Opportunity Recognition and Motivation in Entrepreneurship
A comparative study of would-be Entrepreneurs and experienced Entrepreneurs

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Abstract

**Purpose:** The purpose of this study is to explore the differences in opportunity recognition as well as the different motivations between would-be and experienced entrepreneurs.

**Design/Methodology/Approach:** The paper builds up on a deductive research approach. Six qualitative interviews provided the researchers with empirical data to the phenomenon of opportunity recognition and the influencing aspect of human motivation. These data were analyzed in a comparative study, using a creativity based model of entrepreneurial opportunity recognition and the hierarchy of needs from Abraham Harold Maslow, as the most popular framework in motivational theory.

**Findings:** The research study provided significant insights into the opportunity recognition of would-be and experienced entrepreneurs. The researchers identified differences in the evaluation stage of opportunity recognition between would-be and experienced entrepreneurs. Would-be entrepreneurs demonstrated a more cautious evaluation, taking into consideration all the resources which they did not possess yet. Whereas the experienced entrepreneurs demonstrated an awareness for all the resources that they were already holding due to their previous experience as entrepreneurs. With regards to the human motivation experienced entrepreneurs tend to reach and to satisfy higher needs than would-be entrepreneurs. Achievements and financial outcomes, usually belonging to esteem needs, are for experienced entrepreneurs rather the result of a successful self-actualization. Instead would-be entrepreneurs had their focus on the improvement of their current situation. The paper provided deepened insights about the connectivity of human needs of would-be and experienced entrepreneurs and the interrelation of human motivation to opportunity recognition.

**Contribution:** On the base of the intense discussion about entrepreneurial contributions to the national and international economies, the researchers were able to provide an improved understanding of opportunity recognition comparing the experienced entrepreneurs and those who would like to become entrepreneurs. The analysis of influencing aspects like the human motivation enables the adjustment of entrepreneurship programs. Considering the results, the development and alignment of entrepreneurship promotions can be improved. Successful addressing and motivating of individuals by entrepreneurship programs support these individuals to engage entrepreneurial.

**Key Words:** Opportunity Recognition, Motivation, Entrepreneur, Evaluation, Promotion, Achievement, Perception, Needs
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<tr>
<td>GEM</td>
<td>Global Entrepreneurship Monitor</td>
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<td>OpR</td>
<td>Opportunity Recognition</td>
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1. Introduction
The introduction covers besides the background a first discussion of the observed problem of opportunity recognition of would-be and experienced entrepreneurs, the benefits for governments, international institutions and entrepreneurs as well as the purpose, research question and limitations of the study. A chapter about the structure of the research introduces into the organization of topics during the paper.

1.1 Background
Entrepreneurship is a process of serial activities which include the discovery or creation of opportunities, the evaluation and development of an organization (Shane, Venkataraman, 2000). Recently, Oviatt and McDougall (2005, p. 540) added a new understanding into the definition of entrepreneurship. According to Oviatt and McDougall “entrepreneurship is the discovery, enactment, evaluation, and exploitation of opportunities — across national borders — to create future goods and services”. According to Nielsen et al. (2014), the entrepreneur is an individual, who starts, endeavors and constructs entrepreneurial activities. Kuratko (2014, p. 23) defines an entrepreneur as a “catalyst for economic change” who implements different methods to convert ideas into feasible opportunities.

Entrepreneurship is a popular topic nowadays (Nielsen et al., 2014). It is a culture fact that entrepreneurship occupied an important status from the middle of last century in the western world (Örnek and Danyal, 2015). The importance of entrepreneurship has been discussed and emphasized in the academic world and reality repeatedly. Currently it is a prevailing understanding that entrepreneurship has an outstanding contribution to the economy. Especially those regions in which more entrepreneurial activities happen, tend to have a better economic development (Koveos, 2016a). The contributions are not only limited to one region or to one country. The entrepreneurial activities also have an important contribution to the global economic revitalizing (Kuratko, 2014). In the 1930s, innovation as an important part has been included into the definition of entrepreneurship (Schumpeter 1934). In addition, the empirical data also proved that entrepreneurship is one of the remarkable sources of innovation which is vital to the competitiveness of companies (Naranjo-Valencia et al., 2018). The contribution of entrepreneurial activities also includes job creation (Koveos, 2016, b). The author states that countries receive a considerable benefit from the creation of an environment conducive to entrepreneurship,
which means the provision of a positive and welcoming environment to entrepreneurs to establish their businesses. It comes not as little surprise that governments have an increasing interest for entrepreneurs as they become part of the economic machine which produces jobs for the society (Aron, 2003). According to Kuratko (2014, p. 16) entrepreneurs are “critical contributors to economic growth through their leadership, management, innovation, research and development effectiveness, job creation, competitiveness, productivity, and formation of new industry”. All this supplies the states additional tax revenue and economic wealth for the society (Andersson, Johansson, 2012). As entrepreneurs “challenge the unknown and continuously create breakthroughs for the future” (Kuratko, 2014, p. 3) they affect the economy and impact as “change agents” the societal development. (Kuratko, 2014; Dees, 1998; Schumpter, 1934).

The economic contribution is also emphasized by the Global entrepreneurship monitor (GEM) which started in 1999 measuring the entrepreneurial activities (Kuratko, 2014). According to the GEM, nearly half of all jobs worldwide are created by small and medium sized companies (GEM, 2018). Because of the great contribution of entrepreneurs to the national and international economic development policy makers use these reports like the GEM to exploit the research for the improvement of regulations (GEM, 2018). Other institutions as well, like the World Bank actively support entrepreneurs and provide consultancy to further enhance entrepreneurial engagement (World Bank, 2018). The importance of entrepreneurship to the country’s development is also indicated by the entrepreneurship education that has been applied into the national education system in European and Western countries (Diehl, 2015). In Sweden entrepreneurship became part of the education strategy from 2009 (Diehl, 2015). In the United States already high school student learn about entrepreneurship and in most universities of Korea entrepreneurship related courses are part of the general education. (Lee, Chang, and Lim, 2005). The GEM data indicates that over 100 million people between 18 and 64 are actively engaged in entrepreneurship (Kuratko, 2014). Even more people are engaged in the early stage of an entrepreneurial activity. The GEM report states, that the majority does not start a business due to a necessity but due to an opportunity they recognize (Kuratko, 2014; GEM, 2018). According to the GEM report (2018) these data give insights into a broad range of entrepreneurs, different in age and experience, but who have in common the aim to exploit an opportunity they recognized.
1.2 Problem Discussion

Taking a closer look on the entrepreneurship definition from Stevenson et al. (2003, p. 3) “Entrepreneurship is the pursuit of opportunity beyond the resources you currently control” we see a coincidence to the Kirznerian opportunity recognition theory. Kirznerian sees the entrepreneur as someone who searches for opportunities which lie beyond his existing resources (Nielsen et al., 2015). Even though Nielsen et al. (2014) compare the Schumpeterian and Kirznerian opportunity recognition as a paradoxon. Stevenson enables a definition which considers the resource perspective from Kirznerian and the individual perspective from Schumpeter. Besides these variations of entrepreneurship definitions an increasing number of opportunity recognition definitions also exist. According to Nielsen et al. (2014) Bhave (1994) initiated a discussion about opportunity recognition and the underlying intentions. Bhave explains opportunity recognition by an illustration that divides opportunity recognition in external and internal stimulations. According to Bhave the first variation is defined by the decision for the establishment of a venture. The opportunity recognition comes in the second step. Whereas the second variation is defined by the recognition of opportunities in the first step and the choice for the establishment of a business, or the improvement of a business in the second step. Obviously, all the researchers before did not consider adequate the personal dimension of opportunity recognition. As Nielsen et al. (2014, p. 50) state “If one talks about opportunities, one should also discuss intentions”. That there is generally a lack in research state also Lumpkin, Hills and Shrader (2003) who point out the minimum of research about opportunity recognition that has been done yet. Nielsen et al. (2017, p. 21) state “It is therefore crucial to understand the personality and the qualities of the entrepreneur.” As the opportunity recognition covers a fundamental part of the entrepreneurial process the authors take a closer look on the person, the individuum behind the entrepreneurial activities. On the other hand, taking into consideration Gartner (2008, p. 359) “Who is an entrepreneur? Is the wrong question” it makes it necessary not to focus on only one individual. Rather both perspectives could be combined to understand the entrepreneur’s motivation and goals.

The previous chapter introduced into the importance of entrepreneurship for nowadays society. It could be questioned whether the entrepreneur’s individual motivation coincides with the governmental demand for societal entrepreneurship. That the individual objectives might differ according to the personal background is stated by other researchers as well. Different aspects like prior experience and social networks impact the opportunity recognition process. “Research indicates that entrepreneurs with wider networks of
social contacts identify more ideas and recognize more opportunities than entrepreneurs with fewer contacts” (Shane and Venkataraman, 2000, p. 79). The authors further argue “in the context of OpR, preparation refers to the experience and prior knowledge (Shane, 2000) that an entrepreneur brings to the process.” (Shane and Venkataraman, 2000, p. 75). According to Shane and Venkataraman (2000) entrepreneurship includes necessarily the development of an organization, whereas the opportunity recognition represents rather a brainstorming process. As prior knowledge, life experience and personal networks impact the opportunity recognition process. The identification and evaluation of opportunities might differ between those people who would like to become an entrepreneur and those who already have experience being an entrepreneur. Furthermore, as governments see the importance of entrepreneurial activities, an investigation of the individual motivations between would-be entrepreneurs and experienced entrepreneurs could improve the governmental engagement to promote entrepreneurship. The would-be for would-be entrepreneurs defines by “Desiring or aspiring to be a specified type of person.” (Oxford Dictionary, 2018). “Although the discovery of an opportunity is a necessary condition for entrepreneurship, it is not sufficient. Subsequent to the discovery of an opportunity, a potential entrepreneur must decide to exploit the opportunity.” (Shane and Venkataraman, 2000, p. 222). The authors argue for the difference between those who simply recognize opportunities and those who also exploit them. According to Shane and Venkataraman if a potential entrepreneur wants to become a real entrepreneur he must take action to exploit the opportunities in form of an organization. Experienced entrepreneurs have therefore already “gained knowledge or skills in a particular field over time” (Oxford Dictionary, 2018), in this case in the development of an organization. Lumpkin, Hills and Shrader (2003) already pointed out the lack in research but obviously entrepreneurs as well as governments would benefit of a deeper knowledge in opportunity recognition theory. This thesis contributes therefore to the until now minimum of existing literature that covers entrepreneurs' motivations during the opportunity recognition process. Would-be and experienced entrepreneurs as well as governments could gain new knowledge and learn from each other.

1.3 Purpose
The purpose of this study is to explore the differences in opportunity recognition as well as the different motivations between would-be and experienced entrepreneurs.
1.4 Research Question
RQ1 How does the opportunity recognition differ between would-be entrepreneurs and experienced entrepreneurs?
RQ2 How do the motivations differ between would-be and experienced entrepreneurs?

1.5 Structure
Based on the deductive approach of this research, the authors introduce first to the underlying theory of opportunity recognition and motivational theory by Maslow. An introduction to the methodology of the research is following as well as the presentation of empirical data. A comprehensive discussion of the results combined with a concluding presentation of the core findings leads to the end of the thesis that covers future research in this field of study.

1.6 Delimitation
According to Maslow (1943) a need does not equal the individual’s behaviour. This study therefore focuses particularly on a comparison of motivations, besides the general opportunity recognition process. Whereas a comparison of opportunity recognition and actual behaviour is not covered.
2. Literature Review

The literature review contains besides opportunity recognition theory also motivational theory by Maslow. These two theories provide the basis for this research and guide the analysis on the empirical data. During the following chapters the authors first introduce to opportunity recognition theory and then to the hierarchy of needs by Maslow (1943, 1970).

2.1 Opportunity Recognition

Entrepreneurial opportunity is the initial step of entrepreneurship. Just as Shane and Venkataraman (2000, pp. 220 - 221) state “To have entrepreneurship, you must first have entrepreneurial opportunities” and “Although an opportunity for entrepreneurial profit might exist, an individual can earn this profit only if he or she recognizes that the opportunity exists and has value”. Hence, if one person has the initiative to start up, opportunity recognition is a vital concern. It is a meaningful topic for scholars to explore.

