

**MASTER THESIS** 

Is it necessity or opportunity?
Research into the drivers of migrant entrepreneurs in Germany and The Netherlands

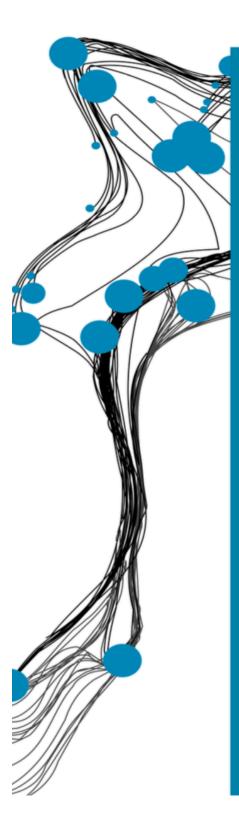
Koray D. Erdogan

Faculty of Behavioral, Managment and Social Sciences (BMS)

EXAMINATION COMMITTEE Dr. Martin R. Stienstra Dr. Raymond P. A. Loohuis

December 9th, 2019

UNIVERSITY OF TWENTE.



I. ABSTRACT

The gastronomy industry in Germany and The Netherlands is facing high rates of

fluctuations in terms of new business launches or failing businesses on a daily basis. As

migrant entrepreneurs lead the highly uncertain industry, the study aimed to

understand the drivers of those entrepreneurs. A qualitative analysis on the drivers'

necessity and opportunity provides new insights and perspectives. Therefore

interviews with fourteen migrant entrepreneurs in the gastronomy sector and an

online questionnaire with migrant entrepreneurs were conducted.

The findings illustrate that the educational background of an individual influences the

drivers. Next to that, the ethnical background influences the entrepreneurial entry of an

individual as well. The analysis illustrates that a considerable amount of the interview

respondents are opportunity driven entrepreneurs as improving the financial situation

is seen as a key motivator to become an entrepreneur. Surprisingly, the interview

respondents are not concordant with the theoretical concept of necessity driven

entrepreneurship, in which it is stated that those entrepreneurs appear as result of lack

of choices. According to the respondents, working in low wage sectors is coupled with

existential fear even though the governmental guaranteed minimum pension ensures

that the basic needs are covered. The aforementioned finding suggests that the term

necessity driven entrepreneurship needs be evaluated for each circumstance

separately. As necessity driven entrepreneurs might be more existent in Germany and

The Netherlands than expected.

**Keywords:** Necessity driven entrepreneurship, Opportunity driven entrepreneurship,

Education, Migration

1

## II. Acknowledgment

I would first like to thank my 1<sup>st</sup> supervisor Dr. Martin R. Stienstra for his guidance and feedback during the master thesis process. I appreciate your open mindset that allowed me to explore this novel subject. Further, I would like to appreciate the 2<sup>nd</sup> supervisor Dr. Raymond P. A. Loohuis for his feedback. As with this master thesis I finish my academic education, I gratefully thank my family for their support and trust on this journey. Lastly, I thank Anna-Katharina E.V. Ruhs who patiently listened to my thoughts, errors and breakthroughs throughout this emotional writing process.

# **III. Table of Contents**

I. A	ABSTRACT	1
II.	ACKNOWLEDGEMENT	2
III.	Table of Contents	3
Lis	et of Tables	4
Lis	st of Figures	4
1.	INTRODUCTION	5
2.	THEORY	9
	2.1. Entrepreneurship and entrepreneurial entry	9
	2.2. Drivers: necessity versus opportunity	12
	2.3. Education	14
	2.4. Migration and ethnical background	16
	2.5. The theoretical framework	19
3.	METHODOLOGY	<b>2</b> 4
	3.1. Research setting	24
	3.2. Sample	
	3.2.1. Interview sample	
	3.2.2. Online questionnaire sample	27
	3.2.3. Opportunity vs. necessity driven entrepreneurs	28
	3.3. Data collection	
	3.3.1. Semi-structured interviews	29
	3.3.2. Additional observation	
	3.4. Analysis	
4.	RESULTS	32
	4.1. Necessity versus opportunity driven entrepreneurs	
	4.1.1. Practical understanding of necessity	
	4.2. The affect of migration background on entrepreneurship	
	4.3. Education and its affect on the drivers and entrepreneurship	
	4.4. Online questionnaire results	
	4.4.1. Comparison interviews and online questionnaires	
	4.5. Summary of findings	
_	4.6. Most impactful outcomes	
5.	CONCLUSION	43
_	5.1. Reflection on the study	
0.	DISCUSSION 6.1. Limitations	46
	6.1. Limitations	
	6.2. Theoretical implications	
۸D	PENDICES	49
ЛΓ	Appendix I: Invitation letter and online questionnaire	
	Appendix II: Interview framework	
	Appendix III: Interview framework	
RF	FERENCES	55

# **List of Tables**

Table 1. Interview sample	26
Table 2. Online questionnaire sample2	27
Table 3. Overview drivers of entrepreneurs2	28
Table 4. Contrasting results between the drivers	35
Table 5. Family members in self-employment	36
Table 6. Highest obtained school degree	38
Table 7. Entrepreneurs with previous work experience in gastronomy	40
Table 8. Overview of coding: opportunity and necessity driven entrepreneurs.	41
vi . CDI	

# List of Figures

Figure 1. Relationship non-academic education and necessity driven entrepreneurship	16
Figure 2. Relationship academic education and opportunity driven entrepreneurship	
Figure 3. Conceptual Framework	20

# **Abbreviations**

e.g.: for example

etc.: et cetera

TEA: Total early-stage entrepreneurial activity

## 1. Introduction

In recent years, the topic entrepreneurial mindset of potential employees has steadily attracted more awareness in organizations (Hartog et al., 2010). Nowadays firms are more enthusiastic in hiring people who transfer their entrepreneurial characteristics into the organization, in order to find new methods of thought that improve innovativeness and leadership abilities. This contributes to an improvement in the overall performance of a certain organization (Gans & Stern, 2003). A better performance of organizations is crucial to assure competitive advantage since continuous innovation leads a company to a sustainable growth and wealth (Hitt et al., 2011).

Nevertheless, individuals also recognized and increased the awareness that, becoming an entrepreneur can be very attractive. Self-employment could lead to a higher degree of independence and might lead to better personal wealth (Thornton et al., 2011). Starting a business is likely one of the most impactful decisions that an individual faces in his professional career (Carree & Thurik, 2010; Block et al., 2017). According to Gartner (1985) the decision of creating and establishing a business is a complex and multidimensional phenomenon. In addition to that, it bears considerable burdens such as uncertainty and increases tremendously the stress factor of an individual. In the beginning of the 20th century Knight (1921) stated that the major function of entrepreneurship is generating wealth. After a period of decreasing numbers of people becoming entrepreneurs in the past decades, due to several global crises that changed living circumstances of many individuals in the world, the percentage of people evolving into entrepreneurial entry is increasing again (Fairlie & Fossen, 2018). Fairlie (2013) found, even though the world faced a financial recession, the numbers of people becoming entrepreneurs are increasing again. Especially, innovatively driven individuals with high educational background tend to create their own venture (Acs et al., 2005). A further cause is that receiving a bank loan nowadays is cheaper for the loan taker, in terms of interest rates. Interest rates of bank loans today are much lower than interest rates of bank loans before the financial crisis in 2008. These circumstances are

also relevant for people with lower educational level who are interested in becoming an entrepreneur.

Next to that, Chandler et al. (2011) argue that entrepreneurship secures economic growth and development in an increasingly global economy. In other words, entrepreneurship and innovation are of tremendous importance to a country's long-term economy (Schumpeter, 2000). Another important aspect is that entrepreneurs do not only contribute to economic growth, they also have a tremendous impact on the increase of innovation of a particular country (Hartog et al., 2010). This phenomenon is also recognized by a lot of countries and governments, especially in developed countries (Gans & Stern, 2003). These governments support entrepreneurs with funds (Audretsch, 2004). Entrepreneurs additional increase trade and create new jobs, which is a highly positive contribution to society (Mitchell et al., 2002).

Becoming an entrepreneur requires a feasible idea; therefore, the need for an appropriate plan and a proper structure to form a business has to be satisfied. Entrepreneurship bears a lot of opportunities to individuals in the same sense it bears considerable risks such as the risk of failure (Shane et al., 2003). Therefore being aware of all possible scenarios that might emerge from creating a venture is crucial to entrepreneurs (Shane et al., 2003). In addition to that, relevant knowledge of the target market is one of the success drivers that enable a company to survive in a branch (Block & Wagner, 2010). In other words, a convenient foundation to build on is crucial to start a business (Acs et al., 2005). Entrepreneurship is dependent on several decisions one needs to consider before creating and launching a venture (Linan et al., 2011). Obstacles for deciding to become an entrepreneur are mostly connected with one's current career situation and future career perspective. Other aspects include personal satisfaction and individuals' financial situations. Constant and Zimmermann (2006), argue that self-employed individuals tend to have a higher job satisfaction than individuals in employment.

However, being self-employed is mostly coupled with the willingness and degree of risk-taking. Equally important are the individual attributes that lead a person to realize

and implement their ideas and visions (Shane et al., 2003). According to several scholars, an entrepreneurial entry is the moment when an individual starts his or her own business (Autio et al., 2013; Linan et al., 2011). Starting a venture is dependent on various aspects (Davidsson, 2005). These aspects include motivators or so-called drivers, which either emerges out of necessity or opportunity (De Klok et al., 2018). Other important aspects are the migration or ethnical background and the education level of an entrepreneur (Block & Wagner, 2010; Linan et al., 2011; Davidsson, 2005). Generally, necessity-driven entrepreneurs are more prevalent in developing countries, whereas opportunity-driven entrepreneurs tend to appear in a developed country like The Netherlands or Germany (Acs et al., 2005). This research paper will especially focus on the before mentioned countries. Nevertheless, necessity-driven entrepreneurs do not only appear in developing countries – they also exist in developed countries – as scholars pointed out, Constant and Zimmermann (2006); Jung et al. (2011). In today's digital and automatized working environment, it is challenging for people with low education to find a job that ensures them a secure life above the minimum wage living standards (Stromquist & Monkman, 2014). Lüthje and Franke (2003) found that people with higher educational levels mostly tend to start a business driven by opportunity. In the majority of cases, those entrepreneurs adapt their ideas in today's digital and globalized world and create high-tech and innovation-driven companies (Rogers, 2001).

With that in mind, one can assume that there seems to be a very small percentage of people that have an academic background and establish a business in the gastronomy sector such as snack bars or kebab restaurants, etc. There is considerable body of research about highly educated people that turned into entrepreneurs and started their businesses (see Wennekers et al., 2005). Due to that, this research paper focuses on migrant entrepreneurs in Germany and The Netherlands who became self-employed in the gastronomy sector. The goal of this study is to analyze if these migrant entrepreneurs in the gastronomy sector are either opportunity or necessity driven. Consequently, highly educated individuals, either natives or migrants, become entrepreneurs rather through the opportunities they recognize than out of necessity (Block et al., 2017). Necessity driven migrant entrepreneurs have not received much

attention by scholars so far, therefore it is interesting to gain some insight into understanding the reasons of these individuals that become entrepreneurs in the overloaded gastronomy industry (Mayr, 2017). To achieve this, the study will focus on the micro perspectives of the entrepreneurs by including several interviews and online questionnaires. Therefore, some parts of this paper are exploratory in nature. To achieve the research goal in terms of finding relationships between the several factors, the following research question will be answered:

To what extent are migrant entrepreneurs in the gastronomy sector in Germany and The Netherlands driven by necessity or opportunity?

In order to answer the research question properly, a review of already existing relevant literature will serve as the foundation of this study (Webster & Watson, 2002). A literature review is a tool that simplifies the theory development and opens new fields where research is needed (Kajornboon, 2004). Accordingly, the following chapter will serve as the foundation of this master thesis. The most important theoretical inputs regarding this specific topic are reviewed. Subsequently, the applied methodology for this research is explained. Then the results are illustrated, followed by the conclusion. The thesis will be finalized by a discussion and ends its research with theoretical and practical implications.

