NOVICE AND HABITUAL ENTREPRENEURS:
ENTREPRENEURIAL MOTIVATIONS
AND EXPLOITATION OF OPPORTUNITIES
AS A PART OF ENTREPRENEURIAL PROCESS

Jarosław Ropęga
Uniwersytet Łódzki, Wydział Zarządzania

1. Introduction

Entrepreneurship, treated as a certain attitude towards management, which leads to the exploitation of opportunities thanks to widely understood existing resources, is currently an important stream of considerations undertaken in the literature on the subject. There have been many studies on the emergence of new business opportunities, arguing that some people better identify and use such opportunities than others [Shane, 2003].

Entrepreneurship is not limited to creating a new company [Ucbasaran et al., 2001], and it is also not a one-off event [Carter, Ram, 2003]. The exploitation of entrepreneurial opportunities can also take the form of acquisition or inheritance of an existing business [Shane, Venkataraman, 2000; Ucbasaran et al., 2001]. In addition, entrepreneurs may not limit themselves to having one company and can run several businesses simultaneously.

Persons systematically undertaking business activity, one at a time or several activities concurrently, have been the subject of research in many countries with developed economies in the last 20 years [Ucbasaran et al., 2008; Ucbasaran et al., 2003; Westhead, Wright, 1998; Wiklund, Shepherd, 2008]. Habitual entrepreneurs constitute a large and important segment in the population of entrepreneurs [Westhead et al., 2005]. According to MacMillan [MacMillan, 1986], entrepreneurial experience and research concerning habitual entrepreneurs should form the basis for studying the essence of entrepreneurship. Experienced entrepreneurs have had many opportunities to “try their hand” at running a business, analyse these attempts, identify errors and correct them in subsequent ventures. This is a departure from the search for

1 ORCID 0000-0002-2435-4239.
entrepreneurial traits in favour of the behavioural approach, i.e. the study of behaviour and ways of undertaking entrepreneurial activities as well as the perception of entrepreneurship as a process. The process approach is one of the contemporary approaches to entrepreneurship presented in many concepts [Bygrave, Hofer, 1991; Hisrich et al., 2014; Shane, 2003]. The models presented by the researchers treat entrepreneurship as a complex process, determined by the configuration of many different factors. The process approach allows one to carry out the analysis of the phenomenon of entrepreneurship based on a dynamic approach, illustrating the actions taken by the entrepreneur and their consequences. The identification and exploitation of entrepreneurial opportunities are fundamental to the entrepreneurial process [Shane, Venkataraman, 2000].

Ucbasaran et al. [Ucbasaran et al., 2003], referring to the theory of human capital and cognitive capital, state that entrepreneurial experience is an important element of entrepreneurs’ human capital which affects how entrepreneurs think and identify opportunities. Therefore, the entrepreneurial process can be different in the case of novice and habitual entrepreneurs. Existing research highlights the important role of previous experience related to starting, owning and managing a business in developing entrepreneurial behaviour [Krupski, 2011; Ucbasaran et al., 2006; Westhead, Wright, 1998]. The results of these studies suggest that people who engage in numerous start-ups have developed an entrepreneurial way of thinking and solving problems, which in turn increases their ability to identify and exploit opportunities [Shane, 2003; Ucbasaran et al., 2003].

Gordon et al. [Gordon et al., 2009] state that the motivation of the entrepreneur has a significant impact on the ability to identify entrepreneurial opportunities. The research conducted by Westhead and Wright [Westhead, Wright, 1998] suggests that novice and habitual entrepreneurs are guided by other motives when starting their business.

In Poland, so far, there has been no research on entrepreneurial behaviour taking into account different types of entrepreneurs depending on their previous experience in running a business, hence the author’s research fills a gap in this area. Research into habitual entrepreneurs in Poland is important, as the economy develops, this phenomenon seems to be more and more common. In Poland, the survival rate of the first year of the company is 70% [Raport..., 2018] but there is no research to say how many of these failed entrepreneurs decide to re-establish a business and what factors determine it. The fear of failure in Poland is on higher level than in EU [Global..., 2016]. Those who perceive business opportunities do not choose to set up their own business due to this factor. This is an important issue, for example due to the Second Chance Policy program which is introduced in Poland, which one of the tasks is to support in restarting activity after a business failure.

