A Motivational Journey
A study about the entrepreneur and the changes in motivation from start-up to present

Paper within Bachelor Thesis – Business Administration
Author: Karlsson, Marcus 900419-5617
Källviks, Mikaela 890918-0385
Nilsson, Marcus 880315-4650
Examiner: Anders Melander
Tutor: Joaquín Cestino
Jönköping May 2015
Preface

During the spring term of 2015 the authors have been writing a thesis in business administration about lifestyle entrepreneurs’ motivational change during their business development. The analysis is based on a theory called the organizational life cycle where two different stages have been used. The two stages have been selected because the authors want to be able to explain the change during business development.

The authors would like to express their gratitude and acknowledgement to their tutor Joaquín Cestino for his helpful insights and guidance during this thesis and also to the course administrator Anders Melander for his help during the process of the thesis. The authors would also like to express their gratitude towards their opposition group for their helpful opinions and advice.

The authors would also like to express a special thank you to all the involved interview objects for their participation and letting us be a part of their motivational development.

26th of May, 2015

Mikaela Källviks  Marcus Nilsson  Marcus Karlsson
Abstract

Date: 26th of May, 2015

The purpose of this thesis is to identify what motivational changes occur while a lifestyle entrepreneur moves through three different organizational stages. The focus will however be on stage one and three. The problem of an under-researched field is addressed and how the motivation of specific lifestyle entrepreneurs, in these cases hairdressing salon owners, has changed. This thesis has been conducted with an interpretivistic viewpoint, an inductive approach and with a qualitative research method. The authors have selected to analyze the data through pattern matching and dividing the interviewees into two different case studies, one for each of the two chosen organizational stages in focus. In conclusion the authors found that intrinsic and extrinsic motivations have had different effects within all stages in the organizational life cycle. The authors have discovered that during stage one the intrinsic motivations play a large role. During stage one where the organization is small and young the lifestyle entrepreneurs are motivated by factors such as independence and self-efficacy. Stage two is a more extrinsic dominated phase with the factors integrated regulations and identified regulation as motivators. The third stage is a return to the intrinsic motivations with factors such as locus of control and egoistic passion. This is further explained within the chapter with help of the analysis and empirical findings. A figure has been presented to show the different phases and their motivational change.

Keywords: entrepreneurs, motivation, human motivation, lifestyle entrepreneur, hairdressing salon owners, organizational life cycle
Contents

1 Introduction........................................................................................................... 2
  1.1 Background........................................................................................................ 2
  1.2 Problem ............................................................................................................. 4
  1.3 Purpose ............................................................................................................. 5
  1.4 Research Question ............................................................................................ 5
    1.4.1 Delimitation and Limitation ...................................................................... 5
  1.5 Definitions ......................................................................................................... 6

2 Methodology........................................................................................................... 7
  2.1 Research Method ............................................................................................... 7
  2.2 Scientific Approach ........................................................................................... 9
  2.3 Scientific Viewpoint .......................................................................................... 11
  2.4 Research Strategy ............................................................................................. 12
  2.5 Data Collection ................................................................................................ 13
  2.6 Interview Structure ........................................................................................... 15
  2.7 Data Analysis .................................................................................................... 17
  2.8 Summary of the Methodology ......................................................................... 19

3 Theoretical Framework.......................................................................................... 20
  3.1 Entrepreneurship and the Entrepreneur ............................................................ 20
  3.2 Motivation .......................................................................................................... 21
    3.2.1 Intrinsic and Extrinsic Motivation .............................................................. 21
    3.2.2 Human Motivation ...................................................................................... 24
  3.3 Organizational Life Cycle ................................................................................... 26

4 Empirical Data and Analysis ................................................................................ 31
  4.1 Motivation and the Lifestyle Entrepreneur ....................................................... 31
  4.2 Case Study One .................................................................................................. 31
    4.2.1 Case Study One – Interview Summaries .................................................. 32
    4.2.2 Case Study One - Analysis ....................................................................... 33
  4.3 Case Study Two ................................................................................................. 35
    4.3.1 Case Study Two – Interview Summaries .................................................. 36
    4.3.2 Case Study Two – Analysis ....................................................................... 38
  4.4 Additional Findings ............................................................................................ 42

5 Conclusion ............................................................................................................. 43

6 Discussion ............................................................................................................. 46
  6.1 Future Research ................................................................................................ 48

References ............................................................................................................... 49
Appendices

Appendix 1........................................................................................................................................... 54
Appendix 2............................................................................................................................................... 55

List of Tables

Table 1.1 - Hairdressing salons in Sweden.......................................................................................... 4
Table 2.2 - Interview Objects ............................................................................................................. 15
Table 2.3 - Search Parameters ........................................................................................................... 15
Table 3.4 - Life Cycle Stage Characteristics ...................................................................................... 30
Table 4.5 - Interview Objects in Case Study One ............................................................................... 32
Table 4.6 - Interview Objects in Case Study Two ............................................................................. 36
Table 5.7 - Motivation in the Organizational Life Cycle for Lifestyle Entrepreneurs ...... 44

List of Figures

Figure 3.1 – The self-determination continuum showing types of motivation with their regulatory styles, loci of causality, and corresponding processes .............................................. 23
Research Disposition

Chapter 1: Introduction - An introduction that starts with a background of the thesis and a description of the problem, purpose and the research question.

Chapter 2: Methodology - The authors explain which research method, scientific viewpoint, scientific approach and research strategy that has been chosen to develop this thesis. The interviews are being explained more in detail, e.g. the structure they will be conducted by.

Chapter 3: Theoretical framework - The authors describe the concepts entrepreneur and motivation; in addition, different motivational factors are discussed such as intrinsic and extrinsic, and also different human motivations.

Chapter 4: Empirical data and Analysis - In this section the authors will report the empirical findings. This will be done by a summary of the interviews and a written reproduction of the answers given orally. This part will take on a more descriptive approach in order to lay the foundation for the analysis later on. The analytical part of the thesis will provide a deeper interpretation of the empirical results retrieved from the interviews. These interpretations will then be matched with the theoretical framework used in the thesis. The authors will use their creative thinking to make a deeper systematic analysis of the empirical findings with the help of the theories and concepts presented. The analysis will connect the empirical data gathered by the authors to the purpose and problem of the thesis.

Chapter 5: Conclusion - The results of the analysis will be summed up in the concluding section of the thesis in a concise manner. The conclusions made will be connected to the purpose and the research problems that the thesis is based on.

Chapter 6: Discussion - In this chapter of the thesis the authors will be allowed to broaden their view on the subject that has been covered. This will be more of a speculation of the subject as well as thoughts about future research with similar questions. Both strengths and weaknesses that the authors have identified will also be mentioned.
1 Introduction

This chapter aims to introduce the readers to the topic of motivational change and lifestyle entrepreneurs. A presentation of the problem, purpose and the research question will also be announced.

1.1 Background

The research field of entrepreneurship and motivation has been overlooked to some extent during the last couple of decades according to Brännback and Carsrud (2011). They believe that entrepreneurial motivation is a fundamental part within entrepreneurship and it has not been researched enough in order to understand the complexity of entrepreneurs fully. The authors of this thesis agree with Brännback and Carsrud (2011) about the fact that entrepreneurial motivation is an important and interesting aspect that affects the essential foundation behind the growing field of entrepreneurship.

The Swedish-GEM team (Global Entrepreneurship Monitor) and the Entrepreneurial Forum (2014) that researches e.g. entrepreneurial activities, attitudes and ambitions, have written a national report called Entrepreneurship in Sweden. This report states that the portion of Swedish citizens that engage with entrepreneurship has doubled between the period of 2007 and 2013 (see appendix 1). This increase of entrepreneurs cannot be matched by any other innovating country. The authors consider this to be a hint of the importance of entrepreneurial activities. The national report from the Swedish-GEM team and the Entrepreneurial Forum suggests that work motivation among entrepreneurs have increased and at the same time, work motivation in this group is higher than among the average employees.

Social scientists such as Atkinson (1964), Luthans (1977), Kast and Rosenzweig (1979) explain motivation as a psychological process that is the root of tenacity and direction of behavior. Collins, Locke and Shane (2003) explain that to understand entrepreneurial motivation human motivation must first be taken into account. In this thesis, human motivation is seen as the motivational factors that make the entrepreneurial activities
possible. Brännback and Carsrud (2011) explain that goals and motives have a sufficient part in understanding human behavior. There is in fact a connection between motivations, behavior and intentions but this link is neither linear nor easy to map (Brännback & Carsrud, 2011).

The most common motive for starting a business is considered to be of economic nature (Schumpeter, 1934), but for a lifestyle entrepreneur there are often other goals and motives in play even though some of them might be economic (Brännback & Carsrud, 2009). Henricks (2003) states that approximately 90% of the entrepreneurs are motivated more by the ambition of reaching a certain lifestyle than monetary gains. However he admits that it is difficult to differentiate entrepreneurs and lifestyle entrepreneurs. Deakin and Freel (2006) describe a lifestyle entrepreneur as an individual whose primary motivation is to have a particular quality of life and maintaining the income that is required for that certain lifestyle.

According to Statistiska Centralbyråns business register (2014) there are 1 158 349 businesses in Sweden, of which 53% are both large and small sole proprietorships. Because of this high percentage the authors assume that the role of sole proprietorships in the Swedish economy is an important factor and hence a good reason for these kinds of companies to be researched.

The authors believe that there are certain professions that tend to be sole proprietorships to a higher degree than others, such as carpenters and hairdressers. For this research the authors decided to choose the profession hairdressers. To be more explicit, since the thesis is handling the concepts of human motivation, the focus will be on the entrepreneur as a person, thus the owner of the hairdressing salon. Henceforth the lifestyle entrepreneur is the owner of the hairdressing salon.
With the guidance of allabolag.se (2015) the authors can identify that there are 14 499 hairdressing salons that are sole proprietorships in Sweden.

Table 1.1 - Hairdressing salons in Sweden. (allabolag.se, 2015)

<table>
<thead>
<tr>
<th>COMPANY FORM</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sole proprietorships</td>
<td>14 499</td>
</tr>
<tr>
<td>Limited liability companies</td>
<td>2 236</td>
</tr>
<tr>
<td>Partnership companies</td>
<td>788</td>
</tr>
</tbody>
</table>

As seen in the table above (Table 1.1), there are a lot of individual actors on the hairdressing salon market in Sweden. The study that this thesis is providing might be a useful tool for further researches and especially salon owners that are experiencing the motivational change during business development.