# 2. Theory

In this chapter the current literature regarding the following topics: entrepreneurship and entrepreneurial entry, migration and ethnical background, education level, and personal motivations, intentions or the so-called necessity or opportunity 'drivers' will be reviewed. They are chosen from academic journals, such as The Journal of Entrepreneurship, Journal of Innovation and Entrepreneurship or Harvard Business Review and so forth. During the search process, the used search engines were Google Scholar, Scopus and EBSCOhost. The focus relied on specifically chosen keywords in order to concentrate on the most adequate findings. The used keywords are: Entrepreneurship, educational relationship on entrepreneurial entry, education and entrepreneurship, the role of culture on entrepreneurship, culture and education, ethnic background and entrepreneurial activity, individual attributes entrepreneurship, opportunity vs. necessity driven entrepreneurs, opportunity entrepreneurs, necessity entrepreneurs, definition of education level, effectuation, intuitional entrepreneurs, migration, migration background and education in Germany / The Netherlands, etc. Next to the academic journals, the Global Entrepreneurship Monitor (GEM) is treated as relevant research source as well. The GEM is a non-profit global academic research consortium, with the goal to provide high-quality international research data widely available (De Clercq & Crijns, 2007). Their main aim is to provide a framework, which facilitates the assessment of major empirical relationships between economic growth and entrepreneurship (De Clercq & Crijns, 2007). Through the literature review, a theoretical framework has been conducted as a result at the end of the theory chapter.

#### 2.1. Entrepreneurship and entrepreneurial entry

As stated in the introduction, entrepreneurship is crucial for any nation (Chandler et al., 2011; Schumpeter, 2000). Scholars pointed out that entrepreneurship increases economic growth, promotes innovation and opens new employment opportunities of a certain country (Audretsch & Keilbach, 2004; Acs, 2006; Fernandez-Serrano et al., 2017). Davidsson (p. 80, 2005) divides entrepreneurship into three categories: 1. "Entrepreneurship is starting and running one's own firm", 2. "Entrepreneurship is the creation of new organizations", and 3. "Entrepreneurship is . . . the creation of new to

the market economic activity." Fairlie and Fossen (2018) added that, entrepreneurs are individuals who work at least 15 hours a week in self-employment. Further, Shane and Venkataraman (2000, p. 218) argue that the area of entrepreneurship "is of how, by whom, and with what effects opportunities to create future goods and services are discovered, evaluated, and exploited." In that sense, entrepreneurship includes many aspects, such as the sources of opportunities, secondly the processes of: discovery, assessment, and exploitation of opportunities, lastly the set of individuals (Hitt et al., 2001). Moreover, Sternberg and Wennekers (2005) concluded that there exists a relationship between entrepreneurship and economic activity.

However, creating new jobs and having a positive impact at the national economic growth is hardly the key motivator of entrepreneurs (Hessels, et al., 2008) - the motivators will be shown later in its own sub-section. Therefore, the decision to become an entrepreneur also depends on the resources that are available (O'Brien et al., 2003). Suitable resources increase the probability of entrepreneurial entry (O'Brien et al., 2003). So, a possible resource could be in financial or human capital and so forth. The creation of one's business is additionally based on the comparison of potential financial wealth through business ownership and wage and salary work (Fairlie & Fossen, 2018). In other words, individuals rather tend to choose self-employment when they see the possibility to generate a higher income through entrepreneurship than being in employment (Hessels et al., 2008). Personal abundance is a further indicator for many individuals that are actively in the decision making process to turn in an entrepreneur (Hitt et al, 2011). Personal wealth is coupled to an increase of independence or self-determination and an adequate work life balance. Moreover, probably the most noteworthy aspect is the financially improvement. Thus Miles (2005) argues that before creating personal wealth an entrepreneur needs to create value. This argument was already mentioned by Knight (1921) in the early 20th century in the field of entrepreneurship. Knight (1921) stated, that the main task of entrepreneurship is to generate wealth through value creating.

The compensation in wage or salary employment has decreased over the years (Fairlie & Fossen, 2018). It supports the tendency that entrepreneurship seems to become more attractive to wage employed people. Especially, wage employment recognized a

significant decrease in salary when it is compared to earlier decades (Farlie & Fossen, 2018). A reason of this phenomenon could be that firms tend to hire personnel from low wage countries (Lofstrom, 2002). Individuals will only start a new venture if they consider that self-employment offers them a high return on investment and an adequate compensation for the risks that they bear (O'Brien et al., 2003). However, entrepreneurs are mostly "risk-lovers" who are looking for challenges and independence (Shane et al., 2003). Further stated is that individuals with a higher degree of risk taking tend rather to start a business than individuals that are not considered risk takers (Shane et al., 2003).

According to Autio et al. (2013) who refer to the Global Entrepreneurship Monitor (GEM) study, entrepreneurship is divided into four categories. The "Potential entrepreneurs" (p.8), "Entrepreneurial intent" (p.9), "Total Early-stage Entrepreneurial Activity" (p.9) and "Established entrepreneurship" (p.9). The potential entrepreneur is an individual who sees potential and opportunities to realize an idea. Therefore they trust in their skills and knowledge to start a business without having a huge fear of failure. The entrepreneurial intent is defined as an individual that carries real intentions to found a business within the next three years. The total early-stage entrepreneurial activity (TEA) is divided into two types of entrepreneurship. Firstly, the so-called 'nascent entrepreneurs' are individuals within the start-up phase of a new business. This means, they are currently working in and establishing a new business but did not receive any salaries for the last three months. Secondly, entrepreneurs who already established and at least own a part of a business are called "new entrepreneurs". Their business exists at least for three months to three and a half years and they already receive salaries. The last entrepreneur type is an established entrepreneur. Those are entrepreneurs that own a business for at least three and a half years (Autio et al., 2013).

To sum up, individuals who are self-employed and already started and launched their business successfully already went through the entrepreneurial entry procedure (Hitt et al., 2011). Therefore, this study will only focus on entrepreneurs who already entered the entrepreneurial activity and subsequently established a new business. Business ownership and self-employment is a risky venture but it can lead to

independence, self-worth, and life satisfaction (Constant & Zimmermann, 2006). Generally, creating a venture is based on two factors: the desire for autonomy and / or personal profits and secondly, the lack of options (Locke & Baum, 2007; Ireland et al., 2001). Whereas the motive to execute entrepreneurship is based on: 1) exploiting opportunities or 2) out of necessity (Shane & Venkataraman, 2000).

#### 2.2. Drivers: Necessity versus Opportunity

To understand all implications it is crucial to get a deeper understanding of the main drivers that lead individuals to become an entrepreneur. Block and Wagner (2010) state that the GEM introduced two kinds of entrepreneurial motivators, namely necessity and opportunity. In this research paper both terminologies are equally assessed.

According to Casson (1982) offering new products or services into a market and asking a higher price than the costs of production is seen as an entrepreneurial opportunity. Whereas necessity driven entrepreneurs do not face the situation of pursuing an opportunity they are rather confronted with the situation not to have other employment opportunities (Reynolds et al., 2002). It can be also called 'lack of options' (Locke & Baum, 2007). Scholars mainly focused on entrepreneurs who started implementing their ideas and participating into high-tech markets, especially in developed countries (Gans & Stern, 2003; Elfring & Hulsink, 2003). Either in developed or developing countries, the number of individuals becoming entrepreneurs is increasing again after it suffered for years (Fairlie & Fossen, 2018). Reasons for the extended appearance of entrepreneurial activities by individuals in developing countries include survival, poverty, lack of career opportunities and education (Aidis et al., 2007; Ireland et al., 2001). In comparison to that, the key motivator of individuals to start a venture in developed countries is mostly innovation and opportunity (Reynolds et al., 2001). Both will be outlined later in this chapter.

Thus the above-mentioned key drivers are the major motivations that lead individuals to create their own ventures (Block & Wagner, 2010). Basically, the main distinction between opportunity and necessity-driven entrepreneurs is that opportunity motivated entrepreneurs create their businesses when they see an opportunity in a

particular market, whereas necessity-driven entrepreneurs are forced to create a business due to several reasons, e.g. lack of options (Block & Wagner, 2010; Locke & Baum, 2007). According to Block et al. (2017), opportunity-driven entrepreneurs are pulled into self-employment because of their own choice to do so. Moreover, opportunity entrepreneurs are mostly innovative entrepreneurs (Block et al., 2017; Reynolds et al., 2002; Smallbone & Welter, 2004). Innovative in terms of establishing themselves in high-tech branches or offer a specific market new or improved products and services (Rogers, 2001). On the other hand necessity driven entrepreneurs are pushed into the entrepreneurial entry due to the dissatisfaction of their current situation and/ or the lack of choice (Aidis et al., 2007; Harding et al., 2006; Maritz, 2004; Block et al., 2017). According to the research of Reynolds et al. (2001), there is a relationship between a high level of poverty and a high drive of entrepreneurship out of necessity or so-called 'need-based' entrepreneurship. To put it differently, those people are becoming entrepreneurial active because it was the best alternative in a particular living circumstance (Reynolds et al., 2001). Especially, this phenomenon exists in poor countries and regions. This is accredited by earlier literatures, where it is stated that mostly the necessity driven entrepreneurs appear in developing countries (in line with Aidis et al., 2007; Block & Wagner, 2010). Factors that enforce a need-based entrepreneurship are poverty, survival and the lack of choice (Block & Wagner, 2010). The lack of choice is often a result of low education. A low educational background leads to a lack of options at the labor market (Hitt et al., 2011). Therefore necessity driven entrepreneurs are pushed into entrepreneurship since there are limited alternatives (Block et al., 2017). In other words entrepreneurship offers them a chance, which could lead them to a living standard above the minimum living standards in developed countries as Germany or The Netherlands are (Acs et al., 2005). Taking this into account, one could argue that many entrepreneurs in the gastronomy sector in The Netherlands and Germany are also pushed to start a business due to of lack of choice in the work environment for individuals with low education. It also appears in developed countries; such as Germany or the United States that educated people establish their business in the gastronomy sector (Reynolds et al., 2001; Fairlie & Fossen, 2018). According to Reynolds et al. (2001), the main motivator for individuals in developed countries to start a business is opportunity. In this sense entrepreneurs in developed

countries are pulled into entrepreneurship since it is their own choice to do so. Their main purpose to start a business is caused by innovation, new opportunities, and choices they have (Acs et al, 2005). Block and Wagner (2010) argue that opportunity driven entrepreneurs seek out profitable opportunities. Further, opportunity driven entrepreneurs are more interested in growth-oriented businesses. Those entrepreneurs often enter industries with higher barriers of entry (Audretsch & Keilbach, 2004). According to Fairlie and Fossen (2018), opportunity driven entrepreneurs generate a significantly higher income compared to necessity driven entrepreneurs. To put it differently there is a relationship between financial status quo of an individual and necessity driven entrepreneurship. Correspondingly, there is a relationship between innovation and opportunities and opportunity driven entrepreneurship. Moreover, opportunity motivated entrepreneurs are mostly higher educated than necessity motivated entrepreneurs (Acs et al., 2005). According to Acs et al. (2005), there are relationships between the educational level and the motivators of individuals that become an entrepreneur.

#### 2.3. Education

Acs et al. (2005) observed that entrepreneurs of poor countries tend to have a low educational background. Consequently, a driver of these people can be the result of ones educational level that let arise the necessity to start one's own business since there might be poor career opportunities. In contrast to that Constant and Zimmermann (2006) state that there are a lot of individuals in Middle Europe, that turn into necessity driven entrepreneurship. Observations show that there exists a link between individual motivators – necessity or opportunity –, education, and entrepreneurship (Block et al., 2011; Lofstrom, 2002; Constant & Zimmermann, 2006). With this in mind, first a definition of low level and high level education needs to be carried out in the following in order to assure an appropriate understanding these terms.

