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Necessity and/or Opportunity Entrepreneurship: Which Impact on the Firm's Creation?

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This dissertation consists of four essays. The first essay offers a review of the literature devoted to necessity and opportunity entrepreneurship. Next, we discuss the literature and analyze three main limitations of the methodology used in past researches. In order to do so, we use the *entrepreneurial event theory* (Shapiro, 1984), which is the genesis of the necessity–opportunity theory. The second essay focuses on the impact of the creator's socio–economic characteristics on his/her necessity–opportunity positioning. The third and fourth essays analyze the impact of necessity and opportunity motivations on two aspects of the firm creation process. The third essay examines whether or not the necessity and/or the opportunity motivations can have an impact on the choice of the economic sector in which a business is started. The fourth essay focuses on the differences between necessity and opportunity entrepreneurs in terms of the gestation activities, i.e. the activities undertaken by nascent entrepreneurs during the organization's creation process.

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Introduction

“Each of the company formations is the end result of one very personal human process [...] The company-formation process begins with a situation in which an individual or group of individuals is forced from or decides to change to a new life path. The situations are as varied as life itself, but more people respond to negative displacements than positive ones. A particular situation, however, elicits different responses from different individuals. [...] Entrepreneurship comes about through the interaction between a specific situation and a specific individual or group of individuals. [...] Entrepreneurship represents a resilient response to threats or opportunities. [...] The way an individual perceives the events that occur and the ways they respond to them is primarily a by-product of their past and present cultural and social environment, [...], family, peers, formal education, and life experiences.”

Albert Shapero, The Entrepreneurial event (1984)

In the following sections, we will present the motivation, the purpose as well as the outline of our dissertation.

MOTIVATION AND PURPOSE

Over the last quarter of a century, various policies have been implemented to foster the entrepreneurial spirit and to facilitate small businesses creation. This enthusiasm for small businesses has its roots in the fundamental role they play in the regional economic growth, the number of jobs they generate (Audretsch, 2003; Staber & Bögenhold, 1993), and the fact that they constitute an efficient tool in fighting unemployment.

For those who believe that technological innovation, growth of demand or the introduction of new products are the principal forces behind new venture creation, identifying individual factors underlying creation may, at first, seem straightforward. The same goes for mainstream economists, for whom the birth of small businesses can be explained, as underlined by Storey (1994), by two approaches: on the one hand, industrial economics and its theory of the firm, and, on the other hand, labour economics and its theory of individual's behaviour in the labour market (Schumpeter, 1911; Knight, 1921). Nevertheless, the study of individual determinants of firm creation is far less simple than it initially appears. As Reynolds (1997) emphasizes it, individuals starting a business are unique and/or in distinct situations. Indeed, individuals decide to create a business for various kinds of motivations/reasons.

As Shapero & Sokol (1982) have shown, the circumstances of creation may be negative or positive and can lead to two types of motivations, i.e. *push motivations* (negative circumstances also called necessity) and *pull motivations* (positive circumstances also called opportunity). An entrepreneurial initiative dictated by a push motivation could arise from unemployment, dissatisfaction with the present situation and/or family pressure (Verheul et al., 2010). In contrast, a pull motivation is at the source of proactive entrepreneurial initiatives, such as strong professional aspirations articulated in an offensive posture, possibly originating in the identification of a market opportunity (Harisson &

Hart, 1983). Since the works of Reynolds et al. (2002), these motivations have given rise to the concepts of *necessity entrepreneurship* and *opportunity entrepreneurship*. **Necessity entrepreneurs are driven by push motivations and opportunity entrepreneurs by pull motivations** (Bhola et al., 2006).

