



SCHOOL OF  
ECONOMICS AND  
MANAGEMENT

# ENTREPRENEURSHIP AND INNOVATION IN SKÅNE, SWEDEN: HYPE OR HOPE?

Hatice Has and Ellyne Phneah

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Supervisor: Diamanto Politis

Examiner: Joakim Winborg

## ABSTRACT

The entrepreneurship ecosystem in Skåne, Sweden is dynamic with many activities and support for new ventures, and it boasts a wide range of actors. However, there is a lack of empirical research on how the process leads to the success of entrepreneurs in terms of how productive ventures are, how beneficial it is to entrepreneurs and whether there is economic and social contribution to entrepreneurship or the region. Our thesis explores the following research question: **How do the key actors of Skåne's entrepreneurship ecosystem function interdependently to foster productive entrepreneurship?** We conducted semi-structured interviews with 13 key actors, complemented by analysis of public online information. Upon gathering empirical data, we then used the Gioia Research Methodology to find common themes and aggregate dimensions, derived through first and second order categorization. Our findings show firstly that the interdependence of key actors supports entrepreneurship with connectivity, approachability, and funding whereas there are several activities hindering entrepreneurship such as non-inclusion of different business areas, overlapping and unproductive steps, or lack of a directory of information. Secondly, cultural attributes supporting entrepreneurship include status characteristics, actors wanting to be a part of change, diversity, and inclusion. Lastly, we discover factors supporting productive entrepreneurship that include entrepreneurial outputs and ecosystem outcomes. As a result, our thesis suggests future research to address the issues of excessive unproductive activities and non-inclusion of diverse perspectives and business areas. It also proposes the investigation of the circularity of knowledge and resources, how it emerges and what its tangible effects are in the long run in entrepreneurial ecosystems.

**Keywords:** Entrepreneurial ecosystem, entrepreneurship ecosystems, productive entrepreneurship, entrepreneurial activities, funding entrepreneurship, startups, entrepreneurs, supporting entrepreneurship, entrepreneurial process, entrepreneurial culture

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## 1. INTRODUCTION

Across the world, studies often highlight that entrepreneurship, especially ventures with fast growth, is associated with fast creation of jobs, strong GDP growth and strong economic productivity. As such, it is suggested that to continue fostering the creation of ventures and sustain growth, governments should work on building an entrepreneurship ecosystem (Isenberg, 2010). Countless people, governments, and organisations are building, feeding, and benefiting from these ecosystems with enormous amounts of investments, activities, and value. However, interviews with actors, as well as evaluation of public documents, show that even though entrepreneurial activities have exploded, the output has not been matched (Brattström, forthcoming).

Entrepreneurs in Skåne, Sweden have a range of actors in the ecosystem including universities, accelerators, incubators, investors, co-working spaces, science parks, mentors, coaches and more. The hype comes in the form of activities that aim to support the growth of entrepreneurship such as networking events, business coaching, competitions, and grants. While the scene is vibrant, a central question remains, is the output as high as the vast amount of these activities taking place in this county to support entrepreneurship? Is entrepreneurship and the springing up of new ventures just a hype, or is there hope that the region will soon catch up to other startup capitals across Europe in terms of producing unicorns and getting the reputation as a startup hub, and even the world-on track to becoming the next Silicon Valley?

Although entrepreneurship ecosystem has been a phenomenon researched for a long time, it has been short of empirical research (Mukiza, Kansheba & Wald, 2020) and a theoretical framing that explains how the process leads to the success of entrepreneurs in terms of output, which is the productivity of the ventures that benefit the entrepreneurs and in terms of outcome, which is the economic and social contribution of entrepreneurship to the region (Spigel & Harrison, 2018, Mukiza et al. 2020). Moreover, there are various cross-country studies whereas a deficiency is seen in research focusing on smaller regions (Shepherd, Wennberg, Suddaby & Wiklund, 2018).

Therefore, our research aims to discover the key actors of the entrepreneurship ecosystem in Skåne, how they are interdependent and whether the process leads to the success of entrepreneurs individually or the self-sustainability of the ecosystem itself from a macro perspective. We base our research on the entrepreneurial ecosystem framework of key elements introduced by Isenberg (2011) and extended further by Maroufkhani, Wagner and Ismail (2018). We identify the key actors that belong to these key elements, as founders or employees, within the Skåne area. We then carry out qualitative research to discover the relationship between the actors and how they produce outputs and outcomes by utilizing process theory of entrepreneurship ecosystems introduced by Spigel and Harrison (2018). Finally, we discuss whether the outputs are leading to productive entrepreneurship that are beneficial for the economy, with the right rewards, resources, and societal perception (Baumol, 1990) or if only cultural ideals are recreated for the sake of a self-sustaining industry based on expectation states theory (Correll & Ridgeway, 2003). Thereby, we aim to inform our research question below:

- **How do the key actors of Skåne's entrepreneurship ecosystem function interdependently to foster productive entrepreneurship?**

By answering this question, we aim to discover the elements and relationships that lead to productive entrepreneurial outcomes within Skåne and point out the cultural aspects and activities that support or hinder the quality of new-venture growth. Furthermore, our goal is also to contribute to the entrepreneurship ecosystem research, through conducting semi-structured interviews with key actors across the region to discover in-depth insights from their perspectives (Bell, Bryman & Harley, 2019).

As we have introduced the main concepts and models in the theoretical model, the next section will extensively review the literature on entrepreneurial ecosystems, key elements, and norms in the entrepreneurial ecosystem, as well as expected outcomes. The following chapter will then discuss our research methodology, data collection through interviews and analysis approach. We will proceed with an analysis and discussion of the findings and finally, conclude with an overview.

## **2. THEORETICAL FRAMEWORK**

### **2.1. The Definition of Entrepreneurial Ecosystem**

Entrepreneurship has been seen as an economic redemption for people, societies, and countries for so long. Thus, Isenberg (2010) suggests that the governments should focus on generating entrepreneurial ecosystems to pave the way for sustainable entrepreneurial growth. However, it is important to define what an entrepreneurial ecosystem is and what it constitutes, which has been debated especially in recent years.

It is clear that new ventures are not created by entrepreneurs alone, isolated from society, in contrast these activities unfold in combined structures with multiple stakeholders (Cowell, Lyon-Hill & Tate, 2018). For this reason, the term entrepreneurial ecosystem was coined in the start of the new millennium to communicate the foundations on how entrepreneurs and new ventures are integrated with other actors in their surroundings, however it captivated scholars' attention mostly between 2015 and 2019 (Mukiza et al. 2020). Even though there have been different attempts to specify what an entrepreneurial ecosystem is since the mid-2000s (Mukiza et al. 2020), the most accepted and clear definition was introduced by Isenberg (2010) as a set of interconnected elements such as leadership, culture, capital, markets, human skills, and support that foster entrepreneurial development.

Thanks to the qualities of a fruitful ecosystem, entrepreneurs may uncover unexplored market niches and exploit local resources, support, and finance to turn new businesses into internationally competitive firms (Spigel & Harrison, 2018). This is in contrast to previous advances to regional entrepreneurship strategy, which aimed to boost the total start-up rate instead of focusing on high-growth entrepreneurship (Spigel & Harrison, 2018).

But how do these elements come together for an entrepreneur to be successful? How can we identify and improve this supporting context for more value creation? Isenberg (2011) tries to answer the question of how entrepreneurial ecosystems emerge and explains it as a process that combines, “the invisible hand of markets and deliberate helping hand of public leadership” (n.p.),



on condition that the public leadership is knowledgeable in terms of when and by what means to reinforce the ecosystem that will consequently have it sustain itself. At the next stage, we are going to explore the key elements of an entrepreneurial ecosystem and how they are related.

## **2.2. The Key Elements of an Entrepreneurial Ecosystem**

The scholars have tried to identify what constitutes the ideal entrepreneurial ecosystem and they put entrepreneurs and startups at the centre while the other actors complement the entrepreneurial process as supporting organisms (Nicotra, Romano, Del Giudice & Schillaci, 2018).

According to Ratten (2020), to expedite the growth of business initiatives, ecosystems should contain early-stage investments, human capital, research institutions, government funding, and early adopters. To effectively foster entrepreneurship, ecosystems should also contain industries at diverse stages of growth, cultural orientation, and strong social networks.

Isenberg (2010) also emphasises the role of private and non-profit sectors such as corporations, family-business owners, education institutions, foundations, financiers along with the government. All these actors come together to start and even financially support entrepreneurship education, conferences, and policies (Isenberg, 2010). He then groups the elements into six main categories: a favourable culture, permissive policies and leadership, adequate funding, qualified human capital, startup-friendly markets, and a variety of institutional and infrastructure support (Isenberg, 2011). Maroufkhani et al. (2018) introduce two more elements that are crowdsourcing, which refers to the acquisition of ideas or resources from the external environment to carry out some tasks, and industrial dynamics such as customer preferences, competitive situation, and technology, and they also add a subdomain to finance which is incubator funding.

In order to picture the relationships between the key actors of the entrepreneurial ecosystem clearly, and hence enable a thorough analysis, we adopt the framework (See Figure 1) introduced by Isenberg (2011) and extended by Maroufkhani et al. (2018).

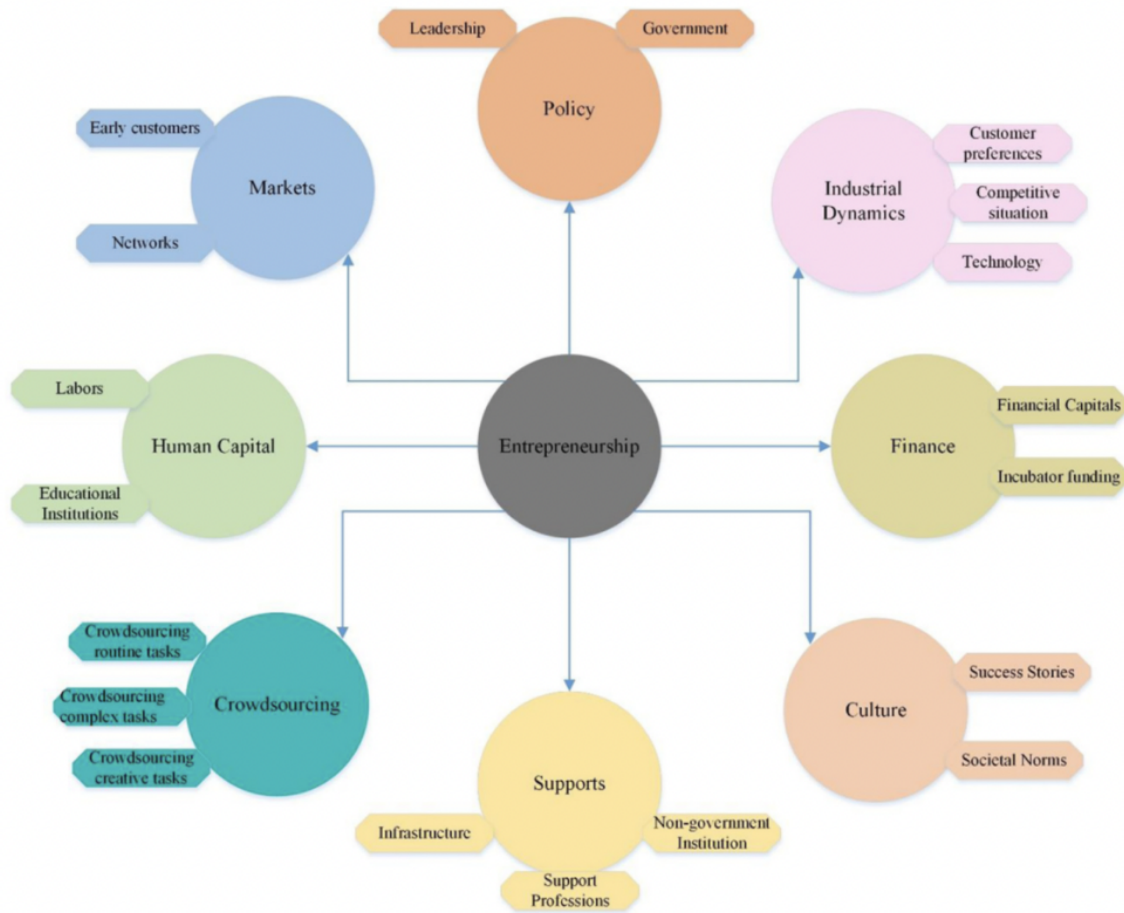


Figure 1. The Extended Framework of Entrepreneurial Ecosystem (Isenberg, 2011; Maroufkhani et al. 2018)

### 2.2.1. Entrepreneurship

As mentioned above, entrepreneurs are the natural heart of the entrepreneurial ecosystems surrounded by the key elements supporting their activities.