According to Autio (2013), education can be split into several categories. Graduate experience is a high level education whereas no education at all is the lowest level. Nevertheless, this research paper divides education into two categories, high and low

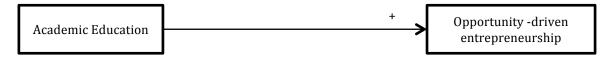
educated. Taking this into account, entrepreneurs with a university or university of applied sciences degree are categorized as high level educated entrepreneur (Acs et al., 2005). Commonly, they are seen as highly educated in society (Acs et al., 2005). All entrepreneurs who do not have a tertiary education count as entrepreneurs with lower level education (Autio et al., 2013). Tertiary education means an academic degree, either university of applied sciences or university degree (Autio et al., 2013). Scholars show that higher educated students prefer to stay independent in terms of working conditions or in financial manner, for this reason, they earlier tend to start a business in order to establish themselves in the labor market (Lüthje & Franke, 2003; Autio et al., 2013). Surprisingly is the finding of Martinez et al. (2007), who illustrates that highly educated entrepreneurs had mostly lower grades coupled with a longer study period. On the other hand students with high marks become quite often employees of public institutions compared to those with lower grades (Martinez et al., 2007). Van der Sluis et al. (2004), found out that education of self-employment has a significant impact on earnings on a long-term basis. As a matter of fact, education becomes positively noticeable on entrepreneurs (Hitt et al., 2001; Block & Wagner, 2010). According to OECD (2012), 83% of people with tertiary education are employed and do not face unemployment in their careers. Whereas those people with a low level education secondary education or lower - do face a higher unemployment rate (OECD, 2012). According to Rogers (2001), high-tech companies are mostly found by individuals with a higher educational background. Therefore innovative organizations are mostly founded by graduated people (in line with Rogers, 2001). The opposite holds for people with low educational levels suffer and face hard times in finding jobs that assures them a life above the existence minimum (OECD, 2012; Lutz & Palenga-Möllenbeck, 2010). Existence minimum in this sense means that individuals cannot afford their own livelihood without governmental institutions (Heeger-Hertter, 2019). Consequently, these people are in need of social assistance or general assistance (Heeger-Hertter, 2019). Governmental assistance leads people to attain social security, which ensures the covering of all basic needs – such as housing, food, etc. (Constant & Zimmermann, 2006). However, the social assistance or general assistance is only for people who cannot provide to their own livelihood through work (Heeger-Hertter, 2019). Generally, the governmental assistance is linked to the statutory minimum wage (Lutz

& Palenga-Möllenbeck, 2010). Lutz and Palenga-Möllenbeck (2010) identified that people with migration background find themselves more often in such a situation as it do the natives in Germany. After reviewing section 2.2. and 2.3. the conceptual frameworks that arise is:

Figure 1. Relationship non-academic education and necessity driven entrepreneurship



Figure 2. Relationship academic education and opportunity driven entrepreneurship



#### 2.4. Migration and ethnical background

According to Jung et al. (2011), it seems to be important to realize that the ethnical background of individuals have an impact on the process and on the decision to become an entrepreneur as well. As already widely known The Netherlands and Germany are popular destination countries for migrants (Lutz & Palenga-Möllenbeck, 2010; Jung et al., 2011). In fact it means that those countries face considerable migration from diverse nationalities (Lutz & Palenga-Möllenbeck, 2010). Individuals do not tend to leave their homes and their comfort zone for no motive (Stellern & Curran, 2018). Migration flows are caused by many different reasons and saw a strong push in the early sixties with the so-called 'guest workers' from Greece, Turkey, etc. (Constant & Zimmermann, 2006). One of the reasons is that immigrants migrate into a country to improve their living circumstances (Constant & Zimmermann, 2006). Further reasons of migration flows are that people leave their home country because of war or civil war, such as in countries as Syria, Irak, etc. (Stellern & Curran, 2018). Nevertheless, not all of the people flew out of their home countries due to war or political prosecution. Lutz and Palenga-Möllenbeck (2010) argue that there exists a group of people that decide to

abscond from their country without any kind of prosecution. Consequently, considerable immigrants migrate into Germany and The Netherlands because of their financial situation (Stellern & Curran, 2018). These people are called as 'economic' migrants (Lutz & Palenga-Möllenbeck, 2010). Favell (2008) argues that the immigrants see better work opportunities in the country they migrate to, compared with their home countries. Another viewpoint is that individuals seek to find attractive labor markets and realize the step to move to other regions to match their career ambitions with their economic opportunities (Faggian & McCann, 2009). An additional cause of migration flows is the expected return of human capital investment (Benneworth & Herbst, 2015). Immigrants often tend to have the inner drive to succeed in the host country's labor market (Faggian & McCann, 2009). Nonetheless, softer factors are also a cause of migration flows. This means that peoples' decision to migrate is not only dependent on personal needs. It is also dependent on the family needs (Stellern & Curran, 2018). These individuals are subordinated to the collective needs (Stark, 1991). The differentiation between collectively thinking and individualistically thinking will be shown on a later point this chapter. However, individuals who are migrating are attracted by a cosmopolitan lifestyle (Benneworth & Herbst, 2015). Nevertheless, the professional interests need to be met as well (Benneworth & Herbst, 2015). Florida (2002a) argues that the lifestyle conveniences get migrants attracted to a specific location. Also, the new globalized world enables people to migrate easier (Block et al., 2017). Globalization is also a catalyst for diverse cultures to conglomerate nowadays. Especially, migrants who are in possession of a high educational background are more or less pleased to choose the location they prefer to migrate in (Florida, 2002b). To put it differently, those people are not only choosing the place with the highest wages, they are more interested in places where the work-life balance matches best (Benneworth & Herbst, 2015). Lutz & Palenga-Möllenbeck (2010) argue that the German government set priorities to recruit skilled workers who immigrate into Germany whereas 'unskilled' workers are not receiving any priorities. Continuously, skilled workers are divided into skilled physical workers and skilled intellectual workers (Lutz & Palenga-Möllenbeck, 2010). According to Constant and Zimmermann (2006), the likelihood that immigrants in Germany become self-employed is higher compared to the native Germans who find themselves more in employment. It is not in their nature to take the

risk to start a company (Jung et al., 2011). There several reasons that bring an immigrant into entrepreneurship. One of them is the discrimination in the labor market or the lack of employment options in general (Constant & Zimmermann, 2006).

However, next to the migration aspects the cultural background of individuals, or in this research paper the term ethnical background will be used, also plays a meaningful role in entrepreneurship. Hence the key motivators, namely opportunity or necessity, and education mainly drive the individuals, and the role of the ethnical background seems to be crucial as well in the process of entrepreneurial entry especially at migrant entrepreneurship (Block & Wagner, 2010). Therefore the following will highlight the main points that might have an effect on migrant entrepreneurs.

According to Leung et al. (2005) and Hofstede (2011) culture is a set of values, beliefs, norms and behavioral patterns in a national group. Javidan et al. (2006) added that, the behavior of individuals is related to the culture. In addition to that, Hofstede (2001) defines culture as "the collective programming of the mind that distinguishes the members of one group or category of people from another" (p.9). Additionally, Hofstede and Bond (1984) drafted a framework that splits culture into five dimensions. Namely, small vs. large power distance, weak vs. strong uncertainty avoidance, individualism vs. collectivism, masculinity vs. femininity and long-term vs. short-term orientation. The ethnical background will serve as a moderating variable in this study.

To sum up, the tendency for people with immigration background favor business ownership over employment is higher than the natives in Germany and The Netherlands (Block et al., 2017; Constant & Zimmermann, 2006). This happens particularly for people with lower educational level and migration background compared with low educated natives (Constant & Zimmermann, 2006; Block & Wagner, 2010). The reviewed sscholars showed that the ethnical background of an individual perform a noteworthy role in the process of founding a business. The roles it performs are family support, higher willingness to take risk, etc. After showing and defining the keywords the following section is going to hihglight the relationships and connections of educational level, entrepreneurial entry, motivators and migration.

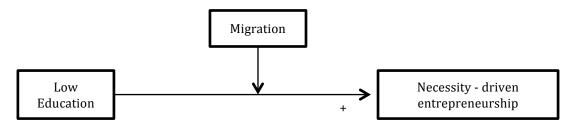
#### 2.5. The theoretical framework

Individuals either become entrepreneurs through the need they feel or the opportunity they see (Block & Wagnger, 2010). Nevertheless, in developed countries most entrepreneurs are driven by an opportunity. In comparison to that, necessity driven entrepreneurs is prevalent in developing countries (Acs et al., 2005). Constant & Zimmermann (2006), state that opportunity driven entrepreneurs gained higher valued work experience compared to necessity driven entrepreneurs. However, the majority of business owners in the gastronomy sector in Germany and The Netherlands, such as Snackbars, Kebab houses, and other fast restaurants, have an immigration background (Möhring, 2008; Jung et al., 2011). Blanchflower et al. (2001) found, that many people across countries would like to become an entrepreneur. They continued with stating that a person is at least thinking of the possibility to be a business owner (Blanchflower et al., 2001). According to De Kok et al. (GEM, 2018) study, 81% of the Dutch people desire to have their own business. Moreover, Blanchflower et al. (2001), supports the mentioned argument by stating that many people would rather prefer to be self-employed than being employed. The desire of self-employment is caused by many reasons, such as the perspective of financial wealth or generally independence or self-determination. Even though a significant amount of people in the society desire to be a business owner, the percentage of people that turn into entrepreneurship are comparatively low (Blanchflower et al., 2001). However, The Netherlands scores a higher average in the entrepreneurial entry of its inhabitants compared to other innovation driven countries (De Kok et al., 2018; GEM). As earlier illustrated the entrepreneurial entry of an individual is coupled with considerable factors that take an important role (see Block & Wagner, 2010; Autio et al., 2013). Summarized are the main factors, necessity vs. opportunity motivators, education (van der Sluis et al., 2004; de Kok et al., 2017; Block & Wagner, 2010; Autio et al., 2013). Nowadays, culture conglomerate with other cultures on a very fast manner. Globalization is the main driver that different cultures are merging (Hayton, George, & Zahra, 2002). The ethnical and immigration background seem to be of significance as well when it comes to entrepreneurship (Block et al., 2017; Constant & Zimmermann, 2006).

Considering all the factors one can conclude that each of the evaluated factors have ties and are to some degree connected with each other (Benneworth & Herbst, 2015; Acs et al., 2005; Autio et al., 2013). Benneworth and Herbst (2015) underlines, the aforementioned argument by stating, that all of the factors could have a tremendous impact on peoples decision to realize their desire and become an entrepreneur. All in all several authors suggest, that the educational background of an individual is one of the most important and most influencing factor when it comes to becoming an entrepreneur driven by necessity or opportunity (van der Sluis et al., 2004; Lofstrom, 2002; Block et al., 2011; de Kok et al., 2018).

In order to show the relationships between the explained factors in a more pragmatic manner a framework has been conducted. In that sense the framework that arises after reviewing several scholars and connecting them is:

Figure 3. Conceptual Framework



The framework illustrates that low education positively influences necessity driven entrepreneurship. Further migration moderated the relationship between low education and necessity driven entrepreneurship. As already highlighted in section 2.3. highly educated people tend rather to start their own business compared to low educated people (Acs et al., 2005). It comes along with the fact that these people recognize opportunities to establish their products or services into a particular market successfully (Lüthje & Franke, 2003). Therefore one of the aspects that drive people into entrepreneurship is the consequence of the educational background of an entrepreneur. For example a lower educated individual that turns into entrepreneurship mostly decides to do that throughout necessity since the given job opportunities are limited to them resulting of not satisfying education. These people have limited access to adequate career opportunities since their educational

background is not fulfilling todays labor market requirements (Block & Wagner, 2010). The main reason is, that necessity driven entrepreneurs are mostly not in the possession of a proper educational level that enables them to achieve a career with high independence (Möhring, 2008). Especially, for migrants as there educational degrees were not accepted in the researched nations (Jung et al., 2011). According to Lutz and Palenga-Möllenbeck (2010) having the perspective on a favorable career with high wages, personal development perspectives and a high degree of independence is almost impossible nowadays without having an appropriate educational background. Taking this into account they continued by stating that the job opportunities for people with higher education are on average significantly higher than for those people with lower education (Lutz & Palenga-Möllenbeck, 2010). Moreover, the earnings of high educated entrepreneurs exceed the earnings of low educated entrepreneurs. Additionally, high educated people tend rather to implement their business in a niche market than low educated entrepreneurs (Lofstrom, 2002). Habitually high educated do not turn into necessity driven entrepreneurship (Autio et al., 2013).