The distinction between necessity and opportunity entrepreneurship is becoming increasingly important in entrepreneurship research (Verheul et al., 2010). Previous empirical research has shown that necessity and opportunity entrepreneurs differ both in terms of their socio-economic characteristics and of their entrepreneurial behavior (e.g. Verheul et al., 2010; Block & Sandner, 2009; Caliendo & Kritikos, 2009; Hechavarria & Reynolds, 2009; McMullen et al. 2008, Hessels et al. 2008; Morris et al. 2006; Hughes, 2006). As a result, necessity and opportunity entrepreneurs have distinct impacts on the post-creation characteristics of the firm they create. Even though these studies allow us to better understand the effects of the circumstances that lead an individual to create a firm, we believe that these results should be interpreted carefully.

The methodology used in these studies to classify necessity entrepreneurs versus opportunity entrepreneurs is often too simplistic. When authors classify entrepreneurs in terms of necessity or opportunity, they implicitly work on the premise that an individual is

either the one or the other. Yet, we are still far from having proven that the frontier between necessity and opportunity motivations is so neatly drawn (Solymossy, 1997). In fact, recent studies emphasize the possibility that an individual could be simultaneously driven by necessity and opportunity motivations (Williams & Williams, 2011; Caliendo & Kritikos, 2010; Block & Sandner, 2009). Moreover, as necessity and opportunity motivations depend on the circumstances that the individual faces before creation, some necessity and opportunity motivations could, in fact, be the contrary for some individuals (Hughes, 2003).

To avoid an overly rigid classification of the two types of entrepreneurs based on their motivations, a finer analysis should be conducted to determine whether or not necessity and opportunity entrepreneurs are heterogeneous groups of individuals. Moreover, research could analyze if there are, or not, different sub-profiles of necessity and/or opportunity entrepreneurs.

However, answering this question does not suffice. It is also important for research to analyze more in-depth the creation process implemented by these different profiles of entrepreneurs. Such an approach seems relevant for several reasons. Public policies for necessity-driven entrepreneurs should be different from those for opportunistic entrepreneurs (Bhola et al., 2006). Therefore, it is important both for the

scientific and the political debates to better understand the role that motivations can play at the start-up phase in order to improve and/or develop adequate political measures in regard of the creator's profile. The firm creation process is an important part of both the firm's foundation and its further development and success (Burke et al., 2010; Lichtenstein et al., 2007; Delmar & Shane, 2003).

An individual's behavior is often the result of individual motivations (Carsrud & Brännback, 2011; Liao et al., 2001). Shane et al. (2003) and Korunka et al. (2003) emphasized that motivations play an important role in the entrepreneurial process. These authors argue that, as individuals differ in terms of motivations, these differences could influence the way in which they behave during the entrepreneurial process. According to Gabrielsson & Politis (2009), individual motivations have an impact on his/her decision-making process and on his/her reaction. If we know that necessity and opportunity motivations influence the firm's post-creation development in terms of growth, innovation and success, our knowledge about the impact of necessity and opportunity motivations on the firm's creation process is (almost) inexistent. Rodriguez & Santos (2009) stress that the firm creation process comprises two different stages: the conception stage, also known as precipitating events, and the gestation stage. The precipitating events that we interpret as related to the necessity or opportunity motivations in the sense of Shapero & Sokol (1982) could

have an impact on the activities undertaken by entrepreneurs during the creation process (Shane et al., 2003; Guzman & Santos, 2001; Kuratko et al., 1997). Due to the influence of the creation process on the firm's success and to the impact of individual motivations on the entrepreneurial behavior, it seems relevant that research on necessity and opportunity entrepreneurship explores the link between the individual motivations and the creation process.

OUTLINE

This dissertation consists of four essays: one theoretical essay and three empirical essays.

