent levels of needs with the manager’s needs in the company, stating that this should be done ‘straightforward’. It is thus suggested that the survival need of managers is to ensure the future existence of their job and income, which concerns generating minimum required profit. Then, the need of self-respect refers to maximizing sales, belongingness – to permitting a certain amount of slackness on the part of subordinates or being a wage leader in the community (Kaufman, 1990).

On the other hand, the growth needs seem to be related more to entrepreneurial endeavors. According to Welsh and White (1981) self-esteem is one of the common characteristics of entrepreneurs. Moreover, people who have low self-esteem, have also feelings of failure even if the latter did not happen (Healy, 1973), which is reflected in the individual’s confidence – another main trait of the entrepreneurs’ profile (Creed, 1988). Furthermore, Ray (1986)found that self-esteem is also related with another characteristic of entrepreneurs – risk taking, asserting that self esteem and risk taking are closely related as the former can boost the desire to risk.

Respectively, self-fulfillment, also called self-actualization (Mitchell, 1976), is one of the main triggering factors of entrepreneurship (Sarri, 2004). It is the top need, according to Maslow (1954), which is explained by the need of individual not being focused on gathering external things, on people and on conditions necessary for his or her well-being, because the aim here is giving rather than taking (Horney, 1991).

To be clearer, another categorization of needs will be presented. Thus, in the literature these are presented as push factors (deficiency needs) and pull factors (growth needs). In this regard, according to Keeble et al. (1992), most often the pull factors (self-esteem and self-actualization/fulfillment) are the main drivers for entrepreneurship. Moreover, self-esteem includes the need for achievement (Lawler, 1972), need for freedom, desire for recognition and dignity (Maslow, 1970). Respectively, self-actualization concerns helping people and working towards making the world a better place by contributing to the society (Maslow, 1943). Some of those aspects of pull factors will be actually included as traits and values categories. From this point, two main considerations should be stated:

1. Needs are included in the framework in order to see if some of the first three levels (push) are perceived as a drive for entrepreneurship. Although it was already mentioned that most often the last two levels (pull) appeared to be reasons for entrepreneurship, the push factors sometimes prevail in the developing countries (Wall, 1972) and in our case Bulgaria is one.

2. If there will be observed that none of the entrepreneurs from the developing country (Bulgaria) states one of the three level of needs as a drive for entrepreneurship, then ‘Needs’ block might be excluded from the framework and the self-esteem and self-actualization will be referred to the correspondent traits and values categories that describe them.

##### Explicit and implicit motives

Motive dispositions or implicit motives are those motives imbedded in individuals that persist across time and situations. Researchers in personality psychology link the differences in behavior to individual dispositions that form an individual’s personality: traits, habits, motives, etc (Brunstein, 2010). Heredity also plays an important role, as people can inherit skills, abilities, behavioral styles, personality and its development, all this besides the physical characteristics (Plomin, et al., 2003).

Implicit motives are also described as affectively charged preferences for certain types of incentives (habitual propensities) that are acquired in early childhood (McClelland, et al., 1989).

Explicit motives, on the other hand, are formalized by individuals in their adulthood. They consist of the verbally represented (or representable) goals, self-images, and values that people attribute to themselves (Brunstein, 2010). Thus, explicit motives call for action, represent a criterion for success, and drive the individuals to gather the necessary resources to accomplish their goals and to avoid distractions.

##### Traits and values

The aim of this section is to present motivation as an outcome of both personality and values factors which appear to have the greatest influence on it. Although the constructs of personality and values have in only a few cases been studied together, they both influence a variety of behavioral outcomes (Parks & Guay, 2009). Therefore, in order to understand motivation one needs to understand traits and values’ impact on humans’ behavior. Once we get to this point we will present the relationship between the two constructs and business creation motivation in particular, which is one of the main concerns in this project.

###### Traits

According to Goldberg (1993), personality traits are the enduring dispositions that cause characteristic patterns of interaction with one’s environment. Furthermore, Olver (2003) found out that they are related to psychological processes. From a broader perspective personality traits comprise everything from abilities (all types of intelligence) through motives (need for achievement, power, independence etc.), to attitudes and types of temperament (Brandstätter, 2011). Unfortunately, again according to Brandstätter (2011), there is nothing said in the literature regarding the mental and behavioral processes by which the traits influence start-up decisions. Thus, a relation between traits and entrepreneurial behavior (foundation decision) should be done straightforward. However, the main concern here is to what extend entrepreneurs will be objective when assessing their own traits.

###### The relation between personality traits and business creation motivation

As it was already emphasized, personality traits and values have probably the strongest influence on motivation, according to the literature. Unlike the values, personality traits are stable and in most of the cases do not change over time. This might be the reason behind the fact that literature only contains studies around the relation of traits to the creation of business decision. Most of them concerned motivation performance and business success motivation, and some of those are meta-analyses which present the results from a number of previous studies (Humphrey, 2011).

Rauch & Frese (2007) found out that personality traits that entrepreneurs judged as important or very important are significantly correlated with business creation. Furthermore, in the meta-analyses of Rauch & Frese (2007) and Zhao & Seibert (2006), the studies considered have all ended up with the conclusion that eight traits in particular are significantly correlated with business creation. These are – need for achievement, innovativeness, proactive personality, generalized self-efficacy, stress tolerance, need for autonomy, locus of control and risk taking. Thus, they suggested that these personality traits undoubtedly support the motivation of founding a business (as part of the person factors of motivation).

Another part of the literature has focused on the family role on entrepreneurship. Thus, Lentz and Laband (1990) observed that there is a strong correlation between potential entrepreneurs and their parents. More concretely, they found that the probability of young men to be self-employed significantly increases if their father is self-employed. In addition, Dunn and Holtz-Eakin (2000)pointed out that not only the financial situation of the family, but also factors such as the transmitted parents reputation to their children, and their valuable working experience and other components of human capital are vital when determining whether to venture into a new business or enroll in a wage-job in a company.

###### Values

According to (Kluckhorn, 1951), a broad definition of values presents them as ‘conceptions of the desirable’. Basically, value research field consists of two models of values – values as preferences and values as principles (Ravlin, 1987a). Accordingly, values as preferences are the attitudes of individuals in various environments, determined by their preferences. For example, if someone values independence and his/her free time then he/she would be more satisfied if doing a job at home. On the other hand, values as principles explain how individuals ought to behave in a certain situation. In the literature these values are perceived to be more directly impacting motivation because values as preferences are more related to satisfaction and primarily impact attitudes and not learned beliefs (Parks & Guay, 2009). However, in our case both types will be considered, since values as attitudes overlap with the broad definition of personality traits which can also be attitudes. The commonalities and differences between values and traits are going to be discussed later in this chapter.

The most widely used and well known taxonomy of values is the Schwartz Value Theory (Schwartz, 1994).

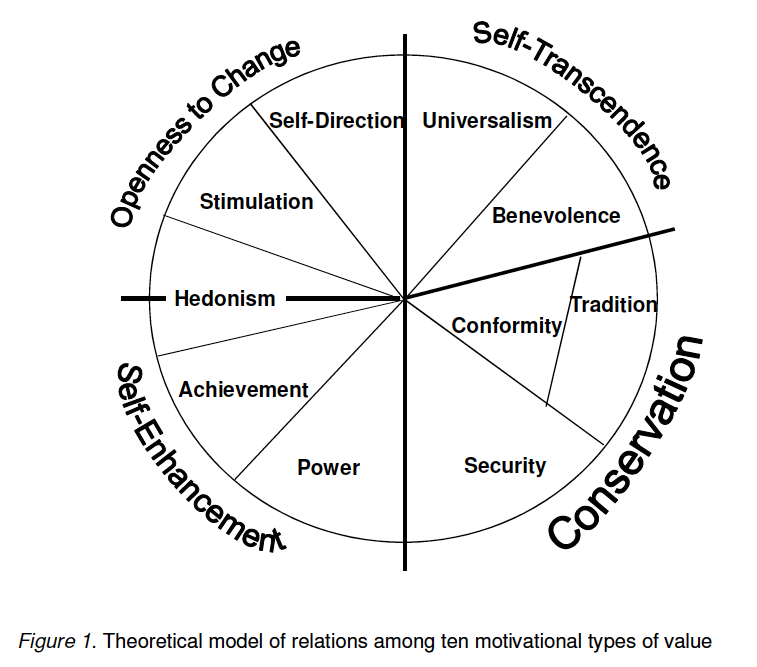


Figure 5. Taxonomy of Values

Based on the results of a study in more than 40 countries, Schwartz and his colleagues propose ten groupings of values (Schwartz, 1992), (1994); Schwartz & Bilsky, (1987), (1990). The ones that are more highly correlated are situated closer together. Accordingly, the ones that are across from one another have an opposite meaning. Although being ‘fuzzy sets’ (Schwartz, 1994), these ten domains tend to cluster together more closely and therefore ‘provide a meaningful and relatively simple way to group and organize individuals values’ (Parks & Guay, 2009). More concretely, they are – Power (authority, wealth, social recognition); Achievement (ambition, competence, success); Hedonism (pursuit of pleasure, enjoyment, gratification of desires); Stimulation (variety, excitement, novelty); Self-direction (creativity, independence, self-respect); Universalism (social justice, equality, wisdom, environmental concern); Benevolence (honesty, helpfulness, loyalty); Conformity (politeness, obedience, self-discipline/restraint); Tradition (respect for tradition and the status quo, acceptance of customs); and Security (safety, stability of society) (Parks & Guay, 2009).

###### The relationship between personality traits and values

A number of differences between values and traits can be pointed out. For example, values are focused around what individuals ought to do, whereas personalities indicate what naturally they would do. Moreover, personality traits cannot contradict with each other, which is not the case with values which can often be contradictory. In addition, personality traits are innate dispositions (Olver, 2003), whereas values are learned socially, upon the consideration of what is acceptable in society (Rokeach, 1972). Therefore, while the former are rather stable over the whole life, the latter may change if exposed to a new environment (Rokeach, 1973).

Regardless all these differences, it might be very challenging to separate them in practice. As Knafo (2002)points out, sometimes one term might be referred to either a trait or value. An example is ‘competence’, which might be some kind of skill or ability (personality trait) or a belief that one should be competent (value). Apart from this consideration, a researcher should also pay attention if the participant really possesses a certain competence, no matter what (s)he asserts.

#### 2.4.2.2. Situation factors

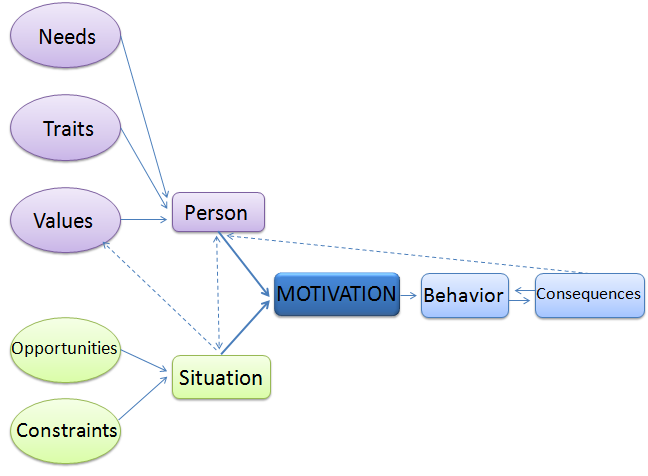
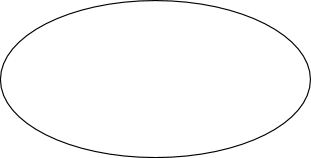


Figure 6. Motivation model - Situational factors

As stated previously, the person factors are not anymore enough to cover the topic of motivated behavior, and the situation – constraints and opportunities - has to be taken into account. Thus, after the discussion of personal factors, their influence and relation with the motivation of business creation, in the present section the emphasis will be on the second group - entrepreneurial opportunities and constraints.

Besides the micro view (on individuals) in studies around entrepreneurship, there is also a macro view – based on environmental factors external to the business which can create or destroy entrepreneurship by the nature of the climate they establish (Aldrich & Wiedenmayer, 1993). By environment, it is understood the sets of events, circumstances, situations, settings and niches that surround the entrepreneurial events (Bird, 1989). These play either an enhancing or an inhibiting role in the diffusion of entrepreneurship, so they relate to the success or failure in contemporary ventures. Even though they are beyond the control of individuals, the factors influence entrepreneurs’ desire to start or continue running a business. The macro view focuses on institutions, values, mores, regulations, and all elements in the sociopolitical environment that influence the development of entrepreneurs (Aldrich & Wiedenmayer, 1993).

In the same vein, the literature presents the ecological approach which tries to explain organizational change exclusively through the existence or non-existence of environmental resources and their availability. This approach rejects the contribution of the personal characteristics of entrepreneurs to the startup’s success (Aldrich, 1979). Other researchers adopted a mid-range view though, which focuses on the interaction between the environment and entrepreneurs. More exactly, they study the effect of environmental characteristics on the entrepreneurial strategic orientations (Tan, 1997).

The mid-range view is also compatible with our study, as entrepreneurs are always taken as actors in their environment and both the personal (traits and values) and situational (environmental) factors are considered to have an influence on their motivation to start out a new business.

Within the environment there are important forces such as political and regulatory that can make a favorable climate for entrepreneurial activities (Aldrich & Wiedenmayer, 1993). By favorable we understand dynamic and heterogeneous, but the environment can also be characterized by weak market structures, poorly specified property rights, and lack of institutional support which bring uncertainty, make transaction costs high and then entrepreneurs have to compete with non-private sectors for scarce resources. A new field of research emerges from the latter: how governmental agencies and policies can help in shaping an environment that facilitates firms competition (Tan, 1997).

##### Environmental aspects

When founding a new business, individuals need a range of various factors: labor, capital and also ties to customers for their products and suppliers who will provide the raw materials. The access to these resources depends of course on the individual’s abilities to obtain them and to build trustworthy relationships with other individuals that might help them in this process. The prior experience of the founder plays an important role also, as the relevant network to get access to the resources would be already built (Shane & Khurana, 2003).

However, the access to resources does not depend on entrepreneurs’ skills entirely. In fact, it is rather a matter of environment. There are factors in the environment that can enhance or hinder this type of access. First and foremost, the resources must exist and be available, and then the institutions, regulations or other aspects in the environment must facilitate the access to them.

One of the most vital resources when establishing a new firm is the capital. Especially for entrepreneurial firms, which distinguish from “lifestyle” firms through their rapid growth as an objective, the capital requirements are often voracious. In the first few years of the startup the cash outflows dramatically exceed cash inflows, so high levels of capital are necessary. The most common types of financing for these types of firms are the angels, venture capitalists, and in the later stages initial public offerings. When they cannot secure the required funds, startups’ development is hindered – it grows more slowly, can lose their competitive position, can get to the position to be sold or just fail (Coleman, 2004).

A number of researchers focused on developing a lifecycle theory of financing, meaning acquiring different types of capital in different stages of the startups (Berger & Udell, 1998). This theory claims that in the early stages, funding comes usually from the founders’ personal resources or from family and friends. In the next stage, when revenues start to be generated, angels and venture capitalists also become an option to acquire capital. Afterwards, when the firm achieves some profitability and it is more stable, banks start to become interested and allow loans. In the last stage, characterized by strong revenues and growth, the company becomes a candidate for sales or for an initial public offering (Coleman, 2004).

When establishing a firm, potential entrepreneurs network intensively which gives them leads to where they can obtain the necessary resources like information, capital, property and credit (Greve & Salaff, 2003). Families are important at this stage, as they are accessible and easy to tap for initial feedback for a new business idea (Rosenblatt, et al., 1985). All contacts that entrepreneurs make and that lead to successful outcomes become their social capital and represent key component of entrepreneurial networks (Burt, 1982). Social capital is defined as the set of tangible or virtual resources that accrue to actors through the social structure, facilitating the attainment of the actors’ goals (Lin, 1999). The contacts are most of the times informal work and non-work connections. They include though colleagues from earlier jobs and other people from professional connections. Overall, access to networks provides complementary information and knowledge for entrepreneurs and helps them in setting a firm (Greve & Salaff, 2003).

Complementary knowledge is needed, as entrepreneurs may lack certain types of knowledge such as business and sales. In this regard, incubators also play an important role by providing a variety of support services - assistance in developing business and marketing plans, building management teams, obtaining capital, and access to a range of other more specialized professional services. Furthermore, they provide flexible office space, shared equipment and administrative services. The end goal is for startups to become independent, self-sustaining businesses (Grimaldi & Grandi, 2005).

Our conceptual framework groups the environmental/situational factors in two categories: opportunities and constraints. It is implicitly assumed that opportunities foster entrepreneurial events while constraints hinder them.

**Opportunities**

A great part of the literature focuses on opportunity identification and human information processing. There are two main streams of thought: opportunity recognition (discovery viewpoint) and opportunity construction (enactment viewpoint). Both of them are routed in the psychology field, in cognitive psychology and respectively, in social constructionism or developmental psychology. The cognitivist vision of information considers that entrepreneurs take their representations of the environment in order to shape the logic of their network. They link the patterns of information from various sources which is seen as the basis of innovation and new business opportunities. On the other side, in the constructionist vision the entrepreneur creates its own reality by using information from its environment. He or she must justify the beliefs that are based on that information which in the end is the key to innovation and new business opportunities (Vaghely & Julien, 2006).

Regardless of the variety, type, duration etc. of entrepreneurial opportunities, a potential entrepreneur can gain some benefits if only is capable to recognize them. Thus, it is assumed that opportunities might not be recognizable for everyone all the time (Hayek, 1945), as only a certain part of potential entrepreneurs will discover a certain opportunity at any point of the time (Kirzner, 1997).

Therefore, on what does the discovery of opportunities depend on or is determined by?

Here Venkataraman (2000) provides the answer by referring to two broad categories of factors, namely - the possession of the prior information (by which opportunity is identified) and the cognitive properties (that evaluate it).

* **Information Corridors** – In order to identify a given opportunity potential entrepreneurs should have prior information, relevant to the new information that complements it (Kaish & Gilard, 1987). The prior information may, for example, concern user needs (Von Hippel, 1986) or aspects of the production function (Bruderl, Preisendorfer, & Ziegler, 1992). At any point, only a certain proportion of people can understand the information and recognize the opportunity due to the specialization of information in society (Hayek, 1945). Despite the fact that general information is more accessible, people specialize in specific information which is more valuable for them. As a result, in a given moment of time every person shares only certain aspects of the whole information and thus different people possess different information. Consequently, only a certain part of them are able to recognize a certain opportunity.
* **Cognitive Properties** – In order to discover a certain opportunity, one should be able to see the new relationships that have occurred as a result of a given change. As Venkataraman (2000) asserts, it is a difficult task to visualize these relationships and if one does not possess this ability he or she may fail to discover opportunities even when having the prior information needed. Researchers in the last few decades found out that the ability to identify the relationships varies among people. It has been the case when different people are asked to combine existing concepts and information into new ideas (Ward, Smith, & Vaid, I997). Furthermore, Sarasvathy, Simon, and Lave (1998) have observed that successful entrepreneurs are more likely to identify relationships and discover opportunities because in same situations the other people do not tend to see opportunities but rather the risks.

**Constraints**

According to an international survey conducted in 1999, on average, more than 50% of the people across countries explicitly stated their preference to be entrepreneurs and not wage-earners. Despite that fact, data however indicated only 15% of the people in those countries to be self-employed at the same time (International Social Survey Programme, (1999). So what are the reasons for this huge gap between what people prefer to do and what they actually do? It is a question that can easily grab one’s attention. Thus, in what follows, we are going to present the literature findings on the constraints that affect one’s decision to venture into a new business.

A number of studies (e.g. Paulson & Townsend, 2005) emphasized on the significant role of financial resources. If financial constraints are not important, then all potential entrepreneurs would run their own business, which is completely based on their expected profitability (Paulson & Townsend, 2005). Since some initial capital is required when establishing a new company, then capital market constraints may be an important determinant of the decision to become an entrepreneur… so the possibility to obtain capital, and then to become entrepreneur, depends not only on a vector of personal attributes but also on the individual’s assets. In addition, Blanchflower and Oswald (1990), when observing the factors that determine the decision to become entrepreneur, they found out that the lack of capital has a great impact. Moreover, studies also indicated that gifts, winning the lottery or receiving inheritances increases significantly the probability to start a business (Lindh & Ohisson, 1996; HoltzEakin, Joulfain and Rosen, 1994). Furthermore, it appears that not only the access to capital, but also the source of capital determines one’s decision to become an entrepreneur. This is evidenced by Mullins and Forlani (2005) who reached to the conclusion that people are more likely to become entrepreneurs when funded by other people’s money. This actually increases the likelihood to invest in riskier businesses.

From the business environment perspective, entrepreneurship is significantly constrained by the specific tax policy selected (Gentry and Hubbard, 2000). In a study related to the Chinese transition, Tan (2004) uncovered how the policies and in particular gradual reforms are more preferred than dramatic reforms in determining entrepreneurs’ likelihood to go with the more innovative and risk-oriented decisions. Analogously, Minniti (2004) showed that entrepreneurial behavior is dependent on the relationships between individuals regulated by institutions themselves, rather than on the individuals’ characteristics.

In another study Minniti (2005) revealed that entrepreneurial activity have the tendency to concentrate geographically. In other words, local social environment has a great impact when observing people’s decision between being an entrepreneur and a wage-earner. Therefore, when having a serious number (eco-system) of entrepreneurs, potential entrepreneurs can obtain information and acquire skills regarding financial support, potential buyers, finding competent employees etc. (Grieco, 2007). Conversely, when making entrepreneurial decisions in unknown environment, one’s decisions are determined by the corresponding ‘social cues’ (Aldrich, 1999). Therefore, potential entrepreneurs’ participation in social networks is then vital (Aldrich and Zimmer, 1986). The latter on the other hand affects the information that is collected locally and thus, influences entrepreneurial decision within the respective local area (Grieco, 2007).

Constraints are generally associated with unfavorable environments. However, they do not always affect negatively entrepreneurial events or performance. For example, in a study that discusses that relationship between national environment and new firm performance, the researchers argue that in less favorable environments only the “fittest” (for the environment) firms survive. As a result, the average performance of surviving ventures in those countries is higher than that in other countries. The explanation is simple – the entrepreneurs in less favorable environments must work harder to acquire resources than entrepreneurs who run startups in more favorable environments. Actually, the fight for resources enhances the skills of entrepreneurs and consequently they will perform better. In the same vein, public policies are not supposed to promote entrepreneurship, as entrepreneurial performance is fostered when entrepreneurs are required to struggle (Shane & Kolvereid, 1995).

Therefore, while the majority of studies propose creating favorable public policies to foster entrepreneurship, there are some studies that propose the contrary.

To summarize, as we frequently mentioned, the motivation to venture into a new business is a combination of personal and situational factors. In this section we presented the second group of factors – the opportunities which can foster entrepreneurial decision on the one hand, and the constraints which can hinder potential entrepreneurs on the other hand. Thus, the combination of identified opportunities and existing constraints forms the environment or the particular category of factors in a given location. The analysis chapter will be built having in mind this rationale.

#### 2.4.2.3. The interaction between person and situation factors

So far we have provided a background with the most popular approaches (person and situation) in the motivational theory and as part of our model. In the next part we will make a discussion on why the two of them cannot be isolated and should be taken together when examining the motivation of an individual or group of individuals.

Not only the situation and personal factors have been separated in studying motivation, but also the traits and values when studying personality. As mentioned in the Entrepreneurial behavior part, the separation started with Allport’s paper (1937) which recommended the exclusion of evaluative traits when investigating personality and only recently they have been considered together again (Parks & Guay, 2009). We consider that personality (as traits) and values are related to one another and we build on Parks and Guay’s study which only takes the two of them as predictors of motivated behavior. More explicitly, we take traits and values and add independent situational factors (opportunities, constraints) as part of the predictors.

##### Why taking both personal and situational factors in motivation formation

Firstly, a person assumes a situation, and will act upon some situational factors. In the same time, a situation assumes a person. Murray (1938) tried to explain the goal-directedness of behavior in terms of a continuous chaining of episodical interactions between individuals and the environment around them. He is one of the researchers who went beyond a trait theory of motivation that attempts to explain behavior exclusively through personal factors, claiming that everything an organism knows or believes is, to some extent, a result of formerly encountered situations. More exactly, he argues that much of what is now inside the organism was once outside.

In the same vein, we agree that individuals and the perceived situation form an interactional unit, mutually influencing each other. Personality is a very complex system, consisting of numerous and integrated processes. These processes basically initiate and lead behavior. As personality comes into interaction with the environment, it will inevitably have an impact on the environment. The motivation dispositions in this case are considered as systems configurations and consist of several independent dispositions such as high levels of enterprise, autonomy, and intuitive behavioral control (Heckhausen & Heckhausen, 2010). On the other side, when the systems configuration interacts with the environment, they are also going to be shaped according to the environmental conditions. Therefore, it is a two-way process and as the individual shapes the environment; his or her behavior will be also shaped as a result of the interaction.

Secondly, if we study motivation only from the person perspective we basically assume that the person will have the same behavior in different situations (e.g. an individual who is dominant at work will behave the same at home). This is not applicable for all cases, as some individuals will not find an incentive to be dominant at home. Being dominant in their family will not satisfy their power motive. This issue in the personality psychology is known as the ‘consistency paradox’ (Heckhausen & Heckhausen, 2010).

Along similar lines, taking solely the person approach will lead to drastic oversimplification as incentives in the environment have a significant role. For instance, a study which took two companies, coded as the Achievement company and respectively the Power company, tried to prove the role of incentives in shaping behavior. The Achievement company made available achievement-related incentives, such as variety, autonomy, differentiated feedback and challenging tasks. The Power company, on the other side, had a bold hierarchical management structure. The findings showed that employees with a high achievement motive had been promoted more rapidly in the Achievement company, and also that employees with high power motive had been promoted much more often in the Power company. This result suggests that individuals are triggered and change their behavior only when the incentives relate to their dominant motives (Heckhausen & Heckhausen, 2010).

Behavior is influenced by both personality and situation. However, which is more dominant or the degree with which affects behavior depends on the variables of the subjects in the sample. For example, if a group of individuals is highly heterogeneous and the situations exposed to are quite similar, we will conclude that the differences in behavior come from their person factors rather than from the situation factors. The opposite is valid as well, so this is one of the ways of tracking the reason of behavioral differences (Olweus, 1976).

In addition, not the situation itself determines the person in engaging in different activities, but the way the person perceives the situation. As people have subjective and implicitly different opinions on the same situation, the situation approach cannot be taken solely, but in combination with the person approach (Jones & Nisbet, 1971).

Last but not least, the environment or situation has an impact on the level of effort and persistence as well. For example, if the tasks in hand are being done in a relaxed, no pressure atmosphere, the achievement motive of individuals triggers high levels of effort and persistence. People are incentivized by the challenge of doing something better, faster and more effectively. On the other hand, if the environment is characterized by time pressure, assessment, or competition, the achievement motive has been proven to decrease significantly (Heckhausen & Heckhausen, 2010).

All in all, a person’s motivation to set a certain goal is determined by situational stimuli, personal preferences, and the interaction of the two, which makes it necessary to be considered together in the motivational research.

#### 2.4.2.4. Motivation, behavior and consequences

Motivation is an energizing force that induces action (Pinder, 1998). As mentioned above, it is a result of personal and situational factors that combined, forms people’s motivation. The newly formed motivation relates to the decisions (conscious or unconscious) that involve how, when, and why individuals allocate effort to a task or activity. More precisely, motivation relates what people choose to pursue (arousal and direction) and how they pursue it (intensity and persistence) (Parks & Guay, 2009). Our study takes a bit further these questions, as we have already agreed on what our subjects pursued: setting up a business. Therefore, we are trying to answer how the factors in our model jointly influenced the decision and how people pursued this goal, because people not only differ in their goals selection but also in their implementation. As explained later in the methodology chapter, the subjects of our study are entrepreneurs and the behavior in the model is represented by the act of starting a new venture. However, unlike other studies, we do not consider all entrepreneurs alike - through their widely-accepted traits such as need for independence, control, etc. – and we do not consider that their motivation was alike either. Their motivation might had been different and also the expected consequences. Thus, these are not assumptions but rather a part of the questions we are trying to answer.

As mentioned previously, behavior is very important when it comes to motivation and the decision making process. It is very important that to notice that a ground base for behavior is that “*behavior cannot be explained by its consequences*” (Wise, 2004). As defined by Starr and Taggart (1992), behavior is *“a response to external and internal stimuli, following integration of sensory, neural, endocrine, and effector components. Behavior has a genetic basis, hence is subject to natural selection, and it commonly can be modified through experience”.* What is important to notice here is that behavior is both determined by ‘internal stimuli’ also known as the personality of the human and ‘external stimuli’ which is referred to the situation that the target is exposed to.

In order to see the clear connection between motivation and behavior, Deckers (2010) gives the following relationship - *“motivation is the impetus or reason for doing the behavior; it initiates the action”*. Therefore, how a person will react or what behavior he or she will manifest is dependent on the different motivations in a certain situation.

However, when talking about behavior in our study we must be aware that we are taking an action perspective on human behavior, meaning that we extend the scope of the analysis beyond analysis beyond simple stimulus-response bonds and the execution of learned habits (Achtziger & Gollwitzer, 2010). Thus, the concept of action is the opposite of learned habits and automatic responses. It is actually all human behavior that the actor deems to have a ‘meaning’ (Weber, 1921). In order to conclude if a person’s behavior constitutes ‘action’ we can ask questions such as: are there discernible “reasons” for that behavior? We can define actions as all activities directed toward an ‘intended goal’ (Achtziger & Gollwitzer, 2010).

