

## **Swedish Entrepreneurship in a Cross-Cultural Perspective**

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## SWEDISH ENTREPRENEURSHIP IN A CROSS-CULTURAL PERSPECTIVE<sup>1</sup>

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### ABSTRACT

Swedish entrepreneurs' motives to start their own business have been studied in terms of cultural values, available resources and infrastructure, as well as in relation to individual, company/industry and regional characteristics. A total of 159 Swedish entrepreneurs in five different regions have responded to an extensive questionnaire (response rate 52%). The regions were selected to obtain variation in terms of growing/declining and rural/urban areas. Of the randomly selected entrepreneurs 14.5% were female.

Key findings identified that Swedish entrepreneurs were motivated by a need for independence and having total control over their endeavors. Family tradition and role models appeared to have less importance. Also apparent, were the distinct motivational differences between Sweden and other countries. The differences between the five Swedish regions however, were not significant. This study is part of an international cross-cultural study aimed at comparing the conditions and motivations for entrepreneurship in 15 different countries.

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## INTRODUCTION AND PURPOSE

The Swedish Entrepreneurship study is a part of an international research project which is examining what influences individuals to start their own business, in relation to cultural, social and economic factors. This project was initiated by the Center for Entrepreneurial Studies at New York University. Researchers from 15 different countries are collaborating, using a similar questionnaire, collecting data in a similar manner and conducting parallel cross-cultural analyses.

The purpose of this paper is to provide selective descriptive information about Swedish entrepreneurship in the early 1980's and to present the pattern of motives for starting one's own business in Sweden. The Swedish entrepreneurs' motives have also been compared to entrepreneurs' motives found in other countries, and lastly, have been analyzed to see if there are motivational differences between regions within Sweden.

Our primary interest in this research is to explore whether the differences between countries are of a magnitude that existing theories and policies for entrepreneurship are less generalizable than previously assumed. This can be seen as an extension of the thoughts launched by Hofstede<sup>2</sup> concerning cross-cultural differences between employed managers, which caused Hofstede to raise the question: "Do American theories apply abroad?". Hofstede's answer to this was that cultural differences make theories less useful on a global basis. It is our interest to see if similar patterns of differences exist between entrepreneurs in different countries such as it did in the case of the managers in the Hofstede study and to answer the question: Can policies and programs for entrepreneurship be exported?.

Existing research shows that there are differences in the way entrepreneurs from different regions across Sweden perceive their environment and in the way new firms get started<sup>3,4</sup>. As a result we have raised an additional practical question: Are these differences

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<sup>2</sup> Geert Hofstede, "Motivation, Leadership and Organization: Do American Theories Apply Abroad?". Organization Dynamics, Summer 1980, pp.42-63.

<sup>3</sup> See Ingmar Frej, "Grundläggande teknologier för småindustri-etablering"(Basic Technologies for Development of Small Scale Firms, our transl.), M.Sc. thesis 1980-9, Dept. of Industrial Management, Chalmers University of Technology, Göteborg, 1981 (in Swedish)

<sup>4</sup> Magnus Hult and Göran Odéen, "Etableringsprocessen"(The Start-Up Process, our transl.), Småskrifter No.12, Center for Small-Scale Industry Development, University of Växjö, 1983 (in Swedish)



significantly different enough that they should influence the way in which national and regional industry policy is designed?

#### METHODOLOGY

Data was collected using a questionnaire, which was developed on theoretical contributions of; Aldrich<sup>5</sup>, Baumol<sup>6</sup>, Bruno & Tyebjee<sup>7</sup>, Friberg<sup>8</sup>, Hofstede<sup>9</sup>, Lodge<sup>10,11</sup>, McClelland<sup>12</sup>, McClelland & Winter<sup>13</sup> and Shapero & Sokol<sup>14</sup>.