2.1.1 Opportunity Recognition Process

Until now, many scholars have made a lot of contributions to the in-depth studies in the opportunity recognition area, and they provide researchers various basic principles about the opportunity processes. Kuratko (2014) states that entrepreneurship is a dynamic process of opportunity recognition including the effort to turn them into a real venture creation. Ronstadt (C. Ronstadt, 1984, cited in Kuratko, 2014, p. 5) has the similar opinion that “entrepreneurship is the dynamic process of creating incremental wealth”. According to Shane and Venkataraman (2000), the entrepreneurship seed is an objective opportunity. The seed burgeons in the opportunity recognition phase discovery. Later the exploitation of activities which can also be called formation turns would-be entrepreneurs into real entrepreneurs. Ardichvili, Cardozo and Ray (2003) presented that opportunity recognition is a process which includes perception, discovery, and creation, while the evaluation penetrates the whole process. De Koning and Muzyka (1999) suggested that the opportunity recognition process includes to perceive market needs, finding solutions to the specific marketing needs, and generating the “solution” into the form of a business.

Lumpkin, Hills and Shrader (2003) had the opinion, that the opportunity recognition process should not base only on the entrepreneurial creativity dimension; also it is needed to take psychology aspects into consideration. Furthermore, Shane and Venkataraman
(2000) presented that the opportunity itself is an objective phenomenon and opportunity recognition is a subjective process. This study based on the idea of Csikszentmihalyi, a psychologist who identified that *preparation, incubation, insight, evaluation, and elaboration* are the five basic elements of creation (Lumpkin, Hills and Shrader, 2003). The authors collected different literature which were written by Kinzer, Long and McMullan, Koller, Teach et al., Kaish and Gilad, Gaglio and Taub, Bhave, Christensen et al., Hills, Singh et al., De Koning, and Gaglio and Katz (appendix Table 5) in the opportunity recognition area to build a creativity based model of the entrepreneurial opportunity recognition process. In the model which is shown in Figure 1, the process starts from preparation, through incubation, to insight, to evaluation, until elaboration. Lumpkin, Hills and Shrader also remind the readers that this process is not necessarily linear and may not follow the suggested order in Figure 1.

![Diagram of the Creativity based model of entrepreneurial opportunity recognition](image)

The 5 phases have been related to the opinion of Shane and Venkataraman (2000) which have been introduced in the previous paragraph. Thus, the five phases have been separated into 2 bigger stages - discovery and formation. Preparation, incubation, and insight belong to the discovery stage, and evaluation and elaboration belong to the formation stage. According to Shane and Venkataraman the discovery phase represents the idea stage, and the formation stage the efforts and actions taken to transform the idea into a real venture. In other words, the formation stage is the stage that turns would-be entrepreneurs into real entrepreneurs. Compare in the following the five steps of discovery and creation in opportunity recognition to Lumpkin, Hills and Shrader (2003):
2.1.1.1 Discovery Phase

*Preparation:* Preparation is the beginning of the opportunity recognition process. Preparation includes the embedded experience and prior knowledge which are taken into the future opportunity development steps. Shane (2000) also states, that preparation links to the individual’s previous experience and prior knowledge.

*Incubation:* Incubation is the step, in which the would-be entrepreneur thinks about a problem. However, the entrepreneur might not actively consider the idea as an entrepreneurial opportunity yet. As Gaglio and Taub (1992, cited in Lumpkin, Hills and Shrader, 2003, p. 79) state “incubation as "simmering" of the pre-recognition stew over time”.

*Insight:* It means the would-be entrepreneur become aware that the idea could be an entrepreneurial opportunity. In some cases, entrepreneurs can immediately jump into this phase when they capture an idea.

2.1.1.2 Formation Phase

*Evaluation:* In the evaluation step, entrepreneurs start to take actions to turn their idea into real activity. Those actions include the testing and refinement of their ideas. By asking others, the use of financial viability analysis, or even preliminary market tests, the entrepreneurs engage actively in the evaluation of their ideas.

*Elaboration:* The elaboration is a difficult and time consuming continuous process which accomplishes the creative insight.

2.1.2 Influencing Aspects

The question “Why do some people and not others discover particular entrepreneurial opportunities?” from Shane and Venkataraman (2000, p. 221) inspired the authors of this thesis to consider besides differences in opportunity recognition also underlying motivations, which are covered in the following chapter. Many researchers made their contribution to this field of research and stated different influencing aspects.

Shane and Venkataraman (2000) state, that the influencing aspects could be prior information, cognitive properties and personal difference in the discovery phase. Ardichvili, Cardozo and Ray (2003) argue that entrepreneurial alertness, information asymmetry and prior knowledge, social networks, personality traits, and type of opportunity itself are
influencing aspects as well. Singh (1998) and Lumpkin, Hills and Shrader (2003) presented that, in the opportunity recognition process, the bigger the networks of entrepreneurs, the more ideas they are able to receive, and the higher the possibility of the entrepreneurial opportunities they can recognize. Nielsen et al. (2012), Shane and Venkataraman (2000) and Lumpkin, Hills and Shrader (2003) state that working experience, technological and market knowledge, hobbies and personal networking etc. could be influencing aspects as well. In addition, Uddin (2016) stated that further influencing aspects in the opportunity recognition are social capital, environmental condition and the systematic search.

Gregoire and Shepherd (In Frank, Mitterer, 2009) differentiate into opportunities that are available to anyone with for example the same knowledge, or the same abilities to interpret and into those opportunities that are personalized by influences like cognitive differences, age or motivation. Motivation is one of the focal influences that affect the opportunity recognition (Frank, Mitterer, 2009) and according to Yitshaki and Kropp (2016) the motivation becomes especially in the formation phase of the opportunity recognition process relevant. The authors state, that the motivation turns the idea into a real business. As also Carsrud and Brännback (2012) argue for motivation as the linkage between entrepreneurial intention and finally action, the authors of this study chose it as an appropriate influencing aspect for later analysis which introduces to the second part of the literature review.

2.2 The Theory of Human Motivation: Maslow’s Hierarchy of Needs

Motivation is the reason to act or behave in a particular way (Oxford Dictionary, 2018). However, the motivation is not a synonym for behaviour as the behaviour can differ to the personal motivation (Maslow, 1943). That motivation plays a vital role in human action is also stated by Drillings and O’Neil (2012). The authors argue that motivation affects, what the human does and how he performs. According to Drillings and O’Neil individual differences impact human motivation. As these differences play an important role in the second research question the hierarchy of needs by Abraham H. Maslow (1970) is covered during the following chapters.

Abraham Harold Maslow born in 1908 in Brooklyn, New York was an intellectual pioneer in the study of the human psychology (Frager, 1970). Frager explains how Maslow dealt with questions about the healthy human and how his studies contributed to his
lifework which is covered in the book of *Motivation and Personality*. Maslow wondered about “What motivates psychologically healthy individuals” (Frager, 1970, p. XXXiV). A major contribution of his studies is the hierarchy of needs that brings the different human needs in an order. According to Maslow “Human beings have an innate tendency to move toward higher levels of health, creativity, and self-fulfillment.” (Maslow in: Frager, 1970, p. XXXV). According to Maslow the hierarchy expresses the different importance of needs. This hierarchical system is often presented in form of a pyramid (McLeod, 2007). However, Maslow (1943) emphasizes that no need needs to be fulfilled 100% to be able to gain the desire for the satisfaction of a new one. Moreover, he stresses that it is likely that most individuals feel the desire for several or even all needs at the same time. According to Maslow (1943, p. 394) “Needs are the very essence of life, they’re what we really want”. As his framework enables a comparison of human needs and because it belongs to the most popular ones among motivational theory, the following chapters will rely mostly on the sources of the author himself to provide an as accurate as possible introduction to the framework of hierarchy of needs (Frager, 1970; Gawel, 1997). That not all presented needs base on the same literature has to do with Maslow’s studies that presented first the five basic human needs *physiological, safety, love, esteem and self-actualization*. The additional three needs *cognitive, ästhetics and transcendence* were explored later and contribute now to a hierarchy that contains eight different needs (Wulff, 1965; Maslow, 1943).

2.2.1 Physical Needs

Every human has the same or a similar pattern of needs (Maslow, 1943; Gawel, 1997; McLeod, 2007). According to McLeod every human is also interested to go up in the hierarchy to satisfy a higher need. But often people fail in this process of satisfying higher needs because of missing the satisfaction of lower basic needs. This conforms with Maslow’s framework of the hierarchy of needs which implies with only few exceptions a necessary substantial satisfaction of basic needs to be able to reach higher needs as well (Maslow, 1943; Gawel, 1997).

According to Maslow the first of these basic needs is the biological and physiological need. The basic physiological needs are hunger, sex and thirst (Maslow, 1943). Physiological needs are localizable somatically as the body sends signals if it lacks something. According to Maslow physiological needs are usually not perceived by the human. that Only in few countries people really starve and see a world with enough food and water
as their utopia (Maslow, 1943). However, even though the human usually does not perceive physiological needs, he is aware, that only by employment he is likely to earn money, which enables him to avoid a lack of resources, that serves physiological needs, which correlates with Maslow’s statement of the interdependence of all needs.

2.2.2 Safety Needs
To the safety needs belong the desire for safety and protection in form of orders, laws, limits, but also by a certain extent of stability (Maslow, 1943; McLeod, 2007). That it usually comes to the desire for satisfaction of a higher need Maslow explains by the example of satisfied physiological needs “It is quite true that man lives by bread alone — when there is no bread. But what happens to man’s desires when there is plenty of bread and when his belly is chronically filled?” (Maslow, 1943, p. 375). As stated before the individual will not be aware of higher needs, if a previous need is not fulfilled to a certain extent, which refers to Maslow’s concept of relative prepotency of needs (Maslow, 1943; Gawel, 1997). According to Maslow as well as the physiological needs, also the safety needs are likely to be fulfilled in our society. For this reason, Maslow explains this need on the example of children as they are more likely to express fear when stability is missing. Moreover, he argues that the human tends to underestimate the value of one need if he is satisfied with it for a longer time. This changes his perception of this need and other needs therefore occur to be more important than a basic need. Preferences are relative but with reference to the job security that affects physiological needs, also the safety needs could rely on a job security. For example, job security could be an employment with a long tenure, which benefits the perception on safety needs (Maslow, 1943).

2.2.3 Belongingness and Love Needs
Belongingness and love needs express the wish to escape the loneliness and to be part of a group of individuals (Maslow, 1943; Gawell, 1997). According to Maslow (1943) belongingness and love needs are the most well-known need. Love is “An intense feeling of deep affection” (Oxford Dictionary, 2018). However, love does not only refer to the relationship with another human, but it also counts for the belongingness to a work group, the family and other sense of belonging (Maslow, 1943; McLeod, 2007). The relationship with the colleagues, which affects the desire to work is therefore closely related to the belongingness need.
2.2.4 Esteem Needs
Esteem needs describe the need for self-respect and respect by others, mastery, independence, prestige and status (Gawell, 1997; McLeod, 2007). Esteem needs are the last basic need before it comes to the growth needs. According to Maslow (1943) the esteem need divides into two sub-categories. The first category covers the desire for strength, achievement and independence and the second the desire for reputation or prestige and the attention and appreciation by others. The first category by Maslow therefore covers rather the achievement and performance results whereas the second category focuses on external perception on the indviduum. The author states that esteem needs cover many different needs which, when they are fulfilled lead to satisfaction, which releases self-confidence, a feeling of being useful and needed. However, Maslow also argues that a thwarting of these needs can lead to inferiority and feelings of weakness. According to Maslow, before the hierarchy of needs were extended, together with the need for love and self-actualization the esteem need represented the most common needs among individuals in our societies. As the physiological needs and safety needs were mostly satisfied the human focused increasingly on the other three basic needs, including the esteem need.

2.2.5 Cognitive Needs
According to Maslow (1943) the desire to know and to understand is part of the cognitive need of the human individuum. It is the first growth need and also the first addition to the basic five needs from 1943 (Maslow, 1970). According to Maslow the desire to know and to understand was first interpreted as a means to an end to systematize the universe and to achieve therefore safety. However, Maslow revised his five basic needs and added the cognitive need. The author observed that people who were not cognitively challenged, experienced a cognitive inanition. Instead it could be observed that the individual has a natural “desire to understand, to systematize, to organize, to analyze, to look for relations and meanings, to construct a system of values” (Maslow, 1970, p. 25). However, the author divides the need into a prepotent need to know and a need to understand. According to Maslow cognitive needs emerged as an own need as it has the same conative character as the previous five basic needs.

2.2.6 Aesthetic Needs
According to McLeod (2007) the aesthetic needs is the second growth need, which consists of the craving for beauty and balance. Maslow (1970) states, that those people who lack beauty literally become sick, whereas those are cured who are in a beautiful
surrounding. But, the author also state that this need is not as well-known as the others, however it is found in every age and in every culture and separates cleary to the cognitive needs. It must be therefore presented as an own need.