1.2 Problem

Brännback and Carsrud (2011); state that there is a need for further research in the area of entrepreneurial motivation. Their conclusion is that the area of entrepreneurial motivation is under-researched and should be seen as an important factor in entrepreneurial behavior. Barney and Busenitz (1997); state that previous research on the topic has given unsatisfactory results and need more explaining. Aldrich and Zimmer (1986) and Carroll and Mosakowski (1987) further argues that the field of entrepreneurial motivation is under-researched and that empirical findings have been insufficient. They also explain the importance of understanding the role of human motivation in the entrepreneurial process. Other researchers; Brush, Edelman, Greene and Manolova (2010), states that even though research is being conducted within the topic, this is by far an under-researched area. They also highlight the importance of motivations as the spark that may transform pure intentions into actions in real life.

As declared by the researchers above, from 1986 to as late as 2011, (Aldrich & Zimmer, 1986, Carroll & Mosakowski, 1987, Barney & Busenitz, 1997, Brush et al., 2010, Brännback & Carsrud, 2011) there is a need for more studies within entrepreneurial motivation; which is what the authors of this thesis have set out to accomplish. The authors of this thesis agree with many of the researchers stating that the field of entrepre-
neurial motivation is an important topic. Consequently the authors hope that this thesis will contribute to the field and add to the understanding of motivation and entrepreneurship.

Further the authors will classify entrepreneurial motivation as human motivation. Also the identified problem has been that the field is under-researched and the authors have set out to investigate the motivational change during three stages of the business development.

1.3 Purpose
The purpose of this thesis is to contribute to researchers’ and practitioners’ understanding about lifestyle entrepreneurs and the motivation that drives their business development. The authors aim to identify and interpret which human motivational factors are present at different stages in the organizational life cycle. The purpose of this thesis is therefore to identify what motivational changes occur while a lifestyle entrepreneur moves through three different organizational stages.

This thesis will address the problem of an under-researched field. More specifically, the intention is to clarify what motivates a lifestyle entrepreneur during different phases of the organizational development.

1.4 Research Question
The research question for this thesis is:

How does motivation of lifestyle entrepreneurs change during business development?

1.4.1 Delimitation and Limitation
The empirical investigation will consist of six owners of individual salons, which are small and medium businesses in Jönköping municipal. The reason for selecting Jönköping is because the authors are located in or near Jönköping as well as due to a limited time frame and financial resources. In order to answer the research question for this thesis there will be a focus on hairdressing salon owners as stated earlier in the background. Furthermore the main focus will be on two different stages from the organizational life cycle theory created by Carraher, Lester and Parnell (2003), the existence stage and the success stage (also known as the maturity stage). The reason for this is to
be able to compare differences between a newly started entrepreneurial mind and a more mature mind that has developed their organization and themselves as individuals. By analyzing the difference between stage one and stage three the authors are able to draw a conclusion about how motivation has changed during the business development. The business development is therefore defined by the authors in this thesis as the progress from stage one to stage three; and this is also where the focus on human motivational change is.

Many entrepreneurs are not being accounted for and being left out of this study due to lack of time and resources. The occupation itself might give some insight into the way motivation affects the lifestyle entrepreneur's actions, but the researchers are more interested in the entrepreneur him-/herself than the profession that the individual has chosen.

1.5 Definitions
There is a concept that needs to be explained further since it has not received enough attention in the thesis yet, the lifestyle entrepreneur. This concept has a vital role in the thesis and is important for the reader to understand for later use.

**Lifestyle Entrepreneur**

A lifestyle entrepreneur is an individual that does not mainly start a business for economic gain other than to receive a suitable income to live; a lifestyle entrepreneur is more focused on the quality of life. Lifestyle entrepreneurs are also considered to be individuals that seize the opportunity to make their life better suited for themselves. These descriptions of lifestyle entrepreneurs are stated in the background and described by Deakins and Freel (2006), Brännback and Carsrud (2009) and also by Schumpeter (1934).
2 Methodology

This chapter aims to establish the different methods used to conduct the research. The different methods have been explained and argued for since they are fundamental for the credibility of the research. Using the right methods is crucial for fulfilling the purpose of this thesis, thus assist in filling the under-researched field. A table with the interview objects will also be presented and the chapter will end with a short summary of the selected methodological approaches.

2.1 Research Method

There are two main research methods, qualitative and quantitative. The qualitative methodology is characterized by using verbal formulations that are written or spoken. In contrast to the quantitative research method that is more focused on receiving the answers in numbers and analyzing with the help of statistics. (Bryman & Bell, 2005)

Qualitative Research Method

Statements are made verbally and with the use of the traditional ”word” as the instrument and it has an inductive approach of the affiliation between theory and practice (Bryman & Bell, 2005). The qualitative method also aims to answer the questions ”why”, ”what” or ”how” (Cochran & Patton, 2002). This type of research method analyzes details and words by conducting interviews in a common environment (Khan, 2014). The researcher gathers the information and interprets it as a neutral individual to avoid involvement when conducting the results (Khan, 2014). The qualitative method uses open-ended questions with emerging methods and interpretations of themes and patterns. The process of the research, involves new questions and approaches. In the end the researchers make their own interpretations of the collected data (Creswell, 2014). There are three types of interview design, which are summarized by Borg, Gall and Gall (2003) these are:

- Informal conversational interview
- General interview guide approach
• Standardized open-ended interview

The authors of this thesis have chosen a general interview guide approach. According to Borg et al. (2003) the general interview guide approach is a semi-structured interview approach that opens up flexibility within the answers from the interviewee. Even though this approach is flexible there is an issue, which is the lack of consistency in how the questions are asked and put forth.

Quantitative Research Method

The quantitative research methodology aims to answer questions such as ”how much” or ”how many” (Cochran & Patton, 2002). The research methods first step is to collect the theoretical framework, after everything is gathered the researcher forms a hypothesis (Bryman & Bell, 2005). The data that is collected and used in a research that uses a quantitative research method is made from existing and potential customers. The researchers might then measure the market share, establish the market size or analyzing spends per customer. Some methods that may be used when using the quantitative research method are surveys, experiments and observation methods. The main disadvantages with these methods are that they take time and they can involve high financial costs. The advantages of these types of methods on the other hand are that they are fast and can cover many people in a short period of time. (Bax, 2013)

This Thesis’ Research Method

Verbal formulations were needed to explain the entrepreneur’s motivation during the development of the business. The questions that are inquired do not need to answer “how much” or “how many”, instead questions as the qualitative research method suggests “why” or “how”. Since there was no desire for statistics or numbers in this thesis other than the number of interviewees, the authors decided to use the qualitative research method based on the importance of verbal communications. The research method gives the authors an opportunity to formulate their own interpretations of the collected data for the empirical section and there is no need for any hypotheses. This thesis requires the authors to analyze the interviewee’s answers, to grasp the concept motivation and how it has developed the business through its life cycle. The authors have selected a
general interview guide approach which is a method that allows flexible answers from the interview object (see appendix 2).

2.2 Scientific Approach

Davidson & Patel (2009) mentions three different approaches, deductive, inductive and abductive that relates to how the theory and empirical framework is researched. All approaches are described so that the authors’ choice of approach will be understandable.

Deductive

The deductive approach is based on exchanges between theories and hypothesis. The hypothesis is conducted and derived from theories, which means that the information gathered is based on the data that forms the hypothesis. (Bryman & Bell, 2005)

The deductive approach is to follow the path of the evidence by using general principles and existing theories (Davidson & Patel, 2009). The deductive process is viewed as linear, where each step in the process follows another in a logical and systematic order (Bryman & Bell, 2005). The researchers own opinions matters less in this approach (Davidson & Patel, 2009). When a research has attained a result, the hypothesis is tested and either confirmed or rejected, after testing the hypothesis the theory is altered. (Bryman & Bell, 2005)

Inductive

Inductive research is a method in which the researcher forms his/her own theory based on some particular cases taken from reality. That is, the researcher follows discoveries done through empirical research and from this information forms a theory that then should be able to be backed up. This theory will then come from research done without having roots in another already established theory. The researcher does not work totally without premises; there are still some theories that can be applied in the research to give it credibility. One of the drawbacks to this way of reasoning is the fact that the researcher has his/her own conceptions and ideas that might “taint” the theories that are created. Another disadvantage with the inductive method is that one cannot know the level of generality of the created theory since all the information it is based on is collected during/for one specific situation, time or group of people that prevents it from being used on all cases later on. (Davidson & Patel, 2009)
Abductive

The abductive way of reasoning is a combination of both inductive and deductive way of thinking. It consists of more stages and starts with collecting/observing cases from reality and then forms a preliminary theory (theory number one). This theory will then be tested on new cases and from this the researchers will develop and evolve the first theory into a second theory that normally should be even more reliable. In summary one can say that the researcher creates a hypothetical pattern from individual cases that explains them, which is the inductive way of working. This theory or hypothesis is then tested on new cases from reality, which makes it possible to generalize and develop the original theory, which is the deductive way of thinking. One of the main advantages of this method is the fact that the researcher does not limit him- or herself to one of the two earlier described methods, deductive and inductive, and by that can utilize the strengths of both these methods. There are however also disadvantages to this approach. One of these are the risk that a researcher is not broad minded enough, which in that situation causes the risk of the hypothetical theory being verified during the deductive phase of the abduction. Another risk with the abductive way of working, is that everybody affected by earlier experiences and hence not totally non-conceptual in their way of thinking. This might affect the researcher to pick study objects that the researcher has experiences from before and then forms a hypothetical theory that excludes other alternative interpretations. (Davidson & Patel, 2009)

This Thesis’ Scientific Approach

The inductive approach was applied to the thesis since the research that has been made does not start with a finalized theory. Although a couple of theories have been used to increase the credibility of the thesis and create a frame of reference. The inductive approach was chosen since the research for this thesis will end up in a theory about the motivational changes that entrepreneurs experience during the development of their organizations, with facts based on six interviews. Furthermore the researchers in this thesis will not make more than one set of empirical information gathering and only form one theory from these findings; this makes the abductive way of working unsuitable as well. The complication of the abductive approach is that the hypothetical theories can be answered prematurely during the deductive phase. The deductive approach alone
does not fit this research since the authors do not start with a finished theory that determines what information should be sought after. (Patel & Davidson, 2009)

2.3 Scientific Viewpoint
There are two major scientific viewpoints when conducting a research, positivism and interpretivism. The positivist put forth a hypothesis and tries to provide evidence through experiments and the interpretivist aims to interpret the information gathered. (Lin, 1998) These two viewpoints are explained before the authors deliver an explanation of which scientific viewpoint they have selected to work with.