This study was aimed at examining the behaviour of novice and habitual entrepreneurs in relation to the entrepreneurial process. To achieve the goal, the differences between novice and habitual entrepreneurs in several areas were
examined. First of all, the motives of undertaking business activity were compared with particular emphasis on pull and push factors. In light of the theory and research on entrepreneurship, it was expected that push factors would be less frequent among habitual entrepreneurs than among novice companies. Secondly, the ability of novice and habitual entrepreneurs to recognise and create opportunities was examined, expecting that the entrepreneurial way of thinking developed as a result of previous experiences should positively affect the creation of opportunities by habitual entrepreneurs.

2. Theoretical background

**Novice and habitual entrepreneurs**

The definition of the phenomenon of habitual entrepreneurship has evolved, not finding a commonly accepted form for a long time. Defining habitual entrepreneurship is done on the basis of three main dimensions: (i) ownership, (ii) the decision-making role, as well as (iii) the ability to identify and exploit opportunities. The person of the entrepreneur plays a key role here, and habitual establishment of companies can be manifested in various forms and configurations.

MacMillan [MacMillan, 1986, pp. 241-243] identified three types of entrepreneurs: (i) one-shot, where the entrepreneur successfully builds a large enough business and manages its own business independently, (ii) drop-out, characterizing people who build a thriving companies before they decide to sell them. These entrepreneurs withdraw from their involvement in business and invest their profits in safe investments, (iii) a "business generator" which, unlike previous types, has more than one entrepreneurial experience.

Westhead et al. [Westhead et al., 2004] and Ucbasaran et al. [Ucbasaran et al., 2006] have carried out the universal operationalisation of novice and habitual entrepreneurs:

**Novice entrepreneurs** are persons without prior experience (both minority and majority) in the ownership of a business, founders and buyers or heirs of an existing independent enterprise who currently have a minority or majority stake in a newly established, acquired or inherited enterprise.

**Habitual entrepreneurs** are persons who have or had a minority or majority stake in two or more enterprises, and at least one of them was founded, acquired or inherited. Habitual entrepreneurs include:

- **serial entrepreneurs** – are persons who have sold or closed at least one business in which they have had a minority or majority stake, and currently hold a minority or majority stake in one independent enterprise that was newly founded, acquired or inherited,
– **portfolio entrepreneurs** – are persons who currently hold a minority or majority stake in two or more independent enterprises that were newly established, acquired or inherited.

**Entrepreneurial process and entrepreneurial opportunities**

W.D. Bygrave and C. Hofer [Bygrave, Hofer, 1991] define the entrepreneurial process as a process covering all functions, activities and operations related to perceiving opportunities and creating an organisation for their exploitation. According to M.H. Morris [Morris, 1998] as well as R.D. Hisrich et al. [Hisrich et al., 2014], the entrepreneurial process includes the identification of opportunities, development and improvement of concepts, planning and obtaining resources, and implementation. As J.A. Timmons and J. Spinelli [Timmons, Spinelli, 2004] indicated in their model, there should be a balance and mutual fit between opportunities, resources and the team. In the model proposed by S.A. Shane [Shane, 2003], the entrepreneurial process begins with identifying entrepreneurial opportunities. Entrepreneurship in this model is understood as a relationship between an individual and an opportunity, it is a directed process which proceeds in a certain specific order, though it does not have to be linear.

While analysing the characteristics of entrepreneurship in the process approach presented by different authors, it can be noted that what comes to the fore is the identification and exploitation of opportunities, or chances, which in the further stages (planning and development of concepts, obtaining resources) leads to the creation of a new venture.

