

**DETERMINANTS OF GROWTH ASPIRATIONS:
EMPIRICAL EVIDENCE OF THE SOUTH-EASTERN EUROPEAN COUNTRIES**

Karin Širec *, Dijana Močnik **

ABSTRACT

The purpose of the paper is to explore the growth aspirations of south-eastern European (SEE) countries (Bosnia and Herzegovina, Croatia, Greece, Hungary, Macedonia, Montenegro, Romania and Slovenia) early-stage entrepreneurs, concentrating on the relationship between a firm's innovative and international orientation and its growth aspirations. Innovative orientation and international orientation are referred as the most important dimensions of the growth aspirations and can be used for strengthening of a firm from SEE countries. We used firm's aspirations about the future employment as the operational measure of entrepreneurial growth. The data for our analysis is obtained from the 2010 Global Entrepreneurship Monitor Adult Population Survey (APS) in which 1,106 early-stage entrepreneurs from eight countries were identified. The results of the binary logistic regression show that innovative orientation is negatively related to the firms' growth aspirations. This means that the adoption of new technology as well as offering new products/services weakens the growth aspirations of the early-stage entrepreneurial SEE countries firms. The predictor of international orientation, too, is negatively and significantly associated with the growth aspirations. This means that internalisation impedes SEE countries firms' growth aspirations. The results also show that firms from innovation-driven countries have less negative growth aspirations compared to those from efficiency-driven countries.

Keywords: growth aspirations of early-stage entrepreneurs, Global Entrepreneurship Monitor, south-eastern European countries.

JEL: M13, L25, L26

1. INTRODUCTION

Firm growth is critical to economic development and the creation of wealth and employment. Indeed, small firm growth - the focal point of this paper - is neither a self-evident phenomenon nor a matter of chance. Rather, it is the result of owner's/entrepreneur's clear, positively motivated business intentions and actions, driven by the belief that (s)he can produce the desired outcomes (Maki & Pukkinen 2000). Consequently, exploring issues and challenges facing ambitious entrepreneurs may offer valuable insights into promoting firm growth.

The current paper stemmed from the desire to explore the perceived difference in growth aspirations among early-stage entrepreneurs in SEE countries as well as the perception that not all the elements of innovation and internationalization activities in a company positively affect them. The research concentrates on the relationship among various dimensions of entrepreneurship (e.g. company attributes such as product/services novelty, availability of technologies and procedures required for the product/service, firm's customers from other countries) and on one possible operational measure of entrepreneurial performance - growth aspirations about the future employment. The

* University of Maribor, Faculty of Economics and Business, karin.sirec@uni-mb.si

** University of Maribor, Faculty of Electrical Engineering and Computer Science, dijana.mocnik@uni-mb.si

data for our research were derived from the Global Entrepreneurship Monitor (GEM) research. In 2010, SEE countries that participated in the GEM were: Bosnia and Herzegovina, Croatia, Greece, Hungary, Macedonia, Montenegro, Romania, and Slovenia. GEM focuses on the individual (adult population) and the entire spectrum of factors influencing relationships between entrepreneurs, entrepreneurship and society and their development. Enterprises are created by individuals while the individual's preference towards entrepreneurship is shaped by a number of factors of a country's institutional framework, such as the attitude of a society towards entrepreneurship, cultural values, etc. These factors differ according to the level of the individual country's economic development. That is why Porter's (Porter et al. 2002) typology of factor-driven economies, efficiency-driven economies and innovation-driven economies was incorporated into the GEM research for the first time in 2008. The role of entrepreneurship differs in each of these types of economies, which, consequently, requires a different response from the bodies in charge of economic policy and the promotion of entrepreneurship (Rebernik et al. 2010). The basic characteristics of the countries in these three groups are (Kelley et al. 2011):

- Factor-driven economies: from subsistence agriculture to extraction of natural resources, creating regional scale-intensive agglomerations.
- Efficiency-driven economies: Increased industrialisation and economies of scale. Large firms dominate but supply chain niches open up for small and medium enterprises. Bosnia and Herzegovina, Croatia, Hungary, Macedonia, Romania and Montenegro are in this group.
- Innovation-driven economies: R&D, knowledge intensity, expanding service

sector, greater potential for innovative and entrepreneurial activity. Slovenia and Greece are in this group.

