

**What is Entrepreneurship?**  
**A Phenomenological Enquiry into the  
Venture Creation Processes of a  
Rapidly Growing Firm: The  
Archaeology Company**

July 2011

Thesis submitted to Dublin City University Business School for the  
Degree of PhD

PhD Candidate: Louise V. Chalkley BA (hons) MA

Research Supervisor: Dr. Teresa Hogan

Second Reader: Professor Colm O’Gorman

Internal Examiner: Dr. Siobhain McGovern

## **ABSTRACT**

This thesis explores the question ‘what is entrepreneurship?’ through a phenomenological enquiry into the entrepreneurial practices involved in setting a firm ‘The Archaeology Company’ that grew rapidly. It does this from three perspectives; the ontological, the epistemological and the empirical. This is both a reflection of the complex nature of entrepreneurship itself as well as the various levels of meaning that the research question ‘what is entrepreneurship?’ may have.

The thesis argues that entrepreneurship research needs an alternative paradigmatic framework to the dominant ‘opportunity’ framework. This is because opportunity theory has been developed from positivist assumptions that have provided a limited framework for understanding entrepreneurship as practice. In the empirical domain of opportunity the accumulation of evidence about entrepreneurship has also been limited. Calls for more empirical evidence are answered here by applying the theoretical concept of opportunity in a real world setting.

A Heideggerian phenomenological methodological approach is adopted and the case study data consists of the extensive notes and diaries kept by the founder while setting up and running her organisation. The subjectivist methodology incorporates both the ‘emic’ perspective of the entrepreneur, and the ‘etic’ perspective of the academic literature.

Four theoretical deficiencies are identified with opportunity theory. These are the uncritical extension of economic views of the firm, (ii) the failure to provide an adequate and coherent definition for opportunities, (iii) ontological inconsistency in attempting to provide alternative perspectives for opportunity and (iv) the lack of empirical evidence to support opportunity theory.

Furthermore the empirical data from the emic perspective of the entrepreneur does not offer support for the theory in practice. Rather the emic data describes entrepreneurship as a process of practice-driven activities that involve an active engagement in a socially embedded process drawing upon both the experiential and tangible resources of the individual. This allows entrepreneurs to solve problems by creating and controlling an effective economic entity, through the transformation of these resources for use within an organisation.

## ACKNOWLEDGEMENTS

I would like to thank my research supervisor, Dr. Teresa Hogan for her guidance, help and advice in completing this thesis. I am grateful for her support, commitment and her friendship throughout this project.

I would also like to thank my friends and colleagues at Dublin City University Business School who supported me as I worked towards completing this thesis. In particular I would like to extend very special thanks to Professor Colm O’Gorman, Professor of Entrepreneurship for his valuable help, advice and expertise. I also would like to thank my dear friends who started this journey with me on the PDP. In particular, Lorcan O hObain and James Kavanagh for their practical support, friendship and encouragement. Also thanks to Terence Ahern for his ongoing comments. Thank you to Lucy and Diane for your unwavering belief in me. Thank you to Siobhain McGovern for helping me to find the words.

Thanks and affection to LS, MdF, TL, DN, MT, LK, MF, CMG, TOC, COS, AT, SE, DM at The Archaeology Company. Thank you for all the fun and all your work during the early years. You all made The Archaeology Company possible, and I will never forget.

Very special thanks and love goes to my four beautiful children, Liam Ciara Ruairí and Mollie, because without them none of this would matter. Anything is possible for all of you, just believe in yourselves because you can do or be anything. Also, special thanks to Michael for his patience, encouragement and support for all these years.

## TABLE OF CONTENTS

	<i>Page</i>
<i>Abstract</i>	ii
<i>Acknowledgements</i>	iii
<i>Table of Contents</i>	iv
<i>List of Figures</i>	vii
<i>List of Tables</i>	ix
<i>List of Plates</i>	x
<b>CHAPTER 1</b>	
<b>INTRODUCTION</b>	<b>2</b>
<b>1.0</b>	<b>Introduction</b>
	2
<b>1.1</b>	<b>Research Context</b>
	4
<b>1.2</b>	<b>Research Methodology</b>
	5
<b>1.3</b>	<b>The Development of the Research Questions</b>
	7
<b>1.4</b>	<b>The Contributions of the Thesis</b>
	8
<b>1.5</b>	<b>The Structure of the Thesis</b>
	9
<b>1.6</b>	<b>Conclusion</b>
	12
<b>CHAPTER 2</b>	
<b>THE PHILOSOPHICAL CONTEXT OF ENTREPRENEURSHIP AND THE POSSIBILITY OF PHENOMENOLOGY</b>	<b>13</b>
<b>2.0</b>	<b>Introduction</b>
	13

2.1	<b>Positivism: Problems in General, Historic Foundations and Impact</b>	16
2.2	<b>The Importance of Philosophy in Practice: Phenomenology</b>	27
2.3	<b>Husserl and Phenomenology (1859-1938)</b>	29
2.4	<b>Heidegger (1889-1976)</b>	34
2.5	<b>Conclusion</b>	49
<b>CHAPTER 3</b>	<b>A SUBJECTIVIST PHENOMENOLOGICAL METHODOLOGY FOR EXPLORING ENTREPRENEURSHIP AS THE PRACTICE OF LIVED EXPERIENCE</b>	<b>54</b>
3.0	<b>Introduction</b>	54
3.1	<b>The Epistemological Impacts of Positivism: Methodology and Entrepreneurship</b>	56
3.2	<b>Developing a Subjectivist Phenomenological Methodology: The Emic Perspective</b>	71
3.3	<b>Research Method: Linking Phenomenology with Qualitative Case-Study Research</b>	81
3.4	<b>Conclusion</b>	97
<b>CHAPTER 4</b>	<b>CASE DATA (1): AN EMIC NARRATIVE OF ENTREPRENEURSHIP AS LIVED PROCESS AND PRACTICE</b>	<b>100</b>
4.0	<b>Introduction</b>	100
4.1	<b>Emic Narrative Account (iii)</b>	101
<b>CHAPTER 5</b>	<b>A REVIEW OF THE ENTREPRENEURSHIP LITERATURE INCLUDING THE ECONOMIC FOUNDATIONS AND IMPACT ON OPPORTUNITY THEORY</b>	<b>174</b>
5.0	<b>Introduction</b>	174

<b>5.1</b>	<b>Opportunity Theory has Evolved from Economic Theories of the Firm</b>	<b>177</b>
<b>5.2</b>	<b>Do Entrepreneurs Discover, Identify or Create Opportunities?</b>	<b>184</b>
<b>5.3</b>	<b>What is an Entrepreneurial Opportunity?</b>	<b>202</b>
<b>5.4</b>	<b>Is Entrepreneurship about the Opportunity? Four Significant Deficiencies in Entrepreneurship Opportunity Theory</b>	<b>205</b>
<b>5.5</b>	<b>Conclusion</b>	<b>237</b>
<b>CHAPTER 6</b>	<b>WHAT IS ENTREPRENEURSHIP? OPPORTUNITIES AND RESOURCES IN THE VENTURE CREATION PROCESS</b>	<b>242</b>
<b>6.0</b>	<b>Introduction</b>	<b>242</b>
<b>6.1</b>	<b>Entrepreneurship as Entrepreneurship: A Process of Continual Change</b>	<b>246</b>
<b>6.2</b>	<b>The Impact of Opportunity in this Case</b>	<b>254</b>
<b>6.3</b>	<b>Were Opportunities Discovered Created or Identified in this Case</b>	<b>261</b>
<b>6.4</b>	<b>Entrepreneurship as Practice: Identifying Problems and Creating Organisations</b>	<b>265</b>
<b>6.5</b>	<b>Entrepreneurs Create Organisations: How is Equally as Important as Why</b>	<b>273</b>
<b>6.6</b>	<b>Discussion: Homo economicus or homo habilis? How Entrepreneurs Transform Resources into Organisations</b>	<b>277</b>
<b>6.7</b>	<b>That's Handy! Entrepreneurship as 'Entrepreneurship' and Resourcefulness: A Heideggerian Framework</b>	<b>283</b>
<b>6.8</b>	<b>Conclusion</b>	<b>295</b>

<b>CHAPTER 7</b>	<b>CASE DATA (2): WHAT IS ENTREPRENEURSHIP? ENTREPRENEURSHIP AS THE ONGOING PRACTICE OF LIVED EXPERIENCE</b>	<b>299</b>
<b>7.0</b>	<b>Introduction</b>	<b>299</b>
<b>7.1</b>	<b>Emic Narrative (ii) The Existential Nature of Entrepreneurship as Dasein and Ongoing Lived Experience</b>	<b>301</b>
<b>7.2</b>	<b>What is Entrepreneurship?</b>	<b>318</b>
<b>7.3</b>	<b>Entrepreneurship as Stories: Psychodynamic Theories</b>	<b>322</b>
<b>7.4</b>	<b>Entrepreneurial Practice and Existential Habitus</b>	<b>326</b>
<b>7.5</b>	<b>Conclusion</b>	<b>330</b>
<b>CHAPTER 8</b>	<b>CONCLUSION</b>	<b>334</b>
<b>8.0</b>	<b>Introduction</b>	<b>334</b>
<b>8.1</b>	<b>Conclusions to the Research Question 'What is Entrepreneurship?'</b>	<b>335</b>
<b>8.2</b>	<b>Contribution</b>	<b>338</b>
<b>8.3</b>	<b>Developing and Alternative Theoretical Position for Entrepreneurship</b>	<b>339</b>
<b>8.4</b>	<b>Implications for Theory and Practice, Including Some Limitations of this Study</b>	<b>345</b>
<b>8.5</b>	<b>Conclusion</b>	<b>347</b>