The first essay offers a review of the literature devoted to necessity and opportunity entrepreneurship, which mainly consists of empirical studies. As the push-pull theory underlies the concept of necessity and opportunity entrepreneurship, we start by presenting the theoretical origins and the main empirical results related to the push-pull theory. After that, we present the empirical results related to the study of necessity and opportunity entrepreneurship, both in terms of the entrepreneurs' socio-economic characteristics and of the firm's characteristics developed by the two profiles of entrepreneurs. Next, we discuss the literature and analyze three main limitations of the

methodology used in past researches. In order to do so, we use the *entrepreneurial event theory* (Shapero, 1984), which is the genesis of the push–pull theory. More precisely, we show that empirical studies on necessity and opportunity entrepreneurship do not take three aspects of Shapero’s theory into account (1) the multiple significations of the same entrepreneurial event, (2) the mix (in terms of necessity and opportunity motivations) of the entrepreneurial event and (3) the plurality of necessity and opportunity motivations. Based on our discussion, we propose three research avenues introducing our three empirical essays. The first research avenue is based on our literature’s discussion and the two others are based on the gaps that we identified in the literature.

The second essay focuses on the impact of the creator’s socio–economic characteristics on his/her necessity–opportunity positioning. The aim of this essay is two–fold. On the one hand, we examine whether it is possible to classify a new venture creation in terms of necessity and/or opportunity. On the other hand, we shed light on the articulations between the entrepreneur’s socio–economic characteristics and the alignment of his/her project with opportunity and/or necessity dynamics. We confirm that impact of the individual’s socio–economic characteristics in a necessity–opportunity framework should not be limited to this strict dichotomy, as it has generally been the case in past research. Indeed, we demonstrate that there are different necessity and opportunity entrepreneurial dynamics and that necessity and

opportunity dynamics can combine within the same individual. The analysis of the impact of the founder's socio-economic characteristics on his/her propensity to be driven by necessity and/or opportunity dynamics, points out that considering an individual as exclusively opportunistic or necessity-driven could be haphazard.

The third and fourth essays analyze the impact of necessity and opportunity motivations on two aspects of the firm creation process. The third essay examines whether or not the necessity and/or the opportunity motivations can have an impact on the choice of the economic sector in which a business is started. As recent literature emphasizes, necessity entrepreneurs are more present, for example, in the hotel and restaurant or retail sectors in comparison to opportunity entrepreneurs who are more often present in the financial or industry sectors. Despite this fact, we do not know whether these dissimilarities are due to the necessity and opportunity motivations. The fact that necessity entrepreneurs have a lower reservation wage, have lower human and financial capitals and/or are more motivated by economic survival can drive them to start a business in a sector with low profitability - but also with a higher failure rates. In this essay, we demonstrate that both the necessity and opportunity motivations have a significant impact on the sector choice. However, when we take the influence of the creator's socio-economics characteristics into account, it seems that some sectors are more opportunity-driven than others.

This essay also shows that a same motivation can have two interpretations – a necessity or an opportunity interpretation – depending the contextual situation of the creator.

The fourth essay focuses on the differences between necessity and opportunity entrepreneurs in terms of the gestation activities, i.e. the activities undertaken by nascent entrepreneurs during the organization's creation process. We argue that the differences between necessity and opportunity entrepreneurs in terms of the firm development (post-creation) and success can result from dissimilarities in terms of the gestation activities. Our theoretical argument is based on the differences between the two profiles of entrepreneurs in terms of the entrepreneurial opportunity costs and of their willingness to adopt a proactive behavior in terms of the gestation activities due to the nature of the motivation underlying the creation. In this essay, we demonstrate that entrepreneurs significantly differ from one another in terms of the gestation activities and that there are different subgroups of necessity and/or opportunity entrepreneurs. These findings clearly highlight that the necessity–opportunity dichotomy does not correspond to the reality and suggest that policy measures need to be adapted to the entrepreneur's profile.

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Conclusion

Starting from the necessity–opportunity entrepreneurship dichotomy, this dissertation proposes to revisit the theoretical and empirical approaches used in necessity–opportunity entrepreneurship research. Our first essay goes back to the theoretical genesis of the necessity and opportunity entrepreneurship concept and develops three research propositions in order to better study these entrepreneurship profiles. Based on our research propositions, essay 2 analyzes the impact of the individual characteristics on the necessity and opportunity positioning. Essay 3 looks at the impact of the necessity–opportunity motivations and of the individual’s characteristics on the choice of the economic sector in which a business is started. Finally, essay 4 questions the role of the necessity and opportunity motivations on the entrepreneurial behavior in terms of the gestations activities.