<sup>5</sup> Howard Aldrich, Ben Rosen and William Woodward, "The Impact of Social Networks on Business Foundings and Profits: A Longitudinal Study", Frontiers of Entrepreneurship Research 1987, pp. 154-168, Center of Entrepreneurial Studies, Babson College, Wellesley, Massachusetts, 1987

<sup>6</sup> William J. Baumol, Entrepreneurship and the Long Run Productivity Record, Center for Entrepreneurial Studies, New York University, 1985 (draft)

<sup>7</sup> Albert V. Bruno and Tyzoon T. Tyebjee, "The Environment for Entrepreneurship", pp. 288-315 in Calvin A. Kent, Donald L. Sexton and Karl H. Vesper eds., Encyclopedia of Entrepreneurship, Prentice-Hall, Englewood Cliffs, N.J., 1982

<sup>8</sup> Mats Friberg, "Är lönen det enda som sporrar oss att arbeta?" (Is the salary the only incentive for work, our transl.), Sociologisk Forskning, No.4, 1975, pp. 52-65 and No.1, 1976, pp. 24-42, (in Swedish)

<sup>9</sup> Geert Hofstede, Culture's Consequences, International Differences in Work-Related Values, Sage Publications, Beverly Hills, Ca., 1980

<sup>10</sup> George C. Lodge, The New American Ideology, Alfred A. Knopf, New York, 1980

<sup>11</sup> George C. Lodge, "Ideological Implications of Changes in Human Resource Management", in American Decease, chapter 12, pp. 319-348, Knopf, New York, 1984.

<sup>12</sup> David C. McClelland, The Achieving Society, Van Nostrand Reinold, Princeton, N.J., 1961

<sup>13</sup> David C. McClelland and David G. Winter, Motivating Economic Achievement, The Free Press, New York, 1969

<sup>14</sup> Albert Shapero and Lisa Sokol, "The Social Dimensions of Entrepreneurship", pp. 72-90 in Calvin A. Kent, Donald L. Sexton and Karl H. Vesper eds., Encyclopedia of Entrepreneurship, Prentice-Hall, Englewood Cliffs, N.J., 1982

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For a review of the literature regarding this study that concerns motivation for entrepreneurship, see Scheinberg and MacMillan<sup>15</sup>.

### The Questionnaire

The questionnaire was divided into four sections:

- I) **Motivation to Start a Business** - a list of 38 motivations to start a business was presented. Entrepreneurs were asked to scale the extent to which each motivation influenced their decision to become an entrepreneur.
- II) **Values and Culture** - presents a list of work concepts and values to which the entrepreneur was asked to give their own definitions as well as to express how they thought their countrymen would respond.
- III) **Environmental influences** - identifies environmental factors including political, economic and social which may have influenced the entrepreneur's perception of the feasibility of starting a business.
- IV) **Personal Background and Business Characteristics** - provides the demographic information on the entrepreneurs, their previous experiences and family background, their network, as well as information on their current business.

Although the questionnaire was based on input from all the collaborating countries, the final "master-version" was in English. For the Swedish study a double translation from English to Swedish and back into English (by another translator) was made. As a final step the two different English versions were checked against each other to see if any differences existed. Only minor differences in meaning were found, and in those cases the Swedish version was adjusted.

The Swedish version of the questionnaire was then tested in a pilot study. As a result, a number of changes were made. The questions on personal skills were omitted. It was determined that the questions on education and experience could provide similar useful information. The questions about class, race and political party were also dropped. According to Swedish law it is illegal to register political belongingness.

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<sup>15</sup> Sari Scheinberg and Ian MacMillan, "An 11 Country Study of Motivations to Start a Business", Frontiers of Entrepreneurship Research 1988, Center of Entrepreneurial Studies, Babson College, Wellesley, Massachusetts, 1988



Finally, a few questions were added. One question was added to the motivation section, to obtain a more clear answer in relation to the Friberg theory<sup>16</sup>. Furthermore, a few questions regarding technology and investment in R&D were added.

### The Sample

The Swedish entrepreneurs were defined and selected according to the international study's standard and criteria: they were founders of their business (in collaboration with other or as an individual), they had started this business between 1980 and 1985, they had at least one other person employed, and this business was their primary means of livelihood. An additional requirement was to control for regional differences for sample distribution and representativeness.

The Swedish entrepreneurs were selected from a national company registration database. Companies registered in 1983, 1984 and 1985 were selected as these three years of registration cover the start-ups during the desired six-year period. This registration period includes the companies started in 1980-82 as well.

The enterprises were selected from five different regions in Sweden in order to obtain variation in representation of growing/declining and rural/urban areas. Each region was composed by representative communities, according to the researchers' judgement after being in contact with local support organizations. The regions surveyed included the city areas of Stockholm and of Göteborg, the rural entrepreneurial Småland (which is extremely small industry intensive), Bergslagen which represents a declining region where each town is dominated by one large firm (steel or pulp and paper) and finally Norrland, the northern sparsely populated part of Sweden.