Opportunity-based conceptualizations of entrepreneurship are developed by scholars [Shane, 2003; Shane, Venkataraman, 2000; Krupski 2011]. The process of identifying opportunities is an individual process which proceeds in different ways depending on the information available and beliefs held. Access to information is shaped by many factors such as life experience, networks of connections, education and the way of seeking information. Even having access to the same information, not everyone is able to identify emerging opportunities [Shane, 2003]. The literature presents two approaches to opportunities: discovering opportunities and creating opportunities.

The approach based on discovering opportunities assumes that market imbalance is caused by exogenous changes, such as imperfection of technology, consumer preferences or other characteristics of the industry [Kirzner, 1997]. S. Shane [Shane, 2003] comes to a similar conclusion, indicating that technological, political, legal, social and demographic changes may disrupt the competitive balance existing in the market, thus creating opportunities. It follows from the above-presented considerations that an opportunity exists in the market and is not related to the activities of the entrepreneur but is sought after by the entrepreneur,
hence there is a need to constantly scan the environment in order to discover this opportunity. On the other hand, opportunities seen from the perspective of the creation approach indicate constructivism that emphasises the role of the entrepreneur in creating opportunities through the perception, interpretation and understanding of market forces. Additionally, Alvarez and Barney [Alvarez, Barney, 2007] consider, that an opportunity is not an event formed by the market through changes in demand and/or supply and resulting from information asymmetry. It arises as a result of endogenous activities created by the entrepreneur using his or her knowledge. Creating opportunities suggests that the creation of new products/services is not necessarily related to those existing in current industries and current markets. One can refer to Schumpeter’s theory of creative destruction, according to which an opportunity emerges from the entrepreneur’s internal environment and determines his or propensity for initiating changes.

In his research, M. Koczerga noticed the appearance of willingness to create their own venture among people employed as a result of two factors – a lack of job satisfaction and the identification of opportunities to exploit in the environment [Koczerga, 2014]. According to the researcher, this is not entrepreneurship initiated strictly out of necessity, but rather inspired by professional experience and the perception of opportunities in the environment.

The decision to undertake an entrepreneurial activity is a derivative of many factors that induce the entity to initiate a business. These are the motives that constitute the internal source of activity and the pushing factor. Many years of research on entrepreneurial motivation have led to the determination of various categories of reasons for starting business activity. The division into opportunity factors and necessity factors is often used in these studies [Verheul et al., 2010], or in other words, pull factors and push factors. Positive motives result from the ‘desire to become an entrepreneur’, a conscious choice of a better alternative, perceiving the chance for a successful venture. The necessity (compulsion) to start business activity results mainly from the situation in the labour market. Push factors related to the situation in the labour market include: unemployment, unsatisfactory earnings, dissatisfaction with the current job, as well as difficulties with reconciling professional and family roles [Verheul et al., 2010].

**Hypothesis**

The current research carried out in the framework of the GEM project shows that in countries with a higher level of economic development the number of enterprises established out of necessity decreases, while the motivation related to the exploitation of a market opportunity becomes more significant. In Poland, in 2015, the percentage of people setting up a business due to a perceived market opportunity was 46.4%
Selected problems of managing organization development in industry 4.0

... while 28.1% of owners of new companies (operating for less than 3.5 years) decided to start their own business due to a lack of other earning alternatives (the European average – 22.4%) [Global... 2016]. Despite the decline in the share of push factors observed for several years, Poland’s result is still worse than in innovative countries and compared to the European average. Habitual entrepreneurs should create enterprises out of necessity to a lesser extent. Having previous experience in business, they are equipped with knowledge and skills, thus they make decisions to establish a business of their own volition instead of being forced to do so [Gordon et al., 2009]. On the basis of the above-presented considerations, there should be a relationship between the motives for starting operations and experienced or novice entrepreneurs. The following hypothesis was formulated:

**H1**: Novice entrepreneurs are more often motivated to establish enterprises by economic reasons than habitual entrepreneurs.