In general, one can state that education has a significant impact on the entrepreneurial entry of an individual. The majority of the TEA or established entrepreneurs create their ideas to enter technology driven industries or in industries, which are dependent on new innovations (Acs et al., 2005). Thus, one could conclude that most individuals who decided to become an entrepreneur are driven by opportunities they recognize in a particular market or industry (Audretsch & Keilbach, 2004). In the same manner one could come to the result that in innovation driven economies people turn rather in opportunity driven entrepreneurship than necessity driven entrepreneurship. Nevertheless as earlier stated this research paper focuses on entrepreneurs with low educational background therefore it will not further deepen the entrepreneurial mindset of high educated entrepreneurs.

The framework also illustrates that the migration and ethnical background of an individual influences the drivers as well. Further, it illustrates that it might have an impact on the education level and the entrepreneurial entry. Scholars found that people in Germany or The Netherlands with a migration background are lower educated

compared to natives (Lutz & Palenga-Möllenbeck, 2010; Constant & Zimmermann, 2006; Jung et al., 2011). As a matter of fact the so-called 'guest-workers generation' did face lower paid job opportunities, consequently might became necessity driven entrepreneurship as they see it as an alternative to improve the inferior living standards (Constant & Zimmermann, 2006). In the long run one could conclude, that the aim of necessity driven entrepreneurs is to improve their status quo (Block et al., 2017). As migrants face mostly poor working opportunities in their new home country they consider becoming an entrepreneur throughout necessity as the 'best choice' (Jung et al., 2011). Furthermore, migrants from collective countries are more familiar with entrepreneurship (Jung et al., 2011). However, considering all aspects one cannot generalize and state that individuals with migration and diverse ethnical background turn into entrepreneurship only because they are grown up and accustomed to it. Nevertheless, scholars show a tendency and found that these people have a higher probability to turn into entrepreneurship than the native Germans or Dutch, as it is more common for them to be self-employed since they are used to it from their home countries (in line with Faggian & McCann, 2009; Jung et al., 2011). Constant & Zimmermann (2006), add another viewpoint on the causations of necessity driven entrepreneurship by arguing that discrimination in the labor market also pushes people with a migration background into self-employment. Further they argued that employees with other ethnical backgrounds are facing discrimination because of their background at the workplaces in Germany (Constant & Zimmermann, 2006).

All in all one can conclude that each variable in this study is interconnected and therefore have either a direct or an indirect impact. The educational level is influencing the motivators – high education leads to opportunity driven entrepreneurship whereas low education leads mostly to necessity driven entrepreneurship. In the same sense, the ethnical background of an individual might impact the educational level and motivators. Thus, as already stated in this section the majority of migrants from developing countries have a lower educational background on average compared to the natives (Jung et al., 2011). As a result this influences the motivators.

After reviewing the literature and showing the capitulated framework the paper aims to show of how it can contribute with its interviews and online questionnaires to the theory. To do so, the paper follows a certain methodology, which will be explained in the next chapter.

# 3. Methodology

Qualitative methods assist in learning something new that is until now unknown and should serve to close a research gap (Richards, 2015). A literature review has formed the foundation as the theory part of this research paper (in line with Myers & Newman, 2007). A qualitative data collection follows this to understand the drivers of migrants who turn into an entrepreneurial entry in the gastronomy sector (in line with Webster & Watson, 2002 and Myers & Newman, 2007).

#### 3.1. Research setting

The longitudinal study of Jung et al. (2011) shows that migrants become comparatively rather entrepreneurs than natives in Germany. Further, they indicated that the majority of these people are rather pushed than pulled into entrepreneurship (Jung et al., 2011). Therefore a high appearance of necessity driven migrant entrepreneurs are expected. In addition to that, those entrepreneurs tend to have a low educational background (in line with Jung et al., 2011). The gastronomy sector is selected as the context of the author's inductive field study for several reasons. First, the gastronomy sector is a highly competitive market with high numbers of new market entrants, on the other hand, high rates of failure (in line with Mergenthaler & Vogt, 2011; Mayr, 2017). Secondly, it is a market with high uncertainty (Mergenthaler & Vogt, 2011). Thirdly, the majority of gastronomy business owners have migration and lower educated background (Mayr, 2017). Taken the aforementioned aspects into account, one could expect that the entrepreneurs in the gastronomy sector might be rather a necessity driven than opportunity driven entrepreneurs.

### 3.2. Sample

#### 3.2.1. Interview sample

As Germany and The Netherlands have high numbers of inhabitants with a migration background (in line with Mergenthaler & Vogt, 2011; Jung et al., 2011), three cities (Berlin, Braunschweig, and Münster) in Germany and one city (Enschede) in The Netherlands are researched. Since the author has personal ties into these regions, the entrepreneurs for the interview are identified through personal contacts and networks. Therefore the fourteen participants were purposefully selected (Gerring, 2007). Twelve

participants were male, and two females. To get brighter perspectives, entrepreneurs from different age groups participated the interview. The ages ranged from 26 to 64 years. The average age was 39.92 years. To avoid bias, only entrepreneurs that founded the company were chosen. Only established entrepreneurs participated in the interview as those entrepreneurs have greater market insights with at least 3.5 years of experience (in line with Autio et al., 2013).

Since entrepreneurs with a migration background lead the gastronomy sector (in line with Mayr, 2017; Jung et al., 2011), only entrepreneurs who do not have their origin in Germany or The Netherlands are considered for this research. The participants had diverse ethnical backgrounds, namely Turkey, India, Lebanon, Iran, and Italy. Next to that, the gastronomy sector shows a tendency that the majority of entrepreneurs in this sector are on average lower educated (Jung et al., 2011). Therefore entrepreneurs with a tertiary degree were not interviewed (in line with Autio et al., 2013).

**Table 1. Interview sample** 

Venture	Country	Business area	Country of origin
Venture 1	GER	Restaurant	Turkey
Venture 2	GER	Restaurant	Lebnon
Venture 3	GER	Bakery	Turkey
Venture 4	GER	Kebabhouse	Turkey
Venture 5	GER	Kebabhouse	Turkey
Venture 6	GER	Kebabhouse	Turkey
Venture 7	GER	Pizzeria	India
Venture 8	GER	Ice café	Italy
Venture 9	GER	Water pipe bar	Turkey
Venture 10	GER	Restaurant	India
Venture 11	GER	Restaurant	Italy
Venture 12	GER	Restaurant	Iran
Venture 13	NL	Snackbar	Turkey
Venture 14	NL	Kebabhouse	Turkey
Total amount of	14		
participants:			
Participants:	12 male	2 female	
Average age:	39,92		

#### 3.2.2. Online questionnaire sample

In addition to the interviews, online questionnaires have been developed. Like the interview sample, the contacted companies for the online questionnaire were purposefully selected (in line with Gerring, 2007). In total, 136 companies in the gastronomy sector in Germany and The Netherlands were contacted, and the return rate was 32 respondents, which result in a response rate of 23,53%. The kebab houses, snack bars, pizzerias, restaurants, bakeries, and water pipe bars are simple random sampled (Gerring, 2007) and searched via home delivery websites as thuisbezorgd.nl, lieferando.de, lieferheld.de. All entrepreneurs have a migration background (see Table 2). 28 out of 32 entrepreneurs are male, and four female. The average age of the respondents is 34.62 years.

Table 2. Online questionnaire sample

Venture	Ethnical background
Venture 1 - 20	Turkey
Venture 21 - 28	Italy
Venture 29 - 30	India
Venture 31	Syria
Venture 32	Brazil
Total amount of participants:	32
Participants:	28 Male 4 Female
Average age:	34.62

### 3.2.3. Opportunity and Necessity driven entrepreneurs

The entrepreneurs were categorized in necessity and opportunity by asking the respondents whether they consider themselves as necessity driven entrepreneur or opportunity driven entrepreneur. Next to that, the necessity driven entrepreneurs are

identified as those individuals that faced a lack of choices, for example, individuals that answered the question; "why do you consider yourself as necessity driven entrepreneur? with unemployment before becoming an entrepreneur. Therefore these entrepreneurs are pushed into the market. As opportunity driven entrepreneurs are with the same question identified, for example, relate self-employment to a higher probability of improving the earnings through entrepreneurship. In addition to that individuals that recognized an opportunity and decide to enter entrepreneurship, are also opportunity driven. These entrepreneurs are pulled into a particular market. The categorization is originated from chapter 2.2. and 2.5.. As a result, Table 3 shows that eleven out of fourteen interview participants are opportunity driven, and three respondents are necessity driven entrepreneurs.

Table 3. Overview drivers of entrepreneurs

	Necessity driven	Opportunity driven
# of venture	3	11
(interview sample)	(4,6 &10)	(1-3, 5, 7-9, 11-14)
# of venture	5	27
(online questionnaire)		

#### 3.3. Data collection

As defined by Richards (2015), 'qualitative methods are ways of studying people and their social worlds by going there, observe them closely, in their natural setting, and learning how they understand their situations and account for their behavior.' (p.1). The key driver of qualitative research is pragmatism. It allows connecting theory and practice because it considers several viewpoints, standpoints, and positions (Johnson et al., 2007; RAND, 2009).

The applied research design in this study is explanatory research design (in line with Bazeley, 2006). The primary data is gathered through semi-structured interviews and structured online questionnaires (in line with Bazely, 2006; Myers & Newman, 2007;

Webster & Watson, 2002). All constructs of interests were captured by scientifically developed and validated measurements, and the questions were elaborated through previous scholars (Autio et al., 2013; Block & Wagner, 2010; Constant & Zimmermann, 2006; Jung et al., 2011). For example: "Why did you become an entrepreneur" or "Do you have family members that are in self-employment?" The researcher developed further questions by identifying essential topics through the literature review. An example of that is: "Did you receive any kind of help from your family to start your business?" Those questions were explained beforehand to the interviewee to ensure that all items were understood.

#### 3.3.1. Semi-structured interviews

As interviews are a crucial element of a qualitative study (Myers and Newman, 2007), a semi-structured interview is conducted. Thus, observing the behaviors, values, and motives of an individual was possible (RAND, 2009; Strauss & Corbin, 1998). The interview is split into several parts (Appendix 2) due to its exploratory nature deviations from its initial structure occurred (Yin, 2003; RAND, 2009). Firstly the focus was set on how the entrepreneurs value the importance of education. Secondly, questions regarding the drivers were asked. Lastly, the focus was on the ethnical background of each entrepreneur. 8 interviews were one-on-one and face-to-face either at the business or at home. 6 out of 14 interviews are conducted via telephone calls. In total, 17 entrepreneurs in the gastronomy sector were contacted through personal networks, and 14 out of the 17 were willing to participate. An initial check was done to exclude those entrepreneurs that do not full fill the sampling criteria. The interviews lasted between 15 - 25 minutes. During the interview notes were taken and transcribed afterwards. To avoid a bias of the participating entrepreneurs, the questions were asked suggestively (Strauss & Corbin, 1998), and the confidential treatment of the answers was promised. Thus, all names, peoples, cities, and companies were anonymized.

