



55+ PEOPLE AND ENTREPRENEURSHIP: A THEORETICAL FRAMEWORK AND INTERVIEW GUIDE





Introduction

In the light of demographic change it becomes more and more important for cities and regions in the Baltic Sea Region to use their economic potentials in a creative way.

The Best Agers project – a strategic project in the Baltic Sea Region Programme 2007-2013 - intend to provide insight into how an increased inclusion of older people in business and skills development can help to strengthen competitiveness in the Baltic Sea Region. One way is to use the entrepreneurial skill that a lot of Best agers (55+) have.

In Best Agers project it is decided to carry out interviews with people who have experience of 55+ entrepreneurship, in order to create and test entrepreneurship training among 55+. This report contains an interview guide deduced from a theoretical framework, together with a tool for analysing the answers, in order to fulfil the project plan in Work package 6, activity 1.

The report is written at Luleå University of Technology, Department of Business Administration and Social Sciences, Entrepreneurship under the supervision of Professor Håkan Ylinenpää.

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THEORETICAL FRAMEWORK

Entrepreneurship and the Entrepreneurial Process

There are many competing or complementary definitions of entrepreneurship. The entrepreneur is often defined by using the terms self-employed, small business owner, small business owner/manager, and entrepreneur interchangeably. It is often argued whether every business owner is an entrepreneur or whether only innovative and growth-oriented business owners merit the label "entrepreneur" (Lundström and Stevenson, 2005). There is no unified definition and Baumol (1993) describes two uses of the word entrepreneur. The first refers to the entrepreneur as someone who creates and then organises and operates a firm, while the second use refers to the entrepreneur as an innovator, someone who transforms ideas into economically viable entities. Lundström and Stevenson (2005) believe it is more useful to adopt a process perspective. First of all, they associate business start-up, ownership and management of an owned-business with the word entrepreneur. Beyond that, they take the view that entrepreneurs are people who, at different stages of life and at different stages of starting, managing and growing their own businesses, are at different stages of the entrepreneurial journey.

Their definition of the entrepreneurial process is therefore "the process whereby individuals become aware of business ownership as an option or viable alternative, develop ideas for businesses, learn the processes of becoming an entrepreneur, and undertake the initiation and development of a business.... Entrepreneurship can be found in both the initiation and growth of businesses" (Lundström and Stevenson (2005:42). Their view also implies that entrepreneurship is a social phenomenon that emerges within the context of a broader society and involves several actors when the process of increasing the supply of capable entrepreneurs within an economy requires attention to all activities leading to the creation of an enterprise, in particular, awareness, career orientation, new enterprise creation, self-employment, business survival and growth and stimulating an entrepreneurial spirit in the community.

Describing entrepreneurship policy foundation

Entrepreneurship policy is about measures influencing individuals in a society. It does not have to be adults or individuals in the existing working force or individuals in a process of starting a company or individuals working together in a public organisation. It is about more or less every individual independent of what age and situation they are in for the moment. Important to remember is that individuals, not firms, do businesses (Boter, Hjalmarsson and Lundström 1999). This very important statement is basic since one should think about individuals to be influenced by the policy measures, independent of their actual situations.

Several theoretical frameworks could be applied to describe or guide entrepreneurship policy in a Project as Best Agers. We have found Lundström's and Stevenson's "MOS model" (2005) as most suitable since it is primarily concerned with entrepreneurial policy and how entrepreneurship can be promoted through different policy measures. Lundström and Stevenson argue that the main objective of entrepreneurship policy is to stimulate higher levels of entrepreneurial activity by influencing a greater supply of new entrepreneurs. Entrepreneurship policy differs from more general business policy in that it focuses on individuals who are not yet in business, but are potential future entrepreneurs. Business policy

focuses on already established firms. Obviously the determinants of entrepreneurship are interesting to those involved in entrepreneurship policy, and the authors propose that the level of entrepreneurship in a society can be explained by different aggregated levels of “Motivation, Opportunity and Skills”. As seen in Figure 1 below, the entrepreneurial choice is influenced by motivation, skills and opportunity (the MOS model). Entrepreneurship policy should concentrate on increasing people’s skills and motivation and creating entrepreneurial opportunities. In the following section the MOS Model will be presented more in detail.