2.2.7 Self-actualization Needs
According to Gawel (1997) self-actualization describes how the human exploits his potential and does what he is really assigned for. Self-actualization was the final need and at the top of the hierarchy before Maslow (1970) explored the additions. Only one of 100 individuals are likely to reach this stage and to fulfill this need (McLeod, 2007). The musician makes music, the artist creates something new and a third individual invents a new product (Maslow 1943). Maslow states, that for this stage, it is likely that the individual perceives a lack of creativity. It is not the reason, that he or she fulfilled completely all the previous needs. Self-actualization requires the human’s full creativity and as every individual differs, every self-actualization differs. Self-actualization according to Maslow describes, how someone becomes everything what he is capable of. However, with regards to the addition of transcendence this is only the second but last growth need.

2.2.8 Transcendence
Transcendence goes beyond the single individuum. According to Gawell (1997) it describes, how the person tries to help someone else to reach the self-actualization. However, this view on transcendence differs slightly to Wulff’s review from 1965, who refers to Maslow’s description of a phenomenon of “Peak-experiences” (Wulff, 1965, p. 236). These peak-experiences give insights into a new area of religion and mystic. According to Wulff everybody can experience moments of transcendence. Often these phenomenon leads to idols in form of words, or symbols that represent the transcendence. According to Wulff this final need therefore describes a less tangible experience, which does not embody in a specific form.
2.3 Research Model

Based on the research question of this study the researchers developed a conceptual framework aligned on theory of former scientific studies. This research model focuses on the opportunity recognition between would-be and experienced entrepreneurs. The opportunity recognition links two different approaches from Lumpkin, Hills and Shrader (2003) and from Maslow (1943, 1970).

The first model by Lumpkin, Hills and Shrader (2003) looks at the technical process of opportunity recognition and covers the different cognitive processes. This model enabled the researchers to identify differences in opportunity recognition between the two groups of entrepreneurs.

The second model by Maslow (1943, 1970) goes more into detail and covers the underlying influence of motivation on opportunity recognition. The researchers made use of this model to identify differences in motivation which impacts the opportunity recognition. The hierarchical levels enabled the researchers to separate needs and to interpret them using Maslow’s definition of differentiation in needs.
Figure 3: Conceptual Framework; own illustration in relation to Lumpkin, Hills and Shrader (2003), Maslow (1943, 1970) and Gawell (1997).
3. Methodology

During the following chapters the authors introduce to the underlying methodology of this research. The following chapters explain the different tools and approaches which were used in this paper.

3.1 Scientific Perspective

According to Saunders, Lewis and Thornhill (2016), positivism and interpretivism are two of the most used scientific perspectives in research methodology. Positivism applies natural science methods into the social science area (Bryman and Bell, 2015). Researchers who use positivists perspective are chasing the law-like generalizations, which means their study object is more objective and independent (Saunders, Lewis and Thornhill, 2016). Interpretivism is standing in a subjective perspective (Saunders, Lewis and Thornhill, 2016). Saunders, Lewis and Thornhill state that interpretivists believe that human beings can create meanings and they create new richer studies of social worlds and contexts which are formed by human.

This thesis is the study about individual’s perspective, in other words - it is a more subjective study which relates to the interpretivism perspective. The aim of this thesis is to identify how the opportunity recognition process differs between experienced entrepreneurs and would-be entrepreneurs and to find out the different motivations of the two different groups instead of a law-like generalization. These aims imply that the authors of this thesis have the intention to create new richer studies of social worlds and contexts (opportunity recognition process) which are formed by human (entrepreneurs), which link to the ontology of interpretivism. In addition, the aim leads this thesis focus on individuals’ life experience which is one category called phenomenology of interpretivism, and the aim maybe to contribute new understandings and worldviews. This aim is the epistemology of interpretivism perspective (Saunders, Lewis and Thornhill, 2016).

According to Saunders, Lewis and Thornhill, the typical methods which can be applied in interpretivism perspective are small samples, in-depth investigations, qualitative methods of analysis etc. Thus, in the research process these methods were used.

3.2 Research Approach

The authors of this thesis used a deductive research approach. According to Bryman and Bell (2015), a deductive approach is usually been used in the study of relation between
theory and researches. It is a deduced hypothesis which bases on a theoretical field where considerations will be confirmed by empirical studies.

In this thesis study process, the authors came up with hypotheses which relate the different perspectives in the opportunity recognition process to the opportunity recognition theory. The authors collected empirical data to verify the hypotheses. According to Saunders, Lewis and Thornhill (2016), the deductive approach often starts from reading theory related academic articles, then designing a research strategy to collect empirical data to the evaluation of the theory. The procedure in this thesis is the same as the deductive approach. The hypothesis emerged before the empirical data collection. Bryman and Bell (2015) state that deductive research should include theory and hypotheses before the data collection. In addition, Saunders, Lewis and Thornhill (2016) point out, that the reasoning process is a progress, which goes from general dimensions to specific dimensions, which is the same generalising direction of this thesis - from the general entrepreneurs to the specific would-be and experienced entrepreneurs.

3.3 Qualitative Research Design
This study used the qualitative research design. According to Bryman and Bell (2015), emphasis of qualitative research is the meaning of words instead of objective numbers. According to Saunders, Lewis and Thornhill (2016), research design is the researchers decision on how to answer the research question, and it relates to the scientific perspective and research approach. According to the previous sections, this study used an interpretive perspective. Qualitative research is often related with the interpretive perspective because “researchers need to make sense of the subjective and socially constructed meanings expressed about the phenomenon being studied” (Saunders, Lewis and Thornhill, 2016, p. 168). In addition, Yin (2014) states that qualitative research design can also be used in a deductive research approach. This thesis applied the deductive approach as research design, which implied the use of qualitative research design. Furthermore, interviews as a data collection method are mostly used in a qualitative research design (Saunders, Lewis and Thornhill, 2016).

3.4 Sampling Method
Sampling describes the activity to take a sample or a smaller share from something for analytical purposes (Oxford Dictionary, 2018). Researchers often do not like to limit the group of individuals which might be of relevance to their study as it also limits the
researcher’s access to potential research candidates (Bryman and Bell, 2015). The researchers in this study relied on convenience sampling as an approach of purposive sampling method. Convenience sampling which is also known as availability sampling describes the sampling process, that relies on the availability of data to the researchers (Research Methodology, 2018). Participants from the population are therefore already known to the researchers. However, the researchers’ approach overlaps also with theoretical sampling, which is a continuous “movement backwards and forwards between sampling and theoretical reflection” (Bryman and Bell, 2015, p. 432). Data were therefore collected over a time period of over one week to ensure that enough data could provide the creation of hypotheses.

The relevance of convenience sampling for this research is obvious as the target group of the population is very big; it was therefore difficult to create an appropriate representation share. With regards to the time frame and the number of potential probands the researchers therefore relied on convenience sampling as it gave them the opportunity to start searching for candidates within their own network. “The size of sample that is able to support convincing conclusions is likely to vary somewhat from situation to situation” (Bryman and Bell, 2015, p. 436). This citation indicates that there is no perfect sampling size which guarantees an efficient approach to reach theoretical saturation. The authors claim that the number of interviews also depends on the intensity of each interview. The sampling size cannot be decided in advance but must be adjusted during the process of data generation as the additional information during the process will reveal whether the researchers need to adapt their approach. According to Eisenhardt (1989), 4 to 10 cases in a qualitative research are enough to develop the answers to the research questions. The researchers selected a related sample size of six probands.

Nevertheless, the first criterium that decided upon a target group from the population was the differentiation between would-be and experienced entrepreneurs\(^1\). According to Kuratko (2014) the Global Entrepreneurship Monitor indicates that over 100 Million individuals engage as entrepreneurs which demonstrates the huge pool of candidates to the group of experienced entrepreneurs. At the same time all individuals who do not engage

\(^{1}\) As stated in the Problem Discussion: The would-be for would-be entrepreneurs defines by “Desiring or aspiring to be a specified type of person.” (Oxford Dictionary, 2018). Experienced entrepreneurs have therefore already “gained knowledge or skills in a particular field over time” (Oxford Dictionary, 2018), in this case in the development of an organization.
actively as an entrepreneur might belong to the second group of would-be entrepreneurs. Not everyone who does not engage actively as an entrepreneur thinks necessarily about opportunities and potential entrepreneurship. The authors therefore selected carefully those candidates in their own network which had mentioned in the past, that they would like to be an entrepreneur or that they think frequently about business ideas. The target population for the research was therefore specified and also narrowed down, but the sampling focused on a smaller share of this target population (Saunders, Lewis and Thornhill, 2016). The theoretical sampling assisted the researcher during the data generation to evaluate already whether the results from the interviews were valuable or not. More interviews were made than interviews were used during the analysis. The moving forward and backward explained by Bryman and Bell (2015) increased the researcher’s knowledge and strategy on how to adapt questions as well as on who to interview next.

Based on these rather technical consideration a group of 10 - 20 interviewees emerged, demonstrating interest in entrepreneurship or having already experience in entrepreneurship. According to Yin (2014) the researchers reduced then the number of probands to six participants as these ones demonstrated interest in the participation of this research study. Moreover, the probands were most promising as they already showed various experiences in entrepreneurship. Or, they were considered to be potential would-be entrepreneurs whose interests could be evaluated reliable as not all of them were university students without any work experience. Instead some of the would-be entrepreneurs could also demonstrate experiences as employees who were actively thinking about alternatives to their static employment.

The interview candidates varied therefore from university students to employees who thought about entrepreneurship. Moreover, the group of experienced entrepreneurs consisted of candidates that earned their money with an own enterprise for more than two years. The researchers chose those candidates that demonstrated the highest diversity in age, experience and country of origin. The selected candidates lived in Sweden, Germany as well as China. Despite one interview all interview were made face to face in Sweden as well as Germany. The experienced entrepreneur candidates came from different industries. Those were the consultancy, engineering and gastronome industry. The aim of this sampling approach was to provide a diverse range of candidates, that represented the target groups.
<table>
<thead>
<tr>
<th>Candidate A</th>
<th>Column 1: Would-be entrepreneur candidates:</th>
<th>Column 2: Experienced entrepreneur candidates:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Candidate A</td>
<td>German employee (A:1)</td>
<td>Chinese entrepreneur (Consultancy &amp; Headhunting) (A:2)</td>
</tr>
<tr>
<td>Candidate B</td>
<td>German graduating student at a Swedish university and future employee in a startup (B:1)</td>
<td>German entrepreneur (Audio Engineer &amp; Audio Technician) (B:2)</td>
</tr>
<tr>
<td>Candidate C</td>
<td>Chinese graduating student (C:1)</td>
<td>Swedish entrepreneur (Consultant &amp; Investor) (C:2)</td>
</tr>
</tbody>
</table>

Table 1: Selection of Candidates

3.5 Data Collection

The relevant data collection for this research study focused on semi-structured interviews as an approach of qualitative interviewing. Because the research questions deal with the opportunity recognition process the researchers were particularly interested in the interviewee’s perception on it. According to Bryman and Bell (2015) qualitative interviewing enables insights into the interviewees’ point of view. It rather focuses on details, than on time efficiency. Qualitative interviews can be therefore time consuming. According to Bryman and Bell’s description on structured, unstructured and semi-structured interviewing, semi-structured interviewing revealed to be an appropriate approach for this research study. The prepared questions guided the researchers, but it also gave the interviewees the opportunity to answer open to the questions. However only a minimum of questions were needed during the interviews, as most probands understood the open end questions and provided long and detailed answers. The more the interviewee talked the more data were available to the researcher. Semi-structured interviews were therefore an appropriate approach in this research as they shifted the focus on relevant topics but provide the chance to adjust questions on interviewees’ responses (Bryman and Bell, 2015). During the interviews the researchers followed the recommendations by Bryman and Bell and took notes additional to the audio records. The notes gave insights into the interviewees’ physical reactions on questions, which were not identifiable on the audio records.
According to Bryman and Bell body language tells sometimes more than what the candidates is willing to response verbally.

The researchers formulated a clear research question which guided the interview towards a specific topic. Thus, the interviews were directed by the discussion of opportunity recognition as well as the motivations that impact the opportunity recognition process. Based on the opportunity recognition theory and motivational theory open-end questions were prepared that covered the relevant steps of these theories. The questions were formulated, taking into account the candidates understanding of these questions to avoid misunderstandings. The prepared questions engaged the probands to feel motivated to talk about their opportunity recognition and motivation. Starting more general and narrowing down to more specific questions the interviews aimed for precise answers related to the different steps of theory without risking the establishment of preconceptions. According to Bryman and Bell the clear understanding of questions provides the comparability of data later on.