Stam (2015) makes a distinction between entrepreneurs and ambitious entrepreneurs. The latter is focused on the successful performance of their ventures, creating more value for the society. He argues that the acknowledgement of ambitious entrepreneurship leads the policy considerations from growing the quantity of entrepreneurship to the quality of it (Stam, 2015). The entrepreneur has an eminent level to create a healthy ecosystem, however the performance of the ecosystems is

not only linked to entrepreneur's performance but also the context involving the interdependencies of elements and stakeholders (Stam, 2015).

Entrepreneurs, in this sense, are the best group to pinpoint the concerns that should be solved by government involvement (Spigel & Harrison, 2018).

### ***2.2.2. Policy***

The quality and efficiency of formal institutions, as well as the perceived amount of corruption, and the overall regulatory framework inside countries, are important factors for entrepreneurship (Stam & Van de Ven, 2021). The policy and the schemes that regulate the entrepreneurial ecosystems are vital (Mukiza et al. 2020). According to Isenberg (2010), a thriving entrepreneurial ecosystem is made up of committed leaders who act as entrepreneurs' champions and support entrepreneurial activity by paving the way for committed entrepreneurs. Colombo, Dagnino, Lehmann and Salmador (2017) also state that the policy makers should build and nurture entrepreneurial institutions such as research institutes and venues for public-private entrepreneurial discussions and negotiations. Governments emphasise the practical relevance of entrepreneurship for gaining social privileges and status by logging and scouting entrepreneurial behaviour, organising innovation competitions, and supporting specific education programs and chairs for entrepreneurship at colleges and universities (Brandl & Bullinger, 2009). Hence, the government is a provider to the ecosystem with regulated laws (Stam, 2015).

### ***2.2.3. Industrial Dynamics***

According to Miller and Friesen (1983), strategy-making of companies substantially relies on their environment. Different industries must have different tactics in different contexts, or organisations must alter their structures on a regular basis to deal with the many enforced circumstances (Miller & Friesen, 1983). Thus, Maroufkhani et al. (2018) consider industrial dynamics an important element of the ecosystem as they represent environmental factors influencing the survival of companies. These factors are the alterations in customer preferences, competitive situation, and technology.

#### ***2.2.4. Human Capital***

As the attention on entrepreneurship and its supposed positive effects on economic growth have increased in the past decades, universities and colleges have increasingly established entrepreneurship courses and programs (Locke & Schoene, 2004 cited in Brandl & Bullinger, 2009). While these educational institutions embody and empower the notion of entrepreneurship, they provide graduates with knowledge about identifying entrepreneurial behaviour, which shows how entrepreneurship is significant in contemporary societies (Brandl & Bullinger, 2009). To meet the human capital category outlined in Isenberg's model (2011; Maroufkhani et al. 2018), sufficient qualified human resources are required, which is indicated as the labours category, including individuals with expertise in organisational development, structural design, system management, professional board participation, and professional advisory committee membership.

#### ***2.2.5. Finance***

This element is related to the financial capital and funding that entrepreneurs can access, because a new-born business needs venture capital and angel investments, loans, or debt financing (Maroufkhani et al. 2018).

Brandl and Bullinger (2009) define investors as one of the techniques of control who follow policies to assure and expedite the recognition of entrepreneurs hence the societal approval of them.

Incubators are another dimension of financial support that offer coaching, office space, network opportunities, and financial aid to entrepreneurs. Nevertheless, incubators are one of the least researched elements of entrepreneurial ecosystems (Mukiza et al. 2020). Isenberg (2010) argues that the services offered by incubators do not provide enough contribution to entrepreneurial outputs and his observation about Israeli startups concludes that only 5% of successful ventures among hundreds were hatched in incubators. These reasons deem incubators a vital concept to investigate within entrepreneurial ecosystems research.

### ***2.2.6. Supports***

This dimension involves the support of non-governmental organisations, infrastructure, and professions available within the ecosystems (Maroufkhani et al. 2018).

Non-profit organisations' assistance to entrepreneurs in network building, product marketing, and alliance with their business goals might further enhance a successful ecosystem. Nongovernmental formal and informal associations can also connect entrepreneurs from other nations or areas. A well-developed infrastructure offers the essential transportation and communication for entrepreneurs to carry out their duties without difficulty. Accountants, attorneys, technical and market experts, and other specialists also support entrepreneurs in their venture creation process (Isenberg, 2011; Maroufkhani et al. 2018).

### ***2.2.7. Markets***

The presence of venture-friendly clients eager to offer entrepreneurs feedback on new products and services is critical for a thriving entrepreneurial environment (Isenberg, 2011; Maroufkhani et al. 2018). Furthermore, the availability of financial resources in the population to acquire products and services -ideally locally, but potentially also over long distances- is required for entrepreneurship to take place at all (Stam & Van de Ven, 2021).

### ***2.2.8. Crowdsourcing***

Entrepreneurs encounter a variety of challenges in securing the necessary resources for their businesses. Therefore, the skilful people in the crowd are prospective sources for addressing these difficulties through a communication method (Maroufkhani et al. 2018). Also, crowdfunding helps to finance entrepreneurial activities among other essential resources, since limited cash accessible to entrepreneurs has been a hurdle for a successful business. These linkages between entrepreneurs and people provide a new chance for entrepreneurs to broaden their community by selecting talented individuals from a target audience, getting required resources, and proposing solutions to various problems (Maroufkhani et al. 2018).

### ***2.2.9. Culture***

Brattström (forthcoming) points out that the entrepreneurship industry is not just a creator of goods and services but also one of culture. An entrepreneurial ecosystem necessitates a culture that

appreciates entrepreneurial attitudes such as adversary thinking and risk taking while abiding with honest blunders and estimable failure (Isenberg, 2011; Maroufkhani et al. 2018). Above all, the culture as a whole must value entrepreneurship as a profession. For example, broadcasting success stories may help motivate young people and demonstrate to the general public that anyone can become an entrepreneur (Isenberg, 2011; Maroufkhani et al. 2018).

Cultural individualism promotes personal achievement and highlights the necessity of pursuing self-actualization. When it comes to change, individuals are at the centre of agency in the Western cultural explanation of change (Brandl & Bullinger, 2009). Individuals see themselves as actors who have an impact on and power over the external world, and others see them the same as well. Finally, economic prosperity, on a collective basis, aids in the resolution of issues that are deemed important in the removal of barriers for people who are less fortunate (e.g., equality of minorities). Economic riches allow for self-actualization and improves one's power to modify one's circumstances on a personal level (Brandl & Bullinger, 2009).

The cultural ideal of adopting a certain language and looks such as particular lingo and the dressed-down look, also results in ideas getting lost in translation, and consequences include newcomers not knowing how to play the industry to their favour as well as discrimination issues (Brattström, forthcoming).

Correspondingly, we aim to examine the relationship between activities that impact entrepreneurship and the outcomes they are producing within the ecosystem through the lens of social psychology, in particular, expectation states theory, the establishment of status hierarchies in contexts where actors are focused toward the achievement of a common purpose or objective (Correll & Ridgeway, 2003). Two key concepts within this theory include performance expectations -the relative quality of individual members' future performance at the focal task, which also shapes self-fulfilling behaviour- and status characteristics -features that distinguish persons and for which there are commonly held cultural ideas linking better social worthiness and competence, can predict the quality of future task performances (Correll & Ridgeway, 2003). Therefore, if an actor has more performance expectation advantage over another, it is more likely he or she will be offered opportunities to act and take them (Correll & Ridgeway, 2003). He or she

is also more likely to receive positive evaluation of their action and is more likely to reject influence when the two actors disagree (Correll & Ridgeway, 2003).

If we apply this theory to the entrepreneurial ecosystem, performance expectations could explain the greater expectations on future entrepreneurial output from activities within the ecosystem. Considering the cultural ideals highlighted by Brattstöröm (forthcoming) and the various phenomena within the “Untrepreneurial Economy” highlighted by Hartmann, Spice and Krabb (2020), status characteristics confirm that the positive social perception draw people to entrepreneurship.

The existence of the aforementioned key elements and the interactions in between results in the success of the ecosystem, creating activities as outputs, which leads to the outcome of accumulated value creation for the community (Stam, 2015).

### **2.3. The Interdependence of Key Actors**

How do these key actors come together to create a viable entrepreneurial ecosystem? In order to conduct a comprehensive analysis, we are going to approach the ecosystem with process theory as suggested by Spigel and Harrison (2018).

Entrepreneurial ecosystems are viewed as a regional economic development approach centred on fostering creative start-ups by building enabling conditions. Existing research on entrepreneurial ecosystems, on the other hand, has mostly been typological and atheoretical, with little attention paid to how they affect the entrepreneurship process. However, current research focuses mostly on studying successful ecosystems in order to find best practices (Spigel & Harrison, 2018). Typically, when it comes to big entrepreneurial ecosystems, Silicon Valley, London, Tel Aviv, or Singapore come to mind and one can witness their effects on economic growth. The key factors that can be observed in these ecosystems are developed financial systems that smooth access to venture capital, favourable infrastructures, technological advancement, investments on research and development, and determined governmental efforts (Acs, Stam, Audretsch, & O'Connor,

2017). The dynamism and evolution of the ecosystem enables more entrepreneurial action based on interactions between these factors (Ratten, 2020).

However, every ecosystem has its own characteristics (Isenberg, 2010) which cannot be copied and pasted to another region to create a viable ecosystem. Therefore, as Isenberg (2011) suggests, it is beneficial to evaluate different ecosystems to discover the causal paths at specific times, but identifying generic causalities is not so. For this reason, we will be basing our research on process theory because ecosystems are not tangible entities (Spigel & Harrison, 2018). In contrast, they are ongoing processes that entrepreneurs perform in order to acquire resources, knowledge, and support, therefore increasing their competitive advantage and scale-up potential (Spigel & Harrison, 2018). The more the entrepreneurs thrive, the stronger the ecosystem becomes (Spigel & Harrison, 2018). According to this viewpoint, the ecosystems can be understood as both processes that the ventures grow and the processes in which the ecosystems are recreated and reconstructed in time (Spigel & Harrison, 2018).

According to the process theory perspective, ecosystems are defined as the continuing creation and movement of entrepreneurial means such as human and financial capital, entrepreneurial know-how, market information, and cultural demeanour (Spigel & Harrison, 2018). Thus, with the comprehension of the way ecosystems flow and effect the entrepreneurship process, more efficient policy interventions could be achieved (Spigel & Harrison, 2018). Hence with this research, we also aim to pinpoint possible governance improvement points in the Skåne region.