The following section summarizes the contribution of this dissertation to the necessity–opportunity entrepreneurship literature. The last section proposes avenues for future research. The limitations of our dissertation have been presented in essays 2, 3 and 4.

CONTRIBUTION OF THE DISSERTATION

Theoretical Contributions

Overall, this dissertation has three main theoretical contributions to the necessity–opportunity entrepreneurship research literature. These are (1) discussing and redefining the approach used in the necessity–opportunity entrepreneurship research (2) illustrating that the necessity–opportunity dichotomy has limitations that question its existence, and (3) demonstrating the link between the necessity and/or opportunity creator’s profile and the firm creation process both in terms of the choice of a sector and of the gestation activities.

First, some scholars have recently emphasized that necessity and opportunity entrepreneurship research needs to be refined in order to better correspond to the reality. Their main argument is that the theoretical framework (i.e., the dichotomous approach) used in necessity and opportunity research is too simplistic. Essay 1 discuss the literature on necessity and opportunity entrepreneurship and analyzes three main limitations of the methodology used in past researches. Based on the *entrepreneurial event theory* (Shapero, 1984), this essay redefines and develops three research propositions. The main contribution of these propositions is that they allow to take into account the impact of an individual’s socio–economic characteristics on his/her necessity and

opportunity positioning into account. They also stress that there could exist different groups of necessity–opportunity entrepreneurs. In other words, essay 1 contributes to the necessity and opportunity entrepreneurship research by discussing and taking into account several criticisms with regard to the past necessity and opportunity research approaches. It also shows that the classification of an individual in terms of necessity and opportunity on the sole basis of his/her primary motivations could be hazardous.

A second contribution of this dissertation is to empirically highlight that the necessity–opportunity dichotomy is too simplistic and does not correspond to reality. Essay 2 shows that there are different dynamics of necessity and opportunity motivations and that an individual could be positively and/or negatively motivated by a necessity or opportunity motivation depending on his/her personal situation or his/her socio–economics characteristics. This means that, as we proposed in the essay 1, the same motivation can be interpreted as either a necessity or an opportunity one depending on the contextual situation of the entrepreneur. Essay 2 also points out that different groups or sub–groups of necessity–opportunity creators could exist. The existence of these sub–groups is further demonstrated in essays 3 and 4. More precisely, in essay 4, we identify five groups of necessity and/or opportunity entrepreneurs. Two groups correspond to entrepreneurs who are *strictly* motivated by necessity or opportunity motivations. The three other groups correspond to individuals motivated simultaneously by necessity *and* opportunity motivations: we identified one group as

being *mainly* motivated by necessity, one group as being *mainly* motivated by opportunity, and one group as motivated by a *mix* of necessity and opportunity motivations. The word “mainly” means that, in this group, an individual is motivated by necessity and opportunity motivations but that one type of motivations prevails over the other (i.e., necessity motivations in the “mainly necessity” group, and opportunity motivations in the “mainly opportunity” group). Altogether, essays 2, 3 and 4 strongly demonstrate that the necessity–opportunity dichotomy does not hold in the real world.