#### 3.3.2. Additional observation

Next to the interviews, an online questionnaire has been executed. To receive the answers in the same context (Chesebro & Borisoff, 2007), a structured questionnaire is

conducted. All entrepreneurs received the same questionnaire with the same structure. Since entrepreneurs in The Netherlands and Germany are contacted, the online questionnaire was written in English and German. The majority of questions are closed in addition to that open questions were asked (see Appendix 1). All answers were submitted online, and completing the questionnaire last for ten to 15 minutes. All names, peoples, cities, and companies were anonymized and confidential treated. However, the results of the online questionnaire will only serve to acknowledge trends.

In addition to that, as the researcher has personal ties to the respondents and knows at least 8 of the respondents since the early childhood own observations are also included in this research.

#### 3.4. Analysis

To identify the key messages from interviews, the data needs to be analyzed (Basit, 2003). This process is of high importance when it comes to analyzing the data since coding makes sense of textual data (Basit, 2003). According to Basit (2003), data analysis is the most crucial and challenging aspect of qualitative research. Coding is essential to interpret the primary data of the interviews appropriately (Campbell et al., 2013). As previously described, the analysis relies on multiple data sources and conformed to inductive and qualitative approaches (Strauss & Corbin, 1998). A detailed line-by-line coding of the interview transcripts was executed. Thereby all statements related to the guiding motives and drivers of the entrepreneurs, advantages and disadvantages of self-employment, migration and ethnical background likewise the educational background were identified, categorized and labeled (in line with Constant & Zimmermann, 2006; Autio et al., 2013; Block & Wagner, 2010; de Klok et al., 2018; Block et al, 2017; Blanchflower et al., 2001). Next to that surprising contents or contents that are reclining on theory or concepts are counted as relevant too (Campbell et al., 2013). The drivers' necessity and opportunity and education serve as main variables, whereas migration serves as moderating variable. Furthermore, age, gender and place are control variables to see its impact on the drivers and the entrepreneurial entry. Comparing the interviews enabled the researcher to detect patterns in the area of interest.

First, the motives and drivers of each respondent that guided them into entrepreneurship were identified (in line with Block & Wagner, 2010; de Klok et al., 2018; Block et al., 2017; Blanchflower et al., 2001). Examples of opportunity driven entrepreneurs are; improving the financial status quo or choosing for self-employment while other job opportunities are given (in line with Block & Wagner, 2010). Examples of necessity driven entrepreneurs are; being pushed into self-employment since no other job opportunities are provided or to overcome poverty. One question to measure this was "Why did you became self-employed?". As the next step, the researcher identified the factors that have an impact on the previous mentioned drivers, such as education or the place of origin of the entrepreneur (in line with Constant & Zimmermann, 2006; Lutz & Palenga-Möllenbeck, 2010; Autio et al., 2013).

An illustrative example of how the drivers are coded is Venture 5. Venture 5 indicated that entrepreneurship enables him to improve his financial wealth. This is coded as an opportunity driven entrepreneur since the possibility of generating a higher income through self-employment than as an employee is seen as an opportunity. Furthermore, it is coded as an advantage of entrepreneurship because self-employment could lead to financial independence.

The codebook is attached to the appendices in Appendix 3. The codebook was discussed with an expert in text analyzing. The transcripts were analyzed independently. The two independent coders compared the analysis, and discrepancies were discussed up to a point there was a common understanding of how to interpret a certain text. After discussing the codebook, the author and the expert concluded that the codebook was valid.

## 4. Results

After showing and explaining the methodology that has been applied for this research paper, this chapter will show the results of the study in an objective manner to ensure neutrality. Firstly, the focus of this chapter will be set on the drivers' necessity versus opportunity. Next the variables education and migration will be shown. Finally, the result of the online questionnaires will be outlined and compared with the interviews.

#### 4.1. Necessity versus opportunity driven entrepreneurs

The respondents were asked to think about their motives to become an entrepreneur. As Table 3 shows, the majority of the respondents are opportunity driven entrepreneurs considering the reasons why they became entrepreneurs (in line with Block & Wagner, 2010; Block et al., 2017; Reynolds et al., 2002). An example of that will be shown in the following.

"I had a good concept and looked around to see whether this kind of restaurant concept existed. After figuring out that in **Name of the city** was nothing comparable, I decided to start my venture" – Interview Venture 12.

Recognizing an opportunity to establish a business is considered as opportunity driven entrepreneurship (in line with Reynolds et al., 2002). For 8 out of 14 participants, increasing their wealth through entrepreneurship was the primary motivator. A supporting indicator is that having the possibility to work as an employee but deciding to create a venture to increase the personal financial wealth (in line with Block & Wagner, 2010; De Klok et al., 2018). The comment of Venture 5 is an appropriate illustration of those as mentioned above:

"I can earn more money with my store than working for somebody else" – Interview Venture 5.

In addition to that, nine respondents were in employment before they started their venture. As the example of the owner of Venture 8 illustrates:

"I quit my job for that. (...) A couple of days before I received the keys, I stopped working." – Interview Venture 8. The motives of individuals that are in employment but decide to become entrepreneurially active, resulting in a business creation is a consequence of realizing an opportunity (in line with Block & Wagner, 2010; Block et al., 2017). Besides that, the respondents were asked if they feel a higher degree of independence through their self-employment. Over two-third (10) of the participating entrepreneurs indicated that they experience more freedom as an entrepreneur than as an employee. The leading cause is the freedom of decision-making as the owner of Venture 2 comment:

"I am my own boss, so I don't need to report to anyone. (...) I decide to what time I come to the restaurant." – Interview Venture 2.

On the other hand, three entrepreneurs were driven by necessity. As their reason to start a venture was a result of lack of choices (in line with Hitt et al., 2011). Owner of Venture 10 faced a situation where the sole chance of surviving was to start a business, as the following example shows:

"I was unemployed for a long period of time and had no perspective to start a job in the near future. After a while, I started having several talks with my family members regarding opening a restaurant. Luckily, I was able to borrow the majority of the investment to open this restaurant." – Interview Venture 10.

A further indication of necessity driven is the situation of Venture 4, who indicated that he was not able to find a job as no organization wanted to hire him since educational certificates were missing. Besides that, the limited language skills impede the prospect of an employment (in line with Lutz & Palenga-Möllenbeck, 2010).

"(...) education is really important because of that I was not able to find a job. This was on top that, I was not able to speak their language. So, finding a job became really difficult." – Interview Venture 4

Starting a business seems to be an appropriate alternative for individuals to overcome unemployment. Moreover, the entrepreneurs mentioned above had no other possibility to generate an income through employment that enables them to have a living circumstance above the existence minimum. As a consequence, those entrepreneurs decided to create a venture. Even though the necessity driven entrepreneurs occur

mostly in developing countries, the results show that in developed countries the appearance of necessity driven entrepreneurs are also existent.

To sum up, the results of the respondents show that more than two-third of the migrant entrepreneurs became self-employed out of opportunity. As the most common reasons are mentioned, the perspective of improving personal financial wealth had been the main motive to start a business. Furthermore, the entrepreneurs were either before starting their venture in employment or had the opportunity of employment in another company.

## 4.1.1. Practical understanding: necessity vs. opportunity

Surprising is the assessment on whether the respondents were driven by necessity or opportunity. Table 4 illustrates that the majority of the respondents would not acknowledge themselves as opportunity driven entrepreneurs as they indicated that the driver is throughout necessity. This inconsistency may be due to different interpretations of the term necessity driven entrepreneurship. For example, the owner of Venture 7 evaluates the circumstance as an employee in the gastronomy sector as mediocre. Moreover, substandard work-life-balance or unsatisfactory wages are accustomed in this industry.

"I worked for a couple of other restaurants or pizzerias. (...) All of them had the same poor working conditions. Like working more than 10hours a day, week in week out and this for a tiny amount of money. Especially if you have a family to feed."

The owner of Venture 6 argues that being in employment in the gastronomy sector bears considerable drawbacks.

"(...) during the time I was working as a waiter in **Name of company** we (family) were not able to go on vacations or saving money as the wage I received just covered rent, clothes, etc." – Interview Venture 6.

The results of this section provide important insights into the train of thought of interviewed entrepreneurs. Moreover, it shows that the wages in the gastronomy sector are mediocre. Besides covering the basic needs of an individual, there is no scope

for other activities.

Table 4. Contrasting results between the drivers

	Results based on theory		Results based on indication of respondents	
Driver	Opportunity	Necessity	Opportunity	Necessity
# Entrepreneurs	11	3	6	8

#### 4.2. The affect of migration background on entrepreneurship

The theoretical part of the study illustrated that migrants gravitate towards entrepreneurship more strongly than natives in Germany and The Netherlands (in line with Jung et al., 2011). Therefore the perspectives of the respondents on this topic were observed. In order to find out the cause of the previously mentioned phenomenon, the thoughts of the interviewees regarding the impact of their ethnical background on their entrepreneurial entry were asked. Thereby, 12 entrepreneurs indicated that their ethnical background might affect the decision to become an entrepreneur. Illustrative examples are the statements of Venture 4 and Venture 12.

"For us (Turks), being self-employed is nothing unusual." - Interview Venture 4

"(...) my brother is self-employed and a couple of my cousins are also self-employed (...)" – Interview Venture 12

Interestingly is that the migrant entrepreneurs from developing countries (e.g., Turkey, Iran) evaluate being self-employed as usual. Table 5 illustrates that the majority of the participating entrepreneurs are raised in an entrepreneurial environment, which could be a control variable too. In other words, one could state that the entrepreneurs as mentioned earlier have a link to an entrepreneurial mindset since their childhood either directly or indirectly. Thus, either  $1^{st}$  – grade family members (e.g., parents) or  $2^{nd}$  – grade family members (e.g., aunt) were in self-employment during the respondents' childhood.

"I always worked at my fathers' grocery store after school, at weekends, or during holidays." – Interview Venture 4

The result shows that individuals who are confronted with entrepreneurship from childhood tend to be more open to becoming self-employed in their lives. In addition to that the origin of the interviewed entrepreneurs signalizes a higher degree of collectivism (in line with Hofstede & Bond, 1984). In other words, the entrepreneurs indicated that they received support from their family members (e.g., financial, human capital, networks) to start their businesses or in running the venture.

"Without the support of my family, I neither could start the venture, nor I would be that successful." – Interview Venture 2

"Yes, of course. My father supported me financially, and two of my nephews still work together with me." – Interview Venture 13

The aforementioned shows that migrant families have strong family ties. Helping a family member is considered an obligation. With this in mind, a common view amongst the interviewees is that family members have a tremendous impact on the entrepreneurs, as the example above illustrates. Moreover, the opinion of family members has a high expression of force in running the business. And the willingness of support by family members is considered very high.

Table 5. Family members in self-employment

	1 <sup>st</sup> grade family	2 <sup>nd</sup> grade family	No family
	members were self-	members were self-	member was
	employed	employed	self-employed
# Respondents	4	7	3

#### 4.3. Education and its affect on the drivers and entrepreneurship

All participants stated that they did not obtain a tertiary degree (in line with Autio et al., 2013). However, there are differences in the educational backgrounds, as Table 6 illustrates. Two respondents are eligible due to their obtained school degree to attend University or University of applied sciences. The two respondents felt becoming an entrepreneur as more attractive than becoming a student. It is either caused by the possibility to be financially independent or realizing an opportunity. Owner of Venture 9 indicated:

"Earning money and having my own bar is definitely more attractive to me than going to school and study." – Interview Venture 9

In response to the question, if a higher education background might lead to a better job perspective, all of those interviewed answered with "yes". Moreover, intellectual work employment with adequate days of vacation and salary is commonly considered as a favorable job. According to the respondent of Venture 1, achieving the aforementioned is only possible with a proper education.

"If I had the education as you (the researcher), I think I wouldn't become an entrepreneur.

(...) people like you find good jobs with a good salary and working conditions and no risks" – Interview Venture 1

On the other hand, those entrepreneurs that had previous work experience in the gastronomy sector decided to enter that specific market due to their expertise about the industry. Further, the interviewees indicated that experience balances their educational background. Interestingly, the entrepreneurs that own their business longer than ten years reported that the experience they gained before creating their venture was the key success factor. The owner of Venture 11 is already twenty years a gastronome and commented on his success:

"I knew everything about this business in beforehand." – Interview Venture 11

Those entrepreneurs that had previous work experience in the gastronomy sector decided to enter that certain market due to their expertise in the industry. The practice

jobs ranged between waiter and cook.