For this study, even though done in a short time frame, a transcription of every interview helped the researchers to compare the results (Bryman and Bell, 2015). To be able to exchange the results, transcripts were indispensable. The authors recommend the time-consuming transcription because it provides more convenience to the researchers during the interview. As the interviewees are from Sweden, Germany and China, relevant information in the interviews were transcribed in English to make them applicable for references in this study. However, as the journey to the candidate in China were economically not justifiable a telephone interview were pursued as well.

3.6 Interview Guide

The following interview guide follows the deductive approach of the research and is based on opportunity recognition theory as well as motivational theory. As motivation plays a vital role in influencing the opportunity recognition it links the two theoretical frameworks for this research. The researchers therefore started with questions related to the creativity based model of entrepreneurial opportunity recognition (Lumpkin, Hills and Shrader, 2003). Based on the answers to the recognition process the researchers continued with questions to the motivations during the recognition process, related to Maslow hierarchy of needs (1943, 1970). From the five steps of the creativity based model of entrepreneurial opportunity recognition by Lumpkin, Hills and Shrader (2003) the authors
identified the first three steps to be most important during the interview. This has simply to do with the applicability on would-be entrepreneurs. Would-be entrepreneurs do mostly might not participate in the formation process, especially the elaboration step, as stated above. For comparability reasons the authors chose therefore steps that are covered from both experienced and would-be entrepreneurs. With regards to the hierarchy of needs by Maslow (1943, 1970), the authors relied on four of the eight levels from the extended hierarchy as they were most promising that they could reveal differences in motivation between would-be and experienced entrepreneurs.

The questions related to the creativity based model of entrepreneurial opportunity recognition by Lumpkin, Hills and Shrader (2003) address the stage of preparation, incubation and insight. Using a lead question in the beginning gave the authors a quick picture of the interviewee’s opportunity recognition experience. The following questions as a supplementary interview guide provided besides the question for each step also a quick recap on the concept definition. Additional questions to the remaining two steps of the elaboration and evaluation step were kept standby so the researchers could ask additional questions to gain a more comprehensive view of the experienced entrepreneur’s perception on opportunity recognition. Considering that the interviewees might not have an entrepreneurship education background, some terminology were replaced by some more common words.

The questions related to the hierarchy of needs by Maslow (1943, 1970) contained the level of belongingness (basic needs), esteem needs (basic needs), cognitive needs (growth needs) and self-actualization needs (growth needs). The authors chose two basic and two growth needs. These four needs were most promising to the researchers as they could show relations to the opportunity recognition process of would-be and experienced entrepreneurs. They chose therefore four of the most promising needs, which turned into related questions could reveal the candidates differing motivations during the opportunity recognition. As mentioned above, all needs are interconnected (Maslow, 1943, 1970) which counts also for the creativity based model of entrepreneurial opportunity recognition (Lumpkin, Hills, Shrader, 2003)

The interview guide provided a structure during the interview as well as it contained a preliminary structure for the results of the analysis. Based on Bryman and Bell (2015) the guide was semi-structured and provided therefore directing questions. However, as it
were open end questions the interviewee’s answer obliged the interviewer sometimes to adapt questions. The guide was therefore assisting but not forcing.

<table>
<thead>
<tr>
<th>Concept:</th>
<th>Concept Definition:</th>
<th>Questions:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Creativity Based Model of Entrepreneurial Opportunity Recognition</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opportunity Recognition</td>
<td>An entrepreneurial idea realization process (Lumpkin, Hills and Shrader, 2003)</td>
<td>1. Could you please introduce your experience from when you held the business idea until now?</td>
</tr>
</tbody>
</table>
| Preparation | Embedded experience and prior knowledge which are taken into the future opportunity development steps (Lumpkin, Hills and Shrader, 2003) | 1. What inspired you to become an entrepreneur?  
2. What life experiences are related to your business idea? Where is your business idea from? |
| Incubation | Incubation as "simmering" of the pre-recognition stew over time (Lumpkin, Hills and Shrader, 2003) | 1. When did you think the first time about the idea or a related topic?  
2. When did you realize that this could be an entrepreneurial opportunity? |
| Insight | The would-be entrepreneur becomes aware that the idea could be an entrepreneurial opportunity (Lumpkin, Hills and Shrader, 2003) | 1. Did you immediately notice that this idea could be a business opportunity?  
2. Describe at what point you realized that this idea could work?  
3. Describe, when you started to consider the opportunity as a serious alternative?  
4. When have you started to think through the opportunity, did you map activities that are necessary to pursue?  
5. Which of the ideas relates to your |
| Formative stage (including evaluation and elaboration steps) | Efforts & actions taken to transform the idea into a real venture (Lumpkin, Hills and Shrader, 2003) | 1. Why did you (didn’t) exploit this idea/opportunity?  
2. What are/where your expectations? |

<table>
<thead>
<tr>
<th>Motivational Theory</th>
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</table>
| Belongingness needs: | Express the desire to belong to a certain group, to be a member of something and not to be alone (Maslow, 1943) | 1. What makes you feel motivated, when you think about the entrepreneurial opportunity? What drives you?  
2. Is the number of relationships with others important for your OpR?  
3. Do you think you increase the number of relationships due to the OpR-process?  
4. Does your OpR develop due to your social networks?  
5. Do you like the relationships that occur within the opportunity recognition process?  
6. Does it become easier to socialize?  
7. Do the social activities contribute to your personal satisfaction? |

| 2. Esteem needs: | Express the desire for strength, achievement, mastery, independence and freedom (Maslow, 1943) | 1. What is the advantage of being an entrepreneur compared to an employment?  
2. What would you think is the most important thing to you if you were an entrepreneur?  
3. What positive characteristics do you see in being an entrepreneur? |
| 2. Esteem needs: | Express the desire for reputation, prestige, recognition, respect and attention by others, the feeling to be important and appreciation from others (Maslow, 1943) | 1. Do you receive a lot of attention because of your entrepreneurial ideas/ activities?  
2. Do you like the attention?  
3. Do you think the recognition and appreciation for your work is more important than the monetary/financial outcome? |
|---|---|---|
| Cognitive needs: | The desire to know and to understand. The desire to know is higher than the desire to understand (Maslow, 1970) | 1. What are you most curious about referring to your business idea?  
2. Do you want to know, whether your business idea could work or how it will work?  
3. Do you try to identify the potential by using case studies, calculations and other models, or are you more interested to identify this in practice? |
| Self-actualization needs: | The desire to do what you are most potential of, to make use of the individual’s strongest creativity (Maslow, 1943) | 1. What are your ultimate goals?  
2. What is the most important determinant of your personal satisfaction?  
3. If financial boundaries would not be considered, what would you like to do mostly?  
4. Would the business opportunity give you the chance to make more use of your creativity, of what you are best in? |

Table 2: Interview Guide
3.7 Analysis Method

The data collection is only one part of the work, another is a strategy that helps to work through the data as especially young researcher tend to collect mostly too much data for their research study (Bryman and Bell, 2015). According to Bryman and Bell two well known methods are the analytic induction and the approach of grounded theory. Bryman and Bell state that both approaches are iterative and compared to this study, they indicate many similarities in their application. The question guide is adjusted with the increasing level of knowledge during the interviews. Bryman and Bell refer to this phenomenon and discuss that the different strategies for analyzing data also impact the data collection process.

According to Bryman and Bell (2015) analytical induction is a rigorous approach as only one inconsistent case to a preliminary hypothesis leads to a need for further data collection or a reformulation of the hypotheses. Moreover, is the degree of accuracy on how to apply analytical induction limited. Grounded theory provides a more detailed approach. It describes the process to create theories based on a structured selection and analysis of relevant data. Grounded theory provides different tools which are also applied in this work. According to Bryman and Bell theoretical sampling and coding are common approaches to grounded theory; both of them were relevant for this research. These approaches gave the researchers tools to ground their theories in data, which are in this research the results from qualitative interviewing. For Bryman and Bell the coding process on the interviews represents a mechanism that enables the researcher to reduce the amount of data and to select relevant information appropriate in relation to the initial research questions. It is a categorization process that should facilitate the analysis of the research.

Based on the recommendations by Bryman and Bell (2015) the coding took place from the initial beginning when the interviews were recorded. Preliminary notes during the interviews provided first differentiation which enabled an analysis parallel to the collection of data. As stated by Bryman and Bell the inventive and imaginative process of coding produced first general theoretical ideas to the collected data. The interviews were read several times to receive deep insights into what was said as well as what was not said by the participants. During the whole process of data analysis the information were evaluated in its relevance to the initial research question. During the analysis in this thesis the researchers made use of the clear structure of opportunity recognition theory and motivational theory. The coding into categories was therefore aligned on the stages of
opportunity recognition theory and motivational theory. Here, the well preparation of interview questions supported the process of allocating the empirical data to the different theoretical processes. These in turn were compared between the candidates to identify potential differences and similarities. These data were part of a broader phenomenon providing the basis for a deeper analysis. Reoccurring similarities and differences supported by relevant literature enabled the creation of hypothesis.

3.8 Scientific Credibility

According Saunders, Lewis and Thornhill (2016) in qualitative research design, in order to ensure the scientific credibility, the researchers need to pay attention to 3 criteria: internal validity, external validity, and reliability.

Compared to Bryman and Bell (2015), regarding the internal validity aspect, the match between empirical data and theory is good. External validity refers to the replication logic. Also, Bryman and Bell (2015) state that external validity means to what extent the research outcome can be generalized in different social settings. Because of chasing the similar outcome which means literal replication, the authors used three cases in each group to meet the literal replication need. Last, according to Bryman and Bell (2015), reliability refers to the consistency and repeatability. Reliability contains internal reliability and external reliability. External reliability means the degree of study’s replicability which is rare in business research; and internal reliability means that the research team members have consensus about what empirical information they have collected. In addition, there are four factors that can influence reliability: Participant error (factors may influence participant to perform in adverse direction), participant bias (factors may induce a false response), researcher error (factors may change researcher’s interpretation) and researcher bias (factors may induce bias in researcher’s recording) (Saunders, Lewis and Thornhill, 2016). The authors of this paper followed the advice about how to avoid the threats which was to make sure that the research process had been clearly considered, logically coherent and that it did not contain false assumptions (Saunders, Lewis and Thornhill, 2016).

3.9 Ethical Considerations

Ethic is the researchers’ behaviour to their study subjects (Saunders, Lewis and Thornhill, 2016). Saunders, Lewis and Thornhill hold a view that is considering the business research
Research Perspective | Interpretivism
---|---
Research Approach | Deduction
Research Design | Qualitative Research Design
Sampling Method | Convenience Sampling
Data Method | Semi structured qualitative interviews
Analysis Method | Grounded theory: Coding
Scientific credibility | Internal validity, external validity, and reliability
Ethical considerations | Protect interviewees’ privacy, and provide them sufficient and correct information

Table 3: Methodology Choice
4. Empirical Data from Qualitative Interviewing

Based on the two underlying theories the presentation and analysis of the empirical data divides into the opportunity recognition and motivation between experienced and would be entrepreneurs.

<table>
<thead>
<tr>
<th></th>
<th>Column 1: Would-be entrepreneur candidates:</th>
<th>Column 2: Experienced entrepreneur candidates:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Candidate A</td>
<td>German employee, actively searching for entrepreneurial opportunities, together with another German employee (A:1)</td>
<td>Chinese headhunting entrepreneur, first business is in chemical industry, second business is in financing industry (A:2)</td>
</tr>
<tr>
<td>Candidate B</td>
<td>German graduating student at a Swedish university and future employee in a startup. Wants to build up a coaching business (B:1)</td>
<td>German entrepreneur (Audio Engineer &amp; Audio Technician). Studies audio engineering for a better qualification, supplementary to the entrepreneurial experience as an audio engineer. (B:2)</td>
</tr>
<tr>
<td>Candidate C</td>
<td>Chinese graduating student actively searching for entrepreneurial opportunities (C:1)</td>
<td>Swedish entrepreneur, succeeded with digital products (consultant and investor) (C:2)</td>
</tr>
</tbody>
</table>

Table 4: Overview of the 6 selected interviewees

4.1 Opportunity Recognition of Would-be and Experienced Entrepreneurs

The interview guide provided questions aligned on the work of Lumpkin, Hills and Shrader (2003) about the opportunity recognition process. The process is separated into 2 phases: Discovery and formation. These two phases divide into 5 steps: Preparation, incubation, insight, evaluation and elaboration. The former 3 steps belong to the discovery phase, and the last 2 steps belong to the formation phase. Taking into consideration that would-be entrepreneurs do not take real action in the formation phase, the presentation of data focuses on the first four steps: Preparation, incubation, insight and evaluation.
4.1.1 Would-be Entrepreneurs’ Opportunity Recognition Process

During the following four chapters the presentation of empirical material focuses on would-be entrepreneurs. Examples and explanations introduce into the would-be entrepreneurs’ preparation, incubation, insight and evaluation during the opportunity recognition process.