A third contribution of the dissertation is to investigate the impact of necessity–opportunity motivations on the firm’s creation process, and on two aspects in particular: the choice of the economic sector (essay 3), and the gestation activities (essay 4). The necessity–opportunity entrepreneurship literature clearly demonstrates that the entrepreneur’s profile has a significant impact on his/her entrepreneurial behavior after the creation. At the same time, the literature emphasizes that a firm’s creation process significantly influences its success or failure. However, to date, no empirical study has analyzed whether or not necessity and/or opportunity entrepreneurs differ in terms of the gestation activities. We believe that identifying the entrepreneurial behaviors of the different groups of necessity–opportunity entrepreneurs during the firm creation process is relevant. Indeed, as some scholars recently argued, public policies need to be adapted to the entrepreneur’s profile in terms of necessity or opportunity. Yet, before adapting or creating adequate policies to foster the entrepreneurial spirit and/or to help an

individual create a business, it seems logical to first identify the entrepreneurial behavior during the firm's creation process, for each individual profile. Knowing more about the entrepreneurial behavior during the firm's creation, would help public authorities develop adequate policies corresponding to different profiles of necessity and/or opportunity entrepreneurs. Concerning the scientific debate, the study of the firm creation in the light of the necessity–opportunity entrepreneurship framework also seems relevant given that no prior study has analyzed these types of entrepreneurship in this context. In this respect, essay 3 demonstrates that necessity and opportunity motivations play a significant role in the choice of the economic sector in which a business is started. Essay 3 highlights that some sectors are more often chosen than others by individuals showing certain types of necessity and/or opportunity motivations. As emphasized in the literature, firms created by necessity entrepreneurs are comparatively less successful than firms created by opportunity entrepreneurs. Therefore, we hypothesize that, if motivations influence the choice of an economic sector, this could explain (to some extent) why some economic sectors encounter a higher rate of failure and that this could have a link with the motivations of the creator. In line with the results of essay 2, essay 3 also reinforces the idea that a same motivation could have different interpretations.

The relationship between the motivations and the firm's creation (in terms of the gestation activities) is studied in-depth in essay 4. Essay 4 postulates that the differences between necessity and/or opportunity entrepreneurs in terms of the post-creation entrepreneurial behavior could result from dissimilarities during the gestation activities implemented by these entrepreneurial profiles. In particular, we assume that the impact of necessity and/or opportunity motivations on the gestation activities could be due to differences between these kinds of entrepreneurs in terms of opportunity costs and to their willingness to adopt a proactive behavior in terms of the gestation activities. Essay 4 demonstrates that the different entrepreneurial motivations strongly influence the gestation activities undertaken by the creator. We highlight that the more an individual is motivated by opportunity motivations, the more he is proactive in terms of the gestation activities. These results have implications for public policies. Current public policies do not make a distinction between necessity and/or opportunity entrepreneurial profiles. However, as our findings demonstrate, these groups of necessity-opportunity entrepreneurs show differences that are shaping in their gestation activities. This reinforces the idea that successful public policies should, for instance, draw necessity-driven entrepreneurs' attention on the importance of the gestation activities. As a consequence, such policy actions could help to reduce the high failure rate among necessity entrepreneurs.

Managerial and Policy Contributions

While business success can generate value and personal reward, failure, on the other hand, prompts major social and human costs. As a result, it is important to prevent failure. Some managerial and/or policy implications can be drawn from our results in order to reduce and/or prevent bankruptcy.

Firstly, our results clearly demonstrate that the individual's profile in terms of necessity and opportunity motivations has an impact on the sector choice. As past studies demonstrated, the firms created by necessity entrepreneur encounter a higher rate of failure than firms created by opportunity entrepreneurs. Moreover, it seems that the bankruptcy rate is more important in some sectors than others. For example, the rate of failure in the trade, hotel, restaurant and construction sectors is higher than in the finance, industry or health sectors. Based on our dissertation's results, we could postulate that the sector differences in terms of rate of failure could be, to some extent, due to the individual's socio-economic characteristics and to his/her entrepreneurial motivations. The fact that individual's motivations (necessity and/or opportunity) could play a role in the business success or failure is not without policy implications. Future policy measures could, for instance, promote individual "screenings" aiming at detecting the reasons underlying the sector choice. The idea would not be to deter people from starting a business, but rather to adapt the various firm

creation support measures to the candidate's profile and his/her sector choice.