While many scholars support the entrepreneurial ecosystems, not much has been discussed about its governance (Colombo et al. 2017). As ecosystems evolve, some may start to be governed by an “invisible hand” or go through a bottom-up Darwinism process (Colombo et al. 2017). Hence, it is important to discuss efficient allocation of resources, how costs and benefits should be distributed among its elements, and who should be in charge of managing and organising resources (Colombo et al. 2017). Governance is important considering the large amounts of public and private resource investments into entrepreneurial ecosystems, to ensure they generate desirable outcomes. The performance, value and survival of an ecosystem has not been discussed previously and therefore; boundaries have not been established (Colombo et al. 2017).



## **2.4. What Makes an Ecosystem Viable?**

The Sweden Tech Ecosystem Report 2021, produced by Dealroom.co, Business Sweden, Swedish Institute, Swedish Agency for Economic and Regional Growth, Startup Sweden and Vinnova (2022), finds factual growth figures. For instance, the value of Sweden's tech startup ecosystem has nearly doubled in just a year from 2020 to 2021 and is now valued at €239 billion. Venture Capital investment in Swedish tech startups has more than doubled in the last year alone, hitting €7.8B in 2021. 35 unicorns and more than US \$1 billion worth of exits have been created in Sweden to date, up from just 9 in 2016. For the year 2021, Invest in Skåne (2022) found that Skåne-based enterprises received 12 foreign investments and 29 business agreements. The investments contributed SEK 220 million to the region's economy and created 135 new employments, while the business agreements have an initial order value of SEK 15 million and are expected to grow in value in the future years.

However, this contradicts Hunt and Kiefer (2017), who investigate consumers and nonconsumers of the entrepreneurial industry (EI) in terms of entrepreneurial activity and performance. Their research was conducted through analysing survey findings which consist of a seven-year period on individual activities of consumers and nonconsumers of EI products and services (Hunt & Kiefer, 2017). The result shows that the use of EI goods and services positively affects the quantity of entrepreneurial activities. On the other hand, it is negatively associated with the quality of the entrepreneurial outcomes. This is an indication of EI's focus being more on venture creation than development. Moreover, explaining the reason why the EI consumers appear more disadvantaged than nonconsumers is yet to be researched (Hunt & Kiefer, 2017).

Hartmann et al. (2020) also argue that the entrepreneurship industry has transformed the perception of entrepreneurship, turning it into an “unentrepreneurial” economy - one that appears productive and innovative but in fact, is unproductive and does not generate as much economic value as it uses. The entrepreneurship industry is perceived as a product, and leverages the Ideology of Entrepreneurialism (McCloskey, 2006; Jones & Spicer, 2007 cited in Hartmann et al. 2020) to

create products and services that can be marketed to aspiring entrepreneurs looking to enter the industry.

This encourages more entry into the industry regardless of their level of success, and this has given rise to the Veblenian entrepreneur, one that appears to be about innovation but is actually about supporting the entrepreneur's own identity (Hartmann et al. 2020). Such entrepreneurs create ventures that are more focused on their social status and lifestyle purposes, but may get trapped in failure, giving rise to a phenomenon called conspicuous consumption and products that are considered wasteful to produce, which is conspicuous commoditization (Hartmann et al. 2020). On an industry level, this will then lead to the domination of ventures that are unable to scale, in what the paper deems as muppets and muppet factories (Hartmann et al. 2020).

As such, an industry has emerged whereby entrepreneurship is now a lifestyle product, away from being a productive and growth-oriented activity (Hartmann et al. 2020). It is now important to differentiate between growth-oriented and consumption-oriented entrepreneurship. This also suggests the need to understand how entrepreneurs consume for personal fulfilment, become consumers themselves and pin their hopes on industry's products and services (Hartmann et al. 2020).

The outputs and outcomes of entrepreneurial ecosystems should be well-expressed for the proposition of practical interventions (Mukiza et al. 2020). In accordance with this purpose, the term "productive entrepreneurship" has been coined to describe the outputs of entrepreneurial ecosystems (Acs et al. 2017). Productive entrepreneurship implies increasing entrepreneurial activity (output) in which entrepreneurs recognize and exploit business possibilities through innovation, resulting in societal value/benefit that is the outcome (Acs et al. 2017).

Baumol (1990) argues that the entrepreneur can sometimes become a parasitic existence that is harmful to the economy. The entrepreneur's efforts can be reallocated among multiple positions, some of which do not follow the constructive and innovative script traditionally attributed to the person. His main hypothesis is that the set of rules, not the supply of entrepreneurs or the nature of their objectives, goes through significant changes from one period to another (Baumol, 1990).

This sets the ultimate effect on the economy through allocation of entrepreneurial resources (Baumol, 1990).

Baumol's study (1990) analyses entrepreneurship in relation to important historical eras such as Ancient Rome, Mediaeval China and the Middle Ages, it notes that entrepreneurship can be unproductive or even destructive, whether it takes one of these directions or one that is more benign depends on the structure of payoffs in the economy. Hence, Baumol (1990) confirms two propositions to be true: First, the rules of the game determine relative payoffs to various entrepreneurial activities, which alter massively from one time and place to another. Second, entrepreneurial behaviour differs from one economy to another which corresponds to variations in the rules of the game (Baumol, 1990).

Baumol also discusses unproductive avenues for today's entrepreneur. These include rent seeking, via activities such as litigation and takeovers, tax evasion and avoidance efforts (Baumol, 1990). These induce entrepreneurs to spend a lot of money on lawsuits, while taxes can serve to redirect entrepreneurial efforts (Baumol, 1990). Hence, if policymakers want to redirect entrepreneurial abilities into more productive channels, they should explore where they might find existing rent seeking activities (Baumol, 1990). As such, it may not be straightforward to change the rules in a way that discourages the allocation of entrepreneurial efforts (Baumol, 1990). Takeover discipline, inefficient management, and antitrust action are all lawful and contribute to unproductivity (Baumol, 1990).

Entrepreneurial ecosystem outcomes are classified into three categories: economic, technological, and societal (See Figure 2; Audretsch, Cunningham, Kuratjo, Lehmann & Menter, 2019). Economic outcomes are related to value creation whereas the technological outcomes represent the knowledge transfer between entrepreneurs facilitated by educational institutions. Societal outcomes generally signifies the contributions to welfare (Mukiza et al. 2020).

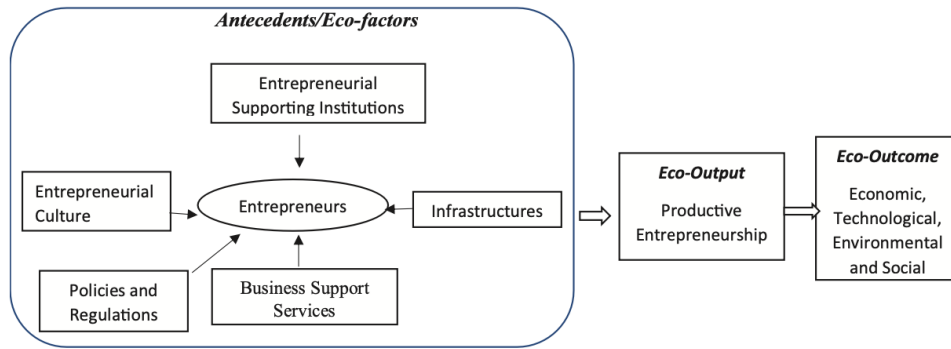


Figure 2. Entrepreneurial Ecosystem Framework (Mukiza et al. 2020)

Coming back to the process theory introduced by Spigel and Harrison (2018) we observe that the availability and mobility of entrepreneurial resources among key actors help better explain the creation and development of entrepreneurial ecosystems. Powerful relations between the actors and successful entrepreneurial outputs and outcomes strengthen the ecosystem to the point of sustainability and resilience (Spigel & Harrison, 2018). The rules of the game that determine the relative return to different entrepreneurial activities can impact the vigour of the economy's productivity growth, providing clear policy direction (Baumol, 1990). As Baumol (1990) suggests, there is no need to wait for gradual societal change to find ways to divert entrepreneurial activity toward more productive purposes. We believe that bringing the entrepreneurial actors and process to light will help us to suggest interventions for more productive outputs.

## 2.5. Concluding Remarks

Hereby in line with our findings from the previous literature and the framework we identified, we aim to contribute to the overcoming of the empirical gap in entrepreneurship ecosystem studies pointed out by Mukiza et al. (2020) with our research to uncover relations between key actors, outputs, and outcomes of the entrepreneurial ecosystem in Skåne. We will question how these actors relate to entrepreneurial culture, how they influence entrepreneurs and their products and services, and finally whether the activities within the entrepreneurial ecosystem benefit the survival of the startups and their productivity.

### **3. RESEARCH METHODOLOGY**

#### **3.1. Research Design**

The Skåne entrepreneurial ecosystem is vibrant, disruptive, and fast moving. According to the Nordic Innovation Triangle 2022 Report by Esmailzadeh Holding (2022), the region has several important innovation centres, includes Sweden's third largest city Malmö, is advantaged because it is in close proximity to Denmark's capital Copenhagen, and has strong innovation especially in areas such as digital meetings, consumer services, and software development. For this reason, the region is handled as a case in our study. Considering our proximity to the ecosystem and our already existing network with the key actors, this provides us with a smooth research process and access to data.

Because there is a lack of theoretical foundation in this field, the goal is to contribute to and enhance current theory on the entrepreneurial ecosystem, hence it is built qualitatively and inductively (Bell, Bryman & Harley, 2019). Also, a case study design is chosen for this thesis as a case study represents the substantial, actual life context to understand a phenomenon (Eisenhardt & Graebner, 2007). This is also suitable since it is not reliant on pre-existing ideas and therefore, it allows for greater flexibility and an in-depth account in research (Eisenhardt & Graebner, 2007).

Our research analyses interview data with a grounded theory approach in terms of process theory (Spigel & Harrison, 2018) and expectation states theory (Correll & Ridgeway, 2003), which means that we aim to develop a theoretical comprehension of entrepreneurial activities, and their outputs in Skåne as well as the expectations from entrepreneurs culturally (Bell, Bryman & Harley, 2019).

Our selection of interviewees is based on the entrepreneurship ecosystem elements introduced by Isenberg (2011) and Maroufkhani et al. (2018) since we believe that acquiring in-depth data from different elements will give us a comprehensive knowledge about the Skåne ecosystem. The interviewees are the key actors that on aggregate represent all dimensions of the entrepreneurial ecosystem, which provides a good representation for our research in investigating how they are interrelated, how they are making use of other elements, or how they collaborate. Our selection of interviewees and their relation to the key elements are explained below:

- **Entrepreneurship:** We selected two entrepreneurs that have been in the ecosystem for a long time, getting education, coaching, incubation and/or funding.
- **Human Capital:** We selected two employees of Lund University, a leading educational institution within the ecosystem which develops people with entrepreneurial knowledge. One is an external relations manager, who gives us the outer sources within the ecosystem they use. The other is a researcher who is also interested in the entrepreneurial ecosystem topic.
- **Policy:** The two interviewees that we chose are a part of government agencies that support entrepreneurs in terms of mentoring or funding, and also carry out collaboration with different actors.
- **Finance:** We selected four individuals from investor networks and incubators that are continuously in cooperation with different kinds of investors and able to see the variations in the financial support dimension of the ecosystem.
- **Supports:** The three interviewees that we have chosen are professionals within the ecosystem who offer support through mentoring or are present in non-government organisations. One is the lead in a grassroots organisation promoting entrepreneurship in the Skåne region, the other two are mentors specialising in startup and student mentorship.
- **Culture:** We gathered information about cultural norms and ideals by asking relevant questions to different interviewees such as their language, rituals, attitudes, motivations and perception towards risk-taking or failure.
- **Industrial Dynamics:** We asked all our interviewees about the competitive environment, adaptability, and the technological development within the region.
- **Markets:** We focused on uncovering information from our interviewees about common customer purchasing habits in Skåne and whether they are open to novel products and services.
- **Crowdsourcing:** We inquired from our interviewees whether they used external sources from the public before in terms of expertise or funding.