It is interesting to observe that a strong motivation is not necessarily transformed into action. Besides motivation, successful goal attainment implies sometimes the skilled deployment of various action control strategies (e.g. formulating ‘if-then’ plans, resuming interrupted actions, stepping up efforts in the face of difficulties (Gollwitzer & Moskowitz, 1996). The motivation psychology of action tries to answer this type of questions around action control. This is how the Rubicon Model (Appendix B – The Rubicon model of action phases) started getting shape. The model starts with a subject’s desires and ends with the evaluation of the action outcomes achieved. Accordingly, it proposes four phases. Starting with a phase of deliberating the positive and negative possible consequences of various wishes and action alternatives (predecisional phase), a phase of planning concrete strategies for achieving the goal selected (preactional/postdecisional phase), a phase of enacting the strategies (actional phase), it ends with a phase of evaluating the action outcome. Of course, here the consequences also come into attention, i.e. how people evaluate the future outcomes of their goals, either positive or negative and the short and long-term consequences. Moreover, people do not analyze their goals in isolation, but also in relation to other wishes or potential goals, so their perceived value can change depending on the other alternatives.

The same considerations as in Rubicon’s model can also be found in our model, although we do not propose the same four-phase model, a big part of our focus being on the motivation formation. We argue that behavior is a lot about the factors we mentioned previously in the model and there are studies that support the same view. For example, (Rokeach, 1973) demonstrated the relations between values and different types of action/behavior such as political party affiliation, joining civil rights organizations, participating in civil rights demonstrations, etc. Other researchers proved a strong relationship between values and task oriented vs. relationship-oriented leadership emergence, such as Saroglou et al. (2004), Illies et al. (2005), and so on. It is important to take into account all motivational factors when analyzing behavior, as they all have a direct or indirect role. Goals for example, are considered as a mediator in the relationship between values and behavior.

Sooner or later the chosen behavior will lead to some consequences, which will be evaluated and the pursued in future behavior in positive. Consequences play a major role also in the beginning. As seen in our model, the subjects will try to predict the consequences on their each behavior alternative and act accordingly.

## 2.5. Problem statement

The whole model was constructed to analyze entrepreneurs’ motivation of setting up a venture. The entrepreneurial motivation literature has tried to answer three types of questions: (a) what activates a person, (b) what makes him or her choose one thing over another and (c) why do different people respond differently to the same stimuli (Nuttin, 1984).

Entrepreneurial intentions can be regarded as life path changes and there have been studies, such as the Shaper and Sokol’s study (1982) on the impact of these intentions on the individual’s perceptions of desirability and perceptions of feasibility related to new venture formation. It has been found that the intention to become self-employed and form a new venture is a product of an individual’s perceptions of desirability of entrepreneurship affected by his or her own personal attitudes, values and sentiments, which are a result of their unique social environments (e.g. family, peer groups, educational and professional influences) (Achchuthan & Nimalathasan, 2013).

However, many studies failed to take the right approach in assessing entrepreneurial motivation to start a business and their findings have been proven to be fruitless in predicting start-up decisions by individuals (Liñán & Santos, 2007). More precisely, these are the studies that proposed a ‘personological’ approach to exploring motivation. As already mentioned, this kind of approach is now considered wrong because entrepreneurial behavior is actually a planned behavior. Starting a new venture requires time, a lot of planning and very important, cognitive processing (Krueger, et al., 2000). Thus, it is not a reactive behavior; rather an innovative, self-confident and a proactive one. As mentioned previously, when discussing about entrepreneurial behavior, the literature faces important shortcomings in the broader concept of entrepreneurial behavior as well, and motivation is strongly related to behavior.

Furthermore, the studies are mainly quantitative and the few qualitative studies have not gone deep in the motivation from a psychological perspective. They have taken the well known extrinsic/intrinsic motives or ‘push and pull’ factors and failed to build an accepted framework (Barrick, et al., 2001). Motivation has been studied in depth mostly for subjects such as students (i.e. motivation for learning) and employees (i.e. motivation to work efficiently) and only briefly for entrepreneurs (except for why people start businesses).

A new element in our study is the comparison between a developing and a developed country. Thus, through this framework we will try to find out the similarities and differences in the motivation of entrepreneurs to launch new ventures in these countries. New questions regarding the specific aspects of Bulgaria and Denmark emerge and are important to discuss on the micro, but also on the macro-level, so that the regulatory institutions to know exactly which are the factors that stimulate entrepreneurs. Entrepreneurship is highly important for economic growth and in order to spur entrepreneurial activities, one needs to know what stands behind the motivation of entrepreneurs to start new ventures. There are some types of entrepreneurial activities all over the world, but do entrepreneurs have the same motivation when they start out? Only few studies have tried to answer this question, so we took the challenge to study this phenomenon.

As a consequence of all above reasons we define our problem statement as it follows:

**What influences the motivation of entrepreneurs to start a business in Denmark and in Bulgaria?**

The research study follows the above described framework through which we take into account both the psychological and entrepreneurial theories around motivation. Having this comprehensive framework, the model will help us observing new elements in the motivational process and answering questions that have not been asked in a similar setting. Our research questions resulted from the motivation model and implicitly from the research made on entrepreneurs’ motivation literature. Having two main categories of factors that lead to the creation of individual motivation, it is interesting to find out in which way each of these factors impacts the potential entrepreneurs to start out a new business. Therefore, the first two research questions are:

* ***How do the personal factors influence the motivation to start a business?***
* ***How do the situational factors influence the motivation to start a business?***

We mentioned few times the relation between the personal and situational factors and we represented the relation in the model. However, we do not know in which ways the two types of factors impact each other in the decision of entrepreneurial events and that leads to our next research question:

* ***How do the personal and situational factors influence each other in the process of motivation formation?***

As our research study is based on two cases representing two different countries in terms of economical development, culture and entrepreneurial activities, a new question emerges:

* ***How do the differences between Bulgaria and Denmark impact the motivation of entrepreneurs?***

We expect that the different stages of economic development, but also other factors, such as the culture – East-European versus Scandinavian – and regulatory environment, to contribute differently to the motivation of entrepreneurs and to reflect in their decision to start new businesses.

All in all, these are the questions that our research paper is built on and we will be trying to answer them in the analysis chapter. It is of course true that many other questions come out from the model and the model itself can be much more complex by adding other elements and relations, but in this study it is important to keep it simple in order to be able to answer fully the questions within the restricted time –and –space framework, and not lose our focus.

With this integrated framework we are trying to bring new insights to the entrepreneurial motivational theory. The purpose of this model is not to predict behavior in certain situations based on entrepreneurs’ traits and values, but to show the dynamic relation between these factors and how they impact behavior.

# Methodology

## 3.1 The choice of the countries – Denmark and Bulgaria

The report will be done for two countries which are referred as two cases. Those are Bulgaria and Denmark. The way that report will be made is by having 16 interviews in each country in order to get a better understanding of the person and situation environment in both of them.

The conceptual framework that we want to come up with from the results of the analysis aims to explain what influences the motivation of entrepreneurs to start a business in Denmark and Bulgaria. So when talking about the different countries both the internal (personal) and external (situational) environments of the entrepreneurs will be different to some extent. The reason why exactly Denmark and Bulgaria were chosen in first place is because the researchers have experience from living currently and in the past in those countries. It also gives the possibility to make interviews with reduced costs. Another main reason for choosing those countries is because of the differences that they have. Those can be explained in terms of culture and economic development.

Bulgaria is an Eastern European country, part of the Balkan Peninsula, whereas Denmark is a Western European country, part of the Scandinavian Peninsula. In terms of culture the geographical positions of the countries suggests a difference in the cultures as well. The project aims to find in what way those differences will have an effect on the motivation of entrepreneurs.

The economic development is the other key factor that is considered to have an importance on the motivation of entrepreneurs to start a business. In this case, Denmark is a developed country and Bulgaria is considered a developing country. Even though the countries have approximately the same population, when taking into account the GDP, we observe that Denmark’s GDP is 6 times bigger than the Bulgarian (322$ billion DK, 52$ billion BG, (IMF, 2012). Those are the main economic factors that were taken into account when choosing the countries. The analysis however revealed more specific differences and their influence on the motivation of entrepreneurs, which can be seen in the final version of the conceptual framework at the end of the analysis chapter.

## 3.2 Research design

The research design aims to show an overview of the structure of the methodology section. It can be seen in the following figure:

Figure 7. Research design structure

The research philosophies section will include the choice of ontology, epistemology and the paradigm that they will operate in. It will also include the type of research that those underpinnings suggest.

### The data collection section will explain what instrument was used to gather primary data, its reliability and the process of contacting people from the target population.

### The research setting will then describe which factors describe the target population. Then go through the process of sampling and finish with the final samples used for the analysis. A description will be given for the samples of both Denmark and Bulgaria.

### The method of analysis will then give a comprehensive way of understanding how the data was analyzed. It will represent the methods used in order to come up with the final results of the project.

### 3.1.1. Research philosophies

#### 3.1.1.1. Ontology, Epistemology and Paradigms

Ontology and epistemology are a main topic of concern for researchers and philosophers. Ontology is involved with “*claims and assumptions that are made about the nature of social reality, claims about what exists, how it looks like, what units make it up and how these units interact with each other*” (Grix, 2004, p.59), whereas epistemology is “*the theory of knowledge embedded in the theoretical perspective and thereby in the methodology*” (Crotty, 1998, p.3).

Ontology and epistemology are connected by the paradigm they operate in, representing “*a loose collection of logically related assumptions, concepts or propositions that orient thinking and research*” (Mackenzie and Knipe, 2006).

The ontology, epistemology and the paradigm that they take part of set the views on the intention of the research, its goals and the philosophical assumptions underneath it. These views are important as they help in building the research questions, methodology, methods and intentions (Grix, 2004). So as an end result, the buildup of social reality (ontology) and knowledge (epistemology) is what matters to the research as they define how the findings about the relationships among “phenomena” and “social behavior” are perceived.

##### Interpretivism

The paradigm focuses on the “ability of the individual to construct meaning” (L. Mack, 2010), and the one used in this project is ‘interpretivism’, also referred to as constructivism (M. Easterby-Smith, R. Thorpe, P. Jackson, 2012). The literature discusses two studies that influence the interpretivism paradigm. Those are phenomenology and hermeneutics. Phenomenology is the “*need to consider human beings’ subjective interpretations, their perceptions of the world (their life-worlds) as starting point in understanding social phenomena*” (Ernest, 1994, p. 25). As for hermeneutics, it implies the science and philosophy of communication interpretation (Ernest, 1994). Interpretivism suggests that a research under the paradigm cannot be studied objectively, since studying interpretations in order to construct meanings binds the researcher to observe the experience of the people involved in the study from the inside instead of the outside.

Adopting the interpretivism paradigm suggests certain views for the ontology and epistemology. The social reality is actually constructed from the interpretation of the events that the individuals have. A very important aspect is that the same phenomena can be interpreted differently by different individuals. The reality is subjective and cannot be generalized.

The epistemological underpinnings around how knowledge is gained are also very important for the research. Knowledge is gathered by “*respecting the differences between people and the objects of natural sciences and therefore requires the social scientist to grasp the subjective meaning of social action*” (Grix, 2004). In order to gain knowledge both from an inductive and deductive method, in the project some theory will be used in order to create a predetermined model template, which will then be amended by the findings of the analysis and result in a new model. So both the inductive and deductive methods are involved in the research to a certain degree. This adds the assumption that knowledge on certain phenomena will also be acquired through the experience of the people involved in the study.

#### Qualitative analysis

So far the studies around the motivation of entrepreneurs to run businesses around the world have been mainly conducted in a quantitative way. For example, Robert J. Taormina and Sammi Kin-Mei Lao conducted this type of quantitative research in China - “*Measuring Chinese entrepreneurial motivation - Personality and environmental influences*”. Other studies come from the USA, such as the one called “*What do you want and how much do you want it? A study of entrepreneurial goals and motivation density*” carried out by Anne Canabal, Jason A. Harkins and Ivan M. Manev, all from the University of Maine. There have been also studies conducted in Europe, a representative one being “*Entrepreneurial behavior: Impact of motivation factors on decision to create a new venture*” by Virginia Barba-Sanchez and Carlos Atienza-Sahuquillo, but the subjects were only Spanish business people. As it can be observed, most of these studies are quantitative. It makes sense then to make a qualitative study and ask what is behind closed-end answers of entrepreneurs in starting out new business. Through this study we are trying to cover the gap of understanding the social phenomena of behavior. More concrete, the motivation of entrepreneurs that leads them to the behavior of starting a venture. This will be done by conducting a qualitative research.

#### Exploratory and holistic research

Through our study we aim to find out new insights that help us to understand better what influences the motivation of entrepreneurs to engage in a behavior of starting a company in Denmark and Bulgaria. Therefore, the purpose of the research is exploratory and it involves changing our conclusions as a result of new data collected or found in the literature (Robson, 2002). A supporting argument is that the conceptual framework is constantly changing in the process of analysis until the final version is defined.

The exploratory type of case study is generally used to explore those settings in which the intervention being evaluated has no clear, predictable or single set of outcomes (Baxter & Jack, 2008). Our problem formulation which involves the motivation can have multiple answers that we might have not thought of. We are not trying to verify or find out if our assumptions are right, we are trying to get information, and explore the thoughts and rationale of our respondents. Therefore the exploratory type of case study fits best our research questions.

The research is also considered to be holistic. Therefore, the “*behavior of people and social phenomena*” (P. Swanborn, 2010) will be taken into account. A rule of thumb when using the holistic approach is that the interactions in terms of causal and contextual variables are also considered. A must for having a holistic approach is to make qualitative research. A main characteristic of this approach is that during the analysis process the explanation is never ready (Glaser and Strauss 1967; Denzin and Lincoln, 1994/2000), meaning that until the very end of the research patterns may change because of the changes between the interactions of the variables.

In this project the behavior of the entrepreneurs is considered to be complex phenomena. So we develop two main factors: personal and situational which, on their turn, have their categories and subcategories. This will help us to understand better the main factors and their influence on the motivation of entrepreneurs. The categories can be explained by “*historical precedents, the physical context in which people live and work, the social structures in which individuals are embedded, and the symbolic environment in which they act*” (R. Yin. (Ed.), 2008).

#### Ethical considerations

From an ethical perspective, many issues might come up when working with a large sample of respondents. That is why all interviewees were asked for their consent to be recorded and they had the right to withdraw from the process at any time. They were also asked for the permission to mention their names in the study (otherwise we kept them anonymous). To make sure that all ethics issues were covered, we followed the APA[[1]](#footnote-1) code on research ethics to guide the design and conduct of our research.

#### Generalizability

The problem of the interpretivism paradigm is that it lacks the process of verification. Without verification there can be no generalization of the data, meaning that it cannot be applied to other cases. Another main critique to it is the social reality of ontology. Under the interpretivism paradigm the reality is subjective, meaning that the researchers cannot separate themselves from their perspectives as researchers, because they are a part of the process. This situation has a way out though. When doing qualitative research it is possible to set aside while analyzing the data gathered. This gives the option to focus on the phenomena in the environment and reduces the influence of the researcher’s perception on the results.

### Data collection

Data is referred to the “*information obtained during the course of an investigation or study*” (Polit and Hungler 1999:267). The way that data will be acquired in this research is through interviews. They will be conducted with entrepreneurs as mentioned previously. The data that we aimed to obtain is closely connected with the problem statement of this project *- What influences the motivation of entrepreneurs to start a business in Denmark and in Bulgaria?* We do not aim to find out which those factors were, since there are plenty of quantitative studies on the topic. As mentioned in the previous chapter, the interesting questions that arise from our model and that we are trying to answer are:

* *How do the personal factors influence the motivation to start a business?*
* *How do the situational factors influence the motivation to start a business?*
* *How do the personal and situational factors influence each other?*
* *How do the differences between Bulgaria and Denmark impact the motivation of entrepreneurs?*

These research questions will provide a comprehensive picture of the process that the entrepreneurs follow when starting a business.

The data collection process was stopped at the point where patterns in the data collected started to appear.

#### 3.1.2.1. Instrument for data collection

The chosen method for data collection is language data in the way of semi-structured interviews. Using this method it gives us the freedom to lead the interviewees in the direction of the project and in the same time be flexible to ask questions that are not involved in the questionnaire but would contribute to the problem studied.

M. Easterby-Smith (2012) suggests that before choosing the type of tool to be used in the research one should be aware what data and knowledge wants to acquire. We have decided that a semi-structured interview best fits the purpose of the project because of the underlying assumptions:

* making choices about which questions should be explored further and which should be discarded
* a framework can be used, but the researchers are not tied to it
* a topic guide can be used, which actually represents a checklist of the questions
* the discussion is unbroken, which means that the questions may differ in their succession in order to follow interesting lines in the discussion

Those characteristics of the semi-structured interview add a degree of freedom and structure in the same time. This was very helpful when doing the research since, the project group has a good structure to follow, when it comes to the structure of the questions, but in the same time they have the opportunity to lead the discussion in different ways between interviewees.

##### The development of the semi-structured interview

The interview strategy was based on the Steiner Kvale’s method presented in his book “Doing Interviews” (2008). The main idea of building the interview guide starts from our research questions. Each of those is divided into simpler, shorter and in a non-academic language, one or more interview questions (Appendix D - Interview questions).

However, the interviews were conducted in a semi-structured way, so the interviewees were asked these specific questions only if they had not mentioned that previously or if it was highly relevant for their situation. In this way we ensured we obtained the relevant information from each interviewee and we dug deeper in what was important for them and for our research as well.

##### Interview questions structure

The interviews lasted on average between 30-35 minutes and started with more general questions such as the respondent’s background, then question about his start-up are asked. The conversation continues toward the pros and cons of being an entrepreneur, the personal and business goals of the entrepreneurs and end up with a question on the environment they perform in. We chose to leave this as the last question in order not to influence the entrepreneurs during the interviews to think and talk about the environment, unless they mention it first.

|  |  |
| --- | --- |
| Section 1 | Personal Background |
| Section 2 | Company Information |
| Section 3 | Decision to start a business |
| Section 4 | Differences in being employed/self-employed |
| Section 5 | Future goals |
| Section 6 | Family Background |
| Section 7 | Environment |

Table 1. Interview structure

#### Procedure of contacting entrepreneurs

The interviewing process in both countries took approximately two months - from the end of February until the middle of April. As mentioned in the ‘Sample’ section, the procedure for conducting the interviews is as follows: - The first part was to create the eligibility criteria that will choose best the units of the analysis. In this project the unit of analysis consists of entrepreneurs from Bulgaria and Denmark that started their company in 2010 the earliest. - The next step was to start gathering information about such entrepreneurs.

##### Invitational procedures

The invitation procedure started with the creation of an excel file which includes all of the information about the entrepreneurs and their companies (owners, phone numbers, emails etc).

###### Emails

The first step was to educate ourselves how to create and distribute informative invitational email. After that we started sending emails where we introduced ourselves and the project we were conducting. The email ended with timeslots for possible interviews. This approach was found to be taking too much time. Even though we obtained more than half of the interviews in this way, there was a lag between the responses to the email. However, the process of sending emails was quite simple. The informative invitation email was sent and after that there were three possible scenarios. The scenarios and the outcome decision are described below:

* positive answer: a confirmation email was sent in which we thank for the answer and once more specify the time and place of the interview.
* negative answer: an email was sent which shows gratitude for spending time answering our email.
* no answer: after one week a second email was sent as a reminder of our research.

###### Phone calls

After the first two weeks of sending informational invitation emails the research group started to feel the lag between responses. That is why another approach had to be included in the procedure. As best available choice, phone calls were selected. In contrast with the emails, phone calls provide the freedom to directly contact the entrepreneur of interest and speak with him or her in real time. The structure of the phone call was the same as in the emails - introduction of the project group, research project and invitation for an interview. Another benefit was that phone calls gave us more personal contact with the person at the other side of the line. The rejections were handled the same way as in the emails. However, if the person agreed on an interview, a confirmation email was then sent to him or her, which again thanks for the time spent with us on the phone and also confirms the data and place of the interview.

###### Follow-up emails

Follow up emails were also send to the entrepreneurs that agreed to meet us and took the effort to answer our questions. The emails were showing gratitude and appreciation for the chance to get an insight to their personal and professional life. Also we agreed to share the report with each of them after the final version would have been finished.

##### The collection process in Denmark and Bulgaria

**Denmark**

In Denmark, the first step was to choose entrepreneurs that were in our network. This gives the possibility to test the semi-structured interviews and also acquire feedback on the questions afterwards. Two test interviews were conducted. One of them was not included in the project due to the fact that the information provided did not satisfy the project’s requirements regarding quantity and quality. The knowledge gained during these two semi-structured interviews was used to restructure the questions and set more focus on the research setting of the interviews which led to a success in the next interview. The second interview respected the requirements in terms of data collection, length and validity.

The next step was to find more respondents for the interviews. People from the network of the research group such as professors, entrepreneurs, friends, etc. were leveraged in order to acquire information about possible entrepreneurs to interview. Our main provider of contacts was Kristian Brøndum (Research Assistant, Department of Business and Management). He gave us the contact information of managers in NOVI, Startupzoo and Igangz. Then we contacted those people and they further gave us information of entrepreneurs in their offices that match the research project criteria. In the end we contacted between 35-40 entrepreneurs in Denmark and executed 17 interviews, one of which we considered not eligible to be included in the results of the research project.

**Bulgaria**

Interviews in Bulgaria were conducted in two stages. The first part comprises interviews in Sofia which is known among entrepreneurs as the center of startups for Southeast Europe. Companies from Eleven and LauncHub startup accelerator funds were contacted by e-mail at first. After a week of no response, the first interview was conducted with one of the co-founders of AVSD. He then introduced us to more entrepreneurs so we managed to conduct four more interviews in the next eight days. Consequently, after getting the permission to cite companies’ names, we decided to include them in the invitation letters sent to potential participants and then appeared that companies were more willing to cooperate and give a response in a shorter period. Thus, eventually, we ended up with 12 interviews conducted within the month of March. All in all, 44 companies were initially targeted, 35 of them were contacted and 12 decided to cooperate and give interview.

The second part includes interviews with entrepreneurs whose businesses are not based in Sofia. This will give us a better prospect and a chance to see if there are some differences mostly with regards to the way the environment is perceived. Such doubts emanate from the assumption that Sofia may have created better conditions (environment) for launching a new venture. Thus, four interviews were consequently conducted in Shumen, Razgrad and Varna. As expected, because of the industries that the new companies operating in, and also the fact that they all had sales at the moment of the interviews, different insights were revealed. Finally, a total of 16 interviews were conducted in Bulgaria trying to give a holistic picture of the situation in the country.

#### Reliability of the research instrument

This section will provide information of why the instrument for analysis used – interviews - is reliable. Reliability is always in question, but the factors taken into account by the project group are increasing its reliability.

##### Skills

M. Easterby-Smith (2012) describes the skills as the factor that helps the interviewer understand the interviewee’s point of view. Being able to understand whether the interviewed person is hiding something (sensitive information) or something else should be investigated further are some of the pitfalls that may arise on the way.

When it comes to doing qualitative research on topics such as motivation, it is familiarize with the research by McClelland (1965) on common sense notions of motivation. What the researcher explains there is that interviewees cannot be trusted directly on what they say when questions about motivation are asked. The reason behind that is that people generally “*get ideas about their own motives from commonly accepted half-truths*” (McClelland 1965). Having that in mind the project group put extra effort to try and recognize such notions since those are of main importance for the reliability of the project. This phenomenon can be observed in most of the interviews; interviewees say commonly accepted motivations of entrepreneurs which they think they enjoy in being an entrepreneur (or influence their decision to start a business), but the questions in the semi-structured interview are build in such a way that they seem general, so the interviewees actually mention their motivations before the question about motivation is asked. Also a positive side of the semi-structured interviews is that the group uses the option to record the interviews. This gives freedom to the interviewers to further interpret the words of the entrepreneurs and decide on what is the actual motivation of that person.

Mayo (1949) states that “*the interviewer need to listen what the person wants to say and to what (s)he might not want to say without helping*” (M. Easterby-Smith, 2012, p.129). The semi-structured interview relies on the ability of the interviewers to ask question open for interpretation while at the same time answering the topic of interest for the research. This pushes the interviewers to be more patience and focused on what the interviewee has to say, and also gives the interviewer time to think and analyze what has been discussed during the meeting.

Having those things said we can conclude that the necessary tools have been put into use in order to produce the best possible income for the research project.

**Laddering**

Laddering is a must technique when using semi-structured interviews. It basically gives you the power to get more out of a single question. That is done by asking more “why” broad questions which demands the interviewee to continue speaking in the direction of the question, during this process he reveals his value base, which is of main importance for the project since we don’t want to use the personal views of entrepreneurs about themselves, if we’re not sure that this is really the case. The limitation to this technique of course is that you should not ask more than 4-5 questions because the interviewee will run out of things to say at some point.

**Biased**

Being biased, when doing quantitative research, can be a problem. It’s very important that the interviewer don’t influence the responses of the interviewees. The laddering however gives the possibility to ask more questions, thus if your main question leads the interviewee in a wrong direction, and the interviewer sees that, the following question can actually remove the doubt about his values and reveal the true character of the person. However the researcher is a part of the project, his chance to step away is when doing the analysis, this is the moment when the project group put efforts to be extremely neutral when doing the coding. This means that we reduced the amount of opinions and impressions that we had and focused more on the data collected and its interpretation.

**Concerns**

The last part will discuss things that the project group found to be important when doing the interviews and go better with, the more interviews that were conducted. Each factor will be described briefly in order to get the main idea about it.

Obtaining trust is the factor that aims at securing a good environment with the interviewee. This gives the possibility to get to his true values when doing the interviews. Failure to obtain trust may lead to the interviewee telling the interviewer what he wants to know, which can be different from his true values.

Appropriate language is another concern that has to be taken into account. The project group has tried to use a language which is understandable to the interviewee. Not much theoretical terms were used, since they may lead to a misunderstanding or misinterpretation from the interviewee. This will result in bad data quality. That’s why the language used in the interviews was simple and easy to understand, while in the same time professional.

The last two concerns are the location and the setting of the interviews, which were described already. The location is important since it supplies a better environment for the interviewee and makes him more comfortable while doing the interview. As for the recording it’s important because it gives the possibility for the project group to stand aside and analyze the data with a better determination.

### Research Setting

The research setting is directly involved with the physical place, where data was collected. Since the report is based on interviews with entrepreneurs, it was up to them to decide the most convenient place for the execution of the interviews. In an informative invitation email we ask the entrepreneurs if we should find a place or there is a place they prefer to use. In the end the places used for the interviews were:

* Company offices
* Aalborg University
* Main city library in Aalborg
* Inter Expo Center Sofia
* Business Park - Sofia

The end result was that we respected the needs of the entrepreneurs and were flexible in the same time to fit into their busy schedule. Also having the right place for the execution of the interviews guarantees the right environment for the following interviews. If we were invited into their company offices/apartments the entrepreneurs felt like hosts so they took care of making the environment cozy. However when the interviews were made at the university and the library, we were in charge of setting up the right environment for the interviewees. In the single cases of Inter Expo Center and Business Park Sofia, interviews were conducted in quiet, non-shared offices provided by the interviewees, thanks to the fact they are well-known and have a good reputation in those places. That is of main importance since by setting up the right environment the interviewee can relax so he or she speaks more openly and freely which is of main importance for the project since we are using the semi-structured interviews.

#### 3.1.3.1. Research Population and Samples

Population is described by Polit and Hungler (1999:43, 232) as the total amount of possible people to interview. It is also implied that there should be criteria for the selection of the population, something that makes it possible for the results to be generalized at the end of the research. A sample is defined by LoBiondo-Wood and Haber (1998:250) as the portion/subset of the population that is selected to take part in the study. The sample should be representative for the population.

In order for a population to be chosen, eligibility criteria must be defined first. Polit and Hungler (1999, p.278) describe this as the characteristics that the people in the population must have so they are eligible to participate in the study. The criteria chosen for the research is: entrepreneurs that have started their company in 2010 the earliest. The entrepreneurs should also be from either Denmark or Bulgaria, which are the countries chosen for the execution of the research. The reason behind the choice of the six years interval is that we try to avoid taking the changing environment into account. In this way the focus is on the current environment that the entrepreneurs take part of and how this reflects on them.

The data presented below will be used to create the profiles of the entrepreneurs. They will be divided into two categories – Bulgaria and Denmark. An insight will be provided to their education, work experience and the industry they operate in. Even though the samples will be separated, they will be compared simultaneously in order to see if there are any differences between them. A main assumption here is that the education and work experience foster the ability to see opportunities since they give individuals a better understanding of their surroundings and of helps them noticing the gaps in the industries that they operate in.

##### Education

The aim of including the education is to have an idea of the educational level of the entrepreneurs at the moment when they started their business. In the following table the data collected can be observed:

|  |  |  |
| --- | --- | --- |
|  | Denmark | Bulgaria |
| High School |  | 3 |
| Professional Gymnasium | 2 |  |
| Academy Profession Degree | 2 |  |
| Bachelor Degree | 6 | 4 |
| Master Degree | 5 | 8 |
| PhD | 1 | 1 |
| In connection to the start-up | 9 | 7 |

Table 2. Sample - Education level

It can be observed that some of the entrepreneurs in Bulgaria have only high school diploma which is not the case for Denmark. The first level for the Danish entrepreneurs is either an AP degree or a professional gymnasium. However, when it comes to the bachelor and master degrees it can be observed that in Bulgaria 8 people have a master degree whereas in Denmark there are only 5. The entrepreneurs that have graduated PhD are the same for both of the countries.

