The Motives for Entrepreneurship in Developing Countries; the Case of Nairobi

MARCUS RÖDÉN
HENRIK STÅHLE
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by

Marcus Rödén
Henrik Ståhle

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KTH Industrial Engineering and Management
Industrial Management
SE-100 44 STOCKHOLM
Abstract:

Entrepreneurship is on the rise in Africa. The Kenyan government is focusing on entrepreneurship and the digital scene for the future growth of the country. The digital startup ecosystem is growing as well as the number of entrepreneurs is rising which has further increased the discussion of business opportunities in the region. This raises the question why the entrepreneurs themselves want to pursue entrepreneurship as an active career. Past research shows that entrepreneurial motivations may differ due to geographical regions, and may differ due to the economical condition of the country.

The authors see that more emphasis must be put on entrepreneurial motives in developing countries to further understand why people want to pursue entrepreneurship. Since there is little research on entrepreneurial motivations in developing countries, where on region is Nairobi, Kenya, the authors aim to add knowledge in this field to further understand entrepreneurial motivations across the world.

This is a qualitative research where the authors aim to explore the entrepreneurial motives behind going into entrepreneurship in Nairobi, Kenya. 18 participants have been interviewed through a semi-structured interview format in Nairobi for 2 weeks in March 2017.

The results show that there are three main motives present in Nairobi. The findings have been compared to, according to the inductive reasoning approach, a theory of entrepreneurial motivations and have found that there are different motives present in Nairobi than in other regions in the world. Some entrepreneurial motives that are less common in developed countries are more common in Nairobi, which confirm that entrepreneurial motives differ due to geographical regions.

Key-words: Entrepreneurship, Motives, Kenya, Nairobi, Start-up, Entrepreneurship out of Necessity, Entrepreneurship out of Opportunity, Seven dimensions of entrepreneurial motivation, Qualitative research.
Table of Contents

1. Introduction ......................................................................................................................... 3
  1.1 Problem Background ................................................................. 3
  1.2 Main Purpose ......................................................................... 5
  1.3. Literature review ................................................................. 5
  1.4 Delimitations ........................................................................ 6

2. Theoretical Framework ........................................................................................................ 7
  2.1 Defining Entrepreneurship ...................................................... 7
  2.2 Entrepreneurship and Motivation ........................................... 7
    2.2.1 Entrepreneurship out of Opportunity .................................. 8
    2.2.2 Entrepreneurship out of Necessity ..................................... 8
  2.3 The Seven dimensions of Entrepreneurial Motivation ..................... 8

3. Method ............................................................................................................................... 9
  3.1 Qualitative Research ............................................................... 9
  3.2 Data Collection ......................................................................... 10
    3.2.1 Semi-Structured Interviews .............................................. 10
    3.2.2 Chosen interviewees ....................................................... 11
  3.3 Data analysis ........................................................................... 12
    3.3.1 Research Reasoning - the relationship between theory and research .... 12
    3.3.2 Data Analysis Strategy ................................................... 13
  3.4 Credibility and Ethics of the Paper ............................................. 14
    3.4.1 Critical Aspects and Credibility of the Paper ......................... 14
    3.4.1 Ethics of the Paper ......................................................... 15

4. Results ............................................................................................................................... 15
  4.1 Personal Motives ....................................................................... 15
    4.1.1 Freedom in your life ....................................................... 15
    4.1.2 Learning and personal growth .......................................... 16
    4.1.3 Who am I and what am I doing here? .............................. 17
  4.2 Business Motives ...................................................................... 18
    4.2.2 Your own rewards ....................................................... 18
    4.2.2 Opportunistic view of the market ..................................... 19
    4.2.3 Money through the company ........................................ 20
  4.3 Surrounding World Motives ..................................................... 21
    4.3.1 Solving societal problems .............................................. 21
    4.3.2 Impact the life of millions through their idea ................. 22
    4.3.3 Building for the next generation ..................................... 22

5. Discussion ......................................................................................................................... 23
  5.1 Three main themes of entrepreneurial motives in Nairobi .................. 23
  5.2 Five entrepreneurial motives present in Nairobi ............................... 23
  5.3 Opportunity out of necessity ..................................................... 26

6. Conclusion ......................................................................................................................... 27
  6.1 Conclusion ............................................................................. 27
  6.2 Limitations ............................................................................ 28
  6.3 Suggestions for future study ................................................... 28

Appendix 1 – Interview Guide ....................................................................................... 30

References ............................................................................................................................ 31
1. Introduction

In the introduction, the authors aim to describe the background and paint the scene of the problem they have sought out to understand through their research. Further it is discussed why this is of interest to discover more about and what research has been done previously.

1.1 Problem Background

Building a company or creating a venture may have several different reasons behind it. It could be that the entrepreneurs see an unfulfilled opportunity in the market, or it could be because they have a social or ideological reason. Another reason could be because the team sees the need for the innovation, either for themselves or for their community. Reasons behind starting a venture differ between companies and individuals, something that is especially evident in many developing countries where both the markets needs and the possibility to get these needs fulfilled are quite different than in many places in the western world. It is interesting to look at entrepreneurial motives because of what it implicates for the future success of the company in relation to the company’s mission. Is it to become the market leader in a certain business area, or is it to put food on the table for the owner. In Kenya, a developing country in Africa, the reasons for entrepreneurship is of especial interest as the region is going through massive development at the moment and the Kenyan government is currently going to great lengths in order to support the ICT- (Information and Communication technologies) and the startup community, as these are adding a lot of value in creating jobs, but also attracting foreign investment and trade for Kenya (BBC, 2013).

Africa is a continent with huge problems in many respects, from health, education and industrialization to poverty and corruption. However, others would rather talk about the endless possibilities and potential here, through solving these big problems, and what Africa could become if it could overcome these issues. Many therefore refer to it as a rich continent with poor people. In Africa everything is developing, and through new technologies and innovative businesses, things are moving along, transforming the many African economies. Here digital technologies such as open source software, the cloud, cheaper computing resources, and ideas from local technology hubs are changing and redesigning Africa (Ekekwe, 2016).

This correlates to Eric Ries’s Lean startup theory, where according to him, the most efficient innovations are the ones that solve a real problem where actual demand is (Ries, 2011). Nowhere in the world is this truer than in Africa. Here, innovation in many cases comes out of necessity, and many of the products or services are built to help the people in these countries. Journalist and frequent speaker Toby Shapshak discusses the products coming out from Africa in his TED-talk, and compares African innovation to that of the western world, where in Africa these are developed because they will significantly improve the quality of life for the people it is created for (Shapshak, 2014).

When looking deeper into why entrepreneurs build their companies, we need to understand the psychological and sociological springs of entrepreneurship. Entrepreneurs are known to differ strongly from non-entrepreneurs, however there are also sub-groups among entrepreneurs with differing motivations for why they went into entrepreneurship. Generally entrepreneurs have a skewed attitude towards risk and the work-leisure preference (Djankov
et al., 2006). Entrepreneurs are also more likely to have a growth mindset, wanting to learn new things and evolve rather than solely reinforcing their existing beliefs as people with a more fixed mindset often do (Dweck, 2006). This connects to Saras Sarasvathy’s definition of what makes entrepreneurs entrepreneurial. Sarasvathy believes that it is the ability of reasoning effectually, meaning to see the given means and realizing the many different outcomes that could come from these, rather than causal reasoning, which is only selecting the given means in order to come to a predetermined goal (Sarasvathy, 2007). More traits or behavior of innovative entrepreneurs that Dyer et al. found in their research was that entrepreneurs, more often than executives, put effort in questioning, observing, experimenting, and idea networking (Dyer, Gregersen, and Christensen, 2008).

With a new generation of millennials growing up, entrepreneurship is on the rise. With this group starting companies earlier and more often than their parents did, much due to both the ease of starting a company today because of a better infrastructure, but also going back to traits, that millennials are less prone to be discouraged by failure (BNP Paribas, 2016). This fact is great news for the people of Africa as more entrepreneurship could be a way out of poverty for many (IMF, 2013). Kenya is, as many other developing countries in Africa, at a point where they are showing great contrast with both social and economic inequalities, as 43.4 per cent of its 46 million people population are under the poverty line while they at the same time are one of the economies with the greatest GDP growth rate, coming in on the 31st place globally in 2015 (Unicef, 2009; World Bank, 2016). The problems in Kenya include large unemployment figures, especially for the youth, which is correlated with the huge population growth rate the last 35 years (Vestal, 2015). At the same time much is happening, with the higher education system expanding and a growing amount of admissions to the universities (ICEF Monitor, 2013).