Positivism
There are three different stages that individuals go through when developing knowledge. The first stage is the theological stage and means the scientific studies of gods. The second stage is the metaphysical stage, where the senses cannot be apprehended. The third and last stage is the positivistic stage and it is where individuals have understood that true knowledge can only be achieved by experience. (Thurén, 2007)

There are two main sources of knowledge; the first is that a researcher can watch with all their senses, the second that he or she can calculate by using their own logic. Researchers need to conduct own experiments and be able to put forth their own beliefs of what has been said and done to receive, as positivists say, true knowledge. (Thurén, 2007) Lin (1998) describes the positivist as an individual that put forth a hypothesis that will be tested through experiments. Then try to prove that the hypothesis can identify patterns that will provide the conclusion needed. (Lin, 1998)

Interpretivism
According to Lin (1998) interpretivism explores general concepts, such as race, and it’s meaning in specific operations. It is an attempt to expose an individual's conscious and unconscious description of what individuals do or believe in a specific time or place so that the actions individuals take become comprehensible. Lin (1998) also states that qualitative work seeks information about specific concepts such as motivation and behavior. These specific concepts are not simple to make statistical analysis on or make them numerical. Interpretivists seek to understand the general patterns of motivation and behavior and how it is viewed in practice (Lin, 1998).
According to Lin (1998) the main difference between interpretivism and positivism (in qualitative work) are the questions and the type of conclusions that are made. Positivism focuses to identify the details in order to make a hypothesis that can be tested in different ways, while interpretivism uses the combinations of details and own interpretative. The results of both approaches are to comment about general assumptions and relationships, interpretivism work to be able to display how the patterns look in practice. (Lin, 1998)

This Thesis’ Scientific Viewpoint
The interpretivistic viewpoint was suitable for this thesis since the method aims to explain individual’s behavior or beliefs in a certain time and place. The authors do not want to conduct a hypothesis and experiment with it as a base as the positivistic viewpoint suggests. The researchers are not going to conduct own experiments through the study they are going to interpret and observe the facts given to them. The interpretivistic viewpoint showed its promise since researched concepts like e.g. motivation was difficult to analyze statistically or in a numerical form. The thesis is about the concept motivation and the change it makes through the business development, motivation is a difficult concept to define and make tangible. This viewpoint gives the authors the opportunity to interpret and observe their interviews, which is a key element in order to answer the research question.

2.4 Research Strategy
Under this section the authors want to mention a couple of research strategies in order to make the thinking process behind the thesis clear.

Case Study
In order to gather data for case studies it is possible to use interviews, observations and archives. The case study has been done without originating from hypotheses or theories to keep flexibility with the theoretical framework. (Eisenhardt, 1989) A case study is a research strategy that systematically gathers the information and the relation between the variables are supposed to be assessed while the whole investigation is planned in a methodical way. In a case study the researchers identify a phenomenon within an organ-
Surveys
The purpose of a survey on the other hand is to reach a large number of participants and receive a response to one or a few specific questions, through questionnaires (Bryman & Bell, 2005). The information gathered by a survey can either be written or orally collected, with questions that provide “yes”, “no” or presupposed multiple choice answers (Bialocerkowski & Grimmer, 2005). This method of data collecting tends not to give the researchers the satisfaction of a connection while conducting the interviews. A survey gives the interview objects the opportunity to answer the questions during a longer period and by that loses the social impact a personal interview gives. (Andersen, 1994)

This Thesis’ Research Strategy
The thesis did not start with a hypothesis or a specific theory in mind; it has been developed after collecting the significant information. Surveys are more focused on questionnaires and missing the ability of a social connection while gathering the data, which the researchers of this thesis did not want to miss. The author’s opinion is that the survey strategy is more focused towards quantitative research method, which is not applied to this thesis. The nature of the topic human motivation and its change during business development pointed towards difficulties of conducting surveys and that a case study had to be conducted in order to obtain as much relevant information as possible. During the progress of this thesis, the information has been gathered in a systematic order to relate to the already existing theories. The authors made the decision to conduct two case studies that will cover two of the stages within the organizational life cycle.

2.5 Data Collection
In this section of the thesis the authors introduce how the information has been gathered and a short description of the interview objects.
Primary
Primary data is collected by the researchers through mainly interviews or questionnaires. The information gathered gives the author's control over the material and can be adapted to the research question (Ghauri & Grønhaug, 2005). For this thesis the data was gathered through the use of interviews with six individual hairdressing salon owners. Two of the owners had been in the business for one to three years and four owners had been in the business for five years or more. All the interviews were recorded except for interview number one, who did not want to be taped.

Interview Objects
The interviews, which were done with six interview objects, for an average of 30 minutes each, were conducted by all authors in April 2015. All the interview objects had the same probability of being selected, the important aspect that was viewed were that they were owners of a salon in the form of sole proprietorship. Possible interview objects were found through a search at allabolag.se. Unfortunately it was more difficult to gather willing interview objects than anticipated, 46 sole proprietorships were contacted and six of these accepted. The authors were satisfied with number of interview objects as by the fourth interview the answers were the same from all interview objects. However there was still a need for an interview object with less experience as a salon owner for case study one. When this interview delivered similar data as the previous within case study one the authors were satisfied with the amount of data collected.

The interview objects are divided into two case studies where one is focusing on an earlier stage in the organizational life cycle and one on a latter. Case study one, the earlier stage, consist of the two interview objects who have been salon owners for five years or less. Case study two consists of four interview objects that have a more developed organization and are therefore suitable for studying a later stage in the organizational life cycle. However, all of the participants in case study two have sometime during their time as owners been situated in the previous stages, which makes it possible for contributions to case study one from them as well.
Table 2.2 - Interview objects. (self-made, 2015)

<table>
<thead>
<tr>
<th>Number</th>
<th>Case nr</th>
<th>Gender</th>
<th>Age</th>
<th>Years in business</th>
<th>Years as owner</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>Female</td>
<td>68 years old</td>
<td>50 years</td>
<td>27 years</td>
</tr>
<tr>
<td>2</td>
<td>2</td>
<td>Female</td>
<td>41 years old</td>
<td>22 years</td>
<td>11 years</td>
</tr>
<tr>
<td>3</td>
<td>2</td>
<td>Female</td>
<td>53 years old</td>
<td>15 years</td>
<td>10 years</td>
</tr>
<tr>
<td>4</td>
<td>1</td>
<td>Female</td>
<td>26 years old</td>
<td>7 years</td>
<td>1 year</td>
</tr>
<tr>
<td>5</td>
<td>2</td>
<td>Female</td>
<td>44 years old</td>
<td>12 years</td>
<td>7 years</td>
</tr>
<tr>
<td>6</td>
<td>1</td>
<td>Female</td>
<td>36 years old</td>
<td>15 years</td>
<td>3 years</td>
</tr>
</tbody>
</table>

Organizing the Literature

To answer the research question for this thesis articles, books and journals have been utilized, to find credible sources. Databases such as; SAGE, Wiley online library, Google Scholar, Web of knowledge, Primo and the university library have been leveraged. Many different search words were used in the data collecting process and the main ones are mentioned in table 2.3.

Table 2.3 - Search parameters. (self-made, 2015)

<table>
<thead>
<tr>
<th>Database and Search engines</th>
<th>SAGE, Wiley online library, Google Scholar, Web of knowledge, Primo and University library</th>
</tr>
</thead>
<tbody>
<tr>
<td>Search words</td>
<td>Entrepreneurial motivation, motivation, lifestyle entrepreneur, organizational life cycle, human motivation, business development, entrepreneurs, entrepreneurship, motivation change</td>
</tr>
<tr>
<td>Literature types</td>
<td>Academic articles, Journals, Literature books and Internet</td>
</tr>
<tr>
<td>Publication periods</td>
<td>1961 - 2015, (Exception: 1 book 1934)</td>
</tr>
<tr>
<td>Language of publication</td>
<td>English and Swedish</td>
</tr>
</tbody>
</table>

2.6 Interview Structure

The interviews in this thesis have been performed by interviewing six owners of individual hairdressing salons in the Jönköping area who are all certified hairdressers with formal hairdressing certificates. This means that all interview objects have a formal degree in hairdressing. The lifestyle entrepreneurs selected for the interviews are individuals that have sole proprietorship with hairdressing salons located in Jönköping. There are many private entrepreneurs within the hairdressing segment in Jönköping and for
the interviews the author’s contacted different salons to ask if they were willing to participate. The authors have focused on the actual lifestyle entrepreneurs and the motivation that has changed for them during the business development. There are three different method structures that can be used during the interviews; these are structured, semi-structured and unstructured. Because this thesis will be conducted in a qualitative way, the authors decided to include unstructured and semi-structured and disregard the structured approach. According to Bryman and Bell (2005), the structured interviews are commonly used in quantitative studies, which is one reason to why the researchers have chosen not to include it. Since the nature of this study is to research a topic which might be difficult to grasp, the authors do not want to limit themselves with a structured and controlled approach.

**Unstructured**

According to Bryman (2008), the unstructured interview is described as a dialog between two individuals that are having a discussion about a certain topic. The researcher can start the interview by asking one question about a specific topic and then actively listens to the interviewee who has the opportunity to speak freely. The researcher interprets the given answers. This opens up the possibilities that the interview becomes natural and less rigid, which may deliver positive outcomes for the results. The main disadvantage with unstructured interviews is that it may be difficult for the researcher to collect credible data from the conversation. (Bryman, 2008)

**Semi-structured**

Semi-structured interviews have predetermined questions but with the possibility to modify the order of the questions and they do not have to be exactly the same for each interview. Semi-structured interviews open up the possibility for the interviewees to give a wide range of different answers, which in turn might lead to follow-up questions. This interview structure might cause the interviewees to feel that some questions are to personal and private. The interviewees each have different unique characteristics and therefore the answers might be diverse and hard to draw a conclusion from which might create difficulty. One of the strengths of semi-structured interviews is the fact that they are suitable for a thesis where motives and attitudes come into focus. Other advantages are the possibility of getting truthful answers to all the questions and at the same time it
might increase the response rate, as well as insures that the interviewees are answering on their own. (Flick, 2009)

This Thesis’ Interview Structure
The authors of this thesis believed that a semi-structured approach was appropriate for the interviews that were conducted. The researchers had predetermined questions but wanted to leverage the possibility to modify the order of which the questions were asked to maintain a good flow in the interview. In a structured interview there are guidelines that control the observations and techniques; there is also the risk of receiving information that is not credible since the interviewee might recall untrue memories (Bryman & Bell, 2005). In a qualitative research method the structure is not as strict as in a quantitative research method, which is more reliable on a structured interview approach (Bryman & Bell, 2005). Therefore, the interviews were semi-structured so the interviewees had the opportunity to elaborate their answers, which made the researchers able to ask follow-up questions. This is a characteristic of the general interview guide approach mentioned in the section “Qualitative research approach” (see appendix 2). By using an unstructured approach the authors would have asked one question and let the interviewee elaborate on the topic. This approach would have been even more dependent on interpretations than semi-structured and structured interviews; since it gives the interviewees the possibility of speaking freely and decreased the credibility of the empirical findings. The authors decided on interviews since they believed when discussing the concept motivation there is a need for personal contact with the interview objects in order to gain detailed and the right level of information. This was important because the authors wanted to make as accurate interpretations of the answers as possible and not have to rely on interpreting questionnaires. Semi-structured interviews open up the possibilities for follow-up questions, which are relevant to the thesis since the authors are researching how the entrepreneurs feel that their motivation has changed during the business development.