## LIST OF FIGURES

<b>FIGURE NUMBER</b>	<b><i>Page</i></b>
<b>3.0 Timeline of 'The Archaeology Company'</b>	87
<b>3.1 Data Collection and Analysis Steps in the Research</b>	93
<b>5.0 The Market and Its Impact on Opportunity</b>	183

## LIST OF TABLES

### TABLE NUMBER

<b>3.0 A Summary of Some Examples of Emic and Etic Perspectives in other Disciplines</b>	78
<b>5.0 Opportunity Theory and Entrepreneurship</b>	215
<b>6.0 Opportunities in the Emic Narratives</b>	258
<b>6.1 Experiencing Problems as A Creative Challenge</b>	268
<b>6.2 Problem Solving and Controlling the Future</b>	269
<b>6.3 Six Transformative Steps that Turn Chaos into Control</b>	275
<b>6.4 Entrepreneurship as Transforming an Imagined Future Into Organisational Reality</b>	290
<b>6.5 The Synthesis between Problems, Resources and Organisation Building</b>	293
<b>8.0 Illustrating the Development of a Practice Driven Theory</b>	343

## LIST OF PLATES

*Page*

### PLATE NUMBER

<b>1</b>	<b>Planning for a Large Company</b>	148
<b>2</b>	<b>Planned Business Structure</b>	148
<b>3</b>	<b>Early Client Contacts (i)</b>	149
<b>4</b>	<b>Early Client Contacts (ii)</b>	149
<b>5</b>	<b>Business Development Report (BDR) (a)</b>	150
<b>6</b>	<b>BDR (b)</b>	150
<b>7</b>	<b>BDR c</b>	151
<b>8</b>	<b>BDR (d)</b>	152
<b>9</b>	<b>BDR (e)</b>	153
<b>10</b>	<b>BDR (f)</b>	154
<b>11</b>	<b>BDR (g)</b>	155
<b>12</b>	<b>BDR (h)</b>	156
<b>13</b>	<b>BDR (i)</b>	157
<b>14</b>	<b>BDR (j)</b>	158
<b>15</b>	<b>BDR (k)</b>	159
<b>16</b>	<b>BDR (l)</b>	160

<b>17</b>	<b>BDR (m)</b>	161
<b>18</b>	<b>BDR (n)</b>	162
<b>19</b>	<b>BDR (o)</b>	163
<b>20</b>	<b>Start Up Costs</b>	164
<b>21</b>	<b>Headed Paper Design (i)</b>	165
<b>22</b>	<b>Headed Paper Design (ii)</b>	165
<b>23</b>	<b>First Brochure Design (i)</b>	166
<b>24</b>	<b>First Brochure Design (ii)</b>	166
<b>25</b>	<b>First Brochure Design (iii)</b>	167
<b>26</b>	<b>Completed Marketing Brochure</b>	167
<b>27</b>	<b>Marketing Brochure (ii)</b>	168
<b>28</b>	<b>Marketing Brochure (iii)</b>	168
<b>29</b>	<b>Assessing the Project Stages that Needed Managing</b>	169
<b>30</b>	<b>Example of the Letter of Confirmation</b>	170
<b>31</b>	<b>Working out the Weekly Project Update</b>	171
<b>32</b>	<b>An Early Weekly Project Update</b>	171
<b>33</b>	<b>Our Tender Bid N9/N10 (contract 5)</b>	172
<b>34</b>	<b>Our Tender Bid N9/N10 (contract 6)</b>	173

## **Chapter One:**

### **Introduction to the Thesis: What is Entrepreneurship?**

#### **1.0 Introduction**

The research question in this thesis asks ‘what is entrepreneurship?’ The thesis explores the question through a phenomenological enquiry into the entrepreneurial practices involved in setting up a rapidly growing firm, ‘The Archaeology Company’. It does this from three perspectives; the ontological, epistemological and empirical. This is both a reflection of the complex nature of entrepreneurship itself (Gartner and Carter 2005), as well as the various levels of meaning that the research question ‘what is entrepreneurship?’ may have. There are six associated research questions that reflect the different perspectives on the meaning of entrepreneurship.

- What is entrepreneurship according to the dominant philosophical positivist paradigm?
- What is the impact of positivism on the methodological approaches adopted by academics when undertaking entrepreneurship research?
- What is entrepreneurship as experienced by the entrepreneur?

- Is entrepreneurship a process that involves the identification, creation or discovery of opportunities?
- How important were the opportunities and resources in the venture creation process of ‘The Archaeology Company?’
- How does past experience get transformed into a resource that is useful for entrepreneurship-as-practice?

I argue that entrepreneurship research needs an alternative to positivism. Positivism has led academic researchers to opportunity theory, which is a flawed and limited theoretical framework for understanding. Opportunity theory has four significant deficiencies that make it unsuitable for researching entrepreneurship either as practice or theory.

These are (i) the uncritical extension of economic views of the firm, (ii) the failure to provide an adequate and coherent definition for opportunities, (iii) ontological inconsistency in attempting to provide alternative perspectives for opportunity and (iv) a lack of evidence. I argue that an alternative practice theory of entrepreneurship should not have opportunity as its unit of analysis, but rather it should focus on entrepreneurial action, as proposed by Foss and Klein (2010).

This thesis argues that for the practice of ‘entrepreneuring’ (Johanisson 2011; Steyaert 2007; Chell 2000; MacMillan 1986), the entrepreneurial opportunity is of little relevance. What is relevant in practice is the entrepreneurial process of driving and managing continual change (Van de Ven 1992), learning and developing expertise from crisis (Karataş-Özkan and Chell 2010), and organising

as a way of transforming a lack of control into controlling the future of the organisation (Sarasvathy 2008).

This chapter is structured into six sections. Firstly, I describe the research context of the thesis and explain the case study – ‘The Archaeology Company’. The second section explains the research methodology and how it relates to the overall research question as well as the philosophical positioning. Section three further explains the development of the research questions as they evolved during the research process. The fourth section provides an introduction to the four contributions of the research as they each relate to the research question ‘what is entrepreneurship?’ Section five explains the structure of the thesis and provides a short guide to how each chapter relates to the overall research question, as well as the additional questions addressed in order to do that.

## **1.1 The Research Context**

The research context is a study of entrepreneurship within a rapidly growing professional services company that I set up and ran for over seven years – ‘The Archaeology Company’. This company began as a kitchen table enterprise that experienced significant growth very quickly. The company was incorporated as a limited liability company at the end of February 2003. There were four directors originally and I was the managing director. Each of the directors invested €1500 each to cover the start-up costs of the company. This money was spent printing up 3000 A4 colour brochures to begin a marketing campaign, as well as, a laptop, headed paper and business cards.

Two of the other directors were not going to leave their permanent jobs until the company had reached a stage where it could replace their salaries. The company turnover reached that level in the summer of 2003. Within a couple of months of setting up, I had my first employee primarily to assist with my marketing campaign. Within six months of incorporation, 'The Archaeology Company' had increased to 14 permanent staff members, and in August of that year we were awarded a contract worth over €300,000. This contract involved the excavation of a series of archaeological sites in advance of the development of a new town in north county Dublin.

The result of this was that as well as my permanent staff, by the end of the first year I also was employing eight additional subcontractors. Our yearly turnover reached €1million (net) within five years and almost €2million within seven years. This was partially as a result of my kitchen table marketing campaign but also because we became very successful at tendering for large scale government infrastructure projects.

## **1.2 The Research Methodology**

The methodological approach examines the question, 'what is entrepreneurship?' from the emic perspective of the entrepreneur, as well as, the etic perspective of academic research. The methodological contribution of the thesis is the development of a subjectivist and existential phenomenological method using an emic perspective. The existential phenomenological approach taken here captures

‘the life-world understanding of the respondent describing the entrepreneurial experience as lived, rather than conceptually’ (Thompson et al 1989, p.139-140).

An etic perspective on entrepreneurship is provided by the outside view represented by the academic field of research. In the case study, the data for the emic perspective is provided by the experiences I had when I set up and ran my organisation, ‘The Archaeology Company’. During this time I kept notes, journals and diaries that recorded this process in detail as it developed and unfolded. These records presented me as researcher with an unusual level of access to entrepreneurship as process. I used these records as data to provide three emic narrative accounts of this process, each account developing with the research questions I describe in section 1.3.

Narrative methods of researching the entrepreneurial process are not well developed (Van de Ven and Engleman 2004). A small number of researchers (i.e. Mumby-Croft and Brown 2006) have adopted emic perspectives to examine different elements of the entrepreneurial process. However, it has been noted that this type of longitudinal case based data is presented and constructed in retrospect (Van de Ven and Engleman 2004). In this thesis the presentation of the emic description of the process as it occurred, makes a contribution by being ‘truly’ longitudinal (ibid.).

Finally, in entrepreneurship research, there have been very few ‘empirical studies that have explored the activities of individuals while they are in the process of starting a new business’ (Gartner and Carter 2005), and the data from my case data

makes a contribution towards that gap in empirical studies. This was achieved because the thesis methodology incorporates the novelty of the researcher also being the subject of research.

### **1.3 The Development of the Research Question**

The research question developed and changed over the course of my research as the result of my data collection method. This directly impacted on the emic accounts because consequently I produced three different accounts of the same venture creation process. The initial research question was ‘what were the factors that led to the rapid growth of ‘The Archaeology Company?’ Therefore the first account entitled *emic (i)* focussed on the growth of the company and described the growth in sales, staff, new projects, turnover, and wages and so on. This account was unsatisfactory in terms of fully describing the process, because it only grasped one aspect. I then wrote a second account entitled *emic (ii)* which examined the implicit and existential meaning that entrepreneurship had for me while creating and running my business.