In addition to the education, we take a look at what part of the entrepreneurs has the education in the direction of the start-up. In Denmark that is 9 out of 16 whereas in Bulgaria it is only 7 out of 16. This characteristic was used to see only what part of the entrepreneurs used their knowledge from the educational system when they started their business.

According to Blanchflower (Blanchflower, 2004), the education is negatively related to the probability of becoming an entrepreneur, except in some rich countries where post graduate training proved to have some positive effects. However, we show this data only to get an idea of the educational degree that the entrepreneurs have.

##### Work experience

The specific factor that we take a look here is not the work experience. It is the work experience in the direction of the start-up. When analyzing the interviews we were looking at entrepreneurs that used their work experience to notice opportunities and then started a business in order to exploit them.

|  |  |  |
| --- | --- | --- |
|  | Denmark | Bulgaria |
| Work Experience | **7** | **12** |
| Work Experience connected to the start-up | **6** | **5** |

Table 3. Sample - Work experience

The table above shows that the differences in the work experience are significantly different. In Bulgaria 12 of the entrepreneurs have some work experience, while in Denmark only 7. However the difference in the age may be the main contributor to the discrepancy, since the sample in Denmark is younger in terms of age than the one in Bulgaria.

Moving to the important factor – the experience in the direction of the startup - we can see that even though entrepreneurs in Bulgaria have more work experience, it is not experience directly connected to their start-up. The final results are close the same: 6 (out of 16) for Denmark and 5 (out of 16) for Bulgaria. Even though we consider it has an influence to their start-ups, it is just an assumption.

##### Industry

The majority of the entrepreneurs that we interviewed have a business in the Information Technology sector. The following table presents the full data:

|  |  |  |  |
| --- | --- | --- | --- |
| Denmark | | Bulgaria | |
| IT | 9 | IT | 8 |
| Events | 2 | Construction | 2 |
| Consultancy | 2 | E-trade | 1 |
| Fintech[[2]](#footnote-2) | 1 | Consultancy | 1 |
| Books | 1 | Health | 1 |
| Advertising | 1 | Biotech | 1 |
|  |  | Entertainment | 1 |
|  |  | Education | 1 |

Table 4. Sample - Startup industry

The fact that they all belong to the IT sector does not mean that all start-ups are doing the same activity. Some of the companies are involved with the creation of mobiles applications, others with websites, statistical tools, etc.

### Method of analysis

This section will explain how the gathered data will be analyzed and the purpose of choosing the specific methods of analysis.

#### 3.1.4.1. Template analysis

Since our research questions could not be answered by the existing literature entirely, we collected empirical data and combined it with a literature review. The purpose was to understand the whole process of motivation and what influences it.

The template analysis is a method that gives us a comprehensive structure to get the best results from the analysis. It suggests that both deductive and inductive approach will be used as a method of analysis.

The deductive part is in the sense that the literature review will give us an insight to create a framework of predetermined codes that can be used as a starting point for the analysis. The main focus of the framework is to understand how the motivation of entrepreneurs is influenced by different factors and then turned into behavior.

The inductive approach helps us by improving the framework of predetermined codes by amending it because of the primary data collected. This was made empirically in the form of semi-structured interviews as already mentioned. We call it qualitative data, as it is non-numeric data or data that have not been quantified (Heckhausen & Heckhausen, 2010). The primary data will help us understand better the social phenomena and give us comprehensive interpretation of the events observed.

#### Analysis process

After collecting the primary data, the project group started transcribing the interviews. The process of transcribing converts the data from audio files to text documents. The transcribing process gives the project group the possibility to better analyze the data, since a certain paragraph which is considered important can be read over and over again and analyzed with more focus.

The end of the transcribing process is the beginning of the coding. At this step, the framework of predetermined codes was used to analyze the interviews. On the way new themes emerged and thus they were added to the results of the project as factors that have influence on the motivation of entrepreneurs to start a business. In the same way of the emerging factors case, the analysis led to the exclusion of some factors from the results, since they did not seem to have an effect on the motivation. In order to include or exclude a factor, secondary data was used to prove the validity of the factor in question.

The end result of this method of analysis is that the finding from the qualitative data will improve the framework of predetermined codes and lead to a final conceptual framework, which will be used to represent and explore the relationships in the data from the analysis and also represent the final factors that have an influence on the motivation of entrepreneurs to start a business in Bulgaria and Denmark.

# Analysis

The conceptual framework presented in the previous chapter, more specifically the motivation model, will be the main instrument in building the analysis. By using the template analysis approach, the analysis starts with the motivation model which will be amended during the process, according to our findings. In the end, a final motivation model will be proposed, as a result of both the theoretical framework and empirical findings. Thus, we take a bottom-up approach, in which we analyze all the factors emerged in the interviews so that to gradually arrive to the final and complete model. The factors resulted by using primary data exclusively will be supported by secondary data (scientific articles, macroeconomical indicators and reports, media, etc.).

The analysis, following the motivation model, is structured accordingly:

* **needs and consequences** – main findings and the exclusion of the factors from the final model
* **personal factors** – main findings, a discussion around their impact on motivation and the differences of these factors in the two countries
* **situational factors** – main findings, a discussion around their validity backed up with secondary data for each country
* **the motivation model reconstructed** – the most appropriate framework to analyze the motivation of entrepreneurs in two different countries, according to our findings

If the two types of personal factors (traits and values) could be discussed separately by defining carefully a line between them, the situation factors do not allow this type of framework. As the perception on environment is highly subjective and entrepreneurs conduct their activities in different places, some categories of opportunities (e.g. access to capital) for some actors may represent constraints for other actors. Therefore the situational factors’ analysis presents the emerged categories as opportunities, constraints, and sometimes as opportunities and constraints at the same time.

As mentioned previously, the interviews’ coding brings into light various categories that subscribe to either personal or situational factors. These categories are treated separately into discussions that bring along both primary and secondary data. The main finding consists in the fact that traits & values influence in similar ways the entrepreneurs, regardless the location, while the opportunities & constraints have highly distinct influences on them. The countries into focus are also very different in terms of economical and historical development, politics and social environment, etc. Hence these differences are diffused and impact the motivation of entrepreneurs to start new ventures. A broader discussion using our findings as a point of departure will follow in the next chapter.

## Needs - Findings

The needs section was included in the model as a consequence of Maslow’s hierarchy of needs (Maslow, 1954) proposed in the psychological studies. The hierarchy suggests that one has to satisfy first the basic needs – such as hunger and thirst- then the need for safety, self-respect, and at the end the need for self-actualization. The latter is the need for improvement/development. The assumption here is that by fulfilling a need one automatically forgets about it until the need comes back. For example, after satisfying biological and safety needs, individuals are able to move on to higher needs (e.g. self-actualization) without having to think of the other two. When studying the entrepreneurs’ decision to start a business, behavior that addresses the self-actualization need, it is assumed that they have already satisfied their other needs. However, if later in this process the entrepreneur starts to feel insecure again the safety need will be triggered and he or she will direct all the attention to satisfy the safety need.

The underlying assumptions when choosing to analyze the need factor relate to the differences in the economy that may cause the entrepreneurs in Bulgaria to start a business for different reasons than the ones in Denmark. For instance, we presume that they start a business from lower needs reasons, such as the need to feel safe (financially). This view is compatible with the ‘push and pull’ theory. Hence, they will be pushed to start a company because some of their previous needs are not satisfied. The push factors can be a result of several aspects in the Bulgarian economy like the low salaries, high unemployment, etc.

The analysis revealed that what mostly bothered entrepreneurs is money. As described in the theory, most of the entrepreneurs, in order to start a business must have already satisfied their basic needs so they can be looking for “something interesting” to do - either solving a problem or just working on “something they like”. However, there are also entrepreneurs that are facing problems commercializing their product or the development phase prolongs, resulting in an uncertain financial stability. This automatically resembles their need for safety, since financial safety is considered to affect the safety of entrepreneurs. A very good example, which reflects the theory, is given by A. S. Juul when she says:

*“I do not need a big car, a big house. Of course you need money because you need to buy food and you need to live properly”* [A.S. Juul, by Anne Sofie Juul].

She refers to a minimum level where the basic needs are fulfilled that would permit her to think about higher needs – spending time doing what she prefers to do or self-actualizing.

Most of the needs that were mentioned in the interviews were related to financial security. In addition, some of the interviewees had families to which they had to fulfill the same type of needs.

When we talk about the needs and their influence on entrepreneurs the statement made in the previous chapter (needs) is not proven by the empirical data. So the difference in the economic development of Bulgaria compared to Denmark does not necessarily push entrepreneurs to start a company in the early stages of their hierarchy needs – trying to satisfy their (financial) safety need.

However the analysis still brought some insights of how the need for financial security influences the entrepreneurs. We can draw the conclusion that some entrepreneurs tend to think about their safety when due to some reasons they lose it. It is important to notice the way they feel about it:

*“That was kind of a bad experience, not only for me, the pressure of not having money to pay rent and other things like that”* [Christensen, Donago].

Hereby Christian Christensen feels pressure and stress when it comes to financial instability. This as an end result that can hinder the development of the product since the entrepreneur may rush into decisions to obtain quick profits.

The interesting aspect to notice is that even though some of the entrepreneurs are feeling the pressure of financial instability, Denmark as a country gives this security to its entrepreneurs. The social system of the country gives a certain level of financial stability, which means that one will never end up without shelter and with no income. Some statements in this direction are: *“The benefits that are here in Denmark, makes it a bit more secure if things fail. It makes it easier to start things I think”* [A.S. Juul – by Anne Sofie Juul],

*“In Denmark I do not have to worry about food, about the basic funding need. I have money to sustain myself, even my girlfriend”* [Kyosev, Aalbornification].

After analyzing the interviewees’ data, we can conclude that the needs category does not show any differences between the motivation of entrepreneurs in the two countries, and it did not make any of the entrepreneurs change the direction of their business even if they were worried about their financial situation (at the moment when the research was made). Most of the entrepreneurs accepted the situation of risking their financial state.

*“It was my cash from jobs I have had before. That is fine, that is why I became an entrepreneur”* [Beno, Aalbornification] when speaking about who invested in his start-up.

## Consequences - Findings

Consequences became a part of the report, because of the psychological assumption that the behavior of a person is determined by the motivational factors (person and situation) and the consequences the precede behavior (that the person expected or not). Having that in mind we analyzed what those consequences are and their influence on the entrepreneurs and their business.

When we analyzed the 32 interviews we came up with four categories which consist of all of the consequences found. Those categories are divided into two groups: positive and negative consequences:

* Positive
  + Life improvement
* Negative
  + Sacrifices
  + Lack of business knowledge/experience
  + Damaged personal relationships

Some of the main assumptions when it comes to the consequences are that all entrepreneurs in general have the tendency to believe that they will be successful. No one will start a business if does not think that will succeed. However the risk is also directly associated with this assumption, since having a start-up always involves risk to some extent. It is a different topic if entrepreneurs are able to cope with risk which can be will be discussed later in the analysis. The notion that entrepreneurs believe their business will be successful while considering some risks can be seen in most interviews where the startup founders are still in the developing process and are not sure if their idea will be successful or not. For example, when asked about risk and risk taking, one of the entrepreneurs in the analysis uses phrases like:

*“I am confident in my skills”, “My bet is on that it is going to work…very very unlikely to not work”* [Vesteghem, Social Chroma].

Thus, in order to develop new ideas, the founders must believe in them – that the product is good and that they have the skills to develop and commercialize it. Giving up on any of those believes will decrease their motivation to continue working on the product.

Another assumption is that they will earn less money than by being employed in a company at least in the first years and it is interesting to see how they cope with this aspect. Again many examples can be given here, since all companies exist for 6 years the most. A very good example is given by Brian Gordon, the founder of Ecodel:

*“My salary is very small at the moment. That is how it is and you need to be aware of that when you start a company”* [Gordon, Ecodel].

It is clear that the entrepreneur already knew his personal income will be smaller by having his own company after leaving his job, which comes naturally since he actually started with a new product that needs to be developed while considering the risks on the way. Entrepreneurs do not have presumptions for high earnings.

Most entrepreneurs have in mind that having their own company will be hard, especially in the beginning. However some of them actually enjoy being involved with their work and do not really mind that. One of those cases is Viktor Kyosev, co-founder of Aalbornification. He says:

*“The more I work, the more I get used to it, and the more I like it”* [Gordon, Ecodel].

However it should be mentioned that before the entrepreneurs start their companies they think about an amount of extra work that they are willing to undertake, like the amount of risk they are willing to take, but if that amount is exceeded in the case of the additional work, it leads to dissatisfaction. There are also some other daily sacrifices that they have to go through. Those can be of different origin, from spending money for your business instead of yourself:

*“Every krona you get you would not spend it on yourself, you have to put the money in the business”* [Tartilas, Webs & Apps],

to “*the lack of free time is big thing… Sometimes it is very difficult”* [Kyosev, Aalbornification].

Mostly negative consequences are expected to arise from the analysis. There are some positive consequences though, meaning that the entrepreneurs did not expect something to be as good as it was after they started their company. The positive consequences represent the unexpected positive results from the decision to start a company. Life improvement is the main representative of this group. For example, Yoana Georgieva, CEO of Yoana-Yo, is having a business while being employed full time. Having that in mind her expected consequence was that her life would become much harder, but instead things took another direction:

*“I thought that I will not be able to manage both the business and the work, but I managed to do things even better”* [Georgieva, Yoana-Yo].

A clear increase in her satisfaction of her organizational skills can be seen here. However as we mentioned in the beginning of the chapter the positive consequences are significantly lower than the negative.

Entrepreneurship is demanding when it comes to knowledge. As an entrepreneur that just started a company, there are many obstacles that come on the way. Since every entrepreneur has its own background when it comes to education, knowledge and skills, he/she is not supposed to be aware of all the aspects that a business has. However that comes as a negative consequence for some entrepreneurs, since they face an obstacle which they thought will never face. That is the case of more than 11 of the entrepreneurs interviewed. For example:

*“We thought we will make a great product that will sell by itself. In my eyes this mistake was influenced by our technical background”* [Damyanov, Webs & Apps].

Genuinely entrepreneurs that have an IT background are more focused on the development of the product itself than finding ways to commercialize it. So obstacles arise when it comes to marketing, sales, business plans/models etc.

The last category – damaged personal relationships is actually just a case for Denmark. None of the entrepreneurs in Bulgaria mentioned anything about problems in their personal life. However in Denmark this is an issue for some young entrepreneurs. The below is one of the cases:

*“Well, we face challenges with our families… We have girlfriends, wives and we cannot spend time together”* [Tartilas, Webs & Apps].

This can also lead to the end of relationships, which has a bad influence on the entrepreneur. Something else that has to be mentioned here is that the “absorption” of the work process leads to losing friends, because this decreases the amount of time entrepreneurs spend on their social lives.

Like the needs, the consequences did not seem to satisfy the needs of the research as well. The presumption here is that the negative consequences (the things that the entrepreneurs thought will have a positive effect, but they had negative instead) will affect entrepreneurs in a negative way. The analysis reveals some negative consequences such losing friends, ending relationships, lacking knowledge in the business area or the abnormal load of work. These actually have a negative effect for a period of time only. Another aspect is that entrepreneurs may see some of those as challenges which then motivate them. For instance:

*“The business forces you, the learning curve in start-ups is huge”* [Kyosev, Aalbornification]. He is actually explaining that whenever he faces some challenges like creating a viral marketing campaign, he will just educate himself in what it takes to make a good campaign.

This is the effect also the rest of the categories in the consequences section. When it comes to problems with the amount of work an entrepreneur states that:

*“I would say we spend less time working but it is the same workload, because we learnt a lot, to be more productive and manage time better”* [Tartilas, Webs & Apps].

When it comes to personal/social relationships another entrepreneur found a way to cope with his situation (having a girlfriend and a 3 year old daughter). He found a way to balance his life:

*“We have kind of made a deal that if I had not made enough money so I can sustain wages for a year I need to get a normal job and then I can have three nights a week where I can work on this project”* [Christensen, Donago].

Psychology suggests that presumed consequences have an effect on the decision making process. However, in our research, where the decision for all entrepreneurs is to start a company, this is not the case. The entrepreneurs regard the differences from what they expected to happen to what actually happened as something which either motivated them to learn from their mistakes or to acquire knowledge which can help them solve their problems. This conclusion applies to both countries and has no effect on the motivation of entrepreneurs to start a business.

## Personal factors

### Traits - Findings

As already emphasized in the theory part, traits are something stable that cannot be changed over time and by different situations. Personality traits are taken considering their broader perception. Thus, in the analysis, they can range from abilities to motives (need for achievement, autonomy etc.).

In order to increase the validity and reliability of the analysis, thoughts and opinions of individuals regarding their personalities are not included. Thus, we avoid the inclusion of participants’ subjective assessment, such as – ‘I am not afraid of risks’. This therefore is not taken into consideration, which would normally lead to the ‘risk-taking’ trait of categorizing. The attitudes, as well as what they have done under some conditions or in a particular situation, are taken into account instead, in order to reveal entrepreneurs real personality traits profile.

Another thing that needs to be clarified is the vague differentiation of traits and values. Sometimes it appears to be much of a challenge to determine if a certain phrase gives information regarding value or trait of entrepreneurs. This comes from the fact that the interview takes quite a short time for us to get to know the interviewee and thus to be always able to refer certain expression to the value or trait categories is challenging. This is a well known issue in the literature which the researchers face. For this purpose, first, concrete interpretations for all types of both traits and values are applied and second, only the explicit ones are taken into account in order not to weaken the analysis adding our own assumptions for the certain phrase or sentence.

Furthermore, accepting that traits are part of the personal factors in our model, it suggests that these are a natural thing, i.e. they apply to all individuals, regardless gender, nationality or any other differentiation. Thus, for both Danish and Bulgarian cases the same trait categories are utilized. More concretely, the following types of traits among all the entrepreneurs are identified in this report: Need for autonomy, Need for achievement, Locus of control, Entrepreneurs in the family, Innovativeness, or 5 in total. The findings for each of them can be observed below and they will be discussed in detail in this chapter. The numbers above each category represent the number of entrepreneurs who were found having that certain trait.

Figure 8. Findings - Traits

The identified traits are well known in the literature. Here, the purpose is not to come up with new ones, but rather to see which ones are possessed by the two groups of entrepreneurs, and to find out if there is any significant difference for a trait between the Danish and Bulgarian case. If there appears to be some, this would reveal a certain relation in entrepreneurs’ motivation regarding this trait and the location where the entrepreneur is based.

#### 4.3.1.1. Need for autonomy

There is a variety of contexts in the literature in which autonomy can be related and referred to different concepts (Arpaly, 2004). In this case, the perception of ‘personal autonomy’ is used. According to Dworkin (1988), it is the trait of individuals that can be manifested in any aspect of one’s life without limitations regarding questions of moral obligation. In addition, we observed that autonomy is closely related and even equivalent to conceptions for freedom (Berlin, 1969), independence (Dworkin, 1988) and the capacity to rule oneself (Arneson, 1991).

Therefore, in this report the category comprises – ‘flexibility’, ‘independence’, ‘decision making’, ‘freedom’ and ‘being your own boss’. This means that if the entrepreneurs correspond to any of these, they automatically fall into the ‘Need of autonomy’ trait. Accordingly, we observed that people who are flexible seek for opportunities to be self-employed because they want to schedule and reschedule tasks, meetings or events, etc. Independent people are considered the ones who stated that they do not want to be limited or depend on the others in any aspect. ‘Decision making’ on the other hand, is a subcategory of people who stated they want to have the opportunity to take important decisions regarding product development or other certain aspects of the company. ‘Freedom’ is observed among people who claim to have the choice of what to do in a particular time. Finally, ‘being your own boss’ corresponds to the people’s trait to work for themselves without getting orders from anyone.

*“The main thing for me here is the freedom…Every time I want I can take a free weekday and spend the time the way I want without even working at all”* (Freedom) [Karakehayov, Tool.Domains].

*“Another thing that motivates me is that it is cool, after all, you are your own boss. There is no one going after you to hurry or push you”* (Be your own boss) [Mladenov, Intuitics].

*“…I found this quite exciting too – I mean to create something and to be the person who decides in what direction exactly to develop it”* (Decision making) [Todorov, Qlibri].

The results from coding the interviews indicate that the need for autonomy is a main trait possessed by almost all entrepreneurs in both cases.

In particular, after analyzing 32 interviews, 16 for each country, it appeared that equal results of 14 entrepreneurs possess the trait need for autonomy. Thereby, we consider this trait having a significant importance with regards to entrepreneurs’ motivation. Moreover, the equal result comes to show that this personal factor does not reveal any relation of entrepreneurs’ motivation with the location they venture into a new business.

#### Need for achievement

Need for achievement is another well known category of traits which has its roots back in the 50s’ (McClelland, Clark, Roby, & Atkinson 1958). It is defined as a trait that refers to the individual’s desire to do things well and constantly improve its performance by overcoming obstacles. It is also observed that people with high achievement motivation are more willing to get into more difficult tasks and to choose pursuing an entrepreneurial career (Christopher, 2004).

In our case, basing on the data from the interviews, we observed that the need for achievement is possessed by the people who are striving to reach some level of work or get a certain result, achieve a big goal etc. Such people have embraced the idea for success, either on a personal level or professional level or both. They believe that running their own business would give them this chance which is not the case if they work for a certain company and do the same routine every day. For example Kenneth Pinsker, the founder of bike media states:

*“When I was young I made concerts and small things but I had, like, a lot of ideas that I wanted to put out. So maybe it is something inborn, you have the drive to do it”* [Pinsker, BikeMedia].

“*I have always been tinkering with what I need to do in order to get whatever I want off the table. I have always been focusing and making things, making things better…”* [A.S. Juul, By Anne Sofie Juul].

Similarly to the need for autonomy, we observed that the need for achievement is a main category of traits that one should take into account. In both cases, either considering interviews in total or total interviews for a certain case, it was found that at least 50% of the people indicated to possess the need for achievement. In the Danish case 8 of the 16 interviewees are achievement oriented, whereas in the Bulgarian case the score is 9 out of 16. This result, again, shows that the location of entrepreneurs does not influence the need for achievement personal factor as a drive to entrepreneurs’ motivation.

#### Locus of control

Locus of control can be defined as ones’ ability to control events that determine the direction of their lives (Yarbrough, 2012). In this respect, it refers to whether an individual can acquire reinforcement by his/her own abilities and efforts (Rotter, 1966). Such reinforcement can be perceived either as a result of one’s own actions (internal locus of control) or as a result of a pure luck, fate etc. (external locus of control) (Rotter, 1966).

In this project we observed that some people strongly believe that their lives and all that happens to them, depends on their own actions. They rather take themselves more seriously and refer the whole responsibility for their own fate to their own actions. Thus, for example, the founder of Aalbornification, Andrei Beno shares the following:

“*I do not like to be told what to do and I like to be the one who directs things. I am a pretty strong character…I decided to take this in my own hands”* [Beno, Aalbornification].

The analysis of interviews resulted in an equal score for both countries with regards to the locus of control. Thus, both Danish and Bulgarian cases indicated 9 entrepreneurs possessing this trait out of 16 in total for each. This result confirms the trend of personal factors (traits) to be indifferent from the location of entrepreneurs and therefore locus of control cannot be taken as a driving force for any of the cases in order to explain differences in entrepreneurs’ motivation.

#### Entrepreneurs in the family

‘Entrepreneurs in the family’ is applied here following the literature findings that the probability for a person to become self-employed increases if there is another family member already being an entrepreneur (Lindquist et. al, 2012). It is a trait based on the assumption that if one has parents, entrepreneurs, this either has been inherited or has influenced him/her too. The same applies if having brothers or sisters entrepreneurs. Since the literature provides rather biological (genes) explanation on the topic (Nicolaou et al., 2008), we take this trait into account, when presented as a fact, regardless participants’ opinion on whether their family member has really impacted their decision to be entrepreneurs or not.

In order to gather such kind of data, entrepreneurs were directly asked if they had a member of their family who had been an entrepreneur. Such a closed question predicts a clear yes/no answer that provides us the needed information.

As it could not be found what percentage of entrepreneurs in the respective countries had a parent entrepreneur, we narrow down to our own findings in the present project. The results show that in these particular samples, 6 entrepreneurs from the Danish case and 5 entrepreneurs from the Bulgarian case had an entrepreneur in the family. We then consider this factor as something that cannot explain differences in the motivation of entrepreneurs operating in the respective countries.

#### Innovativeness

The trait of innovativeness is assessed taking into account the Rogers and Shoemaker (1971) definition for the term – ‘the degree to which an individual is relatively earlier in adopting an innovation than other members of his system’. To be more precise, ‘relatively earlier’ is determined by the actual time of adoption and not by the individual’s perception regarding the time he adopted the innovation comparing with the others. Thus, innovators are the ones who are prepared to adopt a new product or service, ‘without personal or social support gained from discussions with prior users’ (Midgley & Dowling, 1978).

Thus, in our case, people that possess innovativeness are the ones that always seek for and are interested in developing new products and services which have not been known at the certain time. The co-founder of Playground Energy in this regard says:

“*I am very happy when I create something”, “…creating something, no matter what, just something useful, is the greatest form of satisfaction”, “…is probably connected to my ego, but I like creating things and seeing that other people like them”* [Alexiev, Playground Energy].

*“I am usually good at getting ideas…But there is a difference in getting a good idea and an original idea. This thing we do now it is something that no one has ever done before. We took something simple and we actually solved a problem…It means to be unique, so we can help people with something”* [Christensen, Macellum].

We found out that 13 entrepreneurs in total possess innovativeness. Respectively, 7 of them are found to be part of the Bulgarian case and 6 – from the Danish one. Therefore, this trait does not indicate a significant difference among the two groups of entrepreneurs, so we cannot observe any specific relation between this trait and a certain location with regards to the motivation of entrepreneurs to run a business.

To sum up, the analysis of traits as a part of the personal factors group shows that the following common personal traits are possessed by both groups of entrepreneurs – need for autonomy, need for achievement, locus of control, entrepreneurs in the family and innovativeness. We observed that all of them have equal or with a minor difference score when comparing the two groups of entrepreneurs (Figure 8. Findings - Traits). Therefore we reach the conclusion that personality traits do not affect in any specific way entrepreneurs’ motivation, or at least not in a way that can indicate any different reasons for the decision to start a business either in Denmark or Bulgaria.

### Values - Findings

Values, as we already highlighted, might be sometimes recognized as traits and vice versa. This is due to the fact that both can be considered as attitudes in certain situations, so then the question about how to differentiate them remains open. In the project, in order to deal properly with this question, the following considerations are taken into account:

1. Unlike the traits, values tend to be unstable, i.e. they may change over time under the influence of a certain environment. So, in this regard values are considered as something that entrepreneurs assert they acquired with the time (from their experience or changes in the environment etc). Moreover, it is then absolutely possible that they possess values that contradict with each other. Whereas some traits are mutually exclusive, it is not the cases with values. Thus, all types of the latter can be hold by an individual even if they contradict with each other. Therefore, in this report we consider all the values that appear to be part of entrepreneur’s personal factors profile.
2. Although bringing to light some important aspects on traits and values issues is important, it is not enough for doing a good analysis. Thus, we applied another aspect of values that is already discussed in the theoretical chapter. In the analysis we identify values that are proven to be entrepreneurs’ preferences and/or principles. Therefore, we take as a value everything stated as a preference, desire, everything that entrepreneurs do because they like it, but also what entrepreneurs think that they ought to do. Then, as it appears to be most often the case, we take as a ‘value’ the entrepreneurs principles. In this category we include the understanding and thoughts of life, as well as the vision and the way of thinking regarding certain things, situations and events. For example:

“*At the moment we’re working the environment like planting trees, for instance for each feedback you get you plant one tree. I believe that if it’s a big platform with a lot of users it can have a huge impact on the world… I believe that everything we do is not just to make money, it’s actually meant to help, that’s what makes me feel very good”* (social values) [Kyosev, Aalbornification].

When working with values in the analysis we do not exclude the interviewees’ own opinions, assessments and thoughts regarding themselves, which was the case when working with traits. Since values are something based on their preferences, principles, desires etc., we are actually interested in such particular expressions. This is also supported by the fact that values can contradict with each other and change over time. As a result, it is possible for people to change their values and state mutually exclusive things which are taken into account in the analysis. That, however, is not the case with personality traits.

The coding of interviews resulted in the identification of four types of values – ‘Gratification of desires’, ‘Social recognition’, ‘Teamwork’ and ‘Social values’. The values are represented below and they will be discussed in the following paragraphs. The number above each category shows the number of entrepreneurs in each country considered to possess the respective value.

Figure 9. Findings - Values

The purpose is to see if there is a significant difference between the two cases with regards to any of the values. In these cases, the certain value will be discussed further so that the reasons behind these differences to be revealed. Secondary data will also be used in order to increase the validity of the stated reasons/findings.

#### 4.3.2.1. Gratification of desires

Taking into account the taxonomy of values we presented in the theory chapter, ‘gratification of desires’ falls in the category of Hedonism (Schwartz, 2012). In this regard, this value emphasizes on aspects such as pleasure and enjoying life (Sagiv, 1995). Therefore, gratification of desire is possessed by people who are strongly driven by their preferences.

In this project we observed that such people run their own business because they feel somehow attracted by the product, the service or by the activities of the business itself. In this category we identify and divide two subcategories – ‘doing something because it is interesting’, and ‘other desires’. Accordingly, the first subcategory is defined for the people who have run their own business because they find it interesting. The second group goes for the entrepreneurs who establish their own company for other related reasons – such as fulfilling their dreams.

*“My biggest dream is to start my own hospital. That is why I have a company at the moment”* (Georgieva, Yoanna-Yo).