The positive development stems a lot from the growing private sector, but it has also generated a lot of interest in Africa, African companies and in the people who know the African market. For example the founders of Nigerian company “Gidimo” noticed that some of their investors cared more about the people running the company than about their exact business proposition. “Those investors may not understand the complexities on the ground, but they’ve found someone capable who does, and that’s enough” (Klingebiel & Stadler, 2014).

Kenya's government has made a big bet to continue the country's development, create jobs and grow through supporting the ICT- and the startup community. This was most recently shown through the decision to construct the $14,5 billion IT Business hub city Konza, also dubbed “Silicon Savannah”. The new city is thought to bring 200 000 jobs by 2030 and should bring substantial investments in what is described by former President Mwai Kibaki as a “tremendous opportunity” (BBC, 2013). The fact that the ICT-sector in Nairobi and Kenya in general will benefit from this new cluster is undoubtful and will give Nairobi’s entrepreneurial community an even higher standing. This was reinforced when Nairobi was given the opportunity to host the Global entrepreneurship Summit in 2015 (GES, 2015). As Toby Shapshak said during his TED talk; “We (Africa in large) are at the point that China was when its boom years began”, referring to Africa's development thanks to technology (Shapshak, 2014). Entrepreneur and Investor Vinny Lingham reinforce this when speaking on investment in Africa, “Nowhere else do you have more than one billion people who are so underprivileged and under-catered to. There is a huge business opportunity here”. (Jackson, 2015)
The fact that Africa and Kenya is on the rise, together with the gap in research regarding both entrepreneurial motives and entrepreneurship in general here, make the authors believe this to be an important topic and one to look deeper into.

1.2 Main Purpose

The purpose of this paper is to explore the entrepreneurial motives for entrepreneurship in Nairobi, Kenya.

This is in order for third parties, such as investors and other stakeholders to see the potential of early startups in Kenya in terms of reasons to succeed, and therefore facilitating their investment decisions in the area. Furthermore, we wish to contribute in the field of Industrial management with a deeper understanding of entrepreneurial motivations.

1.3. Literature review

Early stages of research in the field of motivations for starting a company have seen motivations to be of economic character (Schumpeter, 1934). Since then, a lot of research has come to the conclusion that entrepreneurial motivations are more complex than just that of economic intentions (Harima, 2015). This is much due to the development of the understanding, and theories, in mostly the field of psychology (Segal et al., 2005). Research conclude that motivations are often classified into two different groups of psychological motivations, which are intrinsic motivations, doing something because it is inherently interesting or enjoyable, and extrinsic motivations, doing something because it leads to a separable outcome (Ryan & Deci, 2000). These are also being connected to opportunity motivations and necessity motivations (Segal et al., 2005; Stephan et al., 2015; Locke & Baum, 2007). The reason being that the last two types of motivations are often discussed is that they become a type of umbrella terms, but also in some ways synonymous to the push and pull dynamics of entrepreneurial motives (Giacomin et al., 2011).

As research classifies motivations in being opportunity-based or necessity-based, Stephan et al. suggest necessity-based entrepreneurial motivations being much more present in developing countries (2015). At the same time, research done by Namatovu et al. stated the opposite amongst Kenya’s youth entrepreneurs when asking them directly, with a 2:1 split towards the motivations being towards opportunity (2012). In other studies, it has been shown that entrepreneurial motivations may be a mix of both which can be seen to a larger degree in developing countries as well (Stephen et al., 2015). Exploring the motives for entrepreneurship in such geographical area is therefore of interest for the authors.

Research has concluded that entrepreneurial motivations differ due to geographical areas (Giacomin et al., 2011). A lot of research has been focused on both extensive geographical areas, such as continents, as well as more closely targeted areas, on for example special regions or countries. These studies vary from places such as The US, Europe and Asia (Giacomin et al., 2011), Africa (Benzing & Chu, 2009), Kyrgyzstan (Aziz et al., 2013) to
Germany (Block & Sander, 2009) just to name a few. As Africa is not in many respects a consolidated market, this further shows that even though similar research has previously been done in Nigeria or South Africa, this cannot be used as a measure in Kenya (Harvard Business Review, 2014). The reasoning behind looking at different countries or different geographical areas is also from the differences in developing countries, which are staggering, in everything from size of economy, culture, to the ease of which a new business can be created and sustained. (Riley, 2017)

SME’s (Small-Medium Enterprises), which in many times is synonymous with entrepreneurship (OECD, 2017), are often a driving force of the economy and a large part of the GDP in countries around the world. In developing countries this is however to a lesser degree than it is in the developed world (Edinburgh Group, 2013). This has much to do with the difficulties for SME’s in these countries in receiving financing (EIB, 2011). However, even though the percentage of GDP coming from SME’s in developing countries relative to developed countries is lower, there is still a huge part derived from these businesses even in developing countries, therefore making it interesting to look at the motivations of the people behind the companies.

The literature review has solitarily been focused on motivational factors in entrepreneurship, excluding any personality traits, skills or resource-endowments related to reasons behind starting a company. Due to the interest of studying a specific geographical area, and the lack of knowledge regarding Kenyan entrepreneurs, the authors suggest that there is a gap of knowledge in present research. Recent research has been interested in emerging countries due to the rapid development of technology and increase of entrepreneurs (De Klurk & Kruger, 2002; Benzing & Chu, 2009).

In summary, research research regarding entrepreneurship in Africa has been conducted, but the researchers have not been able to find qualitative research on the motives of entrepreneurs in Kenya. Also, even though a large part of the domestic GDP in Kenya comes from relatively small firms driven by entrepreneurs, not enough research has been done here. This also means that not enough financing can come to this group of businesses, contributing to their limited growth this area. This is why the subject is of interest for the authors.

1.4 Delimitations

In order to get to scientific depth and quality, some delimitations have been necessary. This thesis will focus on entrepreneurs that have already founded their company. For the geographical delimitation, the startup must be based in Nairobi and have a focus on the Kenyan Market.
2. Theoretical Framework

The authors aim to understand the psychological and sociological wellsprings of entrepreneurship in this research. This chapter starts by defining entrepreneurship. Then two general concepts of entrepreneurial motivation are introduced, followed by a theory of seven dimensions of motivations behind entrepreneurship to gain a sufficient depth.

2.1 Defining Entrepreneurship

Entrepreneurial efforts are seen as the force behind the new innovations and high value products getting into the market each day (Mokaya et al., 2012). The concept entrepreneurship is a common vocabulary, has a long history and is used in many different fields and areas (Mokaya et al., 2012). The concept can be traced 800 years back and there have been many definitions along the way (Long, 1983). Bygrave & Hofer mean entrepreneurship researchers view a lack of a common perception of the concept as a problem (1991). Several researchers have tried to stress the importance for a greater consensus (Klerk & Kruger, 2002; Moyaka et al 2012; Stephan et al., 2015).

By looking at researcher’s definitions of entrepreneurship one can see a clear inconsistency (Moyaka et al., 2012). The definitions have emphasized a broad range of activities including the creation of organizations (Gartner, 1988), the carrying out of new combinations (Schumpeter, 1934), the exploration of opportunities (Kirzner, 1973), the bearing of uncertainty (Knight, 1921), the bringing together of factors of production (Say, 1803) among others. The many definitions of entrepreneurship clearly explain its diverse nature of the concept of entrepreneurship.

This thesis will use the definition Moyaka et al. have brought forward to research of entrepreneurship (2012). The definition is: “The individual motivation and willingness to take risk, create and sustain a growth-oriented and profit making enterprise.”

2.2 Entrepreneurship and Motivation

Research on motivation behind entrepreneurship has come to define two concepts explaining why people pursue entrepreneurship. The motivation to entrepreneurship can either be opportunity-based, or necessity-based, also referred to as push-pull. Opportunity-based or pull factors suggest positive motivations and necessity-based or Push factors suggest negative motivations related to entrepreneurship (Gilad & Levane 1986, Stephan et al., 2015). The authors will use the terms Entrepreneurship out of opportunity or opportunity-based motivations and entrepreneurship out of necessity or necessity-based motivations from here on. The two concepts are defined below.
2.2.1 Entrepreneurship out of Opportunity

Entrepreneurs out of opportunity are according to Djankov et al. those who become entrepreneurs when they see a business opportunity (2006). The concept is related to positive cognitive emotions where the focus lies on the outcome of entrepreneurship. Those emotions related to this motivation are further explained as greater control of own time, greater flexibility of personal and family life and freedom to adapt own approach to work (Shane et al. 1991; Stephan et al. 2015). The authors use Moyaka et al. definition of Opportunity-based entrepreneurship; “In opportunity-based entrepreneurship, an entrepreneur perceives a business opportunity and chooses to pursue this as an active career.” (2012).