Still dissatisfied with my accounts, I concluded that the answer to ‘why’ my organisation had experienced growth was to be found in ‘how’ I had set it up and ran it. *Emic (iii)* therefore examined the question, ‘how did ‘The Archaeology Company’ become a rapidly growing firm?’

The emphasis on the growth of the firm meant that the initial literature review I undertook was focused on the growth literature, and I concluded that the success of the company could not be examined within this theoretical framework. I

conducted another review, this time focussing on the entrepreneurship literature, which is dominated by opportunity theory. The research question then developed once more and I asked, ‘how important was entrepreneurial opportunity in the case of ‘The Archaeology Company’. I answered this question by reviewing specifically the literature on opportunity theory. The conclusion that I reached was that opportunity bears little relationship with what entrepreneurs do in practice, and this led me to ask my final question which is the focus of this research – ‘what is entrepreneurship?’ I have answered this in several ways over the course of the thesis.

#### **1.4 The Contributions of the Thesis**

This thesis explores entrepreneurship as the process of practice that also forms ongoing lived-experience. The case data presented here is a close-up emic insight into the lived-experience of the entrepreneur (Brundin 2007). This is then compared to the etic perspective of what entrepreneurship is considered to be by researchers.

The emic case data demonstrates that entrepreneurship is a complex process of practice driven activities that do not include opportunity discovery, creation, or identification. This is a contribution to the literature as it contrasts with the dominant theory, ‘opportunity theory’. Using my case data I will propose a practice theory of ‘entrepreneuring’ from the case data (Johanisson 2011; Steyaert, 2007; Chell 2000; MacMillan 1986), as an alternative perspective to opportunity theory.

I make a second contribution to entrepreneurship research by examining the literature on opportunity theory, and arguing that it is a flawed construct. I will examine the deficiencies that I outlined in the introduction section of this chapter. In addition, I will critique opportunity theory in terms of its usefulness to the ‘real world’ of entrepreneurship arguing that it is of little use to practitioners in the venture creation process.

The case data presented in the emic narratives provides a third contribution from this research. Few empirical studies describe a first-person’s account of the processes and meaning of setting up and running a rapidly growing organisation in such an in-depth manner as is presented here.

The fourth contribution is the development of a subjectivist phenomenological methodology that captures the entrepreneur’s life world experiences by advocating the use of both the emic and etic perspectives found here. The methodological approach has incorporated a Heideggerian philosophy (1926/1962). This approach demonstrates how entrepreneurs can be studied with an alternative methodology with the potential to provide insight from the perspective of entrepreneur as to how they practically build the structure of their organisations.

## **1.5 The Structure of the thesis**

The thesis is structured to explore the question, ‘what is entrepreneurship?’ from a different perspective relating to the purpose of each chapter. This means that each chapter then has several additional questions that it sets out to answer in relation to the main research question.

Chapter 2 provides the philosophical underpinning of the research question and provides the introduction to and rationale for my philosophical approach, Heideggerian phenomenology. It examines ‘what is entrepreneurship?’ by exploring what the dominant philosophical context of entrepreneurship is including considering if entrepreneurship needs an alternative to positivism. It also looks at how positivism has contributed to entrepreneurship research, as well as arguing that positivism may be resulting in some researchers asking the wrong questions.

Chapter 3 is the methodology chapter. This will develop the philosophy and ontology explored during Chapter 2 into a methodology. This has been described here in section 1.2.

Chapter 4 will examine the research question, by presenting the first person account *emic (iii)* which describes the process of setting up and running ‘The Archaeology Company’ from the perspective of the entrepreneur. This emic account therefore describes ‘what entrepreneurship is’ from a lived-experience subjectivist perspective.

Chapter 5 is the literature review, and examines the research question ‘what is entrepreneurship’ by reviewing the entrepreneurship literature and in particular the constant focus on opportunity. The chapter does this by looking at some questions that relate to the main research question. These questions firstly examine the impact of economics on the development of opportunity theory as the dominant paradigm in entrepreneurship research. Then the chapter looks at what an

opportunity 'is', including looking at whether entrepreneurs discover or create opportunities. This chapter asks if opportunities are an objective or subjective construct and also considers what researchers are setting out to achieve through opportunity theory. This chapter finally will explain and outline the possible deficiencies that the theory may have in both research and practice.

Chapter 6 analyses the emic data in the context of the etic perspective of entrepreneurship. It will extend the general research question by suggesting that entrepreneurship is the process of constructing an organisation. Therefore it will ask, 'how do entrepreneurs construct organisations?' by examining if in this case 'The Archaeology Company was a matter of selecting a 'good opportunity'. It will suggest a Heideggerian framework (1926/1962) to describe the transformation of 'present at hand' entrepreneurial resources into the 'ready-to-hand' tools required by the entrepreneur during the venture creation process.

Chapter 7 provides a discussion chapter that presents emic data from *emic (ii)*. This explores the question 'what is entrepreneurship?' by describing how it is an ongoing, existential and complex process that is experienced in many ways by the entrepreneur. Certain life history events are recalled which form the unique biography of each entrepreneur, which in turn can be transformed into resources that are useful to entrepreneurship-as-practice.

Chapter 8 is the conclusion and reflects upon the findings and implications of this research for both theory and practitioners. It discusses the key strengths of the

study, as well as some of the weaknesses. Finally, it gives an overview and suggestion as to how this study can facilitate future research.

## **1.6 Conclusion**

This chapter has explained the research questions contained within the thesis. It has also described the research context of the study, which was my experience of setting up and running my own organisation – ‘The Archaeology Company’. It has explained the research methodology as subjectivist phenomenology that follows a Heideggerian phenomenology.

This chapter has also described the developments of the principal research question, as well as, explaining the contributions that this thesis is making while it explores them. I have also outlined and explained the chapter structure of the thesis and how this then relates to the research questions.

## **Chapter Two:**

### **The Philosophical Context of Entrepreneurship and the Possibility of Phenomenology**

#### **2.0 Introduction**

This thesis is an exploration and investigation into ‘the nature of a certain experience or phenomenon’ (Van Manen 1997, p.63). The experience explored here is the phenomenon of entrepreneurship as it relates to the processes and construction of a new firm ‘The Archaeology Company’. The philosophical foundation of my research is phenomenological, developed from the existential tradition of Heidegger (1926/1962). This chapter examines phenomenology as the philosophical underpinning of the thesis relating to my research question ‘what is entrepreneurship?’

It begins to address the associated question, ‘what is the dominant philosophical underpinning of entrepreneurship?’ Therefore this chapter also addresses the problematic dominance of economic functionalism as developed from positivism; and makes a contribution by developing the possibility of Heideggerian

phenomenology for exploring a subjectivist entrepreneurship as both the process and practice of lived-experience.

I will argue that phenomenology is a suitable vehicle to explore entrepreneurship both philosophically and methodologically. Phenomenology may provide the possibility of researchers gaining a better understanding of what entrepreneurship is in practice. A phenomenological enquiry may also facilitate a clearer understanding as to how entrepreneurship may have been constructed by the dominant theory, 'entrepreneurial opportunity'. A phenomenological investigation allows for the possibility that there may be different perspectives for exploring 'what is entrepreneurship?' depending on the ontological positioning of either the person asking the question – or the individual who practices the activity. Phenomenology necessitates the inclusion of the practitioner perspective, as well as, providing the potential for a clear critique of the dominant positivist perspective.

Furthermore, this thesis will not only demonstrate why including the practitioner perspective in theory can be useful, but also why it is so important for research to have an alternative to the dominant view. This chapter, however, is primarily concerned with three things; (1) explaining the overall philosophical context of the thesis, (2) how this philosophical context relates to the philosophy of positivism in general, as well as in entrepreneurship research, and (3) this chapter is concerned with explaining how the philosophical approach relates to my overall research question.

The chapter has been structured into five sections in order to address the three points previously outlined. The first section deals with positivism, by exploring the historic foundations of positivism and the general philosophical predicaments positivism brings to social research. I will also discuss positivism and ontology, as well as, positivism and entrepreneurship. I will ask the question, ‘does entrepreneurship *need* an alternative to the positivism?’ I will explain that the answer to this question must be ‘yes’ and this section will explain why. The second section of the chapter introduces the philosophical foundation of this thesis and my proposed alternative to the positivist orthodoxy, phenomenology. The section does this by firstly suggesting the importance of philosophy to practice, and explaining the origins and definition of phenomenological thought.

The third section of the chapter examines Husserl’s (1859-1938) phenomenology. In particular the section will examine how Husserl related his phenomenology with some of the ideas that Descartes (1596-1650) had with respect to the dualism between mind and body. The fourth section of the chapter provides an explanation of the phenomenology developed by Heidegger (1889-1976). This section explains the relationship he developed between existentialism, phenomenology, and *Dasein* or *Being*. The latter part of the discussion of existential phenomenology then examines some of Heidegger’s ideas regarding Being and ‘things’; specifically as he describes them as either ready-to-hand or present-at-hand (1926/1962). These ideas are central to the analysis in Chapter 6.

This section also contains a discussion that will link Heidegger’s theory of *Dasein* and the experience of being, as encountered in a socially constructed reality. This

section presents the argument that our existence within a socially constructed world is dependent on our interpretation of the reality of this world. This interpretation depends on *Dasein*; which in turn always needs to be existential. That is, our interpretation of our reality must be one located in historicity and experience, as this is what constructs our consciousness. Finally, the fifth section (2.6) presents my conclusions and briefly explains how my philosophical position is further developed throughout the rest of the thesis.