4.1.1.1 Preparation Step

From the empirical data, all of 3 would-be entrepreneurs show the evidence that they experienced the preparation step. According to Lumpkin, Hills and Shrader (2003), preparation is the beginning of the opportunity recognition process. Preparation includes the embedded experience and prior knowledge which are taken into the future opportunity development steps.

“While I did civilian service I worked in a canteen kitchen (...) and there I made all the pizzas and noticed that this is not too difficult. (...) But what I thought was, what a Pizzeria must earn when they sell pizzas for more than 12 Euros. (...) However, this was the first time I got in contact with gastronne service.” (A:1)

According to interview, candidate A:1 had working experience in a canteen kitchen, and one of this candidate’s business ideas was a food truck. The business idea originally came from the interviewee’s working experience. It is the preparation step of A:1’s opportunity recognition process.

“I’m really into coaching and consulting, but especially coaching. I already did a seminar over half a year after my bachelor” (B:1)

“But until now, because my master’s degree is supply chain and logistic, I am interested in logistic part now. Like transfer goods from Sweden to China or another country. It’s

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2 Original language (german): “Ne Idee war immer so, als ich meinen Zivildienst gemacht habe, da habe ich in einer Großküche gearbeitet (...) und hab dann immer die ganzen Pizzen zubereitet und vorbereitet und so und da habe ich gemerkt, dass ist ja kein Hexenwek, (...) aber das war nicht viel Arbeit, der Waren- einsatz ist relativ klein (...) Aber wenn ich dann halt so überlege, was dann eine Pizzeria daran verdienen muss, an einer Pizza die da dann da für 12 Euro verkauft wird, (...) Aber da bin ich dann auf jeden Fall mit dem Bereich Gastronomie in Berührung gekommen.” (A:1)
import and export. This part I am quite interested in. Maybe like, logistic company.” (C:1)

B:1 had the coaching learning experience and had done an internship in business psychology; C:1 wanted to develop a business related to the candidate’s master. It showed the relation between prior knowledge and business idea. It is the preparation step of their opportunity recognition process.

4.1.1.2 Incubation Step

As Lumpkin, Hills and Shrader (2003) state, incubation is the step in which the would-be entrepreneur thinks about a problem which needs to be solved. Evidence for this stage is shown in the empirical data from A:1 and C:1.

"We do not have a fixed date in mind, but we said to each other, that we will deal with the topic more in detail in spring 2018 and look, if the idea is realistic (...) In the beginning of the year we have met the first time (...) and then more often, also several times per week" (A:1)³

“But I want to work, when I think about my future. I started searching some stuffs. Not only based on what I already know before, I also searched something. And also when I talked with my friends, we always talked about business ideas” (C:1)

From the data from A:1 and C:1, both of them tried to find an entrepreneurial opportunity which was a problem. And they tried to find a solution by talking with others. As Lumpkin, Hills and Shrader (2003) state the incubation is likely to be an unconscious process. The interviewees were therefore only to some degree able to answer questions about the incubation phase. Instead they showed evidence that they were thinking about a topic or a problem, which accompanied them so long until they found a solution to it, which leads to the insight step, represented in the following citation by B:1:

³ Original language (german): “Und haben da jetzt kein festes Datum im Auge, aber haben uns gesagt, dass wir uns im Laufe des Jahres 2018 näher mit dem Thema beschäftigen und schauen ob diese Idee, oder die Ideen, die wir haben, realistisch sind in der Umsetzung (...) Irgendwann Anfang des Jahres haben wir uns das erste Mal getroffen (...) Davor hatten wir uns vier Mal getroffen, fünf Mal getroffen, aber auch regelmäßig, also wöchentlich” (A:1)
“I think it was long just a dream. Like for, until a year ago or two years it would be so perfect to work as a coach, get 400 euros an hour, but you have to be so good, but I will never be that good. But then I did the NLP and I started to recognise "Oh I’m actually kind of good in that" it's working for me and I got like super good feedback from my tutoring trainers” (B:1)

4.1.1.3 Insight Step

According to Lumpkin, Hills and Shrader (2003), the insight is the process when would-be entrepreneurs become aware that the idea could be an entrepreneurial opportunity. This step has been observed in all interviews.

"and he said to me afterwards that he would like to open up a game cafe. (...) And this thought did not leave me the next morning, and stayed the next days, so I thought, yes, game cafe, it is a funny thought!” (A:1)

“I had to perform a 45-minute coaching in front of an audience of my course and I did a good job. And that was for me when I like “okay I can do that” (...) I could actually do that, and it was okay, it’s something I’m going to follow in the future (...) Actually experiencing something that went well. Because I think if I wouldn't have done that NLP seminar I wouldn't have actually experienced a positive feedback, it would still only be in my head.” (B:1)

“I started search some stuffs. Not only based on what I already know before, I also searched something (...) makeup stuffs idea and English learning idea from that time.” (A:2)

These data indicate how the entrepreneurial opportunity emerged. All these 3 candidates noticed that “game cafe”, “coaching”, and “makeup stuffs idea and English learning idea” had the potential for a real business idea. Before the interviewees were thinking about

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4 Original language (german): “Da sagte (...) nachher als ich ihn hinterher nach Hause gefahren habe, er hätte voll Bock ein Spielecafe aufzumachen. (...) Und der Gedanke ließ mich dann am nächsten morgen, und die nächsten Tage nicht mehr los, und habe gedacht, ja, Spielecafe, ist eigentlich witzig” (A:1)
entrepreneurship, but they did not perceive an opportunity that would enable this. The insight step describes how the would-be entrepreneurs became aware of a serious idea. The ideas might be perceived by others as unrealistic but more important, they were perceived to be realistic to the interviewees.

4.1.1.4 Evaluation Step

According to Lumpkin, Hills and Shrader (2003), in the evaluation step, entrepreneurs start to take actions which include the testing and refinement of their ideas (by asking others, the use of financial viability analysis etc.) to turn their idea into a real activity. All would-be entrepreneurs evaluated their business ideas intensely.

"I am not a person who just tries out something from today to tomorrow, and simply invest 10.000 euro. I am a rather careful person and I would question the idea, talk to others about it, analyze it. I would not do it when I believe in it but all data advise against it." (A:1)⁵

A:1 indicated how the interviewee engaged in the evaluation step by analyzing whether it made sense to pursue the idea or not. Moreover, the candidate expressed the concern that the evaluation stage was important as the candidate is a rather careful person. When all the data from analytical models would suggest not to follow the idea, the interviewee would not pursue it.

“from what I know about this industry, to do something like this you need a network, you need people that recommend you as a coach, as a person. They say okay I know her, she is good, book her and so. So that’s not starting, I cannot start right now because I would totally just sit there and do nothing because no one would book me probably” (B:1)

B:1 stated that the candidate still needed more networking to start-up successfully. It implies that the candidate engaged in the evaluation step, because this candidate saw the opportunity but evaluated that the preconditions were not good enough.

⁵ Original language (German): “da bin ich schon sehr bedacht und überlege lieber zweimal mehr und hinterfrage und rede mit anderen, „analysiere“ (…). Ich würde es nicht machen, weil ich daran glaube und alles andere, alle Zahlen sprechen dagegen, das wäre nicht meins.” (A:1)
“I am not sure if I buy something from China to Sweden, I should pay a lot of things. So I am not sure the income can support the whole business (...) One of my friend, he has a Chinese restaurant in Sweden (...) They told me that even though you are not the company owner, you should pay a lot tax.” (C:1)

C:1 showed that the candidate assessed the finance viability by asking friends. It is one way to evaluate the entrepreneurial opportunity.

After all, considering the steps of the opportunity recognition process, 3 interviewees had shown very clear evidences that they experienced the preparation, insight and evaluation stage. Whereas it was difficult to identify if all would-be entrepreneurs engaged that clearly in the incubation stage. Nevertheless, as the opportunity recognition processes can be applied on would-be entrepreneurs a presentation of the empirical data of experienced entrepreneurs is following.

4.1.2 Experienced Entrepreneurs’ Opportunity Recognition Process
During the following four chapters the preparation, incubation, insight and evaluation stage of the opportunity recognition process will be covered to present the empirical material from the experienced entrepreneurs.

4.1.2.1 Preparation Step
Similar to the would-be entrepreneurs, all experienced entrepreneurs showed the evidence that they engaged in the preparation step of opportunity recognition.

“when I just joined my first company, which is a headhunting company in 2008 (...) When I joined the second company (...) I chose the chemical industry (...) I joined the third company (...) I decided to continue focusing on the chemical” (A:2)

“I began working in this metier as I were 13 years old.” (B:2)

Before A:2 and B:2 built their business, they had a long working experience in the same area. This is the prior experience which relates to the preparation of opportunity recognition. It impacts all the following stages of opportunity recognition and often it is their
experience and education that leads to related solutions of a problem.

“I have being a marketing head in several organizations and have being a marketing consultant for multinational companies and brands (…) I did my master in marketing and entrepreneurship (…) So I think I can use my marketing skills and people skills to creating digital business” (C:2)

The same counted for C:2 who gained practical experiences in different employments. Moreover, the interviewee could demonstrate the education in marketing and entrepreneurship which impacted his opportunity recognition as well. The preparation phase is therefore a very long phase as it can relate to education and experience that was many years ago.

4.1.2.2 Incubation Step

“Musicians yes, and I know they said that the job as a musician is very hard and I don’t want to be a musician (…) in my understanding you can earn money with everything in what you do good. So that was not the question for me. The question was what I want to do” (B:2)

The empirical data revealed that B:2 faced the problem that music played a vital role during the candidate’s life. However, the interviewee also experienced that it was difficult to earn money being a musician. In case the candidate would want to go on within the music industry. The candidate would therefore face the problem on how to earn money with it.

“they thought that we could create a digital product that could connect students in the university with facilities (...) An idea came just because we were all students in the university, we found that would be an opportunity to create something like this, cause we students struggled to find information, to find job, to find house” (C:2)

C:2 presented that the problem for them, being students themselves, was, to get access to information. However, being a student were also perceived as an opportunity as the students could work on a solution to this problem. These citations therefore referred to the
insight step as well.

4.1.2.3 Insight Step

“My first boss told us, every headhunter could build their own hunting business in the future and become entrepreneur” (A:2)

The insight as a crucial moment during the opportunity recognition were described clearly by all experienced entrepreneurs. Nearly all of them also mentioned that the insight moment did not take a long time but that a hint or a sudden thought gave an “insight” and a potential solution to a problem or a topic they were thinking about before. A:2 described this moment as the first boss gave the hint that every headhunter is able to change into self-employment.

“in my understanding you can earn money with everything in what you do good. So that was not the question for me. The question was what I want to do (…) The first moment was the connection with the meeting with the audio engineer and the composer from this soundtrack. I am in this little room where I can hear with headphones the whole orchestra in a way that I had never heard before. And this was the moment that I said yes this is what I want to do. With technique and with music.” (B:2)

“We thought what can be found out. Ok, we are living in the university. My co-founders are also students in the university, and we said like: We are sitting on an idea, why we don’t use it and do it” (C:2)

B:2 and C:2 showed “this is what I will do” in the interviews. It was the “Aha!” moment for these candidates, which is likely for the insight step of opportunity recognition. Especially B:2 illustrated this insight process as a significant moment. The interviewee had heard music many times before, in real, being directly together with orchestras. However, the interviewee had not heard the recording as an audio engineer before. The use of technique enabled a totally new perspective on music and the music industry. The problem the candidate had described before, that it is difficult to earn money as a musician was now solved, as the candidate knew directly, that audio-engineering was a serious alternative. The key moment was to experience the combination of music and technique.
4.1.2.4 Evaluation Step

The final process of opportunity recognition which was experienced by all would-be and experienced entrepreneurs was the evaluation stage. All experienced entrepreneurs clearly expressed that they engaged in this stage.

“I didn’t feel happy at that time (…) I already have long experience in chemistry industry. So I decided to continue focusing on the chemical because I was familiar with that” (A:2)

“I am a student and work as an audio engineer, audio and video engineer and this is also my study programme and I began working in this metier as I were 13 years old. (…) And yes I know the orchestra very good (…) in my understanding you can earn money with everything in what you do good” (B:2)

The data from A:2 and B:2 revealed that both experienced entrepreneurs could look back on a broad experience in their business they were working with. A:2 chose the chemical industry for the interviewee’s headhunting business as the candidate already had experience in it. B:2, working with the business since the interviewee was 13 years old and the current studies were also an additional asset and education for the own business. The evaluation took place when the candidates referred back to the experience and knowledge they already had. Instead of questioning the feasibility of ideas they identified what they were able to work with and then they did it.