2.2.2 Entrepreneurship out of Necessity

Djankov et al. describe entrepreneurs out of necessity as “[...] those who became entrepreneurs primarily because they could not find other jobs” (2006). Cornwall further mean that those entrepreneurs do not intend to become entrepreneurs, but instead pursue entrepreneurship out of life circumstances and necessity in their own lives (2013). Entrepreneurship out of necessity suggest motivations based on negative cognitive emotions, some of which are inability to find a job, dissatisfaction with current job and underpaid work (Kirkwood, 2009; Stephan et al., 2015). Interestingly, a study of African small business owners found that monetary gain was the main reason for entrepreneurship. Benzing & Chu suggest this being a necessity-based motivation because of the outer circumstances of low incomes and weak job market in those countries, pushing people to entrepreneurship in order to increase their pay and create job stability (2009). The authors use Moyaka et al. definition of necessity-based entrepreneurship; “In necessity-based entrepreneurship, an entrepreneur is left with no other viable option to earn a living. It is not the choice but a compulsion, which makes him/her choose entrepreneurship as a career.” (2012).

2.3 The Seven dimensions of Entrepreneurial Motivation

Next to the opportunity-necessity research on motivation and entrepreneurship are several studies looking at the in-depth dimensions of motivations behind entrepreneurship (Stephan et al., 2015). Stephan et al. have studied 27 papers and concluded seven dimensions of entrepreneurial motivation, which are presented below (2015).

The first dimension, achievement, challenge and learning, aim to capture the motivation of personal development through entrepreneurship. Achievement is related to self-realization and fulfilling one’s personal vision. Challenge and learning explain the motivation of having a meaningful work and learning through big challenges and responsibility.

The entrepreneurial motivation behind independence and autonomy highlights the desire to control one’s life and is the second dimension according to Stephan et al. (2015). This
includes controlling one’s own time and work, making independent decisions and being able to being flexible finding a desired work-life balance.

The third dimension is called *income security and financial success* and highlights the monetary rewards from entrepreneurship. It aims to capture financial return from both an opportunity-based and necessity-based point of view. Stephan et al argue for money being a motivation, regardless of the reason for security (necessity-based) or for successful wealth (opportunity-based) (2015).

Recognition and status is the motivation that is related to social status. This captures the desire to gain recognition and respect as an entrepreneur from the community as from family and friends.

Stephan et al. further suggest motivations related to continuing an entrepreneurial tradition within the family or creating family legacy in a community. It may also be of following the example of role models (2015). This dimension is named *family and roles*.

Motivation of entrepreneurship may also be out of *dissatisfaction* with existing or prior work. This is seen as a necessity-based motivation, pushing the entrepreneur to starting a company out of dissatisfaction.

The last dimension in individual drivers of entrepreneurial motivation captures the desire of doing something good and contributing to the community or world. This can take many forms as from philanthropy to being environmentally friendly and is named *community and social motivations*.

3. Method

*This chapter demonstrates and argues for the chosen research methodology in order to answer the problem in this paper and achieve its purpose. Finally, the authors declare the critical aspects of the research and its implications on the findings.*

3.1 Qualitative Research

Research literature suggests two ways to conduct a research and the choice should be based on how well the method help the authors respond to the problem of the paper. These are quantitative and qualitative research (Bryman, 2012). The formulated questions in this paper show that the aim is to gain knowledge, increased understanding and a deeper insight why a qualitative method is a natural choice (Kothari, 2004). Qualitative research produces findings not based on statistical procedures or other means of quantification (Strauss & Corbin, 1998) which in other words focus on the words and meaning (Bryman, 2012). The research is rather concerned with subjective assessment of attitudes, behavior and opinion in the individual
(Kothari, 2004) where the objective is to understand, describe and analyse their view of the world (Lundahl & Skärvard, 1999). This paper aims to understand the motives behind starting a company in Nairobi through interviews.

This study does not aim to generalize based on a large and statistically representative sample, like the quantitative research method (Lundahl & Skärvard, 1999). Ritchie & Lewis mean the quantitative and qualitative research methods do not contradict each other, but rather has its merits and requirements (2013). Lindblad argue that a research would be broader and provide better knowledge if both methods were combined (1998). However, due to the time constraint of this research the authors have made a conscious decision to only use the qualitative method in this research.

Bryman argue for three key problems related to the use of qualitative methods. The first issue is about the challenge for the researchers to view and interpret the reality of the interviewee (2012). The second key problem is the relationship between theory and research, and the third problem concerns the extent to which qualitative research can be generalized (Bryman, 2012). The key problems need to be handled throughout the research. The authors explain how that is being done later in this chapter.

3.2 Data Collection

3.2.1 Semi-Structured Interviews

The empirical data in this report is primary data, which is self-collected material for the research (Lundahl & Skärvad, 1999). To get the primary data, individual qualitative interviews have been conducted. Such interviews tend to be less structured and flexible which makes it attractive in order to fulfill the aim of the research (Bryman, 2012). The two forms of qualitative interviewing are unstructured and semi-structured interviewing. In order to understand the motives for entrepreneurship it is of importance to enhance the interviewee’s point of view. Therefore, a flexible interview is needed, where going off at tangents and asking new follow up questions, to be able to respond to a direction of which the interviewee takes the interview and to get the rich and detailed answers (Bryman, 2012).

With the interest of understanding the motives behind starting a company in Nairobi, this research has a clear focus. According to Bryman, semi-structured interviews are therefore preferable in order to address the topic (2012). A semi-structured interview is made up by an interview guide where the authors has a list of topics to be covered (Bryman, 2012). The authors have made a brief list of memories of 10 open questions concerning the topic (Appendix 1). It is crucial that the questioning allows the research participants to express their social worldview. That is why the authors were prepared not to stick to the 10 questions and instead be ready to ask follow up questions. This helps getting rid of too many preconceptions and biases (Bryman, 2012).

The interviews have been conducted through face-to-face interviews and telephone interviews. Out of 18 participants, two have been through video calls. The general differences between face-to-face interviews and telephone interviews, according to Irvine et al., is that participants are more likely to talk longer, give vocalized responses and not being
grammatically correct during face-to-face interviews which would indicate a stronger participation (2013). Telephone interviews may lower the quality since the authors cannot be sure that the participants will sit in a quiet room, being present and focused on the interview. The authors have therefore travelled to Nairobi to meet the participants face-to-face to be able to observe certain body languages to fully understand the response of a question. Body language is of importance to understand discomfort or confusion (Bryman, 2012). Interviews were conducted for two weeks during March 2017 in Nairobi, Kenya.

It is of importance as a researcher to be well versed with the literature in the subject (Bryman, 2012). This mean past literature being an important part of the elaboration of the study. The research purpose does not show a clear connection to using secondary data, which is data collected by someone else than the user. That is why the authors have not chosen to complement the data collection with secondary data (Bryman, 2012).

3.2.2 Chosen interviewees

The authors have made certain criteria to choose research participants. The reason was to ease the selection process, but also to increase the quality of the research. The criteria for research participants were entrepreneurs based out of Nairobi. In order to get a deeper understanding of their view and understanding of entrepreneurship, the company had to be founded 2012 (or still in an early stage) or later to capture the reason for going into entrepreneurship. The authors claim that those reasons may change over time depending on outcome or success of the company. Lastly, the company had to been set up according to rules and laws in Kenya because the authors learned that many people see themselves as entrepreneurs even though a company has not been setup according to governmental rules.

The procedure for finding relevant participants started with internet research on start-ups in Nairobi. The authors reached out to co working spaces and incubators through e-mail to find relevant participants. Those were iHub, Nairobi Garage, Google for Entrepreneurs, NaiLab, Pawa254 and GrowthHub. Later, while in Nairobi, the authors visited all coworking spaces and incubators to get in contact with entrepreneurs. The reason for reaching out to coworking spaces is because that is where most entrepreneurs work (GSMA, 2014). This is how all participants in this research were found. The sample process was purposive to the extent that the context and type of participants were defined (Bryman, 2012), however the chosen participants were of coincidence selection since the authors chose the entrepreneurs that matched the criteria and time schedule.