## **2.1 Positivism: Problems in General, Historic Foundations and Impact**

A criticism that I would have of positivist-influenced research into entrepreneurship is that as an activity, entrepreneurship is far too complex, multi-layered and difficult to be explained by such a one-dimensional and limiting philosophy. Positivism only allows for phenomena to be researched within well-defined limits of what it is we are allowed to think or talk about (Macquarrie 1972). Many positivist researchers in entrepreneurship are seemingly unaware of the predicament that these unrecognised limitations have placed their discipline in.

The limits of what we are allowed to think or talk about in entrepreneurship research appears to be substantially defined by the limits of economic functionalism. A problem arises because entrepreneurial activity is not primarily functional; entrepreneurs are not a natural species, they are not born to establish companies – rather they are made through the activity of doing. The concept of social identities (i.e Ahl 2006), and entrepreneurs, including their personalities being socially constructed (Chell 2008) rather than biological or ‘natural’ is hardly

a new one. However, many researchers have been misled into believing that entrepreneurs are in some way *ex ante* a special sort of species. As such researchers assume that it is possible to assimilate a series of ‘facts’ about entrepreneurs, leading them to believe that they then understand entrepreneurs as both ‘species’ and functional economic entity. Unfortunately, much of the research in this way appears to have taken the role of the entrepreneur as critical in the functioning of the markets, and worked back from that for theory development. Positivism appears to only allow and encourage researchers to think and talk in those terms.

One of the indicators of positivist approaches is the apparent dichotomy in the literature between entrepreneurs and non-entrepreneurs, (i.e. De Martino et al 2006) and the subsequent reasons for this ‘real’ distinction and difference (i.e cognitive biases such as high achievement orientation (ibid.)). Also, why are some entrepreneurs successful and others are not (Baron 1998) etc. The distinction appears to largely hinge among other things, on opportunity recognition abilities, which can be attributed to either genetics (i.e Zhang et al 2009; Nicolaou et al 2009), or the intrinsic characteristic of alertness (i.e Koppl and Minniti 2005) the absence of which, at times I argue appears to be presented as a flaw.

There seems to be a fundamental attraction for researchers to this type of dualism, looking for the difference between individuals, because of course to do so rather simplifies the subsequent process of *prediction*. This is rather than taking the time to understand entrepreneurship as the possible development and transformation *from this into that*.

It is possible that the distinction between entrepreneurs and non-entrepreneurs lies simply in the practice of one as opposed to the non-practice of another. However, positivism doesn't really allow for the subjective interpretation of practice to further understand what it is that people do. Entrepreneurship is about 'doing' and about practice, and for this reason alone I argue that entrepreneurship research does need an alternative to positivism, regardless of all the other general failings and deficiencies that positivist research may have.

The dominance of positivism in the discipline means that consequently the only researchers critiquing a positivist approach generally are non-positivists, and therefore unlikely to change anybody's mind in the positivist camp. Benton and Craib (2001) comment that positivism is often associated with derogatory comments when characterising approaches to social science. Shanks and Tilley (1992) note that there are few philosophers that are prepared to label their work 'positivist' because 'positivism is now more or less a term of abuse rather than a living philosophical position' (ibid. p.34). This may be partially true, but also possibly because positivists themselves don't *need* to reflect upon their own approaches. Unfortunately this results in positivist enquiry being unaware of the constraining limits of its own knowledge.

### *2.1.1 Historical Foundations of Positivism*

Positivism in social science has emerged from a basic idea of 'social facts as things or externally constraining realities that require to be studied objectively from the outside' (Delanty and Strydom 2003, p.18). Hume (1711-76) is

considered by some as the founder of positivism, (albeit a rather sceptical one). This is because during his *Treatise of Human Nature* he attempted to deal with human understanding, passions and morals as a natural science. This was a form of Newtonian naturalism which presented a philosophy which ‘began from a natural science of the human mind, being the results of observations which could be confirmed by his readers through direct introspection’ (Scruton 1995, p.117). In this way he held that human nature was governed by immutable and universal laws (ibid.). Russell (1945/1961) describes Hume’s philosophy as representing the bankruptcy of eighteenth-century reasonableness because while he ‘starts out like Locke, with the intention of being sensible and empirical...[yet] arrives at the disastrous conclusion that from experience and observation nothing is to be learnt’ (ibid. p. 645).

It was August Comte (1798-1857) that first used the phrase ‘positive philosophy’ (Benton and Craib 2001), and in so doing is also considered to be a founder of positivism. He claimed that he had discovered the ultimate fundamental law of knowledge, and that this law passes through three theoretical states; ‘the theological or fictitious state, the metaphysical or abstract state and the scientific or positive state’ (Callinicos 2007, p.65). Comte also invented the term ‘sociology’ and considered it to be a science of social physics; ‘deeply influenced by the formation of modern biology in the early years of the nineteenth century’ (ibid. p66). He shared the Humean desire to seek legitimacy for social science by mimicking natural science.

Hence, the foundations of positivism lie in the idea that ‘modern sciences constitute the only valid form of human knowledge’ (ibid. 65). A fundamental problem with this is that unlike gravity (physics) or plants (biology), human beings have consciousness. Humans have some ability to think and to make things happen through their conscious agency, as opposed to phenomena naturally happening to them and them responding in an automatic way. Unlike the natural sciences the objects of study in the social sciences also have the accumulated knowledge of their own human experiences; this is through consciousness.

### *2.1.2 Positivism and Ontology*

In the overall thesis it will become clear that the impact of positivism affects three different areas in entrepreneurship research (i) ontology, (ii) epistemology and (iii) methodology. The majority of research into entrepreneurship has been impacted by positivism in each of those distinct but related areas. I will explain why my research is different in that respect and why it needs to be so. This section of the chapter, will primarily deal with the question of what positivist ontology ‘feels’ like, and why a concept of it is critically important when considering how it has impacted on entrepreneurship research. The epistemological consequences of positivism will be addressed as part of the literature review during Chapter 5, and the methodological consequences of positivism will be addressed during Chapter 3.

Knowledge and truth from an empiricist or positivist perspective looks to establish social science knowledge in the same way as natural scientists by establishing

physical or natural laws (Chell 2008). Ontology addresses the question of what exists. For a positivist what exists are objective facts and universal or natural laws about social phenomenon. Lawson (2004) describes ontology as a word that has two meanings, what exists and what it is to be or to exist. Therefore 'ontology amounts to the study of anything and everything; for everything is part of being. But ontology is only the study of anything under the aspect of its being, of what is involved in its existing' (ibid. p.2).

In a positivist sense facts are what exist because they are objectively real. What is it to be factual, or what makes something factual? What exists is known to be factual because facts are value free, and can be objectively separated and known through empirical testing. What exists is objective and observable (Grbich 2004). Understanding what exists by proving the universal laws that constitute a particular phenomenon results in positivism being the superior ontology of unification and, it believes superior knowledge.

The dualistic nature of objective versus subjective is a critically important concept for positivist enquiry. It is this dualism between what exists and what is experienced that allows for the discovery of a 'proper' or positivist science. 'Proper' science is necessarily both impersonal and objective. The origins of this dualism can be traced to Descartes (1596-1650), who is considered to be the founder of rationalism (Scruton 1996). Interestingly, Descartes was a direct predecessor of Newton, and is considered to have anticipated many of Newton's thoughts, as well as being an expert in physics and considered a 'genuine mathematical genius' (ibid. p.28). For Descartes there is a dualism or distinction

between the body and the mind, and this distinction can be understood by ‘using mathematical reasoning to open the book of nature’ (Callinicos 2007, p.19).

There are several problems with positivism and the dominance of ‘mathematical reasoning’ to inform our understanding of human activity. Mathematical reasoning or quantitative research has a role to play in the natural sciences (albeit not an exclusive role). However, mathematical reasoning can only provide very limited explanation within the human sciences. For example, Collier (2003) suggests that with mathematical reasoning, quantification is used and this can mean that ‘crucial qualitative distinctions are being ignored’ (p. 71). The illustrative example he uses below is powerfully persuasive;

‘as a result of ‘reforms’ imposed by international financial institutions, the Ghanaian economy has increased the amount of money it acquires to pay these same bankers with. That is a hard quantitative fact, which hides the soft qualitative fact that this is done by producing timber instead of food, which causes local people to starve, forest peoples to be evicted from their homes and rainforest to be cut down with disastrous effects on the environment. It is because the forest and its people are seen as a stockpile, a means of producing monetary and therefore quantifiable revenue for these bankers, that the calculations that show this inhuman outcome to be ‘economically rational’ can be made’

(ibid. p.71).

Collier's example (2003) is persuasive because it illustrates how the mathematicisation of society, can be used as an ideological tool to justify economic exploitation. Also quantification of human activity may also serve as a way of presenting a certain type of atomistic reality where the assumption of economic rationality dominates. I will return to the dangers of the assumption of economic rationality further on in the thesis during Chapter 5. This example from Collier demonstrates the road down which positivism has led us with its separation of the subjective from the objective that discards the former and privileges the latter.

The process of transforming human activity into a universal, measurable natural science is an ongoing and powerful process of objective and, I would suggest, somewhat *careless* dehumanisation. Positivism is the enabler of this dehumanisation. Simply put, the pursuit of objectivity is an excuse to remove all the requirements of caring – ontologically it's simply irrelevant because what is required of positivism is indifference. Positivist researchers in entrepreneurship demonstrate the tendency to project these implicit values onto their object of study 'the entrepreneur'.

### *2.1.3 Positivism and Entrepreneurship*

This section will serve as a general overview of some of the criticisms other researchers have developed with respect to positivism, as well as an explanation of some of my own. These themes are more fully developed during Chapter 3 when I discuss the impact of positivism on entrepreneurship methodology. During

Chapter 5, the literature review, I will also be discussing in more depth the impact and consequences of positivism in entrepreneurship as it relates to theoretical development in the field. The purpose of this chapter however, is to provide sufficient introduction and rationale for my suggested philosophical alternative to positivism; Heideggerian (1926/1962) phenomenology.