In terms of diversity, we strived for a balance in terms of gender (male or female) and nationality (Swedish and non-Swedish). We also looked at the time they have spent in the ecosystem and

strived to ensure that we had a good mix of short term (less than three years) and long term (more than three years) experience within the entrepreneurial ecosystem. We also aimed to choose at least two people from each element so that there would be a good representation of views from every one of them.

An overview of the categories and the interviewees are shown in Table 1. The names of the interviewees have been changed for anonymity to improve privacy and the quality of the answers, but the categories, titles, and subcategories are accurate.

Table 1: Overview of interviewees with randomised names

<b>Key Elements</b>	<b>Name</b>	<b>Titles</b>	<b>Sub-Category</b>	<b>No. of years in the Ecosystem</b>	<b>Nationality (Swedish/Non-Swedish)</b>	<b>Gender</b>	<b>Interview Date</b>	<b>Format</b>	<b>Interview Duration</b>
Human Capital	Laura	External Relations Manager	Educational Institution	23	Swedish	Female	30 March	Face-to-face	00:48:11
Human Capital	Jenny	Researcher	Educational Institution	3	Non-Swedish	Female	1 April	Online	00:48:02
Entrepreneur	Jessica	Co-founder	Entrepreneurship	6	Non-Swedish	Female	30 March	Online	00:36:40
Entrepreneur	Alex	Co-founder and Chief Operating Officer	Entrepreneurship	8	Swedish	Male	5 April	Online	00:55:28
Supports	Nelson	Communications Project Manager	Support Professions	18	Non-Swedish	Male	5 April	Face-to-face	00:49:15
Supports	Natalie	Marketing Consultant	Support Professions	3	Swedish	Female	31 March	Online	00:38:52
Supports	Zoe	Managing Director	Non-profit Institution	2	Non-Swedish	Female	1 April	Online	00:56:39



Policy	Finn	Innovation Manager	Government	28	Swedish	Male	13 April	Face-to-face	01:15:20
Policy	Patrick	Head of Sustainable Growth	Government	42	Swedish	Male	20 April	Face-to-face	00:57:20
Finance	Owen	Investor Relations and Community Management	Financial Capitals	10	Swedish	Male	31 March	Face-to-face	01:47:58
Finance	Stella	Business Development Head	Incubator Funding	24	Swedish	Female	13 April	Face-to-face	00:56:53
Finance	Ken	Business Advisor	Financial Capitals	18	Swedish	Male	12 April	Face-to-face	00:51:27
Finance	Ian	Project Manager	Incubator Funding	10	Swedish	Male	25 April	Face-to-face	00:39:54

The next few chapters will outline our data collection methods, analyse our data, acknowledge limitations of our study and ethical considerations of our data.

### **3.2. Data Collection**

We collected empirical data by conducting semi-structured interviews with each of the individuals listed in Table 1. This would ensure that we could get in-depth and insightful responses as they expressed their perspectives in a free-flowing manner (Bell, Bryman & Harley, 2019). In addition to the interviews, we also analysed their LinkedIn profiles and publicly available data to support or question our findings over the last two years.

In selecting our interview subjects, we leveraged purposive, theoretical sampling (Bell, Bryman & Harley, 2019). Our respondents were not randomly chosen, but specially selected to be relevant for the questions being posed (Bell, Bryman & Harley, 2019). We also wanted to discover the various categories and their interrelation to each other.

We created an interview guide which covered key concepts during the interviews, namely how they reason and how they act within the entrepreneurial ecosystem, the interdependence of key actors, the expected outputs, and outcomes of their activities, and whether they contribute to the entrepreneurs' productivity. Other subcategories in our interview guide included questions about cultural ideals, markets, industrial dynamics, and crowdsourcing. Each interview started with the request to complete a consent form, our assurance that it would be anonymous, and opened with open-ended, general questions to ensure that they could comfortably share their thoughts. To guarantee greater objectivity in the responses, the interview guide was not shared with the interviewees beforehand. The interview guide can be found in Appendix A, and consent form can be found in Appendix B.

After a few interviews, we adjusted our interview questions to expand more on the culture of the ecosystem. This was a strategic measure to have interviewees authentically share about the culture of the ecosystem, so we went with how the conversation flowed when discussing culture to uncover

why there were certain qualities within entrepreneurs, and what characterised these ideals. We also focused on what motivates them to collaborate with other actors and what unified them.

All interviewees were reached through LinkedIn or email. Each interview took about 1 hour both in person or over online video and were all conducted between 30 March 2022 and 25 April 2022. The ones present included the interviewee and both authors of the thesis. We often accommodated the schedule of our interviewees and offered to conduct interviews at locations convenient for them, or online, due to time constraints which we had to meet for the thesis, and their tight schedules. However, whenever possible, we opted for face-to-face interviews so that we could establish and maintain rapport with the interviewees (Bell, Bryman & Harley, 2019). We conducted all interviews in English language, to ensure consistency in the respondents' answers, and to prevent misinterpretation from translating interviews.

### **3.3. Data Analysis**

With the grounded theory approach, we researched the main commonalities, processes, outputs that contribute to entrepreneurial productivity, and societal, economic, and technological outcomes of the entrepreneurial ecosystem in Skåne, Sweden (Audretsch et al. 2019; Bell, Bryman & Harley, 2019). As this approach is iterative, data collection and analysis were carried out mainly in parallel where we continuously refined our interview process and at the same time theoretical ideas already started to unfold through the collection of data (Bell, Bryman & Harley, 2019).

Our data analysis started with the coding process where we divided data down into individual components (Bell, Bryman & Harley, 2019) as the first step was to discover relevant concepts for the goal of developing theories that may guide the design and validation of constructs (Gioia, Corley & Hamilton, 2012). To determine whether a concept is beneficial we took the frequency of its appearance into account, and also whether the interviewees would be able to link it to their experiences (Bell, Bryman & Harley, 2019). Because our approach aims to capture notions important to their experience, in terms that are appropriate both at the level of meaning for the individuals who are living it and at the level of scientific theorising about that experience (Gioia, Corley & Hamilton, 2012). We colour-coded quotations and noted matching concepts that came

with them, which provided systematic evidence to support our concepts. Therefore, we sorted each interview's data into several first order concepts, identifying words and sentences that gave significance to the occurrences being examined (Bell, Bryman & Harley, 2019). As more data was gathered and compared to theory, we began to seek for discrepancies and similarities in the responses of the informants. The acquired data was analysed in respect to the stated research topic and the theoretical framework, and second order themes emerged. As a result of this method, we were able to better detect links and correlations in our data (Bell, Bryman & Harley, 2019).

With regards to the qualitative content analysis that was carried out based on LinkedIn posts and website content of the key actors of the ecosystem, we investigated underlying themes in line with our concepts that emerged from above mentioned coding strategy (Bell, Bryman & Harley, 2019). We then began going through emerging facts, themes, ideas, and dimensions and relevant literature at the same time as we acquire data and after the earliest phases of analysis, not only to check if what we are discovering has precedence, but also to see if we have uncovered new concepts (Gioia, Corley & Hamilton, 2012).

We organised the data into first and second order categories to enable their eventual reorganisation into a more structured format (See Table 2; Gioia, Corley & Hamilton, 2012). With the second order analysis, we have moved into the area of theory to discover whether the developing themes indicate any notions that may help us characterise and explain the occurrences we are seeing (Gioia, Corley & Hamilton, 2012).

Table 2. Data Structure

First Order Concepts	Second Order Themes	Aggregate Dimensions
Ecosystem enabling connection to the right person	Activities supporting entrepreneurship	The interdependence of key actors in the ecosystem
Collaboration of actors to get and provide support		
Access to funding via pitching and networking events		
Complementary roles of actors		
Approachability of people and organisations		
Region as an ideal test bed		
The focus on specific business areas	Activities hindering entrepreneurship	
(Un)necessary steps needed to be taken		
Overlapping activities		
Funding gap between different regions in Sweden		
Lack of a directory of information		
No specific definition of how an entrepreneur physically looks like	Entrepreneur attributes	Cultural attributes supporting interdependency
Personal characteristics of an entrepreneur		
Be open to collaborate or be out of the system	Self-regarding of other key elements	
Being part of change		
A multicultural region	Diversity and inclusion	
The importance of including different perspectives		

Variety in expected results	Entrepreneurial output	Factors supporting the productive entrepreneurship
Educated entrepreneurs		
Becoming a world class example	Ecosystem outcomes	
Circularity of knowledge and resources		
Creating jobs		
Improvement and Progress		

Our ultimate goal was to develop a theoretical model in the form of a detailed flow diagram to illustrate the process of how the interdependence of key actors in the Skåne entrepreneurial ecosystem produces outputs and outcomes (Bell, Bryman & Harley, 2019). We aim to propose not a paradigm-bound but a transferable exploration of a theory that might contribute to further research in entrepreneurial ecosystem studies (Gioia, Corley & Hamilton, 2012).

In the upcoming findings section, we map the structure of our data with quotations supporting our themes. We also aim to signal our grounded model which will be further presented in the discussion section as a theoretical contribution.

Our aim is to connect concepts that were not connected before and offer a new outlook on how the key elements of the entrepreneurial ecosystems could foster productivity.

**3.4. Ethical Considerations**

With our interviewees, we realise their discussions and personal opinions on the ecosystem may be sensitive, given their roles within the ecosystem and it was therefore crucial for us to reflect on ethical considerations (Bell, Bryman & Harley, 2019). Therefore, to ensure that they felt safe to share their experiences and perspectives, we informed them that interviews would be recorded for transcribing purposes, but all interview materials would be kept strictly confidential and anonymous. The participants were also given a consent form and through signing it, we gained their consent. The consent form can be found in Appendix B.

### **3.5. Limitations**

Our study is not free from limitations, the major one being the perspective of our interviewees. We did not have the viewpoint of someone who had failed in their goals and did not return to the ecosystem. Entrepreneurial firms that die shortly after entry to the ecosystem are less likely to provide information on their activities as compared to firms that succeed and grow. This creates survivor bias as it underrepresents unsuccessful small firms, which could lead to a misleading positive picture (Nightingale & Coad, 2013). However, among our interviewees were individuals who had failed in their startup before and returned to the ecosystem with different roles in other key elements such as supports or finance.

We also considered that each ecosystem is unique, and even though any society's entrepreneurship ecosystem could be described using the same key elements, each ecosystem is the result of the hundreds of elements interacting in highly complex and idiosyncratic ways (Isenberg, 2011). Therefore, even though our discoveries here are potentially unique to the Skåne region, we believe they can lead to further research depending on our findings and emerging grounded model which aim to map the process of how the interaction of key actors lead to productive entrepreneurship in entrepreneurial ecosystems.