The graph below presents the result of the discussed value for the two countries. The total score, as well as the score for the respective subcategories is illustrated.

Figure 10. Findings - Gratification of desires

It is observed that ‘doing something because it is interesting’ has only a slight difference – 6 for Denmark and 7 for Bulgaria, whereas ‘other desires’ actually indicates equal score – 3 for both countries. Thus, in total, gratification of desire value appeared to be almost equally presented between the two groups of entrepreneurs (9:10). Although, being a main personal factor with a high result overall, the close result between the two countries does not open a room for discussion. In other words, gratification of desires does not show significant differences and therefore cannot be related as a drive force that affects entrepreneurs’ motivation with regards to the location they operate into.

#### Social recognition

This term can be understood in many ways in the literature, so it is important to clarify what is taken for social recognition value in this project. Indeed, it is a well known concept, however not much has been said about it in relation with the business. We hereby apply the following definition – ‘the act of acknowledging or respecting another being, such as when we ‘recognize’ someone’s status, achievements or rights ‘(Inwood, 1992).

Thus, from the perspective of entrepreneurs, it is perceived to be the ‘reward’ they receive from society as a result of their business performance. Therefore, entrepreneurs seeking for social recognition are the ones who run a business, so it could bring them some kind of positive identification. Probably the clearest example for that is given by Iliya Lambov, the founder of Kuknall. He says:

*“The most important thing I want to do is to make a revolution… If they  (the people) recognize the utility of that and this causes some positive change I would be very happy – I mean if I can change the world somehow”* [Lambov, Kuknall].

Between the two cases (Denmark and Bulgaria) observed in this project, it was identified a significant difference concerning the social recognition value. From a total of 32 entrepreneurs being interviewed (16 for each case), 10 appeared to possess the value of social recognition. The Bulgarian case indicated more than doubled result – 7, in comparison with the Danish case – 3. The reasons for such a difference therefore need to be discussed, as they reveal a difference in the motivation between the two groups of entrepreneurs, driven by this certain personal factor.

In this respect, the questions raised here are – Why Bulgarian entrepreneurs value the social recognition much more than the Danish ones, and may be – Why Bulgarian entrepreneurs do not either work for the good of the society (social values) or only for their own well being (wealth) but, instead, they want to be recognized?

Two reasons are hidden behind this result – the first one is the lack of middle social class (social inequality), and the second one is the mentality of people.

**1. Social inequality**

Denmark is a country with strong middle class. Here, the equality of people is strongly emphasized. People are paid almost equally and there is not a big gap between people of different social classes. According to the OECD database, although income inequality is an increasing trend, in 2012, Denmark indicates the lowest income inequality in a research comprising more than 30 countries worldwide. More concretely, the country shows the smallest gap between the income of the 10% richest and the 10% poorest people (Inequality & Income; OECD database, (2012). In this regard, Niclas Stisager asserts:

“*I think that the way this country is structured, the opportunity of doing something big is not here in Denmark because everybody has to be at the same level”* [N. Stisager, STISAGER].

At the same time, the lack of middle class in Bulgaria is a very well known problem. People are conditionally divided into very rich and very poor. Therefore, there is a very big gap between different social classes. Thus, for example, in 2010, the richest 10% Bulgarians held 27% of the income share, whereas only 3.3% is the share held by the poorest 10% (Poverty; OECD database, (2010). Moreover, another well known fact is that the Bulgarian employee is the least paid in the whole European Union. For example, for 2014, the minimum EU wage on average is 751 euro, whereas in Bulgaria it is just 173 euro (Reinis Fischer, (2014). An important consideration here is the fact that rich people have a bad reputation in Bulgaria due to the high level of corruption and the grey market which have given the impression that they got rich illegally.

The contemporary theories of recognition suggest that the persecution of social recognition is provoked by – two types of injustice – cultural and economical (Fraser, 2001). Thus, having in mind the equality among people in Denmark, which is tolerated in many aspects, not only referring to the income level, we assume that Denmark does not incentivize people to seek for social recognition, and by this mean only 3 entrepreneurs relate to it. On the other hand, the inequality, the lack of middle class in Bulgaria is referred to be the main reason for people to seek for social recognition.

**2. Mentality**

Mentality, as also mentioned by some of the Bulgarian entrepreneurs, determines the value system of Bulgarians, inherited by some basics from the period of communism in Bulgaria. Iliya Lambov, the founder of Kuknall explains it in a very good way:

*“Here, we have applied a very specific model of serving – an inheritance we could not get rid of very easy. Basically, people are not willing to do some extra efforts; they are just focused in some daily issues they try to solve. Thinking more globally is not a Bulgarian’s trait. Bulgarians are happy to be employed by someone on a very low wage, but as long as they get it every month they are ok”* [Lambov, Kuknall].

As a report of NATO research fellowship program (2008) presents, this is due to the ‘communist regime in Bulgaria [which] was extremely intolerant to any forms of independent religious, cultural, educational or other truly citizens’ organizations which could define and meet public needs independently from the government’. Moreover, during the communist regime, the truth had double standard – conflict between official ideology and reality – which means that the government dictated what the truth is and what is not (Baker, 1999). This has led to the so called post-communist syndrome, whose some main symptoms, according to Baker (1999) are – missing identification with neighborhood and community, disinterest and apathy, familism – no recognition for neighborhood and community, non-participation on community level etc.

So, it comes clear that the totalitarian oppression has forbidden the seeking for social recognition and uniqueness in any possible way (NATO research fellowship program, (2008). We assume that with the transition to democracy this changed and it reflects an increasing search for social recognition, which is not only legal nowadays, but it also leads to a better reputation and prestige. As a support comes the fact that, only 2 years after the end of communism in Bulgaria (1991), 76% of the people approved the change to democracy as well as 73% approved the change to capitalism (Pew Research Center, (2009).

This category gives an interesting insight to the project. In Denmark social recognition does not have any influence on the motivation of entrepreneurs to start a business. However it does have an influence on the motivation of the entrepreneurs in Bulgaria. Being an entrepreneur in Bulgaria can be perceived as being unique, which gives incentives to the people to want to become entrepreneurs just because of the status (social recognition) that they will receive.

Social mentality and equality are factors chosen by the project group which were found relevant to explain the problem of the social recognition. The experience of the members of the groups is also used in order to identify the questions around this aspect. However, there is no secondary data available which can reflect directly the relation between the mentality of people and social recognition. Therefore we conclude that the results from this subcategory are considered subjective.

#### Teamwork

As it comes clear from the title, by teamwork we mean the value, the attitude of entrepreneurs towards working in a team. This is an important category by two means: first – because it is suggested that teamwork offers greater adaptability, productivity and creativity than any individual can offer (Salas, et al., 2000) and second because – teamwork varies by nations, organizations, functions as all of them have their own culture and see the world in a unique way (Gibson, 2002). Thus, for the purposes of the report, it is important to see if entrepreneurs of both countries possess this value and more importantly – if there is a significant difference between the two results which can explain differences in the entrepreneurs’ motivation.

One of the co-founders of CM2W and a serial entrepreneur – Vladimir Ninov has a positive attitude on the teamwork. He says:

*“A very good thing in our company is that we have a good team that works very hard… we should be equal in the company, share ideas and work on them”* [Ninov, CM2W].

Not surprisingly to our expectation, there is a significant difference observed in the two cases, in favor of the Danish side entrepreneurs.

The above chart (Figure 9. Findings - Values) reveals that 50% of all entrepreneurs possess teamwork as a value (16). Ten of them are entrepreneurs operating in Denmark whereas only six from the Bulgarian case appeared to have positive attitude to teamwork. The reasons for that will be exposed in the following paragraphs.

Teamwork is an important part of entrepreneurial behavior, next to organizational creation, opportunity recognition, innovation, risk assumption, marshaling of resources, and the creation of value (Stearns & Hills, 1996). Thus, it can improve the entrepreneurial activity in any country, and in Bulgaria the low value of the ‘teamwork’ factor can be seen as an opportunity for improvement.

However, the difference in the value of teamwork in the two countries can be explained through their culture and historical development. Firstly, Denmark and Bulgaria take part of two different regions of Europe: West and respectively, East. In the western European countries, and especially in the northern European countries (such as Sweden, Denmark) and in the Netherlands, the concept of teamwork was developed long time ago, reaching a surge in the 1980s and the 1990s. Unlike those, in eastern European countries, the concept of new forms of work organizations, and implicitly teamwork, has started developing only since the 1990s. Moreover, the understanding of the term of teamwork itself has a direct relation to the popularity of the topic in the country. For instance, a qualitative survey conducted in 2005 found that in Bulgaria the concept of teamwork is very broad; ‘teamwork is understood as interdependent work in general by both employees and employers. For example, if people are grouped in departments or just work in the same premises, it is reported as teamwork.’ Also, it is mentioned that there is a new trend to add in all job ads the “ability to work in a team” as a requirement for the candidates. The main issue here is the fact that ‘teamwork’ is perceived only as the ability to cooperate and to be friendly and polite, which is only a small part of the ‘teamworking’ activity (Eurofound, 2007). Teamwork is also about shared responsibility, knowledge and both continuous professional and personal development of the team members, and has an impact on a firm’s learning environment (Pedler & Boydell, 1991; 1996). Hence, our results for Bulgaria should not be surprising.

In contrast, in Denmark, as we already mentioned, ‘teamwork’ has a long history and tradition and its development was supported by government initiatives. Furthermore, Denmark seems to have integrated ‘teamwork’ as an organizational form in most of the companies, as in 2004 the percentage of companies which responded that teamwork was adopted in the last three years (26%) was smaller than the percentage of companies that responded in the same way in a survey conducted in 2000 (Eurofound, 2007). Therefore, teamwork has reached a saturation level and has become an integral part of new forms of work organisation at enterprise level, whereas in Bulgaria and other post-communist states we still talk about a developmental stage which started after the fall of the old regimes.

The same differences can be found in the education systems of the two countries as well, when it comes to teamwork (Andersen & Cozart, 2014). If in Denmark students are encouraged to work in groups and the grading and testing are not usually being part of the daily culture, in Bulgaria the educational system is more individualistic and it is based on written examinations (EuroEducation, 2014). As ‘teamwork’ is a personal value, it can be shaped by the environment of the subjects. The education system plays therefore an important role and we consider it as one of the possible explanations for the difference in the teamwork results in Denmark and Bulgaria.

In some studies on organizations it has been discussed that teamwork not only improves the outcomes, but also empowers people, helps them develop autonomy, increases job satisfaction and reduces stress (Hayes, 2005). We can also infer these findings to entrepreneurs and startups. Entrepreneurs have a direct and significant influence on their startup team – job satisfaction, sense of empowerment and autonomy- working environment, and consequently on their business outcomes. The culture that entrepreneurs diffuse in the first years of the startup is going to stick in the later stages as well, so the value of teamwork should reside in the founders’ personal values and should be diffused intensively in the startup environment.

Below we can observe a graph for the relation between teamwork and job satisfaction and the contrasting values between Denmark and Bulgaria. Although the study was conducted several years ago - 2000/2001 – and on the organization level, the difference in teamwork comes into concordance with our findings at the entrepreneur level. Thus, we consider that a stronger value of teamwork represents an opportunity for Bulgarian startups to improve entrepreneurs and startup employees’ work satisfaction.

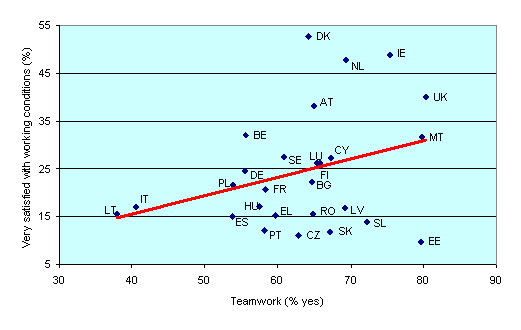


Figure 11. Teamwork and satisfaction with working conditions. Source EWCS 2000/2001

#### The present subcategory is considered to have an influence on the motivation of the entrepreneurs to start a business. The main reason here is that teamwork can increase the motivation of the entrepreneur to start a company, because of the skills and competences that his/her team possess. This leads to a reduced risk and stress in the start-up process.

#### We consider our results to be valid. The research on the topic of teamwork is an area that is widely discussed and its importance is well known in the academic world. However it has to be taken into account that some of the secondary data available and used in the analysis can be considered outdated.

#### Social values

Social recognition was already discussed, but what is then perceived by social values – another category that includes the society. According to Phills Jr. et al. (2008), social value results in ‘the creation of benefits or reductions of costs for society – through efforts to address societal needs and problems – in ways that go beyond the private gains and general benefits of market activity’. To be more concrete, if we consider all the aspects from the above stated, in this case entrepreneurs who possess social values are the ones who have started their own business in order to contribute positively to the society, led by the drive to fulfill societal needs or solve particular problems rather than doing it for their own well being.

Furthermore, based on the respondents’ answers we managed to identify two subcategories of values – ‘help people’ and ‘help environment’. Accordingly, by helping people we understand entrepreneurs’ willingness to contribute to the society by creating a product that improves people’s lives or/and by creating new jobs positions for unemployed labor. The second subcategory on the other hand, refers to the desire of people to improve the environment by the possibilities of their products or the business in general.

*“…working on my business, I can impact thousands of people’s lives and really help them…On the other hand, working for a company means you develop someone else’s vision no matter you like it or not and everything happens so slowly. So, the biggest satisfaction for me is having the chance to impose my own vision and develop something that really helps people”* (help people) [Madzharov, Ucha.Se].

From the interviews’ coding, we found out that 3 entrepreneurs from Denmark possess social values, as two of them stated the goal to help people and one of them, to contribute to the environment. On the other side, 4 entrepreneurs in Bulgaria appeared to be socially responsible as a purpose when starting the business.

Figure 12. Findings - Social values

Together with the similar results, one more thing needs to be taken into account. The social values category (as also stated by the literature) is related with the social entrepreneurship itself. Thus, when it comes to social values, one should be well aware that the results of this research study are strongly influenced by the correspondent sample of entrepreneurs.

### Personal factors - Conclusion

Overall, the category of personal factors was analyzed as being one of the two main categories in our model of factors that drive entrepreneurs’ motivation. Thus, the main types of traits and values were identified based on the data gathered from 32 interviews with entrepreneurs in two countries.

We found that there is not any significant difference between entrepreneurs when it comes to personality traits they possess. Therefore, one cannot explain any differences in motivation with regards to the location respondents are based. In the second part of this section, values were presented. We thereby indicated significantly different results in the social recognition and teamwork values. Taking into account the findings, the theory on these topics and the existing secondary data, the reasons behind these differences were stated and explained. Thus, the social inequality, mentality and attitude to teamwork were identified as factors influencing the entrepreneurial decision.

Following the established framework, the analysis will continue with the findings of situational factors in the next section of this chapter.

## Situational factors

So far we have discussed about the findings emerged from the first part of our model: the personal factors in the motivational process. The next part refers to the situational factors, i.e. opportunities and constraints. Unlike the findings for the personal factors, where the results are quite overlapped and we ended up with similar findings for the two countries, the situational factors reveal big differences between Denmark and Bulgaria. The environment is comprised of different opportunities and constraints in each of them, which affects the motivational process of starting a new business. Therefore, the situation is the main factor of the difference in the motivation of entrepreneurs in the two countries. By situation factors we mean opportunities and constraints:

**Opportunities** – refer to the situations and environmental aspects that the potential entrepreneurs can benefit from. They are perceived as something positive that stimulate the motivation of people to become entrepreneurs.

Besides the condition of the existence of opportunities, individuals have to be able to see them. To make a short reference to the theoretical chapter, opportunities follow a three rule process: 1) they need to exist; 2) entrepreneurs need to discover them, by using their knowledge, skills, etc; 3) entrepreneurs need to take the decision to exploit them, after a process of evaluation (Low & MacMillan, 1988).

Generally, people have their own beliefs regarding the value of relative resources. Having certain assumptions about the opportunities recognized, entrepreneurs gather and combine different resources in a specific way that creates new products and generates profits (Schumpeter, 1934). Therefore, it would not be beneficial for them or for economy either, if they were pursuing the same opportunities.

However, opportunities in our findings do not refer to the opportunities on a specific market, but rather in the whole countries, Denmark and Bulgaria. They are mostly the opportunities available for all the players in the country with the condition of their ability to see them, such as the possibilities to get funded, to benefit from free services or policies on entrepreneurship. As, Kirzner (1997) stated, only a certain part of potential entrepreneurs will discover a certain opportunity at any point of the time.

Our findings reveal a rich range of opportunities in both countries. Some of them are common, but many of them are distinct and all of them will be discussed in order to find out what is behind those findings. The discussion will be backed up most of the time with secondary data.

**Constraints** - refer to those situations that hinder the entrepreneurial events. They may be represented by obstacles, lack of an opportunity or some insufficient or scarce resources.

In terms of constraints, the literature emphasizes the most on the financial resources: - If financial constraints are not important then all potential entrepreneurs would run their own business which is completely based on their expected profitability (Paulson & Townsend, 2004). However, we explore all kind of constraints that impact an individual’s motivation to start a new venture.

Due to the subjective aspect of individuals’ perceptions and also to their different experiences and environment, some of the situation factors are perceived as both opportunities and constraints. Of course, the contradiction comes from the individuals who have experienced them, by living and running a business in different places/environments, in other type of industries. Sometimes the difference between an opportunity and a constraint comes from the intensity of a factor, like in the case of access to capital. If some people considered in the first case the access to capital as an opportunity for their startup creation and development, other people faced difficulties in acquiring capital and thus, it became a constraint. Also, some startups need more capital at the beginning than others, so the quantity/intensity of a factor can have an influence on considering it an opportunity or a constraint.

Furthermore, we can notice both from the literature on this topic and from the interviews conducted that every single aspect of the environment might either foster or hinder a certain decision – set up a new venture.

The findings in the two countries reveal common but also distinct opportunities and constraints.

### Opportunities and constraints - Findings

Many factors emerged from the interviews taken in both countries and as specified above, some of them are perceived sometimes as opportunities and other times as constraints. Using the template analysis as a tool to conduct our analysis, it allowed us to follow a bottom-up approach, meaning that we started from basic themes (from coding all interviews) and by investigating the relationship between those, we created key themes. The key themes emerged for the situation factors are:

* Access to network
* Financial security
* Access to capital
* Regulations
* Available workforce
* Small market
* Ability of people to adapt/change
* Market competition

The findings are represented in the two charts below and they are going to be discussed, individually or in groups, in the rest of the chapter. Above each category the number of entrepreneurs who referred to it as either an opportunity or a constraint is represented.

Figure 13. Findings - Common opportunities

Figure 14. Findings - Common constraints

#### 4.4.1.1. Access to network

In this category of findings we refer to two main aspects: access to network (contacts abroad, universities, partners, suppliers, etc.) and counseling/mentorship (organizations, municipality, etc.). These categories are very connected and can overlap, since the people from an individual’s network can also provide counseling and mentorship, and vice-versa. However, the access to network suggests a certain help oriented to the business - in terms of product development, sales, innovation, partnerships, etc. Counseling and mentorship refers more to helping entrepreneurs as individuals in taking decisions and giving them advice. To these main aspects we add another factor emerged from the Bulgarian interviews only – the lack of trust (between partners and/or partners and external actors).

***Access to network***

Access to network is an important factor in starting out a business. In this category, network refers to contacts such as partners, suppliers, contacts abroad, universities, etc. The access to these types of contacts can also mean the access for entrepreneurs to information, guidance, financial support, potential buyers, competent employees, expansion of the startup, etc. In the same time, the access to network (or lack of access, insufficient access) can also represent a constraint. After analyzing all interviews, it emerged that this factor in Denmark is an opportunity, whereas in Bulgaria is rather a constraint. More exactly, it is considered an opportunity by 12 out 16 interviewees in Denmark and by 4 out of 16 interviewees in Bulgaria. The entrepreneurs who consider it a constraint in Denmark are in number of 3 (out of 16) and the ones in Bulgaria are in number of 8 (out of 16).

For example, in Denmark one of the interviewees mentioned his personal network as a main way of being funded. At the question regarding how he found investors for his IT startup, he replied:

*“…well the first one was the incubator… but the other two that came were actually through personal networks and I suppose that the rationality is that you rather want someone you know, that can also play an active role in the company, than just take money from some rich guys that want to have their opinion, so these people, someone that you could actually use”* [Co-founder, IT startup].

In this case the personal network is also evaluated as more trustful and reliable, so the investors belonging to this group were preferred to the regular investors regardless their offer.

Also in Denmark, another interviewee mentioned the role of his network at the moment when he decided to start out the new venture:

*“I knew the people here at NOVI so we just went into their office and said ‘we have an idea, we want to start this company’”* [Moltsen, 2Operate ApS].

Later they ended up having their offices at NOVI[[3]](#footnote-3) and included a couple of NOVI’s directors in their own board of directors.

On the other hand, in Bulgaria the interviewees mentioned that they faced issues in finding the right suppliers, finding partners or getting contacts in politics. The latter is a special constraint, as some individuals mentioned the necessity of having relations with certain key members involved to some political level in the public procurement projects. More exactly, they say that without these contacts, they have no change in getting public procurement projects:

*“…the thing is that most of them are already sold before they begin…you need to have a good network in politics because they are the one who choose who goes to the next phase in the public procurement process. I think this has to be changed since that is how many young companies are undermined. It is always the same companies that win the projects. That is the biggest problem for me in Bulgaria so I hope that this changes over time”* [Boyadzhiev, Steva2 Ltd.].

As stated above, finding the right suppliers in Bulgaria is also perceived as a constraint:

*“…currently in Bulgaria there is not a single company able to produce the entire product… In this situation you have to go from one company to another to have your product entirely produced. And it gets really difficult because these small companies have no partnerships between them”* [Lambov, Kuknall].

However, the access to network refers also to the contacts made after the decision of starting out a company. Getting in touch with universities can help entrepreneurs with guidance, research, interns etc. Knowing or finding suppliers easily can speed up the process of production. In a more mature stage of the startups having some contacts abroad can prove to be very useful, especially when deciding to expand. For instance, one of the Bulgarian interviewees brought up her network when asked about the beginnings of the business:

*“My network helped me a lot… When I started the business I met those people. When I started I did not know anyone in this industry. Now I know many people. I currently have a supplier that is willing to give me 10 trucks of glass even though I do not have the money”* [Georgieva, Yoana-Yo].

***Counseling & mentorship***

Although the access to network can provide counseling and mentorship, sometimes people seek for specialized help. Entrepreneurship implies having and applying knowledge from a large variety of areas that many times does not reside in entrepreneurs’ minds, especially if they are at their first startup. In this situation, being able to get some counseling and mentorship becomes highly important in order to get information that prevents entrepreneurs in making mistakes. In this category of opportunities the interviewees mentioned the significant help of incubators and accelerators, but also of entrepreneurship-based university programs, and of the municipalities. These organizations, institutions or even individuals offer free guidance to entrepreneurs at certain moments of time or they develop a relationship with them and guide them in the whole process of setting up and running the business.

The findings in the interviews are very similar for this factor. 10 (out of 16) entrepreneurs in Denmark and 11 (out of 16) entrepreneurs in Bulgaria mentioned the fact that they could get services of counseling & mentorship and this helped and continues helping them in their activity. Based on the sayings of the interviewees, the possibility to get counseling and mentorship can make more attractive for startups a certain place. For example, one of the entrepreneurs in Denmark stated:

*“I got some free counseling from the commune, so I think that Denmark is a good environment for startups, so anybody who wants to be an entrepreneur, Denmark is a very open market and you have so many possibilities for getting mentorship from organizations”* [Beno, Aalbornification].

However, our sample in Bulgaria was formed almost of startups that belong to two main incubators so it is normal for them to be guided and mentored by those. Thus, we cannot draw the conclusion that the Bulgarian entrepreneurs benefit from a good or bad counseling & mentorship opportunities. We consider the values in Denmark valid, as the entrepreneurs in the sample have a large range of mentors, from university professors to managers of companies.

***Lack of trust***

Lack of trust appeared to be a constraint for some entrepreneurs who run a business in Bulgaria. More exactly, 4 entrepreneurs referred to it as a constraint. Therefore, this new category of constraints emerged. Distrust can be met in the relations between partners or founders, but also in relations with suppliers, or other businesses (in the case of B2B products). As we have not found this constraint when conducting the interviews in Denmark, we could assume that the issue has a cultural explanation.

Some examples that support our reasons to take this factor into account when talking about the Bulgarian entrepreneurship environment are:

*“R: I found out that in Bulgaria it is very hard. I: To have a loyal partner? R: Yes, to find a loyal partner in first place. The other thing is for him to be honest. My partner tried to cheat on me”* [Georgieva, Yoana-Yo].

*“In general, there is some distrust among business people here. When you try to get in contact with someone, he immediately starts assessing you if you would cheat or not. So there is a big caution among business people”* [Todorov, Qlibri].

*“Maybe the mentality of people still has its negative influence in this regard. Because still in many cases appears that you meet a lot of doubt and distrust even offering something for free”* [Todorov, Qlibri].

As we can observe, in this country, entrepreneurs need to pay more attention than in other countries (Denmark) to the people they get in contact with. One of the interviewees even mentions the mentality of people as a cause for this behavior.

This factor is very important to the motivation of the entrepreneurs to start a business since having a good network which includes organizations, universities and people that can be mentors, boosts learning and innovation process of the entrepreneurs and thus make it easier to start a company, because of the greater diffusion of knowledge. The factor is considered valid. However a subjective element was also included, as even though it is proven that universities have influence on the start-ups and businesses in general, the impression of the project group members has been used in addition to the data from the interviews in order to reach the conclusion.

#### Financial security

Although entrepreneurs are seen as risk-takers in almost all the literature around entrepreneurship, and these results are also valid for our findings, we found as well a significant number of entrepreneurs who mention their financial security as a factor in the decision-making of stating out a business. More precisely, they have certain reasons to consider themselves financial secure, no matter if their startup will be successful or not. The financial security may come from different sources such as government (especially in welfare states), family or personal savings or back-ups. The chart above (Figure 14. Findings - Common constraints) shows that 5 respondents in Denmark and 4 respondents in Bulgaria declared themselves financially secure from other sources than the startup. This feeling of security is part of their motivation to go on with their venture, knowing that they would still be safe from a financial point of view in case the business failed.

An example of financial security ensured by the government (found in Denmark) is:

*“If I fail, I lose my houses and my car, but I will still have my life, I will find something to eat and another place, not so big to live in. No problem”* [Pinsker, Bike media].

A similar mindset is shared by the people whose parents ensured financial stability along their life. For example, in Bulgaria an interviewee stated:

*“It is much better when you see you are doing something that you benefit from and gives you independence. However, money was not the main concern here because my parents provide me maximum comfort and I have always had everything I needed”* [Simeonov, Simeonov International Trading].

Hence, financial security, no matter its source, makes people take higher risks at the startup level, knowing that they have a back-up in case of failure. Having this financial security, risk adverse individuals can also take risks on some level.

Generally, in Denmark the financial security comes from the Government. There may be some cases though where the security comes from savings or personal income. However, in Bulgaria only the savings, family support or personal income (wages) can bring that sense of security. Denmark is considered as a strong social country, meaning that there are many options for the Danish entrepreneurs to start over if their business fails, whereas in Bulgaria there are not such options. For example, by looking at the unemployment funds that both the Denmark and Bulgaria have, we find that the unemployment benefits that the Danish Government offers are about 2,175 Euro/month before taxes (FTF-A, 2014). In Bulgaria, the unemployment benefits are about 60% of an individual salary (at his/her last job). Taking into account that the minimum wage in Bulgaria is 184.04 Euro (Eurostat, 2014) a high difference between the Danish and the Bulgarian unemployed citizens is revealed.

Financial security is thus an important factor that has an influence on the motivation of both Danish and the Bulgarian entrepreneurs. It can help the entrepreneurs to go for their ideas and take risks, while knowing that they have some backups. It is already known that entrepreneurship is seen as an important factor for a good economy, as it creates jobs and brings innovations on the market, so being financial secure will boost in the end entrepreneurship and the economy.

This subcategory is considered to be valid since the findings in terms of secondary data confirm the assumptions of the project group that the financial security the country provides has an influence in the case of Denmark and no or a negative influence in the case of Bulgaria. The explanation stands in the possibilities that each country supplies to its population.

#### Access to capital

The access to capital is also one of the factors that can represent both an opportunity and a constraint, based on circumstances such as place, individuals in certain situations, industry, etc. As discussed in the theory, the access to capital and more importantly, the amount of financial capital that people have influences significantly the decision whether to start out a venture or not (Evans & Leighton, 1989). Contrary to some beliefs, an entrepreneurial event does not depend only on personal attributes but also on the individual’s assets.

It has also been found that the likelihood of starting a business increases when being funded by other people’s money (Mullins & Forlani, 2005). When having access to external investments, potential entrepreneurs do not only tend to venture into businesses more quickly, but also in more risky types of businesses.

In the interviews the most mentioned sources of capital were actually incubators and different programs at the country, local and even European level - access to EU funds.

12 out of 16 entrepreneurs in Bulgaria see the opportunities to get access to capital as good (Figure 13. Findings - Common opportunities) and only 2 entrepreneurs consider it a constraint (Figure 14. Findings - Common constraints). It must be brought into attention that because of the Bulgarian sample- most of the startups being part of the two big incubators in the country - the access to capital might not seem a significant problem. However, for all the other startups which are not part of these incubators, being funded might be a main constraint, as it can be observed later in our discussion. Focusing on our findings, it can be stated that access to capital is an important factor when the business is already established, but also at the beginning and it can be one of the decisional factors in starting out the business:

*“The idea did not come up out of a sudden; we have decided that the opportunities that the European Union gives are very good, when it comes to receiving finance. They are a good perspective for us”* [Ninov, CM2W].