2.7 Data Analysis
While searching for different data analyzing methods; the authors discovered that they wanted to manage the analysis and empirical findings through either pattern matching
or cross-case synthesis. Those alternatives are based on the authors’ choice to conduct two case studies and compare those two in order to recognize lifestyle entrepreneurs’ motivational change. According to Yin (2009) pattern matching is a technique that encourages the connection between the empirical and the theoretical framework. This approach is a way to compare different empirical patterns in order to reach a form of internal efficiency. Cross-case synthesis is another way to analyze data where two cases are compared with two other cases, the differences and similarities are listed between them. To further investigate with the help of cross-case synthesis Eisenhardt (1989) describes that the cases can be grouped into threes or fours. (Eisenhardt, 1989) The authors of this thesis have decided to use pattern matching in the help of interviews and theories presented. The authors expect to receive consistent answers on which they can build their empirical data, analysis and conclusion upon.

Even though the qualitative research method does not expect the authors to conduct an analysis with numbers, the research method opens up the opportunity to structure the findings in a table. The authors will also draw their own conclusions based on the findings in this research.

**This Thesis’ Method for Data Analysis**

Since this research will be conducted through only two case studies the cross-case synthesis method is less appropriate to use for the data analysis; since it depends on analyzing groups of cases. The data analyzing has been done with the help of pattern matching and connecting the theories to the empirical findings that have been derived from the interviews. The aim has been to try to find parallels between different theories that stand behind the empirical framework. The manuscripts from the interviews have been re-read and parallels have been draw from the answers given. The thesis analysis is built on two case studies covering two of the three chosen organizational stages. The stage focused on is stage three to predict the changes in motivation, the first stage is a help to anticipate the beginning of the motivational change and the second stage is viewed as a stepping stone towards stage three.
2.8 Summary of the Methodology

This thesis has been conducted with an interpretivistic viewpoint, an inductive approach and with a qualitative research method so that the information received from the semi-structured interviews can be used and analyzed as thoroughly as possible. Primary data has been gathered through six interviews divided into two case studies, two interview objects in case study one and four interview objects in case study two. The interviews have been conducted with a general interview guide approach (see appendix 2) since the authors want to interpret the change in motivation. The authors have selected to analyze the data collected from the two cases through pattern matching.
3 Theoretical Framework

This chapter aims to present the theories of the two main concepts that are being covered in this thesis, entrepreneurs and motivation. The theoretical framework is structured with the intention of delivering an explicit explanation of these concepts in combination with a theory about the organization life cycle. This is done to simplify the process of connecting all gathered theoretical information in order to fulfill the purpose and the research question.

3.1 Entrepreneurship and the Entrepreneur

This thesis aims to explain how human motivation affects lifestyle entrepreneur’s motivation and how the individual's motivation has changed during the business development. To interpret the motivational change the authors believe there is a need for understanding the starting-point of the entrepreneur as an individual. There are factors that affect the prospective entrepreneur to either be pushed or pulled into the entrepreneurial field. Two theories are taken into consideration in this thesis when discussing an individual's drive to become an entrepreneur, push and pull theory (Crompton, 1979, Dann, 1977, Klenosky, 2002 & Kozak, 2002). These two theories are useful for the analysis and the empirical findings to explain the reasons why the lifestyle entrepreneurs have entered stage one and what motivated them.

According to Gilad and Levine (1986), the push and pull theories are two explanations of entrepreneurial motivation. The push theory states that individuals are being pushed into entrepreneurship through unfavorable external forces, such as inflexible work schedules and job dissatisfaction. The pull theory on the other hand strives to explain internal factors that appeal to individuals who consider becoming entrepreneurs, such as seeking independence and self-fulfillment. (Borgia, Schoenfeld & Segal, 2005)

Kirzner (1979) defines an entrepreneur as an individual who reacts to opportunities presented in a certain market. According to Spinelli and Timmons (2004) an entrepreneur is an individual who has a specific way of acting, thinking and reasoning. According to the pull theory the two main factors that motivate an entrepreneur are money and inde-
pendence, the factor most common with both women and men is independence. Individuals in the study said that the desire of being their own boss and having control over their own destiny was the most common reason to become an entrepreneur. These desires are all contained within the pull motivation and the concept of independence. (Borgia et al., 2005)

Borgia et al. (2005) also consider those entrepreneurs who are more influenced by the push motives to be less likely to succeed financially than the entrepreneurs mainly motivated by the pull motives. The push and pull motivations are also related to the intrinsic and extrinsic motivations and both theories can support each other when the authors conduct their analysis.

3.2 Motivation
Deci and Ryan (2000) define motivation as a way to be moved and energized to accomplish something. Collins, Locke and Shane (2003) explain and argue that human motivation has not been accounted for enough when discussing the entrepreneurial process. Different human motivational factors are introduced in this chapter to connect them to the entrepreneurs’ motivational change. The intrinsic and extrinsic motivators were selected for this research since they both cover the motivational factors for an individual. The authors found a vast amount of theoretical references connected to motivational factors where finished models have been developed. Instead the authors focus on the basic motivational factors within two separate classifications without being steered by an already developed motivational model.

3.2.1 Intrinsic and Extrinsic Motivation
Two classes of motivated behavior have been identified by researchers, intrinsic and extrinsic motivation. To make the right conclusion about the motivational change, the authors have incorporated these two into the theoretical framework. Intrinsic motivation relates to an individual's interest to accomplish something and also the individual's personal satisfaction (Vallerand, 2012). A reason to engage in activities that generate the feeling of achievement are desirable since learning comes as a by-product by the individual involving themselves with tasks that are enjoyable (Spinath & Steinmayr, 2012).
The activities talked about when describing intrinsic motivation are those that an individual consider to be meaningful and that he or she is motivated to execute (Arnsten, 1990). Locus of control is a factor included in the intrinsic motivations and is explained as when an individual expect that their personal actions affect their outcome such as, how an individual acts when taking on an assignment within a company to gain personal motivations (Collins, Locke & Shane, 2003). Self-efficacy is also a factor included in intrinsic motivations. Individuals influenced by self-efficacy consider themselves impacted by a feeling of action and thus are motivated to perform and thereby accomplishing that feeling (Chan, Kankanhalli & Woon, 2006). Incentives to render actions often strikes back for intrinsic motivations since individuals receive enough motivation from the satisfaction of accomplishing something (Panagopoulos, 2013). According to Deci and Ryan (2000), intrinsic motivation is the phenomenon that reflects the positivity of human nature the most. The will to learn, explore and challenge ourselves has its roots in the intrinsic motivation. From birth, the human mind has the need to evolve and try new things, without any promises of specific rewards. Even though the human mind is provided with intrinsic motivation from birth, it will need supportive conditions in order to continue to motivate. The intrinsic motivation can easily be disturbed by various elements. (Deci & Ryan, 2000)

The intrinsic motivators are interesting when viewing and interpreting the stages of the organizational life cycle since there are many different factors included to interpret.

Cognitive evaluation theory (CET) is a theory that aims to specify all the factors within intrinsic motivation (Deci & Ryan, 1985). CET argues that social events such as feedback, communications and rewards can aid the intrinsic motivation towards gaining competence for a specific task. An example of a social event is that positive performance feedback gains intrinsic motivation, while negative performance feedback decreases it. According to CET, intrinsic motivation does not only enhance by competence, but also, an individual must experience their behavior as self-determined for intrinsic motivation to be improved and confirmed. (Deci & Ryan, 2000)
The other class of motivated behavior, extrinsic motivation, is based on the theory that the individual executes an activity and for this receives some kind of reward (Vallerand, 2012). Deci and Ryan (1985) states that extrinsic motivation is a motivational design that is an activity done by the individual, in order to earn a positive outcome. The big difference between extrinsic and intrinsic motivation is that intrinsic motivation means performing a task simply for the enjoyment of the task, while extrinsic motivation means performing the task in order to attain a certain reward with value to the individual. The type of reward can differ a lot, depending on what the person is valuing. Deci and Ryan (1985) states that there are four different types of extrinsic motivations that differs in the intensity of self-determination. These are; extrinsic regulation, introjected regulation, identified regulation and integrated regulation. The table below is an overview of what each type of motivation represents and how they are connected through extrinsic motivation (Deci & Ryan, 2000).

The self-determination continuum showing types of motivation with their regulatory styles, loci of causality, and corresponding processes

<table>
<thead>
<tr>
<th>Behavior</th>
<th>Nonself-Determined</th>
<th>Self-Determined</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motivation</td>
<td>Amotivation</td>
<td>Intrinsic Motivation</td>
</tr>
<tr>
<td>Regulatory Styles</td>
<td>Non-Regulation</td>
<td>Extrinsic Motivation</td>
</tr>
<tr>
<td></td>
<td>External Regulation</td>
<td>Introjected Regulation</td>
</tr>
<tr>
<td></td>
<td>Identified Regulation</td>
<td>Identified Regulation</td>
</tr>
<tr>
<td></td>
<td>Integrated Regulation</td>
<td>Integrated Regulation</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Perceived Locus of Causality</th>
<th>Impersonal</th>
<th>External</th>
<th>Somewhat External</th>
<th>Somewhat Internal</th>
<th>Internal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relevant Regulatory Processes</td>
<td>Nonintentional, Nonvaluing, Incompetence, Lack of Control</td>
<td>Compliance, External</td>
<td>Self-control, Ego-Involvement, Internal Rewards and Punishments</td>
<td>Personal Importance, Conscious Valuing</td>
<td>Congruence, Awareness, Synthesis With Self</td>
</tr>
</tbody>
</table>

Figure 3.1 - The self-determination continuum showing types of motivation with their regulatory styles, loci of causality, and corresponding processes. (Source: Deci & Ryan, 2000, p. 72)

In this table, Deci and Ryan (2000), explains the organized motivational types within extrinsic and intrinsic motivation. Extrinsic regulations are the one that is least self-
determined and its behavior function is to satisfy an extrinsic benefit. An individual that is extrinsic regulated is more likely to feel controlled and their behavior has an extrinsic perceived locus of causality. Locus of causality is a causation, which means that a certain change has a certain effect, can be viewed as a chain reaction. Introjected regulation is a behavior that is taking in regulations but is not accepting it as a part of the individual. It is a controlled regulation in which behavior is performed to avoid culpability and doubt. A more self-determined form of extrinsic motivation is the identified regulation. Individuals within these regulations are more conscious of the values in certain goals and how it reflects on the actions made, if it is accepted or not. In other words this is a more analytical factor. Integrated regulation is the most self-determined form and also the most intrinsic motivation of the four extrinsic types. A lot of actions within integrated regulations are similar to the intrinsic motivation but are still characterized as extrinsic motivation because the actions are done in order to attain an outcome to some extent and not implicit for the enjoyment sake. (Deci & Ryan, 2000) The extrinsic motivations are useful when interpreting the stages within the organizational life cycle in order to clarify which motivators that have been adopted.