Finally, we consider the limitations of qualitative research. Compared to a method such as participant observation, interviewing is less naturalistic, producing an over rationalistic perception of self, and does not shed insight on social interactions and behaviour (Bell, Bryman & Harley, 2019). As we used coding to discover our findings, we recognise the context may be lost if we pick out chunks of texts (Bell, Bryman & Harley, 2019).

## 4. FINDINGS

In this section, we present and report the study's main findings, and have structured them in the form of aggregate dimensions, through the first order concepts and second order themes described in the previous section. All the first order concepts have been identified through proof quotes from interviews, the interviewees' personal profiles, websites, and organisation pages on LinkedIn. We then categorised second order themes based on phenomenon under investigation from first order concepts, which led to the emergence of aggregate dimensions

### 4.1. The Interdependence of Key Actors in the Ecosystem

Keeping process theory in mind to understand the interdependence of key actors, we define this phenomenon as an ongoing process whereby venture growth and processes are recreated and reconstructed (Spigel & Harrison, 2018). In our exploration of how key actors interacted with each other, we discovered that there are both activities supporting and hindering entrepreneurship through this interdependence.

#### 4.1.1. *Activities supporting entrepreneurship*

We discovered six ways in which activities support entrepreneurship. Firstly, we found that **ecosystem enables connection to the right person**, which formed one of our first order concepts. When asked what makes a successful ecosystem, Zoe noted that it is when *“people are extremely well connected [and] are very, very open to share their connections.”* Ian responded that it should be *“easy to enter the networking community and not sealed doors everywhere.”* Others noted the ease of connection to the right person helped them acquire new clients and business resources. Nelson highlighted that thanks to the *“ripple effect”*, he got *“the job because of somebody who knew of [him]”* and he did not have to *“reach out to access”*. Jessica also highlighted that her first client was through *“the help of the ecosystem”* and because of that the client *“was already more open to work with us”* because both were part of the ecosystem. Alex noted the benefits of having *“contacts within different industries that might come useful during [the venture's] technical development phases in the company.”* Others, such as Laura saw their role as being the connector,



*“If you come to me with a specific question, I could direct you to the right organisation or the right person.”*

The next discovery was the **collaboration of actors to get and provide support**, which was acknowledged by a number of our interviewees. Some cited examples of collaboration. Stella noted her organisation collaborated with Minc with the Fast Track Capital programme, and that the incubators *“came together and applied for Vinnova Innovation checks”*, and instead of various organisations *“spending time writing their own applications, reports, and projects, [they simply] had one [and this] frees up so much time.”* Patrick also explained his organisation *“started an innovation platform, in partnership with Lund University, the city, and [today has] 105 companies, and [they] work in the middle of these organisations, to help companies develop ideas and connect companies to use the city as a test platform”*. Nelson also noted that *“people who work here full time, they have regular meetings with other actors in the innovation sector. They're not working in a vacuum.”*

Others acknowledged the importance of collaboration. Stella noted that *“purely from an economical [and] taxpayer standpoint, [the actors] are not duplicating the work necessarily, [and] we provide much more, much better support when we are not trying to compete.”* In a blog post penned by Zoe, she states, *“one single organisation or one specific business leader will never build a sustainable startup community. Instead, various independent organisations in the startup community should operate as interconnected cells, working together to drive innovation in their region.”* Jessica also highlighted the benefit of this collaboration in a LinkedIn post, *“For any Southern Swedish company looking for support when it comes to finding distribution or manufacturing partners, I can highly recommend Invest in Skåne - and would like to thank them for their invaluable support for our start-up.”*

The ecosystem also provides **access to funding via pitching and networking events**. Alex said that after doing a pitch and answering questions live, he *“got a few calls from investors, set up separate meetings and continued discussing and addressing additional questions”*, which led to him *“finishing his funding round”*. Ken said his organisation brings together companies, incubators and supporting organisations across Southern Sweden, *“to present interesting companies, help*

*them get funding for business and to reach outside of Sweden.” Similarly, Sara noted her company “[is not] actually getting them investment but rather giving them both access to investor networks, and also training them.”*

**The complementary roles of actors** were also one of our discoveries. Alex said that with different skills and strengths, the actors *“complement each other, and this is what makes the ecosystem successful as a whole.”* Finn also called it a “triple helix” – having the *“university, researchers, as well as small companies and communities”*.

The **approachability of people and organisations** also contributed to this theme. Several interviewees discussed how it opened doors and gave them access. Alex noted that it would have been *“harder”* if he was not part of the ecosystem, because he *“[would] spend more time identifying the right people.”* Zoe said it was *“relatively easy to get a meeting”* if she needed to speak with a specific person in a bank or a law firm. Jenny said she originally did not know anyone in the incubators, and they *“all opened doors for [her].”* Natalie highlighted it was *“open and non-judgemental, welcoming, and everyone having real opportunity.”* Some interviewees noted its edge over other ecosystems. Natalie highlighted that *“this is unique, as compared to Stockholm, where you have to be a certain calibre in order to receive the same opportunities.”* Laura also noted based on her experience, *“the entrepreneurs said that the network here compared to other universities or countries that they come from, is much easier”*.

Finally, we found interviewees perceive **the region as an ideal testbed**. This was verified by Patrick, from a government organisation, *“The vision is that Lund should be a testing place for innovation.”* Natalie highlighted that many international companies choose to launch in Sweden, because it is *“quick to adapt to new products”*, is a *“small, contained market open to trying new stuff”*, and *it would be easy for a retail product to get online and get into stores.”* Hence, Skåne is the *“perfect test market,”* she said.

#### 4.1.2. *Activities hindering entrepreneurship*

Interviewees also told us there were activities that were hindering the process of entrepreneurship. Firstly, it was the **focus on specific business areas**, most prominently, the focus on technology and sustainability. Ken cited the example that *“a developer with a scalable idea is welcome everywhere, [but otherwise], there is a bit more work to do.”* A LinkedIn post from Zoe’s organisation, promoting the Nordic Demo Day features an Investment Director from a Venture Capital firm, stating specifically that *“it backs visionary tech founders building deep tech & brand-driven companies, investing from pre-seed to series A.”* If a business did not fit into this category, it *“would be hard to get help, and they fall into a black hole,”* Alex said. These are also often *“excluded, and not taken into the ecosystem,”* Ken noted. Jenny highlighted the need to *“support and include cultural and creative industries, because while they may not grow into a multinational, you [would also] want small shops and small businesses in a town.”*

There were **overlapping activities**, especially in terms of too many events and organisations. Laura said the ecosystem could benefit from *“being more focused and doing more with less money, [while only going to events] can hinder entrepreneurship.”* Alex had a similar view, that it is *“easy to get carried away with so much happening, [instead of focusing on] the proof of concept and verifying customers could also be good networking opportunities.”* Finn said *“[his organisation] has taken away some business advisors”* because of overlapping with other organisations while Nelson said *“[he thinks] there are far too many competitions and applications for money.”*

Interviewees also highlighted **the (un)necessary steps that needed to be taken**. The focus on soft money was one such way. Finn noted that the grant applications for soft money may become time-consuming and ineffective and added that they result in *“people rarely going out to meet customers”*, while Owen said he was *“not sure it encourages productivity as it [did not] keep him in tune with the customers. This would mean a startup would learn how to ask for money but not learn [how] to build a product [and earn money].”* Stella added that *“[startups] actually spend more time looking for public funding and the source of money, so that they're actually delaying their journey.”* Another was with incubator programs that tried to cater for every startup with the same content. Nelson said, *“some incubators have a checklist for [every startup] that enters, [or basically], a program that they go through.”* Alex echoed that sentiment, noting that being at

VentureLab “felt unproductive for [him], but [he] knew he needed to do that to increase his chances of getting into Minc”.

We also discovered there was a **funding gap between different Swedish regions**, and most prominently, compared to the capital, Stockholm. Patrick noted “*cities [such as] Stockholm are where most of the money is, and [the other cities] do not get as much investment*”. Zoe agreed, and added “*[her organisation] wants to educate investors that there are very good quality founders [in Skåne] that they should be aware of that and hopefully, invest in.*” Stella also echoed that while there was the call to collaborate from the government, there is “*very little funding from the region and the municipalities, and [perhaps the top place] with a lack of public funding,*” which is “*often frustrating, [as they are] in competition with their colleagues.*”

Three of our interviewees also agreed that a **Directory of Information** would be helpful. Natalie shared there is a lack of information, especially for foreigner entrepreneurs, and “*[she does not] think there is one place that truly provides practical information [such as] where to apply for funding and apply for accelerators, and to find all that information takes work and energy.*” Nelson also noted there should be “*somebody responsible for bringing them all under one umbrella*”, while Jessica said, “*a structured directory of companies, such as a platform that links you to other companies could be useful.*”

## 4.2. Cultural Attributes Supporting Interdependency

As we also wanted to investigate key actors’ values, beliefs, perceptions of both themselves and their organisations about entrepreneurship and the ecosystem to figure out what motivates them to collaborate and support entrepreneurs. Within this aggregate dimension, we find three second order themes and elaborate on our findings in greater detail below.

### 4.2.1. Entrepreneur attributes

We asked interviewees on what comes to mind when they think of an entrepreneur and discovered there is **no specific definition on how an entrepreneur physically looks like**. Zoe said that “*founders come with all shapes and types.*” In a featured article, Jessica noted she “*started to live*

*with very few things” because she travelled a lot. “In the end, it is really only a few clothes that you need to feel good, and those clothes will feel even more valuable when you only pick the ones you really like and wear them a lot,” she said.*

What stood out more to interviewees were the **personal characteristics of an entrepreneur**. Laura’s perception was “*people [who are] accepting of failures and pushing people to take risks*”, Natalie said “*curious and daring, and mostly having the guts to do it, try stuff and to fail.*” Ian thinks that they are “*determined in a flexible way, having a passion to do but still be able to pivot*”. Ken noted “*the successful ones are really those who have something in their eyes, really want to commit and accomplish something, than just waiting for [themselves] or whatever it might be to help other people.*”

#### **4.2.2. Self-regarding of other key actors**

We discovered two themes within how they perceived themselves in being part of the ecosystem. The first was to **be open to collaborate or be out of the system**. Laura highlighted the many events and “*the perception that if [one] does not go for events and meet people, they are missing out, and how there is a culture to network.*” Commenting on bigger companies that were not willing to collaborate, Patrick said, “*We are working together to find a new dimension as they have different challenges. So, if [they] are not interested to be in the discussion, they are not welcome anymore.*”

Majority of interviewees are **motivated by being a part of change**, driven by entrepreneurs. Stella said that helping the right companies “*move the needle*” in the right direction meant “*being part of a bigger solution to issues*”. “*This is one of the most fun and easy ways of making a difference,*” she said. In a blog post written by Zoe, she also states, “*I have made it my life ambition to drive positive change and contribute to the startup community and innovation ecosystem so that ambitious entrepreneurs and innovators can flourish.*” Patrick noted, “*I can give a deep answer that is probably to change the world [because of] sustainability. When I look at the project we do, it touches sustainability all the time.*”

### 4.2.3. Diversity and inclusion

Skåne being a **multicultural region** was a key cultural attribute. Zoe, through the interview and a LinkedIn post, highlighted *“the strength of Malmö is its diversity and a melting pot of ideas, people from totally different backgrounds and culture.”* She adds in a LinkedIn post that *“[the] region provides such a diverse pool of talents who are eager to bring their skills and add value to the local community.”* Ian observed that many came into the ecosystem *“from the universities, and [they have] a lot of different expertise and perspectives. They meet and breed to generate more knowledge.”* Comparing the current state to years ago, Natalie noted it *“used to be a bit of an old boys club but these days, there are women networks. [It is also common to see] second generation immigrants [or] foreigners starting businesses [what makes entrepreneurship] more relatable.”*

Next, we discovered **the importance of including different perspectives**. According to Patrick, *“all good ideas are in between the different areas [of] technology, medicine, the culture.”* Zoe had a similar sentiment that no ecosystem *“[is] successful when there is only the same perspective, same type of entrepreneurs doing exactly the same thing.”* On how the ecosystem could be improved, Ken said to *“open up the system for more different people, different perspectives and different ideas in different industries, as it has been focused on IT guys for a long time.”* Nelson suggested *“a Vinnova program that is a bit more flexible—maybe open up [one program] and call it the wildcard program, where you do not need to check every single box.”* Stella’s organisation has taken strides towards this. A LinkedIn post promoted an upcoming gaming industry lunch debate focusing on diversity in the industry, whereby an investor speaker will offer *“investment and various advice for aspiring game studios.”*

### 4.3. Factors supporting the productive entrepreneurship

Productivity in terms of outcomes and outputs include increasing entrepreneurial activity whereby entrepreneurs recognise and exploit business opportunities through innovation (Acs et al. 2017). It should also create value, knowledge transfer between entrepreneurs and have societal outcomes contributing to welfare (Mukiza et al. 2020). We discover two key second order themes as factors supporting productive entrepreneurship.