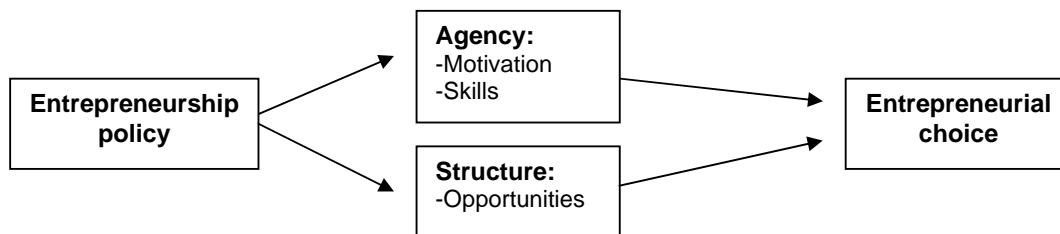


Figure1. Entrepreneurial choice is influenced by motivation, skills and opportunity in the MOS model.

The MOS Model

The MOS model by Lundström’s and Stevenson’s (2005) views entrepreneurship as a “system” that includes entrepreneurs, potential entrepreneurs, institutions and government actions, and the desired policy outcome is an increased level of entrepreneurial activity. The role of institutions and governments is to foster environments that will produce a continuous supply of new entrepreneurs as well as the conditions that will enable them to be successful in their efforts to start and grow enterprises. In order to do this, the system of entrepreneurship must logically focus on all parts of the individual entrepreneurial process from awareness of the entrepreneurship option to early stage survival and growth of an emerging firm.

Existing knowledge about what is critical in influencing the entrepreneurial actions of individuals suggests that people are more likely to become entrepreneurs if: (1) they are aware of the option and perceive it as a societally desirable one; (2) they perceive opportunity exists and that they will have, or could gain, support to pursue a business idea; and (3) they have confidence in their own ability to do it. In other words, there will be higher levels of entrepreneurial activity in economies where people are aware of entrepreneurship as a feasible and viable option and willing to explore it (Motivation); have access to opportunities to gain the knowledge, skills and ability to be able to pursue it (Skills); and can gain ready access to the startup supports they need, such as information and ideas, counselling and advisory services, business contacts, capital and encouragement, in an enabling regulatory and policy environment (Opportunity). These, the foundations of entrepreneurship policy, are modelled in Figure 2.

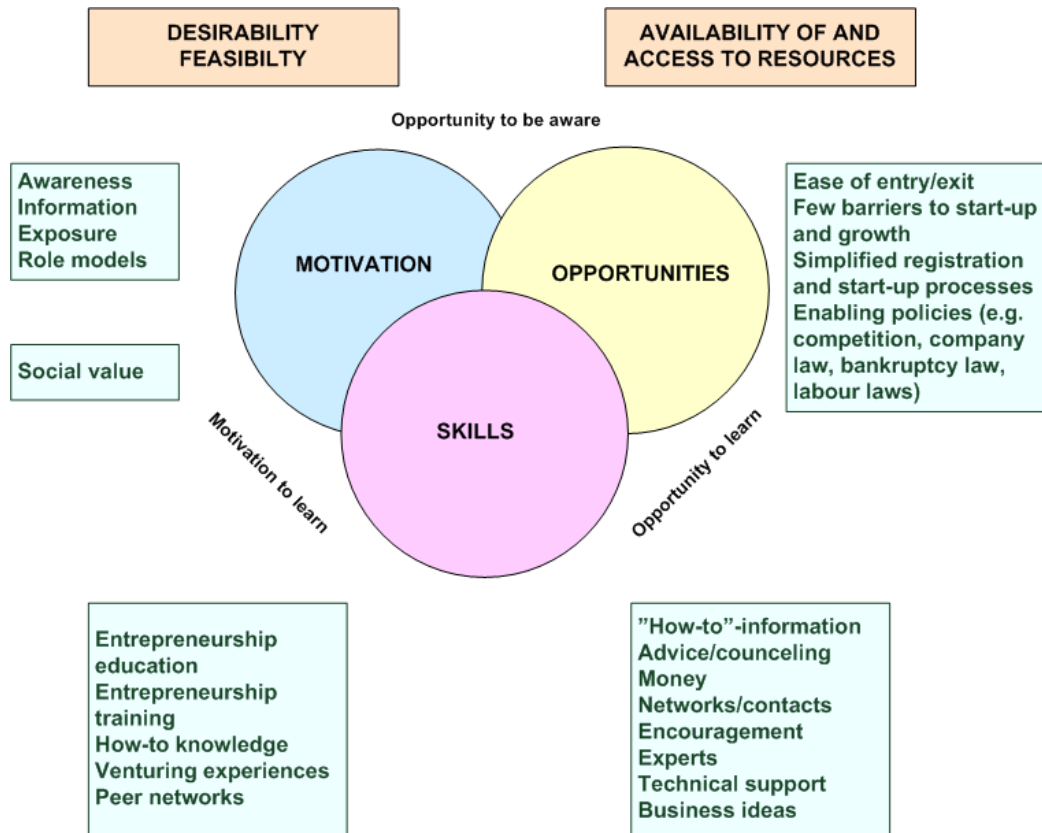


Figure 2. Entrepreneurship policy foundations
 Source: Taken from Stevenson and Lundstrom (2002), p. 26.