3.2.2 Human Motivation

According to Collins, Locke and Shane (2003), researchers have to review human motivations when searching for the right motivation of an entrepreneur. Individuals choose how to act upon these human motivations and how to take advantage of the opportunities presented. If an individual sees the opportunity and decides to execute it, they are driven by the inner entrepreneurial factors and motivators. The article by Collins et al. (2003) brings to light a few of the entrepreneurial motivational factors that influence the process. These factors are locus of control, self-efficacy, risk-taking, independence and egoistic passion. (Collins et al., 2003)

Locus of Control

The entrepreneurs who are influenced by an internal locus of control consider their own actions to affect the outcome of an event (Rotter, 1966). He further explains that individuals influenced by the internal locus of control are likely to pursue a role as an entrepreneur since the individuals want their actions to have influence over the results and outcomes (Rotter, 1966). Collins et al. (2003) suggest that if an individual is developing
a more complex workplace, such as a high-technology company, the need for entrepreneurial motivations is greater than when starting a small shop down the corner. This human motivational factor is connected to the group intrinsic motivations since the individual has an interest in accomplishing an action for internal gain and accomplishment (Collins et al., 2003).

**Self-efficacy**
Self-efficacy is believed to be the individual's own faith in him- or herself to be able to achieve success and be able to implement the right tools, such as an individual's own personal skills and resources (Bandura, 1997). Intrinsic motivations come from within and deliver the satisfaction of accomplishing something. The self-efficacy motivator can be related to intrinsic motivations since it is the faith an individual has in her- or himself that drives the individual forth to achieve success. When further investigated, the self-efficacy concept help explain why individuals with the same opportunities can get different outcomes (Collins et al., 2003). An individual with high self-efficacy for a given project will apply more efforts during a longer period of time, set higher goals and persist through adversities. Negative feedback is considered a positive step stone and is viewed as a way to improve the individual's performance (Collins et al., 2003).

**Risk-taking**
Collins et al. (2003) describes risk-taking as an interesting motivational factor. McClelland (1961) claims that entrepreneurs who are influenced by a high need of achievement tend to take more risks. Risk-taking as a motivator may be adventurous and uncertain territory for some individuals but Collins et al. (2003) state that an entrepreneur needs this motivator to succeed and to be ready for taking the opportunities given. Risk-taking can be viewed as an extrinsic motivator, more specifically identified regulation, if a risk does not have a positive outcome. Individuals within the identified regulation are concerned with how their actions will be accepted (Deci & Ryan, 2000).

**Independence**
Independence is another entrepreneurial motivation, mentioned in pull motivations, where an individual is not afraid of taking own decisions and having larger responsibilities. An individual influenced by independence as a motivation wants to use their own
judgments and not aimlessly follow other individuals. Entrepreneurs are more focused and feel more responsible of their own life and do not want to live out of other entrepreneurs or individuals’ efforts. Entrepreneurs take responsibility of engaging in opportunities that arise, they are in charge of results being made but the most common explanation of independence as a motivation for an entrepreneur is that they seek freedom and independence. (Collins et al., 2003) Deci and Ryan (2000) explain the roots of intrinsic motivation, which are to explore and challenge oneself; the independence factor is therefore characterized within intrinsic motivation.

**Egoistic Passion**
According to Collins et al. (2003), earlier researchers, say that an entrepreneur’s or a manager’s essential motive is to serve their employees selflessly. However Collins et al. (2003) believe that it is the passion for the work itself that is the driving force. Collins et al. (2003) argue that ego is a central motive that the egoist loves to conduct work unconditionally, to be able to see the process of their organization being built and grow. This motivational factor brings to light an entrepreneur's passion for the business and the joy it delivers (Collins et al., 2003); the pure enjoyment of executing a task is a core element in intrinsic motivation (Spinath & Steinmayr, 2012).

**3.3 Organizational Life Cycle**
Over time many models treating the life cycle of organizations have been proposed and a lot of them suggest that organizations travel through certain stages of growth. Many also agree on the fact that an organization’s structure and strategy coincide with their current position in the life cycle. (Ariss & Gray, 1985) The authors of this thesis have chosen a five-stage model developed by Carraher, Lester and Parnell (2003), which will be explained in the following section in order to give the thesis the ability to distinguish the different phases that entrepreneurs enter. This theory is relevant for both small and large companies. It is developed with the help of the best elements from different well-known existing life cycle models (Carraher et al., 2003). One of the main reasons for the choice of this theory is the fact that the third stage, success (or maturity) stage, is defined in a way that it will be usable even for smaller businesses that are older as well as the ones that are growing; making the theory applicable for this research. The authors incorporated all the stages of the life cycle theory suggested, the last two as well, even
though they are not part of the case studies. The organizational life cycle theory by Carraher et al. (2003) is utilized to locate the entrepreneur and their motivation in the business development. The authors believe that they should be included because of their importance for understanding the complete model. The authors have chosen this theory to connect organizational development with the extrinsic and intrinsic motivational factors; the stages selected for the research are the first three stages. By applying the intrinsic and extrinsic motivations the authors will receive a clearer view of what the change in motivation has been.

**Stage One - Existence**
Churchill and Lewis (1983) states that the mere existence of an organization marks the starting point for the organizational development. This stage can also be referred to as the creative and entrepreneurial stage where the ideologies of the entrepreneur and organization are amplified (Cameron & Whetten, 1981). This is where the person becomes an entrepreneur and focus needs to be on the possibility to start-up and find a possible market (Carraher et al., 2003). This is a stage where the organization often creates its own environment (Bedeian, 1990) and in most cases both the ownership and decision making are handled by one or very few people while the environment is seen as unable to be analyzed (Daft & Weick, 1984). Other characteristics that Friesen and Miller (1984) want to point out are the presence of simple and informal structure as well as that the stage is dominated by the owners and their struggles.

**Stage Two - Survival**
In order for an organization to survive they aim to grow (Adizes, 1979) and create their own structure (Cameron & Quinn, 1983). At the same time they need to recognize and make good use of their core competencies (Friesen & Miller, 1984). When the second stage is reached the company often feels the possibility to analyze the environment (Daft & Weick, 1984) and adapt in such a way so that they can grow to reach stage three (Carraher et al., 2003). This is when certain milestones are set more frequently and the main goal is strong and clear enough to earn revenues that funds growth and competitiveness (Churchill & Lewis, 1983). In addition to the option of moving on to stage three, other options could be to survive with such a small margin that the company stays here for a longer while, or in worst case cease to exist due to lack of revenues; in other words the company fails to survive (Carraher et al., 2003). Friesen and Miller (1984)
complements the second stage with stating that the entrepreneur after enjoying some success in the market moves to a somewhat formalized and function based structure. Cameron and Whetten (1981) further add that a dedication of long hours often is required and a collective awareness towards the mission appears.

**Stage Three - Success**

After the survival stage the organization (if successful enough) moves into stage three (Carraher et al., 2003). This stage is called the success stage but is also widely known as the maturity stage (Adizes, 1979). During this stage one can see that bureaucracy is becoming more common and an even more formal control of the organization is noticed (Cameron & Quinn, 1983). This is also one of the usual hazards within young firms. In connection to the formalization comes the risk of getting less done, or at least less effectively. This is because of the formal structure that has now been created and the additional levels of organizational structure tend to slow down the process of getting things accomplished. (Carraher et al., 2003) However, even if this is risky there is also a need for this to happen because this is where an organization shields what they have accomplished so far instead of trying to grasp for new areas in the market (Carraher et al., 2003). In many cases this is also when the upper management to some extent is separated from day-to-day work (Carraher et al., 2003). One might for example see that the owner is working more with analyzing the market (Daft & Weick, 1984), planning and strategies instead of the daily operations (Carraher et al., 2003). The organization has now matured and has succeeded in having a solid operation (Carraher et al., 2003). Friesen and Miller (1984) agree and add that as the organization develop a more stable and efficient functioning existence goals become more polished.

**Stage Four - Renewal**

When the maturity stage, or success stage, is left behind the organization enters the renewal stage. After the formalization made in the previous stage, this stage gives the organization the possibility to have a more decentralized decision-making. The reason for this is that the company needs to access the creativity and innovation that is used for new ideas and therefore also used for expansion and survival. One can argue that the bureaucracy of course still exists but the people within the organization do not need to give it more power, just act within its frames. Since the organization still have the experience from the survival stage they see that in order to renew themselves they must set
the needs of the customers as a primary focus. Even before the needs of the people within the organization. (Carraher et al., 2003)

Stage Five – Decline
The life cycle of a company can be ended at any of the previous stages but this fifth stage can be a typical initiate of the “beginning of the end” (Carraher et al., 2003). This is a stage where organizational politics and power issues are common (Mintzberg, 1984). The process of decision-making will often end up in the hands of fewer people, as in the earlier stages, since the spread of power earlier has taken its toll and worn out the company and its sustainability (Carraher et al., 2003). A typical sign is that people within the organization are focusing on their own personal goals instead of the company’s goals (Carraher et al., 2003). This fifth stage can also be protracted, caused by a longer period of inability to meet demands and needs of external actors (e.g. customers) (Friesen & Miller, 1984). This will in turn leave the company with diminishing profits and with time of course a smaller market share (Friesen & Miller, 1984).
In order to make the five stages in the organizational life cycle even more apparent the authors have included a table below by Carraher et al. (2003). In this table every stage will be summarized with its respective distinctive characteristics.