Secondly, as we demonstrate, one of the differences between necessity and opportunity entrepreneurs lies in their gestation activities. We believe that these differences reinforce the idea that successful public policies for necessity-driven entrepreneurs should be different from those for opportunistic entrepreneurs. Knowing that the gestation activities play a significant role in the business success, policies should help to draw the attention of the necessity entrepreneurs on the importance of the gestation process. Better informing the nascent entrepreneur on the gestation process could reduce the high failure rate among necessity entrepreneurs. In the same time, better inform the nascent entrepreneur on the importance of the gestation process during the start-up phase could certainly improve not only the chances of success, but also the creator's managerial skills.

Finally, usually when an unemployed individual decides to create a business the future stakeholders (financial partners, suppliers and/or customers) consider this nascent entrepreneur as a necessity one. As a consequence, this nascent entrepreneur will have most difficulties to convince them to do business with him/her. But, even with a good idea, it is difficult to develop a business without stakeholders who believe in and support your project. Therefore, to extent, we could expect that the

stakeholder's behavior will increase or decrease the chance of failure of the nascent entrepreneur. We believe that policy makers have a significant informational role to play. The goal of such an information campaign would be to fight the wrong idea according to which if "you create by necessity, you will fail", by presenting the necessity entrepreneurs success stories.

DIRECTIONS FOR FUTURE RESEARCH

Based on our dissertation's findings, we would like to propose two research avenues: (1) the evolution of individual motivations during an SME's life, and (2) the link between the firm's gestation process and its development in the necessity and/or opportunity entrepreneurship context.

Firstly, as explained in essays 1 and 2, the interpretation of the entrepreneurial event depends on the individual's situation. In fact, as emphasized by Shapero (1984), the creation process starts with the positive or negative situation of an individual and the entrepreneurial act must be considered as a product of the interaction between a specific situation and a specific individual. For this author, these specific situations are diverse and a specific situation will produce different responses according to the type of individual facing the situation. Based

on this, we believe that the primary interpretation (when the entrepreneurial event occurs) of the entrepreneurial event could also evolve during the SME's life (the creation process and/or the post-creation development). In fact, following Shapero's theory, if an individual's situation changes (positively or negatively) during the start-up process, we could expect that his/her necessity and/or opportunity positioning could also change. The fact that the individual's motivations can change through the SME's life is also supported by Williams & Williams (2011) and Aidis et al. (2006). Consequently, we could expect this change to induce a change in the individual's entrepreneurial behaviour. As we demonstrated in essays 3 and 4, motivations impact the firm's creation process. As a result, the fact that (1) the individual's motivations could change during the SME's life (pre-creation and/or post creation) and (2) that most research in entrepreneurship is cross-sectional (Davidsson, 2005; Baron, 2006) could have two major implications. First, it could reinforce the argument that the necessity-opportunity dichotomy does not exist and that the entrepreneur's profile (in terms of necessity and/or opportunity) can evolve during the firm's life. Second, due to the fact that entrepreneurship research is mainly cross-sectional (Davidsson, 2005), it would suggest that our current understanding of the entrepreneurial motivations and of their role in the entrepreneurial process is rather limited. Therefore it appears relevant that future research tries to answer to the question related to the "individual motivation's stability" throughout the SME's life. In order to address this question, future research needs to implement an

adequate methodological framework. In other words, as Kirkwood & Campbell–Hunt (2007) stressed, we believe that future research related to entrepreneurial motivations should be based on multiple paradigms research methodologies.