The authors claim that there is little limitation to the amount of participants in this research. The 18 participants and the length of the interviews have enriched the data. Following table presents the interview participants together with brief information about them. In this research 12 participants were male and 6 were female. Most companies had been founded 2012 or later. The companies that had been founded before 2012 were still in an early stage and therefore matched the criteria for this research. According to the confidential claim, rule number 6, in The Swedish Research Council’s four research ethical principles, the authors give the participants complete anonymity and the chance to end the interview whenever they wanted (Vetenskapsrådet, 2002).
Figure 1. Summarizing table of all participants in this research.

<table>
<thead>
<tr>
<th>No.</th>
<th>Date</th>
<th>Gender</th>
<th>Education</th>
<th>Founded</th>
<th>Sector</th>
<th>Short description</th>
<th>Social idea</th>
<th>Entrepreneur</th>
<th>Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>23/2-17</td>
<td>Male</td>
<td>Yes</td>
<td>2015</td>
<td>Digital Consulting</td>
<td>Consults in Web design, Digital Marketing, Photography, etc</td>
<td>No</td>
<td>Dennis Bett</td>
<td>Expava group Ltd</td>
</tr>
<tr>
<td>2</td>
<td>24/2-17</td>
<td>Female</td>
<td>Yes</td>
<td>2015</td>
<td>Consumer Goods</td>
<td>Aims to make sanitary products for women cheaply available for all</td>
<td>Yes</td>
<td>Esther Mwangi</td>
<td>Esvendo</td>
</tr>
<tr>
<td>3</td>
<td>27/3-17</td>
<td>Male</td>
<td>Yes</td>
<td>2015</td>
<td>Digital Consulting</td>
<td>Digital development and execution for corporate clients</td>
<td>No</td>
<td>Eric</td>
<td>Threeways</td>
</tr>
<tr>
<td>4</td>
<td>27/3-17</td>
<td>Female</td>
<td>Yes</td>
<td>2016</td>
<td>Deaf community</td>
<td>Community for the deaf in Kenya</td>
<td>Yes</td>
<td>Faith</td>
<td>Dexterity Inc</td>
</tr>
<tr>
<td>5</td>
<td>21/3-17</td>
<td>Male</td>
<td>Yes</td>
<td>2012</td>
<td>Adtech</td>
<td>Survey platform that gives incentives for the public to answer surveys via sms</td>
<td>No</td>
<td>Louis Mayanya</td>
<td>MI Survey</td>
</tr>
<tr>
<td>6</td>
<td>28/3-17</td>
<td>Male</td>
<td>No</td>
<td>2013</td>
<td>Online dating</td>
<td>Premium dating site for Kenyans</td>
<td>No</td>
<td>Ian Isherwood</td>
<td>DateMe Kenya</td>
</tr>
<tr>
<td>7</td>
<td>29/3-17</td>
<td>Male</td>
<td>Yes</td>
<td>2015</td>
<td>Marketplace</td>
<td>Connects and matches people with different skills with people searching for this skill</td>
<td>No</td>
<td>Johannes</td>
<td>Lynk</td>
</tr>
<tr>
<td>8</td>
<td>27/3-17</td>
<td>Male</td>
<td>Yes</td>
<td>2010</td>
<td>Digital production developer</td>
<td>Develops digital products mainly for the Kenyan government</td>
<td>Yes</td>
<td>Stephen</td>
<td>BT Millman</td>
</tr>
<tr>
<td>9</td>
<td>28/3-17</td>
<td>Male</td>
<td>Yes</td>
<td>2012</td>
<td>Webshop and manufacturer</td>
<td>Designs jewellery and sells it through technology and produce by artisans on demand</td>
<td>No</td>
<td>Kaye</td>
<td>Soko</td>
</tr>
<tr>
<td>10</td>
<td>28/3-17</td>
<td>Male</td>
<td>Yes</td>
<td></td>
<td>Recruitment</td>
<td>Head hunter for C-level personnel</td>
<td>No</td>
<td>Daniel Frison</td>
<td>Tafuta</td>
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<td>24/3-17</td>
<td>Male</td>
<td>Yes</td>
<td>2017</td>
<td>Price comparison site</td>
<td>Comparison site for car insurance online</td>
<td>No</td>
<td>Viral</td>
<td>Sokompare</td>
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<td>12</td>
<td>28/3-17</td>
<td>Male</td>
<td>Yes</td>
<td>2016</td>
<td>Digital reseller of services</td>
<td>Reseller of digital solutions to businesses, eg. cloud solutions for Microsoft. Helps with implementation</td>
<td>No</td>
<td>Joseph Muga</td>
<td>Maverick digital</td>
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<td>13</td>
<td>29/3-17</td>
<td>Female</td>
<td>Yes</td>
<td>2016</td>
<td>Clothing company</td>
<td>Designs and manufactures stylish clothes in kenya for the kenyan market</td>
<td>No</td>
<td>Michelle</td>
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<td>14</td>
<td>24/3-17</td>
<td>Female</td>
<td>Yes</td>
<td>2009</td>
<td>Risk analysis company</td>
<td>Analyses data supply chain data in order to see which companies are credit worthy</td>
<td>Yes</td>
<td>Rianna</td>
<td>Trefi</td>
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<td>28/3-17</td>
<td>Male</td>
<td>Yes</td>
<td>2012</td>
<td>Accounting and administration</td>
<td>Helping clients with with company setup, bookkeeping, compliance etc.</td>
<td>No</td>
<td>Sam</td>
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<td>16</td>
<td>27/3-17</td>
<td>Female</td>
<td>Yes</td>
<td>2013</td>
<td>Travel marketplace</td>
<td>Matching service, matching travelers with locals</td>
<td>Yes</td>
<td>Sanne Mejboom</td>
<td>ILike Local</td>
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<td>Yes</td>
<td>2014</td>
<td>Solar company</td>
<td>Manufacturing and selling solar powered outdoor lighting.</td>
<td>No</td>
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<td>Male</td>
<td>Yes</td>
<td>2015</td>
<td>Cloud computing</td>
<td>Cloud company, helping to reduce transit costs for data transfer for companies</td>
<td>No</td>
<td>Phares</td>
<td>Node Africa</td>
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3.3 Data analysis

3.3.1 Research Reasoning - the relationship between theory and research

The analysis in the paper is built upon the empirical study and the theoretical frameworks why the approach of reasoning needs to be mentioned. How the authors relate to the empirical findings and the theory is based on the problem statements of the research (Bryman, 2012). Research literature often defines two main ways of reasoning which are deduction and induction (Bryman 2012; Yin 2011). Deductive reasoning is where theory or concepts guides the researcher to form a hypothesis of which data is collected in order to confirm the hypothesis or reject it (Bryman, 2012). The relationship between theory and research using inductive reasoning is a rather opposite approach where theory is the outcome of the research. The researcher starts with observations and draw general theoretical conclusions based on those findings (Bryman, 2012).

The inductive approach started with the observations, meaning the interviews of the participants. Due to the nature of inductive reasoning, starting with observations enhance a more open-minded and exploratory research (Bryman, 2012). This help the researcher gain a
deeper understanding of the context and the participant’s point of view why this approach is being used in this paper. Moreover, the inductive approach tends to let the data lead to the emergence of concepts. Since the purpose of this research is to explore the motives for going into entrepreneurship, one would argue that the data must lead the research. The authors related the findings of this research to previous concepts and theory. That is why the authors view the inductive approach as the most reasonable to analyze the entrepreneurs’ worldview in order to understand their motives for starting a company.

### 3.3.2 Data Analysis Strategy

According to Bryman qualitative research often result in a large and rich database, which may result in difficulties finding analytical paths (2012). Analysis involves working with the collected data, interpreting the intended meaning by the participant resulting in a conclusion (Corbin & Strauss, 1998). Deploying a strategy for analysis of the primary data has its advantages. Corbin and Strauss argue for a strategy helping the analyst distance themselves from personal experience, clarifying data, to easier be able to listen and see the world from the participant’s eye and lastly to identify properties and dimensions of categories (1998).