Researchers have argued that positivist modes of enquiry in entrepreneurship have resulted in the researcher viewing the ‘entrepreneur’s world as something that can be judged from outside using ‘hard’ concepts’ (Perren and Ram 2004, p. 91). Furthermore, there is an assumption that entrepreneurial activity is a nexus whereby ‘entrepreneurs respond to objective information about opportunities that varies over time and place’ (Shane 2003, p.42). Firstly, there not only *exists* objective information, but it is the role of the researcher to also be objective while gathering it. Casson (2010) explains this by arguing that ‘the evidence used in social science is difficult to replicate because it cannot be collected under fully controlled conditions. It therefore lacks the objectivity that would convince a sceptic...lack of objectivity allows people to remain attached to beliefs which explain their own experience but not the experience of others’ (ibid. p. 206).

This is an interesting statement in several ways. Firstly, it assumes the necessity of objectivity for *all* researchers. This would not always be the case as, even though the majority of researchers are implicitly positivist, not all of them are. Furthermore, the assumption that fully controlled conditions are in some way the most desirable state to research human activity, is a direct imposition of natural science assumptions. Finally, it assumes also that explaining the experience of

others can be objective, even when the explanation is presumably an interpretation offered by another human being.

The idea of controlled conditions gives rise to two things in entrepreneurship. Firstly, methodologically this means the dominance of large data sets and statistical methods that are dependent on quantitative measurement, (Grbich 2004) and secondly, these are used to establish general laws. General laws 'serve as the basis for deductive explanation and predictions' (Herda 1999, p.18), which can only really be achieved by the positivist looking at large amounts of empirical data that they can analyse statistically to detect underlying regularities (Weber 2004). Underpinning the detection of regularities and laws is the need for prediction. An example of this in entrepreneurship is 'who will become an entrepreneur and who will not'? Or 'who will identify an opportunity and who will not'? Not only can entrepreneurship be understood in this way, it *must* be understood in this way, because explaining these differences is the only legitimate way to accumulate scientific knowledge about entrepreneurship, under the positivist rubric.

The negative impact of this on entrepreneurship research is complex, yet also quite clear. For example, Segal (2004) suggests that in the 'wake of corporate scandals such as Enron, the question of ethics is becoming more central in business. Yet the language of business is traditionally one in which concepts of ethics have no value. For the language of ethics is a qualitative language while that of business is quantitative' (ibid. p.41). So, is entrepreneurship research unethical because of the dominant use of quantitative research? Or is the lack of ethics a trade-off for more successful entrepreneurship and much better entrepreneurs? Simply put, has the

dominance of positivism in entrepreneurship research contributed to a clear understanding of the field? Has it contributed in practice to either a more ethical entrepreneurship *or* more successful entrepreneurship? The answers to both these questions is probably no. It has been argued that most practitioners do not pay attention to academic studies (Tapp 2005) and in many instances they probably have very good reason.

This is because entrepreneurship research appears to be far more concerned with establishing itself as a science than it is in developing applied theories that can actually be used by practitioners such as entrepreneurs. Positivism has resulted in the academic field being almost entirely divorced from any sort of lived-reality of entrepreneurship. I will return to this in more detail later in the thesis during the analysis in Chapter 6. Furthermore, the impact of positivism has not yet been proven to facilitate more successful entrepreneurship either. This is important – positivism in entrepreneurship research does not appear to be providing a particularly good result for entrepreneurs. One only needs to consider that ‘both organizational studies and entrepreneurship textbooks frequently cite new venture failure statistics that suggest over half of all new ventures will fail within their first four years of existence’ (Nagy and Lohrke 2010, p. 185). Why is this the case if positivism has all the answers? Maybe it is the case that setting up and running a business is very difficult, and positivism fails to capture this complexity in research.

Positivism appears furthermore to compel entrepreneurship researchers to ask the wrong questions described by Tapp (2005) as ‘distorting’ research (in this case

marketing but the principals remain the same). Tapp explains that as ‘time passes and more and more of this type of research is published we seem to be falling into a collective stupor, questioning the fiddly details but forgetting to question the fundamentals: what do these results contribute?’ (ibid. p.8). I argue in the thesis literature review chapter, Chapter 5 that the contribution of positivism appears to be contributing to methodological confusion. Furthermore, it has also produced an epistemological framework that is ontologically flawed and contradictory. The influence of positivism has in almost every aspect provided a very bad theoretical foundation for entrepreneurship research, and this I will argue is because researchers are not questioning it at the most fundamental level.

## **2.2 The Importance of Philosophy in Practice: Phenomenology**

As a practicing entrepreneur it is inconceivable for me to separate myself away from the experience, and adopt a positivist approach in order to explore the lived - experience of entrepreneurship. Furthermore, I regard my activities as more than the economic function they produced, and I exist as something more than a singularly economically rational being. My world-view is rather more complex, socially constructed and compared to the dominant academic view, possibly rather more radical. Interpretivists ‘view reality as subjective and are interested in the world through the eyes of individuals’ (Jennings et al 2005, p.146-7). As a researcher I have explored the world of entrepreneurship through the ‘etic’ perspective (Pike 1967) of other academics, and I have found this world-view to be somewhat inadequate to apply in practice. I will explain etic and emic perspectives further during Chapter 3. As a practitioner, I will use my experience

of setting up and running a rapidly growing organisation to provide a different perspective, and by this I mean a radically different perspective, as opposed to an alternative perspective that only serves to extend the same positivist paradigm.

This thesis is phenomenological, and this section will now present my philosophical basis for a genuinely different ontological perspective on entrepreneurship. It will do this by providing a discussion of the phenomenology of Husserl (1954/1970) and Heidegger (1926/1962), two of the most influential phenomenological thinkers and philosophers of the last century. I will explain the ontological divide between the two philosophers by way of describing how ontology subsequently impacts methodology. Finally, I will discuss this in the context of the link between social constructionist ways of viewing the way in which reality and that knowledge about how reality is formed.

### *2.2.1 Phenomenology: Origins and Definition*

Originally from the Greek word ‘phenomenon’, phenomenology generally means ‘to show itself, to put into light or to manifest something that can be visible in itself’ (Ray 1994, p. 118). Phenomenology as both philosophy and methodology was developed towards the latter part of the last century, proving to be one of the most influential philosophies of our time (Kearney 1994). There were two significant ‘philosophical concerns prominent towards the end of the nineteenth century’ (Blattner 2008, p. 24). These arose from a general methodological crisis in philosophy both as an academic discipline and the meaning of knowledge itself. This was a concern with both the psychological state of ‘thinking, as well as the

object also 'being thought about' (ibid.). More recently phenomenology has been 'the subject of intense interest by qualitative researchers searching for philosophical principles that can underpin their practice...such as meaning versus measurement...and the understanding of lived-experience have...been addressed by the qualitative researchers influenced by this tradition' (Todres and Wheeler 2001, p. 2).

Generally speaking it is the wide ranging nature of human experience that is at the core of the philosophy because it seeks to understand how individuals construct meaning with a key concept of intersubjectivity (Wilson 2003, p.447). Rather than being concerned with the minds of those that construct particular meanings phenomenology studies the meaning of the phenomenon itself (Blattner 2008). However, the methodological approach researchers take to achieve this exploration of meanings differs from a Husserlian epistemological perspective than a Heideggerian ontological one which Wilson (2003) has argued is essentially the opposite view.

### **2.3 Husserl and Phenomenology (1859-1938)**

Edmund Husserl was both a philosopher and a mathematician who sought to provide an intellectual foundation for human knowledge (Todres and Wheeler 2001). He is considered to be the prime mover of phenomenological philosophy (Benton and Craib 2001), devoting his time and attention in particular to psychology and arguing against the dehumanisation of mental patients (Wertz 2005). Husserl classified his phenomenology as transcendental, and 'sought to

establish a scientific philosophy of phenomena; a science of the cognition of essences rather than of matters of fact' (Annells 1996, p. 706). He attempted to link human consciousness to the external world using his theory of intentionality to challenge the Cartesian dualism of mind and body. In this way Husserl's phenomenology (1954/1970) is considered to have 'operated largely at the level of epistemology, that is, of an enquiry into the origin of knowledge' (Kearney 1994, p. 30).

This is quite different from Heidegger's phenomenology (1926/1962) which, as I will explain further on throughout the following section operated at an ontological level. That is, Heidegger operated primarily on the level of the exploration of Dasein or Being-there rather than knowledge. Husserl's challenge to Descartes was that he considered that the mind and body were linked through a conscious process that facilitated subjective interaction with the external world. For Husserl, it was all about conscious perception, and he argued that 'the relation between perception and its objects is not passive. Rather, human experience actively constitutes objects of experience because 'Consciousness is always conscious of something' (Holstein and Gubrium 2005, p.484). For Husserl, access to that external world was the discovery of that 'something' through the process of the phenomenological reduction. This process involved a psychological exercise whereby all prior beliefs about any phenomenon were actively suspended and bracketed prior to the investigation.

Through bracketing, everyday thought about a phenomenon was discarded in order to achieve *a priori* knowledge (Cohen and Omery 1994). Central to

Husserl's ontological position were his ideas about *noesis* and *noema*, which can give the researcher a clear indication of what he intended the purpose of his phenomenology to be. This is explained by Thompson (2008) when stating that 'Noesis refers to any acts of consciousness which remain after the reduction of the world to the sphere of the subjects' experience. Noema refers to the intentional object of such an act, that is, to the 'something' which the subject perceives, imagines, considers etc., irrespective of whether that something actually exists' (ibid. p.28-29). This means that *noema* is the essence of an object appearing to us; that object is 'out there' and the *noesis* is the subsequent meaning that we then subsequently attach to that object (Ardley 2005).