Table 6. Highest obtained school degree

	None	Elementary school	Secondary school	High school
# entrepreneurs	4	5	3	2

## 4.4. Online questionnaire results

The online questionnaire served as a controlling tool to minimize biases and gain a neutral insight into the study and compare the trends of the outcomes of the interviews. The majority of respondents (57%) indicated that they were driven by opportunity. A surprising finding is that none of the female participants stated that they were driven by necessity. The respondents commonly agree that those individuals with a high educational background face better job opportunities. The highest reached educational degree of the respondents was school-leaving examination, whereas the lowest was none degree. Almost two-third (64%) of the gastronomes became self-employed in the gastronomy sector due to reasons as experience, uncomplicated to establish a business in the industry. An example of before mentioned is Venture 32:

"I started working at a restaurant when I was 15 years old, and I am now 38 years old. So, I am working for 23 years in a gastronomy sector. Before I started my business four years ago, I was already working 19 years in gastronomy. I have a lot of experience and knowledge, I saw each facet of this sector, therefore, I had to start a business in the gastronomy sector with my expertise".

Besides that, the prevailing view amongst the respondents is that being self-employed is coupled with a high degree of freedom. Identified reasons are the free allocation of working hours, the sole force of decision, or the non-existence of an authority to report. In the same fashion, the majority (67%) sees a connection between their migration background and the increased willingness of being self-employed. Another result of the online questionnaire is that the respondents recognize that family has an immense

impact on their self-reliance. It is caused by the fact that the respondents stated the opinions of family or friends to be of high importance. Moreover, the aforementioned might influence the manner of directing the business. Next to that, 100% of the respondents indicated that they received support from their family or friends to start the venture. 74% of the respondents answered the question if they have family members who are self-employed with "yes".

#### 4.4.1. Comparison interviews & online questionnaire results

Comparing the results of the interview and online questionnaire show that the answers are more or less in line. Interesting to see is that the majority of the entrepreneurs of the interview and the online questionnaire were driven by an opportunity to start their business. However, the major parts of the interview respondents consider themselves as necessity driven entrepreneurs, whereas the majority of the questionnaire participants indicated they are opportunity driven entrepreneurs. Besides that, the impact of the migration background seems to perform an essential role to the entrepreneurs by taking the step to create a venture was a common viewpoint. Additionally, the entrepreneurs indicated that their family and friends took an essential part while starting the venture. Making use of human capital or receiving financial support was generally mentioned as the accepted type of help by the interview and online questionnaire participants. In addition to that, the opinions and thoughts of family or friends play a crucial role in the manner of directing the business or making the decision to start a business. An example of the aforementioned is a respondent of the online questionnaire who stated:

"My family always wants the best for me, therefore, I am considering their opinions in each decision I take." – Venture 17

Next to that, 82% of all respondents (interviews and online questionnaires see table 7) have previous experience in the gastronomy sector. The major part of the interview participants gained work experience in cafes, restaurants, kebab houses or bars. Therefore launching their business in this sector was commonly seen as a 'logical' implication. Further, the general understanding of the interview participants, as well as the online questionnaire participants, is that individuals with a high educational

background face better employment opportunities.

 ${\bf Table~7.~Entrepreneurs~with~previous~work~experience~in~the~gastronomy~sector}$ 

# Previous work experience in gastronomy sector

	Interview	Online questionnaire
# Entrepreneurs	12	26

# 4.5. Summary of findings

Table 8. Overview of coding: opportunity and necessity driven entrepreneurs

	Opportunity driven	Number respondent	Necessity driven	Number respondent
AoE	"I can earn more money with my store than working for somebody else" – Interview Venture 5.  "I am my own boss so I don't need to report to anyone. () I decide to what time I come to the restaurant." – Interview Venture 6.	11 / 14 9 / 14	"Through entrepreneurship I was able to overcome unemployment" – Venture 5	3 / 14
DoE	"work-life-balance" – Venture 8  "Risk of losing everything" - Venture 3	8 / 14	"losing all my money" – Venture 2	3 / 14
Eomb	"Without the support of my family I neither could start the venture nor I would be that successful." – Interview Venture 7  "For us (Turks) being self-employed is nothing unusual." – Interview Venture 4	9/14	"I was unemployed for a long period of time and had no perspective to start a job in the near future. After a while, I started having several talks with my family members regarding opening a restaurant. Luckily, I was able to borrow the majority of the investment to open this restaurant." – Interview Venture 10.	3/14
Exp	"I knew everything about this business."- Venture 11  "I worked always at my fathers grocery store after school, at weekends or during holidays." – Interview Venture 4	12 / 14 9 / 14	"If I had the education as you (the researcher) I think I wouldn't become an entrepreneur. () people like you find good jobs with good salary and working conditions and no risks" – Interview Venture 1	1 / 14
	Interview Venture 4	Disadvantage of	· ·	backgro

#### 4.6. Most important outcomes

The most surprising finding is that the respondents have a different understanding of necessity driven entrepreneurship. To get a better understanding of the thoughts, an example of owner of venture Venture 11 will be given. He argued:

"it is more a choice between the devil and the deep blue sea". – Interview Venture 11

The argument refers to the situation of facing a job perspective for low educated individuals. As a cause, the eventuality of becoming self-employed is increasing. Since the majority of respondents were either in employment or had the prospect of another job before deciding for the entrepreneurial entry, they are counted as opportunity driven entrepreneurs. The study illustrates that people with a migration background tend to have a higher willingness to risk-taking, as the theory chapter in this thesis found it out. Notably, the male respondents shared the view that their migration background influences their entrepreneurial mindset, whereas the female participants are thinking vice versa, as they indicated that their migration background did not present an essential aspect by deciding to become an entrepreneur. Maintaining proper relationships with family members are an essential character in the entrepreneurs' life as those take an extensive factor is also demonstrated in the study. It is an additional sign of the collective mindset of these people.

Nevertheless, the respondents recognized that a business in the gastronomy sector could create financial wealth, especially with previous work experiences. As a result these respondents decided to become an entrepreneur. It is in line with the literature findings, where it is stated that entrepreneurs with previous experience in a specific area tend to be more successful compared to those who have no experience. The aforementioned is accepted by the entrepreneurs since those with the most experience are successful with their company's.

# 5. Conclusion

This paper aimed to study whether migrant entrepreneurs in the gastronomy sector are necessity or opportunity driven. In addition to that, it was of interest to find out the impact of additional variables – such as migration background and education – on the drivers that might influence the decision to make an entrepreneurial entry. To get a deeper understanding of the motives, values, beliefs, and behaviors of migrant entrepreneurs in the gastronomy sector, 14 interviews are executed with migrant entrepreneurs. Next to that, online questionnaires with 32 respondents were conducted. Before performing the interviews or the online questionnaire, a theoretical framework has been developed. The interviews are conducted to identify and uncover key drivers. This enabled the researcher to explore the relationships between the variables. The online questionnaire enabled served as investigation for validation. Therefore a comparison between practice and theory could be made. It enriches the viewpoints and enables the researcher to answer the research question sufficiently.

This study has demonstrated that the ethnical background might influence an individual regarding realizing self-employment. Further, it could be stated that becoming an entrepreneur for migrants in Germany and The Netherlands seems a fraction easier as for natives, since migrants benefit significantly through the support of family. So, the collective way of life seems to influence positively the step of becoming an entrepreneur. Next to that, the results illustrated that there is an existence of a connection between the educational background and the entrepreneurial entry. By saying so, respecting the gained expertise of the participants by previous employments or as a result of owning a business, one could state that this is also a form of education.

On the other hand, the results also show that there is a tie between the educational background and the driver's necessity and opportunity. A low level of education background negatively influences the job perspectives, which might induce the necessity to start a business. Vice versa, people with a high educational background face proper employment opportunities. Those entrepreneurs tend strongly to become opportunity driven entrepreneurs.

Considering all findings, the research question 'To what extent are migrant entrepreneurs in the gastronomy sector in Germany and The Netherlands driven by necessity or opportunity?' can be answered two ways. Firstly, taking into account the theoretical findings and the obtained data, one can state that migrant entrepreneurs are, regardless of the immense competition, driven by opportunity. Reasons for that are the improvements of the financial situation or realizing an opportunity. Secondly, the findings displayed a discrepancy between theory and practice. The respondents indicated a different viewpoint regarding the term necessity. A significant reason is that having the choice between jobs, which are not improving the living circumstances, are not recognized as an opportunity as the effective options only enable them, in the best case, to afford a life slightly above the minimum living standards in Germany or The Netherlands.

The terms necessity and opportunity driven entrepreneurship were explained to the interview participants up to a point there was a common understanding. As it was not the case for the online questionnaires, the research question was answered based on the findings of literature and the face-to-face and telephone interviews and did not consider the outcomes of the online questionnaire.

#### **5.1.** Reflection on the study

The drivers of migrants who establish their venture in the gastronomy sector in Germany or The Netherlands is little researched. Therefore this study is one of a few doing so. To get a first impression in this research gap, it was from high interest to see how the practice sees itself in context with the literature. In this sense, a qualitative research design was applied for this research paper. Also was the research in exploratory nature. Therefore an interview and an online questionnaire with diverse people from different migration backgrounds were conducted in order to assure bright viewpoints. As a result of this, I made us of my networks, such as family members, friends, and friends-friends were asked to participate in the interview. Therefore the convenience sampling has been executed. The online questionnaire served as a reasonable control tool to observe trends, identify similarities and differences with the interview outcomes. To understanding of the attitudes and behaviors of migrant entrepreneurs conducting a semi-structured interview was an appropriate method to

realize it. By doing so, the applied type of method found already mentioned surprising outcomes.

#### 6. Discussion

This study faced a situation that was not expected by comparing the theory and practice. Therefore the findings need to be reflected. As mentioned in the conclusion, the understanding of the interview respondents concerning the theoretical perception of necessity is not concordant. By this cause, an incitation will be given.

In my assessment, the theoretical understanding of necessity driven entrepreneurs might consider some diverse aspects by identifying necessity. To give a more precise understanding, one needs to recognize the viewpoint of these necessity driven entrepreneurs of the interview in the change of today's fast-living working environment. New businesses are daily launched and often fail (Jung et al., 2011). Further, the labor market in the gastronomy industry is confronted with high numbers of fluctuations (Fairlie & Fossen, 2018; Jung et al., 2011). Finding jobs becomes more and more challenging, especially for low educated people (Autio et al., 2013; Constant & Zimmermann, 2006). The requirements for employment are steadily increasing. The aforementioned is a result of the innovation and technology driven world. In addition to that, governmental authorities do not acknowledge obtained school degrees of migrants from a few countries, such as Turkey, Syria, Iran, etc. (Stellern & Curran, 2018; Hitt et al., 2011). The aforementioned phenomenon makes the job finding procedure for migrants even harder. As a matter of fact, these people find themselves in low paid jobs (Lutz & Palenga-Möllenbeck, 2010). Therefore for a considerable number of individuals who are employed in low wage sectors and are able to work for another company, is not automatically coupled with receiving higher wages or facing improved working conditions as the observations of the interviews illustrated. Mostly, these people receive a wage, which is only covering the basic needs such as housing and groceries (in line with Constant & Zimmermann, 2006; Lutz & Palenga-Möllenbeck, 2010). To bridge the month in terms of housekeeping becomes a completely different perspective. These people are, for example suffering from tremendous increasing house renting prices due to the fact that they are not facing the position to finance a property as a future investment. The respondents' stated that the prospect of increasing the personnel financial wealth was one of the most impactful motivators to them to start a venture. Even though the theoretical findings show that this is an indicator of

opportunity driven entrepreneurship (in line with Fairlie & Fossen, 2018; Block et al., 2017; Autio et al., 2013), a considerable number of the respondents deny accepting the theoretical viewpoint. To demonstrate the aforementioned, one needs to consider the living circumstances of an individual that is facing inferior financial wealth. Bearing all the risks that entrepreneurship brings along, such as failing and losing all savings or facing a extensive debt, should not be taken for granted for people who have a poor financial standing in a society (O'Brien et al., 2003; Constant & Zimmermann, 2006; Shane et al., 2003). Taking this into account, a break down is not an option for these people, as it would result in a financial disaster, which they cannot bear.