“But Pakistan is a really different market, the traditional media was very strong (…) traditional media is completely ineffective in Sweden. Here, the entire story is about digital marketing, it’s a very connected digital society. I thought I need to relearn marketing.” (C:2)

C:2 presented that it was not enough to start-up because of the candidate’s lack in marketing knowledge of the Swedish market. C:2 therefore clearly evaluated the own capabilities and the requirements to succeed with a startup. The logical consequence was to relearn marketing to gain additional knowledge.
Similar to would-be-entrepreneurs 3 interviewees clearly showed evidence for the preparation, insight and evaluation stage. Also among the experienced entrepreneurs the evidence for incubation was rather presented unconscious.

4.2 Motivation of Would-be and Experienced Entrepreneurs

The interview guide provided questions aligned with the following needs defined by Maslow (1943, 1970): Belongingness needs, esteem needs, cognitive needs and self-actualization needs. Although the authors identified these four levels being relevant for the purpose of this study, the interviewees did not always provide answers that relate to these specific levels. Moreover they also provided answers to levels that were not intended to be included in this study. The presentation of the empirical material therefore contains also data that relate to safety needs, whereas cognitive needs play rather a secondary role in this research.

4.2.1 Would-be Entrepreneurs’ Motivations

Relevant needs expressed by the probands are covered by the following chapters. The empirical data were coded into three categories aligned with the motivational theory by Maslow (1943, 1970). The identified needs relate to the safety needs, belongingness needs and mainly esteem needs.

4.2.1.1 Safety Needs

Among all would-be entrepreneurs a demand for safety were monitored. Based on Maslow’s and McLeod’s definition the need expressed the desire for safety, and protection, in form of orders, laws, limits, but also by a certain extent of stability (Maslow, 1943; McLeod, 2007). The wish for stability were mostly demonstrated by a wish for financial stability in form of a safe job, but also for a wish of financial independence from sponsors.

“I want to do something that makes it impossible to replace me that easy.” (B:1)

Would-be entrepreneur B:1 stated clearly that the need for safety was basically related to job-security. However, the interviewees from the category would-be entrepreneurs highlighted the point that even though striving for financial independence a backup would be desirable during the startup process of an own business.
“the perfect the idea picture for the first step doing this would be going in to half-time employment, part-time employment and the rest of the time work as freelancer, as a coach and then expand the coaching time, the freelancer time over time depending how well it works. So of course, I need to have a little safety, I’m not that of a risk-taker I would say.” (B:1)

“And I think financially it is going to work somehow until then, and if I start with a part time thing then I still have the option to back off.” (B:1)

“But 3 years later, I thought I already spend a lot of money from my parents.” (C:1)

B:1 and C:1 told about their priorities which refer to financial stability. In the first case it referred to the job and in the second case to the realization that was given so far by sponsors. The would-be entrepreneurs expressed the need for safety also in the desire to know in advance whether their idea could work. As mentioned during the empirical data presentation for the opportunity recognition process the planning-phase of a startup is considered to be a serious process for the would-be entrepreneurs. The discovery and formation phases are likely to be fully exploited by the would-be entrepreneurs before they decide to realize their opportunities.

"From my point of view I can say, that I am a very safetyaffine person, the typical german with too many insurances and therefore it would be highly important to me to know in advance whether the idea works or not. In any case I would definitely deal with the topic carefully." (A:1)⁶

"I am not a person who just tries out something from today to tomorrow, and simply invest 10.000 euro. I am a rather careful person and I would question the idea, talk to others about it, analyze it (...). I would not do it when I believe in it but all data advise against it." (A:1)⁷

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⁶ Original language (german): “Aus meiner Sicht kann ich sagen, ich bin ein sehr sicherheits affiner Mensch und der typische Deutsche mit zu vielen Versicherungen sozusagen, von daher wäre für mich die Frage ob es funktioniert, im Vorwege sehr wichtig (...) Auf jeden Fall würde ich mich sehr intensiv mit dem Thema beschäftigen” (A:1)

⁷ Original language (german): “ich bin keiner der sowas von heute auf morgen macht, und sagt joa, ich habe 10.000 Euro so nach dem Motto, mache ich einfach irgendwas ins blaue hinein sondern da bin ich
The proband showed how much he was thinking about the idea before he would consider it being a serious alternative.

4.2.1.2 Belongingness Needs

A rather secondary role played belongingness needs, which according to Maslow express the desire to belong to a certain group, to be a member of something and not to be alone (Maslow, 1943). Some candidates demonstrated a need for this as they wished to be like an idol, they identified with during their opportunity recognition.

"I admire those people who create totally new ideas. Who identify needs of which they create products and services which those people need. Those people are interesting who do not have only visions but also ideas that are realistic" (A:1)\(^8\)

Moreover, these candidates expressed an interest to get in contact with other characters than those they would be in contact with in a fixed employment. Even though some would-be entrepreneurs also expressed their problem that the first contact with someone unknown felt difficult in the past, they were looking forward to be forced to change this characteristic and to have a reason why to look for contacts with new people.

"But when you start your own business, you don't only have to deal with purchasing but also with sales and marketing. And in best case also for human resources later and all the other things as well. This would be very desirable. Because of the work on the one hand but also because you get in touch with new characters." (A:1)\(^9\)

\(^8\) Original language (german): “Ich bewundere die Leute die komplett neue Ideen entwickeln. Die halt Bedürfnisse erkennen und daraus halt Produkte oder Dienstleistungen entstehen lassen die Leute halt auch brauchen. (…) Daher finde ich auch kreative Leute, die halt nicht nur Visionen haben sondern auch Ideen die realistisch sind (…)” (A:1)

\(^9\) Original language (german): “Aber dadurch dass man natürlich, wenn man ein eigenes Business startet ja nicht nur im Einkauf tätig ist sondern ja auch im Verkauf und im Marketing, und im besten Fall mal irgend-wann auch für den Personalbereich und alles Mögliche machen muss ist das natürlich schon reizvoll. Zum einen von den Aufgaben, zum anderen (…) auch mit neuen Charakteren in Kontakt zu kommen.” (A:1)
A:1 and B:2 expressed clearly that they expected to get into contact with new people and that this also motivated them; they did not see it only as a barrier. Moreover, both of them had particularly people or groups of people in mind they were looking up to. These people drove them as they wished to become like them in the future.

4.2.1.3 Esteem Needs

All would-be entrepreneurs demonstrated high motivations that are related to the esteem need, which as mentioned above expresses the desire for achievement, independence and freedom as well as attention by others, respect and prestige (Maslow, 1943). According to the categorization of influencing aspects on the opportunity recognition, citations related to the esteem needs occurred most often. However, these were more related to the aspect of mastery, achievement, freedom (freedom also in the meaning of working less) and (financial) independence than to the need for attention, recognition, prestige or respect by others.

"Something where you say, okay that interests me, that is maybe also my hobby and my private interest as I said, so I work as long as I want (…) to have more self-determined time" (A:1)\(^\text{10}\)

“It’s like you do something significant.” (C:1)

For the would-be entrepreneurs it became obvious that many of their motivation-oriented

\(^{10}\)Original language (german): “sondern wo man auch sagt, okay das interessiert mich ja, das ist ja vielleicht auch mein Hobby, und mein privates Interesse wie gesagt, ich arbeite halt so lang wie ich will und Lust hab (…) und mehr selbstbestimmte Zeit zu haben” (A:1)
goals referred to their current or also future situation in an employment. Talking about their motivations and the reasons why to startup revealed that they intended to fill a lack of satisfaction in an employment. This lack did not need to be only the financial outcome but often the would-be entrepreneurs saw more fulfillment in a self-employment. Joy and interest in the work was often seen to be more important than the monetary outcome of a profession. Moreover, expressed for example by C:1, did the probands mention that they imagine to be able to create more significant achievement than in an employment.

"We came to this topic, that we talked about our jobs after our studies, about the current situation, what we do and what we earn, who we work with, and from this we noted that (...) we are maybe not so happy" (A:1)

"He wants to work with something that he thinks is fun, it does not need to be the one million dollar shot, (...). He rather wants to go to work with joy, having friendly colleagues he likes to work with" (A:1)

Dissatisfaction, expressed like from interviewee A:1 were often the reason for an extended thinking about alternatives. The focus on improvement should then lie on the work itself stated the interviewees. The most important thing for them was that they could enjoy what they work with.

“I want to have something on my own, I want to have something that’s build upon my own ideas, and my own thoughts and my own strategies that’s dependent on my way of thinking and that’s driven by my motivation (...) It is like for the startup I’m working now, some guy has his name on it and everything I do is in his name” (B:1)

Candidate B:1 expressed the dissatisfaction that everything is done in someone’s else’s

11 Original language (german): “Von daher sind wir mal auf dieses Thema dadurch gekommen, dass wir uns halt auch nachdem wir beide eine Stelle gefunden haben weiter ausgetauscht haben, über unsere aktuelle Situation, was wir machen, was wir verdienen, was unsere Aufgabenfelder sind, was für Charakteren wir mit zusammenarbeiten, und daraus hat sich ergeben dass, (...) wir vllt. oder nicht vielleicht, wir nicht ganz so zufrieden sind”

12 Original language (german): “er möchte auf jeden Fall was machen, was ihm Spaß macht, er muss jetzt nicht die große dicke Kohle verdienen (...) er möchte gerne zur Arbeit gehen, möchte mit guten Kollegen zusammen arbeiten möchte machen was ihm Spaß macht” (A:1)
name. However, the candidate believed that it would be possible to create value in the person’s own name. This is one of the very few citations where the proband indirectly-demonstrates also an esteem need that refers to attention and recognition but not only to achievement and mastery.

The interviews revealed therefore that the would-be entrepreneurs dealt intensely with their current situation and based on the empirical material from the opportunity recognition process, that their ideas and the opportunities they had in mind were closely connected to the idea of an improvement of their personal situation.

"The first thing I had in mind was to earn the same money with less work or more money for the same work. And another point is of course to make something where you have fun, what you are good in and for what you like to spend time." (A:1)

“What is your ultimate goal? Concrete, I want to work with 40 only 4 days instead of 5 days per week.” (A:1)

4.2.2 Experienced Entrepreneurs’ Motivations

The data from the experienced entrepreneurs vary in form of the identified categories. Three of the eight hierarchical levels from motivational theory by Maslow (1943, 1970) seem to fit together to the data. In the following the results from the interviews are presented in accordance to safety, esteem and self-actualization needs.

4.2.2.1 Safety Needs

Among the experienced entrepreneurs’ safety needs did not play a vital role as they did for would-be entrepreneurs. Only one of the three candidates expressed clearly that safety was an aspect for the candidate.

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13 Original language (german): “Und das erste was mir dazu eingefallen hat, das gleiche Geld mit weniger Arbeit zu erreichen, oder mehr Geld mit gleicher Arbeit zu verdienen. Und auch noch der Punkt natürlich auch was zu machen, was einem Spaß macht, was einem liegt, wo man auch gerne Zeit für investiert” (A:1)

14 Original language (german): “Was ist dein persönliches ultimatives Ziel (...)? Konkret, mit 40 nicht mehr fünf Tage die Woche arbeiten.” (A:1)
“Because it was a restart, choose the familiar industry means low risk and I like that industry” (A:2)

In this case the safety need was related to financial purposes. With regards to both would-be and experienced entrepreneurs, the aspect of financial stability influences several needs. Safety needs were clearly stated, however the wish for financial stability affects also physiological needs, esteem needs and also aesthetic needs. With money many things become accessible. The expression for financial safety is therefore also related to the other needs.

The proband evaluated the alternative of different industries for the candidate’s business and chose one that promised the most for the lowest risk. Moreover, the interviewee explained the personal affinity for that industry, which relates also to a higher need than the safety need.

4.2.2.2 Belongingness Needs

Belongingness needs played for some of the experienced entrepreneurs a role. Not always viewable in the first moment, the candidates expressed an affinity for networking opportunities as well as they mentioned people they were looking up to.

“No, but I look up to one audio engineer, the first audio engineer that I have met, and this is my idol. So I want to be like him, because he is very successful and won some awards” (B:2)

“And the more I met the more I discussed the ideas and the more it was easy for me. And I thought this is something that I would have loved” (C:2)

The findings revealed also that some probands started to feel a need for belongingness after they experienced it. Before they did not feel that they needed to network with other people. This demonstrated that some of the needs were not existent until they were experienced.
“So I made an effort to go out and started meeting people and the more I met I found out, this has been a skill that I would have enjoyed all my life but I never knew it. Because I never tried it. I never tried spontaneously meeting people for more than thirty years in my life and I think I lost a big part of enjoyment that I had, could ever have in my life, due to that” (C:2)

Since interviewee C:2 knew what social contacts can give, the candidate even appeared to be a little bit upset that this was something the candidate missed all the years before. Nevertheless, networking and the belongingness to specific groups were not clearly stated as a need but rather as a means to an end. Furthermore, some probands also mentioned that even though it gave them something when they met people, they would still avoid it if they did not have to. They referred to their comfort zone and the discomfort they felt when they had to approach someone, although they felt better afterwards.