Although not all expectations materialize, growth aspirations have proven to be a good predictor of eventual growth (Davidsson & Wiklund 1999; Liao & Welsch 2003). At least part of the explanation for this phenomenon may be found in the characteristics of entrepreneurs' firms, especially with regard to the extent of their innovative and international orientation. This paper proceeds as follows. After presenting theoretical background, the framework is established for the study based on the review of prior research in the field. The section that follows outlines the research method. Finally, the findings of the research are presented, followed by the discussion and some policy implications arising from this investigation.

2. THEORETICAL FOUNDATIONS AND PROPOSED HYPOTHESES

2.1 Theoretical background

Previous research has demonstrated that growth intentions and likely eventual growth impact are not evenly distributed across entrepreneurial firms' populations. The GEM research on high-expectation entrepreneurship indicated that high growth entrepreneurs represent only four percent (4%) of the total entrepreneurs, yet the businesses they have founded or co-own created close to 40 percent of the total jobs generated by all entrepreneurs (Morris 2011). In the United Kingdom, Storey (1994) found that a mere four percent (4%) of new firms established in any given year accounted for 50 percent of all the jobs created by the surviving firms within the cohort after 10 years had elapsed. Thus, it appears that the capability of an economy to grow and employ is significantly dependent on the capability of that economy to create gazelles (i.e. fastest growing firms). Autio (2005) reported that in

the United States gazelles represented only about three percent (3%) of the firm population, but accounted for more than 70 percent of employment growth between 1992 and 1996.

Entrepreneurs' aspirations are highly dependent on the impact of external environmental influences. Park (2005) identified the external environment as a key influencing factor in the process of new firm foundation. Individuals' behaviours often change as they gain experience and knowledge by interacting with the world around them. A stepwise process is proposed - involving innovation, a triggering event, implementation and growth - to outline how the combined interactions of both, individual personality and external environment factors, can influence each of these stages. Countries with generous social security and welfare schemes do not emphasize the responsibility of the individual for their own survival, which might hamper ambitions to strive for innovation and growth (Hessels et al. 2008, pp. 328). Entrepreneurial innovativeness depends on both individual factors and the environment in which an individual acts. Distribution of innovative and imitative entrepreneurship varies across countries. Entrepreneurs in highly developed countries are significantly more likely to engage in innovative rather than purely imitative activities (Koellinger 2008). As necessity-motivated entrepreneurs are more likely to be found in lower-income regions, they are likely to be constrained in their access to human capital, financial capital, technology, and other resources, thereby inhibiting their potential for generating innovations and job growth and for building the competitive advantages needed for export. Thus, although these types of entrepreneurs are often highly dependent on their firms, they lower their expectations for innovation and growth in terms of jobs and exports, as they expect or acknowledge that such ambitions might be difficult for them

to realize. They might also be forced, because of their situation, to act on less promising opportunities (Hessels et al. 2008). The objective existence of business opportunities in general, whether innovative or imitative, is influenced by environmental factors such as changes in technology, politics, regulation, demographics or other trends in society, such as changes in culture, fashion, or urbanization (Koellinger 2008). These factors vary across countries and industries, and significant changes in one or more of these factors are likely to generate opportunities for entrepreneurship (Koellinger 2008).

Entrepreneurship is a complex phenomenon involving the individual, the firm, and the environment in which it occurs (Solymossy 1998). Although this is easy to recognize, the nature of the relationship among these three elements is not understood (Solymossy 1998, pp. 5). A review of basic definitions emerging from the development of entrepreneurship and innovation theory demonstrates that it is much easier to find common points than to define limits between any two of them; indeed, innovation and entrepreneurship are often regarded as a single phenomenon. The origin of this view lies in the work of Schumpeter (1934), who defined an entrepreneur as an individual who carries out new combinations - namely, innovations. The function of an entrepreneur is to innovate; as such, the Schumpeterian view is that the entrepreneur is not a risk bearer. A risk bearer is a capitalist who lends his funds to an entrepreneur. In the past, many definitions of entrepreneurship have been formulated in the economic literature on entrepreneurship, but taking them together, Davidsson (2003) distinguished two main social realities. The first is represented by the view of an entrepreneur as a self-employed person, in which certain elements of innovation are needed at start up and some degree of innovativeness is needed to survive over time; in other words, innovations are not central to