In Denmark the findings are not very different: 8 entrepreneurs mentioned the good opportunities to get financed (Figure 13. Findings - Common opportunities) and 4 entrepreneurs complaint about the hard access to capital (Figure 14. Findings - Common constraints). However, the majority of the startups were independent, meaning that they do not take part of an accelerator or incubator, and their source of finance are very diverse: personal savings, prizes from entrepreneurship competitions, venture capitalists, incubators, etc. The access to capital is important to administrate the venture, to hire workforce, to build prototypes, etc. This not only can affect the company, but also the founders’ lives. As one of the entrepreneurs in Denmark states:

*“…it was a big volume of work that needed to be done. Related to the fact that if you do not have enough financial resources to delegate people or outsource, you take them on yourself because I wanted things to be done. So I basically neglected myself, my health, my family and friends, and my girlfriend, for a year or something like that”* [Beno, Aalbornification].

In order to compare the findings from the interviews and understand what is behind this factor and how the situation is actually in the whole country, secondary data is helpful. In the following table the venture capital investment (as a percentage of the GDP) can be observed for both Denmark and Bulgaria:

|  |  |  |  |
| --- | --- | --- | --- |
| Country | 2011 | 2012 | 2013 |
| Bulgaria | 0.001% | 0.000% | 0.013% |
| Denmark | 0.052% | 0.032% | 0.032% |

Figure 15. Venture capital investment as a percentage of GDP (European Commission's Directorate General for Enterprise and Industry, 2014)

As the table shows, the venture capital investment in Bulgaria is very low (0.013%) in comparison to the one in Denmark (0.032%). When we take real values the difference is even more obvious: 5.1 million EURO for Bulgaria and 80.7 million EURO for Denmark. Hence, in Denmark it is 16 times bigger than in Bulgaria. It should also be taken into account that the population of Denmark is smaller than the population of Bulgaria, but the Danish GDP is 6 times higher (322 billion USD) than the Bulgarian one (52 billion USD) (IMF, 2012).

This subcategory again has an influence on the motivation of the entrepreneurs to start a business, since the access to capital is a main concern of most entrepreneurs. In order to establish any business a certain capital is needed and the availability of venture capital is much more convenient for entrepreneurs than bank loans. Private funding is not considered in the report since none of the entrepreneur mentions it as a form of investment used to finance his/her business.

The findings in this chapter are considered to be valid, when it comes to financing of start-ups in Denmark and Bulgaria. The subjective part is however that there is no available information about the other types of financing. The secondary data confirm our findings for Denmark - venture capital is indeed available to the Danish entrepreneurs - as for Bulgaria, the entrepreneurs will face difficulties when it comes to the access to venture capital.

#### Regulations

Regulations were taken as both opportunities and constraints, as some of them can foster whereas others can hinder the entrepreneurial events. Good regulations can contribute to building a strong eco-system of startups in which the founders can leverage each other to obtain information, acquire skills regarding financial support, find competent work force, etc.

The literature cited in our theoretical chapter is compatible with the importance of regulations. Minnity (2004) proved that entrepreneurial behavior is dependent on the relationships between individuals regulated by institutions themselves, rather than on the individuals’ characteristics. The theory also emphasizes the ways in which tax policies can constrain entrepreneurship (Gentry and Hubbard, 2000). We also mentioned in the literature review a study around the Chinese transition. Tan (2004) proposed policies and in particular gradual reforms instead of dramatic reforms in influencing the entrepreneurs to go with more innovative and risk-oriented decisions.

Regulations as opportunities can be the ease of access to capital, policies that support entrepreneurship – i.e. low tax policies, low level of bureaucracy, easy registration process of a new company – but also regulations for specific industries. For instance, one of the entrepreneurs stressed on the regulations regarding the security of data. As his business concerns cloud technologies, the security of data plays a major role in its activity. In other environment, for example if he had to comply to US regulations his services would not be needed.

*“I: Does not this make it riskier, having many regulations?*

*R: It is actually an advantage. Because who are the competitors? They are Dropbox, Amazon and they are located in Virginia. If you want to comply with those rules either they have to put the data close by or they need to use something that is already in Europe”* [Lucani, Chocolate Cloud].

However, one of the most important aspects of regulations is the tax system. More specifically, these are the taxes that companies have to pay out of their total income. Since startups get no or very low revenues, having to pay low taxes helps them survive in the first stages of activity.

An interesting finding we need to focus on is the way regulations are perceived by both groups of entrepreneurs we interviewed. Thus, in the case of Denmark regulations are seen in a positive way, i.e. as an opportunity for venturing into a new business. On the other hand, it appeared that regulations in Bulgaria are considered as a strong constraint when it comes to doing a business. Moreover, whereas in just 2 of the cases regulations are highlighted as a constraint in Denmark, in Bulgaria it is the second highest constraint with a score of 9, meaning that the majority of interviewed entrepreneurs have experienced difficulties in this regard. For example, one of the interviewees in Bulgaria talked about the lack of government support for entrepreneurship and specific policies for the industry he runs his startup in:

“*When it comes to the country, I do not think that the country helps the business, especially to the construction industry”* [Boyadzhiev, Steva2 Ltd.].

The findings and the reasons behind these are grouped in the following sub-categories:

***Bureaucracy***

In this category we refer to the paperwork and the long time spent with different activities meant to establish and run a business. Although this might be a problem in many other countries, we included it as a constraint due to being mentioned by several entrepreneurs in the interviews.

*“In the matter of country rules, it is clear that this bureaucracy does not help anyone*” [Todorov, Qlibri].

Four persons in Bulgaria and only one person in Denmark complaint directly about the bureaucracy in their countries. However, others made indirect references to this constraint, and secondary data was collected in order to draw conclusions on the validity of these findings. It is found therefore that since 1980 the regulatory policy in Denmark is exclusively focused on reduction of ‘administrative burdens’. When it comes to the business, in 2002 Denmark set a goal to reduce the administrative burden by 25%, decision which has opened the debate for reforms that will facilitate the business (Investment climate; (2009). Results in this regard indicated that Denmark is the first in Europe and fifth in the world in facilitating businesses, reported by the World Bank. This program is seen to be ‘the core and the most long-standing and visible component of Denmark’s regulatory policy’ (Investment Climate; (2009). Its success is, again according to this report, due to the ‘highly-competent’ and ‘well-resourced bureaucracy’. The latter itself is explained by the flexibility of organizations which combine ‘formal and informal coordination mechanisms’.

At the same time Bulgaria has experienced a number of changes in policies that regulate the businesses. It is reported that only for 10 years, within the period of 1991-2000, there were 198 amendments to basic framework to engage in business (OECD; (2003). Becoming a member of the EU in 2007, Bulgaria has taken the engagement to adapt its policies in this regard, to the requirements of the EU. However, it is still a lot to be done in this direction. A recent report of the World Bank (2010) shows that Bulgaria is well behind the EU average level, when it comes to procedures for establishing a company, getting trade permissions and specific licenses. Moreover, the country’s catalogue of standards includes 26, 954 different standards by 2008, which is significantly higher than in UK for example and therefore increases the burden for the companies operating in some specific industries (World Bank; (2008b). In this aspect, Bulgarian businesses suffer from the administrative procedures as well as the costs they create.

***Ease to start a business***

‘Ease to start a business’ is a category of opportunities concerning only the process of starting a business. This involves all necessary steps to start officially a new business: from filing the paper for registration to the minimum required capital, and the lag between starting the procedures and having actually a new company registered.

Comments in this regard were made only in the interviews in Denmark, and if the number of people who complain about the bureaucracy in Bulgaria, is taken into account, it can be stated that the Danish procedures to start a new firm are ‘easier’ than the Bulgarian ones.

Apparently, a fast and simple process of registering a company is appreciated by potential entrepreneurs. One of the Danish entrepreneurs argued:

*“…it is very easy to start a company. You can start it in 5 minutes. So it is no bureaucracy, no big forms – you just have to do it online and in 5 minutes you are ready”* [Pinsker, Bike Media].

Our findings come into concordance with the macroeconomic indicators. According to *Doing Business* observation Denmark took the fourth place in the last two years (2014, 2015) in the index of ‘ease for doing business’. On the other hand, Bulgaria is ranked the 36th and 38th for 2014 and 2015, respectively.

All the indicators that compose the index of ‘ease for doing business’ can be observed in the following data of *Doing Business* rank for 2014:

|  |  |  |
| --- | --- | --- |
| Indicator/Country | Denmark | Bulgaria |
| Starting a business | 23 | 41 |
| Dealing with construction permits | 5 | 100 |
| Getting Electricity | 14 | 122 |
| Registering property | 8 | 58 |
| Getting Credit | 19 | 19 |
| Protecting minority investors | 16 | 13 |
| Paying taxes | 12 | 84 |
| Trading across borders | 7 | 62 |
| Enforcing contracts | 34 | 74 |

Table 5. Ease for doing business index (Word Bank Group, 2014)

Overall, Bulgaria lags behind significantly in all indicators, except – getting credit and protecting minority investors. Based on “Doing Business” data, there are significant differences in all other aspects. Thus, for example – when dealing with construction permits – there are 7 procedures to be implemented in Denmark as it usually takes 64 days for the whole process. In Bulgaria on the other hand, the law requires 16 procedures to be done which takes 110 days on average for getting permission. The difference when it comes to getting electricity is even more significant – as in Denmark – the business has to go through 4 procedures which take 38 days. In Bulgaria, the numbers indicate 6 procedures for 130 days, or 4 times longer. Registering property is done through 3 procedures in 4 days in Denmark, whereas in Bulgaria – there are 7 procedures lasting 10 days. In Denmark paying the taxes is done 10 times per year, which takes 130 hours, whereas in Bulgaria it is 13 times, for 454 hours, or 3.5 times longer. For the trading across borders both countries businesses need to prepare 4 export documents, but the time to export from Denmark is on average 6 days, whereas in Bulgaria it is 18 days, or 3 times longer. Finally, the time for enforcing contracts in both countries is indicated to be 410 days in Denmark and 564 days in Bulgaria or approximately 5 months longer. (Doing Business data (2015))

This data gives a clear explanation on how the business in both countries is fostered/hindered by the regulations in Denmark, and respectively, in Bulgaria.

***Free services***

In the same vein, the access to free services can add a significant probability to startups’ success. Besides mentorship and capital, entrepreneurs need also other types of services which cannot afford, at least at the beginnings of their business. In this category of services, interviewees brought up the help of municipalities and universities with different types of services such as: free lawyers, help with paperwork and accounting, possibility to attend courses, seminars, guest lectures and to use shared office spaces.

All these services are necessary, as entrepreneurs do not possess the required knowledge for all of them. Having to pay for them hinders though the development of the startup. Thus, the access to free services was highly appreciated by many entrepreneurs (in the case where these opportunities existed and were acknowledged by the individuals).

During the interviews in Denmark 9 out 16 entrepreneurs emphasized the way in which the access to free services helped them in their businesses (Appendix E – Opportunities Denmark). Offering free services to startups has become a policy focus since 2005, when The Danish Entrepreneurship Index 2005 was launched with the main goals:

* Denmark to be among the European countries with the highest number of start-ups each year
* By 2015, Denmark to be one of the societies in the world with the highest rate of high-growth enterprises (gazelles) (Bornefalk & Rietz, 2009).

On the other hand, entrepreneurship in Bulgaria has its roots from just 2-3 years ago with the establishment of two startup fund accelerators – Eleven and LauncHub. This assessment was observed in the interviews with Bulgarian entrepreneurs. It is a fact that if not approved from one of these funds or CEEDS which is only IT oriented, a startup in Bulgaria cannot enjoy any free services from either the state or business incubators. This seriously hinders the development of a new company. There is also ‘ABLE’ – The association of Bulgarian leaders and entrepreneurs, founded in 2011, which aims to popularize the entrepreneurship in Bulgaria and to meet people with business ideas with experienced entrepreneurs. However, currently, this organization’s activities are limited to some events in the biggest cities of the country. In one of the interviews in Bulgaria, Martin Kulov, founder of RETiDoc mentioned that his idea was approved by LauncHub, competing with around 800 other ideas. This means that all of the rest potential entrepreneurs are rejected from enjoying free mentorship and office space. Thus, in this regard there is still a lot to be done for fostering entrepreneurship in Bulgaria.

The regulations have an important influence on the motivation of the entrepreneurs to start a business. There is an interesting phenomenon here to be observed. In Denmark the entrepreneurs do not pay so much attention to the ease to start a business. One of the cases is: *“It is not that important”* [Christensen, Macellum], referring to how easy it is to file the documents and start your company. The entrepreneurs have the tendency to neglect and accept those benefits as something normal. However this is not the situation in Bulgaria since the regulations are considered as a constraint both in terms of bureaucracy and the ease to start a business. That is why the regulations have a certain negative effect on the motivation of the entrepreneurs to start a business in Bulgaria. The subcategory is considered valid, since when it comes to regulations, the topic is rather objective. The finding from the primary data revealed the problems in the Bulgarian environment and the secondary data was used to justify them accordingly.

#### Available workforce

The knowledge residing in people are the most valuable and strategic resource for companies and overall economy (Civi, 2000). This view started once Peter Drucker left the traditional factors – land, labor and capital – on a secondary plan (Drucker, 1992). Then, the goal of organizations is to integrate the knowledge residing in their employees. The labor cannot be omitted then, as it comprises all the knowledge necessary for companies to gain competitive advantage. Within this category several aspects of the available workforce for startups will be discussed, some of them representing opportunities and others constraints: cheap vs. expensive labor force, low quality workforce, skilled IT labor force, the education system, etc.

First and foremost, there is a clear difference in the two countries’ levels of employee remuneration. In Bulgaria, being a developing country, the net average monthly salary is 340 Euro, while in Denmark the same indicator is 2,288 Euro (Eurostat, 2015). Such a low value in Bulgaria is of course a negative aspect of the economy and of the life standard. In this case, it revealed some positive consequences though. It might seem odd to talk about low salaries as an opportunity for entrepreneurial events, but in certain situations this might lead to a decrease in motivation to go for a wage job and take instead the entrepreneurial path. If people feel that their work is under-appreciated in the form of too low salaries, they might think of entrepreneurship as an alternative.

As one of the interviewees state, he does not find the motivation to work for such a low salary:

*“I do not see myself working for someone else all day behind a computer desk and for a ridiculously small wage”* [Simeonov, Simeonov International Trading].

*“I: What would be the incentives that made you work for others? R: A higher remuneration and better attitude towards me”* [Simeonov, Simeonov International Trading].

Attitude towards employees can also be a factor in going for an entrepreneurship career, but as it depends on each employer, we did not consider it as an opportunity in the analysis.

In Denmark we can observe the opposite. Even though the interviewees did not state directly that the wages in fulltime jobs are more motivating than the revenues from their startups, we met several entrepreneurs who considered going for a fulltime job because of the higher remuneration. They also argued that a wage-job is a temporary situation in which they would acquire experience and capital in order to start over an entrepreneurship career after a certain period.

*“I am actually hoping that I can get a job in Norway…to get more experience and hopefully continue working on BIMbear”* [Dimitrov, LevelUp and BIMbear].

*“…I also need the money from a real job after I graduate. So, that is a shame, but that is the way it is…we are still going to develop the app, but we do not know when we are getting get any money for the app, so I need the job, a fulltime job”* [N. Stisager, STISAGER].

From another perspective, in Denmark hiring people is sometimes a constraint, due to the expensive workforce. For instance, one of interviewees states that:

*“I could not afford hiring specialists, for instance I need an IT guy and I cannot afford him”* [Kyosev, Aalbornification].

Bulgaria does not face this issue. Due to economical issues it appeared that there graduates find difficult to find a job, the main cause for people losing the acquired skills and a consequence for a decrease in the quality of the workforce. One of the interviewees mentioned, besides the quality of the available workforce, the solely financial motivation of people to work which is not beneficial for his business:

*“It is very hard to find good workforce in Bulgaria, I mean more concretely skilled workers. The people just want to earn some salary and work from 8-17 and that is it, no improvement. That is the main difficulty for me”* [Boyadzhiev, Steva2 Ltd.].

These are some interesting effects of the level of remuneration on entrepreneurs which we did not expect at the beginning of our research and which are going to be discussed in the following paragraphs.

Entrepreneurs need skilled labor force to help them in running their business and the quality of workforce has been proven to be very important. In Denmark there were no remarks to the quality of workforce and therefore is not a constraint for the entrepreneurs, such as in Bulgaria’s case. However, the quality of labor force comes with a price, a too expensive one according to our respondents. As stated above, they mentioned several times that they cannot afford hiring certain types of specialists and had to self-teach themselves to do those specific tasks. Self-learning was proven to be possible when it comes to accountancy or sales, but up to a point. Skills such as programming or other IT activities are harder to acquire. On the other hand, in Bulgaria the labor force is rather cheap. A problem with its quality emerges though. The skilled IT specialists were mentioned various times in interviews as an opportunity:

*“There are a lot of competent people… when talking about software development”* [Mladenov, Intuitics].

*“…there is resource of more programmers, qualified programmers who work for a better price and we could use”* [Kulov, RETiDoc].

Aside from the IT labour force, the Bulgarian entrepreneurs expressed their discontent with regards to quality of the employees’ skills. Trying to understand what the reason behind this impression or behind the actual situation of a disputable quality of the labor force is, we found several potential causes:

1. the lack of motivation of employees to perform beyond their duties, conclusion supported by statements such as:

“*I think that people in Bulgaria lost hope. They think that if they work more than they have to, the manager will not notice their extra labor…I am talking about people in their 30s 40s”* [Boyadzhiev, Steva2 Ltd.].

and

*“…people are not willing to do some extra efforts… Bulgarians are happy to be employed by someone on a very low wage, but as long as they get it every month they are ok. Here this transition from Communism to Democracy took pretty long time, this process of despoliation was too long, so people today have no motivation to start from the beginning again and build something on a bigger scale”* [Lambov, Kuknall].

The latter argument brings into attention the political regime and the effect of the transition from Communism to Democracy on people’s mindset and implicitly motivation to work. It is suggested that people lost their faith that by working hard they can become successful and sometimes can be happy with what they have on the moment.

1. the possibilities to get a job in your professional field after getting a degree

*“When I look at my colleagues that all graduated only two people are working in their area. The rest are bartenders, waiters, working in car dealer shops etc. No one works in his area”* [Boyadzhiev, Steva2 Ltd.].

By checking the macroeconomic indicators, we can notice a big difference between Denmark and Bulgaria when it comes to youth unemployment[[4]](#footnote-4). Denmark scores 13% for the 2010-2014 period, while Bulgaria scores 29.7% for the same period (Worldbank, 2014).

1. Issues in the education system

In this category few possible causes have been revealed in the interviews. For instance, with regards to the tertiary education:

*“training of specialists should also be improved”* [Savov, Practitioner].

*“regarding IT studies, I think besides the New Bulgarian University and Technical University to some extent, there are not any other places offering a good level of education”* [Karakehayov, Tool.Domains].

In addition, there seems to be a gap in the universities’ curricula and the actual business needs: *“a lot of things you have studied at the university are very often much more different when it comes to practice and the real world”* [Simeonov, Simeonov International Trading].

It is not surprising to see that the secondary data we found emphasizes the same problem. According to a World Bank report, almost a third of the Bulgarian graduates argue that the knowledge and skills gained in university are irrelevant and around 85% of the graduates consider education curricula outdated (Worldbank, 2013). Other statistics also raise concerns in the Bulgarian education system. It appears that only 25% of university graduates start a job that requires higher education and almost 85% of the total number of graduates is dissatisfied with the quality of education (Worldbank, 2013).

As a consequence to the above factors, degrees might be taken too easily by graduates that do not possess the necessary knowledge. This statement is supported by one of the interviewees in Bulgaria: *“…the diplomas are easy to get. So in the end people go out with no knowledge after that and cannot really find a job”* [Boyadzhiev, Steva2 Ltd.].

Going back to Denmark’s case, through this discussion we are not trying to suggest that it does not have any issues in the education system, but the issues did not appear to be a cause for a low quality workforce. The Danish education system issues are more related to a non-significant difference in the salaries of mandatory education graduates and the higher education graduates, based on Anne Sofie Juul’s testimony – founder of By Anne Sofie Juul. Therefore, people can gain similar salaries no matter if they have higher education or not and getting a higher degree might not be motivating enough. The free tertiary education can overcome to some extent this issue.

The labor market is very interesting subcategory to look at. The key findings in the report are in terms of the availability of quality work force and its price. This subcategory has an influence on the decision of the entrepreneurs to start a business, since labor force is one of the main concerns for every entrepreneur. In the case of start-ups the decision to employ fulltime employees may come in a later phase; however it is to be taken into consideration. One of the most important aspects is the prices of the labor force. The Danish entrepreneurs are aware that the price to employ personnel is high, analogically the Bulgarian entrepreneurs are aware that the labor market in Bulgaria is cheap. That leads to the conclusion that the entrepreneurs have to take advantage of their knowledge about the labor market and use it in their advantage if possible.

The subcategory is considered valid in terms of the price of the labor force. However when it comes to the quality, the topic is arguable. Secondary data shows Bulgaria has some of the best personnel in Europe when it comes to IT (Salkever, 2015). So the conclusion drawn on the quality of the labor force is subjective.

#### Small market

The small market in terms of size is mentioned in both countries as a constraint. Running a business in a small market limits significantly the development of startups, according to several entrepreneurs interviewed. Even if a country might be a good place for establishing a company, its size might hinder the possibilities for expansion. As both countries in focus are rather small, the issue of running the startup in a small market was brought up often in the discussion. In this category, not only the size of the market is discussed, but also the purchasing power of the mass population which impacts the entrepreneurs in fixing prices for their products/services.

In Denmark there are 3 interviewees who considered the size of the market as a constraint for them, while in Bulgaria the number is much higher: 10 out of 16 interviewees Figure 14. Findings - Common constraints. The main consequence of a small market is not having enough customers on the market that could buy the products or services:

*“…one thing is to sell to 5 mil people, another thing is to sell to 20 mil people and...even though you get a very niche market in the USA, it’s profitable for you, while a very niche market here won’t get you any revenues”* [Dimitrov, Level Up and BIMbear].

*“Our goal is to develop our markets. In the end the Bulgarian market is not enough, they can’t offer you what the world markets can”* [Ninov, CM2W].

It is also mentioned that a small market can also affect the competition between large, established companies and small, young startups:

*“It is a knife with two blades in a small country as Bulgaria the announcing of a product which is innovative and not yet ready can help your competitors”* [Kulov, RETiDoc].

The size of the market is given by the population of a country. Denmark has a population of 5,659,715 people (Denmark, 2015), whereas in Bulgaria the population is 7,245,677 (NSI, 2014). It can be seen that the size of the Danish market is significantly lower. There is a 1.5 million people difference. The interesting fact is that there were more entrepreneurs that complained about the market size in Bulgaria. The explanation stands in the fact that not only the size of the market affects entrepreneurs, but also their purchasing power. Thus, in Bulgaria entrepreneurs are constraint to create as cheap products as possible and not always they succeed, as they have also the pressure of investing in innovation and optimization of their manufacturing processes. Finally, the low purchasing power of the population might lead to a decrease in the quality of the products. One of the representative examples is the situation of Yoana Georgieva who had to stop working with high-quality and expensive materials in order to meet the demand on the market. She also states that:

*“The people do not have resources, there is no middle class… And the poor if they spend their money they will spend it for something cheap and there comes the problem that you cannot produce a very cheap product produced with high-quality materials. So in the end you have to offer something that matches the demand and the demand is for something of low quality and cheap in the same time”* [Georgieva, Yoana-Yo].

The purchasing power per-capital in both countries can be visualized below:

|  |  |  |  |
| --- | --- | --- | --- |
| Country – ranking in Europe | Inhabitants | 2013 per-capita purchasing power in euro[[5]](#footnote-5) | European Index |
| Bulgaria - 35 | 7,245,677 | 2,919 | 22.6 |
| Denmark - 7 | 5,659,715 | 21,161 | 164.2 |
| Europe | 670,578,729[[6]](#footnote-6) | 12,890 | 100 |

Table 6. Europe purchasing power 2013-2014 (GFK Press Releases, 2014)

Even though the size of the market is bigger than the size of the Danish market, the purchasing power of Danes is close to 10 times more. Hence, in Denmark entrepreneurs have the opportunity to charge more for their products, while in Bulgaria they need to find ways to make products cheaper.

All in all, both markets are small in terms of population, but the Danish market has an advantage in terms of the population’s purchasing power. A higher than average purchasing power can have a positive effect on entrepreneurs, as for a good product there will be demand. Obviously, a low purchasing power will affect entrepreneurs in a negative way but they can also try to find ways to optimize their activity which in the end can have positive effects. Maybe the entrepreneurs will not consider the market size before they start the business but it will definitely have an influence on their business once they start.

This factor is considered valid. Primary data has showed some issues around running a business in a small market and the secondary data supported the findings and contributed to their validity.

#### Ability of people to adapt/change

A new product requires people to change their present behavior. The population is heterogeneous regarding the valuation of a product, but generally individuals are risk adverse and companies can find it difficult to convince them to adopt new products (Kalish, 1985). Besides bringing up innovations, companies should make sure that the products are easy to comprehend, so as to avoid an adoption resistance (Lee & Colarelli O’Connor, 2003).

Startups often bring innovative products and services on the market and their success depends therefore on how these are accepted by the customers. The ability of people to adapt/change was considered a constraint by several entrepreneurs in both Denmark and Bulgaria.

They mention “*the difficulties come from the market – the mentality of people, their conservatism*” [Todorov, Qlibri], but also the skills of the people to use different products than the ones they are used to:

*“I think I overestimated the skills of the financial departments in the companies…What I see in the financial department in many companies is that they need help. People working in the financial department are very good at doing the same things as they did yesterday without doing mistakes”* [Gordon, Ecodel].

However, a big difference between the countries is observed in this category. While in Denmark just one interviewee refers to this as a factor that can hinder the decision for starting a business, in Bulgaria 50% of the participants (8) mentioned it.

Therefore, if one can neglect this result for the Danish case, the question of why Bulgarians are conservative when it comes to new products in the market still remains. The reason behind that is in the attitude of Bulgarians to innovation. In Bulgaria, there is not a single university that offers education focused specifically on innovations (NSI, (2012)). Thus, the latter have never been popularized as a tool for improving and growing the business. Moreover, the business studies in universities are based on old models and practices to which innovations are not known. As a result, it is assumed that people who run a business in Bulgaria lack knowledge about contemporary ways and tools for developing a business. This makes companies managers and owners very ‘conservative’ and ‘distrustful’ when it comes to new products, as it was stated by many of the interviewed entrepreneurs in Bulgaria.

When talking about trust and customers’ preferences, the mentality of people should also be added to these. During the years of communism in Bulgaria, people were offered the same products for decades, so they were not allowed to buy and use number of products coming from abroad and especially from Western European countries. In the same vein, companies were operating the same way. Having a stable, guaranteed market within the Soviet Union, there was not the need for flexibility and applying new methods of work in order to increase competitiveness. Thus, both B2C and B2B products were used and worked with for decades which had increased the lack of interest in other products among all kind of customers.

As a result there is a high rate of inability to change or adapt to new products among customers in Bulgaria. This has an effect on the motivation of entrepreneurs to start a business, since their innovative products may not be valued on the market.

This subcategory is considered subjective, since the secondary data used is not enough to prove the conclusions drawn in the analysis. The data consists only of the impressions and experience of the entrepreneurs.

#### Market competition

The literature considers the existence of competition as a beneficial factor for a healthy market and economy. Companies also have many things to gain from playing on a competitive market, as it makes them more competitive and innovative. It is actually a cycle in which a new innovation brought up by a player on the market will trigger a reaction in the others players’ behavior, who on their turn will bring another innovation in order to keep or regain their position the market, followed by a reaction of the first company which will come up with a new innovation, and so on and so forth. Hence the existence of competition on the market is seen as something positive, an opportunity for entrepreneurs to run businesses (Aghion, et al., 2002). However we take into account also some negative aspects of the unfair or grey competition found in the case of Bulgaria. If for the Danish entrepreneurs the competition is an opportunity to develop their products and to innovate, for the entrepreneurs in Bulgaria it sometimes brings some constraints.

For instance, one of the interviewees in Denmark, Brian Gordon - founder of Ecodel, considers that the competition increases the recognition of the products on the market. Other young entrepreneurs are also aware of the good things coming out from having competition for their startups:

*“There is a lot of competition, for example. That is the thing that we benefit the most from”* [Beno, Aalbornification].

The perception of the entrepreneurs in Bulgaria is totally different. They look at the competition as “unfair” (6) and “grey” (2). Unfair competition is mostly considered when it comes to making deals, selling products or when a company is involved in a public procurement project. For instance, one of the interviewees in Bulgaria expressed his concerns with regards to his competition which sold “fake” products:

*“… there should be a better control on this business sector – e-trade – because there are many websites that sell fake products… So the rate of unfair competition is really high in this sense”*

[Simeonov, Simeonov International Trading].

Furthermore, 6 entrepreneurs agreed that it is very hard to win a public procurement projects if not having the “right” network. Sometimes it is taken the right of entrepreneurs to participate if they do not have the “right” contacts. When it comes to the “grey” competition two of the entrepreneurs actually described cases where their competitors did not have a registered company in order to operate their business and consequently their prices were lower than the market price. Also, they added that their competitors asked the employees to work on weekends and holidays illegally [Encho Boyadzhiev & Marii Simeonov]. In the same vein, the entrepreneurs stated that:

“*There are very few people who do business completely legal”* [Savov, Practitioner] and

*“…many people sell on their behalf, without launching a company, so they do not pay taxes, do not spend money on accounting, insurance, etc. and so their costs significantly decrease”* [Simeonov, Simeonov International Trading].