The firms included in our study were selected from 8 different industries. These are, metal and machine industry, residential construction, non-durable wholesale, retail (clothing stores and food and beverage), eating and drinking places, trucking and transportation, business services and personal services.

As a result a total of 6000 firms (in the regions and industries selected) were identified as having been registered in the database during this time period. (In total, 20-30,000 new firms were registered in Sweden each year during this time period).

### Data Collection

Of the total 6000 firms identified, 50 firms were then randomly selected from each region but stratified (in each region) according to their relative distribution per industry. Subsequently, a telephone call was made to each entrepreneur, first to check if the

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<sup>16</sup> Mats Friberg, op.cit.

randomly selected firm met the established criteria and second, to attempt to enhance the response rate. It was found that approximately 50% of the companies did not qualify according to our specifications. These telephone calls also served to obtain fresh information on current address as well as supplementary information about ownership, reasons for starting, products developed, and so forth. When the entrepreneur accepted to receive and respond to the questionnaire, we sent the survey package out within a few days. The questionnaire was followed by a reminder letter 3 weeks later and finally a number of reminder telephone calls were made. The final result achieved was 159 responses (out of 309 questionnaires sent out), a 52% response rate.

## DESCRIPTIVE DATA ON SWEDISH ENTREPRENEURSHIP

### The entrepreneurs in our sample

The 159 entrepreneurs were evenly distributed across the regions; Stockholm (33), Göteborg (30), Småland (31), Bergslagen (31) and Norrland (34). Almost half of the entrepreneurs responding were between 35 and 44 years of age, and 14.5% were women.

The entrepreneurs were a very homogenous population as, 78% of them were protestants, 13% atheists and a few persons were catholics, orthodox christians, muslims or other religions. Only four of the entrepreneurs were born outside Sweden; in Cyprus, Finland, Germany and Norway. Some of the entrepreneurs were second generation Swedes, with their fathers (12) or mothers (10) coming from abroad.

About half of the entrepreneurs had education above high school level, 17% had a technical certificate (gymnasieingenjör), 15% had bachelors/masters degrees and 15% had other post high school training. There were no persons with a degree above masters in our sample, but in four cases the entrepreneurs' fathers held a doctoral degree. One fourth of the respondents had high school only (gymnasium) and the remaining fourth only had primary schooling (grundskola).

For a majority of the entrepreneurs the present business was their first one. Slightly above 30% had set up businesses before, and in most cases only one business before. Of these 50 entrepreneurs, 22 still owned their previous business, 14 had sold it and only 11 had closed it down. Almost 40% of the respondents had fathers who were business owners.

The respondents had a high income, as 73% reported that they were among the top 25% income bracket in Sweden. A majority of the entrepreneurs were married (54%).



### Inter industry differences

Although there could be many factors in the Swedish business environment that affect the start-up of firms in different ways, e.g. the conditions influencing a firm making machinery are not the same as for a retail clothing store, only a few differences were found across our sample. For example "Knowledge of others in the field" was more important for personal services and construction firms. While the Availability of "skilled labor" was important only for the metal & machinery industry (67% of the entrepreneurs considered it to help and encourage their decision to start).

In an earlier study of technology based entrepreneurship in Sweden, Utterback and Reitberger<sup>17</sup> found that an early commitment by large scale firm to be a customer was considerably more important in Sweden than it was for example in the United States. In several industries, the entrepreneurs in our study also considered the "commitment of customers" to be of great importance to help and encourage their start-up. For metal & machinery 53%, trucking and transport 50%, personal services 50% and for business services 47% of the entrepreneurs considered it to be important. Especially for business services there were several entrepreneurs who mentioned that the early commitment of customers "helped a great deal".