Table 3.4 - Life cycle stage characteristics. (Source: Carraher et al., 2003, p. 349)

<table>
<thead>
<tr>
<th>Life Cycle Stage</th>
<th>Situation</th>
<th>Structure</th>
<th>Decision Making Style</th>
<th>Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existence &lt; 10 yrs. old</td>
<td>Small Young Homogenous</td>
<td>Informal Simple Owner-Dominated</td>
<td>Centralized Trial and Error</td>
<td>Prospector/</td>
</tr>
<tr>
<td>Survival &gt; 15% Growth</td>
<td>Medium-sized Environment More Competitive</td>
<td>Functional Some formality</td>
<td>Some delegation Begin formal Information processing</td>
<td>Analyzer/ Second Mover/ Differentiation</td>
</tr>
<tr>
<td>Success &lt; 15% Growth</td>
<td>Heterogeneous Environment Larger size</td>
<td>Formal Bureaucratic Functional</td>
<td>Reliance on internal Information processing</td>
<td>Defender/ Segment Control</td>
</tr>
<tr>
<td>Renewal &gt; 15% Growth</td>
<td>Very Heterogeneous Environment Very Large</td>
<td>Divisional Some Matrix</td>
<td>Sophisticated controls Formal analysis in Decision Making</td>
<td>Analyzer/ Combination Differentiation Low Cost Reactor/ Product/service Breadth Low Cost</td>
</tr>
<tr>
<td>Decline No growth</td>
<td>Homogeneous And competitive Environment</td>
<td>Formal Bureaucratic Mostly functional</td>
<td>Decision Making Moderate Centralization Less sophisticated Information processing</td>
<td></td>
</tr>
</tbody>
</table>
4 Empirical Data and Analysis

This chapter aims to analyze the empirical and theoretical findings with the help of pattern matching. The chapter starts with an analysis of the concepts motivation and lifestyle entrepreneur and delivers a summary on the two case studies that have been made followed by their respective analysis. The chapter will then end with additional findings.

4.1 Motivation and the Lifestyle Entrepreneur

Two concepts that are frequently discussed in the empirical framework and in the analysis are motivation and lifestyle entrepreneur. The personal beliefs of the authors are that motivation is either something that can be gained by materialistic things or by increasing an individual's satisfaction of conducting an activity, in other words either an extrinsic or intrinsic motivation. The authors believe that motivation is a vital part in a person's life and that it is often the fundamental reason why an individual succeeds on a specific task or assignment. Motivation can be defined in many different ways depending on each and every individual; a motivational factor for one person may not be the same for another. One definition by Atkinson (1964), Luthans (1977), Kast and Rosenzweig (1979) is that motivation is a psychological process that is a root of tenacity and direction of behavior. Further, the authors define lifestyle entrepreneurs as individuals who have a motivational drive that differs from the original entrepreneur in the aspect of financial gain. Instead of financials as a major motivational factor, the lifestyle entrepreneurs’ main motivational focus is directed towards living a certain lifestyle as well as the pure passion of their occupation. Deakins and Freel (2006) describe a lifestyle entrepreneur as an individual whose primary motive is to maintain a certain lifestyle and receive enough income to survive.

4.2 Case Study One

The organizational life cycle, a theory by Carraher, Lester and Parnell (2003), explains different stages that an organization experiences through its life cycle. Stage one, called the existence stage, focus on how the individual evolves into an entrepreneur. The en-
trepreneur in the existence stage is not focused on the environment but rather on the firm itself and the practical tasks in order to start the actual business.

4.2.1 Case Study One – Interview Summaries

Table 4.5 - Interview objects in case study one. (self-made, 2015)

<table>
<thead>
<tr>
<th>Number</th>
<th>Gender</th>
<th>Age</th>
<th>Years in business</th>
<th>Years as owner</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>Female</td>
<td>26 years</td>
<td>7 years</td>
<td>1 year</td>
</tr>
<tr>
<td>6</td>
<td>Female</td>
<td>36 years</td>
<td>15 years</td>
<td>3 years</td>
</tr>
</tbody>
</table>

Interview Four

The fourth (4) interview conducted was with a 26 years old woman who has had her salon for a little bit more than a year but six years in the trade. For this owner, the concept “entrepreneur” is connected to self-esteem and self-confidence. In general the woman from interview four (4) thinks of herself more as an ordinary business owner but on a productive day she might see herself as an entrepreneur. In the end she feels like she is doing what she is interested in and going her own way. Her fondness for creativity, working with people and the fact that she already had cut hair within the family set her on this, in her opinion, obvious track. Moreover she was unhappy at her previous job within an industry which had a negative effect on her personal health and this was a reason for her to make a lifestyle change. This was the primary motivation for starting her own salon in combination with gaining the ability to make her own choices about how and when to work. Other factors that weighed in were the possibility to avoid a repetitive work pattern. At the same time one of the motivational factors she has today is the goal of setting good routines, alongside with lowering supplier costs and developing herself and the firm. This salon owner believes that motivation is a genuine interest for what you do and the need for confirmation of that you do something good or right, in this case happy and returning customers.

Interview Six

The sixth (6) interview was conducted with a 36 year old woman who has been in the hairdressing occupation for 15 years. The woman in interview six (6) has owned her own salon for three years. Since she can remember her dream has always been to be-
come a hairdresser even when her family advised her not to. However, she saw this as a motivation to continue her dream of someday becoming a hairdresser. She explained that to her, this was a calling. The woman in interview six (6) said that she had worked for other salons before opening her own; however she was not satisfied with the work conditions and felt that a change was needed. To maintain motivation, interviewee number six (6) express that an individual has to love what they do and that the inner motivator is the most important to listen to. She stated that the first year was tough with high supply costs and at the same time a need to develop herself and the business. The woman in interview six (6) describes that patience is a main tool when opening a salon. She also explains that her main motivation has not yet changed, it is still the fact that she loves what she does and the lifestyle it brings.

4.2.2 Case Study One - Analysis
Based on the explanation given by the woman in interview four (4) there seem to be a connection between entrepreneurship and self-efficacy. During periods of high self-esteem, she related to the concept of being an entrepreneur. The fact that she did not feel that she deserves to call herself an entrepreneur all the time might point to the suggestion that in her own beliefs, entrepreneurs are being ranked higher than other sole proprietorship owners. According to Bandura (1997) the entrepreneurial motivation factor self-efficacy is believed to be the individual's own faith in him- or herself to be able to achieve success and be able to implement the right tools, such as an individual's own personal skills and resources. “In other words, self-efficacy can be seen as task-specific self-confidence” (Collins, Locke & Shane, 2003, p. 267). The authors agree with Collins et al., (2003) and Bandura (1997) in their arguments and apply it to interview object four (4), since the young woman base the concept of being an entrepreneur on her emotions, which in turn is connected to her perceived productivity within her own business.

Both women define motivation similarly but with different angles. Interviewee number four (4) defines motivation as something that an individual is genuinely interested in performing as well as receiving some kind of confirmation. Interview number six (6) defines motivation as something that comes from within and that is dependent on the love for the occupation. Both of the interviewees’ own thoughts on motivation can be connected to Arnsten (1990) who explains intrinsic motivation as “A purposeful activity
is defined as an activity that a person is motivated to perform.” (Arnsten, 1990, p. 462)
The two interviewees explain confirmation as a motivator, in both cases connected to satisfied customers returning and becoming a part of the loyal clientele. This can be viewed as the motivational factor “locus of control”, simply explained as an individual's actions affecting the outcome. Another intrinsic motivational factor to include is the egoistic passion, which is connected to the love for the occupation. “More precisely, it is a passionate, selfish love of the work.” (Collins, Locke & Shane, 2003, p. 268). The women both state that they have always felt a connection to hairdressing, there has always been a desire to work in the profession and now that they do the passion is even greater.

Both interviewees felt dissatisfied and unmotivated at their previous workplaces, which can be connected to the extrinsic motivation, external regulation. Being unsatisfied may have caused them to poorly execute their tasks, external regulations explains locus of causality. “...not only tangible rewards but also threats, deadlines, directives, pressured evaluations, and imposed goals diminish intrinsic motivation because, like tangible rewards, they conduce toward an external perceived locus of causality.” (Deci & Ryan, 2000, p. 70) The external regulations connected to their previous employments were not a suitable motivation for either of the women, which led them to make a change in their life.

Both interviewees explained two reasons behind their decision to start their own salon and thereby enter stage one, existence, in the organizational life cycle. These were being dissatisfied at earlier workplaces and the possibility to make their own decisions about work routines and working hours. These reasons can be connected to the push theory that is explained by Gilad and Levine (1986), “The “push” theory argues that individuals are pushed into entrepreneurship by negative external forces, such as job dissatisfaction, difficulty finding employment, insufficient salary, or inflexible work schedule.“ (Gilad & Levine, 1986, p. 44). These external factors can be seen as extrinsic motivational factors since both interviewees made the change in order to gain benefits for their individual health and satisfaction. Because of the negative effects that her previous lifestyle had on her personal satisfaction, interviewee number four (4) got “push” into doing something else which in this case meant to change her lifestyle by starting her own
business. This could be related to interviewee number six (6) who felt unsatisfied and unappreciated at her previous workplace, and as a consequence she also got “pushed” into taking the role of an entrepreneur, starting her own business.

What currently motivates the woman in interview four (4) is to develop routines for daily tasks and in that way be able to manage the day-to-day activities in a better way. The focus on the business itself and the day-to-day activities are typical characteristics for the existence stage in the organizational life cycle. She also aims to evolve herself into an entrepreneur, as she tries to lower the costs and continue to develop the business towards her personal goals. She is evolving and developing herself as an entrepreneur, which is typical for stage one in the organizational life cycle, and is now more motivated by the intrinsic motivational factor in order to accomplish her activities. Interviewee number six (6) states that her main motivator is to make her customers feel beautiful and satisfied, but also the fact that she is being responsible for her own decisions and that she has the freedom of choosing what and with whom to work with. These motivators are also characteristics of the existence stage, even if it may differ from interviewee 4 in a way that she has made some progress in stage one. Both interviewees have always enjoyed the task of hairdressing and the fact that they are now achieving personal development and learning at the same time as they perform a task that they truly enjoy also relate to intrinsic motivational factors. This statement is supported by Spinath and Steinmayr (2012) in their article about intrinsic motivation. One thing that differentiates the business of the woman in interview four (4) from the typical stage one in the organizational life cycle is the fact that she actually focus somewhat on her environment, such as competitors, in order to identify her own position in the market.

4.3 Case Study Two

Stage three has been selected to be analyzed since this is a stage where the start-up is not in focus and the organization has matured into a solid operation. In the third stage of the organizational life cycle, widely known as the maturity stage, the control of the organization is more formal and because of the formalization there is a risk of achieving less and being less efficient. This needs to happen because the organization in this stage must shield what has already been accomplished instead of grasping for new areas. In this stage, some managers may become separated from the daily tasks and be more fo-
CusTed on the administrative tasks. When this stage is reached the organization has succeeded and matured, having a solid operation.

### 4.3.1 Case Study Two – Interview Summaries

For case study two, there were four interviews conducted to receive a greater understanding of the motivational change.