To operationalise "Motivation" Lundström and Stevenson include the social value placed on entrepreneurship and its desirability and feasibility as a career and employment option. The level of these elements could be heightened through awareness, information, exposure, role models and actions to increase social legitimacy. "Skills" is operationalised in terms of technical, business and entrepreneurial skills and know-how. The acquisition of entrepreneurial skills and know-how could come through the education system, training programmes, experience working in a small business, hands-on experience in starting and running an enterprise or through peer and professional networks. Most entrepreneurs learn to do what they do through trial and error so there is considerable scope to create formal learning opportunities that will better enable future entrepreneurs.

"Opportunity" is operationalised by Lundström's and Stevenson's in terms of the support environment for entrepreneurship - the availability of information, advice, capital, contacts, technical support and business ideas, as well as the ease of access to these resources. It also encompasses the regulatory environment and processes of government administration. In order to create more Opportunity conditions, governments can reduce or eliminate obstacles in the regulatory, administrative, legislative and fiscal systems that may act as inhibitors to business entry. They can also reduce the penalties associated with bankruptcy, and the resulting "stigma of failure". In addition, labour market and social security policies and systems may impose hidden barriers or "quiet disincentives" to the self-employment versus paid employment decision; these must also be examined.

According to Lundström's and Stevenson's view, governments must address each of these areas of Motivation, Opportunity and Skills using an integrated entrepreneurship policy approach. Such an approach as certain focuses as: entrepreneurship policy as that which is:

- An aim at the pre-start, the start-up and early post-start-up phases of the entrepreneurial process,
- A design and foci to deliver to address the areas of Motivation, Opportunity and Skills,
- An aim with the primary objective of encouraging more people in the population to consider entrepreneurship as an option, move into the nascent stage of taking actions to start a business and proceed into the entry and early stages of the business.

Governments will likely have some difficulty determining their role in some of these areas, which is not surprising due to the complexity of trying to understand precisely how to influence an individual's propensity to pursue entrepreneurship or the population's entrepreneurial efficacy level.

References

Baumol, W (1993). Formal entrepreneurship theory in economics: existence and bounds. *Journal of business venturing*, 8: 197-210

Boter, H, Hjalmarsson, D and Lundström, A. (1999). *Outline of a contemporary small business policy*. Swedish Foundation for Small Business Research, Sweden.

Lundström, A and Stevenson, L. (2005). *Entrepreneurship policy – theory and practice*. New York: Springer

Stevenson, L and Lundström, A. (2002). *Beyond the rhetoric: defining entrepreneurship policy and its best practice components*. Swedish Foundation for Small Business Research.

INTERVIEW GUIDE

	Please fill in with an X:
Category I 55+ Entrepreneurs	
Category II Representatives from industry and trade organisations	
Category III Advisors (start-ups or business coaches, bank managers etc)	

Information about the informant

Open responses

Age:	
Sex (M/F):	
Current profession:	
Previous experience of entrepreneurship:	

General questions

What factors influence how attractive 55+ people find it to bring ideas into business?

Open responses

1	Factors increasing the attractiveness:	Write elsewhere
2	Factors decreasing the attractiveness:	Write elsewhere
3	Do you think there are differences between women and men (55+) regarding what factors that increase/decrease the attractiveness to bring ideas into business? If yes, please explain.	Write elsewhere

Facilitators

What facilitates the bringing of ideas into business among 55+ people?

Open responses

4	Factors related to the individual:	Write elsewhere
5	Factors related to the society:	Write elsewhere
6	Other factors, such as:	Write elsewhere

Barriers

What hinders the bringing of ideas into business among 55+ people?