Corruption is another factor that can affect the market competition. It affects directly entrepreneurs due to the fact that they can lose markets, customers and suppliers in front of their competitors who use to bribe. In addition, when the public institutions are corrupted it becomes more difficult for startups to be established and continue existing. A couple of examples with regards to this constraint are:

*“…corruption is very high, it can be very tuned and bribed. Competitions, auctions – everything can be manipulated. You can apply with a good offer, covering all requirements, but it might appear that the result was predetermined in advance. If that happens in Bulgaria - it is - closer to the norm than the exception”* [Savov, Practitioner].

*“The market in Bulgaria is very hard. That is because of connections mostly, and more concrete the corruption”* [Dobrev, Wiziva].

The available data on corruption can be used to explain the difference between the market competition in the two countries. On a scale from 0 to 100 where 0 means that a country is perceived as highly corrupt and 100 means that it is perceived as very clean, Denmark scores 91, while Bulgaria scores 41 (International, 2013). Furthermore, this is the second year when Bulgaria has been ranked the most corrupt country in the EU after Romania (CPI, 2013). The factor takes into account also how corrupt is the public sector of the country which gives an explanation of why entrepreneurs in Bulgaria mentioned the issues in getting public procurement projects. This gives a good idea of the performance of the country in terms of corruption. The other negative side is that the enforcement law is considered to be ineffective when it comes to cases of corruption (Enforcement Bulgaria, (2011)). The term of “right” people that the Bulgarian entrepreneurs are using is referring to important business people, politicians or any other people who may have the power to help entrepreneurs in winning public procurement projects.

The market competition has definitely an influence on the motivation of entrepreneurs. In Bulgaria, it seems to have a negative influence due to the unfair competition and grey markets. As for Denmark it is seen as an opportunity to better develop your business.

The factor of market competition implies some special considerations for Bulgarian entrepreneurs and it is considered to be valid. Both the primary and secondary data point in the same direction, so we can rely on the findings from the analysis of the interviews.

## The final motivation model

The final model or the conceptual framework is the final result of the analysis process. Below we present the development process of the model.

The starting point for the model was a psychological framework by J. & H. Heckhausen (2008), which describes the motivational process of people to take decisions (Figure 1. The determinants and course of motivation action: General model ). From that model the two main factors Person and Situation, which influence the behavior, arose. The next step was to connect the basic psychological model of motivation and behavior with the business world. A literature review on entrepreneurship was made in order to establish the main categories for each factor. The review gave us a predetermined template to analyze the data from the interviews. The template consisted of the main categories – Needs, Consequences, Traits, Values, Opportunities and Constraints. There was also information about the subcategories from the literature for each of the latter mentioned categories which were taken into account when coding the collected data. However, no specific subcategories were chosen beforehand.

The first change applied to the model was the exclusion of the needs and consequences categories. They were approximately the same in the two countries and thus did not leave room for a discussion, except for the conclusion that there are similar needs and expected consequences that drive entrepreneurs to start a business in different countries. Although we expected that the different level of economic development of the countries will lead to distinct findings the data collected proved the contrary. There is a difference to be noticed though - the subcategories of traits and values also show similar results, but they have an effect on the motivation of entrepreneurs to start a business, the reason why they are still a part of the framework. The needs and consequences are not considered to have an effect or at least not the effect we expected to have when including them in the framework.

After the coding process the previous model was amended to the final version of the conceptual framework which can be observed in the following figure:

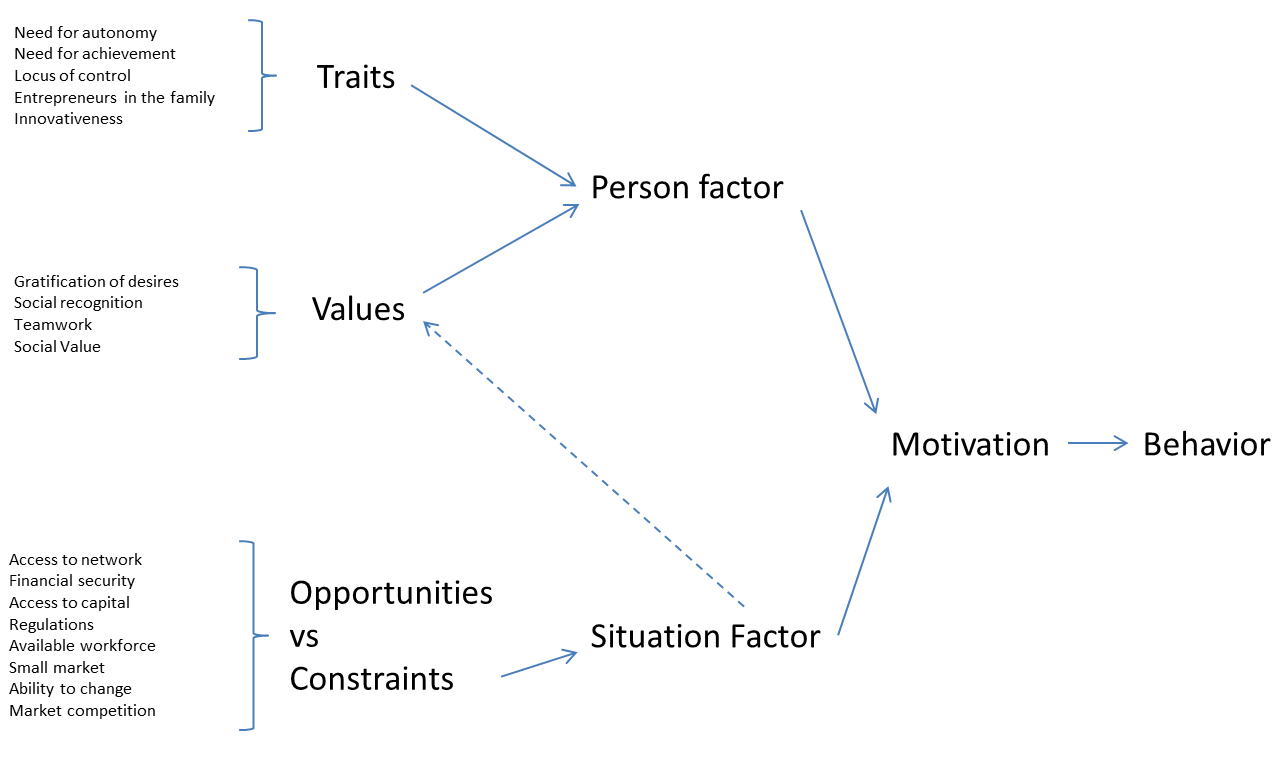
****

Figure 16. Final motivation model

The chosen subcategories are actually analyzed and found to have a certain importance on the motivation of entrepreneurs to start businesses in their respective countries. The subcategories of traits and values are reduced to a limited number of factors which have influence on the motivation of entrepreneurs. The selection was done because they are considered to have a higher impact on the motivation than other subcategories like locus of control, curiosity, changing interest, etc. As mentioned already, the Traits and Values categories were found to be almost the same in the two countries. The opportunities and constraints bring out the differences, as discussed in our findings. These differences must be kept in mind when applying the model to different countries. Some of them might not show up in entrepreneurs’ motivation in a certain country. Therefore, this framework was created for the case of Denmark and Bulgaria only.

# Discussion

The analysis of the project revealed that both the person and situation factors have an influence on the motivation of entrepreneurs to start new ventures. In the discussion section we would like to focus on the ways that our research can be of benefit for entrepreneurs, the main part of the research. We do not focus on the policies or rules that have to be created or changed to increase the motivation of the entrepreneurs to start a business in their specific country. Instead, we aim to show the positive side of both developed and developing countries, more exactly the existent opportunities in terms of situation factors in the two types of countries, so that the entrepreneurs that are part of those markets can get a better insight of what advantages they can benefit from.

Dorton and Blink (2007) explain that no two countries can be the same, meaning that we cannot put a conclusion for all the developed and developing countries. However, there are characteristics that are common and others that differ. In order to set a more macro perspective and be able to generalize the discussion, the common characteristics of the markets should be taken into account.

The suggested common characteristics that differentiate developed from developing countries are:

* Levels of income
* Levels of productivity
* Infrastructure
* Regulations

The levels of income and productivity are directly connected to each other. The latter is considered to reflect the education standards of the country. The perspective on infrastructure can be broad, but in the discussion we look at the infrastructure as the development of the funding options existent in the countries. The regulations are regarded as the necessary rules that allow the businesses to function on a fair basis.

**Developed countries**

A developed country possesses high education standards. The entrepreneurs have the possibility to work in collaboration with the universities. This can help business owners by giving them access to knowledge. The access to knowledge can be in terms of high-quality work force, research in cooperation with the university, counseling & mentorship, etc. As concluded in the analysis part, the universities in a developed market can also provide access to network to entrepreneurs. It was observed that not all the entrepreneurs in Denmark had the right contacts for establishing potential partnerships, so they are stimulated to collaborate with universities since this will at least expand their network and give them more opportunities.

The income level of a country is also a positive factor in the environment that the entrepreneurs should make use of. A developed country has a much higher income level than a developing country. This gives the entrepreneurs a chance to charge more for their products, as long as they are of a good quality.

When it comes to the funding infrastructure, a developed country supplies more options for funding. Our findings suggest that entrepreneurs need to focus more on the skills and knowledge to create viable business models and business plans, so that to meet the criteria for getting financial funding. In the end, this will give the entrepreneurs the possibility to continue to run and scale their business.

The regulations in developed countries are well established. There can still be exceptions. As our findings showed, a good regulation system reduces the bureaucracy in the country, which leads to a better documentation processing. Well-established rules can help entrepreneurs by reducing their risk. This is because a good system reveals the pitfalls in the industry, in this way the entrepreneurs can be aware of them, thus staying of out trouble.

**Developing countries**

The situation in the developing countries is rather different. The benefits that an entrepreneur can have are also different to some extent.

Our findings revealed that the entrepreneurs in Bulgaria did not have any contacts with universities. Dorton and Blink (2007) suggest that this is because the education standards in such countries are low. However, the project group still considers universities to play an important role in the development of the company. Especially when it comes to start-ups, entrepreneurs are encouraged to collaborate with research institutions, since they can provide them with knowledge and also extend their network.

The level of income gives the entrepreneurs the possibility to employ cheap labor force, and thus the production and development costs of a product are cheaper in a developing country than in a developed one. This is a significant benefit for entrepreneurs, since it gives them a direct competitive advantage to other companies offering the same product or service.

The financial infrastructure is a problematic matter to discuss. Depending on its geographical position or the political union that a developing country takes part of, different options exist. To be more concrete, our findings showed that in Bulgaria accelerators and incubators are just starting to exist and they are actually being fully financed by the European Union. As an entrepreneur such possibilities for financing, which may include either being a part of such incubators, accelerators, etc., or just applying for EU programs represent a good possibility for financing. Moreover, such financing lowers the risk taken by entrepreneurs.

The low development of the regulation system can also be used in something that the entrepreneurs can benefit from. Our research showed that if the rules are not created or not part of the regulation system, the entrepreneur can be an active part of their creation, thus giving him or her the opportunity to influence their outlook. Also, the lack of rules for innovative industries reduces the liability of entrepreneurs that are part of the industry, since the ways in which they can be liable are not known at the moment.

In the end it, we conclude that both developed and developing countries come along with certain opportunities and constraints for potential entrepreneurs. Some are similar and others are highly different, and it is considered that they are clustered geographically, so entrepreneurs based in the same area will face mostly the same environmental conditions. It should be taken into account that situations can also differ between populated areas within a country. However, it is the entrepreneurs’ role to spot the opportunities on the market and take advantage of them (Kirzner, 1997).

# Conclusions

This research study aimed to provide an understanding on the most important factors of the entrepreneurs’ motivation to start a business in two different countries: Denmark and Bulgaria. As the literature still lacks an integrated framework containing both personal and environmental/situational factors in the motivation formation, we proposed a variation of a psychological model to study entrepreneurs’ motivation. By building the model the research questions of our study emerged and the analysis focused on answering these questions.

Hence, we built two cases – the case of Denmark and respectively Bulgaria – by taking 16 interviews to individual entrepreneurs in each of the countries. The decision to select two cases was taken on the belief that each of them will reveal new elements in the entrepreneurs’ motivation and will let us compare the different findings. As the two countries are significantly different with regards to economic development, socio-political situation and culture, one of the main purposes of the thesis was to find out in which ways these differences influence the motivation for new venture creation.

Starting with the first part of our conceptual framework, the personal factors – needs, traits and values - the analysis allowed us to draw several conclusions. Firstly, we found that entrepreneurs in both countries have similar needs and traits and whereas traits impact their motivation to start a business, needs did not show to be directly related to this decision. The most relevant traits to entrepreneurs’ motivation were considered to be: ‘Need for autonomy’, ‘Need for achievement’,’ Locus of control’, ‘Entrepreneurs in the family’, and ‘Innovativeness’. Part or all of them are exhibited by all the interviewed entrepreneurs in both countries. On the other hand, the values factor revealed some differences between the two cases. Four values were found to have an impact on the motivation - ‘Gratification of desires’, ‘Social values’ ‘Social recognition’ and ‘Teamwork’ – and we noticed significant differences in the last two values.

We came across social recognition as a value various times in the Bulgarian interviews. On the other hand, ‘teamwork’ is a value possessed mostly by the Danish entrepreneurs. As stated in the theoretical part, values are shaped by the environment, so we attribute these differences to the differences in the culture of the two countries. The secondary data helped us understand where exactly the differences come from in each of the factors. For instance, we found that the highly pursued social recognition by the entrepreneurs in Bulgaria is rooted in the social inequality and the mentality of the people resulted from the communist to democratic state transition. Exhibiting the value of teamwork can also be explained through some national, institutional and cultural aspects, as both the organizations and the education system are built in such a way that can nourish or alter how people look at teamwork. In these two particular cases one can notice the impact of the country’s aspects on the factors that build up the motivation.

Going further to the situational factors, the findings were quite different than in the personal factor case. As highlighted from the beginning, Denmark and Bulgaria are two countries in different stages of economical development. Without taking the macro-level perspective and implicitly looking at the rate of entrepreneurial activity to draw conclusions, we built our cases on individuals who perform in the respective environments. In this way we could observe directly the environmental challenges they dealt with and how these affected them. We conclude that it is a two-ways street: the environment affects the individuals who on their turn will cause changes in the environment. As the individual is surrounded permanently by the environment, this is in fact a never ending process. They always influence each other.

The economical situation of the countries is found to impact the entrepreneurs and implicitly their motivation to create new businesses in several ways. Firstly, we discussed the aspect of financial security. A large part of the entrepreneurs mentioned it as a positive factor that contributed to their decision to take the entrepreneurial path. However, in the case of Denmark the welfare state is the one providing the financial security while in Bulgaria individuals need to create their own through personal savings, family support, etc. Secondly, the access to capital is a challenge that all entrepreneurs face with. Due to its high economical development and strategies to boost entrepreneurship, Denmark offers a larger range of possibilities to acquire capital for startups. From national programs in which the municipalities pay a monthly salary to entrepreneurs with the condition to focus exclusively on their business development, to startup competitions, incubators and private investors, Danish entrepreneurs are not as financially constraint as the Bulgarian ones. Even though our sample comprised mostly entrepreneurs who take part in the two main incubators in the country (Eleven and LauncHub), statistical data shows that Bulgarians have to apply for bank loans. This is a consequence of the scarce possibilities to get financed which is driven at its own turn by the difficult economical situation.

On the other hand, developing countries offer the advantage of cheap labor force. In this case, the low salaries in Bulgaria not only enabled entrepreneurs to hire the necessary workforce, but also constituted an incentive for them not to go for a wage job and take the entrepreneurial path. Unlike the regular findings in the literature, here entrepreneurs can obtain higher incomes by owning a startup than by being employed. At the same time the mass population has a lower purchasing power that sometimes hinders company owners in innovating and bringing good quality products on the market. In addition, the interviewees pointed at a waste of talent of graduates, as they cannot find jobs in their field immediately after taking their degrees and they commit to other kind of low-level jobs. This affects entrepreneurs by having difficulties in finding skilled labor force especially in small cities.

Another aspect that affects the motivation of entrepreneurs in Bulgaria and Denmark regards the public and private institutions and the regulations. First of all, regulations are a complex aspect. In this study we discussed the bureaucracy, ease to start a business, and free services opportunities. Denmark scored high at all these opportunities, meaning that the bureaucracy is at a minimum, the process of starting a business takes five minutes and no capital required, and the municipalities, universities and other institutions offer plenty of free services (lawyers, accountants, free office spaces, etc.). In contrast, Bulgarian entrepreneurs complain about many of these aspects in their country. They mention the high amounts of paper work needed, long processing time, non-transparent institutions and a lack of free services (except for the ones taking part in the incubators). In addition, universities in Denmark seem to be much more involved than the Bulgarian ones in supporting entrepreneurs with counseling & mentorship, skilled workforce, research, startup competitions and prizes and with creating an entrepreneurial environment and access to relevant network for new venture owners. As all these aspects related to institutions and regulation affected the interviewed entrepreneurs, we concluded that it is an important factor in their motivation to establish a business.

The differences in the culture found in our study are related mainly to the ability of people to adapt or change (to new products or services, innovations, etc.). According to the Bulgarian entrepreneurs, their customers are very conservative when it comes to new products or services and we explain this attitude through the effect that communism had on the mentality of people. During the former political regime the markets consisted of the same type of products and customers did not have what to choose from. Moreover, the company managers themselves are considered to be ‘distrustful’ and ‘conservative’ with regards to innovation. The entrepreneurs in Denmark do not face this issue and this gives them the freedom to innovate as they wish.

Also related to the culture and political situation we found the market competition as an important factor that can foster or hinder the motivation for new venture creation. Due to the ‘grey markets’ and ‘unfair competition’ in Bulgaria, entrepreneurs face many constraints in selling their products. For instance, they mentioned the non-transparent competitions for public procurement projects, consisting in the use of bribe and the requirement of having network in certain political parties. On the other hand, in Denmark none of the interviewees brought up these issues. They even referred to the market competition as a healthy situation for their business. In this case, the effect of the cultural and political situation is noteworthy. The environment definitely affects the business creation motivation and also, it might affect the values of the people as well.

To sum up, we find that both personal and environmental factors have a remarkable influence on the motivation of entrepreneurs to start a business. The needs and expected consequences factors considered at the beginning of the paper were concluded not to be relevant to the entrepreneurs’ motivation. The differences between the findings in the two countries though, are comprised in the individual values and environmental aspects. We consider the latter the main reason for the discrepancy in the entrepreneurial motivation in Denmark and Bulgaria.

# Limitations and future research

The findings in this project can be influenced by some limitations that are going to be discussed in the present section. Firstly, the sample of entrepreneurs in Bulgaria (16 interviews) consists mostly of start-ups that are members in one of the two startup accelerator funds – LauncHub and Eleven in the country. This therefore provides them certain benefits (opportunities) that other entrepreneurs cannot enjoy in Bulgaria. Secondly, the Danish sample of entrepreneurs (16 interviews as well) is formed only of startups based in the Aalborg area. Finally, whereas all people interviewed in Bulgaria are Bulgarians, in Denmark just nine of them have a Danish nationality, which may reflect on the validity of the data gathered.

To begin with the Bulgarian sample – in particular 12 of the 16 interviewed entrepreneurs are members of either Eleven or LauncHub. In this regard, they are given a strong support regarding access to capital, access to network, mentorship, etc. This might has led to increased results in opportunities or decreased constraints in some of these factors. For example, in both countries the score of access to capital is equal – 12 seen as opportunity and only two seen as a constraint in Bulgaria. This is due to the two funds that invest in the respective companies. Outside them, the rest of the entrepreneurs have experienced problems with finding fresh money. They must rely on their own budget because as they say – startups are too risky for the banks and investors are too conservative and distrustful. Another example is the access to network which is perceived as constraint by just three Bulgarian entrepreneurs. Again, the two funds provide such support which may have made this result too low and unrealistic.

Concerning the Danish sample, all 16 interviews were conducted in Aalborg. Thus, it may appear that, entrepreneurs’ perceptions of opportunities and constraints are rather regionally oriented and some of them do not apply for the rest of the country. Nevertheless, while this sounds logically it may also not be the case if we consider the geographical size of Denmark and the village economy model established (Maskell, 1996). At the end, this remains as an open question since its answer cannot be given by the present project.

At last, nine of all (16) participants in the Danish case are Danes. Thus, the rest of the entrepreneurs interviewed are ‘foreigners’ that have been living in Denmark for some years. This can lead to biased results, since the ‘foreigners’ may not be as familiar with the business environment as the Danish entrepreneurs are. In this respect, the findings regarding situational factors in Denmark might be also argued. However, while there are factors depending on the subjective perception and level of knowledge of the individual, there are also ones that are common and well known for everyone, such as the regulations.

In order to overcome these limitations in the future, the same or a similar research should be carried out by including more entrepreneurs, non-members of Eleven or LauncHub. In addition, we can recommend only Danish entrepreneurs to be interviewed as part of the Danish case, as well as conducting interviews in more than one region of Denmark.

Furthermore, we consider the present report a point of departure when studying people’s motivation to become entrepreneurs and we suggest some possible future research on the topic. First and foremost, the project is qualitative, based on interviews, so the findings cannot be generalized. In this regard, future research can build on these and test them quantitatively. This would bring a confirmation on the validity of this report and also make possible the generalization of results.

We also found that a broad picture of the business environment can be unveiled by the situational factors which influence the value system of entrepreneurs. The majority of the Bulgarian entrepreneurs claimed to operate in conditions of corruption and grey markets. Thus, it is interesting to observe whether they will continue their activity under principles of fair competition or they will change under the environmental influences. For this purpose longitudinal studies on the topic are proposed.

# Bibliography

Achchuthan, S. & Nimalathasan, B., 2013. *Relationship between entrepreneurial motivation and entrepreneurial intention: A case study of Management undergraduates of the University of Jaffna, Sri Lanka.* s.l., Proceeding of the 9th International Conference on Business Management, Turning Crisis into Opportunities.

Achtziger, A. & Gollwitzer, P. M., 2010. Motivation and Volition in the Course of Action. In: *Motivation and Action.* s.l.:Springer Publishing Company.

Aghion, P. et al., 2002. Competition and Innovation: An Inverted U Relationship. *NBER WORKING PAPER SERIES*.

Ajzen, I., 1991. The Theory of Planned Behavior. *Organizational Behavior and Human Decision Processes,* 50(2), pp. 179-211.

Aldrich, H., 1999. *Organizations Evolving,* London: SAGE publications.

Aldrich, H., 2000. *Organizations evolving,* Beverley Hills: Sage.

Aldrich, H. a. Z. C., 1986. Entrepreneurship through social network. In: *The art and science of entrepreneurship.* Cambridge, M.A.: Ballinger, pp. 3-23.

Aldrich, H. E., 1979. Organizations and Environments. *Administrative Science Quarterly,* 24(2).

Aldrich, H. E. & Wiedenmayer, G., 1993. From traits to rates: An ecological perspective on organizational foundings. *Advances in Entrepreneurship, Firm Emergence, and Growth,* Volume 1, pp. 145-195.

Allport, G. W., 1937. Personality: A psychological interpretation. *New York: Holt.*

Alvesson, M., 1995. *Management of Knowledge-Intensive Companies.* s.l.:De Gruyter Studies.

Ames, C., 1992. Classrooms: Goals, structures, and student motivation. *Journal of Educational Psychology,* 84(3).

Andersen, E. S., 2013. *Entrepreneurship as the Driver of Evolution. The Mark I model,* Aalborg: Aalborg University.

Andersen, H. L. & Cozart, S. M., 2014. *Assessment methods and Practices in Higher Education in Denmark,* s.l.: s.n.

Andrews, J. D. W., 1967. The achievement motive and advancement in two types of organizations. *Journal of Personality and Social Psychology,* Issue 6.

Aoki, M., 1990. Towards an economic model of the Japanese firm. *Journal of Economic Literature,* pp. 1-27.

Arenius, P. & Minniti, M., 2005. Perceptual variables and nascent entrepreneurship. Small Business Enterprise.

Arneson, R., 1991. Autonomy and preference formation. In: *Essays in honor of Joel Feinberg.* Cambridge: Cambridge university press, pp. 42-73.

Arpaly, N., 2004. 'Which autonomy?'. *Freedom and determinism,* pp. 173-188.

Attride-Stirling, J., 2001. Thematic networks: an analytical tool for qualitative research. *Sage Publication.*

Ball, S., 1982. Motivation. In: *Encyclopedia of educational research.* New York: MacMillan, pp. 1256-1263.

Bandura, A., 1986. *Social foundations of thought and action: A social cognitive theory..* Englewood Cliffs: Prentice- Hall, Inc..

Bank, W., 2008b. *World Development Indicators,* Washington: World Bank.

Barba-Sanchez, 2012. Entrepreneurial behavior: Impact of motivation factors on decision to create a new venture. *Investigaciones Europeas de Direccion de la Empresa,* Volume 18, pp. 132-138.

Barker, M., 2004. *Understanding Motivation: A Review of Relevant Literature,* s.l.: Carleton Papers in Applied Language Studies.

Barrick, M. R., Mount, M. K. & Judge, T. A., 2001. Personality and performance at the beginning of the new millennium: What do we know and where do we go next?. *International Journal of Selection and Assessment,* Volume 9, pp. 9-30.

Barton, H. H., 2000. Does entrepreneurship pay? An empirical analysis of the returns to selfemployment.. *Journal of Political Economy,* 108(3), pp. 604-631.

Baumol, W. J., 2004. EDUCATION FOR INNOVATION: ENTREPRENEURIAL BREAKTHROUGHS VS. CORPORATE INCREMENTAL IMPROVEMENTS. *NATIONAL BUREAU OF ECONOMIC RESEARCH*, June.

Baxter, M. G. & Murray, E. A., 2002. The amygdala and reward. *Nature Reviews Neuroscience*, p. 563–573.

Baxter, P. & Jack, S., 2008. Qualitative Case Study Methodology: Study Design and Implementation for Novice Researchers. *The Qualitative Report ,* 13(4).

Bechara, A., Damasio, H. & Damasio, A. R., 2000. Emotion, decision making and the orbitofrontal cortex. *Cerebral Cortex*, p. 295–307.

Becherer, R. C. & Maurer, J. G., 1999. The Proactive Personality Disposition and Entrepreneurial Behavior among Small Company Presidents. *Journal of Small Business Management,* Issue 37.

Becker, M., 2001. Managing dispersed knowledge: organizational problems, managerial strategies and their effectiveness. *Journal of Management Studies 38,* p. 1037–1051.

Bereiter, C., 2002. Education and mind in the knowledge age. *Mahwah, NJ; London: Lawrence Erlbaum Associates..*

Berger, A. N. & Udell, G. F., 1998. The economics of small business finance: The roles of private equity and debt markets in the financial growth cycle. *Journal of Banking & Finance,* 22(6-8), p. 613–673.

Berlin, I., 1969. *Four essays on Liberty,* Oxford: Oxford University Press.

Berridge, K. C., 1996. Food Reward: Brain Substrates of Wanting and Liking. *Neuroscience and Biobehavioral Reviews*, pp. 1-25.

Biernat, M., 1989. Motives and values to achieve: Different constructs with different effects. *Journal of Personality,* Issue 57, p. 69–95.

Birch, D., 2009. The dynamics of the stream of behavior. *Journal of mathematical psychology,* Volume 53, pp. 106-118.

Bird, B. a. S. L., 2009. Entrepreneutrial behavior: It's nature, scope, recent research and agenda for future research. In: *Understanding the entrepreneurial mind: Openning the black box.* New York: Springer, pp. 327-358.

Bird, B. J., 1989. Implementing Entrepreneurial Ideas: The Case of Intention. *Academy of Management Review,* XIII(3).

Bird, B., Schjoedt, L. & Baum, R. J., 2012. Entrepreneurs’ Behavior: Elucidation and Measurement. *Entrepreneurship: Theory and Practice*.

Blanchflower, D. G., 2004. Self-employment: More may not be better. *NBER Working Paper,* Volume 10286.

Blanchflower, D. O. A. &. G. M., 1990. Insider power and wage determination. *Economica,* Volume 57, pp. 143-170.

Bogdan, R. & Taylor, S. J., 1975. *Introduction to Qualitative Research Methods: A phenomenological Approach to the Social Sciences.* New York: Wiley.

Bogenhold, D. & Staber, U., 1991. The decline and rise of self-employment. *Employment and Society,* Volume 5, pp. 223-239.

Bornefalk, A. a. R. A., 2009. *Entrepreneurship policies in Denmark and Sweden. Targets and indicators,* s.l.: Mimeo.

Brandstätter, H., 2011. Personality aspects of entrepreneurship: A look at five meta-analyses. *Personality and Individual Differences,* Volume 51, pp. 222-230.

Brockhaus, R. &. N. W., 1979. *An exploration of factors affecting the entrepreneurial decision: Personal characteristics vs. environmental conditions.* s.l., s.n.

Broussard, S. C. & Garrison, M. E. B., 2004. The Relationship Between Classroom Motivation and Academic Achievement in Elementary-School-Aged Children. *Family and Consumer Sciences Research Journal,* 33(106).

Brown, J. S. & Duguid, P., 1998. Organizing Knowledge. *California Management Review*.

Bruderl, J. a. P. P. &. Z., 1992. Survival chances of newly founded business organizations. *American sociological review,* Volume 57, pp. 227-242.