this phenomenon. In the second view, entrepreneurship refers to the creation of new economic activities and organizations as well as the transformation of the existing ones, making innovations central to this phenomenon.

Yet Schumpeter had no doubts: The one who innovates (i.e. introduces new combinations) is an entrepreneur. Schumpeter assigned to the entrepreneur the role of innovator and drew a demarcation line between invention and innovation. His definitions of entrepreneur and enterprise are clear: "The carrying out of new combinations we call 'enterprise'; the individuals whose function it is to carry them out we call 'entrepreneurs'" (Schumpeter 1934, pp. 74). The definition of enterprise as the carrying out of new combinations stresses the importance of a very specific human property: the ability to think, be creative, and innovate. For an enterprise to exist, an entrepreneur is needed. For an enterprise to grow, prosper, and develop, an entrepreneur must constantly carry out new combinations of resources at his/her disposal. He/she must innovate (Rebernik 2002).

Shane (2004) identified five necessary conditions for entrepreneurship: (1) entrepreneurial opportunities, (2) difference between people in their ability and willingness to act upon an opportunity, (3) risk bearing, (4) organizing/exploiting opportunity, and (5) innovation. In other words, entrepreneurial activity depends upon the interaction between the characteristics of opportunity and the characteristics of the people who exploit them. Although the literature that explains different aspects of an individual's occupational choice and circumstances that lead to entrepreneurship is extensive (Evans & Jovanovic 1989; Gupta et al. 2009; etc.), much less is known about the choice of an entrepreneur to aspire for growth, albeit much is known about the characteristics of growth-oriented

entrepreneurs. They tend to be relatively young, male, highly educated, and rather wealthy in terms of household income (Autio & Acs 2010; Bosma 2009; Terjesen & Szerb 2008).

Small firm growth is neither a self-evident phenomenon nor a matter of chance. According to the literature, various factors affect firm growth. In line with the Penrosean theory of growth (Penrose 1959), it is widely agreed that growth occurs when - in addition to motivation and opportunity - proper strategy and corresponding resources are also in place (Gilbert et al. 2006). Cassar (2007) showed that an entrepreneur's growth aspirations are influenced by opportunity costs related to the use of human and financial capital. Some recent studies (Autio & Acs 2009) have also suggested that the deployment of human and financial capital is influenced by national conditions that regulate the appropriateness of expected returns from capital deployment.

2.2 Research propositions

From the policy implications' point of view, it is very important that supporting measures are not directed towards general support of entrepreneurship, but rather focused particularly on those entrepreneurs who are motivated for growth and who have high growth aspirations. At least part of the answer to the question of growth may be found in the characteristics of entrepreneurs' firms, especially regarding the extent of their innovative and international orientation.

The growth aspirations of early-stage entrepreneurs are their goals; as they are self-estimated, they are not necessarily objectively possible. As such, it is very likely that entrepreneurs in the early stages of entrepreneurship are subjectively projecting higher potential growth than those who have been entrepreneurs for a longer period. Research results indicate that some early-

stage entrepreneurs estimate that their businesses have high growth potential for the wrong reasons (e.g. incompetence, over-optimism) whereas others are more modest. It is also more likely that the first group will sooner abandon their start-up business than the latter (Davidsson 2006).