Business opportunities, their identification or creation, are a basic element of the entrepreneurial process, emphasised by many researchers [Shane, 2003; Timmons, Spinelli, 2004]. Westhead et al. [Westhead et al., 2005] studied the differences in decisions and actions taken by experienced and novice entrepreneurs. Experienced entrepreneurs, using their own human capital related to the previous business operations, can acquire skills and experience that would allow them to identify additional business opportunities. According to the theory of cognitive adaptation [Gottschalk et al., 2017], experienced entrepreneurs are dynamic, flexible, capable of self-regulation and involved in the process of creating decision-making frameworks that focus on the ability to perceive and process changes in their environment. Based on the studies conducted, Ucbasaran et al. [Ucbasaran et al., 2008] as well as Westhead and Wright [Westhead, Wright, 2017] stated that experienced entrepreneurs identify more business opportunities, create companies more often on the basis of challenges that arise along with opportunities, and are more innovative, i.e. more involved in introducing new products or services into the market as well as new production or distribution methods.

People who have gained experience as business owners should have a higher cumulative level of entrepreneurial human capital [Ucbasaran et al., 2013]. In particular, they ought to have better managerial and technical skills, networks of contacts, access to market-specific information and knowledge, and should therefore be better prepared to identify and benefit from new opportunities.

**H2**: Habitual entrepreneurs engage in creating opportunities in the process of establishing companies to a greater extent than novice entrepreneurs.
3. Materials and Methods

Data for the study were collected as part of a comprehensive project entitled “Determinants of the development of entrepreneurship and innovation in small business” (“Uwarunkowania rozwoju przedsiębiorczości i innowacji w małych firmach”), carried out at the Faculty of Management of the University of Lodz, addressed to owners/co-owners of small innovative companies, i.e. companies that in the years 2014-2017 made at least one change related to the introduction of new products/services or upgrading existing ones, or related to the implementation of new technical methods of production/provision of services or their modernisation, or related to the introduction of new or improved methods of company organisation.

The study was conducted by an experienced research agency. Minimum sample size is 382, at a confidence level of 0.95 and a margin of error 5% for 57.2 thousand small companies in Poland. Random sampling was applied. The research sample was selected from the database of enterprises employing from 10 to 49 people containing over 50,000 records, out of which 20,000 enterprises were drawn (from the database, every tenth unit was drawn for examination). The database was purchased from an external company (Bisnode). Enterprises were surveyed by means of a questionnaire using the CATI (Computer Assisted Telephone Interviewing) technique. The total number of completed questionnaires was 400, the response rate was 35.5% and the effective response rate was 2.06%. 373 questionnaires were accepted for the study (27 companies provided an ambiguous answer to the question “what is your business activity” – the answer “hard to say” suggests that the owner or co-owner did not participate in the study). Telephone interviews were conducted in the fourth quarter of 2017.

Out of the surveyed respondents, for 252 it was the first business activity, 121 had previous experience in business, however, the limited research framework did not allow to specify whether they were a portfolio or serial entrepreneurs. The characteristics of the research sample in the groups according to the entrepreneurial experience are presented in Table 1. Chi-square test of independence was applied to assess the relationships between variables and Cramer's V statistics was used as a measure of the effect size.

2 The definition of an innovative company used in research is based on concepts commonly used in public statistics. It is based on the methodology proposed by the OECD and Eurostat in the Oslo Manual 3rd Edition. According to this broad definition: An innovation is the implementation of a new or significantly improved product (good or service), or process, a new marketing method, or a new organizational method in business practices, workplace organisation or external relations. It corresponds with Porter's approach to the role of innovation at the micro level, in contrast to Schumpeter's approach to innovation.
Table 1. Characteristics of the research sample regarding the entrepreneurial experience