Brunstein, J., 2010. Implicit and Explicit Motives. In: *Motivation and Action.* s.l.:Cambridge University Press.

Bryan, L., 2004. Making a market in knowledge. *McKinsey Quarterly.*

Bryman, A., 2012. *Social research methods (4th ed.).* Oxford: Oxford University Press.

Bula, H. O., 2012. Evolution and Theories of Entrepreneurship: A Critical Review on the Kenyan Perspective. *International Journal of Business and Commerce,* I(12).

Bulgaria, N. S. I. o., 2012. *Education in Republic of Bulgaria,* Sofia: NSI.

Burt, R. S., 1982. *Toward a Structural Theory of Action: Network Models of Social Structure, Perception, and Action.* s.l.:Academic Press.

Busenitz, L. a. L. C., 1995. A cross-cultural cognitive model of new venture creation. *Entrepreneurship theory and practice,* Volume 20, pp. 25-40.

Busenitz, L. W. et al., 2003. Entrepreneurship Research in Emergence: Past Trends and Future Directions. *Journal of Management,* 29(285).

Business, D., 2015. *Ease of doing business in Bulgaria.* [Online]   
Available at: http://www.doingbusiness.org/data/exploreeconomies/bulgaria/  
[Accessed May 2015].

Business, D., 2015. *Ease of doing business in Denmark.* [Online]   
Available at: http://www.doingbusiness.org/data/exploreeconomies/denmark/  
[Accessed May 2015].

Canabal, A. a. O. E., 2009. It is not only about what you want, but also how much you want it: Developing a new theoretical perspective on entrepreneurial motivation. *Frontiers of entrepreneurship research,* Volume 29, p. 130.

Cantillon, R., 1755. *Essai Sur La Nature Du Commerce en General.* London: Gyles.

Carland, J. A., Carland, J. W. & Stewart, W. H., 1996. Seeing what’s not there: The enigma of entrepreneurship. *Journal of Small Business Strategy,* 7(1), pp. 1-20.

Carland, J. W., Carland, A. W. & Hoy, F., 1992. *An entrepreneurship index: An empirical validation, Paper presented at the Babson Entrepreneurship Conference.* Fontainebleau, s.n.

Carlile, P. & Rebentisch, E., 2003. Into the black box: the knowledge transformation cycle. *Management Science 49,* p. 1180–1195.

Cassell, C. & Symon, G., 2004. *Essential guide to qualitative methods in organizational research (1st ed.).* London: SAGE Publications.

Casson, M., 2003. *The Entrepreneur: An Economic Theory.* 2nd ed. Cheltenham: Edward Elgar.

Cattell, R. B., 1957. *Personality and motivation structure and measurement,* New York: Yonker-on-Hudson.

Center, P. R., 2009. *Evaluating Democracy.* [Online]   
Available at: http://www.pewglobal.org/2009/11/02/chapter-3-evaluating-democracy/  
[Accessed May 2015].

Chell, E., Frese, M. & Klandt, H., 2000. Psychological Approaches to Entrepreneurship. *European Journal of Work and Organizational Psychology.*

Chell, E. H. J. a. B. S., 1991. *The entrepreneurial personality: Concepts, cases and categories,* London : Routledge.

Choo, C. W., 1996. The Knowing Organization: How Organizations Use Information to Construct Meaning, Create Knowledge and Make Decisions. *International Journal of Information Management,* pp. 329-340.

Christiansen, C., 1997. *The innovator dilemma,* Cambridge: Harvard Business School press.

Christopher, C. H. P. a. L. E., 2004. The relationship of achievement motivation to entrepreneurial behavior: A meta-analysis. *Human performance,* 17(1), pp. 95-117.

Churchill, N. C., 1992. Research issues in entrepreneurship. In: *The State of the Art of Entrepreneurship.* Boston: PWS-Kent Publishing, pp. 579-596.

Civi, E., 2000. Knowledge management as a competitive asset: a review. *Marketing Intelligence & Planning,* 18(4), pp. 166 - 174.

Clark, K. B. & Fujimoto, T., 1987. Overlapping Problem Solving in Product Development. *Managing International Manufacturing.*

Climate, I., 2009. *Review of Denmark’s Program for Better Business Regulation,* s.l.: World Bank.

Cohen, W. M. & Levinthal, D. A., 1990. Absorptive Capacity: A new perspective on Learning and Innovation. *Administrative Science Quarterly,* p. 128.

Cole.A.H., 1969. *Definition of entrepreneurship.* Milwaukee, Center for venture management.

Coleman, S., 2004. *VARIATIONS ON A THEME: TEACHING ENTREPRENEURIAL FINANCE,* s.l.: University of Hartford.

Commission of European Communities, 2003. *Green paper. Entrepreneurship in europe ,* Brussels: European Commission.

CPI, T. I., 2013. *Bulgaria still at EU bottom in TI Corruption Ranking.* [Online]   
Available at: http://www.novinite.com/articles/156075/Bulgaria+Still+at+EU+Bottom+in+TI+2013+Corruption+Ranking  
[Accessed May 2015].

Cramer, J. S., Hartog, J., Jonker, N. & Van Praag, C., 2002. Low risk aversion encourages the choice for entrepreneurship: An empirical test of altruism. *Journal of Economic Behavior and Organization,* Volume 48, pp. 29-36.

Cromie, S., 2000. Assessing entrepreneurial inclinations: Some approaches and empirical evidence. *EUROPEAN JOURNAL OF WORK AND ORGANIZATIONAL PSYCHOLOGY,* pp. 7-30.

Crotty, M., 1998. *The foundations of social research,* London: Sage Publications.

Csikszentmihalyi, M. & Rathunde, K., 1993. The measurement of flow in everyday life: Towards a theory of emergent motivation.. *Nebraska symposium on motivation.*

Cuervo-Cazurra, A., 2004. Strategies for Knowledge Creation in Firms. *British Journal of Management 15,* pp. 27-41.

database, O., 2010. *OECD database.* [Online]   
Available at: http://www.oecd.org/social/inequality.htm  
[Accessed May 2015].

database, O., 2012. *OECD database.* [Online]   
Available at: http://www.oecd.org/social/inequality.htm#income  
[Accessed May 2015].

DeCarlo, J. &. L. P., 1979. A comparison of selected personal characteristics of minority and non-minority female entrepreneurs. *Journal of small business management,* Volume 17, pp. 22-29.

Deci, E. L., Koestner, R. & Ryan, R. M., 1999. A meta-analytic review of experiments examining the effects of extrinsic rewards on intrinsic motivation. *Psychological Bulletin*.

Deckers, L., 2010. *Motivation: Biological, psychological, and environmental.* 3rd ed. Boston: Pearson/Allyn & Bacon.

Demsetz, H., 1991. The Theory of the Firm Revisited. In Oliver E. Williamson & Sidney G. *In Oliver E. Williamson & Sidney G. Winter (Eds.), The Nature of the Firm: Origins, Evolution, and Development. Oxford University Press,* p. 159–178.

Denmark, S., 2015. *Population in Denmark.* [Online]   
Available at: http://www.dst.dk/en/Statistik/emner/befolkning-og-befolkningsfremskrivning/folketal.aspx  
[Accessed May 2015].

Denzin, N. &. L. Y., 1994. *Introduction: Entering the filed of qualitative research,* Thousand Oaks, CA: Sage publications.

Dörnyei, Z., 2001. New Themes and Approaches in Second Language Motivation Research. *Annual Review of Applied Linguistics,* Volume 21.

Dorton, I. & Blink, J., 2007. *IB Economics.* 2nd ed. s.l.:OUP Oxford.

Drucker, P., 1993. *Post-Capitalist Society.* London: Butterworth Heinemann.

Drucker, P. F., 1988. The Coming of New Organization. *Harvard Business Review*, 66(1), pp. 45-53.

Drucker, P. F., 1992. The new society of organizations. *Harvard Business Review.*

Dunn, T. a. H.-E. D., 2000. Financial capital, human capital and transition to self-employment: Evidence from intergenerational links. *Journal of Labor economics,* 18(2), pp. 282-305.

Dweck, C. S. & Leggett, E. L., 1988. A social-cognitive approach to motivation and personality. *Psychological Review,* 95(2).

Dworkin, G., 1988. The theory and practice of Autonomy. *Philosophical review,* 102(4), pp. 616-619.

Easterby-Smith, M. T. R. &. J. P., 2012. *Management research.* 4 ed. California: Sage publications.

Einhorn, H. J. & Hogarth, R. M., 1985. Ambiguity and uncertainty in probabilistic inference. *Psychological Review,* Issue 92, pp. 433-461.

Ellsberg, D., 1961. Risk, ambiguity, and the Savage axioms. *Quarterly Journal of Economics,* Issue 75, pp. 643-669.

Enberg, C., Lindkvist, L. & Tell, F., 2006. (2006) Exploring the dynamics of knowledge integration – acting and interacting in project teams. *Management Learning 37,* pp. 143-165.

Endler, J. A., 1983. Natural and sexual selection on color patterns in poeciliid fishes. *Env Biol Fish*, pp. 173-190.

Ernest, P., 1994. *An introduction to research methodology and paradigms,* Exeter, Devon: RSU, University of Exeter.

Essers, J. & Schreinemakers, J., 1997. Nonaka's subjectivist conception of knowledge in corporate knowledge management. *Knowledge Organization,* pp. 24-33.

EuroEducation, 2014. *The European Education Directory.* [Online]   
Available at: http://www.euroeducation.net/prof/bulgaco.htm  
[Accessed 6 May 2015].

Eurofound, 2007. *Eurofound.* [Online]   
Available at: http://www.eurofound.europa.eu/sites/default/files/ef\_files/ewco/reports/TN0507TR01/TN0507TR01.pdf  
[Accessed 11 May 2015].

European Commission's Directorate General for Enterprise and Industry, 2014. *European Commission's Directorate General for Enterprise and Industry.* [Online]   
Available at: http://ec.europa.eu/enterprise/policies/finance/data/enterprise-finance-index/venture-capital/index\_en.htm  
[Accessed 2 May 2015].

Eurostat, 2014. *Eurostat.* [Online]   
Available at: http://ec.europa.eu/eurostat/statistics-explained/index.php/Minimum\_wage\_statistics  
[Accessed 8 May 2015].

Eurostat, 2015. *Eurostat.* [Online]   
Available at: http://ec.europa.eu/eurostat/statistics-explained/index.php/Wages\_and\_labour\_costs  
[Accessed 14 May 2015].

Evans, D. & Leighton, L., 1989. Some empirical aspects of entrepreneurship. , 79:. *American Economic Review,* Volume 79, pp. 519-535.

Fischer, R., 2014. *Minimum wages in EU 2014.* [Online]   
Available at: http://www.reinisfischer.com/minimum-wages-european-union-2014  
[Accessed May 2015].

Fong, P., 2003. Knowledge creation in multidisciplinary project teams: an empirical study of the processes and their dynamic interrelationships. *International Journal of Project Management 21,* pp. 479-486.

Forgas, J. P. V. P. a. L. S., 2005. Mood effects on eyewitness memory : Affective influences on susceptibility to misinformation. *Journal of experimental social psychology,* Volume 41, pp. 574-588.

Fraser, N., 2001. Recognition without ethics. *Theory, culture and society,* 18(2), pp. 21-42.

FTF-A, 2014. *FTF-A.* [Online]   
Available at: http://www.ftf-a.dk/bliv-medlem/satser/  
[Accessed 11 May 2015].

Gartner, W. B., 1985. A Conceptual Framework for Describing the Phenomenon of New Venture Creation. *The Academy of Management Review,* 10(4).

Gartner, W. B., 1988. "Who is an Entrepreneur?" is the Wrong Question. *University of Illinois at Urbana-Champaign's Academy for Entrepreneurial Leadership Historical Research Reference in Entrepreneurship,* p. 12.

Gartner, W. B. C. N. a. R. P., 2010. Entrepreneurial behavior: firm organizing processes. *Handbook of entrepreneurship research: AN interdisciplinary survey and introduction,* 5(2), pp. 99-127.

Gentry, W. a. H. G., 2000. *“Entrepreneurship and Household Saving.”,* s.l.: National Bureau of Economic Research .

Georgia Institute of Technology, 2008. *Data Collection Methods for Program Evaluation: Questionnaires.* [Online]   
Available at: http://www.cdc.gov/healthyyouth/evaluation/pdf/brief14.pdf  
[Accessed 23 December 2014].

GFK Press Releases, 2014. *GFK Press Releases.* [Online]   
Available at: http://www.gfk.com/news-and-events/press-room/press-releases/Pages/purchasing-power-europe-2013-14.aspx  
[Accessed 5 May 2015].

GFK, 2013. *Purchasing power Europe.* [Online]   
Available at: http://www.gfk.com/news-and-events/press-room/press-releases/Pages/purchasing-power-europe-2013-14.aspx  
[Accessed May 2015].

Gibson, S., 2002. Using a problem based, multimedia enhanced approach in learning about teaching. *Australian journal of educational technology ,* 18(3), pp. 394-409.

Gilad, B. a. K. S., 1987. Behavioral microeconomics. *Handbook of behavioral economics ,* Volume A, pp. 385-388.

Glaser, B. &. S. A., 1967. *The discovery of grounded theory,* Chicago, IL: Aldine.

Gloet, M. & Terziovski, M., 2004. Exploring the relationship between knowledge management practices and innovation performance. *Journal of Manufacturing Technology Management,* pp. 402-409.

Goldberg, L., 1993. The structure of phenotypic personality traits. *American psychologist,* Volume 48, pp. 26-34.

Gollwitzer, P. M. & Moskowitz, G. B., 1996. Goal effects on action and cognition. In: *Social psychology: Handbook of basic principles.* New York: Guilford Press.

Gottfried, A. E., Fleming, J. S. & Gotfried, A. W., 2001. Continuity of academic intrinsic motivation from childhood through late adolescence: A longitudinal study. *Journal of Educational Psychology,* 23(3).

Gourlay, S., 2006. Conceptualizing knowledge creation: a critique of Nonaka’s theory. *Kingston Business School.*

Graham, S. & Bernard, W., 1996. *Theories and Principles of Motivation.* s.l.:Prentice Hall.

Grant, R. M., 1996. Toward a knowledge-based theory of the firm. *Strategic Management Journal,* Issue 17, p. 109–122.

Greve, A. & Salaff, J. W., 2003. *Social Networks and Entrepreneurship.* s.l.:Baylor University.

Grieco, D., 2007. The entrepreneurial decision: theories, determinants and constraints. *Economia e Impresa,* 54(207).

Grimaldi, R. & Grandi, A., 2005. *Business incubators and new venture creation: an assessment of incubating models,* s.l.: Elsevier.

Grix, J., 2004. *The formations of research,* London: Palgrave MacMillan.

Guay, F., Chanal, J., Ratelle, C. F. & Marsh, H. W., 2010. Intrinsic, identified, and controlled types of motivation for school subjects in young elementary school children. *British Journal of Educational Psychology,* 80(4).

Hall, J. L., Stanton, S. J. & Schultheiss, O. C., 2010. *Biopsychological and neural processes of implicit motivation.* s.l.:Oxford University Press.

Hamilton, B., 2000. Does entrepreneurship pay? An empirical analysis of the returns to self employment. *Journal of political economy,* Volume 108, pp. 604-631.

Hartshorne, H. & May, M. A., 1928. *(Studies in the Nature of Character, I: Studies in Deceit,* New York: Macmillan.

Hayek, F., 1945. The use of knowledge in society. *American economic review,* 35(4), pp. 519-530.

Hayes, N., 2005. *Psychology, teamwork & practice.* Prague: Portá.

Healy, C. C. B. C., 1973. The relation of esteem and vocational counceling to range of incorporation scores. *Journal of vocational behavior,* Volume 31, pp. 69-74.

Hechavarria, D., Schenkel, M. & Matthews, C., 2009. Contextual Motivation: Antecedents and Consequences. In: *New Firm Creation in the U.S.: Initial Exploration with the PSED II Data Set.* New York: Springer.

Heckhausen, H., 2010. Historical Trends in Motivation Research. In: *Motivation and Action.* s.l.:Cambridge University Press.

Heckhausen, H., Gollwitzer, P. M. & Weinert, F. E., 1987. *Jenseits des Rubikon: Der Wille in den Humanwissenschaften [Beyond the Rubicon: The will in the behavioral and social sciences].* Berlin: Springer.

Heckhausen, J., 1997. Developmental regulation across adulthood: Primary and secondary control of age-related challenges. *Developmental Psychology,* Issue 33, p. 176–187.

Heckhausen, J. & Heckhausen, H., 2010. *Motivation and Action.* 2nd ed. s.l.:Cambridge University Press.

Heertje, A., 1982. Schumpeter’s Model of the Decay of Capitalism. In: *Schumpeterian Economics.* Sussex: Prager Publishers.

Helgesen, S., 2008. The practical wisdom of Nikujiro Nonaka. *Strategy+Business Magazine .*

Herron, L. & Sapienza, H. J., 1992. The entrepreneur and the initiation of new venture launch activities. *Entrepreneurship Theory and Practice,* 7(1), pp. 49-55.

Hofstede, G., 1980; 2001. *Culture's Consequences: International Differences in Work-Related Values.* Beverly Hills: Sage.

Holtz-Eakin, D. J. D. a. R. H., 1994. Sticking it out: Enterpreneurial survival and liquidity constraints. *Journal of political economy,* 102(1), pp. 53-75.

Hornaday, J. &. A. J., 1971. Characteristics of successful entrepreneurs. *Personnel psychology,* Volume 24, pp. 141-153.

Horney, K., 1991. *Neurosis and human growth: The struggle towards self realization,* s.l.: WW Norton & Company.

Huang, J. & Newell, S., 2003. Knowledge integration processes and dynamics within the context dynamics within the context of cross-functional projects. *International Journal of Project Management,* pp. 167-177.

Hull, D. B. J. J. a. U. G. G., 1982. Renewing the hunt for means of identifying potential entrepreneurs by personality characteristics. *Journal of small business management,* Volume 20, pp. 11-19.

Humphrey, S., 2011. What does a great meta-analysis look like?. *Organizational psychology review,* 1(2), pp. 99-103.

Hunter, C., 2004. *Hermeneutics and phenomenology in research.* s.l.:John Mark Ministries.

Illies, J. J., Reiter-Palmon, R., Nies, J. A. & Merriam, J. M., 2005. *. (2005). Personal values and task-oriented versus relationship-oriented leader emergence.* Los Angeles, Presented at the annual convention of the Society for Industrial and Organizational Psychology.

IMF, 2012. *GDP, Current prices.* [Online]   
Available at: http://www.google.com/publicdata/explore?ds=k3s92bru78li6\_&ctype=l&strail=false&bcs=d&nselm=h&met\_y=ngdpd&scale\_y=lin&ind\_y=false&rdim=world&idim=country:BG:DK&ifdim=world&ind=false  
[Accessed May 2015].

Inkpen, A. C. & Crossan, M., 1995. (1995) Believing is seeing: organizational learning in joint ventures. *Journal of Management Studies 32,* p. 595–618.

International, T., 2011. *Corruption Measurement tools.* [Online]   
Available at: http://www.transparency.org/country#DNK\_DataResearch  
[Accessed May 2015].

International, T., 2013. *Corruption Perceptions Index.* [Online]   
Available at: http://www.transparency.org/cpi2013/results  
[Accessed May 2015].

Inwood, M., 1992. *A Hegel dictionary,* Oxford: Blackwell.

Jack, S. L. & Anderson, A. R., 2002. The Effects of Embeddedness on the Entrepreneurial Process. *Journal of Business Venturing,* Issue 17, p. 467–487.

Jelinek, B. B. a. M., 1988. The operation of entrepreneurial intentions. *Entrepreneurship theory and practice,* 13(2), pp. 21-29.

Johnson, B. R., 1990. Toward a Multidimensional Model of Entrepreneurship: The Case of Achievement Motivation and the Entrepreneur. *Entrepreneurship Theory and Practice,* 14(3), p. 39–54.

Jones, E. E. & Nisbet, R. E., 1971. The Actor and the Observer. The Divergent perceptions of the causes of behavior. *General Learning Press*.

Jorna, R., 1998. *Managing knowledge.* [Online]   
Available at: (http://www.chass.utoronto.ca/epc/srb/srb/managingknow.html  
[Accessed 8 August 2014].

Joseph, S., 1989. *Schumpeter, Joseph. 1983. The Theory of Economic Development: An Inquiry into Profits, Capital, Credit, Interest, and the Business Cycle.* New Brunswick: Transaction Books.

Kalish, S., 1985. A New Product Adoption Model with Price, Advertising and Uncertainty. *Management Science,* 31(12).

Kampf, C., 2008. *From culture to cultural attitudes, knowledge communication practices and innovation.* Nimes, Murdoch University Press.

Kaufman, E. B., 1990. A new theory of satisficing. *The journal of behavioral economics,* 19(1), pp. 35-51.

Keeble, D. B. J. a. W. P., 1992. The rise and fall of small service firms in the United Kingdom. *International small business journal,* 11(1), pp. 11-21.

Kinsella, E. A., 2006. Hermeneutics and Critical Hermeneutics: Exploring Possibilities Within the Art of Interpretation. *Forum Qualitative Sozialforschung / Forum: Qualitative Social Research, 7(3), Art. 19.*

Kirzner, I. M., 1997. Entrepreneurial discovery and the competitive market process: An Austrian approach. *Journal of Economic Literature.*

Kluckhorn, C., 1951. Values and value orientations in the theory of action. In: P. &. Shils, ed. *Toward a general theory of action.* Cambridge, MA: Harvard University press, pp. 388-433.

Knafo, D., 2002. Revisiting Ernst Kris’ Concept ‘Regression in the Service of the Ego".. *Psychoanalytic Psychology,* 19(1), pp. 24-49.

Knight, F. H., 1916/1921. *Risk, Uncertainty and Profit.* New York: Houghton Mifflin.

Koellinger, P., Minniti, M. & Schade, C., 2005. *“I think I can, I think I can”: Overconfidence and Entrepreneurial Behavior,* Berlin: DIW Berlin.

Kogut, B. & Zander, U., 2003. Knowledge of the firm and the evolutionary theory of the multinational corporation. *Journal of International Business Studies 34,* pp. 516-529.

Krech, D., Crutchfield, R. S. & Ballachey, E. L., 1962. *Individual in society; a textbook of social psychology.* New York: McGraw-Hill.

Krueger, N. F. J., Reilly, M. D. & Carsrud, A. L., 2000. Competing Models of Entrepreneurship Intentions. *Journal of Business Venturing,* Volume 15, pp. 411-432.

Kuratko, D. I. R. D. C. J. G. a. H. J. S., 2005. A model of middle level managers' entrepreneurial behavior. *Entrepreneurship theory and practice,* 29(6), pp. 699-716.

Kvale, S., 2008. *Doing Interviews.* s.l.:The SAGE Qualitative Research Kit.

Landström, H., 2005. *Entreprenörskapets rötter.* s.l.:Studentlitteratur.

Lawler, E. E. S. J., 1972. A xausal correlation test of the hierarchy concept. *Organizational behavior and human performance,* Volume 7, pp. 265-287.

Lay, E. R., 2011. *Motivation: A Literature Review,* s.l.: Pearson.

Lee, Y. & Colarelli O’Connor, G., 2003. The Impact of Communication Strategy on Launching New Products: The Moderating Role of Product Innovativeness. *The Journal of Product Innovation Management,* Volume 20.

Lentz, B. a. L. D., 1990. Entrepreneurial success and occupational inheritance among proprietors. *Canadian journal of economics,* 23(3), pp. 563-579.

Leonard-Barton, D., 1995. Wellsprings of Knowledge. Harvard Business. *Harvard Business School Press.*

Liles, P., 1974. Who are the entrepreneurs. *MSU Business topics,* Volume 22, pp. 5-14.

Liñán, F. & Santos, F. J., 2007. Does Social Capital Affect Entrepreneurial Intentions?. *International Atlantic Economic Society.*

Lincoln, Y. &. G. E., 2000. Paradigmatic controversies, contradictions and emerging confluences. *Handbook of qualitative research,* Volume 2, pp. 163-188.

Lindh, T. &. O. H., 1996. Self-employment and windfall gains: Evidence from the Swedish lottery. *Economic journal, royal economic society,* 106(439), pp. 1515-1526.

Lindquist, M. S. a. P. M., 2012. *Why do entrepreneurial parents have entrepreneurial children,* s.l.: IZA.

Lin, N., 1999. *Building a Network Theory of Social Capital,* s.l.: Duke University.

LoBiondo-Wood, G. &. H. J., 198. *Nursin research: Methods, critical appraisal and utilization 4th ed.,* St. Louis, MO: Mosby.

Louadi, E., 2008. Knowledge heterogeneity and social network analysis towards conceptual and measurement clarifications. *Knowledge Managemen Research & Practice,* pp. 199-213.

Low, M. &. M. I., 1988. Entrepreneurship: Pas research and future challanges. *Journal of management,* Volume 14, pp. 139-161.

Low, M. B. & MacMillan, I. C., 1988. Entrepreneurship: Past research and future challenges. *Journal of Management,* 14(2).

Lundqvist, M., 2013. *Entrepreneurial behavior.* Istanbul, University of Galatasaray.

M., K.-B., 1999. *Post-communist Syndrome,* Budapest: Open Society Institute.

Maaninen-Olsson, E., Wismen, M. & Carlsson, S., 2008. Permanent and temporary work practices: knowledge integration and the meaning of boundary activities. *Knowledge Management Research & Practice 6,* pp. 260-273.

Mackenzie, N. &. K. S., 2006. Research dilemmas: Paradigms, methods and methodology. *Issues in educational research,* 16(2), pp. 193-205.

Mack, L., 2010. The philosophical underpinings of educational research. *Polyglossia,* Volume 19.

Marshall, A., 1949. *Principles of Economics.* London: Macmillan and Co.

Marx, M., 1960. Motivation. In: *Encyclopedia of educational research.* New York: McMillan, pp. 888-901.

Maslow, A., 1943. A theory of human motivation. *Psychological review,* Volume 50, pp. 370-396.

Maslow, A., 1970. *Motivation and personality,* New York: Harper and Row.

Maslow, A. H., 1954. *Motivation and Personality.* 3rd ed. s.l.:Longman.

Mayo, E., 1949. *The social problems of an industrial civilization,* London: Routledge & Kegan Paul.

McClelland, D. &. W. D. G., 1969. *Motivating economic achievement,* New York: Free press.

McClelland, D., 1961. *The achieving society,* Princeton, NJ: Van Nostrand.

McClelland, D., 1965. Achievement and enterprise. *Journal of personal social psychology,* Volume 1, pp. 389-392.

McClelland, D. C., 1985. How motives, skills, and values determine what people do. *American Psychologist,* Issue 41, p. 812–825.

McClelland, D. C., Atkinson, J. W., Clark, R. A. & Lowell, E. L., 1953. The achievement motive. *Century psychology series*.

McClelland, D. C., Koestner, D. & Weinberger, J., 1989. How do self-attributed and implicit motives differ?. *Psychological Review*.

McClelland, D. C. R. R. T. a. A. J., 1958. The effect of the need for achievement on thematic appreception. In: *Motives in fantasy, action and society.* Princeton, NJ: Van Nostrand, pp. 64-82.

McDougall, W., 1926. *Outline of Psychology.* New York: Charles Scribner's Sons.

McGrath, R. G. & MacMillan, I. C., 1992. More like each other than anyone else? A cross-cultural study of entrepreneurial perceptions. *Journal of Business Venturing,* Volume 7, pp. 419-429.

McKinsey&Co, 2004. Making a market in knowledge. *McKinsey Quarterly.*

Midgley, D. a. D. G., 1977. Innovativeness: The concept and its measurement. *Journal of consumer research,* Volume 4, pp. 229-242.

Minniti, M., 2004. Entrepreneurial alertness and assymetric information in a spin-glass model. *Journal of business venturing,* Volume 19, pp. 637-658.

Minniti, M., 2005. Entrepreneurship and network externalities. *Journal of economic behavior and organization,* Volume 57, pp. 1-27.

Mitchell, F. V. M. P., 1976. Measurement of Maslow's need hierarchy. *Organizational behavior and human performance,* Volume 16, pp. 334-349.

Moskowitz, T. J. & Vissing-Jorgensen, A., 2002. The Returns to Entrepreneurial Investment: A Private Equity Premium Puzzle?. *NBER Working Paper,* Volume 8876.

Mullins, J. a. F. D., 2005. Missing the boat or sinking the boat: A study of new venture decision making. *Journal of business venturing,* 20(1), pp. 47-69.

Mullins, J. W. & Forlani, D., 2005. Missing the boat or sinking the boat: A study of new venture decision. *Journal of Business Venturing,* Volume 20, pp. 47-69.

Murray, H. A., 1938. *Explorations in personality.* New York: Oxford University Press.

Naffziger, D. W., Hornsby, J. S. & Kuratko, D. F., 1994. A Proposed Research Model of Entrepreneurial Motivation. *Entrepreneurship: Theory and Practice.*

Nelson, P. R., 1991. Why do firms differ, and how does it matter?. *Strategic Management Journal 12,* p. 61–74.

Nelson, R. R. & Winter, S., 1982. An evolutionary Theory of Economic Change. *Harvard University Press.*

Nicolau, N. et al., 2008. Is the tendency to engage in entrrepreneurship genetic?. *Management Science,* 58(1).

Nielsen, K., 2012. Bringing the Person and Environment together in Explaining Successful Entrepreneurship: A Multidisciplinarity Study.

Noels, K. A., Pelletie, L. G., Clément, R. & Vallerand, R. J., 2000. Why Are You Learning a Second Language? Motivational Orientations and Self-Determination Theory. *A Journal of Research in Language Studies,* 50(1).