In order to make an in-depth analysis of the data the authors recorded and transcribed the interviews. Transcription has its advantages of correcting the natural limitations of our memories, allowing thorough and repeated examination of words and meaning as well as it helps the data to be reused for further research (Bryman, 2012).

From this point, the authors have used content analysis, which is a systematic approach to understand qualitative data (Hsieh & Shannon, 2005). Content analysis includes three different approaches, one of which has been implemented in the analysis of this paper. The conventional content analysis is used together with a research whose aim is to describe a phenomenon (Hsieh & Shannon, 2005). The approach started by reading through the transcriptions repeatedly to achieve immersion and an understanding of the whole. The next step was to highlight and look deeper into certain words that would appear as key thoughts related to the purpose of the research. From here, a first analysis was made by making notes of the first impressions of the data.

The next step was to code the data. Coding is the act of labeling certain parts that seem to be of significant interest or use for the research (Bryman, 2012). This step includes organizing the data and separating words and meaning in order to get a deeper insight of them. Eventually, around 10 categories started to form as well as subcategories. From here, a tree diagram was developed in order to do a hierarchical structure in order to make a second analysis focusing on connections or relationships between categories. This emerged into three main categories of motives, with underlying motives related to each category. Following is a summary of the data analysis process.

- Taking personal notes, writing down first thoughts after each interview
- Transcribe interviews
- Both authors read through all interviews and taking notes separately
- Commented and marked all things that we believe to be of significance in two separate documents in order not to help or bias each other in our findings
- Discussed our own ideas and findings and found 10 categories together
• Tree diagram on whiteboard and finding possible themes for motivations
• Categorize all quotes of importance from the interviews into three main themes

3.4 Credibility and Ethics of the Paper

3.4.1 Critical Aspects and Credibility of the Paper

The qualitative research method's advantage of being flexible that can result in deep and detailed findings is also what is being criticized by quantitative researchers (Bryman, 2012). There is a view of qualitative research being too subjective; relying on the researcher’s unsystematic view of what is important based their personal experience. This would also mean a difficulty in replicating such study and the scope of the findings are restricted. The lack of total transparency in the qualitative research process has also been criticized. Guba and Lincoln have proposed four criteria for judging a qualitative research (1994).

The first criterion is **credibility**, which is concerned with how credible the findings are and how believable it is from the participants’ eye (Guba & Lincoln, 1994). Since the aim of this study is to describe and understand Nairobi entrepreneurs’ motives behind starting a company, it is the participants who can justify the credibility of the paper. The authors have remained contact with the participants and there has been no contradictions related to the results.

The second criterion refers to the degree of which the results of this paper can be transferred to other social settings (Guba & Lincoln, 1994). Due to the narrow focus of this research, the authors do not aim to gain a high transferability of this research, but to gain deeper understanding of the motives behind entrepreneurship in this specific context. However, the report can help other researchers to research on this topic in a broader way.

**Dependability** refers to the fact that if this research were to be repeated in the same context with the same methods and participants, the findings would be similar (Bryman, 2012). LeCompte and Goetz stress the impossibility of ‘freezing’ a social context since society is constantly changing and developing. However, the research process can easier be replicated if the original researcher is transparent with the process which is why the authors have adopted an ‘auditing’ approach (1982). Notes of the process have been made and two peers have been acting as auditors.

The last criterion, **confirmability**, is concerned with the objectivity of the research and how it can be confirmed by others (Bryman, 2012). The authors have acted in good faith, not taking in personal values or any other actions to sway the process and findings. The auditors have helped to remain objective in this study.
3.4.1 Ethics of the Paper

This paper has been written through KTH Royal Institute of Technology in Sweden. Therefore, the authors have followed the rules of the university as well as the Swedish research ethical principles. The “Humanistisk- Samhällsvetenskapliga Rådet” have conducted four ethical principles in order for research to improve the society and be ethical to any participants in a research. The ethical principles are built upon four main claims on the research and include The Information claim, The Concurrence claim, The confidentiality Claim and The Appliance Claim (Vetenskapsrådet, 2002). The authors have informed KTH the purpose of this thesis, have not in any sense forced the participants to take part of this research as well as they stay completely anonymous, and only use this data for research purpose.

4. Results

In chapter four the results from the interviews with the participants is presented. Here, the three common themes regarding motives seen across the interviews are collected with examples illustrating Personal motives, Business motives and Surrounding World motives.

4.1 Personal Motives

This part of the results present the personal motives for going into entrepreneurship. This is reflected in the participants’ answers from our direct questions into why they personally wanted to go into entrepreneurship.

4.1.1 Freedom in your life

The data show clear that freedom is one of the main motives for going into entrepreneurship. Starting your own company is supposed to bring you freedom in your life. This is perceived and expressed in different forms. First of all, freedom is connected to managing and controlling your own time. There is a strong feeling that no one should tell the person what to do. At the same time there is an interest in being able to work at any time of the day, whenever they feel like it.

“Entrepreneurship is freedom. I think it’s freedom, because that was my motivation. I hate having someone telling me what to do. So that’s one thing, freedom.” - Interviewee no. 16 - 27/3-17

“Then it’s the independence of course (laughing). It’s so much freedom. I can choose what time to work.” - Interviewee no. 17 - 24/3-17
Apart from managing their own time on their own will, the concept is related to being able to do whatever one like to do in her life. Freedom is expressed as succeeding in not being stuck in a system, controlled by someone else. This means having the ability to change paths in their career, waking up in the morning and being able to do something completely different.

“For me it is freedom, I can wake up tomorrow and become a farmer with my company, I think that I have control over my time, my abilities, everything it is just freedom, it is challenging of course, but it is freedom, you are only tied down to your abilities or your circumstances, not someone else telling you, you can't do something.” - Interviewee no. 12 - 28/3-17

4.1.2 Learning and personal growth

Another aspect of personal motives regards the reason for going into entrepreneurship because it makes one learn and grow as a person. The participants have a strong urge to continuously learn how things are working. Meeting new people and being forced to do things they never had done before means learning for them. There is a positive view of pushing yourself out of the comfort zone, because that’s how one can learn. At the same time a lot of time and efforts were focused on studying new information about markets and skills. This makes it clear that a strong motive for going into entrepreneurship is to continuously learn new things. Hence there is nowhere else they can learn as much as through entrepreneurship. This became even clearer when the participants were asked about the rewards of starting a company.

“The rewards in entrepreneurship, honestly, for me it's learning.” - Interviewee no. 10 - 28/3-17

The participants see going into entrepreneurship as a platform for learning and personal growth. This platform has endless of opportunities because there are a lot of things to do when starting a company. Also, as one can decide the level of ambitions of the company themselves, the only limit is how much one want to learn. This level of ambition is set high as the participants talked about all the ideas they had. In order to make the ideas become reality, one had to learn new things along the way. The satisfaction of pursuing your own ideas by learning new things along the way, you grow as a person. The following quote capture this.

“I wanted a place where I can experiment with new ideas, with new innovations. I need a place where I can push myself to my limits. And I want new adventures every day.” - Interviewee no. 1 - 23/2-17

Learning is mostly explained in relation to being an employee. As the majority of the participants have been employed before, they often related to the time of employment. The time of employment was explained in negative terms in relation to learning and personal growth. Having too much of repetitive tasks would make them feel unproductive hence no learning. Going into entrepreneurship could fill this demand of learning and expand the way
they think. This is usually explained as the tasks the participants have been pushed to do in order to grow the company.

“Entrepreneurship can make you more productive, to make you be able to want to learn more, it is empowering. Because there are things that I have never before bothered to learn if I had never started entrepreneurship, I had to learn accounting, I had to learn about taxation and legalities of a company, things that if I was still employed I would never have tried to understand it, but right now I do.” - Interviewee no. 12 - 28/3-17

4.1.3 Who am I and what am I doing here?

Talking about employment with the entrepreneurs added a clear view of the motives for going into entrepreneurship. The participants who worked at a company before going into entrepreneurship were disengaged at their jobs. Working at a company would mean doing things you do not always want to do and at the same time you won’t learn all the time nor have a feeling of freedom at work. This result in feeling limited which the two following quotes capture.