Husserl developed the idea of being always intentionally aware of 'something', even if this only exists in the imagination or the memory. Kearney (1994) describes Husserl's three modes of intentionality; perception, imagination and signification by using the analogy of a tree. If a tree is 'there' we perceive the tree as a literal presence, but to imagine a tree is to create an unreal presence and this imagined tree may never have existed in reality. But according to Kearney, Husserl also considered that 'without the imaginative ability to recall our past experiences of trees...it would be impossible to recognise this shape as a tree in the first place' (Kearney 1994, p. 25). How is it possible then to even perceive of something only *in essence* that has neither been experienced or has existed?

Husserl's ideas about the different modes of intentionality and how they relate to perception were developed further by the French philosopher Merleau-Ponty (1908-1961) in his most important work '*Phénoménologie de la perception*'.

(1945/1962) Merleau-Ponty particularly developed concepts relating to the phenomenology of the body as it related to the mind in contrast to Cartesian mind/body dualism. In particular, in his work he saw the experience of amputees, and the existence of their phantom limbs. He observed the reality of amputated limbs continuing to exist for the individuals whom had lost them physically. He states that ‘failing any physiological explanation, must we provide a psychological explanation for it? But no psychological explanation can overlook the fact that the severance of the nerves to the brain abolishes the phantom limb’ (ibid. p.88).

But, for the patients the limb was experienced as still existing and this led him to conclude that the ‘union of soul and body is not an amalgamation between two mutually external terms, subject and object, brought about by arbitrary decree. It is enacted at every instant in the movement of existence’ (ibid. p.102). Merleau-Ponty didn’t consider that Husserl was in fact separating essence from existence, and struggled with bracketing consciousness and continued to return to the problem of the phenomenological reduction. Merleau-Ponty can be considered as endorsing the reduction as being at the heart of phenomenology, but yet he also rejected it when he admitted that the reduction was actually impossible (Smith 2005).

To Husserl it was a matter of science to be able to access the objective reality of a phenomenon, as subjectively experienced. To do so would be a scientific observation of a phenomenon’s true form. A subjective and intentional, yet *objective* form of experience had the possibility of forming the basis for a universally scientific knowledge about reality. Phenomenology in this way

represents for Husserl ‘a science of science, it criticises the pseudo-scientific pretensions of naturalism for ignoring the fundamentally intentional nature of the ‘experience’ it purports to invoke as a principal of empirical verification’ (Kearney 1994, p.22).

### 2.3.1 *Transcendentalism and the Epoché: Husserl’s Epistemology and Methodology*

Transcendentalism is the attempt to investigate what constitutes *a priori* knowledge independent of the human experience of that knowledge. A fundamental part of Husserl’s phenomenology was the proposition of the *epoché* (bracketing) as the methodology for acquiring transcendental knowledge.

Husserl was still quite critical in later years of Descartes and the somewhat extremist dualistic stance that Descartes suggested between mind and body. This can be demonstrated by Husserl’s position on intentionality when he argues that we cannot experience *Dasein* without either intention or consciousness of it. He argues that Descartes required the ‘parallelization of mens and corpus’ (Husserl 1954/1970, p.221).

Nevertheless, although Husserl had these criticisms of Descartes epistemologically, they had a similar approach, and they were possibly ontologically compatible epistemological differences notwithstanding. Husserl considered that his development of transcendentalism originated in the Cartesian ‘Meditations’ and he also admired Descartes enormously, considering Descartes to be ‘the founding genius of all modern philosophy’ (ibid. p.73).

Discovering the transcendental understanding of an essence, Husserl believed could be achieved by a return to the thing itself. This was a suspension of the natural attitude or the *epoché*, in order to gain objective access. In effect, a process of bracketing out any prior scientific knowledge, in order to, ‘via the eidetic method, arrive at *a priori* and essential knowledge’ (Smith 2005, p.565). Husserl explains that the *epoché* facilitates ‘the phenomenological reduction as a reorientation of the natural mundane attitude’ (Husserl 1954/1970, p. 258), in order to achieve a true science of knowledge (Kearney 1994).

In a typically reflexive and thoughtful manner, towards the end of his final ‘crisis’ book, Husserl clearly became disillusioned with his quest to turn philosophy into a natural science. He says that ‘the conviction has certainly become dominant that philosophy is a task for man as struggling for his existence [*existenz*]’ (Husserl 1954/1970, p.389). He was concerned that the turn towards existentialism would result in the decline of philosophy, and even began to question for himself the possibility of the reduction. The ontological impossibility of bracketing ‘Being’ is what I shall now explain in further depth with a discussion of Heidegger’s existential phenomenology.

#### **2.4 Heidegger (1889-1976)**

Unfortunately, Heidegger’s philosophical achievements have been overshadowed by what many would consider to be his deep personal failings. His political affiliations with the Nazi Party, of which he became a member in 1933, were accompanied by his famous refusal to apologise for his conduct as a Nazi, or to

discuss the Holocaust. This has become known as ‘Heidegger’s Silence’ (Watts 2001, p. 8). This aspect of Heidegger is not something I will explore in any depth here, as to do so will not add anything to the substance of my thesis. Nevertheless, I believe it deserves mention as I find myself questioning how I can be critical of positivism for being ‘indifferent’ to human needs yet use the philosophy of a Nazi. I include a mention of what Richard Rorty (1999) has to say about Heidegger’s conduct. This is by way of critical reflection of how we decide what is worth knowing and why. This is not just a critical reflection of Heidegger and his Nazism; it is also by necessity a critical reflection of my own research as I am using his philosophy as a framework, and then I will move on;

‘Heidegger was antiegalitarian throughout his life, and never cared in the slightest for the liberal project of increasing the sum of human happiness...Many eminent twentieth-century writers have mistrusted democracy, but he was the only one to have remained unmoved by the holocaust... In our actual world Heidegger was a Nazi, a cowardly hypocrite, and the greatest European thinker of our time....We shall see Heidegger as one more confused, torn, occasionally desperate, human being, someone much like ourselves...We shall stop yearning for depth...instead we shall settle for useful tools, and take them where we can find them’

(Rorty 1999, p.191-197).

#### 2.4.1 Heidegger: Phenomenology, Existentialism and Dasein

Heidegger was a highly influential student of Husserl who studied with him for many years. Whereas Husserl's phenomenology was epistemologically grounded, in contrast Heidegger sought to provide an ontological phenomenology. Rather than looking for the phenomenology of reality, he was concerned with studying phenomena as they present themselves in the *being seen*. This means that Heidegger's phenomenology 'signifies *that which shows itself, in itself, the manifest*' (Heidegger 1926/1962, p.29/52). Husserl however, was looking for an appearance of *essence* or 'something that is indicated by way of something else that shows itself in itself (Blattner 2006, p. 28) in order to observe it.

Heidegger can be considered as having reworked Husserl's ideas about phenomenology in an entirely different and radical direction (Kearney 1994). His most influential book *Being and Time*, was entirely concerned with the ontological meaning of being (Mulhall 1996). Heidegger's phenomenology was subjective and existential and the 'advocates of this philosophy deny that reality can be neatly packaged in concepts...there are always loose ends...this style of philosophizing begins from man rather than nature. Heidegger's phenomenology is the philosophy of the subject rather than the object' (Macquarrie 1972, p.13-14) and this subjectivity makes it appropriate for use in this research.

Heidegger's focus on Being and the nature of subjective existence meant that his philosophy 'gained international acclaim and attracted such talent and original young minds as Sartre, Merleau-Ponty, Hannah Arendt, Marcuse and many others'

(Mulhall 1996, p.29). This was because of the ontological shift of emphasis away from the meaning of consciousness and towards the meaning of being (ibid.).

The nature of being was different to the term 'existenz' in that 'existence' could mean the existence of literally anything (Watts 2001). The meaning of being as it was referred to as Dasein, specifically related to the way of Being-in-time for people. This is different from what Heidegger described as the being of *things* which I will return to later. For Heidegger, people are completely different to things, both in terms of their consciousness and their temporality. He argues that 'The person is no Thinglike and substantial Being. Nor can the Being of a person be entirely absorbed in being a subject of rational acts which follow certain laws. The person is not a Thing, not a substance, not an object' (Heidegger 1926/1962, p.73). In this way 'Dasein is an ontological term. It designates man in respect of his being: and if this kind of being is found elsewhere than in humanity, then the term Dasein could be applied' (Macquarrie 1972, p.66). In a sense then, Dasein is what distinguishes us from both other objects and other non-human living things.

Heidegger (1926/1962) explains early on in '*Being and Time*' that it is important to 'establish which entity is to serve as our primary object of interrogation...an analytic of Dasein must remain our first requirement in the question of Being' (ibid. p.16/37). Dasein is subtly different from being, and this difference is described as 'Being-there', which forms the basis for his discussion of the temporal nature of being. For Heidegger, this interconnectivity is shown whenever 'Dasein tacitly understands and interprets something like Being, it does so with *time*' as its standpoint. Time must be brought to light – and genuinely conceived –

as the horizon for all understanding of being and for any way of interpreting it' (ibid. p.18/39).

With '*Being and Time*', Heidegger offered an interpretation of the understanding of being that argued that 'the subject-object model of human experience along with its attendant notions of inwardness and self-consciousness, must be discarded' (Blattner 2006, p. 169). Heidegger is very dismissive and critical of Descartes. He asks if objectivity is possible by asking 'can the external world be proved or the worldly character of this entity be made visible?' (Heidegger 1926/1962, p.96/128) then answers this by calling Descartes ontologically defective (ibid.). He argues that Descartes has conceived of a world where 'his Interpretation and the foundations on which it is based have led him to pass over both the phenomenon of the world and the Being of those entities within-the-world that are proximally ready-to-hand' (ibid. p.96/128).