## MOTIVATION

### Motivation Factors

The motivations to start a business were studied in section I of the questionnaire. A list of 38 motivations were presented, and the entrepreneurs were asked to scale the extent to which each motivation influenced their decision to become an entrepreneur. A factor analysis was made on the composite international data set (1402 respondents) from eleven countries<sup>18</sup>. In the analysis below, we have adopted the factors from the international study, with some minor changes regarding the variables kept for each factor (see Appendix). The six international motivation factors were labeled:

1. Need for Personal Development
2. Degree of Communitarianism (welfare of primary groups)
3. Need for Approval (relative to others)
4. Perceived Instrumentality of Wealth (money as a means)
5. Need for Independence (locus of control)
6. Need for Escape

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<sup>17</sup> Jim M. Utterback and Göran Reitberger et al., Technology and Industrial Innovation in Sweden. A study of new technology-based firms, CPA, MIT, Boston and STU, Stockholm, 1982

<sup>18</sup> Sari Scheinberg and Ian MacMillan, op. cit.



The six international factors were developed using a SAS varimax rotated factor analysis. The selected factors explain 61% of the variance of the 21 variables kept in the final version. Of the 38 original variables, 17 were omitted because of low factor loadings or in a few cases strong loadings on two different factors. All variables kept in the factors have a factor loading above 0.5, and there are no variables that load above 0.4 on two different factors. The variables included in each factor are shown in the Appendix.

The six resulting factors "make sense" and provide a good conformity with earlier studies<sup>19</sup>. A description of the factors is provided in Scheinberg & MacMillan<sup>20</sup>.

#### Swedish Entrepreneurs as Compared to the Rest of the World

The Swedish mean standardized factor scores are shown in Table 1. The Swedish factor scores are compared to the "rest of the world". The rest of the world can be assumed to have the mean factor score 0, and thus the Swedish factor score shows how much and in what direction Sweden differs from the rest of the world. All values are positive, which means that the Swedish entrepreneurs are always less motivated than the rest of the world. Only in one factor Independence the difference between Sweden and the rest of the world is not significant. (A negative value would have meant a higher motivation).

TABLE 1

#### Swedish Entrepreneurs as Compared to the Rest of the World (mean standardized factor scores)

Factor	Mean score	Similar to	Different from
1. Personal development	0.41**	GB, Norway	Finland, Denmark
2. Communitarianism	0.44**	GB, Australia	Portugal, Italy
3. Social approval	0.64**	Finland, Norway	China, Portugal
4. Money as a means	0.39**	Denmark, Norway	Italy, Australia
5. Independence	0.04	Finland, Norway	Italy (lower) Denmark, US (higher)
6. Escape	0.22**	Italy, Norw, Port	Finland, US

\*\* significant at 0.01

Factor 1, Need for personal development. The entrepreneurs in Sweden together with entrepreneurs in Great Britain and Norway are less inclined to see a business start-up as a means for personal development. The opposite is the case for Sweden's other closest neighbours, Finland and Denmark. Why does this difference in

<sup>19</sup> Mats Friberg, op. cit.

<sup>20</sup> Sari Scheinberg and Ian MacMillan, op. cit.

motivation exist within the Nordic countries? One explanation might be that the samples have been drawn in different ways. The Swedish entrepreneurs were randomly selected and the majority were "general" entrepreneurs in the terminology of Hult & Odéen<sup>21</sup>. That study of Swedish entrepreneurs found that the "general" entrepreneur primarily was motivated by self-employment and dissatisfaction with previous employment whereas the "technological" entrepreneur was motivated by self-fulfilment or to realize one's own idea, a need for independence and a desire of not being employed. A "technological" entrepreneur is defined as a person starting a business based on a technological idea/invention, and additional characteristics are that he/she has a higher level of education than a "general" entrepreneur. Thus, Sweden and the other Nordic countries' as well as the international data may need to be examined in the future for differences between industries or entrepreneurial types.

Factor 2, Degree of Communitarianism. The opportunity of providing welfare to one's primary group is not a strong motivation for entrepreneurs' in Sweden as well as in Great Britain and Australia. On the other hand this kind of motivation is very important for more primary group oriented countries (with a wider family concept than what is common in Sweden) such as Portugal and Italy. For this specific factor Swedish entrepreneurs also distinguish between "welfare for relatives and ethnic group" from "welfare for the community where I live". A plausible explanation is that the Swedish governmental welfare system and "safety-net" has taken away the immediate concern for the welfare of the extended primary groups from the individuals.