Innovative orientation impacts structural renewal in the long term. Innovation is viewed from the perspective of the market and industry, in line with Schumpeter's view of innovative entrepreneurship as new product-market combinations destructing older, obsolete products and services and pushing the production frontiers forwards (Schumpeter 1934). Entrepreneurs can estimate future growth more realistically if the characteristics of their products/services, competition, etc. are taken into account. Terjesen and Szerb (2008) find that aspiration for growth goes together with aspirations in terms of innovation, exports, outside investment, and the estimated size of the start-up capital required for starting the firm. Significant factors associated with entrepreneurial innovativeness at the individual level include high educational attainment, unemployment, and a high degree of self-confidence (Koellinger 2008). In our research, the potential of entrepreneurs' ventures to grow was based on their perception to what extent entrepreneurs' product/service is new to some or all customers, were few or no business offering the same product/service and were the technologies or procedures required for this product/service already available. We tested whether early-stage entrepreneurs form their growth aspirations about future employment on the characteristics of their businesses that enable business growth. In other words, by increasing the competitive offering of new products and services and by using innovative and new technologies and/or procedures, entrepreneurs contribute towards greater market efficiency. In addition, many

entrepreneurs are important agents of innovation (Bosma & Harding 2007), and the growth potential of their businesses is expected to be higher on average. The following hypothesis (H1) was formed:

H1: Innovative orientation of the early-stage entrepreneurial firm is positively related to a firm's growth aspirations.

In an ever more globalizing economy, economies' global trade becomes increasingly important. Not only multinational enterprises have international orientations; new and smaller firms are, using the latest technologies, increasingly well equipped to broaden the scope of their business. For example, it is well known that, in some high-tech industries, a firm producing innovative products that has only a few (if any) potential domestic clients must internationalize if it is to stay in business. The argument goes further to state that "firms need to have a sufficient degree of internationalization, i.e. be active in many markets, to capture successfully the fruits of innovation" (Kyläheiko et al. 2011). The literature indicates that technological resources could also significantly influence firms' internationalization (Kyläheiko et al. 2011). Entrepreneurs seek international markets for a variety of reasons. They may have products or services that are more suitable for international markets. Their internal markets may be too small or immature. They may face intense local competition that motivates them to pursue customers outside their borders. Alternatively, internationalization may be motivated by a desire to leverage more broadly substantial investments in their businesses. Geographic factors, like country size or location, as well as connections with strategic partners in new locales, can also affect their cross-border activities (Kelley et al. 2011). Verheul and Van Mil (2011) find that international orientation is significantly correlated with growth ambition. A specific GEM measure assesses the extent to which

entrepreneurs sell to customers outside their economies. Internationalization is - on average - lowest in the factor-driven economies, increasing with economic development level (Bosma et al. 2012). It represents an aspect of globalisation that measures trade flows, foreign direct investment and portfolio investments, impact barriers and capital restrictions. Sometimes this element is referred to as the most important dimension of growth aspirations (Tominc and Rebernik 2011). The following hypothesis (H2) was formed:

H2: International orientation of the early-stage entrepreneurial firm is positively related to a firm's growth aspirations

3. DATA, VARIABLES AND MODEL

3.1 Data

The data for our research were derived from the GEM research. A full explanation of the content and procedures of the GEM study can be found in Bosma et al. (2012). GEM is a large-scale entrepreneurship research program launched with ten countries in 1997. In 2012, the coverage was extended to 69 countries from all over the world. In 2010, GEM conducted a survey of 54 countries, gathering data from adult-population data surveys with a minimum of 2,000 respondents. In all the surveyed countries 166,468 adults have been interviewed. Table 3.1 is showing the total number of interviewed adults in the selected countries between 18 and 65 years of age. Interviews were conducted using the Computer Assisted Telephone Interviewing (CATI) method. Analysis herein is based on the sample of 1,106 cases from the eight SEE countries represented in Table 3.1.

Table 3.1. Sample description

South-eastern European Countries	Early-stage entrepreneurs	Percent	Adult population survey sample size
Bosnia and Herzegovina	125	11.3	2,000
Croatia	109	9.9	1,614
Greece	99	9.0	1,996
Hungary	154	13.9	2,000
Macedonia	295	26.7	2,002
Montenegro	138	12.5	2,000
Romania	61	5.5	1,669
Slovenia	125	11.3	3,012
Total	1,106	100.0	16,293

Source: Adult population survey (APN), GEM 2010.