“This still can be stressing. If I would, I would just avoid, but I know I cannot avoid, if you are not the friend’s face of the start-up, the startup will die.” (C:2)

4.2.2.3 Esteem Needs

The data from the experienced entrepreneurs that are related to the esteem needs are often closely connected also to the need for self-actualization. The definition by Maslow (1943, 1970) for self-actualization explained the desire to do for what most potential/capability is existing and to make use of the individual’s strongest creativity.

“I want to do something brilliant, in terms of whatever I am doing. I need to, so, for me it is important to do something great, which I enjoy, and which can bring something to the people around me, and eventually to me. That’s the four levels: Something great, which I enjoy, does good to people around, bring something to me” (C:1)

“I wanted establish my own company because I was chasing for the achievement, to complete some of my dreams through this company. For example, what kind of company I want to build, what kind of business I want to run, what kind of company culture I want to create.” (A:2)
These citations showed that the creation of something great included the entrepreneur’s objective to finally produce a financial outcome in return. Thus, with regards to the creation of something that produces joy it could be interpreted as being part of a self-actualization, however as the final intention was quite practical the entrepreneur demonstrated to a high degree also the esteem need.

Reasons for the esteem need were like for would-be entrepreneurs mostly the desire to create something great, to achieve mastery but also to act independent and in freedom what a fixed employment would not provide. That the esteem need for attention and recognition played mostly a secondary role were especially expressed by entrepreneur B:2 and C:2:

“No, because the job is, the job hasn’t this aspect. You are always in the backstage, you are always not viewable, you are always shadow, and it is not to be like a popstar” (B:2)

“No. I hate being a boss. (...) the last job was a very senior job, working with management and leadership team, our team was the party makers, we wore different clothes, our first rule in all these ventures is, and in all these jobs that I have done is, everybody is at the same level, everybody has the same respect and opinion, and everybody has the same right to have fun” (C:2)

B:2 showed how the wish for attention could not be fulfilled in the job of being an audio engineer. Also C:2 clearly stated that the status of being a leader for others was not something the candidate thought was worth to work for. Instead both rather expressed their motivation for the work they were working with.

As already mentioned above, would-be entrepreneurs and also some experienced entrepreneurs demonstrated esteem needs by reasoning their entrepreneurial decision because of a dissatisfaction in their previous employment.

“I didn’t feel happy at that time. So I decided start my own business” (A:1)
“I think it is very nice to decide which job you can do and in which time you can do it, you can work in the night you can work in the morning and if you don’t have fun or time you can do this later or earlier and the freedom is very cool” (B:2)

The difference that distinguished the empirical data from self-actualization needs were the practical intention of the interviewee’s objectives. Although they were focusing to a high degree on their own creativity the entrepreneur’s objectives were clearly stated as for instance by B:2:

“And then I want to be so good in this job that I can earn money with this, that I can feed my own family. (...) I think be flexible, be flexible to react to all the new topics and the new jobs that grow up and go down maybe” (B:2)

4.2.2.4 Self-Actualization Needs

Self-actualization as mentioned in the previous chapter focuses on the person’s motivation to do something what he or she is best in. The empirical data that indicated an entrepreneur’s objective to focus on what he or she is most creative in, fit therefore to the categorization of this need. The data from the interviews showed also how the probands felt themselves that the needs are interconnected. Maslow’s description that a new need arises when a previous need is fulfilled to a certain degree, is also shown by the candidates in this research:

“So, I can have more freedom if I run my own business. If I build another company, I will not have those troubles and pressures. It’s more dependent on my interest or what I want to do.” (A:2)

Although the own interest was already a good indicator for a high need, proband B:2 were able to describe the ambition to reach self-realization in the most authentic way, as the candidate included an emotional level. The work made the interviewee to experience music on a sensual level. The work produces a new relation to art for the candidate and enabled the use of the candidate’s greatest skills.
“I think the extensive experience with music. To record music and to work with music and video also is a very very intensive work with this piece of art. You experience it in a completely new way. (...) you are very very deep in this and you have an emotional way to this relation” (B:2)

“And you have to be creative to organize it, to plan the whole recordings, and the jobs, how many people I need, how many people I need to do this job in this time. This is my way to be creative” (B:2)

“it is a combination of all my strength.” (B:2)

The same for proband C:2 who stated that from all jobs, the interviewee were always focusing on those where the interviewee could make use of the interviewee’s own creativity. The joy for the work was guiding and the candidate was not willing to work for a company where the company’s culture limited the use of creativity or limited the experience of joy. Moreover, and here the proband bridged already to the final need of transcendence (The desire to help someone else to reach the self-actualization. Gawell, 1997) because it was clearly stated that the interviewee focused on projects where the interviewee could create something great for others.

“if you cannot do something great on your job, which you enjoy, benefits others and brings you money; because all those four things, it is not a job I want to do. (...) There have been a situation in Pakistan so I left one or two jobs when I realized very quickly oh shit, I cannot get the kick out of it so why should I waste my time in doing this.” (C:2)

“My understanding of motivation is, is there a purpose of what you are doing. I think my response would be to that: I think I find it very purposeful and fulfilling. So purpose is a good thing to ask. To me motivation means some sort of purpose, and I am a person driven by purpose, great, enjoy, give something to people around, gives me money, so that’s my purpose, so that’s why a run my businesses” (C:2)
5. Discussion of the Empirical Data
In the following the authors discuss the core findings of the study and answer the research question (1) How does the opportunity recognition differ between would-be entrepreneurs and experienced entrepreneurs? (2) How does the motivations differ between would-be and experienced entrepreneurs?

5.1 Differences in Opportunity Recognition
Zahra, Korri and Yu (2005) stated the interrelation of opportunity recognition with entrepreneurship. The authors refer to Shane and Venkataraman (2000) who engaged in the question of how entrepreneurial opportunities emerge. However, they and many other researchers missed out to cover also the comparison of would-be entrepreneurs with experienced entrepreneurs to identify how the opportunity recognition differs. Lumpkin, Hills and Shrader (2003) stated, as mentioned above, five different stages of opportunity recognition: Preparation, incubation, insight, evaluation and elaboration. The authors also explained that the order of stages is not fixed what coincides with the data of this research. Instead the opportunity recognition process is rather an ongoing cognitive process that includes many different aspects in the individual’s environment. One is the individual’s motivation which will be covered in the following chapter.

Lumpkin, Hills and Shrader’s (2003) illustration gives the impression of an ordinary process that starts with the preparation phase. Instead the authors of this thesis did not always see evidence for all the stages in the interviewee responses which coincides with Hills (1995) who stated that in some entrepreneurial cases, entrepreneurs can step into the insight step without any other former steps. Nevertheless, starting with the preparation phase, both would-be and experienced entrepreneurs provided examples on how they engaged in this process. As experience from experienced entrepreneurs refers to the particular knowledge and skills which they already gained in the field of entrepreneurship (Oxford Dictionary, 2018), would-be entrepreneurs faced a disadvantage in the opportunity recognition process. They do not know about the different stages and a potential hesitation towards solutions to a problem becomes obvious, especially during the evaluation phase.

However, the incubation phase appeared to be the most difficult phase during the opportunity recognition as it is difficult for the would-be and experienced entrepreneurs to identify it. Lumpkin, Hills and Shrader (2003) refer to this as the unconscious problem
recognition. The interviewees might have engaged in an unconscious problem realization process, but how should they tell about it if it was unconscious. Some of the interviewees gave evidence that a thinking process about specific problems reoccurred, which could be an indicator for the incubation step. However, comparing the results from the data to Hills (1995) it might have happened that some candidates crossed over the incubation step.

According to Gaglio and Taub (1992) and Lumpkin, Hills and Shrader (2003), insight described the moment in which entrepreneurs experience an entrepreneurial opportunity. This phase is related to the problem of the incubation phase. Some interviewees indicated that they received a business idea because of hints within their networks. These candidates engaged therefore in a rather passive opportunity recognition. Nevertheless, they started to think about an idea which was caused by new knowledge. This process coincides with Shane and Venkataraman’s (2000) description of new information that trigger an insight into an opportunity recognition. The rather random or incidental discovery of an opportunity changed then into an active formation as the evaluation of the idea emerged.

Gartner (2008) stated that the question about entrepreneur’s characteristic is the wrong question. Shane and Nicolaou (2015) described that the recognition of opportunities often depends on the individual's creativity and capabilities. The data of this paper also revealed that especially the evaluation stage gives indication that would-be entrepreneurs and experienced entrepreneurs do not coincide completely in their opportunity recognition. According to the would-be entrepreneurs a high focus on missing resources dominated the evaluation of opportunities. As these candidates do not have much experience in a specific area, they faced this stage critically and mentioned their hesitation towards the implementation of business ideas. Moreover, it would need more experience and knowledge and a personal network that supports them in a process of self-employment, otherwise they would not do it. Instead, experienced entrepreneurs indicated that in case of missing experience they decided to take action instead and to gain this additional knowledge. Moreover, evaluating business ideas meant among experienced entrepreneurs to look at what they already knew and were capable of. The data therefore revealed that would-be and experienced entrepreneurs differ in their opportunity recognition, according to their pessimistic (would-be entrepreneurs) and rather optimistic (experienced entrepreneurs) perception of the evaluation of opportunities.
5.2 Differences in Motivation

One definition of entrepreneurship includes the understanding that entrepreneurs discover, enact, evaluate and exploit opportunities “to create future goods and services” (Oviatt and McDougall, 2005, p. 540). This definition suggest that the entrepreneurs’ intention is to create something great for others in the first hand. However, former researchers already realized the need for further research on the human motivation to identify the personal objectives (Shane, Locke and Collins, 2003). As this paper investigates the opportunity recognition process and the motivations between would-be and experienced entrepreneurs it deepens the understanding of varying motivations during the opportunity recognition.

The categorization of data during the presentation of empirical data already revealed different emphasis of needs between would-be and experienced entrepreneurs. Nevertheless, based on Maslow’s definition of human motivation (1943), he stated that the needs are interconnected. The results therefore focus not on one specific need but on several ones at the same time. In both cases, the study of this research revealed three major needs: Safety needs, esteem needs and self-actualization needs. One of them were in the pro-band’s primary focus. But the data showed that other needs were served simultaneously.

Brockhaus and Horwitz (1996) stressed that there are inconsistent definitions about the risk-taking of entrepreneurs. In this research study the need for safety were stated among both would-be and experienced entrepreneurs. Nevertheless, especially the would-be entrepreneurs emphasized the need for safety which shows also in form of a more extended opportunity recognition which includes the careful evaluation of alternatives. Moreover, the would-be entrepreneurs expressed the need to consider ideas only then as serious opportunities for themselves when they had the chance to back-up with an employment for instance. Although the experienced entrepreneurs stated safety needs as a relevance, they clearly expressed that also without financial safety in their existing entrepreneurship, an employment would not be a serious alternative for them. Relating to the findings of Horwitz and Brockhaus (1996) it becomes obvious that risk-taking does not need to be defined as a core characteristic of entrepreneurs and that the difference to would-be entrepreneurs is rather shown in the extended opportunity recognition process as stated above.

Another basic need, the belongingness need was also expressed by both would-be and experienced entrepreneurs. According to Chell (2007) belongingness plays a vital role in
the entrepreneurial process and all interviewees mentioned that they were in contact with others or that they expected to get into contact with others due to their entrepreneurial activity. However, based on the empirical data the would-be entrepreneurs described the belongingness and the increasing social contacts rather as a need and something they were looking forward to than the experienced entrepreneurs. This coincides with Decker, Calo, Weer (1994) who identified that would-be entrepreneurs enjoy the communication and exchange with other people. Nevertheless, social contacts also appeared to be a need for some of the experienced entrepreneurs that were felt to be valuable from the moment on, from which the candidates experienced it.