“The thing is when I worked at the companies I was limited. I was very limited to just that specific company, full time accounting for them. It was very routine based, not challenging so I didn’t enjoy the work. I wasn’t interested in that, so I said to myself “Why don’t I do the same things but for all the startups?” - Interviewee no. 15 - 28/3-17

“Earlier when I was employed and we came up with idea, it would take months before it was even considered.” - Interviewee no. 12 - 28/3-17

At the same time, it seemed to be hard to see what impact their work had on the company. Many entrepreneurs explained how hard they worked at their previous company and eventually they got tired of doing that. The most evident reason was the fact that they didn’t see what impact both their work had nor the company on the world. Further quote explains this.

“I continuously asked myself “what is it that I bring to this company?”. What is my added value? Although I was working really hard. I was putting a lot of hours into it, what’s the return on investment? At the same time I asked myself, these companies - what’s their impact? What do they really contribute to the world? It’s really quite superficial.” - Interviewee no. 16 - 27/3-17

The reasons for pushing themselves out of employment became clearer the participants were asked if they would go back to being employed. As most participants said promptly no, due to the fact that they wouldn’t have the same freedom or make the same impact, the ones that did see it possible were clear that it would be for a smaller company. The company had to have an interesting mission and product so there was space for personal growth and being able to make impact. Following quotes picture the hesitation but assertiveness of going back to being employed.
“I would consider it (employment), but I am not excited doing it unless the product excites me. I am a data scientist, and I am interested in what is happening in the field, while not having the possibility doing it for “X-company” at this stage. Soon maybe, but if something happens, I could see it, but can also see not doing it.” - Interviewee no. 7 - 29/3-17

“I think it’s very difficult. I think the trade off is how much can you learn in any of the employment or entrepreneurial areas and the opportunity cost.” - Interviewee no. 9 - 28/3-17

There was also a low interest in going into the job market for some individuals, as the opportunities didn’t seem bright. There were few jobs and a lot of competition for being employed as well as the salaries being low. These two quotes explain the negative attitude towards even trying to be employed.

“We came out of University of Nairobi in 2010 and we were looking at the market and seeing that there are no jobs. People come out with great grades and they see a market that is flooded. At the same time you see the potential of using technology to solve problems that constantly and persistently doubling in Kenya and Africa.” - Interviewee no. 8 - 27/3-17

- They were offering me 120 dollars a month. Some of my colleagues took that offer but I personally refused it” - Interviewee no. 3 - 27/3-17

4.2 Business Motives

This part of the results captures the motives for going into entrepreneurship from a business point of view. The participants’ answers reflect the reason for starting a company, instead of doing anything else for a living.

4.2.2 Your own rewards

According to the participants, by starting a company it is easy to grasp and understand what one does. This means the time, energy and efforts put into work is clearly shown and there is a chance to get feedback and recognition for it. Starting a company means taking risks and putting one’s own efforts into tasks. The results are the entrepreneurs get the rewards and no one else. The appetite for getting the rewards themselves shows a clear reason for starting a company. The following two quotes highlight the need for getting the rewards and the kick the participants get out of it.

“If I do something I get all the reward, you know. [...] I took the risk, and when you take a risk, and people love it, then I get all the rewards. That is the biggest kick.” - Interviewee no. 13 - 29/3-17

“[...] it’s all your work. So if you are able to build something and it’s going to work. It is because of you, it’s your thing.” - Interviewee no. 16 - 27/3-17
The entrepreneurs value their time spent on tasks. Working hard for someone else, being an employee, brought value to someone else. This was often connected to money and salary. Rewards mean earning the money the participants thought they were worth at a company. Several participants were pushed out of employment because they didn’t get the monetary rewards they thought they were worth. Working hard for someone else, earning a lot of money for that company didn’t seem fair. The frustration of not earning the money they think they deserve and the possibilities of earning the money the participants thought they deserved would make them want to start a business, which the following quote explain.

“I mean when I was working for the bank I was there the latest, staying until 8-9 at night. And I was working for someone else and somewhere along the way I felt that there was no point in doing that. If I am that much of a hard worker, then I should be making all of that money for myself.” - Interviewee no. 13 - 29/3-17

4.2.2 Opportunistic view of the market

The participants were eager to talk about the market forces in Africa and Kenya. The current situation was usually explained in relation to earlier days of the Americas, Europe and Asia. However, the difference is that Africa now has the opportunity to sidestep obsolete technologies and procedures used on the other continents. Today African countries could go straight to using existing technologies in developed countries. This was perceived as a big opportunity. Being in Africa and Kenya is the right market to be start a business in because the opportunity to implement existing technologies from other markets in Kenya. The following quote highlight the opportunistic view of the Kenyan Market.

“Additionally, also being in Africa is a strength. We are at a time when everyone thinks this is the place. Globally the next big thing is technology. So we are in the best of two world's.” - Interviewee no. 8 - 27/3-17

With this in hand the participants did in fact believe that Kenya was the land of opportunities. The view of the Kenyan market was very positive and optimistic. One of the reasons was how they repeatedly talked about the gaps in the market and how technologies could solve the big problems Kenya is facing. The big problems in Kenya were not perceived as something that could not be solved. In fact, the view was the opposite. All problems and inefficiencies in the market were viewed as a possible opportunity to start a business from. The opportunity was mostly explained as big and a chance to grow a profitable business out of it. The following quote explain one participant who came to Kenya because of this reason.

"I think one of the reasons that pushed me out of London was that here I could see a lot more gaps in the market everywhere in so many sectors. Also, if you look at rich people in Europe, in UK for example, many people that are foreigners have made their money in emerging markets.” - Interviewee no. 10 - 28/3-17
These opportunities were essentially the starting point of the participants’ businesses. The strong motive for starting a business came out of the opportunities they saw in the market with the big problems they could easily grasp and solve. The perceived problems were something that the participants actively searched to understand more of. Some could not stand that there was a problem to be solved and no one considered to tap into that opportunity. Others went on asking themselves; “where, of all opportunities, can I fill a gap in the market?”. The following statement explains the latter explanation.

“I went on and asked, “Where is there a gap in the market?” and “what do I have a little bit of knowledge about?” So I saw that there was a gap in the market for just plain clothing.”
- Interviewee no. 13 - 29/3-17

There is a clear awareness of the gaps in the market and how the participants’ business ideas are tapping into those gaps. Many ideas come from businesses in developed countries. One example is the first quote below which explain that a dating website is still missing in Kenya. With the insights in more mature markets, especially in technology, the participants could use that insight to build something new for the Kenyan market. The second quote highlights the fact that the participants see the gaps in the market as large opportunities. The awareness of the risks and failure did not discourage them. It was rather the opposite because the participants could build something new if the first company would fail.

“A premium dating site and is one of the most successful, not financially though, not yet, but it is good because of the gap in the market”. - Interviewee no. 6 - 28/3-17

“I mean opportunities come every day so I will just build something new.” - Interviewee no. 11 - 24/3-17

4.2.3 Money through the company
Starting a company has its monetary rewards. However, the participants show that money cannot be the sole reason for starting a company. Going into entrepreneurship for the money would mean one would not build a successful company. As soon as good money come, it would mean that there is no motivation to continue growing the company. The financial reward is further seen as a distraction. Even though money is a motivation for going into entrepreneurship, it can’t be the sole motivator because it would distract the entrepreneurs from building a successful company. The following quotes capture the above explanations.

“If you just do it for the money you could have said, “that’s enough, I’m going to retire”. - Interviewee no. 8 - 27/3-17

“I have seen the opportunity, yes you can make money, but I don't want money to be my motivation because when money goes I don't want my motivation to go. The financial upside is there, but I don't want it to distract me.” - Interviewee no. 12 - 28/3-17

At the same time, the participants point out that one need money both to survive personally and as a business. So, from a business point of view money is important. As pointed out
above, money cannot be the sole motive in the short term. However, the long-term monetary motivation is visible. The reason is simply because of the dissatisfaction of salaries in employment and the fact that the participants want to grow a large business. Money would give them a receipt of making a successful company and therefore in money is a motivator in the long term.

“Of course! That’s the purpose of the business. The purpose of business is to maximize profit.” - Interviewee no. 17 - 24/3-17

“The money comes later. And we can see that once we meet a need, money always come.” - Interviewee no. 17 - 24/3-17

4.3 Surrounding World Motives

Very few of the entrepreneurs interviewed did not cover the societal problems in Kenya and Africa in general and it was obvious that there was a clear awareness and consciousness of the issues around them. The following part explains this view and captures the motives for going into entrepreneurship because of factors in the environment they are surrounded by.