For Heidegger not only can the external world *not* be proved as an independent reality simply by using a subject-object model of human experience, but furthermore, both Husserl and Descartes were attempting to answer the wrong questions of philosophy. For Heidegger, the question of 'the world' is inextricably linked to human consciousness and is always going to be an ongoing subjective interpretation based on experience. So, whereas Husserl and Descartes found some common ground, Heidegger definitely did not share it with them.

Heidegger argued that what exists can only be defined relationally to human existence. The world and what exists is a process of becoming defined by the

interpretation of those within it. Todres and Wheeler (2001), describe human existence in the world as ‘being shaped and shaping, and the world shows itself according to its possible modes of being...being in the world is thus a becoming which shows itself in terms of experiential qualities, movements and actions which express a world essentially intimate with human presence’ (ibid. p.5). But, are people merely ‘essentially intimate’, or actually the constructive part of their own world? This hints at distance in our relationship with the world because *intimacy with*, is once removed from the constructive process of ‘Being-In’ the world. Heidegger may have considered the relationship to be deeper because we construct our world as we develop consciousness about it and move through it in less obvious ways, such as habit, routine and the taken-for-granted.

This is a significant departure from Husserl, who argued that we need to transcend consciousness about what exists in order to access the universal reality or essence of what exists. Heidegger asks can the reality of the world exist without the consciousness of being in the world and questions how we can know ‘whether there is a world at all’ (Heidegger 1926/1962, p.246/202). He would argue that to in order to know, ‘you have an experience of yourself that is more basic than your cognitive awareness that all your experiences are yours’ (Blattner 2006, p.35).

#### 2.4.2 *Dasein: Being and Things*

Dasein and human Being-there has a temporal quality. People are not things. They interpret and change their world and existence over time. Not only do all individuals not have the same experience of Dasein, neither do things have the

same way of being for each individual that subsequently relates to those things. The natural sciences are not equipped to understand either the nature of human existence or Dasein as it relates to these things. This is because ‘the Western philosophical tradition has assumed that there is only one possible relationship between people and things: that between subject and object, in which we observe some entity in a distanced, dispassionate and analytical fashion’ (Thomas 2006, p. 46).

This is a failing of positivism that Heidegger attempted to address, partly through his descriptions of our relationships with these things as being either ready-to-hand or present-at-hand. He describes the distinction between analysing an existential Being rather than that of the analysis of natural science such as he considered psychology and biology, as comprising

‘in principal the ontological question. Our distinctions will necessarily be inadequate from the standpoint of ‘scientific theory’ simply because the scientific structure of the above mentioned disciplines...is today thoroughly questionable and needs to be attacked in new ways which must have their source in ontological problematics’

(Heidegger 1926/1962, p.46/71).

How then, is it possible that such explicit inadequacy, as is identified in the ‘natural science’ approach to human activity, even when it has clearly been detected, still continue? Is it merely because of an innate reluctance to attack the status quo? Heidegger demonstrated the inadequacy of natural science approaches

and 'subject' versus 'object' through his descriptions of ready-to-hand and present-at-hand 'things', particularly with his discussion of equipment and tools.

For Heidegger, 'when we use something as a piece of equipment, a 'thing for', it is always part of an 'equipment totality', so that, as well as being submerged in the practice of use, the thing is also bound in to a network of reference and connection...our everyday understanding, is of totalities, contexts, projects, and relationships rather than of isolated objects' (Thomas 2006, p. 46). The use of things for Heidegger is different between what can be regarded as either ready-to-hand or present-at-hand. Furthermore, this can change and is open to frequent interpretation and re-interpretation depending on how one needs to use it. 'The collection of instruments and material related to a ready-to-hand item Heidegger calls equipment totality...the everyday world is characterised by a large network of practical relations between all the things and human in our environment that are in any way...related to Dasein' (Watts 2001, p. 30).

For Heidegger, what we are is not simply 'what we think' in the Cartesian manner, but rather we are what we do in the world. We exist through an ongoing practice of Being-in the world, and this practice is demonstrated by how we use and relate to the things around us as either ready-to-hand or present-at-hand. Ready-to-hand is what we will interpret as being ready to use. Present-at-hand is what can be useful by a subjective transformation into something useful. In the most simple terms equipment, tools or 'things' as ready-to-hand are characterised by their 'readiness-to-hand'; they are ready to use because we *already* know what it they are what they are used for. This is described by Heidegger as something whereby

the 'worldly character of the ready-to-hand has been discovered before-hand'. (Heidegger 1926/1962, p.118/86). The ontological relationship between something ready-to-hand and Being-there is clearly understood in the way in which the ready-to-hand *exists* as its subjective use.

The ready-to-hand can exist either 'naturally' or be produced, and Heidegger argues that

'in the environment certain entities become accessible which are always ready-to-hand, but which, in themselves, do not need to be produced. Hammer, tongs, and needle refer in themselves to steel, iron, metal, mineral wood, in that they consist of. In equipment that is used, 'Nature' is discovered along with it by that use'

(ibid. p.71/100).

Certain objects such as wood, rock or metal can also be present-at-hand until they are transformed into ready-to-hand. That is they become transformed 'towards-which' (ibid.) by the way in which they are used. Alternatively an object may be present-at-hand for one person, yet ready-to-hand for another depending on the person's Dasein, or relationship of Being-there within a network of other entities.

These entities are still real objects but for Heidegger, the 'Real is essentially accessible only as entities within-the-world. All access to such entities is founded ontologically upon the basic state of Dasein, Being-in-the-world;' (ibid. p.202/246). The relationship that we have with other entities as Dasein, directly informs our subjective interpretation of whether somethings' mode of being is

either present-to-hand, or ready-at-hand. For an example of this subjective tool use consider that a Graduated Handwheel 7/16 Bore (for Myford Lathes), clearly is real in a material sense. Until actively looking for something that I did not know existed, this object had no existence for me. It now exists for me as a present-at-hand object, as in my Dasein I have no immediate use for it as a tool.

However, I am now using it subjectively as an example to prove something about which I know nothing, and in doing so that is, in the *use* of it – it has become something I have made use of. I have transformed this unknown object from non-existence, into present-at-hand and into ready-at-hand. An engineer skilled in the maintenance of Myford Lathes however, will have this object as existing in the ready-to-hand, and this object will then exist in a completely different way.

This is not a dualism – the relationship between individuals and things changes through the use of them or, as Heidegger explains, also in their ‘unusability’ which changes ready-to-hand equipment into un-readiness-to-hand. This disrupts the invisibility of our use of the ready-to-hand things because they exist only as a function of what they are used for. Heidegger argues that this is because ‘Equipment is essentially ‘something in order to...a totality of equipment is constituted by various ways of the ‘in-order-to’, such as serviceability, conduciveness, usability, manipulability’ (ibid. p.97/69). Heidegger is not arguing that things do not ‘exist’, he is instead arguing against the idea of objective existence of things and suggesting that the use of things and our relationship with them is the subjective and familiar practice of existence. These things and how we

use them are as familiar in the ready-to-hand as to almost render the use of them invisible – until they stop being useable.

Heidegger suggests that

‘This familiarity with the world does not necessarily require that the relations which are constitutive for the world-as-world should be theoretically transparent. However, the possibility of giving these relations an explicit ontological existential Interpretation is grounded in this familiarity with the world...’

(ibid. p.87/119).

For Heidegger, the subjective knowing of the world is not something that can necessarily be seen theoretically. These existential interpretations of the world just *are* but the impossibility of objective knowing does not mean that they do not exist. The world exists as our interpretation within it and our relationship with things in the world depends on how they exist with our subjective interpretation of them and vice versa.

This is a significant departure from the Cartesian view of the world, which Heidegger argues has been narrowed down to attempts of objective knowing only about ‘Things of Nature’ (ibid. p.101/133). Heidegger is scornful of this, because he argues that there are numerous ways of knowing but all of them are subjective, because that is all that is possible for human beings. For Husserl, the focus would have been on the epistemological process of establishing the essence of a phenomenon, through bracketing. But for Heidegger, Being-there-in-existence, (or

the world) is the only possible form of human knowledge. Existence itself is how we know things, and this subjective knowing is far more important than the essence of things. The next section makes the link between Heideggerian Dasein, and the *'The Social Construction of Reality'* Berger and Luckmann (1966).

#### 2.4.3 *Discussion: Dasein and the Experience of Being in a Socially Constructed 'there'*

If all knowledge is a subjective interpretation of reality the possibility that there can be no universal knowledge must be considered. Knowledge can be regarded as 'an understanding' because it recognises that we can only have our own. How then does the reality that is the world of the 'things' that we subjectively believe in, such as tools et cetera, get formed even while they are being interpreted and believed in? For Heidegger, with Dasein or Being-there is the subjective knowing (believing) of things through the existential mode of being. This existential mode of being is the way experiencing our existence involves both seeing and using 'things'. These things have not just appeared; rather they are part of the experiential process located in being.

Berger and Luckmann (1966) describe what is real and how we know it as real by defining 'reality as a quality appertaining to phenomena that we recognize as having a being independent of our own volition (we cannot wish them away), and...define knowledge as the certainty that phenomena are real and that they possess specific characteristics' (ibid. p.13). How then do we as individuals know what is universally real when 'different objects present themselves to consciousness of different spheres of reality' (ibid. p. 35). I demonstrated the

subjectiveness of the different level of realities that individuals experience even with respect to objects when I previously looked at the Graduated Handwheel Bore. These different realities are located within the social context that allows the construction of a particular ‘thing’, or object which in turn corresponds with that particular reality.