Variables

This section describes measurements for all investigated categories, which have been drawn from the GEM research. We present the criterion variable - growth aspirations and two predictors - innovative and international orientation. An additional dummy variable is described.

Criterion variable

Growth aspirations of early-stage entrepreneurs were assessed by considering their anticipation of an increase in the number of new jobs. All the identified early-stage entrepreneurs were asked the following two questions:

- *Right now, how many people - not counting the owners but including exclusive subcontractors - are working for this business?*
- *How many people - not counting the owners but including all exclusive subcontractors - will be working for this business when it is five years old?*

The difference between the two numbers represents the entrepreneur's anticipation of an increase in the number of new jobs. The criterion variable has been made. We coded all the respondents who indicated an increase in the number of employees by more than five

in the next five years as 1 (Yes). All others were coded 0 (No) (this is the reference regression).

Predictors

The model has two predictors: innovative and international orientation. Both have two parameters: 0 and 1. The first, *Innovative orientation* was assessed by determining the early-stage entrepreneur's opinion on issues asked with the following questions:

- *Will all, some, or none of your potential customers consider this product or service to be new and unfamiliar?*
- *Right now, are there many, few, or no other businesses offering the same products or services to your potential customers?*
- *Have the technologies or procedures required for this product/service been available for less than a year, or between one to five years, or longer than five years?*

All early-stage entrepreneurs expressing any kind of inclination to innovative behavior through questions addressed were coded 1 (Yes), whereas all the others were coded 0 (No) (this is the reference indicator).

The second predictor, *International orientation* was assessed by asking the early-stage entrepreneurs the following question:

- *What proportions of your customers normally live outside your country? Is it more than 90%, more than 75%, more than 50%, more than 25%, more than 10%, or 10% or less.*

We have coded 1 (Yes) all the respondents with at least some customers from other countries, the code 0 (No) was given to all the others (this is the reference indicator). We also added a dummy variable for the *country orientation* to check whether there is any significant country's impact on the growth aspirations. The country dummy variable has

two parameters: 0 and 1. If a country derives from efficiency-driven economies, the value is 0 and 1 if a country derives from innovation-driven economies. We also check whether we can improve the model by inclusion of the interaction terms between the country dummy variable and both predictors as well as among predictors themselves. However, the model was not improved.

3.3 Model

We build a binary logistic regression model, in which we assume that the criterion variable is a linear combination of the three predictors, of which one is the country dummy variable. The model for estimation reads:

$$L_i = a + b_1 \text{ Innovative orientation}_i + b_2 \text{ International orientation}_i + d \text{ Country orientation}_i + e_i$$

Where L is the criterion variable: the binary logit estimate for growth aspirations; a is the binary logit for the regression constant; b_1 is the binary logit estimate for the *Innovative orientation* regression coefficient; b_2 is the binary logit estimate for the *International orientation* regression coefficient; d is the binary logit estimate for an innovation or efficiency-driven country dummy regression coefficient; i index for the number of cases ($N = 1,106$).

4. RESULTS

As Table 4.1 shows the intercept a of -0.769 (Wald = 12.856, $p = 0.000$) stands for the binary logit estimate for the growth relative to no growth aspirations when the predictor variables in the model are evaluated at zero. Thus, the firms with growth aspirations have by 0.769 unit smaller growth aspiration compared to firms with no aspirations for growth, assuming that all the predictors are held to zero. The binary logit estimate for the *Innovative orientation* is negative and significant at the 0.10 significance level ($b_1 = -0.307$, $p = 0.058$). Since the logit estimate

compares the *innovative orientation* to the *no innovative orientation* for growth aspirations, the negative value means that firms with the innovative orientation less likely have growth aspirations given all other predictor variables in the model are held constant. The last column in Table 4.1 represents Exp (B), which are the odds ratios (=exponentiation of the regression coefficients) for the predictors. The odds ratio of the *Innovative orientation* is smaller than 1, which indicates that the risk of the growth aspirations of the firms with the innovative orientation is smaller compared to non-innovative firms (or the odds of the last group have to be multiplied by 0.735).