Concerning the theoretical contribution of this study, I would recommend a differentiation in determining necessity driven entrepreneurs. One suggestion is evaluating the driver necessity for each individual differently, for example, the perspective of living circumstance. A second differentiation could be: 1) The necessity driven entrepreneur in a developing country, as here the necessity is purely a struggle for survival and 2) the necessity driven entrepreneur in a developed country who might also be pushed into self-employment by the before mentioned arguments in this section.

#### 6.1. Limitations

Every research is striving to fulfill its aims and has a contribution to a specific research field and topic (Richards, 2011). In general, this research is bound to limitations. The convenience sampling may cause biases as the participants of the interview have personal ties to the researcher. A different type of sampling could be considered in future studies regarding this topic. An example could be to choose the participants throughout a random sampling to avoid biases. Further causation of preferences could be that the researched people might follow personal interests, therefore, might answer in a fashion to follow these interests. Another limitation is that the research is not executed through the whole countries since only a few cities were selected. One should be careful to infer from a few interviews to an entire national culture. Moreover, it is focused on two countries with different laws and regulations that might also influence the outcomes.

#### 6.2. Theoretical implications

This chapter will provide future research suggestions. As illustrated earlier in this master thesis, the understandings of the term necessity driven entrepreneur seem to be differently between practice (interview participants) and theory. A future research suggestion could be to divide necessity driven entrepreneurship into two groups 1) in developed, and; 2) in developing countries. Another alternative could be evaluating the drivers of an individual independently on the case. This research paper surprisingly showed that the term necessity could be interpreted differently, which could be an interesting topic to set a research. A question for future research could be "In how far can necessity driven entrepreneurs be distinguished?" or "What are the drivers of need-based entrepreneurs in Germany or The Netherlands?". Lastly, possible future research questions could be "What is the difference between necessity driven entrepreneurs in developed countries and developing countries?"

#### 6.3. Practical implications

My research illustrates that the drivers of an individual have considerable impact on an entrepreneur. Each entrepreneur is driven by several reasons that are, at the end, categorized as opportunity or necessity. Experience and education also plays an important role. Therefore, individuals that are planning to become an entrepreneur once in a lifetime should consider several aspects. These include, having a proper educational background, being driven by opportunity, having advanced market knowledge and being aware of the risks and its consequences. These aspects could increase the probability of succeeding as an entrepreneur.

Entrepreneurship education should teach students that next to education gathering experience through practice is one of the key success factors. This could contribute to have higher competitiveness. Besides that, institutional bodies could use the master thesis to evaluate the drivers of future entrepreneurs from a different perspective.

# **Appendices**

**Appendix I.** Invitation letter and online questionnaire

#### 1. Introduction:

Dear Sir or Madam,

First of all thank you for participating in this short interview. This interview is conducted to point out the connections between Entrepreneurship, Education, Culture / Migration and Individual attributes. It serves as primary data for my Master-Thesis and enables me to compare theory and practice.

The questions are either closed – here answers are already given, you need to pick one – or open – here you can answer freely. All answers are treated confidentially, which means no names – either personal or company – will be made public.

All participants are free to receive my Master Thesis as thank-you gift for participating the interview. In this case please sent me an email.

Thank you very much!

Best wishes,

Koray

#### 2. Questions

General questions:

- What is your age?
- What is your gender?
- Where are you born?
- How long are you already an entrepreneur?
- Are you the founder of the company?

#### Educational questions:

- What is your highest reached degree?
- Do you think that people with an University or University of Applied Science degree face better job opportunities in The Netherlands or Germany compared to those without?

#### Entrepreneurial questions:

- Why did you become an entrepreneur?
- Why did you decide to establish your business in the gastronomy sector?
- Do you feel a higher degree of freedom through your self-employment?
  - o Why?
- Which of the following statements applies to you? I become an entrepreneur throughout a necessity (e.g. lack of job opportunities) or opportunity (e.g. realizing an opportunity).

#### Cultural questions:

- Did you receive any kind of help from family or friends to start your own business?
- Do you think that your migration background had an impact on your decision to become an entrepreneur?
- How important is the opinion of your family and friends regarding your work?
- Do you have family members, which are also self-employed?

#### **Appendix II.** Interview framework

# Part 1: Introduction Study introduction

- The aim of the study is to understand what the drivers of migrant entrepreneurs in Germany and The Netherlands in the gastronomy sector are and how they are influenced. Therefore data is collected through interviewing entrepreneurs in addition to that an online questionnaire is conducted as well. This interview will analyze the why the participant became entrepreneurs.
- This study is conducted as it will contribute to obtaining my Master's degree in Business Administration.
- The interview will be transcript. The only person that has access to the material is me and the answers will not be shared unless permission is explicitly granted by the interviewee.
- All provided information will be treated anonymous and confidential.
- By request, a copy of my master thesis will be provided.
- In total the interview will take 10 to 20 minutes.
- Two definitions will be given in beforehand, namely necessity driven entrepreneurship and opportunity driven entrepreneurship

#### **Entrepreneur and company**

- <u>Background of entrepreneur:</u> education, age, gender, place of birth, ethnical background.
- Background of company: year of foundation, type of business, regions of sales

#### Part 2: Relationship between education and work

- Do you think that people with an University or University of Applied Science degree face better job opportunities in The Netherlands or Germany compared to those without?
  - o Why?

#### Part 3: Necessity versus opportunity

- Why did you become an entrepreneur?
- Why did you decide to establish your business in the gastronomy sector?
- Do you feel a higher degree of freedom through your self-employment?
  - o Why?

Which of the following statements applies to you and why? I become an entrepreneur throughout necessity or opportunity.

### Part 4: Cultural aspects

- Did you receive any kind of help from family or friends to start your own business?
- Do you think that your migration background had an impact on your decision to become an entrepreneur?
- How important is the opinion of your family and friends regarding your work?
- Do you have family members that are in self-employment?

#### Part 5: Finalization

- Re-check with interviewee that gathered data's can be used for the thesis
- Thanking of entrepreneur

# Appendix III. Codebook

Keywords	Literature support			
AoE	It could contribute to a higher degree of independence and might lead to			
	better personal wealth (Thornton e	better personal wealth (Thornton et al., 2011)		
	<ul> <li>Individuals rather tend to choose s</li> </ul>	Individuals rather tend to choose self- employment when they see the		
	possibility to reach a higher income	possibility to reach a higher income through entrepreneurship than being		
	an employee in a certain company	(Hessels et al., 2008).		
	Individuals will only start a new ve	enture if they consider that self-		
	employment offers them a high ret	employment offers them a high return on investment and an adequately		
	compensation for the risks that the	compensation for the risks that they bear (O'Brien et al., 2003).		
	Business ownership and self-emplo	Business ownership and self-employment is a risky venture but it can lead		
	to independence, self-worth, and li	to independence, self-worth, and life satisfaction (Constant & Zimmermann,		
	2006).	·		
РαΓ	•			
DoE		th a higher degree of risk taking tend than individuals that are not considered		
DR	Opportunity	Necessity		
	<ul> <li>Opportunity motivated entrepreneurs create their businesses when they see an opportunity in a specific market (Block &amp; Wagner, 2010).</li> <li>Individuals rather tend to choose self-employment when they see the possibility to reach a higher income through entrepreneurship than being an employee in a certain company (Hessels et al., 2008).</li> <li>Opportunity driven entrepreneurs seek the profitable opportunities (Block &amp; Wagner, 2010).</li> <li>Opportunity driven entrepreneurs gained higher valued work experience compared to necessity drive entrepreneurs (Constant &amp; Zimmermann, 2006).</li> </ul>	<ul> <li>Necessity driven entrepreneurs do not face the situation of pursuing an opportunity they are rather confronted with the situation not to have other employment opportunities (Reynolds et al., 2002).</li> <li>Whereas necessity-driven entrepreneurs are forced to create a business due to several reasons, e.g. lack of options (Block &amp; Wagner, 2010)</li> <li>There are a lot of individuals in Middle Europe, that turn into necessity driven entrepreneurship (Constant &amp; Zimmermann, 2006).</li> <li>Low educated people have limited access to adequate career opportunities since their educational background is not fulfilling todays labor market requirements (Block &amp; Wagner, 2010).</li> <li>The main reason for this is that necessity driven entrepreneurs are mostly not in the possession of a proper educational level that enables</li> </ul>		

	them to achieve a career with high independence (Möhring, 2008).  • On the other hand necessity driven entrepreneurs are pushed into the entrepreneurial entry due to the dissatisfaction of their current situation and/ or the lack of choice (Aidis et al., 2007; Harding et al., 2006; Maritz, 2004).	
Eomb	<ul> <li>Reasons of the extended occurrence of entrepreneurial activities by individuals in developing countries are mainly caused by survival, poverty, lack of career opportunities and education (Aidis et al., 2007; Ireland et al., 2001).</li> <li>Immigrants often tend to have the inner drive to succeed in the host country's labor market (Faggian &amp; McCann, 2009).</li> <li>The likelihood that immigrants in Germany become self-employed is higher compared to the native Germans who are more in employment. (Constant &amp; Zimmermann, 2006)</li> <li>Tendency that people with immigration background favor more to create their own business is higher than the natives in Germany and The Netherlands do (Block et al., 2017; Constant &amp; Zimmermann, 2006).</li> </ul>	
Exp	<ul> <li>Van der Sluis et al. (2004), found out that education of self-employed has a significant impact on earnings on a long-term basis.</li> <li>As a matter of fact education becomes positively noticeable on entrepreneurs (Hitt et al., 2001; Block &amp; Wagner, 2010).</li> <li>Opportunity driven entrepreneurs gained higher valued work experience compared to necessity drive entrepreneurs (Constant &amp; Zimmermann, 2006).</li> <li>Low educated people have limited access to adequate career opportunities since their educational background is not fulfilling todays labor market requirements (Block &amp; Wagner, 2010).</li> </ul>	

## References

Acs, Z. J. (2006). How is entrepreneurship good for economic growth? Innovations: technology, governance, globalization, 1(1), 97-107.

Acs, Z. J., Arenius, P., Hay, M. & Minniti, M. (2005). Global entrepreneurship monitor 2004 executive. (Babson Park, MA and London, UK: Babson College and London Business School)

Aidis, R., Welter, F., Smallbone, D., & Isakova, N. (2007). Female entrepreneurship in transition economies: the case of Lithuania and Ukraine. Feminist Economics, 13(2), 157-183.

Audretsch, D. B. (2004). Sustaining innovation and growth: Public policy support for entrepreneurship. Industry and innovation, 11(3), 167-191.

Audretsch, D.B. & Keilbach, M. (2004). Entrepreneurship capital and economic performance. Regional studies, 38(8), 949-959.

Autio, E, Pathak, S & Wennberg, K. (2013). Consequences of cultural practices for entrepreneurial behaviors. Journal of International Business Studies, 44(3), 334-362.

Bazeley, P. (2006). The contribution of computer software to integrating qualitative and quantitative data analyses. Research in the Schools, 13(1), 64-74.

Basit, T. (2003). Manual or electronic? The role of coding in qualitative data analysis. Educational research, 45(2), 143-154.

Benneworth, P., & Herbst, M. (2015). The city as a focus for human capital migration: towards a dynamic analysis of university human capital contributions. European planning studies, 23(3), 452-474.

Blanchflower, D. G., Oswald A. & A. Stutzer (2001). Latent Entrepreneurship Across Nations. European Economic Review 45, 680–691.