Open responses

7	Factors related to the individual:	Write elsewhere
8	Factors related to the society:	Write elsewhere
9	Other factors, such as:	Write elsewhere

Motivation

In your opinion, to which degree do you agree or disagree that the following factors are important to consider when 55+ people decide on their future career path? [1= strongly disagree; 7 strongly agree]

Response 1-7

10	Job security	
11	Job stability	
12	Not having to work long hours	
13	To have leisure	
14	To have fixed working hours	
15	Not to have a stressful job	
16	Have a simple, not complicated job	
17	Participate in a social environment	
18	To be member of a social "milieu"	

19	Avoid responsibility	
20	Not taking too much responsibility	
21	Avoid commitment	
22	Have opportunity for career progress	
23	Promotion	
24	Economic opportunity	
25	To receive compensation based on merit	
26	To keep a large proportion of the results	
27	To have a challenging job	
28	To have an exciting job	
29	To have an interesting job	
30	To have a motivating job	
31	Freedom	
32	Independence	
33	To be your own boss	
34	Be able to choose your own work tasks	
35	Have power to make decisions	
36	Have authority	
37	Self-realization	
38	Realize one's dreams	
39	To create something	
40	To take advantage of your creative needs	
41	To participate in the whole process	
42	To follow work tasks from a to z(ö)	

Skills

In your opinion, to which degree do you agree or disagree that training in the following skills have an impact when 55+ people decide on their future career path? [1= strongly disagree; 7=strongly agree]

Response 1-7

43	Opportunity spotting/recognition	
44	Team building	
45	General knowledge of business skills	
46	Positive thinking	
47	Creative problem solving	
48	Intuitive decision making	
49	Negotiation skills	
50	Strategic thinking	
51	Time management	
52	Persuasion	

Opportunities

In your opinion, to which degree do you agree or disagree that the following resources are accessible for 55+ people interested in bringing ideas into business? [1= strongly disagree; 7=strongly agree]

Response 1-7

53	Advice/counseling	
54	Funding	
55	Networks/contacts	
56	Encouragement	
57	Experts	

Essential knowledge

What essential knowledge do 55+ people need to develop to bring ideas into business? Rank the top 3 most important knowledge they may need to develop.

Ranking

58		#1	
59		#2	
60		#3	

How can this essential knowledge best be developed through policy tools? Rank the top 3 most effective tools.

Ranking

61		#1	
62		#2	
63		#3	

Policy activities

In your opinion, to which degree do you agree or disagree that the following activities are important for increased entrepreneurship among 55+ people?
[1= strongly disagree; 7=strongly agree]

Response 1-7

64	Training	
65	Mentorship	
66	Boards/Shadow boards	
67	Legislation adjustments	

Entrepreneurship training

What do you think is important to consider when designing entrepreneurship training for 55+, in terms of the following factors?

Open responses

68	Recruitment:	Write elsewhere
69	Content:	Write elsewhere
70	Schedule:	Write elsewhere
71	Teachers:	Write elsewhere
72	Pedagogy:	Write elsewhere