One of the most significant findings affect the esteem need. That the entrepreneurial activity includes the personal goal for achievement were already stated by Wu, Matthews and Dagher (2007). However, based on the empirical data would-be and experienced entrepreneurs showed very different achievement needs. Experienced entrepreneurs goals rather fit to the need for self-actualization whereas would-be entrepreneurs clearly stated the objective of an improvement of their current situation. This had often to do with missing freedom or a lack of independence in the current employment, working hours, colleagues or salary. Moreover, the would-be entrepreneurs stated the goal to create something in their own name, whereas experienced entrepreneurs rather saw achievement in form of growth, financial outcome or mastery as a result from what they are working with. And this work is defined by the experienced entrepreneurs as something that makes it possible for them to be fully creative and to work on an emotional level with a subject. Particularly one entrepreneur stated the desire to create something great to others, what in return would benefit him as an entrepreneur. This indicates how much the needs are interconnected (Maslow, 1943), as the entrepreneur addressed both self-actualization and esteem needs at the same time. Referring back to Maslow the findings demonstrate that no need exists without a previous one, but the research revealed that would-be entrepreneurs rather serve needs until up to the esteem level and especially the esteem level, whereas experienced entrepreneurs focus on self-actualization and the use of all their strength which in return serves also previous levels like the esteem need or belongingness need.
6. Conclusion

Referring back to the introduction of this paper this research contributed to the until now minimum of research which is done in the field of opportunity recognition. This applies especially a comparison of would-be and experienced entrepreneurs. Moreover, the study was able to identify different motivations between would-be and experienced entrepreneurs which gives insights into the opportunity recognition process of would-be and experienced entrepreneurs.

The first research question is answered as a major difference between would-be and experienced entrepreneurs lies in the evaluation step, which is likely to be more pessimistic among would-be entrepreneurs than among experienced entrepreneurs.

The second research question is answered as the study demonstrates how experienced entrepreneurs rather focus on serving higher needs like self-actualization than would-be entrepreneurs who focus rather on esteem needs.

Both research questions were answered and the data revealed that most of the influencing aspects impact the opportunity recognition of would-be and experienced entrepreneurs in the same way. However, as motivation plays a vital role in this research we must highlight its particular impact on opportunity recognition. Based on the results of this research the data indicated that motivation affects would-be and experienced entrepreneurs especially during the incubation and insight phase. However, as mentioned above is the preparation phase mostly relevant for the generation of ideas. It is therefore an objective of the researchers to demonstrate that everybody can become an entrepreneur. Motivation is a facilitator that enlightens the incubation and insight step, which helps during the opportunity recognition. A positive attitude is the first step towards a successful business idea.

6.1 Theoretical Contribution

The opportunity recognition process by Lumpkin, Hills and Shrader (2003) stated five well defined stages. The findings of this paper provide the theoretical contribution that not all five stages are applied to the same extent by would-be and experienced entrepreneurs. The findings reveal that especially the evaluation process differs between would-be and experienced entrepreneurs. Experienced entrepreneurs rather consider what they already have worked with and see this as potential assets for a new business idea, whereas
would-be entrepreneurs rather take into consideration what they need and do not possess yet. The evaluation is therefore likely to be rather pessimistic with regards to would-be entrepreneurs. Would-be entrepreneurs are likely to engage in a careful evaluation of potential alternatives and solutions to the problem. Instead experienced entrepreneurs often described this immediate idea to a problem which they did not evaluate for a long time. With regards to the other stages the data reveal that would-be and experienced entrepreneurs do not differ significantly in their processing of preparation, incubation and insight.

![Diagram](image)

Figure 4: Theoretical Contribution regarding the Creativity based Model of Opportunity Recognition by Lumpkin, Hills and Shrader (2003); own illustration

The theoretical contribution of this paper to the human motivation of would-be and experienced entrepreneurs reveals similarities and differences regarding the safety, belongingness, esteem and self-actualization needs. Where safety and belongingness needs are rather the same among would-be and experienced entrepreneurs, differ the esteem and self-actualization needs even more. However, would-be entrepreneurs pay more attention regarding the basic need of safety as they state clearly the need to be able to back up. Whereas the comparison to former researchers reveals that the findings of this study coincide with the findings of previous studies, that experienced entrepreneurs’ characteristic does not need to include risk-taking. However, financial boundaries challenge their entrepreneurial activity and opportunity recognition. The core findings of this study contain an acknowledgement of the interrelation between needs, as experienced entrepreneurs see achievement in form of financial outcomes rather as a result of successful self-actualization. Whereas would-be entrepreneurs rather focus on esteem needs which provides them an improvement of their current situation.
6.2 Future Research

The paper gave insights into the differences in opportunity recognition between experienced and would-be entrepreneurs. However, further quantitative studies are needed to improve the validity of data with regards to the target groups. Nevertheless, the qualitative study in this paper is a first step towards a better understanding of opportunity recognition and its influencing aspect of motivation.

According to Maslow (1943) human needs do not equal their behaviour. But they impact the behaviour to a significant degree. This scientific paper is therefore unable to make an appropriate inference to the differences in behaviour between would-be and experienced entrepreneurs. As it focuses on the cognitive process of opportunity recognition, affected by different motivations, further research should cover investigations that analyse the actual influences on human behaviour. The opportunity recognition and the individual motivation do not express always in the individual's behaviour. External influences could affect the human behaviour significantly. These influences might be more or less intense between would-be and experienced entrepreneurs. Further research should therefore increasingly study also the entrepreneurs behaviour in relation to his motivation to provide insights into external influences.

6.3 Recommendations

Governments and international institutions identified entrepreneurship as an important and significant influence on national and international economies (GEM, 2018; The World Bank, 2018; European Commission, 2018). This paper contributes as a little puzzle to the improvement of a comprehensive understanding of the opportunity recognition and
motivation of entrepreneurs and those who want to become entrepreneurs. The findings could therefore help not only governments and international organizations that try to enhance entrepreneurial engagements but also to the would-be and experienced entrepreneurs themselves.

The significant understanding that evaluation is one of the critical stages in opportunity recognition could help would-be entrepreneurs to increasingly exchange with experienced entrepreneurs to avoid a too pessimistic perception on entrepreneurship. The missing experience can act as a catalyst to question the feasibility of an idea. Experienced entrepreneurs are able to guide through the process of opportunity recognition as they completed themselves already all stages one time. Their experience can be valuable input to the would-be entrepreneurs to identify solutions or approaches for shortage problems (e.g. knowledge, experience, networking, etc.). Moreover, the increasing exchange enables a mutual incubation and insight processing. Often it needs a different perspective to a problem, to find a potential solution. It is therefore not only would-be entrepreneurs but also experienced entrepreneurs that benefit.

Moreover, an increasing awareness for entrepreneurship and its impact on global economies enlighten the challenges and difficulties entrepreneurs deal with. The data of this paper revealed that the pessimistic evaluation of would-be entrepreneurs is often based on a lack of resources. A better access to those would therefore also influence experienced entrepreneurs. Those who evaluate an idea already passed more than half of the opportunity recognition process. A too critical evaluation should not be the reason that the person does not try to realize the idea. Entrepreneurship is closely connected with failures. The promotion of entrepreneurship should therefore pick up the knowledge about the importance of the evaluation step in opportunity recognition and emphasize that no business succeeded without challenges and drawbacks. Instead the proactive promotion of difficulties and failures enhances the chance that would-be and experienced entrepreneurs understand that the implementation of business ideas also needs some bravery as it is impossible to plan 100% ahead. Everybody can engage in opportunity recognition but to know about the different steps means also to be prepared for critical questioning that should not hinder directly the development of a business idea.

Nevertheless, the research study demonstrated that no opportunity recognition comes alone without motivation. Clarifying the impact of motivation has helped to demonstrate
on which stages motivation has an influence. The higher the motivation the easier it will be for the candidate to go through the process of incubation and insight. To support would-be and experienced entrepreneurs in their motivation supports them therefore also in their opportunity recognition. The promotion of entrepreneurship should increasingly focus on the individual’s motivation and support the belief that everyone is capable of becoming an entrepreneur. The paper illustrated that the motivations can be quite different among would-be and experienced entrepreneurs. Especially governments and international institutions like the European Union benefit when they are able to adjust their promotional entrepreneurship programs aligned on the motivations of would-be and experienced entrepreneurs. With the knowledge about someone’s objectives and motivations the promotion for entrepreneurship will become easier.

With regards to would-be entrepreneurs’ motivations in entrepreneurship, the improvement of their current situation was highlighted. Entrepreneurship provides independence and self-determination chances. Experienced entrepreneurs focus instead on the exploitation of their personal strengths. Entrepreneurship provides this opportunity to work with the own creativity and to make what someone is most capable of. The study about individual’s motivation in opportunity recognition is therefore closely linked to the deepened knowledge about the opportunity recognition process. Would-be entrepreneurs should be an own target group to governments. The knowledge about evaluation and motivation enables a more concise promotion of entrepreneurship, that emphasizes the chances and challenges to illustrate it honestly and attractively at the same time. The importance of entrepreneurship to national and international economies was mentioned several times. An ongoing improvement of promotion is therefore a very current topic that provides practical recommendations besides the theoretical contributions.

Entrepreneurship is not dedicated to few specific characters - everyone can create business ideas.
References:


### Appendix:

<table>
<thead>
<tr>
<th>Preparation</th>
<th>Incubation</th>
<th>Insight</th>
<th>Evaluation</th>
<th>Elaboration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Csikszentmihalyi (1996)</td>
<td>Conscious or subconscious immersion in problem(s)</td>
<td>Subconsciously mulling things over</td>
<td>&quot;Aha!&quot; experiences usually with a cognitive shift</td>
<td>Consciously deciding whether insight is valuable and worth pursuing</td>
</tr>
<tr>
<td>Kirzner (1979)</td>
<td></td>
<td>OR depends on &quot;entrepreneurial alertness,&quot; defined as the ability to notice opportunities without search</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long and McManus (1984)</td>
<td>Ad hoc focused search influenced by controllable and uncontrollable factors</td>
<td>Point of vision is the sudden recognition of a new possibility; an &quot;Aha!&quot; experience</td>
<td>Amplification of vision to overcome major obstacles; may involve iterations of creative thinking and additional preparation</td>
<td>Decision to proceed</td>
</tr>
<tr>
<td>Koller (1988)</td>
<td>Work experience and/or desire to be an entrepreneur precede conscious search or passive discovery</td>
<td>Ideas recognized as opportunities because they use prior experience</td>
<td>Some entrepreneurs use formal evaluation, while others eschew it</td>
<td></td>
</tr>
<tr>
<td>Teach et al. (1989)</td>
<td>Prior experience, technology, and market need precede deliberate search or accidental discovery</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kaish and Gilad (1991)</td>
<td>Entrepreneurs are more alert, rely on non-traditional information sources</td>
<td>Preparedness allows entrepreneurs to recognize opportunities spontaneously</td>
<td>Entrepreneurs rely more subjective impression than conventional economic analysis</td>
<td></td>
</tr>
<tr>
<td>Gaglio and Taub (1992)</td>
<td>Pre-recognition stage of environmental, technological, social, economic, cultural, and personal forces simmers over time</td>
<td>&quot;Eureka!&quot; experience at moment of recognition</td>
<td>Idea developed by examining its value, market potential, and resource requirements</td>
<td>Decision to go, modify or quit</td>
</tr>
<tr>
<td>Bhave (1994)</td>
<td>External circumstances and/or desire to start business motivate conscious search</td>
<td>Opportunities recognized and filtered; one selected</td>
<td>Opportunity refined; business concept identified that aligns skills and resources with market need</td>
<td>Organization created and gradually formalized on the basis of customer feedback</td>
</tr>
<tr>
<td>Christensen et al. (1994)</td>
<td>Profound technological and market knowledge required at creative stage</td>
<td></td>
<td>Formal strategic planning based on feasibility and desirability helps evaluate opportunities, set priorities, and in implementation</td>
<td></td>
</tr>
<tr>
<td>Hills (1995); Hills and Shrader (1998)</td>
<td>Alertness and making time to think; specific needs and market knowledge mattered more than work experience</td>
<td></td>
<td>Business concepts refined through informal intuitive procedures</td>
<td>Once in the market, firm must quickly adjust to market requirements</td>
</tr>
<tr>
<td>Singh et al. (1999)</td>
<td>Entrepreneurial alertness and social network affect number of ideas and opportunities recognized</td>
<td></td>
<td>Evaluation determines which ideas are opportunities; more evaluation needed before decisions to proceed</td>
<td></td>
</tr>
<tr>
<td>De Koning (1999)</td>
<td>Ongoing information scanning without a specific objective produces initial ideas</td>
<td>Sudden convergence of ideas happens more than once during process</td>
<td>Thinking through, talking, information seeking, and resource assessment are used to develop concept</td>
<td>Commitment to create</td>
</tr>
<tr>
<td>Gaglio and Katz (2001)</td>
<td>Alertness to external change, which can be ignored, discounted, or further examined</td>
<td></td>
<td>Breaks existing means-ends framework</td>
<td></td>
</tr>
</tbody>
</table>

Table 5: Highlights of the Opportunity Recognition Literature, based on Lumpkin, Hills and Shrader (2003, pp. 76 – 78); own illustration.