Factor 3, Need for social approval/recognition. This motivation which relates to the need for approval from others is the least important motivational factor for Sweden. The Swedish factor score also presents the lowest motivation in the world (0.64). The Nordic neighbours, Finland and Norway, also score very low, while China and Portugal are found on the other end of the scale. The fact that the Swedish entrepreneurs do not mention this factor as motivating them is a finding which contradicts existing research. It has been shown that this factor is highly important for motivating Swedes in work<sup>22</sup>. In the design of new production systems in Sweden, this type of incentive is used to a larger extent than in any other country<sup>23</sup>. The importance of role models in the small scale intensive area of Småland has also been emphasized<sup>24</sup>. Nevertheless, the Swedish entrepreneurs considered this factor to be of minor importance. One

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<sup>21</sup> Magnus Hult and Göran Odéen, op. cit.

<sup>22</sup> Mats Friberg, op. cit.

<sup>23</sup> Ulf Karlsson, Alternativa produktionssystem till linjeproduktion, Dept. of Sociology, University of Göteborg, 1979, (in Swedish)

<sup>24</sup> Ingmar Frej, op. cit.



contributing explanation for this can be that Swedish entrepreneurs do not want to "show off", or put in other words, it is not considered to be "good behaviour" to clearly show an accomplishment (such as the start of a new company) for others. Another reason may be a difference between Swedish managers and entrepreneurs; what is important to one i.e. social approval for managers is clearly not important to entrepreneurs.

Factor 4, Perceived instrumentality of wealth, money as a means. This factor is seen as a low motivator in Sweden and in this case the Scandinavian countries form a distinct group. This finding is in direct contrast to Italy and Australia where "money is seen as a means" for getting something, and not the end itself, is found to be very important.

Factor 5, Need for independence. The Swedish entrepreneurs consider this factor to be the most important motivation to start a new business, i.e. the need for controlling one's own time and for adapting one's own approach to work. In addition, this is the only factor where Sweden is found in the main stream, as there are no significant differences between Sweden and the rest of the world. Other countries with a similar motivational structure are Finland and Norway. For Italy the independence motive is very low, while for Denmark and the US it is very high. Once again the difference as compared to Denmark is striking. The Danish entrepreneurs seem to a much larger extent to be motivated by personal development (factor 1) and independence (factor 5) than their Swedish colleagues.

Factor 6, Need for escape, is a factor where the differences between the various countries are not so large. Sweden can once again be found among those countries, Italy, Norway and Portugal, where the entrepreneurs did not consider the need to escape a negative condition to be of considerable importance. The only countries which show a somewhat stronger escape motivation are Finland and the US.

A comparison between the motivations of the Swedish entrepreneurs' and their Nordic colleagues reveals that the Swedish and Norwegian entrepreneurs are motivated most similarly. Norway is very similar to Sweden regarding all factors except communitarianism, where Norwegian entrepreneurs seem to be more family oriented. Finland is similar to Sweden and Norway on two factors, as it also presents a very minor need for social approval and the need for independence was also relatively strong. On the other hand Finland differs from Sweden and Norway regarding their need for personal development, which was identified as a very strong motivator for Finnish entrepreneurs. Also, the need for escape in Finland is different from Sweden and Norway, since Finnish entrepreneurs consider this factor to be important. The only factor where Denmark is similar to Sweden and Norway is in their need for money as a means. Personal development is a very strong motivator for the Danes, as it also was for the Finnish entrepreneurs. Lastly, the need for independence is a more important motivator for Danish entrepreneurs than for their Swedish and Norwegian colleagues.



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The differences between the Nordic countries are considerable and larger than expected, especially the difference between Sweden and Norway in relation to Denmark. Whether this finding should lead to recommendations on differentiated policy measures is yet to be determined, but should be pursued. In order to determine this properly there is a need for analyzing the Nordic data on a more detailed level, considering sampling differences, industries represented as well as regional differences.

Aside from the motivation factors, some interesting observations can be made on the individual motivation variables. First it should be noted that the two variables that were identified as the strongest motivators for Swedish entrepreneurs were not included in the international factors. These were: "M6=to be my own boss and work for myself" and "M26=at a time of life when it made sense". In both these cases the Swedish entrepreneurs were more strongly motivated than the entrepreneurs from the rest of the world. Among those variables that were included in the international factors but showed a very low mean value for the Swedish respondents, a few variables stand out. For instance, in the case of "M19=welfare for ethnic group" only two entrepreneurs said that it motivated them to a "little extent", and for the rest (145) it was to "no extent". Ethnic group has no real meaning in Sweden because of the homogeneity of the population. For "M13=be respected by friends" and "M31=follow the example of a person I admire", no respondent answered that it motivated them more than to "some extent".