4.3.1 Solving societal problems

Living in Kenya essentially means living close to social, political and economical problems with inefficiencies and disconnected markets, according to the participants. Not only is it a fact, but also it is clearly visible when living there. All participants had been living or travelling abroad. This had made them not only understand these problems and inefficiencies but to question the status quo in their country. These problems were something the participants simply could not live with and they had an optimistic vision to solve them. It is clear that solving the large societal problems is a visible motive for going into entrepreneurship in Kenya. The following quote capture one of the many problems presented and the desire to solve that problem.

“That tops the list of satisfaction for me, a more equal society. It is a big problem in Kenya.” - Interviewee no. 4 - 27/3-17

“If you walk and drive around Nairobi, you see very rich and very poor people. There are more billionaires here than in the Netherlands and the liquidity is not evenly spread. I don't live in a world where I think it should all be the same, but I think that people should be given a chance.” - Interviewee no. 14 - 24/3-17
4.3.2 Impact the life of millions through their idea

A recurring word in the interviews was “impact”. Related to the above wish to solve problems, the participants wanted to impact life of millions. The wish to make an impact did have different meanings to the participants. It was obvious in the participants building a company directed towards a social problem in the society. Those entrepreneurs building other companies did also have a clear purpose of making a large impact. Making an impact was related to a higher sense of purpose. Even though most entrepreneurs did not make a big impact at the moment with their businesses, this was something that was driving them to grow the company. The following highlight the urge to make an impact.

“The most important thing is changing the world. I cannot see myself as an entrepreneur without the social aspect. Leaving the world better than I found it.” - Interviewee no. 4 - 27/3-17

4.3.3 Building for the next generation

Regardless of core business and if they had a societal goal through the idea, many participants described their businesses as a channel through which they could help their community. This was not only something that engaged them, but a clear goal with building a company. Creating opportunities for, and attracting young people would not only be beneficial for the company but also for the community. Having a business also meant paying taxes, which also helped building the community. These two quotes highlight the motive.

“For me I am most happy with all the jobs and experiences that have been created for young people.” - Interviewee no. 5 - 21/3-17

“Personally I want to build a professional company where I employ people. I want to create opportunities for young people.” - Interviewee no. 1 - 23/2-17
5. Discussion

The aim of this chapter is to discuss the findings of the research. The most evident motives for starting a company in Nairobi are highlighted and discussed together with relevant literature in the field. The authors also discuss whether the participants were pushed or pulled into entrepreneurship and why this is relevant.

5.1 Three main themes of entrepreneurial motives in Nairobi

The findings of this research show that there are several motives for pursuing entrepreneurship as an active career. In our analysis of the data, the motives came under three main themes, which were personal motives, business motives and surrounding world motives.

Personal motives explain the reasons for pursuing entrepreneurship as an active career only related to the person herself. The first motive is freedom, which explain the independence the participants wants in their life. Entrepreneurship is the platform, or arena, for which one can decide when and what to do with their life. The other noticeable motive is learning and personal growth, highlighting the fact that one can learn much more when pursuing entrepreneurship. Continuous challenges and being pushed into new areas where one must learn in order to go forward was seen as a big reward.

Business motives highlight the reasons for pursuing entrepreneurship as an active career related to what a business is and what it can do. First, building a business would give one all the rewards. This was mostly related and explained through being an employee where one cannot get the same rewards from the time and effort spent on a task. Then, the entrepreneurs saw great opportunities and wanted to start a business to fill a special gap in the market. Lastly, business motives are related to the fact that one can earn money through the company.

Surrounding world motives is the theme that explains the motives for going into entrepreneurship because of the social context the participants were in. It is clear from the data that the participants wanted to make an impact on their society. The problems that Nairobi and Kenya is facing had a great impact on the reason for starting a company. The desire to contribute to create a better society and build for the next generation made the participants pursue entrepreneurship as an active career.

5.2 Five entrepreneurial motives present in Nairobi

According to Stephen et al. there are seven dimensions of entrepreneurial motivation (2015). From the results we can see that five of the seven entrepreneurial motives are present. Following is a discussion of how the results from this research are related to the theory of entrepreneurial motivations.
One of the strongest evident motive for pursuing entrepreneurship in this research was learning and personal growth. This was shown in several answers throughout the interviews, thus being a highlighting theme of the research. Learning and personal growth show strong correlation to the explanation of the motive achievement, challenge and learning. Challenge and learning explain the motivation of doing meaningful work and learning through the big challenges and responsibilities. Not only did the participants feel that starting a company felt much more meaningful, but it was a platform to expand once thinking by taking on new challenges. This further explains the concept achievement, which capture the self-realization where the participants want to fulfill their own potential.

Another clearly visible motive in this research is the fact that the participants wanted to pursue entrepreneurship as an active career for the freedom it gives. This motive can be explained through independence and autonomy which highlights the desire to control one’s life, including controlling one’s own time and work, making independent decisions and being able to have a work-life balance. Not only did the participants have a strong resistance to being controlled by someone else, but also having the possibility to plan their own time. Interestingly, this was a clear motive for going into entrepreneurship. The participants explain how they later found out that their work-life balance was victimized due to the time effort entrepreneurship had.

We perceived the participants continuously asking themselves what they wanted to do with their life. This reflects the disengagement they had in their previous jobs or the view they had on the Nairobi employment market. Many were pushed into entrepreneurship because they couldn’t stand how limited they felt being employed and the little impact they could do on their world. Stephen et al. explain this motivation as dissatisfaction with existing or prior work and we would argue this being a present motive for entrepreneurship in Nairobi.

The desire to make an impact on their society and create opportunities for other people was clearly shown in the interviews. The participants had all been abroad in developed countries, which they brought up as a comparison to the differences in the societies. The awareness of the social problems Kenya is facing was adding to the fact that the participants wanted to be part of improving the Kenyan society. We see a strong correlation to the entrepreneurial motivation community and social motivations. However, it was not in the form of philanthropy but rather to create a profitable company and at the same time being part of solving big problems in the society.

Stephen et al. explain one entrepreneurial motivation as income security and financial success, which highlights the monetary rewards from entrepreneurship. Stephan et al argue for money being a motivation, regardless of the reason for security or for great wealth (2015). We would agree with Stephen et al. that money is a motivation for pursuing entrepreneurship as an active career. However, in this research we did not see financial success being evident. This was also hard to understand since we think the participants didn’t want to say that for several reasons. Entrepreneurship can result in great financial success, which the participants understood. However, it was not the motivation for going into entrepreneurship. It was rather of income security because everyone needs money to survive today.

Stephen et al. present two more entrepreneurial motivations, which are Recognition and status and family and roles. The results from this research show very few, if any, indications
of these motives being a reason for the participants to pursue entrepreneurship as an active career.

The absence of **Recognition and status** is of special interest since past research presents this being one of the most common motives for going into entrepreneurship. Recognition and status was not something the participants directly brought forward, nor was it something the authors perceived as being a motive by “reading between the lines”. It is difficult to understand why **Recognition and status** is not evident in the results. For once, it could be taboo to talk about starting a company for the status it can bring. We are strangers to these people and their answers might affect their reputation.

Moreover, the absence of **family and roles** could simply be because of the method of this research. The interview script did not allow for the participants to fully explain their family background nor any entrepreneurial role models they had. This would argue for the method not being conducted completely correct in order to find entrepreneurial motives. However, the authors would argue that the script would allow for participants to tell the authors about **family and roles** if this was a main motive for pursuing entrepreneurship. The results are in line with Stephen et al.’s result that **family and roles** is a less common entrepreneurial motive.

This further shows that the results from this research suggest other entrepreneurial motivations being present in Nairobi. Stephen et al. explain **achievement, challenge and learning, independence and autonomy, income security and financial success** and **Recognition and status** being the most evident entrepreneurial motivations. The other three **family and roles, dissatisfaction and community and social motivations** are not as common motives from past research. In this research, however, two of the uncommon entrepreneurial motivations are in fact strongly present, whereas the otherwise usual motive **Recognition and status** cannot be seen in this research.

The following table summarizes the comparison of this research’s findings with Stephen et al.’s theory of entrepreneurial motivations.