Nonaka, I., 1990. A Theory of Organizational Knowledge Creation. *Nihon Keizai Shimbun-sha.*

Nonaka, I., 1991. The Knowledge Creating Company. *Harvard Business Review.*

Nonaka, I., 1994. A dynamic theory of organizational knowledge creation. *Organization Science,* pp. 14-37.

Nonaka, I., 2008. Managing Flow: A Process-view of Knowledge-based Firm. *Paper presented at the annual CKIR Workshop in Helsinki, Finland. August 27-29.*

Nonaka, I. & Toyama, R., 2003. The knowledge-creating theory revisited: knowledge-creation as a synthesizing process. *Knowledge management research & practice.*

Nonaka, I., Toyama, R. & Nagata, A., 2000. A firm as a knowledge creating entity: a new perspective on the theory of the firm. *Industrial and Corporate Change,* pp. 1-20.

Nonaka, I., T & Takeuchi, H., 1995. The Knowledge Creating Company: How Japanese Companies Create the Dynamics of Innovation. *Oxford University Press.*

NSI, 2014. *Population by districts, municipalities, place of residence and sex.* [Online]   
Available at: (http://www.nsi.bg/en/content/6704/population-districts-municipalities-place-residence-and-sex  
[Accessed May 2015].

Nuttin, J., 1984. *Motivation, Planning, and Action: A Relational Theory of Behavior Dynamics.* s.l., Lawrence Erlbaum Associates.

Okhuysen, G. & Eisenhardt, K., 2002. (2002) Integrating knowledge in groups: how formal interventions enable flexibility. *Organization Science 13,* pp. 370-386.

Olver, G. M. a. M. T. A., 2003. Personality traits and personal values: A conceptual and empirical integration. *Personality and individual differences,* Volume 35, pp. 109-125.

Olver, J. a. M. T., 2003. Personality traits and personal values: A conceptual and empirical integration. *Personality and individual differences,* Volume 35, pp. 109-125.

Olweus, D., 1976. *Longitudinal studies of agressive reaction patterns. A Review.* Paris, Twenty-first International Congress of Psychology.

Organization, N. A. T., 2008. *NATO.* [Online]   
Available at: http://www.nato.int/docu/pr/1998/p98-067b.htm  
[Accessed May 2015].

Panksepp, J., 1998. *Affective Neuroscience: The Foundations of Human and Animal Emotions.* s.l.:Oxford University Pres.

Parks, L. & Guay, R. P., 2009. Personality, values and motivation. *Elsevier*.

Paulson, A. a. T. R., 2005. Financial constraints and entrepreneurship: Evidence from the Thai finansial crisis. *Economic perspectives,* Volume 29, pp. 34-48.

Paulson, A. & Townsend, R., 2004. Entrepreneurship and financial constraints in Thailand. *Journal of Corporate Finance,* 10(2), pp. 229-262.

Pedler, M. J. & Boydell, T., 1991; 1996. *The Learning Company. A strategy for sustainable development.* London: McGraw-Hill.

Phills, J. J. D. K. a. M. D., 2008. Rediscovering social innovation. *Stanford social innovation review,* 6(4), pp. 34-43.

Pinder, C. C., 1998. *Work motivation in organizational behavior.* NJ: Prentice-Hall ed. s.l.:Upper Saddle River.

Pinel, J., 2003. *Biopsychology.* 5th ed. Boston: Allyn and Bacon.

Plomin, R., DeFries, J. C., Craig, I. W. & McGuffin, 2003. *Behavioral genetics in the postgenomic era.* Washington, DC: American Psychological Association.

Polit, D. &. H. B., 1999. *Nursing research: Principles nad methods 6th ed.,* Philadelphia: J.B. Lippincott.

Programme, I. S. S., 1999. *www.issp.org.* [Online]   
Available at: http://zacat.gesis.org/webview/index.jsp?object=http://zacat.gesis.org/obj/fStudy/ZA3430  
[Accessed April 2015].

Prusak, L., 1997. *Knowledge Management.* s.l.:John Wiley and Sons.

Quinn, J. B., 1992. *Intelligent Enterprise: A Knowledge and Service Based Paradigm for Industry.* New York: Free Press.

Rauch, A. a. M. F., 2007. 'Let's put the person back into entrepreneurship research: A meta-analysis on the relationship between business owners' personality traits, business creation and success'. *European journal of work and organizational psychology,* Volume 16, pp. 353-385.

Ravlin, E. &. M. B., 1987a. Issues in work values measurement. *Research in corporate social performance and policy,* Volume 9, pp. 153-183.

Ray, D., 1986. *Perceptions of risk and new enterprise formarion in Singapore,* s.l.: Wellsley MA: Babons College.

Reich, B. H., Gemino, A. & Sauer, C., 2008. Modeling the knowledge perspective of IT projects. *Project Management Journal.*

Remenyi, D., Williams, B., Money, A. & Swartz, E., 1998. *Doing Research in Business and Management: An Introduction to Process and Method.* London: Sage.

Reynolds, P. D. & Bosma, N. S., 2005. Global Entrepreneurship Monitor: Data Collection Design and Implementation 1998 - 2003. *Small Business Economics.*

Reynolds, P. & Miller, B., 1992. New firm gestation: conception, birth and implications for research. *Journal of Business Venturing,* Volume 7.

Rheinberg, F., 1995. *Motivation.* 1st ed. Stuttgart: s.n.

Rheinberg, F., 1995. *Motivation..* Stuttgart: Kohlhammer.

Robson, C., 2002. *Real World Research.* Oxford: Blackwell.

Rogers, E. a. S. F., 1971. *Communication of innovations: A cross cultural approach,* New York, NY: Free press.

Rokeach, M., 1972. *Believes, attitudes and values: A theory of organization and change,* San Francisco, CA: Jossey-Bass Inc..

Rokeach, M., 1973. *The Nature of Human Values.* New York: The Free Press.

Rosenblatt, P. C., de Mik, L., Anderson, R. M. & Johnson, P. A., 1985. *The family in business.* San Francisco: Jossey-Bass.

Rotter, J., 1966. Generalized expectancies for internal vs. external control of reinforcement. *Psychological monographs,* Volume 80, p. 609.

Roussel, C. S. & Deltour, F., 2012. Beyond cross-functional teams: knowledge integration during organziational projects and the role of social capital. *Knowledge Management Research & Practice.*

Sagiv, L. & Schwartz, S., 1995. Values, priorities and readiness for out-group social contact. *Journal of personality and social psychology,* 69(3), pp. 437-448.

Salas, E., Paris, C. R. & Cannon-Bowers, J. A., 2000. Teamwork in multi-person systems: a review and analysis. *Ergonomics,* 43(8).

Salkever, A., 2015. *Best programming talent in the world is not in California.* [Online]   
Available at: ( http://venturebeat.com/2015/04/05/data-best-programming-talent-in-the-world-is-not-in-california/  
[Accessed April 2015].

Sarasvathy, D. S. H. a. L., 1998. Perceiving and managing business risks: Differnces between entrepreneurs and bankers. *Journal of economic behavior and organization,* Volume 33, pp. 207-225.

Saroglou, V., Delpierre, V. & Dernelle, R., 2004. Values and religiosity: A meta-analysis of studies using Schwartz’s model. Personality and Individual Differences. In: *Personality and Individual Differences.* s.l.:s.n., pp. 721-734.

Sarri, K. a. T. A., 2004. Female entrepreneurs'personal characteristics and motivation: A review of the greek situation. *Women and management review,* 20(1), pp. 24-36.

Saunders, M., Lewis, P. & Thornhill, A., 2007. *Research Methods for Business Students.* s.l.:Pearson Education Limited.

Schackle, G. L., 1982. Foreword. In: *The Entrepreneur.* s.l.:s.n.

Schmickl, C. & Kieser, A., 2008. How much do specialists have to learn from each other when they jointly develop radical product innovations. *Research Policy 37,* p. 473–491.

Schultheiss, O. C. et al., 2012. *Motivation.* s.l.:Elsevier Inc.

Schultheiss, O. C. & Wirth, M. M., 2010. Biopsychological Aspects of Motivation. In: *Motivation and Action.* s.l.:Cambridge University Press.

Schultz, T. W., 1975. The Value of the Ability to Deal with Disequilibria. *Journal of Economic Literature,* 13(3).

Schumpeter, J. A., 1934. *The Theory of Economic Development.* Cambridge: Harvard University Press.

Schwartz, S., 1992. Universals in the content and structure of values: Theory and empirical tests in 20 countries. *Advances in experimental social psychology,* Volume 25, pp. 1-65.

Schwartz, S., 1994. Are there universal aspect in the content and structure of values?. *Journal of social issues,* Volume 50, pp. 19-45.

Schwartz, S., 2012. An overview of the Schwartz Theory of basic values. *online readings in psychology and culture,* 2(1).

Schwartz, S. a. B. W., 1987. Toward a universal psychological structure of human values. *Journal of personality and social psychology,* Volume 53, pp. 550-562.

Schwartz, S. a. B. W., 1990. Toward a theory of the universal content and structure of values: extensions and cross-cultural replications. *Journal of personality and social psychology,* Volume 58, pp. 878-891.

Shane, S. & Khurana, R., 2003. Bringing individuals back in: the effects of career experience on new firm founding. *Industrial and Corporate Change,* 12(3), pp. 519-543.

Shane, S. & Kolvereid, L., 1995. National Environment, Strategy and New Venture Performance: A three country study. *Journal of Small Business Management.*

Shane, S., Locke, E. A. & Collins, C. J., 2003. *Entrepreneurial Motivation.* [Online]   
Available at: http://digitalcommons.ilr.cornell.edu/articles/x  
[Accessed 16 April 2015].

Shane, S. & Venkataraman, S., 2000. The promise of entrepreneurship as a field of research. *The Academy of Management Review,* 25(1).

Shapero, A. & Sokol, L., 1982. The Social Dimensions of Entrepreneurship. In: *The Encyclopedia of Entrepreneurship.* s.l.:Prentice-Hall, pp. 72-90.

Shaver, K. G. & Scott, L. R., 1991. Person, Process, Choice: The Psychology of New Venture Creation. *Entrepreneurship: Theory and Practice.*

Shrivastava, S. & Shrivastava, R., 2013. Role of Entrepreneurship in Economic Development. *International Journal of Management and Social Sciences Research,* 2(2).

Simon, H., 1976. *Administrative behavior,* New York: MacMillan.

Simon, M., Houghton, S. M. & Aquino, K., 1999. Cognitive biases, risk perception, and venture formation: How individuals decide to start companies. *Journal of Business Venturing,* Issue 15, pp. 113-134.

Skinner, B. F., 1953. *Science and human behavior.* New York: Macmillan.

Spender, J. C. & Grant, R. M., 1996. Knowledge and the firm: overview. *Strategic Management Journal 17,* pp. 5-9.

Stanchev, K., 2003. *Experience With Regulatory Reforms: Bulgaria.* Sofia, OECD.

Starr, C. & Taggart, R., 1992. *Biology: the unity and diversity of life.* 6th ed. Belmont: Wadsworth Publishing.

Stearns, L. a. A. K., 1996. Economic behavior in institutional environments: The corporate merger wave of the 1980s. *Amercian sociological review,* 61(4), pp. 699-718.

Stearns, T. M. & Hills, G. E., 1996. Entrepreneurship and new firm development: a definitional introduction. *J Bus Res,* Volume 36.

Steinar, K., 2008. *Doing Interviews.* Aarhus: Sage publications.

Stevenson, Howard & Jarillo, C. J., 1990. A Paradigm of Entrepreneurship: Entrepreneurial Management. *Strategic Management Journal,* Volume 11.

Stipek, D. J., 1996. Motivation and instruction. *Handbook of educational psychology*, p. 85–113.

Sveiby, K., 1997. The New Organizational Wealth. *Berret-Koehler, San Francisco.*

Swanborn, P., 2010. *Case study research: What, why and how,* London, UK: Sage publications.

Swan, J., Scarbrough, H. & Newll, S., 2010. Why don’t (or do) organizations learn from projects. *Management Learning,* pp. 325-344.

Sydow, J., Lindkvist, L. & Defillippi, R., 2004. Project-based organizations, embeddedness and repositories of knowledge. *Organizations studies,* p. 1475–1489.

Tan, J., 1997. Regulatory Environment and Strategic Orientations in a Transitional Economy: A study of Chinese private enterprise. *Entrepreneurship Theory & Practice*, Volume o.

Tan, J., 2004. Environment–strategy co-evolution and co-alignment: a staged model of Chinese SOEs under transition. *Strategic Management Journal,* 26(2), p. 141–157.

Timmons, J. A., 1990. *New venture creation: Entrepreneurship in the 1990s,* s.l.: Irwin Homewood, IL.

Trochim, W. & Donnelly, J. P., 2007. *Research Methods Knowledge Base.* [Online]   
Available at: http://www.socialresearchmethods.net/kb/  
[Accessed 20 November 2014].

Trope, Y., 1986. Self-enhancement and self-assessment in achievement behavior. In: *Handbook of motivation and cognition: Foundations of social behavior.* New York: Guilford Press, p. 350–378.

Urban, B., 2007. A framework for understanding the role of culture in entrepreneurship. *Acta Commercii.*

Vaghely, I. P. & Julien, P.-A., 2006. Are opportunities recognized or constructed?: An information perspective on entrepreneurial opportunity identification. *Journal of Business Venturing,* 25(1).

Van de Ven, A. H., Delbecq, A. L. & Koenig, R., 1976. Determinants of coordination modes with organizations. *American Sociological Review,* pp. 322-338.

Van Gelderen, M. et al., 2008. Explaining entrepreneurial intentions by means of the theory of planned behaviour. *Career Developmental International,* 13(6), pp. 538-559.

Van Praag, M. C., 1999. Some classic views on entrepreneurship. *De Economist,* pp. 311-335.

Venkataraman, S. a. S., 2000. The promise of entrepreneurship as a field of research. *The academy of management review,* 25(1), pp. 217-226.

Von Hippel, E., 1986. A source of novel product concepts. *Management Science,* Volume 32, pp. 791-805.

Wahba, M. A. & Bridwell, L. G., 1976. Maslow reconsidered: A review of research on the need hierarchy theory. *Organization Behavior and Human Performance*, April, pp. 212-240.

Wall, G., 1972. Socio-economic variations in pleasure-trip patterns: The case of Hull car owners. *Transitions of the institute of British geographers,* pp. 45-58.

Wang, J. K., Ashleigh, M. & Meyer, E., 2006. Knowledge sharing and team trustworthiness: it’s all about social ties!. *Knowledge Management Research & Practice 4,* p. 175–186.

Ward, T. S. S. a. V. J., 1997. *Creative thought,* Washington, DC: American psychological association.

Weber, E. U. & Milliman, R. A., 1997. Perceived risk attitudes: Relating risk perception to risky choice.. *Management Science,* Issue 43, pp. 123-144.

Weber, M., 1921. *The economy and social powers and structures.* New ed. 1964 ed. Tübingen: s.n.

Weiner, B., 1969. Motivation. In: *Encyclopedia of motivational research.* New York: MacMillan, pp. 877-887.

Weiner, B., 1990. History of motivational research in education. *Journal of educational psychology,* Volume 82, pp. 616-622.

Wellman, J. L., 2009. *Organizational Learning.* s.l.:Palgrave Macmillian.

Welsh, J. a. W. J., 1981. *A small business is not a little big business,* s.l.: Harvard business review.

Wilken, P. H., 1979. *Entrepreneurship: A Comparative and Historical Study.* Norwood: Ablex Publishing Corporation.

William, M. a. H. G., 2000. *Tax policy and entrepreneurial entry,* New York, NY: Graduate school of Business.

Winter, S. G., 1986. The research program of behavioural theory of the firm: Orthodox critique and evolutionary perspective. *Handbook of Behavioral Economics,* pp. 151-188.

Wise, R. A., 2004. Drive, incentive, and reinforcement: The antecedents and consequences of motivation. *Nebraska Symposium on Motivation,* Volume 50, pp. 159-195.

Word Bank Group, 2014. *Doing Business.* [Online]   
Available at: http://www.doingbusiness.org/rankings  
[Accessed 2 May 2015].

Worldbank, 2013. *How Can Bulgarian Universities Become Stronger and Internationally Competitive?.* [Online]   
Available at: http://www.worldbank.org/en/news/feature/2013/12/09/how-can-bulgarian-universities-become-stronger-and-internationally-competitive  
[Accessed 13 May 2015].

Worldbank, 2014. *The World Bank.* [Online]   
Available at: http://data.worldbank.org/indicator/SL.UEM.TOTL.ZS  
[Accessed 14 May 2015].

Wruck, K. H. & Jensen, M. C., 1994. Science, Specific Knowledge and Total Quality Management. *Accounting and Economics,* pp. 247-287.

Yarbrough, D., 2012. Undergraduate honors service- Learning and effects on locus of control. *Journal of service-learning in higher education,* pp. 70-87.

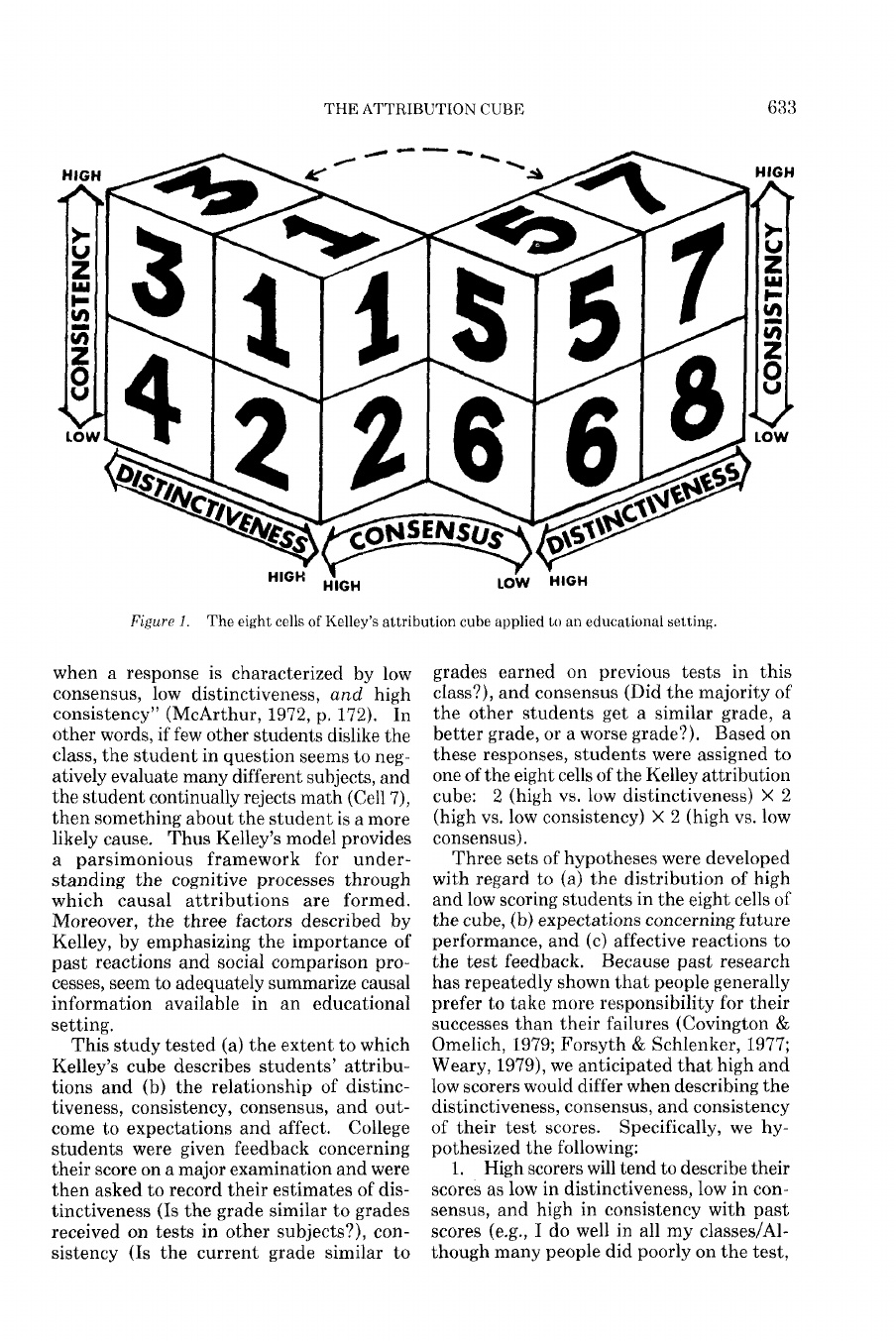
Yin, R., 2008. *Case study research: Design and methods 4th ed.,* Thousand Oaks, CA: Sage publications.

Young, P., 1941. Motivation. In: *Encyclopedia of educational research.* New York: MacMillan, pp. 735-742.

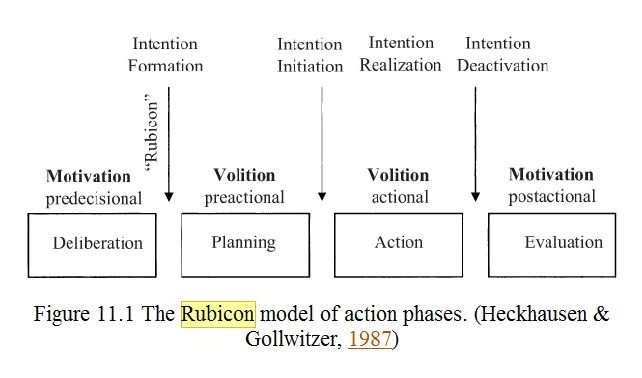
Young, P., 1950. Motivation. In: *ENcyclopedia of educational research.* New York: McMillan, pp. 755-761.

Zhao, H. a. S. S. E., 2006. The big five perosnality dimensions in entrepreneurial status: A meta-analytical review. *The journal of applied psychology,* Volume 91, pp. 259-271.

# Appendix A - The eight cells of Kelley’s attribution cube applied to an educational setting

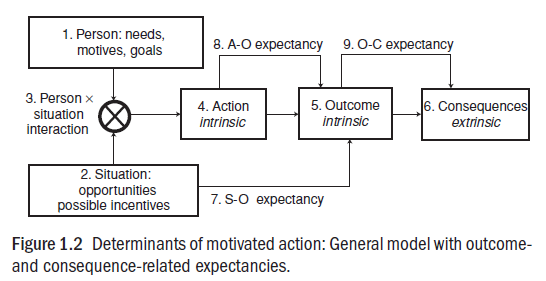


# Appendix B – The Rubicon model of action phases



Source: (Heckhausen, et al., 1987)

# Appendix C – Determinants of motivation action: General model with outcome – and consequence-related expectancies

****

Source (Heckhausen & Heckhausen, 2010)

# Appendix D - Interview questions

|  |  |
| --- | --- |
| Research questions | Interview questions |
| 1. How do the personal factors influence the motivation to start a business? (Q1, Q2, Q3, Q6, Q8) 2. How do the situational factors influence the motivation to start a business? (Q3, Q4, Q6, Q7, Q9) 3. How do the personal and situational factors influence each other? (Q5, Q6, Q7, Q9) 4. How do the differences between Bulgaria and Denmark impact the motivation of entrepreneurs? (Q4, Q5, Q6, Q7, Q9) | 1. Can you introduce yourself and your background (education, work experience, etc.)? 2. Can you tell us more about your company? 3. We would like to talk about the time when you started the business. How did you take the decision and how was the process of setting the business? 4. Which were the challenges you faced on the way? What motivated you to continue? 5. In which ways has your life changed since becoming an entrepreneur? 6. What is your opinion on being an employee? 7. Which are your goals on the long term (on the personal and professional level)? 8. Are any of your family members involved with entrepreneurship? 9. How does the environment (economical, political, cultural, etc.) impact your business? |

# Appendix E – Opportunities Denmark

# Appendix F – Interviewees information

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Denmark** | | |  |  |  |  |  |
| **No.** | | **Name** | **Nationality** | **Company** | **Email** | **Phone (0045)** | **Address** |
| 1 | | Andrei Beno | Romanian | Aalbornification | [abeno14@student.aau.dk](mailto:abeno14@student.aau.dk) | 23907351 |  |
| 2 | | Lars Moltsen | Danish | 2operate ApS | [lm@2operate.com](https://mail.aau.dk/owa/redir.aspx?C=Vgzs4mh-tkG7_CoTZvxYtJHZ272hW9IIU88glWUNV4ImPpY8Cy2SaYHlNoQBHMuqXgDhF5__Dos.&URL=mailto%3alm%402operate.com) | 9635615 | Niels Jernes Vej 10, DK-9220 Aalborg E (NOVI Park) |
| 3 | | Daniel Lucani | Venezuelan | Chocolate Cloud | [daniel@chocolate-cloud.cc](mailto:daniel@chocolate-cloud.cc) | 22628620 | Niels Jernes Vej 10, DK-9220 Aalborg E (NOVI Park) |
| 4 | | Viktor Kyosev | Bulgarian | Aalbornification |  | 61738987 |  |
| 5 | | Kenneth Pinsker | Danish | BikeMedia | kp@bikemedia.dk | 60124229 | Hadsundvej 120, DK-9000 Aalborg |
| 6 | | Brian Gordon | Danish | Ecodel | bgo@ecodel.com | 22234322 |  |
| 7 | | Domas Tartilas | Lithuanian | Webs & Apps ApS |  | 25469852 |  |
| 8 | | Georgi Damyanov | Bulgarian | Webs & Apps ApS |  | 53336727 |  |
| 9 | | Valentin Nicoara | Romanian | Scandinavian Apparel |  |  |  |
| 10 | | Product Owner | Danish | IT startup |  |  |  |
| 11 | | Christian Christensen | Danish | Donago | kontakt@donago.org |  |  |
| 12 | | Charles Vesteghem | French | Social Chroma | [cvesteghem@gmail.com](mailto:cvesteghem@gmail.com) |  | Niels Jernes Vej 10, DK-9220 Aalborg E (NOVI Park) |
| 13 | | Allan Mørch | Danish | AskCody | [allan@askcody.dk](https://mail.aau.dk/owa/redir.aspx?C=tdugqO9ovkGHoNxfaDvoa2KHd95lXNIIn2jYws718-TWqTUM0UvljuqhDWfl3sdYE5bvK6Y4P2I.&URL=mailto%3aallan%40askcody.dk) | 22249769 | Hattemagervej 8, DK 9000 Aalborg |
| 14 | | Anne Sofie Juul | Danish | By Anne Sofie Juul |  | 51742138 |  |
| 15 | | Niclas Stisager | Danish | STISAGER |  | 30242772 |  |
| 16 | | Rasmus Christensen | Danish | Macellum | rasmus@macellum.dk |  |  |
| 17 | | Ivan Dimitrov | Bulgarian | Level Up |  |  |  |
|  | |  |  |  |  |  |  |
| **Bulgaria** | | |  |  |  |  |  |
| **No.** | | **Name** | **Nationality** | **Company** | **Email** | **Phone (00359)** | **Address** |
| 1 | Georgi Pavlov | | Bulgarian | AVSD |  |  | Gen. Yosif V. Gurko 4, 1000 Sofia |
| 2 | Vladimir Ninov | | Bulgarian | CM2W | vrafailov@cm2w.net | 879277070 | 178, Tzar Boris III Blvd., Sofia |
| 3 | Stanil Dobrev | | Bulgarian | Wiziva | admin@plxwebdev.com |  |  |
| 4 | Darin Madzharov | | Bulgarian | Ucha.Se | darin@ucha.se | 884059454 | Bigla 16, Sofia |
| 5 | Georgi Todorov | | Bulgarian | Qlibri | georgi.p.todorov@gmail.com | 886592132 |  |
| 6 | Iliya Lambov | | Bulgarian | Kuknall |  |  | Gen. Yosif V. Gurko 4, 1000 Sofia |
| 7 | Kalin Karakehayov | | Bulgarian | Tool.Domains | zaekyt@gmail.com | 884632528 |  |
| 8 | Maritn Kulov | | Bulgarian | RETiDoc | martin@retidoc.com | 888213255 | Blvd. Bulgaria 58, Sofia |
| 9 | Christian Mladenov | | Bulgarian | Intuitics | christian@intuitics.com | 888255842 | Krum Popov 58, Sofia |
| 10 | Hristo Alexiev | | Bulgarian | Playground Energy | office@playgroundenergy.com |  | Gen. Yosif V. Gurko 4, 1000 Sofia |
| 11 | Dimitar Tonov | | Bulgarian | Angel Baby |  | 884449194 |  |
| 12 | Konstantin Christoff | | Bulgarian | Sensika Technologies |  |  | Gen. Yosif V. Gurko 4, 1000 Sofia |
| 13 | Mariy Simeonov | | Bulgarian |  |  | 895484729 |  |
| 14 | Encho Boyadzhiev | | Bulgarian | Steva2 Ltd. |  | 887603150 |  |
| 15 | Iliya Savov | | Bulgarian |  |  | 899102483 |  |
| 16 | Yoana Georgieva | | Bulgarian | Yoana-Yo |  | 879971977 |  |

1. American Psychological Association [↑](#footnote-ref-1)
2. A new sector emerged from the combination of the Financial with the Technology sector [↑](#footnote-ref-2)
3. NOVI – Science park in Aalborg, home of over 100 companies [↑](#footnote-ref-3)
4. Youth unemployment - the share of the labor force ages 15-24 without work but available for and seeking employment [↑](#footnote-ref-4)
5. © GfK Purchasing Power Europe 2013/2014 [↑](#footnote-ref-5)
6. (GFK, 2013) [↑](#footnote-ref-6)