#### 4.3.1. Entrepreneurial output

Interviewees expressed a **variety of expected results** when it comes to what success means to them. Only one reported tangible results—Jessica, who elaborates that her key performance index (KPI) as an entrepreneur is “*based on how [our venture] has grown in the past years, and our efficient growth rate that we want to achieve every year.*” Most others express intangible success metrics. For Alex, it is about “*learning new stuff, doing what [he] enjoys and what [he is] passionate about. Money is not [his] main driving force.*” Commenting on a startup, Nelson noted, “*They are surfing in Portugal or Sri Lanka, or having the lifestyle they want to lead. So if you look at numbers, they could have been a bigger success, but to them, it is a success because they are living the life they want.*” Commenting on entrepreneurs in general, Ian noted “*most do not report great wealth as success, but actually believe in the impact that they can potentially [make].*” Stella questioned the lack of clarity with KPIs, noting that “*it does not say very much about the quality of work compared to selection of companies.*”

Having **educated entrepreneurs** also contributed to productivity. Laura noted it was “*tough for [entrepreneurs] to get all that feedback, and [they] should decide what feedback [works], and need to listen to everything but not to go with some.*” As an employee in an education institution, she noted the entrepreneurship programme “*forced [students] to be more active and practical, step out of their comfort zone and check their assumptions, make prototypes, and not only think of things to do, but actually do [it].*” Stella also said “*peer-to-peer learning should be an important tool within the incubator,*” while Zoe notes the importance of “*practical advice, [such as] activities regarding how they write applications to get grants.*”

#### 4.3.2. Ecosystem outcomes

We found four key outcomes deemed important by our interviewees. Firstly, it was Skåne **becoming a world class example** to other nations, through receiving visits from abroad. On 30 March when we interviewed Laura, she told us about “*a representative from Portugal who wants to [learn from the region] on how to build an entrepreneurial hub.*” A LinkedIn post from Finn’s organisation also talked about visitors to Lund’s electric road project from “*Italy’s authority for National Roads ANAS Spa and the #SwedishEmbassy in Rome [...], which included a tour of the*

Elonroad factory, the electric road demonstration site, [and] knowledge exchange and networking.”

Having **circularity of knowledge and resources** are also important. Nelson said the entrepreneurial ecosystem in the region is “*an example of a circular economy*”, and noted that “*the entrepreneurs build companies, [who] end up earning a profit, paying taxes, and putting back into the system.*” Giving back was a key theme from the interviewees. Alex shared that it was “*really important to have a foothold in the academic world, and [then] come back to the entrepreneurial ecosystem.*” Jessica said her main motivation “*is that [she] received so much support that she feels like [she] is happy to give back whenever [she] can.*” Zoe said that “*when people achieve success, they are also willing to come back and give back to the community and [her] company goal is to get the founders who have the knowledge to be willing to give it to the community.*” We also observed that most of our interviewees had been within the ecosystem as entrepreneurs before and they are now either employed by other supporting actors or they are voluntarily mentoring new entrepreneurs, which provided the circularity of knowledge and human resources within the region.

**Job creation** was also mentioned by three interviewees. Finn highlighted his organisation has “*created more than 1,000 jobs, 200 million SEK in improvements and savings for societies.*” Stella noted that her organisation is “*sort of measured by how many of them have the survival rates of the companies, and also employment rates of the companies.*”

Finally, three interviewees said **improvement and progress** within the ecosystem should constitute productivity. Stella noted that it was necessary to “*apply the same principles we ask our companies to [the ecosystem]. We have to be consistently learning and developing and changing.*” From a research perspective, Jessica noted that “*governance with a lot of dialogue, investigation, reinvestigation, and participation of universities whose role is to investigate the ecosystem, is [needed].*” Nelson said, “*If Sweden is constantly ranked number 1, and year after year, we don't need to change [what we do] [...] then all of a sudden one year [it becomes] number 18, then maybe it's harder to change direction, right? Whereas if you are constantly tweaking and*



*constantly looking for small ways to improve, I don't think we will ever find ourselves in that situation.”*

## **5. DISCUSSION**

In this chapter, we are going to discuss and analyse our empirical findings by relating it to the previous research, state how our findings answer our research question, and conclude with a grounded theory framework that emerged from our research.

### **5.1. The Interdependence of Key Actors**

Our data collection was based on Maroufkhani et al.'s (2018) extended framework of entrepreneurial ecosystems which was based on Isenberg's (2011). We found out both similarities and differences in the key elements that make up the ecosystem in Skåne. Hereby we are going to explain the key elements of the entrepreneurial ecosystem in Skåne and how they are interdependent.

- **Entrepreneurship:** As Stam (2015) says entrepreneurs are prominent actors not only in terms of producing value as an output of the ecosystem, but also in creating the ecosystem and keeping it healthy. We observed that entrepreneurs themselves are not only focused on creating new businesses and self-employment. They aim for growth and innovation which leads to quality of entrepreneurship other than quantity (Stam, 2015). This is also in parallel with Baumol's (1990) definition of productive entrepreneurship as in the form of innovative start-ups and entrepreneurial employees.

As for the interdependency, entrepreneurship takes place in a community of actors in Skåne working in collaboration as in the entrepreneurial ecosystem notion (Stam, 2015). Stam (2015) also emphasises that if the entrepreneurs are within the system for a long time, they are able to identify the advantages and limitations of the ecosystem and they can handle

these advantages and limitations together with the other key elements such as support providers, finance providers, or government.

What we have observed within Skåne's entrepreneurial ecosystem were in line with the nine attributes of a successful start-up community introduced by Feld (2012) where the key roles of entrepreneurs were being actively involved in the development of the ecosystem and being mentors or advisors. Other attributes explained by Feld (2012) include the interaction among the actors of the ecosystem such as network density, which allows a deep connection between different players in the ecosystem and engagement, where competitions, events, and activities lead to further relations. The presence of talent, support services, intermediaries, government, capital, and large companies is also observed in our research and will be pointed out throughout our discussion (Feld, 2012).

- **Human Capital:** This key element includes the educational institutions that create knowledge about the entrepreneurial process (Spigel & Harrison, 2018) and also the availability of talent in different levels and areas (Isenberg, 2011; Feld, 2012). We saw that Lund University has a very strong presence in Skåne providing human resources and entrepreneurial education, and it is well-connected to the ecosystem. We also found a difference from Maroufkhani et al.'s framework (2018) which is the educational aspect provided by other key elements such as support services, including mentors and coaches, and incubators in providing knowledge about opportunity recognition, starting and growing businesses, and pitching.
- **Policy:** The entrepreneurial ecosystem literature defines government as the creator of stimulating environment for entrepreneurs and the literature also identifies the importance of public leaders as champions of entrepreneurship within the society (Maroufkhani et al. 2018). One of the most important findings we surfaced was how important government is in Skåne in terms of early-stage funding of entrepreneurs. The government enables financial support both directly to the entrepreneur and also indirectly through incubators that is received by the entrepreneur as grants in order to test their ideas and officially start

their businesses. We also discovered the pressing importance of policymakers' duty in removing the barriers for entrepreneurial activities (Maroufkhani et al. 2018) where most of our interviewees emphasised the inclusion of different business areas and also people from diverse backgrounds.

- **Finance:** For the success of the entrepreneurial ecosystem, financial capital should be available and accessible (Feld, 2012). Financial elements generally come across in the shape of investors such as business angels and venture capitalists, often through networks that lead to introductions to these investors. As we previously mentioned, our findings emphasised the presence of government funding. They also revealed the importance of incubators not as a funding element but as a support element, which is so strong in Skåne that it deserves its own category. Our literature review mentioned Isenberg's (2010) claim about the little effect of incubators in other parts of the world. However, according to our findings, incubators are not one of the main financial providers in Skåne, but they are vital in terms of tangible and intangible support to get a venture off the ground (Chandra & Fealey, 2009). Shared or private office space, as well as office infrastructure such as secretarial services and equipment, are tangible services that are offered. Intangible services are often given in the form of in-house consultation and access to a network of support firms specialised in marketing, legal, accounting, and other services. In many circumstances, financial services to incubatees include introductions or connections to capital sources (Chandra & Fealey, 2009). Therefore, the incubators can be seen as coaching, teaching, and peer learning places, and facilitators to reach funding in the ecosystem while in Maroufkhani et al.'s (2018) framework, incubators were directly put as financial elements.
- **Supports:** The supports element pertains to nongovernmental institutions that help entrepreneurs in building networks and connections to related people and organisations (Maroufkhani et al. 2018). These institutions in Skåne work closely with incubators in organising networking activities and promoting entrepreneurship as drivers of impact in the society. The government agencies also collaborate with them and support different

activities. Supports element also includes venture-oriented professions as lawyers, accountants, and consultants (Isenberg, 2011) and intermediaries such as mentors and business coaches (Feld, 2012), which are also offered by incubators in Skåne especially in the early phases of entrepreneurship.

- **Industrial Dynamics:** This focuses on the ability of the ecosystem to keep pace with changes in the environment such as customer preferences, competition, and technological advancement (Maroufkhani et al. 2018). We observed that the dynamics within Skåne was collaborative rather than competitive and the culture enables open innovation and interconnection of government, cities, larger companies (Feld, 2012), and entrepreneurs to the point of excluding the elements that are not in collaboration from the ecosystem all together.
- **Markets:** This key element is related to having clients or end-users that are entrepreneurship-friendly to allow the sales of new products and services (Isenberg, 2011; Maroufkhani et al. 2018). We discovered that almost all the interviewees define Skåne as a perfect test market with reasons that the readiness of the population in terms of being open-minded and being able to afford costs, the diversity of the people which provides a multicultural target audience, and also the government that actually works towards promoting the region as a test bed to facilitate the emergence of new ventures.
- **Crowdsourcing:** Maroufkhani et al. (2018) suggested future research to evaluate the effectiveness of crowdsourcing and its impact for entrepreneurship ecosystems. Crowdsourcing is a way for new businesses to receive ideas, solutions, and resources from the external environment generally from digital crowds (Maroufkhani et al. 2018). Surrounded by business advisors and provided with facilitated connection to talent, crowdsourcing does not emerge as an important element in Skåne. Moreover, our interviewees did not observe or try any form of crowdfunding because the process is complex, time-consuming, and basically it is not a prominent funding method in a small population country like Sweden. Therefore, the talented people and resources do not come

from digital crowds, as indicated by Maroufkhani et al (2018). They are reached through support services and networking events. The openness to collaboration also facilitates it.