<table>
<thead>
<tr>
<th>Seven dimensions of entrepreneurial motivation</th>
<th>The motives for entrepreneurship in Nairobi</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stephen et al.</td>
<td>Rödén &amp; Ståhle</td>
</tr>
<tr>
<td><strong>Four common motives</strong></td>
<td></td>
</tr>
<tr>
<td><em>Achievement, challenge and learning</em></td>
<td><em>Achievement, challenge and learning</em></td>
</tr>
<tr>
<td><em>Independence and autonomy</em></td>
<td><em>Independence and autonomy</em></td>
</tr>
<tr>
<td><em>Income security and financial success</em></td>
<td><em>Income security and financial success</em></td>
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<tr>
<td><em>Recognition and status</em></td>
<td><em>Recognition and status</em></td>
</tr>
<tr>
<td><strong>Three less common</strong></td>
<td><strong>Two not evident motives</strong></td>
</tr>
<tr>
<td><strong>Family and roles</strong></td>
<td><strong>Recognition and status</strong></td>
</tr>
<tr>
<td><strong>Dissatisfaction</strong></td>
<td><strong>Family and roles</strong></td>
</tr>
<tr>
<td><strong>Community and social motivations</strong></td>
<td></td>
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</tbody>
</table>

*Figure 2. Summarizing table of the results from Stephen et al. (2015) and Rödén & Ståhle (2017).*
5.3 Opportunity out of necessity

The findings clearly show a strong motivation of going into entrepreneurship because of the freedom it can bring. Freedom was expressed in different forms, but mainly directed towards what time to work, choose yourself what to do and the feeling of being able to do whatever you like yourself.

According to Djankov et al., emotions related to motivations like these are explained as entrepreneurship out of opportunity. These motivations, *greater control of own time, greater flexibility of personal and family life and freedom to adapt own approach to work* clearly fit into the findings of this research thus showing that there is a strong presence of opportunity-based entrepreneurship in Nairobi.

Further, entrepreneurship out of opportunity is also explained as an entrepreneur seeing a business opportunity and chooses to pursue this as an active career. The participants were showing great knowledge and awareness of the Kenyan market and its problems. But with that in hand, the participants shared an optimistic view thus seeing opportunities and gaps in the market where new businesses could fill a gap. As all the participants in this research had started a company based on a gap in the market and perceived opportunities, choosing entrepreneurship as an active career, one can argue for opportunity-based entrepreneurship being the sole motivator.

However, there was a strong dissatisfaction and unappreciative view of employment. Those entrepreneurs that had worked as an employee before had a clear reason for not being there anymore. Some participants did not even want to become an employee because of the low salaries and hard competition. Djankov et al. suggest motivations related to entrepreneurship out of necessity are based on negative cognitive emotions (2006). It is evident that negative emotions are present related to the motivations of going into entrepreneurship. The two emotions are *dissatisfaction with current job* and *underpaid work*.

A third emotion related to Djankov et al’s definition of necessity-based entrepreneurship is *inability to find a job*. Cornwall further mean that necessity-based entrepreneurs do not intend to become entrepreneurs, but instead pursue entrepreneurship out of life circumstances and necessity in their own lives (2013). According to the findings of this research, no participant went into entrepreneurship unintended nor did they do it because of inability to find a job. This would argue for necessity-based entrepreneurship being less present.

With this in hand we would argue that the motives for going into entrepreneurship is a mixture of both opportunity-based entrepreneurship as well as necessity-based entrepreneurship. As Stephen et al. points out, entrepreneurial motivations can be mixed and can be seen to a larger degree in developing countries. The question is; why is there a mixture of opportunity-based and necessity-based entrepreneurship?

Stephen et al. present past research seeing some evidence that age, gender and education have a positive effect on the appearance of opportunity-based versus necessity-based entrepreneurship (2015). All participants in this research had a higher education degree, which could explain the prominent evidence of opportunity-based entrepreneurship. At the same time, higher education could be a factor influencing a person being pushed out of employment, thus arguing for necessity-based entrepreneurship. This research does not take
in factors like age, gender or education why we cannot draw any conclusions related to these factors.

6. Conclusion

This chapter presents a conclusion on the research findings and discussion in this paper. The limitations of this research are being presented and the suggestions for future research based on the findings of this study.

6.1 Conclusion

The purpose of this research is to explore the motives for entrepreneurship in Nairobi, Kenya. The reason for choosing Nairobi is due to the rapid economical development in the country as well as there have been few previous studies of entrepreneurial motives in this region. The reason for exploring entrepreneurial motives in Nairobi is because past research has found that motives may differ based on which geographical area one look at. It may also depend on gender, education and age, something the authors have not taken into consideration in this research.

The formulated questions in this paper show that the aim is to gain knowledge, increased understanding and a deeper insight why a qualitative method is a natural choice. The authors have interviewed 18 participants through semi-structured interviews in Nairobi and through video calls. The data has been analyzed using the content analysis approach.

The findings of this research show that there are three main categories of entrepreneurial motives in Nairobi, Kenya. The first motive has been named Personal Motives, which explain why the participants have pursued entrepreneurship as an active career from a personal point of view. In this category, motives such as freedom, learning and personal growth explain why the participants pursue entrepreneurship. The second motive has been named Business Motives and captures the motives for starting a company and to not do something else. The authors found that the participants choose to start a company because they can be rewarded for their hard work, because they see an opportunity and a gap in the market as well as they can earn money. The third category has been named Surrounding World Motive and explains how the entrepreneurs start a company to impact the world, making it a better place for the society and building for the next generation.

Further, as theories discuss whether an entrepreneur is opportunity based or necessity based which means if they were pushed or pulled into entrepreneurship, the authors have seen a clear mixture of the both in this case. This means that in some cases it was found that the necessity based part of it only pushed the entrepreneurs one step in the direction towards entrepreneurship, and that it was this in combination with the opportunity side that lastly pulled them into entrepreneurship. This meant that when the interviewees did not see enough
opportunity as an employee, they started looking for and seeing opportunities as entrepreneurs instead.

The results have been compared and related to Stephen et al.’s theory “Seven dimensions of entrepreneurial motivation” (2015). By relating the results to the theory one can get a perspective on the findings and see if and how the entrepreneurial motivations in Nairobi, Kenya would differ. The authors claim that only five of the seven entrepreneurial motivations are visible based on the findings of this research. Those are independence and autonomy, independence and autonomy, dissatisfaction, community and social motivations, income security and financial success. According to Stephen et al. four of the seven motives are more common (2015). Interestingly, according to the findings of this research, two of the three uncommon motives are clearly visible entrepreneurial motives. The two motives the authors did not find being evident as entrepreneurial motives were Recognition and status and family and roles.

The authors have added to research that entrepreneurial motivations differ in Nairobi than in other regions in the world. The findings add to past research showing that entrepreneurial motivations are different based on geographical regions. The results also show that there is a clear mix of opportunity-based and necessity-based entrepreneurship in Nairobi. This add to past research findings of a mix between opportunity-based and necessity-based entrepreneurship is being more present in developing countries. Lastly, the results are based on participants with higher education, which help research understand that socioeconomic factors may have influence on entrepreneurial motivations.

6.2 Limitations

The research approach may cause different results if the study was being repeated by another researcher due to biases and prejudices (Collis & Hussey, 2013). The findings may be affected by how experienced the researcher is as well as their background and biases to the data. There is no secondary data in this research, which could have improved the quality of the discussion. The authors also believe that the time constraint of this research, two months, have implications on the time for in-depth analysis.

6.3 Suggestions for future study

To analyze the generalizability in this study, a further research with a large number of entrepreneurs in Nairobi would be of interest. The applicability of the research findings could also be tested by applying new or additional theory within motivation and entrepreneurship to see if the results are of the same character. That would mean an increased credibility of such research.

A larger sample size would also show whether a skewness toward opportunity as a motive for entrepreneurship is present in Kenya.

The findings of this research also provide insights for future research to look at if there is a connection between which of the seven dimensions of entrepreneurial motivation is
connected to what kind of company is being founded. As different companies have different purposes, targeting different problems and needs, we also suggest looking at if there is a gender and/or socioeconomic difference in entrepreneurial motivations connected to the identified opportunities and ultimately the purpose of the company.
Appendix 1 – Interview Guide

Who are you?

Tell us about your company.

Please tell me about when your first interest in entrepreneurship began.

What is entrepreneurship for you?

Why did you start this company?

Do you see any risks with entrepreneurship?

What is the reward for starting a successful company, according to you?

Would you consider being an employee?

Did you start this firm to take advantage of a business opportunity or because you have no better choices for work?”

How would you explain yourself? Characteristics or any strengths.
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