Relative to the rest of the world, the Swedish entrepreneurs generally respond with a lower level of intensity on the different motivational statements in the questionnaire and hence also on the motivation factors which are based on these variables. The only exception, "Independence" (no.5), which was the strongest motivation for the Swedish entrepreneurs to start their own business, where there was no significant difference from the rest of the world. This can be interpreted in different ways. Either the Swedish entrepreneurs have a lower level of motivation, or the instrument is not capable of measuring their motivation. We are of the opinion that this can be explained in terms of a cultural phenomenon, i.e. Swedes express motivation on a lower level of intensity. Similar thoughts have been presented by other cross-cultural studies<sup>25</sup>. This might call for the use of standardized scales for each country to make them comparable, to counteract the effect of the "scale-effect".

However, the findings might also reflect the introductory notion that theories are not universal, i.e. in the case of Swedish entrepreneurs there might be other variables/factors as main motivators than those presented in the international model.

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<sup>25</sup> Jean Phillips-Martinsson, Swedes as Others See Them, Studentlitteratur, Lund 1981

## Regional Analysis of Motivation

Studies of Swedish entrepreneurship have suggested that regional differences influence the start-up of new firms. Hult and Odéen<sup>26</sup> found that, "cultural variations imply that entrepreneurs in different regions, act in different ways." This is also in accordance with our own observations of entrepreneurship activity in various regions of Sweden. First, there is a difference between cities and the rest of the country. Second, there are differences between the small scale industry intensive region of Småland and the more depressed "bruks-miljö" of Bergslagen, where one single industry has been dominating the whole economic life of the community.

In order to determine whether there are significant differences across the five regions in our study, an ANOVA (analysis of variance) was conducted on the Swedish factors of motivation. In Table 2, the mean factor scores for the different regions have been provided.

TABLE 2

### Standardized Factor Scores for Regions

<u>1. Personal Development</u>			<u>2. Communitarianism</u>		
Göteborg	0.18		Norrland	0.39	
Stockholm	0.29		Bergslagen	0.41	
Norrland	0.48	(0.38)	Göteborg	0.41	(0.14)
Bergslagen	0.51		Småland	0.43	
Småland	0.56		Stockholm	0.53	
<u>3. Social Approval</u>			<u>4. Money as a Means</u>		
Småland	0.59		Bergslagen	0.34	
Bergslagen	0.63		Norrland	0.37	
Stockholm	0.64	(0.12)	Stockholm	0.39	(0.10)
Göteborg	0.65		Småland	0.43	
Norrland	0.71		Göteborg	0.44	
<u>5. Independence</u>			<u>6. Escape</u>		
Småland	-0.11		Stockholm	0.05	
Göteborg	-0.01		Bergslagen	0.20	
Stockholm	0.02	(0.26)	Göteborg	0.27	(0.26)
Norrland	0.12		Småland	0.29	
Bergslagen	0.15		Norrland	0.31	

<sup>26</sup> Magnus Hult and Göran Odéen, op. cit. p.161 (our translation)



The numbers within paranthesis are measures of the spread between the maximum and minimum values of the mean factor scores for each factor. For some factors the range is very small i.e.; 2. Communitarianism, 3. Social Approval and 4. Money as a means, which can be interpreted as there are very small differences in motivation between the regions on these three factors.

For factor 1, the need for personal development, a different pattern emerges, since a higher need for this motivation is seen for the cities Stockholm and Göteborg in contrast to the other three areas. One reason for this might be that the "city culture" promotes the desire for the continuous development of the self, partly due to the many universities and schools that are proximate.

In the case of need for independence, factor 5, the small scale intensive Småland scores the highest motivation value and Bergslagen scores the lowest. Both Småland and Göteborg are in this case also more motivated by independence than the rest of the world. This is no surprise. For in Småland, independence is greatly supported by the general public. This is evident by the number of entrepreneurs who have stated that "even their former employer gave them support to go on their own". While in Bergslagen, the climate is less supportive to independent behaviour. Instead, entrepreneurs here are relatively more inclined to start their business out of necessity.