<table>
<thead>
<tr>
<th>Variables</th>
<th>First business n = 252</th>
<th>Subsequent business n = 121</th>
<th>( \chi^2 ) (df)</th>
<th>p-value</th>
<th>Cramer’s V</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family business</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes (n = 148)</td>
<td>58.73%</td>
<td>(n = 64) 52.89%</td>
<td>1.14 (df = 1)</td>
<td>0.2866</td>
<td>0.0552</td>
</tr>
<tr>
<td>No (n = 104)</td>
<td>41.27%</td>
<td>(n = 57) 47.11%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gender of the general manager</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male (n = 212)</td>
<td>84.13%</td>
<td>(n = 106) 87.60%</td>
<td>0.79 (df = 1)</td>
<td>0.3754</td>
<td>0.0459</td>
</tr>
<tr>
<td>Female (n = 40)</td>
<td>15.87%</td>
<td>(n = 15) 12.40%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sector</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manufacturing (n = 105)</td>
<td>41.67%</td>
<td>(n = 40) 33.06%</td>
<td>3.59 (df = 2)</td>
<td>0.1660</td>
<td>0.0981</td>
</tr>
<tr>
<td>Commerce (n = 33)</td>
<td>13.10%</td>
<td>(n = 23) 19.01%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Services (n = 114)</td>
<td>45.23%</td>
<td>(n = 58) 47.93%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Own elaboration based on the research results (n 373).

The scale of the phenomenon of habitual entrepreneurship (32.44%) demonstrated in this study is comparable to studies carried out in other countries [Westhead, Wright, 1998; Westhead, Wright, 2017]. Measuring the scale of the phenomenon is determined by the definition used, the chosen sector or the selection of the research sample. Regardless of these differences, the analysis of conducted international studies and the author’s research show that the phenomenon of habitual entrepreneurship is widespread.

Independent variables

In the presented study, the distinguish between habitual and novice entrepreneurs was crucial for the analysis. This variables were assessed using the following interview question: “Which company is it for you? (Subsequent business – this term includes conducting business activity in various forms (natural person, partner/company shareholder). One business activity could be completed and the next company established, or the respondent might run several businesses concurrently)”. If the answer was “first” respondents were classified as novice entrepreneurs, the answer was “subsequent” they were classified as habitual entrepreneurs. The study adopted the most general definition of habitual entrepreneurship, without distinction between portfolio and serial entrepreneurs or criteria concerning previous experience in terms of business success or failure. This was an initial survey of habitual entrepreneurs, hence the focus was on the general comparison of the two groups of entrepreneurs, with the assumption that if the hypotheses were confirmed, more detailed analyses would be possible in future research.
Dependent variables

The motivations for starting business activity were operationalised with the opportunity, necessity or social motives variable and were assessed using the following question: “Which of the following motives guided you while establishing your company: Economic (earnings, a lack of a better job opportunity), Personal (personal development, self-fulfilment, your own ideas, perception of a market opportunity), Social (family tradition, job creation)”.

The ability to discover or create opportunities was measured by means of the question about factors that influenced the establishment of the company. The respondents had the following answers to choose from: “Entering into a network of business or personal connections that provided an opportunity to develop my own ideas, An idea for a new product or service, Discovery of new market needs, Creation of new market needs.”

To verify the research hypotheses, the Pearson chi-square test for independence was applied with the use of Cramer’s V statistics as a measure of the effect size. In the study, the statistical significance level (alpha) for testing statistical hypotheses was set at $p < 0.05$, and $p < 0.1$ was adopted as the acceptable level. Multiple correspondence analysis (MCA) was applied to explore the structure and relationships of categorical variables presented in multi-way contingency tables. Since maximum number of dimensions was used to perfectly represent the data, cluster analysis (Ward’s method with the Euclidean distances) was applied to group the variable categories. All the calculations were performed with the use of STATISTICA 13.3 PL software.