- **Culture:** The key element of culture is one of the most important aspects we wanted to discover in Skåne entrepreneurial ecosystem as the culture facilitates or hinders the whole journey of the entrepreneur from learning to venture creation and growth. Our observations include high degrees of collaboration, information and expertise exchange, diversity and inclusion, and impact-making as part of the culture in the ecosystem. This is also related to expectation states theory where status characteristics create a positive perception to attract people to entrepreneurship or supporting the ecosystem which will be further elaborated on in the next section (Correll & Ridgeway, 2003).

## **5.2. Cultural Attributes Supporting Interdependency**

The embedded culture within the entrepreneurial ecosystem needs to respect entrepreneurship as an occupation and accept failure, risk-taking, and adverse thinking (Maroufkhani et al. 2018). The trust in entrepreneurship as a solution to unemployment, economic growth, societal development, and innovation has resulted in significant popular support (Nightingale & Coad, 2013). We wanted to investigate whether this support actually leads to positive impact, or the value given to entrepreneurship is just a part of “cultural zeitgeist” whose evidence cannot be questioned (Nightingale & Coad, 2013, p. 135) taking into account Brandl and Bullinger’s (2009) outline of how entrepreneurship is expressed in cultural ideals, in terms of language, techniques of control, ways of socialising that contributes to the legitimization of entrepreneurship. We discovered the general acceptance of personal characteristics of an entrepreneur such as strategic acting, risk-taking, and passion (Brandl & Bullinger, 2009) as well as the celebration of entrepreneurial behaviour in association with shared beliefs (Zilber, 2006), which is creating impact in the world. This is also in line with the expectation states theory in attracting people to entrepreneurship because of the status of impact-making (Correll & Ridgeway, 2003).

### ***5.2.1. Entrepreneurship Attributes***

Expectation states theory defines how anticipation of valuable contributions from a specific individual leads to them getting more opportunities (Berger, Cohen & Morris, 1972). The theory suggests that social stratification is connected to how people's socially relevant qualities, such as race, gender, occupation, or age, determine their access to participation, influence, and favourable appraisal (Correll & Ridgeway, 2003). We find no correlation between expectation states theory in terms of entrepreneurs' race, gender, or age as our interviewees expressed that entrepreneurs come in all shapes and sizes. The attributes related to entrepreneurs were within the domain of characteristics such as drive, courage, and resilience.

### ***5.2.2. Being Part of Change***

Impact-making is another status characteristic attributed to entrepreneurship, which puts the entrepreneur in the centre of opportunities provided by other key elements (Correll & Ridgeway, 2003). When one actor has a high-performance expectation, which in this case the change making effect of entrepreneurship, the actor (entrepreneur) is more likely to be given opportunities to perform, the more likely their suggestions will be positively evaluated by the society which legitimises entrepreneurship within the region.

Moreover, the interweaving of personal and collective reasons for entrepreneurial action, leading to positive social, economic, and individual results, is at the heart of economic theory's universal approbation of entrepreneurship (Brandl & Bullinger, 2009). Entrepreneurship can be defined as a set of strong values and priorities that assist key actors in understanding and giving meaning to their activities, both for themselves and for others. As entrepreneurship serves a significant role in the economy and in society, it legitimises and enhances other actors' identities by relating their particular experiences to vital human goals like economic riches, change, and cultural individuality (Brandl & Bullinger, 2009).

### ***5.2.3. Diversity and Inclusion***

We see that the inclusion of specific business areas such as technology, and the exclusion of creative industries can be in connection with performance expectation states (Correll & Ridgeway, 2003). This status hierarchies of business ideas give way to the offering of some advantages which

are denied to others as in the example of technological domain versus creative domain. It is essentially a "macro-micro-macro" explanation of how categorical inequality is replicated throughout society. At the macro level, cultural views about these categories influence behaviour and appraisal at the individual level, which serves to replicate status structures that are congruent with pre-existing macro-level beliefs (Correll & Ridgeway, 2003). However, we observed in our interviewees the importance of inclusion of creative minds and support of gender equality and people with multicultural backgrounds, which indicated the hope for change in these status structures.

### **5.3. Factors Supporting the Productive Entrepreneurship**

According to our results, entrepreneurship is encouraged as a method of creating jobs and driving economic growth. As previous research suggests young Swedish businesses (those that have been in business for less than five years) account for more than half of all businesses, with a rate of over 55% (Heyman, Norbäck, Persson, & Andersson, 2019). They claim that a set of legislative measures that began in the late 1980s but primarily implemented in the 1990s is a plausible explanation for the strong entrepreneurial activity in the Swedish business sector. Therefore, Sweden went from having one of the most regulated, static company sectors in the developed world to having one of the most pro-entrepreneurial business regulatory frameworks (Heyman et al. 2019).

However, there has been little debate regarding the quality of the employment that start-ups create, particularly in terms of the compensation and perks they provide. If the process of creative destruction entails replacing higher-paying employment at incumbent enterprises with lower-paying jobs at start-ups, then a simple study of the number of jobs produced, even net of jobs lost, may overestimate the number of jobs created (Burton, Dahl & Sorenson, 2018).

Our findings uncover that job creation and economic growth are not the only goals of the entrepreneurial ecosystem, on the contrary, the perception of individual and societal growth, circulation of knowledge and resources and non-economic successes are deeply valued. As Shane (2000) puts even though all identified entrepreneurial opportunities may not lead to productivity,

entrepreneurship drives an economy from disequilibrium to equilibrium. Moreover, despite their lower predicted wages, self-employed people are happier than their employed colleagues, according to a significant body of research (Nightingale & Coad, 2013).

Failed ventures that have given a rich breeding environment for subsequent firms or inspired them may also be considered productive entrepreneurship (Davidsson, 2005). This indicates that the overall (social) value generated by entrepreneurial activity should be greater than the sum of the individual entrepreneurs' (private) value (Stam, 2015). As a result, the ultimate outcome of an entrepreneurial ecosystem is new value in society, whereas entrepreneurial activity, such as innovative start-ups or high-growth ventures (Stam, 2014), is more of an intermediary output of the system.

In the entrepreneurial ecosystem of Skåne the circularity of knowledge and resources is seen as a vital process. As stated by Spigel and Harrison (2018) entrepreneurial expertise, financial capital, successful mentors, and talented labour are all key ecosystem resources that are produced or attracted over time by entrepreneurial activity and governmental investment. When successful entrepreneurs exit the ecosystem as entrepreneurs, their resources are "recycled" and made available to others. For example, most of the interviewees had been entrepreneurs previously and now they share their knowledge by mentoring, lecturing, or speaking in the events. Recycling is an important resource flow process in ecosystems (Spigel & Harrison, 2018). What is different in Skåne is that success is defined differently. As stated before, failure is also seen as success as a way of learning and to be circulated in the ecosystem with their knowledge, an entrepreneur does not need to have had a successful exit.

The total levels of entrepreneurial activity or business formation should not be used to identify entrepreneurial ecosystems (Spigel & Harrison, 2018). This is a circular argument in which cause and effect are mixed up. Entrepreneurial ecosystems, on the other hand, may be thought of as continuing processes in which resources emerge inside an ecosystem, move between entrepreneurs and other players, and produce or attract additional resources over time, changing the ecosystem's overall structure (Spigel & Harrison, 2018). We expect greater rates of creative, growth-oriented



entrepreneurship in ecosystems rich in entrepreneurial resources (strong) and with a structure that promotes the flow of these resources (well-functioning).

#### 5.4. A Process Framework of Entrepreneurial Ecosystem

Our research findings and the analysis with the related literature led to a grounded theory framework showing how the entrepreneurial ecosystem works in a process, how key elements are interdependently contributing to the different phases that the entrepreneur goes through which leads to the productive entrepreneurship. As shown in Figure 3, the diagram is a circular display of the entrepreneur’s journey, visualising which other key elements support entrepreneurs at what phase, and how the ecosystem culture is facilitating this process throughout. The diagram does not have an ultimate ending as the entrepreneurial ecosystem is constantly recycling the knowledge and resources, which leads to more improvements in the ecosystem itself in time (Spigel & Harrison, 2018).

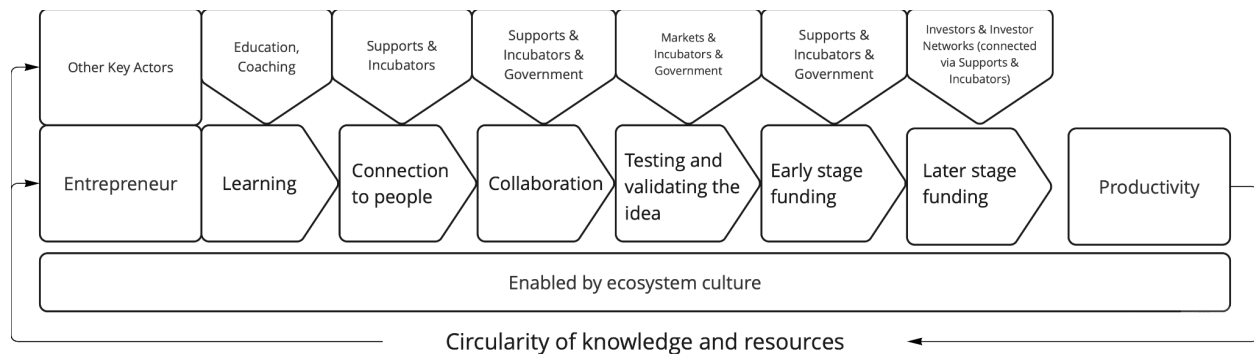


Figure 3. Entrepreneurial Ecosystem Framework

As seen in Figure 3, through the entrepreneur's journey, other key actors play a supporting role in different phases. In the learning **phase**, educational institutions and coaches help entrepreneurs get knowledge about entrepreneurship such as how to start a business, how to pitch, how to create a business model. Next, the entrepreneur needs **connection to people** within the ecosystem and supports services and incubators help entrepreneurs connect with the right people to work with, get mentored, and employ. In the **collaboration phase**, the entrepreneur starts working with these people, gets help from supports services, or gets incubated. Activities (events, competitions) made in collaboration with supports, incubators, and government empower entrepreneurs with

networking and publicity. In order to start a sustaining business, the entrepreneur needs to **test and validate the idea**. In this phase, the market by enabling finding potential customers, incubators by enabling tangible and intangible sources discussed before, and the government by providing test grants create an enabling environment for the entrepreneur to validate their business concept. Supports services, incubators, and government are also prominent in **early-stage funding** both individually and interdependently by providing entrepreneurs financial support with competitions and applications for grants to develop initial products and services. With the network, collaboration, and the progress they have made so far, entrepreneurs are connected to investors for **later stage fundings**, where the connection is generally enabled by incubators or supports.

The **productivity** can be defined differently according to the regional or national agenda although accumulating knowledge within the ecosystem, creation of jobs and economic wealth, the number of innovative and high-growth ventures, and high survival rate of businesses are key for a productive entrepreneurship.

The **entrepreneurial culture** of the ecosystem enables the interdependency between all the key actors with qualities such as being open-minded to diverse views and backgrounds, being open to collaboration, approachability of people and organisations, and lower barriers of entry to the ecosystem. Culture within the ecosystem facilitates new venture creation and growth while drawing people to support entrepreneurship especially to be part of the change and impact.