Final questions

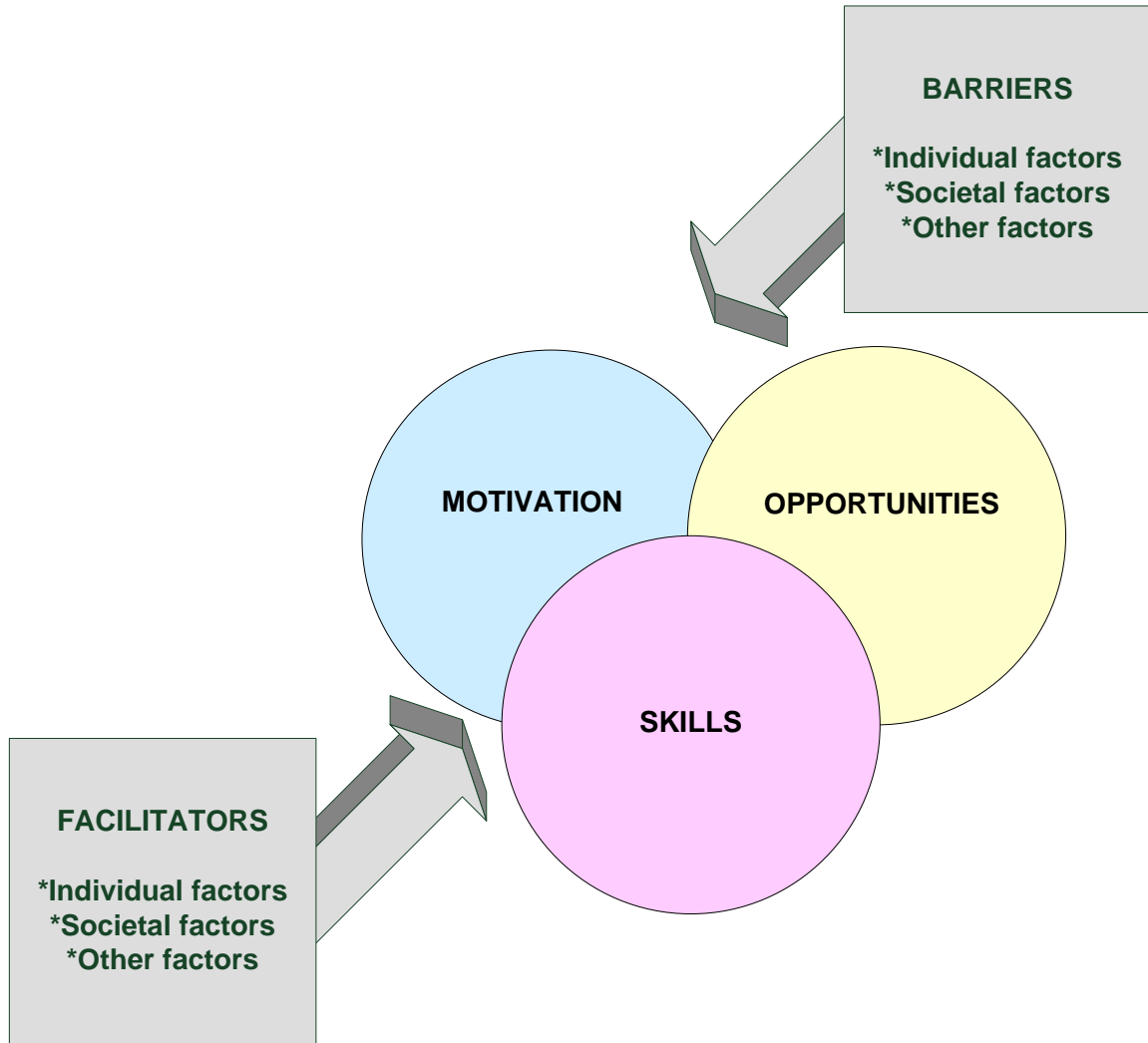
73 Concerning the areas we have talked about, are there any differences between men and women, you think?

Open response
Write elsewhere

74 Now we have talked about bringing ideas into business from several aspects such as barriers, facilitators, training, etc. Is there something more one should consider concerning these matters, you think?

Open response
Write elsewhere

ILLUSTRATIVE THEORETICAL MODEL



SUGGESTIONS ON HOW TO COMPILE THE ANSWERS

Q1-2.

List all informants' responses for what factors that increase the attractiveness, and for what factors that decrease attractiveness.

Q3+73. [gender aspects]

List all informants' responses. The list will indicate differences between men and women.

Q 4-6. [facilitators]

List all informants' responses for facilitators related to (a) the individual; (b) society; and (c) other factors.

Q7-9. [barriers]

List all informants' responses for barriers related to (a) the individual; (b) society; and (c) other factors.

Q10-23. [motivation]

Add all informants' responses for each question and rank them. The questions with the highest total sum indicate what is most motivating with an employment.

Q24-42. [motivation]

Add all informants' responses for each question and rank them. The questions with the highest total sum indicate what is most motivating with entrepreneurship.

Q43-52. [skills]

Add all informants' responses for each question and rank them. The question with the highest total sum indicates what training is likely to have the greatest impact for bringing ideas into business.

Q53-57. [opportunities]

Add all informants' responses for each question and rank them. The question with the lowest total sum indicates what resources that are likely not accessible among 55+.

Q58-60.

First list all the answers from questions 58, then from 59, and finally from 60. Then make a list of all the answers, starting with 58-59-60. The top of the list indicates the most essential knowledge 55+ need.

Q61-63.

First list all the informants' answers from questions 61, then from 62, and finally from 63. Then make a list of all the answers, starting with 61-62-63. The top of the list indicates how the most essential knowledge 55+ need can be developed.

Q64-67.

Add all informants' responses for each question and rank them. The question with the highest total sum indicates what policy activity that is likely to have the greatest impact for bringing ideas into business.

Q68-72.

List all informants' responses for facilitators related to (a) recruitment; (b) content; (c) schedule; (d) teachers; and (e) pedagogy.

Q74.

List all informants' responses.