Table 4.1. Results of the binary logistic regression

	B	Standard Error	Wald	p-Value	Exp(B)
<i>a</i> Intercept	0.769	0.214	12.856	0.000	0.464
<i>b₁</i> Innovative orientation	0.307	0.162	3.600	0.058	0.735
<i>b₂</i> International orientation	0.876	0.161	29.711	0.000	0.417
<i>d</i> Country orientation	0.418	0.183	5.215	0.022	1.519

-2Log likelihood = 1,160.394 (estimation terminated at iteration number 4); Cox & Snell R Square = 0.042; Nagelkerke R Square = 0.060.

The binary logit estimate for the *International orientation* comparing firms that have at least some customers from other countries to those that have not such customers is significantly negative ($b_2 = -0.876$, $p = 0.000$). Thus, the binary logit for the *International orientation* is by 0.876 unit smaller for firms that have growth aspirations compared to those that do not have growth aspirations given all other predictor variables in the model are held constant. The odds ratio of the *International orientation* is 0.417. This means that the risk of the growth aspirations of the firms with at least some customers from other countries is smaller compared to the risk of the growth aspirations of the firms without such customers (i.e. the odds of the last group have

to be multiplied by 0.417). In other words, firms that have at least some customers from other countries less likely have growth aspirations. The binary logit estimate of a country orientation dummy coefficient is positive and significant ($d = 0.418$, Wald = 5.215, $p = 0.022$). This means that the firms from the innovation driven countries have by 0.418 unit smaller negative growth aspirations compared to the firms from the efficiency driven countries. For the value of the dummy variable the intercept of the firms from the innovation driven countries therefore amounts to -0.351 ($-0.769 + 0.418 = -0.351$). The odds ratio of the dummy variable of 1.519 shows that the risk of growth aspirations of the firms from the innovation driven countries relative to the efficiency driven countries is greater (i.e. the odds of the last group has to be multiplied by 1.519). In other words, firms that come from Slovenia and Greece more likely have growth aspirations.

According to the results, we did not confirm our hypotheses. We did not empirically confirm that innovative orientation of the early-stage entrepreneurial firm is positively related to a firm's growth aspirations. This relationship proved to be negative, although not significant beyond the 0.05 significance level. We were also unable to confirm the second hypothesis by which we presuppose the positive association between international orientation and growth aspirations. Our results show that this relationship is significantly negative.

5. DISCUSSION AND POLICY IMPLICATIONS

Innovativeness, internationalization, and firm growth aspirations - the focus of our research - are complex, multidimensional issues in both scope and character. Thus, increased understanding of the described phenomenon is important for different target groups. From a theoretical perspective, such knowledge is needed to strengthen the empirical micro-

level basis of theories of entrepreneurship, especially early-stage entrepreneurship, and theories of innovation. From a societal perspective, there is a good reason to seek more knowledge about the factors that promote and impede entrepreneurship and innovativeness in small and medium sized enterprises (SMEs). From the policy implications' point of view, it is necessary that supportive measures not be targeted at entrepreneurship in general, but be more focused and selective towards those individuals and companies motivated for growth and with high-growth aspirations.

Increasing evidence indicates that certain types of entrepreneurs matter more than others when it comes to fostering long-term economic growth. Ambitious entrepreneurs are individuals who launch and lead companies with above-average impact in terms of job creation, wealth creation, and the development of entrepreneurial role models (Morris 2011). Thus, the focal interest of our investigation was to seek the understanding of characteristics and attributes of the SEE countries' early-stage entrepreneurs regarding their growth aspirations. The results of the binary logistic regression show that for the early-stage entrepreneurial firms, innovative orientation is negatively related to the firms' growth aspirations. This means that the adoption of new technology as well as offering new products/services weakens the growth aspirations of the early-stage entrepreneurial SEE countries' firms. The predictor of international orientation, too, is negatively and significantly associated with growth aspirations. This means that internationalization of the SEE countries' early-stage entrepreneurial firms impedes their growth aspirations. The results also show that firms from the innovation-driven countries have less negative growth aspirations compared to those from the efficiency-driven countries.