4. Results and discussion

The economic motives of starting business activity were more often indicated among novice entrepreneurs (60.32%) than among experienced ones (53.72%), while personal motives were slightly more frequently (29.75%) indicated by habitual than by novice entrepreneurs (26.59%). This result, however, was not statistically significant ($p = 0.4820$, no effect was observed according to the value of the Cramer’s V). Thus, H1 hypothesis has not been confirmed.

The results of the research showed a greater tendency of habitual entrepreneurs (27.27%) to create opportunities, manifested in the introduction of a new product or service, in relation to novice entrepreneurs (16.67%). However, the establishment of a new business based on creating new market needs was at a similar level for habitual (9.09%) and novice entrepreneurs (10.32%).
No statistically significant relationship has been found between the entrepreneurial experience and reasons for the establishment of a business ($p = 0.2469$, however, a small effect was observed according to the value of the Cramer’s V). Probably, the H2 hypothesis would be confirmed with a larger number of respondents. The above results are presented in Table 2.

**Table 2. Motivation for and factors related to establishing companies depending on entrepreneurial experience**

<table>
<thead>
<tr>
<th>Variables</th>
<th>First business $n = 252$</th>
<th>Subsequent business $n = 121$</th>
<th>$\chi^2$ (df)</th>
<th>p-value</th>
<th>Cramer’s V</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Motivation for starting a business</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Economic (financial – push)</td>
<td>(n = 152) 60.32%</td>
<td>(n = 65) 53.72%</td>
<td>2.46</td>
<td>0.4820</td>
<td>0.0813</td>
</tr>
<tr>
<td>Personal (development, self-fulfilment – pull)</td>
<td>(n = 67) 26.59%</td>
<td>(n = 36) 29.75%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social (family tradition, job creation)</td>
<td>(n = 29) 11.51%</td>
<td>(n = 14) 11.57%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>(n = 6) 2.38%</td>
<td>(n = 6) 4.96%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Factors that have influenced the establishment of a business</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Entering into a system of business and personal connections</td>
<td>(n = 75) 29.76%</td>
<td>(n = 36) 29.75%</td>
<td>6.66</td>
<td>0.2469</td>
<td>0.1337</td>
</tr>
<tr>
<td>An idea for a new product or service</td>
<td>(n = 42) 16.67%</td>
<td>(n = 33) 27.27%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Discovery of new market needs</td>
<td>(n = 76) 30.16%</td>
<td>(n = 30) 24.79%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Creation of new market needs</td>
<td>(n = 26) 10.32%</td>
<td>(n = 11) 9.09%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>(n = 14) 5.56%</td>
<td>(n = 5) 4.13%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I do not know/it’s hard to say</td>
<td>(n = 19) 7.54%</td>
<td>(n = 6) 4.96%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Source: own elaboration based on the research results ($n = 373$).*

Multivariate correspondence analysis was applied to reveal the relationships and structures of the analysed variables. The results of grouping the variables categories (based on the coordinates of variable categories) with the use of cluster analysis are presented in Figure 1.

Taking into account the three variables in total, two groups of similar categories of variables can be observed. The novice entrepreneurs establish businesses for economic reasons with regard to entering into a system of business and personal connections. The motivation for starting a business for the habitual entrepreneurs is mainly due to personal reasons, considering discovery of new market needs. These relationships cannot be identified in the case of the analysis of pairs of variables.

The paper presents the results of the preliminary exploration of differences between novice and habitual entrepreneurs. The scale of the phenomenon of habitual entrepreneurship in Poland among small innovative companies...
demonstrated in the presented research results (32.44%) leads to the conclusion that more comprehensive research on this subject should be carried out, both in the scientific and practical aspect – in terms of the policy towards entrepreneurship. The question of whether habitual entrepreneurs differ from novice ones can be partly answered in the affirmative.