#### Table 4.6 - Interview objects in case study two. (self-made, 2015)

<table>
<thead>
<tr>
<th>Number</th>
<th>Gender</th>
<th>Age</th>
<th>Years in Business</th>
<th>Years as owner</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Female</td>
<td>68 years old</td>
<td>50 years</td>
<td>27 years</td>
</tr>
<tr>
<td>2</td>
<td>Female</td>
<td>41 years old</td>
<td>22 years</td>
<td>11 years</td>
</tr>
<tr>
<td>3</td>
<td>Female</td>
<td>53 years old</td>
<td>15 years</td>
<td>10 years</td>
</tr>
<tr>
<td>5</td>
<td>Female</td>
<td>44 years old</td>
<td>12 years</td>
<td>7 years</td>
</tr>
</tbody>
</table>

#### Interview One

Interview number one (1) was conducted with a 68 year old woman with 50 years of experience within the hairdressing business; she has been running her own salon for 27 years. This owner did in some way connect herself to the entrepreneurial concept but would rather call herself a self-employed business owner. For this 68 year old woman who was unemployed, everything just fell into place; she was out taking a walk and saw an empty space and the opportunity it could bring. The interviewee explained that her motivational change has been that she feels more confident than before, she is not afraid to accept her boundaries. The fact that some of her customers have been in her clientele since she started and are still coming back is a huge motivating factor. To stay motivated she spends her time taking courses and going to exhibitions to become even more inspired and the fact that she still loves what she does motivates her. As she has employed younger hairdressers she is able to grow and even more important gets new, modern influences and learn new styles and techniques.
Interview Two

Interview number two (2) was conducted with a 41 year old female business owner who have been in the occupation for 22 years and owned her own hairdressing salon for 11 years. This owner would not define herself as an entrepreneur, but rather her own calling in life. She elaborates on the subject and says that she does what she needs to and do not have any urge to be seen by the whole world or extend her efforts for someone other than herself. The woman in interview two (2) was drawn into the occupation as a way of personal growth and be able to fulfill her dream of one day become her own employer, which today it is a big and important part of her lifestyle. When she did get the offer to take over the salon she felt incredibly honored and proud to be asked and never had any doubts of going forward. On the subject if the reason of the agreement was of a financial aspect, the business owner elaborated that it was more a detail than a reason. When discussing motivation, the owner explains that she does not feel her motivation has changed during the development of the business. However, an important thing that has changed is that she feels much more relaxed and confident in her role as a business owner. She also elaborates that the daily tasks have over time become routine and that it could be an addition to the motivational change that has occurred. She also explains that she keeps getting motivated each day by making her customers beautiful and in addition she enjoys the lifestyle and the fact that no day is the same.

Interview Three

Interview number three (3) was conducted with a 53 year old woman who has been in the industry for 15 years and owned her own salon for 10 years. The interviewee explained that she does not define herself as an entrepreneur since she has a predetermined notion of what an entrepreneur is. According to the interviewee an entrepreneur is an individual who strives to expand and build the business in a certain way. The woman in interview three (3) does not recognize herself with her preconceived notion of an entrepreneur because she does not want to expand her business in that sense. The main reasons she opened her own salon was because she felt that it suited her lifestyle to be in charge of her own schedule and taking all important decisions by herself. She simply loves her job and it makes her happy to care for her customers hair and to make them beautiful also receive gratitude for the work she has done. She is motivated everyday by the fact that she is a business owner but realizes that inspiration is important to do a
good job. Due to this she regularly engages herself with exhibitions and shows to stay updated and get new ideas. When she opened the salon her motivation was derived from just the simple fact that she was now a salon owner. Nonetheless after some time she was also motivated by the actual products her salon used and sold as she has a toxic-free vision for the salon.

**Interview Five**

Interview number five (5) is a 44 year old woman with 12 years of experience and who has had her own salon for seven years. Her interest for the hairdressing occupation started at a young age, she wanted to work in a positive environment where she could be creative and meet people. The interviewee defines the entrepreneurial concept as something that an individual is born to do. She feels that she was born to become an entrepreneur but has also grown into the entrepreneurial role during the development of her business. The interviewee’s goal in life was to have her own salon before she turned 40 years old; this was a motivator for her. The specific time frame was more of a random coincidence since she at the time was working at a warehouse and wanted a change. A big motivational factor for ending her employment at the warehouse was that she wanted to be the sole decision maker over her own working hours. She defines motivation as something that brings joy and acknowledgement, which in the hairdressing industry are satisfied and returning customers. To keep herself motivated she wants to create jobs both for herself and others, which also means that she would have the opportunity to take a day off. She is also working hard to keep and increase the salon’s good reputation as well as create a personal feeling so the customers get the impression that they are walking in to someone's home. Although, she elaborates that profit is a motivator but it is not a primary one for her or the salon.

**4.3.2 Case Study Two – Analysis**

The interviewees connected to stage three, except for interviewee number five (5), have all had their salons for ten years or more and are therefore in the success stage, according to the organizational life cycle model presented in the theoretical framework. Interviewee number five (5) on the other hand has already expanded to larger salons twice, and in addition she has more employees and higher growth than all the other interview-
ees. She is therefore included in the success/maturity stage and hence included in case study two.

By analyzing the entrepreneurs in stage three of the organizational life cycle the authors can identify the individual growth of the entrepreneurs related to how they present and conduct themselves. They are aware of their limits such as that some customers may not be suited for them as well as that routines have evolved and they are confident in both their work and in their role as leaders. The authors consider that in order to enter the success stage an individual has to mature both as an individual and as a leader, which all three interviewees have done. This stage is called the maturity stage.

In the success stage, also known as the maturity stage, the individuals contained within must have reached a certain level of success with their businesses in order to enter stage three. The individuals are also required to have reached a personal maturity to be able to emerge within the stage. The interviews that have been conducted for stage three are with individuals who the authors believe are in the success stage.

Interviewee number one (1) defines herself as an entrepreneur in some way but yet rather calls herself a self-employed business owner. The researchers consider that the woman in interview one (1) sees herself as a self-employed business owner and not completely as an entrepreneur, because the term lifestyle entrepreneur is not as widely known. “Despite acknowledging the difficulty in separating entrepreneurs and lifestyle entrepreneurs, he states the most common motivation of the lifestyle entrepreneur as being a fierce desire for independence.” (Henricks, 2003, p. 742).

The interviewee one (1), two (2) and three (3) explains that their dreams as motivational factors trump the financial aspect. Without even knowing, the authors believe that the interviewee one (1), two (2) and three (3) have described themselves as lifestyle entrepreneurs. In addition, every interview object emphasized the importance of being their own manager, making their own rules and by that controlling their own destiny. The human motivational aspect of independence further explains that individuals that desire to be their own manager and having control over their own destiny are influenced by the independence factor (Collins et al. 2005). Since all of the interview objects felt that they
wanted to take control of their own life and work situation it seems as if they are all motivated by the human motivation independence. “Independence entails taking the responsibility to use one’s own judgement as opposed to blindly following the assertions of others. It also involves taking responsibility for one’s own life rather than living off the efforts of others.” (Collins et al., 2003, p. 268). All of the interview objects in this study define the concept motivation for their occupation, in the same or in similar ways, confirmation from satisfied and returning customers.

The interviewees are motivated by their joy and satisfaction for the occupation, choosing their own products and receiving gratitude from their customers. “The true or rational egoist passionately loves the work; they love the process of building an organization and making it profitable. They are motivated to do what is actually in their own interest—that is, to do everything necessary.” (Collins et al., 2003, p. 269) The interviewees’ pure joy of conducting the work can be associated with egoistic passion, a part of human motivation. Deci and Ryan (2000) explain that positive performance feedback gains intrinsic motivation. However, gratitude can also be seen as an extrinsic motivation, Vallerand (2012), Deci and Ryan (1985) explains extrinsic motivations as an individual influenced to perform a task in order to attain a positive outcome. Since satisfied customers can be a part of the personal clientele, which can bring a monetary reward. In this example, the authors agree with Vallerand (2012), Deci and Ryan (2000) that gratitude can be seen as both intrinsic and extrinsic motivators depending on how the individual perceive the motivational outcome.

Stage one in the organizational life cycle consists of small and young organizations, such as interview four (4) and six (6), were the structure is informal and simple.

“Self-efficacy for a specific task has been shown to be a robust predictor of an individual’s performance in that task and helps to explain why people of equal ability can perform differently. An individual with high self-efficacy for a given task will exert more effort for a greater length of time, persist through set-backs, set and accept higher goals, and develop better plans and strategies for the task.”(Collins et al., 2003, p. 267).
By analyzing the interview objects for case study two the authors can now see that all of the interviewees have had different starting conditions to their journey through the organizational life cycle. The woman in interview five (5) had a big clientele from the start and had more focus on growth which gave her a faster journey through stage one and two. The interviewees that now are in stage three were in the first stage motivated by the love for the occupation and the opportunity to creating the working situation they desired. “Intrinsic motivation is a very desirable reason for performing achievement-related activities because learning comes as a by-product of engaging in an enjoyed task and learners feel self-determined.” (Spinath & Steinmayr, 2012, p. 1135)

Stage two, where all the interview objects in case study two have been, is where they can sense the competition and are able to identify themselves in that environment. During this stage the entrepreneurial business develop a more formal structure and try to analyze the market and see the “big picture”. While the interview objects in case study two were in this stage their motivational focus was on creating a loyal and returning clientele and decreasing the cost of operation. “Actions characterized by integrated motivation share many qualities with intrinsic motivation, although they are still considered extrinsic because they are done to attain separable outcomes rather than for their inherent enjoyment.” (Deci & Ryan, 2000, p. 73). Motivational activities that the lifestyle entrepreneur might find less enjoyable can be things they know has to be done nevertheless, pure necessities. One of these activities is analyzing the market and the competition in order to grow and survive. “This occurs through self-examination and bringing new regulations into congruence with one’s other values and needs. The more one internalizes the reasons for an action and assimilates them to the self, the more one’s extrinsically motivated actions become self-determined.”(Deci & Ryan, 2000, p. 62). Identified regulations can therefore be viewed as the analytical process in stage two of the organizational life cycle; where the entrepreneur realizes how certain actions affect their clientele.