As shown with **the circularity of knowledge and resources** on the diagram, the ecosystem will allow entrepreneurs to tap into the knowledge, talent, and other resources generated by earlier rounds of successful and unsuccessful businesses (Spigel & Harrison, 2018). This should not, however, be construed as a sequential buildup of resources. As capital, people, and institutions leave the ecosystem, there will always be some resource leakage.

Ecosystems with dense networks of entrepreneurs, investors, advisers, and other critical players that are founded on long-term trust and a localised culture that supports networking and interacting are referred to as well-functioning ecosystems (Spigel & Harrison, 2018). The organisations and players of the ecosystem grow more interconnected as a result of their commitment to

entrepreneurial activities, exchanging knowledge and resources, and thus the overflow of resources from one ecosystem organisation to the next becomes more efficient (Pocek, 2022).

We paint a picture of a vibrant entrepreneurial ecosystem. However, our readers should be aware that each entrepreneurship ecosystem is uniquely a result of a number of elements interacting in complex ways (Isenberg, 2011) whereas we believe the interactions can be mapped out in guidance of our framework. As suggested by Spigel and Harrison (2018) a process-based view of ecosystems helps with a more useful framework to understand their role in supporting entrepreneurship.

## **6. CONCLUSION**

Entrepreneurial ecosystem in Skåne, Sweden; is it hype or hope? After our research in entrepreneurial ecosystems and our interviews with 13 remarkable key actors in Skåne, we can deduce that the hype in this region leads to a hope to develop into being one of the most prominent ecosystems in the world in terms of the purposes for achieving social and economic impact and setting an example for other regions. In other words, the vibrant and supporting environment in Skåne sets enabling conditions for start-ups to emerge and thrive. Even though there are activities that hinder the productivity and there is a space of improvement in terms of diversity and inclusion of people from different backgrounds and ideas from various industries, overall, the collaborative effort of the key elements and the progressive process that recycles and accumulates resources leads to an optimistic lookout into the future of the region. Furthermore, our findings suggest possible responses to address the issues of excessive unproductive activities and non-inclusion of diverse perspectives and business areas, which will be discussed in the implications sections.

### **6.1. Implications for Researchers**

We wanted to contribute to the existing research on entrepreneurship ecosystems which has been typological and atheoretical and has not yet explored how they influence the entrepreneurship process (Spigel & Harrison, 2018), as well with a qualitative research methodology utilising semi-

structured interviews which counteracts to the scarcity of empirical research in entrepreneurial ecosystems indicated by Maroufkhani et al. (2018).

Our research supports the perspective that ecosystems can be seen as continual processes of the production and movement of entrepreneurial resources including human and financial capital, entrepreneurial know-how, market information, and cultural attitudes (Spigel & Harrison, 2018). The availability and movement of these resources can help us understand how ecosystems change and adapt through time, as well as differentiate between strong, well-functioning ecosystems and weaker, poorly functioning ecosystems. We intend to demonstrate that using a process-oriented approach to ecosystems allows for a more nuanced understanding of how ecosystems work and affect the entrepreneurial process, resulting in more successful policy interventions (Spigel & Harrison, 2018).

Along with offering a process-based framework of how a successful ecosystem works, our findings emphasise the interdependence of key actors' support to the entrepreneur in different phases of the new venture creation. Our thesis also explores how the culture of entrepreneurial ecosystems is an important factor in enabling the interdependence and support to the entrepreneur based on expectation states theory (Berger, Cohen, & Morris, 1972). The perception of entrepreneurship as a status that creates change and impact in society draws different people and organisations into contributing and being part of the ecosystems. We also find support on the importance of circularity of knowledge and resources for the development of strong and well-functioning ecosystems as indicated by Spigel and Harrison (2018).

Our research also challenges the framework of the key elements of the entrepreneurial ecosystem drawn by Maroufkhani et al. (2018) by surfacing that the function of incubators cannot be limited to the finance element and also crowdsourcing may not be relevant to all entrepreneurship ecosystems. Furthermore, our thesis emphasises the role of government as a funding element.

## **6.2. Implications for Policymakers**

Our research also has implications for policymakers. We believe that the policymakers can investigate the possibility of enabling diversity within the ecosystem and discover how creative industries or other non-tech businesses could contribute to the ecosystems. There has been a finding about the allocation of funding among different regions in Sweden that hinders the support on entrepreneurship in Skåne. Entrepreneurial ecosystem policies must be established with the goal of boosting a place's general prosperity rather than creating regional inequality (Spigel & Harrison, 2018) or inequality in business opportunities as we discussed according to status characteristics of expectation states theory (Berger, Cohen & Morris, 1972; Correll & Ridgeway, 2003). The policymakers can also contribute to the circulation of knowledge and resources by enabling a directory of information that helps with the information flow and provides more connectivity to people or organisations that are not active in the ecosystem. This could also provide knowledge to the emerging entrepreneurs in the ecosystem about how to start a business and whom to contact for their various needs in new venture creation. Finally, as told by Maroufkhani et al. (2018), the policymakers should keep in mind that creating a successful entrepreneurial ecosystem necessitates a thorough grasp of the culture that emerges from each environment's mix and traits. One of the most important responsibilities of policymakers or organisational leaders is to pay attention to these differences, because establishing an entrepreneurial ecosystem will fail if it does not have support from the surrounding community.

## **6.3. Recommendations for Future Research**

Our research and analysis also call for future research to apply our entrepreneurial ecosystem framework in different ecosystems and investigate its relevance. We also want to point out that all key elements of the ecosystem were represented equally within our research that leaves room for a more entrepreneur-focused research. As we pointed out before, we were unable to approach entrepreneurs that have not been a part of the ecosystem at all and a future research may try to uncover the effects of not getting support from the ecosystem. This is also parallel to the suggestion of Hunt and Kiefer (2017) asking why the entrepreneurship industry consumers appear more disadvantaged than nonconsumers. When it comes to outputs and outcomes, we have two

recommendations for future research. Firstly, as indicated by Burton, Dahl and Sorenson (2018), even though the number of jobs created by new ventures was higher, it is worth exploring the quality of job creation by new businesses in terms of salary and benefits. Lastly, we see it would be beneficial to investigate the circularity of knowledge and resources, how it emerges and what its tangible effects are in the long run in entrepreneurial ecosystems.

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## **8. APPENDIX A: INTERVIEW GUIDE**

### **Introduction**

- We will mention our thesis topic and how the interview goes.
- We get the consent signed.
- We ask the person to tell us about themselves/their job/daily tasks.

### **Their Viewpoint on the Ecosystem**

- How did you become part of the Skåne ecosystem?
- What role do you play in the ecosystem? Where do you stand?
- What kind of support do you provide/What kind of support do you get?
- How is Skåne different or similar to other entrepreneurial ecosystems?

### **Interdependency with Other Key Actors**

- What kind of other actors do you interact with?
- How do you work together with other actors in the ecosystem?
- Why are there a lot of key actors? What are they working to achieve? Is there a common understanding about the reason they exist?
- What is the frequency and the strength of your collaboration?
- Why do you think these collaborations are important or necessary?
- What are your expectations from other actors? Can you give an example?
- What kind of results have you seen from your collaboration/support?
- What would you change in the ecosystem?
- What are your observations about rules/regulations about entrepreneurship?
- What kind of support has been given to you from the government? (will be asked to everyone except for the government officials.)
- What is your experience about getting funds/financing for entrepreneurship? (will be asked to everyone except for the financial institutions.)

- What places are out there to learn about entrepreneurship? What is your experience in getting educated about a topic concerning entrepreneurship? (will be asked both ways to the education officials -getting educated and giving education.)

### **Outputs, Outcomes, and Productive Entrepreneurship**

- How did you define your work results?
- What kind of goals do you set?
- How do you measure your performance?
- What is your perception of a successful ecosystem? What is your perception of a successful startup?
- What is your perception of a productive ecosystem?
- When was the last time you felt you succeeded in achieving your goals? Can you give an example?
- Within the ecosystem, what are some activities that encourage productivity, and conversely, what activities hinders productivity?

### **Specific Elements**

#### **Cultural Ideals**

- What is your perception of a typical entrepreneur?
- What motivates you when it comes to supporting/being a part of the ecosystem?
- What do you feel about commonly held beliefs surrounding entrepreneurship such as risk-taking and failure?
- When it comes to use of language and common phrases, what have you noticed? Can you give an example?

#### **Markets**

- What markets do you cater with your business, or the businesses you support?
- What do you think about the people/customers in Skåne when it comes to purchasing/investing/being open to new products or services? Can you give an example?
- How many early adopters would you say exist in percentage?

## **Industrial Dynamics**

- How does your business/the businesses you support deal with competition?
- What do you think about the technological readiness or openness of this region? How much has the region progressed technologically?
- What do you think about the flexibility of the businesses in terms of adapting to changing trends or customer habits? Can you give an example?

## **Crowdsourcing**

- Have you ever purchased external support for your business, such as a freelancer, or an accountant, lawyer. What was the purpose of that?
- How did you find this external support/freelancer?
- Have you ever considered/tried crowdfunding? How does crowdfunding take place in Skåne?

## 10. APPENDIX B: CONSENT FORM

### Entrepreneurship in Skåne: Hype or Hope?

#### Interview Consent Form

You are being invited to take part in the research study “**Entrepreneurship in Skåne: Hype or Hope**”. The study is part of the thesis of Hatice Has and Ellyne Phneah for their Master in Entrepreneurship and Innovation at Lund University School of Economics and Management. Before you decide whether or not you wish to take part, it is important for you to understand why this research is being done and what it will involve. Please take time to read this information carefully. Please ask if there is anything that is unclear or if you would like more information.

You have been invited to participate because you are part of the Skåne ecosystem. The study will involve an interview with you through a series of questions. You are free to decide whether you wish to take part or not. If you do decide to take part you will be asked to sign two consent forms; one is for you to keep and the other is for our records. You are free to withdraw from this study at any time and without giving reasons. Should you decide to withdraw from the study, your data will not be used and will be destroyed.

If you agree to take part, you will be interviewed by the researchers involved in the study; the interview will last approximately one hour and will be audio-recorded for research purposes. The data will be anonymized and will not be used in a way which would enable identification of your individual responses. Data will be stored securely on a password-protected computer, and in hard copy in a locked filing cabinet, by the research investigators for a period not exceeding five years, after which point it will be disposed of securely. The data will not be shared with any third parties.

If you have any questions about the study, please feel free to contact Hatice Has ([ha4474has@student.lu.se](mailto:ha4474has@student.lu.se)) or Ellyne Phneah ([el6530ph-s@student.lu.se](mailto:el6530ph-s@student.lu.se)). Alternatively, if you are concerned about any aspect of this study you may contact Professor Diamanto Politis ([diamanto.politis@fek.lu.se](mailto:diamanto.politis@fek.lu.se)).

Therefore, we request for informed consent from you:

- I have read the Study Information sheet provided and been given adequate time to consider it.
- I have been given the opportunity to ask questions about the Study beforehand and any questions have been answered to my satisfaction.
- I understand that my participation in the Study is voluntary.
- I understand that taking part in the Study will involve me being interviewed and I agree to this interview being audio-recorded.
- I understand that my personal details such as name and employer address will not be revealed to people outside the project.
- I understand that my words may be quoted in publications, reports, web pages, and other research outputs, but data collected about me during the Study will be anonymized before it is submitted for publication.
- I understand that I can withdraw from the Study at any time and I will not be asked any questions about why I no longer want to take part.
- I understand that if I withdraw from the Study my data will not be used.

Name of Participant: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_