However, it should be pointed out that based on the ANOVA, the means of the different regions are not significantly different from each other. One reason why these comparatively large differences, (0.38 in the case of factor 1) are not significant, is the small sample sizes for each region. In this ANOVA analysis the number of respondents in each region were; Stockholm (28), Göteborg (23), Småland (27), Bergslagen (28) and Norrland (26).

## CONCLUSIONS

An international comparative analysis of motivation for starting a business indicates that what motivates Swedish entrepreneurs, significantly differs with entrepreneurs in other countries.

Swedish entrepreneurs are most strongly motivated by their need for independence, this includes to control their own time, to adapt their own approach to work and to be their own boss. Social approval on the other hand is considered to be a very low motivator for entrepreneurs in Sweden. To be respected by friends and to get recognition by others does not seem to matter in the same way as for entrepreneurs in other countries. Also role models seem to be of less importance. The Swedish entrepreneurs are not motivated by the opportunity of contributing to the welfare of the family or relatives, one reason probably being the social safety net provided



by the state. Swedish entrepreneurs also showed a lower level of intensity for being motivated than any other entrepreneur. Except their need for, "independence", which was the Swedish entrepreneurs' most strongly expressed motivator, all other motivation factors, that is personal development, communitarianism, social approval, money as a means and need for escape, had a lower level of intensity. One explanation can be that Swedes in general seem to express themselves on a lower level of intensity. Although our interpretation of this phenomena is supported by other research, we recommend that more conclusive research is conducted.

The finding that the desire for personal development as a motivator was not important is very surprising, since it directly challenges other research on Swedish managers. While, differences between entrepreneurs and managers is a plausible explanation, we believe that industry selection and thereby entrepreneur type (technical vs general entrepreneur) may be another reason. (only 16.1% of the companies were technology based in the Swedish sample, while there was an intentional bias towards technology based companies in the sample selection among some of the other countries in the international study).

Clear differences have been found between Sweden and the rest of the world regarding what motivates entrepreneurs to start their own business. As a result, program and policies promoting business development in one country may not be applicable in another country: The authors therefore conclude that a greater sensitivity to political, economic and cultural differences must be developed before importing policies and programs from another country.

Lastly, contrary to what was expected, no significant differences were found across the 5 regions in Sweden. As a result, policy recommendations which differentiate regional policies to motivate entrepreneurs, cannot be made at this time. Instead we recommend that sample sizes in these regions be enlarged and analyzed again and that motivational differences between industries be explored.

# APPENDIX

## MOTIVATIONAL FACTORS BASED ON INTERNATIONAL DATA (N=1402)

### FACTOR 1: Need for Personal Development

M34 Keep learning	0.70
M1 Develop an idea for product/business	0.69
M27 Challenge of starting and growing a business	0.67
M37 Direct contribution to the success of a company	0.66
M33 Be innovative and in the technological forefront	0.66

### FACTOR 2: Degree of Communitarianism

M19 Contribute to welfare of my ethnic group	0.82
M20 Contribute to welfare of community where I live	0.77
M18 Contribute to welfare of my relatives	0.66

### FACTOR 3: Need for Approval

M13 Be respected by friends	0.78
M14 Achieve something and get recognition for it	0.72
M11 Have more influence in my community	0.60
M31 Follow the example of a person I admire	0.55

### FACTOR 4: Perceived Instrumentality of Wealth

M32 Desire to have high earnings	0.75
M2 Needed more money to survive	0.72
M23 Give myself and family security	0.68
M35 Access to fringe benefits	0.58

### FACTOR 5: Need for Independence

M16 Control my own time	0.78
M36 Have greater flexibility for private life	0.77
M38 Freedom to adapt my own approach to work	0.67

### FACTOR 6: Need for Escape

M4 Frustrated in previous job	0.84
M24 Not work for an unreasonable boss	0.71

In relation to Scheinberg & MacMillan (1988) some minor changes were made to the variables kept in each factor. For factor 1, "Need for Personal Development", 'M27=challenge of starting and growing a business' has been added. To factor 3, "Need for Approval", 'M31=follow the example of a person I admire' has been added, and variables 'M5=achieve higher position in society' and 'M29=increase status of family' have both been deleted. These minor changes made the factors clean to the 0.4 level, with all factor loadings for the remaining variables above 0.5.