One possible explanation of such results lies in the overall well-known lag of SEE countries behind EU innovation leaders and in the deficit of innovation potential. Other explanations may be found in the company's age. Forty-two months (defining the early-stage entrepreneurs) is a time period in which many companies have not been able to develop innovative products yet; thus, we may expect them to be developed in coming years, when the company life cycle is going to force them to change their products/services in order to be competitive and survive in the global economy. We should also take into account that the SEE countries' economy is semi-developed, and many business opportunities still exist in the area of traditional, well-proven products and services. There is still no urge for a company to survive and grow to have new innovative products/services. Still, another reason may lie in the very nature of the entrepreneurial process. The results from Slovenia for example, stated that a great majority of entrepreneurs have established their companies while still employed (Rebernik et al. 2010). Being an entrepreneur is initially more like a test of entrepreneurial abilities and earned income from the entrepreneurial activity is more like a bonus to a regular salary. We should also not reject the fact that, if an early-stage entrepreneur is a full-time employee, it is more convenient to be engaged in the additional activity that does not occupy too much time and energy, which is the case for new innovative products/services that still have to be developed.

Another part of the explanation may be found in the so called 'quality' of the investigated entrepreneurs. In the SEE countries, people less likely start firms to increase their income - independence is more important. Fear of failure is also very prevalent. Only one in five respondents started their firm in order to take advantage of an opportunity to increase incomes (Morris 2011). Thus, we can conclude

the majority of identified early-stage entrepreneurs in the investigated region are sole owners, having few international customers, started their business because they felt they had no choice. According to Morris (2011), the SEE countries' ambitious entrepreneurs are more likely to have started their business before reaching the age of 26, and they are 40 percent less likely to have any level of post-secondary education. When promoting the entrepreneurial aspirations, education is an important prerequisite for the most successful entrepreneurs.

This certainly is not just the SEE countries phenomena. According to Economist (2012), the entire continental Europe has a problem with creating new businesses destined for growth. The first possible explanation might be in the fact that many aspiring entrepreneurs simply leave their home countries. One of the things they find abroad, for example in Silicon Valley, is the freedom to fail. The second important hurdle is finance. The third big obstacle is the labor law. If young firms are to survive near-terminal mistakes or fluctuating demand, they need to be able to reduce staff costs quickly and cheaply when necessary. That is far more difficult in many SEE countries than elsewhere. All these limits have left the SEE countries with a dearth of the sort of entrepreneurial successes which would serve to inspire others.

Therefore the governments should try to boost entrepreneurship. To achieve the necessary progress from an efficiency-driven to innovative-driven economies of most SEE countries, the governmental activities to promote technological and ambitious entrepreneurs play a vital role. They need to establish a broad based 'enterprise policy' that focuses on providing the correct incentives and signals to owner-managers. Growth is significantly based on the mindset of the entrepreneur. A decision to grow must be accepted first, followed by the whole array of

activities to be undertaken. Policymakers should also consider that mindsets are different and that many different cultural, economic, and social factors influence their formation. The existing evidence from New Zealand for example shows that the assistance should be focused more on growth firms than on start-ups (Greene 2012). The policy aim should change cultural perception, which might be done through the tax system or changes to labor market laws.

The conclusions of this paper lead us to establish a series of proposals for future studies. A possible line of research would be its extension on comparison between selected countries (for example Western and Northern European countries). In order to verify the reliability of the self-reported measures of growth aspirations included in study, the calculation of correlation between these measures and objective measures of growth (sales, employment, and assets growth) would be recommendable. The development of a longitudinal study would allow us to use multiple clocks to evaluate the influence of several variables on entrepreneurs' growth aspirations. The focus of our research was early-stage entrepreneurs. It would be interesting to make a comparison between different groups of entrepreneurs (for example established entrepreneurs, serial entrepreneurs or different age groups of entrepreneurs). Finally, we consider it to be of great importance to study in depth, from the configurational approach, the relationship between the early-stage aspirations of entrepreneurs and their companies' long term success.

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