Secondly, as explained in essays 3 and 4, past necessity and opportunity research demonstrated that these two profiles differ in terms of growth, exports, innovation or employment creation (e.g. Block & Sandner, 2009; Hechavarria & Reynolds, 2009; McMullen et al., 2008; Hessels et al., 2008). As firms created by necessity entrepreneurs are less growth oriented, less innovative and create less jobs than firms created by opportunity entrepreneurs, some scholars argue that necessity entrepreneurship is not desirable (Shane, 2009). Here, our argument is not to say that all creations and/or all types of entrepreneurs (in terms of motivations) are desirable, but that we believe that future research on necessity and opportunity entrepreneurship needs to better understand why necessity entrepreneur seems so unsuitable, and also, why the firms created by necessity entrepreneurs underperform the ones created by opportunity entrepreneurs. In our opinion, these researchers (e.g. Block & Sandner, 2009; Hechavarria & Reynolds, 2009; McMullen et al., 2008; Hessels et al., 2008) suffer from two limitations. First, as our dissertation demonstrates, these authors used an inadequate dichotomous approach to necessity and opportunity entrepreneurship. Second, these authors do not examine if a firm's gestation process

implemented by these profiles could explain these dissimilarities. As we show in essays 3 and 4, it seems that necessity and/or opportunity motivations play a role in the firm creation process. However, we do not know if there is a link between necessity and/or opportunity positioning and the firm's post-creation development. In order to better understand and to explain the post-creation differences between the different entrepreneur profiles, future research needs to analyze in depth both the firm's creation process and its impact on the firm's post-creation development in the context of necessity and/or opportunity entrepreneurship. Such an approach implies that future research should take the links between the individual's profile, the firm's gestation process and its development into account. This could lead to a better understanding of the reasons why necessity entrepreneurs underperform the opportunity types.

Jointly to these two research avenues, we believe that there is another gap in the literature. This research gap refers to the role of the *entrepreneurial team* in the context of the necessity and opportunity entrepreneurship. Research on necessity and opportunity entrepreneurship has always considered these two types of individuals as being "isolated entrepreneur". However, as Audretsch & Monsen (2008) stressed, many businesses are developed by a team and not by a single individual. Despite this reality, no study has analyzed whether or not the necessity and the opportunity businesses differ in terms of the

entrepreneurial team size and/or if the differences between the two in terms of the survival and/or growth could be due to the characteristics of the entrepreneurial team. As Westhead (1995) emphasized, the entrepreneurial team plays a significant role in the firm's development and in its performance. When a firm is created by an entrepreneurial team, it increases its human, social and financial resources (Ucbasaran et al., 2003). This research avenue could allow us to better understand why necessity businesses often underperform the opportunity businesses. With regards to our dissertation, the study of the entrepreneurial team in the necessity and/or opportunity entrepreneurship context could also help to explain why necessity entrepreneurs are less proactive in terms of gestation activities, as we have shown in our fourth essay.

To conclude, these research avenues could allow us "...to rediscover the rich complexity of motivations and explore in greater detail the role they play in entrepreneurial behaviors" Carsrud & Brännback (2011).

LIMITATIONS

Our findings have some limitations.

As emphasized by the literature, necessity entrepreneurs have less human and/or financial resources than the opportunity entrepreneurs. Based on that, we could expect that when an individual starts a business for necessity reasons he/she would choose a self-employed status (unincorporated business). Starting an entrepreneurial activity under the self-employed status is usually easier under the incorporated status. For example, the gestation activities and/or the financial capital required to start an incorporated business are usually more important under the incorporated status. As our database only contains entrepreneurs who created their business under the incorporated status, our data could suffer from a selection bias due to the fact that we do not study the self-employed.

Second, as shown by Carter et al. (2003), the use of retrospective data can be a limit when studying entrepreneurial motivations. Our database includes the ventures started between 1998 and 2000 and the survey was done in 2004. Therefore, the time (4–6 years) between the business creation and the survey could create a temporal bias. In others words, it is possible that the individual's motivations underlying the decision to

start a business in 1998–2000 and the motivations the individual gives at the time of the survey in 2004 could be different. In fact, as we emphasized, the individual's motivations could evolve during that time. Therefore, the answers to the survey could be temporally biased.

Finally, as our data are “regional” our findings cannot be generalized to Belgium and/or to the International context.”

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