Block, J.H., C.O. Fisch & M. Van Praag (2017). The Schumpeterian Entrepreneur: A Review of the Empirical Evidence on the Antecedents, Behaviour and Consequences of Innovative Entrepreneurship. Industry and Innovation 24(1), 61-95.

Block, J.H & Wagner, M. (2010). Necessity and Opportunity Entrepreneurs in Germany: Characteristics and Earning s Differentials. Schmalenbach Business Review, 62(2), 154-174.

Campbell, J. L., Quincy, C., Osserman, J., & Pedersen, O. K. (2013). Coding in-depth semistructured interviews: Problems of unitization and intercoder reliability and agreement. Sociological Methods & Research, 42(3), 294-320.

Carree, M. A., & Thurik, A. R. (2010). The impact of entrepreneurship on economic growth. In Handbook of entrepreneurship research (pp. 557-594). Springer, New York, NY.

Casson, M. (1982). The Entrepreneur, Totowa: Barnes & Noble Books.

Constant, A & Zimmermann, K.F. (2006). The Making of Entrepreneurs in Germany: Are Native Men and Immigrants Alike?. Small Business Economics, 26, 279-300.

Chesebro, J.W. and Borisoff, D.J. (2007). What makes a qualitative research qualitative? Qualitative Research Reports in Communication, 8(1), 3-14.

Davidsson, P. (2005). Researching entrepreneurship. New York: Springer.

Denzin, N. K. (1978). The research act: A theoretical introduction to sociological methods. New York: Praeger.

De Clercq, D., & Crijns, H. (2007). 10 Entrepreneurship and education in Belgium: findings and implications from the Global Entrepreneurship Monitor. Handbook of Research in Entrepreneurship Education: Contextual perspectives, 169.

De Kok et al. (2018). Global Entrepreneurship Monitor the Netherlands 2017. Panteia Research to Progress.

Elfring, T. & Hulsink, W. (2003). Networks in Entrepreneurship: The Case of Hightechnology Firms. Small Business Economics, 21(3), 409-422.

Faggian, A., & McCann, P. (2009). Human capital and regional development. Handbook of regional growth and development theories, 133-151.

Fairlie, R.W. (2013): Entrepreneurship, Economic Conditions, and the Great Recession. Journal of Economics & Management Strategy 22(2), 207-231.

Fairlie, R.W & Fossen, F.M. (2018). Opportunity versus Necessity Entrepreneurship: Two Components of Business Creation. SOEP — The German Socio-Economic Panel study at DIW Berlin, 1-45.

Favell, A. (2008). The New Face of East–West Migration in Europe. Journal of Ethnic and Migration Studies, 34(5), 701-716.

Fernández-Serrano, J., Berbegal, V., Velasco, F., & Expósito, A. (2017). Efficient entrepreneurial culture: a cross-country analysis of developed countries. International Entrepreneurship and Management Journal, 1-23.

Florida, R. (2002a). The economic geography of talent. Annals of the Association of American geographers, 92(4), 743-755.

Florida, R. (2002b). The Rise of the Creative Class: And How it's transforming work, leisure, community and everyday life. New York, Perseus Book Group.

Gans, J.S. and Stern, S. (2003). The product market and the market for "ideas": commercialization strategies for technology entrepreneurs. Research Policy, 32(2), 333-350.

Gerring, J. (2007). Case Stduy Research: Principles and Practices. Cambridge, U.K.: Cambridge University Press.

Harding, R., Brooksbank, D., Hart, M., Jones-Evans, D., Levie, J., O'Reilly, J., and Walker, J. (2006), Global Entrepreneurship Monitor United Kingdom 2005, London Business School, London.

Hartog, J, Van praag, M and Van der sluis, J. (2010). If You Are So Smart, Why Aren't You an Entrepreneur? Returns to Cognitive and Social Ability: Entrepreneurs Versus Employees. Journal of Economics & Management Strategy, 19(4), 947-989.

Hayton, J.C., George, G., and Zahra, S.A. (2002). National Culture and Entrepreneurship: A Review of Behavioral Research. Entrepreneurship Theory and Practice, 26(4), 33-52.

Hessels. J., Gelderen. M., and van, Thurik, R. (2008). Entrepreneurial aspirations, motivations and drivers. Small Business Economics, 31,323-339.

Hitt, M. A., Ireland, R. D., Camp, S. M., and Sexton, D. L. (2001). Strategic entrepreneurship: Strategies for wealth creation. Strategic Management Journal, 22(3–4), 479 – 491.

Hitt, M. A., Ireland, R. D., Sirmon, D. G., and Trahms, C. A. (2011). Strategic Entrepreneurship: Creating Value for Individuals, Organizations, and Society. Academy of Management Perspectives, 25(2), 57–75.

Hofstede, G. (2011). Dimensionalizing Cultures: The Hofstede Model in Context. Online Readings in Psychology and Culture, 2(1).

Hofstede, G. (2001) Culture's Consequences: Comparing Values, Behaviors, Institutions and Organizations Across Nations, 2nd edn. Sage: Thousand Oaks, CA.

Hofstede, G. and Bond, M. H. (1984). Hofstede's Culture Dimensions: An Independent Validation Using Rokeach's Value Survey. Journal of Cross-Cultural Psychology, 15(4), 417–433.

Ireland, R. D., Hitt, M. A., Camp, S. M., and Sexton, D. L. (2001). Integrating entrepreneurship and strategic man- agement actions to create wealth. Academy of Manage- ment Executive, 15(1), 49–63.

Javidan, M., House, R.J., Dorfman, P.W., Hanges, P.J. and de Luque, M.S. (2006). Conceptualizing and measuring cultures and their consequences: a comparative review of GLOBE's and Hofstede's approaches. Journal of International Business Studie, 37, 897-914.

Johnson, R.B., Onwuegbuzie, A.J and Turner, A.L. (2007). Toward a Definition of Mixed Methods Research. Journal of Mixed Methods Research, 1(2), 112-133.

Kajornboon, A. B., (2004). Using interviews as research instruments.

Knight, F. H. (1921). Risk, uncertainty, and profit. Boston: Houghton Mifflin.

Mergenthaler, M. and Vogt, L. (2011) "Local food" in der Gastronomie – Möglichkeiten und Grenzen innovativer Wertschöpfungsketten. In Küblböck, S & Thiele, F (Eds), Tourismus und Innovation (pp. 57 – 74).

Leung, K., Bhagat, R.S., Buchan, N.R., Erez, M. and Gibson, C.B. (2005) 'Culture and international business: recent advances and their implications for future research', Journal of Interna- tional Business Studies 36(4): 357–378.

Linan, F., Rodríguez-Cohard, J. and Rueda-Cantuche, J. (2011). Factors Affecting Entrepreneurial Intention Levels: A Role for Education. International Entrepreneurship and Management Journal. 7. 195-218.

Locke, E. A., and Baum, J. R. (2007). Entrepreneurial motivation. In J. R. Baum, M. Frese, & R. A. Baron (Eds.), The psychology of entrepreneurship (pp. 93–112). Mahwah, NJ: Erlbaum

Lofstrom, M. (2002). Labor Market Assimilation and the Self-employment Decision of Immigrant Entrepreneurs. Journal of Population Economics 15, 83–114.

Lutz, H., and Palenga-Möllenbeck, E. (2010). Care Work Migration in Germany: Semi-Compliance and Complicity. Social Policy and Society, 9(3), 419-430.

Lüthje, C., and Franke, N. (2003). The making of an entrepreneur: Testing a model of entrepreneurial intent among engineering students at MIT. R & D Management, 33, 135-147.

Maritz, A. (2004). New Zealand necessity entrepreneurs. International Journal of Entrepreneurship and Small Business, 1(3-4), 255-264.

Martinez, D., Mora J.-G. and Vila, L. (2007) Entrepreneurs, the Self-employed and Employees amongst Young European Higher Education Graduates. European Journal of Education, Vol. 42, No. 1.

Mayr, M. (2017). Einwanderer als Unternehmer. Retrieved 18 July, 2019, from https://www.sueddeutsche.de/wirtschaft/einwanderer-als-unternehmer-deritaliener-ist-albaner-1.3584335

Mergenthaler, M. and Vogt, L. (2011) "Local food" in der Gastronomie – Möglichkeiten und Grenzen innovativer Wertschöpfungsketten. In Küblböck, S & Thiele, F (Eds), Tourismus und Innovation (pp. 57 – 74).

Mitchell, R. K., Smith, J. B., Morse, E. A., Seawright, K. W., Peredo, A. M., and McKenzie, B. (2002). Are entrepreneurial cognitions universal? Assessing entrepreneurial cognitions across cultures. Entrepreneurship theory and practice, 26(4), 9-32.

Myers, M.D. and Newman, M. (2007). The qualitative interview in IS research: Examining the craft. Information and Organization, 17(1), 2-26.

Möhring, M. (2008). Transnational food migration and the internalization of food consumption: ethnic cuisine in West Germany. Food and globalization: consumption, markets and politics in the modern world, 1(1).

O'Brien, J.P., Folta, T.B. and Douglas, R.J. (2003). A Real Options Perspective on Entrepreneurial Entry in the Face of Uncertainty. MANAGERIAL AND DECISION ECONOMICS, 24(-), 515-533.

OECD (2012), "How does education affect employment rates?", in Education at a Glance 2012: Highlights, OECD Publishing, Paris.

RAND. (2009). Data Collection Methods. Santa Monice: RAND Corporation.

Reynolds, P., Bygrave, W. D., Autio, E., and Hay, M. (2002). Global entrepreneurship monitor: 2002 executive monitor. London Business School, London.

Reynolds, P.D., Camp, S.M., Bygrave, W.D., Autio, E. and Hay, M. (2001): The Global Entrepreneurship Monitor, 2001 Executive Report, London Business School and Babson College.

Richards, L. (2015). Handling qualitative data: A practical guide (3rd ed.)

Rogers, E.W. (2001). A theoretical look at firm performance in high-tech organizations: what does existing theory tell us? The Journal of High Technology Management Research, 12(1), 39-61.

Shane, S., Locke, E., and Collins, C. J. (2003). Entrepreneurial motivation. Human Resource Management Review, 13(2), 257–280.

Shane, S. and Venkataraman, S. (2000). The promise of entrepreneurship as a field of research. Academy of Management Review, 25(1), 217-226.

Smallbone, D., & Welter, F. (2004). Entrepreneurship in transition economies: Necessity or opportunity driven. Babson College-Kaufmann Foundation, Babson College, USA. Accessed November, 9, 2010.

Stark, O. (1991). The migration of labor. Cambridge, Mass: Blackwell. Stellern, M.J and Curran, T. (2018). Refugees. Journal of Case Studies, 36(3), 53-63.

Sternberg, R., and Wennekers, S. (2005). Determinants and effects of new business creation using global entrepreneurship monitor data. Small Business Economics, 24(3), 193-203.

Strauss, A.L., and Corbin, J.M. (1998). Basics of qualitative research: Techniques and procedures for developing grounded theory. Newbury Park, CA: Sage.

Stromquist, N. P., and Monkman, K. (2014). Defining globalization and assessing its implications for knowledge and education, revisited. Globalization and education: Integration and contestation across cultures, 1, 1-21.

Thornton, P. H., Ribeiro-Soriano, D., and Urbano, D. (2011). Socio-cultural factors and entrepreneurial activity: An overview. International Small Business Journal, 29(2), 105–118.

Van der Sluis, J., van Praag C. M. and W. Vijverberg, 2004, 'Entrepreneurship Selection and Performance: A Meta-analysis of the Impact of Education in Industrialized Countries', Tinbergen Institute Working Paper No. TI 03-046/3.

Webster, J., and Watson, R.T. (2002). ANALYZING THE PAST TO PREPARE FOR THE FUTURE: WRITING A LITERATURE REVIEW. MIS Quarterly, 26(2), 13-23.

Wennberg, K., Pathak, S., and Autio, E. (2013). How culture moulds the effects of self-efficacy and fear of failure on entrepreneurship. Entrepreneurship and Regional Development. 25.