Although it can be said that actions of habitual entrepreneurs differ from actions of novice entrepreneurs, it cannot be assumed that this is true in every aspect. Discovering and creating opportunities is emphasised as a factor in establishing their business by both habitual and novice entrepreneurs. Small habitual entrepreneurs combine personal reasons with discovery of new market needs. Negative motives (necessity) for starting business activity dominate among small novice entrepreneurs to a small extent, however, these are not statistically significant differences. It should also be noted that the percentage of businesses created under the influence of push factors, both in the case of small habitual and novice entrepreneurs, is high, much higher than in the GEM research. This may be due to the perception of economic factors by the respondents as a mixed motivation, not strictly negative – the need to set up a business due to a lack of an alternative way to earn money. Multivariate correspondence analysis indicates that novice entrepreneurs start business for economic reasons with regard to

![Fig. 1. Tree diagram summarizing the MCA results](source: Own elaboration based on the research results (n 373).)
entering into a system of business and personal connections. Fu et al. [Fu et al., 2018] point to an important issue related to re-starting a business which are labour market regulations. They showed that in the case of high thresholds for obtaining paid employment in labour markets with rigid regulations, there is also a high percentage of people entering business again, driven by necessity.

The study assumed that previous entrepreneurial experience would increase the likelihood that small habitual entrepreneurs would be more involved in innovative activities by creating opportunities. These opportunities can refer to new products, services or processes, as well as to creating new market needs. Small habitual entrepreneurs showed greater propensity for the first option, while in the case of creating new market needs, the responses of novice and habitual entrepreneurs were at a similar level. Deliberate demand and market creation is a risky action that requires the adoption of an appropriate strategy, hence there is a small percentage of entrepreneurs opting to conduct such activities. There are also studies that do not confirm the positive impact of entrepreneurial experience on the recognition and exploitation of opportunities or provides only temporary performance effects [Gottschalk et al., 2017; Parker, 2013]. Habitual entrepreneurs may not be able to transfer previous experience to a new venture due to dynamic changes in the environment, errors in the cause-effect interpretation or over optimism. This has implications for the entrepreneurs support policy, which on the one hand would encourage novice entrepreneurs to use a good business practices presented by experienced habitual entrepreneurs and, on the other hand, would offer professional expert support aimed at eliminating development barriers by various types of entrepreneurs.

5. Limitations and future research directions

It should be noted that the study has some limitations. The research sample consists of small enterprises, i.e. employing from 10 to 49 people. The inclusion of micro enterprises in the study, which constitute the vast majority of companies operating in Poland, would provide a comprehensive picture of entrepreneurial behaviours of habitual entrepreneurs. Another limitation is related to the specificity of the analysed sample associated with innovation. The criterion for the selection of the sample was the introduction by the company in its operations any changes in products, services, production or organisation methods in the last three years. As a result, the study was conducted among innovative companies in which the motives of entrepreneurs, their ability to recognise and exploit opportunities as well as activities undertaken may significantly differ from entrepreneurs not introducing innovations. Due to the fact that, as noted earlier, the study of habitual entrepreneurs was only part of a larger, comprehensive study,
the analysis was limited to the comparison of novice and habitual entrepreneurs. This is a strong limitation, research results [Shane, 2003; Ucbasaran et al., 2008] indicate, however, that differences between portfolio and serial entrepreneurs are often greater than between habitual and novice entrepreneurs. Therefore, there is a need to carry out in-depth studies based on the division into these two subgroups of entrepreneurs. Another issue to be considered in the deliberations is the impact of previous business experience on the entrepreneurial process, especially the differences in entrepreneurial behaviour of people who failed and succeeded in business. It is also the limitation of this study. Some scholars view business failure as representing an opportunity for learning, others contest this and argue that it may be difficult to learn from failure [Shane, 2003; Verheul et al., 2010].

The presented research results are a starting point for further detailed analyses that should be undertaken to investigate the nature of habitual entrepreneurship. The answers to the following questions are important in order to explore the characteristics of habitual entrepreneurs: whether and to what extent entrepreneurs learn from their own experience, what is the impact of success or failure in previous businesses on the current behaviour of entrepreneurs and their companies, and what implications this brings for the development of the future SME support policy.

Bibliography