Today the interviewees have experienced changes in their intrinsic and extrinsic motivations during their growth towards stage three, in which they are now. “Such organizations have past the survival test, growing to a point that they may seek to protect what they have gained instead of targeting new territory.” (Carraher et al., 2003, p. 343).
Some intrinsic motivations that have changed for the individuals are that they feel more secure and confident within their current work situation, as well as also experienced the development of routines. ”A person with high self-efficacy will also take negative feedback in a more positive manner and use that feedback to improve their performance.” (Collins et al., 2003, p. 267). Hence the entrepreneur’s strive for optimization and better routines are a part of the motivational factor self-efficacy.”…locus of control—the belief in the extent to which individuals believe that their actions or personal characteristics affect outcomes.” (Collins et al., 2003, p. 266). A major change can be seen in the interviewees’ self-confidence as it has grown and so has their role as leaders which have helped them reach this stage. While the individuals are feeling more secure and confident their inner satisfaction grows as they achieve personal gratification. “…intrinsic motivation to accomplish things refers to engaging in activities because of the pleasure and satisfaction derived from trying to surpass oneself, creating, or accomplishing something.” (Vallerand, 2012, p. 44). Even though the lifestyle entrepreneur has traveled from stage one to stage three, it is apparent that their passion for the profession itself is still highly motivating. So even though egoistic passion has been put aside during stage two it does now enter stage three as one of the primary motivating factors. “The true or rational egoist passionately loves the work; they love the process of building an organization and making it profitable.” (Collins et al., 2003, p. 269)

4.4 Additional Findings

The authors have observed that none of the lifestyle entrepreneurs who have participated in this study has felt that they have taken any risks when opening their salons. The authors have however noticed that everyone has in fact taken a risk by opening their own salons, but have been too influenced, and somewhat blinded, by their own egoistic passion to see the risks that they were taking. The pure passion for the profession and dream itself has been their focus. Subconsciously they probably know that they have taken financial risks and that they have to receive a certain result in order to succeed and keep their current lifestyle alive. “…individuals who score high on the motive to avoid failure will avoid intermediate risks. Instead, they will prefer easy and safe undertakings (because there is a high chance of success) or extremely difficult and risky ones (because it will be easy to explain failure without accepting personal blame).” (Collins et al., 2003, p. 264 - 265).
5 Conclusion

This chapter aims to answer the research question “How does motivation of a lifestyle entrepreneur change during business development?” based on the empirical findings and the theoretical framework. The authors of this thesis will at the end of this chapter present a model, which will clarify their findings and way of thinking.

After analyzing the empirical findings from case study one and two in connection with the theoretical framework; the authors draw the conclusion that lifestyle entrepreneurs are influenced by intrinsic motivations while entering and acting within the existence stage in the organizational life cycle. When the authors interpret the findings, they conclude that self-efficacy, independence and egoistic passion are all major intrinsic motivational factors that are present within the first stage. These findings all point towards the importance of motivational factors that target the lifestyle entrepreneur as an individual, such as personal well-being.

While the lifestyle entrepreneur travels through the organizational life cycle and leaves stage one behind, they enter stage two; survival, where the intrinsic motivation shifts into extrinsic motivation. The intrinsic motivational factors then need to step aside to give space for the new primary motivational factors that are more crucial for the direct survival of the organization. The main extrinsic motivations during this stage are integrated regulation and identified regulation. Examples of these in the empirical findings are when the lifestyle entrepreneur has to focus on lowering costs, analyzing the environment, customer focus, keeping and building a loyal clientele in order to survive. In short, necessities that have to be done but that do not motivate the lifestyle entrepreneur on an emotional level.

The group of motivational factors then changes back to intrinsic as the lifestyle entrepreneur enters stage three, success or maturity, leaving the extrinsic factors as secondary motivators. The authors interpret this as the need for a lifestyle entrepreneur to focus on their own passion for the occupation. The changes that have occurred in stage three
for the four interview objects are all intrinsically oriented, such as self-efficacy, locus of control and egoistic passion, and they have become more secure and confident with their leadership role. Routines have evolved and the personal goal of owning a salon has come to life, now their motivation lies in protecting their dream.

The authors of this thesis propose a table below that combines the five stage organizational life cycle table and the motivational factors that are present for a lifestyle entrepreneur during stage one, two and three in order to give a clarified picture of the conclusions of this thesis. The fourth and fifth stage of the original life cycle table has been removed since they are not covered in this thesis. The table explains what motivated behavior and what factors that motivate a lifestyle entrepreneur during each of the first three phases in the organizational life cycle.

Table 5.7 - Motivation in the organizational life cycle for lifestyle entrepreneurs. (Self-made, 2015)

<table>
<thead>
<tr>
<th>Organizational Stage</th>
<th>Motivated Behavior</th>
<th>Motivational Factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existence</td>
<td>Intrinsic</td>
<td>Independence</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Self-efficacy</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Egoistic passion</td>
</tr>
<tr>
<td>Survival</td>
<td>Extrinsic</td>
<td>Integrated regulation</td>
</tr>
<tr>
<td>Success/ Maturity</td>
<td>Intrinsic</td>
<td>Self-efficacy</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Egoistic passion</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Locus of control</td>
</tr>
</tbody>
</table>
Researchers within the topic of entrepreneurship and motivation state that it is a topic which is somewhat under-researched. The authors of this thesis agree with many of the researchers’ opinion that entrepreneurial motivation is an important field. Therefore the authors hope that this thesis will contribute to the field and understanding of motivation and entrepreneurship.
6 Discussion

This chapter will speculate on the research topic as well as give thoughts about future research connected to similar questions. Both strengths and weaknesses that the authors have identified in the thesis will also be mentioned when they broaden their view.

The push and pull theories show that individuals become entrepreneurs for different reasons, in this thesis they get “pulled” with intrinsic motivations by seeking for instance self-fulfillment. The push theory on the other hand states that the individuals become entrepreneurs by external motivational forces such as job-dissatisfaction. The authors wanted to incorporate this theory since they were interested in how and why the individuals decided to become entrepreneurs in the first place; though it was not relevant for the conclusion of the thesis. However, it is an interesting theory that was incorporated into the analysis and the empirical findings. The interviewees explained different reasons for starting their own salons, for a few of them it was the extrinsic motivators that “pushed” them into taking the decision and others explained that intrinsic motivational factors “pulled” them into the role of becoming an entrepreneur.

One of the interview objects in case study two also explained that she got the offer of continuing a salon and becoming its owner. So she has not had the same entrepreneurial “push” or “pull” as the other interviewees but rather been more influenced by the motivational factor risk-taking. She had a quicker journey through the stages since her business was already developed or had started the journey in the organizational life cycle.

One of the weaknesses of the thesis is that the authors have not researched stage two more thoroughly; this stage might have been more useful and given a better description of what exact motivators that have occurred if the authors had interviewed owners within stage two. However the authors focus for this thesis has been on stage one and three, which in turn means that stage two was not within the focus point. The interviewees have given enough descriptions of what the changes have been for the authors to understand some aspect of what motivational factors that have evolved during stage two. In
addition for future studies researchers may elaborate on stage two to receive greater understandings of which motivational factors that occur in this stage and perhaps also increase the understanding of motivational change during the organizational development overall. The authors noticed while conducting the interviews that there was no apparent need for questions about the interviewees’ competitive situation for this thesis. Those questions and answers were therefore disregarded in the findings. One possible weakness of this thesis might be the lack of interview objects and for future studies the authors recommend that at least four interviewees will be gathered for each of the stages in the life cycle; to give as accurate results as possible. Furthermore the authors want to highlight the importance of identifying in which stage the entrepreneurs find themselves in before conducting the interview. This might simplify the process of asking the right questions to the right interview objects.

The base for this thesis is the solid theoretical framework which has shown to be a great strength since the authors had a great deal of theories to work with for the analysis and to answer the research question for the conclusion. The model of organizational life cycle has also shown its strength when interpreting the empirical findings to receive a larger understanding and an overview of the motivation factors in the different stages. It has also given the researchers an overview of what the interviews have gone through while handling the different stages.

There were six interview objects for this thesis; the reason for that amount is that after conducting four interviews the authors had already received the same answers in every interview. Since all the interviewees answered similarly, which is a strength on its own; the accuracy of the answers within each stage is considered to be credible. Based on credible findings of this thesis practitioners and researchers will hopefully be able to elaborate their own understandings, skills and studies on the topic.

By applying the interpretivistic viewpoint it gave the authors the possibility to construe and explain an impalpable concept such as motivation. Thanks to this viewpoint and approach the extensive interviews that were conducted still gave the researchers findings with a certain level of credibility and could be used for the thesis. Another strength with this thesis is the choice of a qualitative research method that has allowed the au-
thors to use the “spoken word” as a tool to interpret the concept motivation. If the authors had decided on a quantitative research method they would have had an issue with constructing the findings into statistics or numbers. For this type of thesis, semi-structured interviews give the interviewees a possibility to answer more personally which is important since the development they have made during their personal motivational journey.

### 6.1 Future Research

The authors suggest that future research can be made where all of the stages in the organizational life cycle and the motivational factors are covered. Thereby add the missing motivated behaviors and motivational factors as well as strengthen the credibility of the results of this study. Furthermore they propose that this study can be done taking in consideration factors such as age, previous experience, nationality, genders and market competitiveness. Previous experience might be of interest in a future study since different levels of experience within a profession can show that individuals are motivated by diverse factors. Nationality is also an interesting aspect since culture, religion and “unwritten” rules may play a part in the empirical findings and analysis.

This study was conducted with six female interviewees; if the study had been conducted with a mixed gender pool the conclusions might have been different. It is possible that male entrepreneurs motivate themselves with other factors. Other researches that might be of interest are different professions connected to lifestyle entrepreneurs but also entrepreneurs in general in order to be able to create a more general theory. Alternatively compare differences in motivation between two or more professions. Different professions and different geographical factors might also play a role in how competitive a certain market is which in turn might have an effect on motivational factors related to entrepreneurship.

This thesis takes in consideration the motivational groups extrinsic and intrinsic at the same time as it aims to identify underlying motivational factors. Future studies could be done focusing exclusively on motivational factors and hence taking on a pure trait-approach.
References


Appendices

Appendix 1

Percentage of the population age 18-64 that is an entrepreneur in the making or either owns and leads a new company.

Total Entrepreneurial Activity in Early Stage

Total entrepreneurial activity in early stage (Source: Swedish-GEM team and Entrepreneurial forum, 2014, p. 24)
Appendix 2

The authors introduce themselves and make it clear that the interviews are being taped but after an analysis and transcription of the tapes they are deleted. The first questions asked by the authors are how long experience the interviewees have had in the occupation and for how long they have been working within the hairdressing profession. The interviewees are asked about their age and the authors tell the interviewees that the interview is anonymous. Since the interviews have a general interview guide approach and a semi-structured approach the authors leave opportunity for questions that may arise either during or after the basic questions and the questions may not be asked the same way they have been written.

Interview Guide

<table>
<thead>
<tr>
<th>Main Subject</th>
<th>Questions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lifestyle</td>
<td>• Why did you decide to open a hairdressing salon?</td>
</tr>
<tr>
<td>Entrepreneur</td>
<td>• When you started the salon was the reason to gain a higher income or was it for your lifestyle?</td>
</tr>
<tr>
<td>Motivation</td>
<td>• How do you define motivation?</td>
</tr>
<tr>
<td></td>
<td>• How do you stay motivated and what gives you motivation?</td>
</tr>
<tr>
<td></td>
<td>• How has your motivation changed through the business lifespan?</td>
</tr>
<tr>
<td></td>
<td>• Do you see yourself as an entrepreneur?</td>
</tr>
</tbody>
</table>