This is not to say that the object does not have a material reality but that the reality of it has been socially constructed because it *can only exist* in terms of its usability. Things are made because we have a pre-understanding about our need to use them that is located in the social sphere — this is how we know they are real. The preunderstanding means the ‘framework of interpretation that we use is the foreconception by which we grasp something in advance’ (Koch 1995, p. 831). Once again, this brings the argument back to the unsuitability of researching these human processes through the lens of the natural sciences.

If reality is an experiential process located in Dasein or Being-‘there’, the ‘where’ that we are Being-there ‘in’ is also socially constructed and experienced or interpreted existentially. We are in a socially constructed world and what exists ontologically for us as individuals has been shaped by how we have existed in that world, and continue to do so. This existence then goes on to shape our world in turn, because although reality is socially constructed that reality is an ongoing existential interpretation. Both Heidegger (1926/1962) and Berger and Luckmann (1966) acknowledge the temporal nature of our existence, and the influence of our historicity on our existential interpretation of this socially constructed reality. For Heidegger, an enquiry in Dasein is an enquiry ‘into the meaning of existentiality

itself...and if by such inquiry its eyes have been opened to its own essential historicity, then one cannot fail to see that the inquiry into Being ...is itself characterised by historicity' (ibid. p.442).

The meaning of ourselves existentially and how this affects Dasein is a process of understanding our own historicity. Our being in time and our existence is a temporal flux or process. Berger and Luckmann (1966) demonstrate this when they describe the temporal and finite nature of existence;

'I encounter time in everyday reality as continuous and finite. All my existence in this world is continuously ordered by its time, is indeed enveloped by it. My own life is an episode in the externally factitious stream of time. It was there before I was there before born and will be there after I die....I do not want to die, this knowledge injects an underlying anxiety into my projects...I know that I am getting older...historicity determines my situation in the world of everyday life. I was born on a certain date, entered school on another, started working as a professional on another and so on...the temporal structure of everyday life...imposes itself upon my biography as a whole'

(ibid. p.41-42).

In this way Berger and Luckmann recognise that Being-there is not only interpretation of world, but also an extension of our historical experience with the world and this unfortunately won't last forever. This is deeper than a description of their 'primary socialisation' (ibid. p.149) with the world, because it also

explains how they are experiencing Being in the reality of the world. This reality becomes ‘an objective reality’ (ibid.) only inasmuch as it creates an externally constructed social world that has a consensus between those that exist within it. This allows for the understanding that although other people exist within their own subjectiveness ‘there is now an ongoing mutual identification....We not only live in the same world, we participate in each others’ being’ (ibid. p.150).

Some have described this reality of the world as being constructed through a process of individual sense-making. For Weick (1995) sense-making is a process that ‘creates objects for sensing or the structure of structuration’ (ibid. p.36). We structure our world in order to make sense of it, but while it has been structured other people also make sense of it. How individuals undertake that process of sense-making has its roots in our historicity constructed experiences. If one considers that organisations consist of some sort of structure, and that entrepreneurs subjectively create those structures over time, it is clear that this involves an element of sense-making, an element of social consensus, but also that the ability to do create an organisational structure in that particular way has to have originated from somewhere.

I will argue later in the thesis that the construction of *organisations* (and this is an important point that I will examine in detail during Chapter 5), occurs through a process of ‘making do with whatever resources are at hand’ which of course means making sense of the ready-to-hand, or as it will become resources-to-hand. This then will develop the social constructionist epistemological stance in a deeper way than I have briefly covered here. Here the intention is to forge the link

between Dasein as ontologically consistent with reality as socially constructed. The transformation and recognition of what is ready-to-hand and present-at-hand is an existential process of sense-making, which can only be interpreted based upon experience. I will also argue further on in the thesis that it is useful to try and understand the process by which entrepreneurs invent or construct their reality, if the discipline is to gain greater understanding of both what entrepreneurs do – and what that actually means.

## **2.5 Conclusion**

This chapter is intended to give an introduction to an overall philosophical framework that informs this thesis. The question ‘what is entrepreneurship?’ needs exploring from perspectives other than positivism. In this instance the dominant view in research is that it is something that can be understood through the principals of positivism. I disagree with the suitability of positivism to investigate this human activity, unless you are seeking to only ever measure the effects of entrepreneurship. This will never suffice to explain it, and so a subjectivist and existential approach is a potentially useful vehicle for gaining a different and deeper understanding of ‘what is entrepreneurship’.

Many of the concepts that I have explained are introducing a foundation for some of the ideas that I then proceed to develop further throughout this thesis. This philosophical influence can clearly be seen in my methodology in Chapter 3, and my literature review in Chapter 4. Also, during my data analysis in Chapter 6, I have applied Heidegger’s (1926/1962) ideas about Dasein, ‘things’, equipment

and ready-to-hand and present-at-hand tools into an entrepreneurship context with my suggestion that these tools form entrepreneurial *resources*.

A discussion of the entrepreneurial life-world during Chapter 7 provides a deeper, more existential analysis of the process of becoming an entrepreneur. This describes how entrepreneurship is the subjective extension of my historical experience. This thesis will demonstrate that the question ‘what is entrepreneurship?’ needs some alternative explanations and approaches as well as presenting the possible benefit of doing so.

Entrepreneurship is a complex, exciting-yet-practical, economically important, entirely social, entirely constructed phenomenon. There is nothing ‘natural’ about it, it’s not physics nor is it rocket science. Entrepreneurs ‘seek to and succeed in reshaping the environments in which they operate’ (Sarasvathy 2008, p.168), suggesting that in some way, entrepreneurs are both making-it-up as they go along as well as *learning* as they go along. This is not just one part of the existence of a pre-ordered natural economic world, but part of a socially constructed world.

Entrepreneurship is fundamentally a group of activities based upon practical processes that if successfully enacted, can produce a wider economic benefit. Nevertheless, entrepreneurship is frequently examined and understood from the dominant positivist/ functionalist perspective of what entrepreneurship produces, as opposed to being examined from what an entrepreneur does from the perspective of actual practice. The philosophical context is critically important here because this thesis asks an ontological question ‘what is entrepreneurship?’

This I will be arguing throughout may be somewhat different from the perspective of this entrepreneur than is frequently assumed to be by academic researchers. This difference needs to be recognised and explored further.

My position is critical of positivism, and I argue for an existential approach in contrast. The thesis generally critiques the assumption that what entrepreneurship 'is', is purely an economic function. I argue that economic function is possibly (but not always successfully) one outcome of entrepreneurial activity, but nevertheless economic function is not all that entrepreneurship is. Phenomenology has the possibility of facilitating a change in this assumption.

This chapter has specifically looked at questions relating to the philosophical problems with entrepreneurship by addressing these three main issues;

- Explaining the overall philosophical context of the thesis as it relates to phenomenology.
- The general problems with the dominant philosophical approach of positivism in general and how this relates to entrepreneurship research.
- An explanation as to how the link between existential phenomenology and the social construction of reality, relates to my overall research question, 'what is entrepreneurship?'

I have demonstrated that Descartes and positivism in general not only treats 'things' as 'things' or 'Things of Nature' as things, it treats people as things. This attitude seeks to disconnect the unity that individuals have with their world, as

well as the part they play in constructing their world, including their organisations. The attitude of positivism ‘allows humans to be treated as ciphers in statistics as though they are mere present-at-hand ‘scientific objects’ or, alternatively, as ready-to-hand ‘tools’ for business and political purposes’ (Watts 2001, p. 31). Entrepreneurs are neither objects nor ready-to-hand tools for the production of business, or present-at-hand tools that can occasionally be drawn upon and transformed to impact upon economic growth.

As a process, entrepreneurship needs to be very practical. Heidegger, who was a very practically minded philosopher, provides a good framework for an analysis that can describe how entrepreneurs use ready-to-hand resources and transform present-at-hand resources during the organisation construction process. This I will explain and demonstrate in the analysis of my empirical data, as well as, during my description of the existential situatedness of entrepreneurship.

I will argue that currently the majority of research appears to focus on entrepreneurship (and entrepreneurs) as both participating in an objective activity within an objective economic world, (and somehow being ‘things’). This will help to explain ‘what entrepreneurship is not’. An exploration of the process i.e. the venture creation process itself as experienced by an entrepreneur, requires a change of focus into ‘subjects and subjectivity’ (ibid.). What processes occur *behind* the material and economic construction of organisational structures, and what is the best way to find out? It may be that the best way to find out is to phenomenologically examine the meaning of the lived-experience of entrepreneurship for the entrepreneur themselves.

Because this thesis has an existential phenomenological underpinning, it will not use the entrepreneur herself as a present-at-hand object. Rather, this thesis regards the practice of entrepreneurship as an activity practised through Dasein, or as the practice of lived-experience. The methodological approach is consistent with this and is outlined in my next chapter.

## **Chapter Three:**

### **A Subjectivist Phenomenological Methodology for Exploring Entrepreneurship as the Practice of Lived-Experience**

#### **3.0 Introduction**

This thesis is exploring the research question ‘what is entrepreneurship?’ through a phenomenological enquiry into the venture creation processes of a new firm. I am suggesting that entrepreneurship is a process of practice that also relates to ongoing lived-experience. Methodology is in part philosophical because it directly relates to ontology. Ontology and the associated philosophical implications, I have already discussed in Chapter 2. Methodology is also epistemological in that it relates to how we understand and obtain knowledge – as well being practical in terms of how we then proceed to conduct research. This chapter now deals with the epistemological implications of my research as relating to the thesis methodologically, as well as the practical process of the research method.

Leitch et al (2010) explain that ‘the adoption of interpretivist methodologies is a necessary reflection of both the nature of the objects of study and the type of question being asked’ (ibid. p.71). The question I am asking is partly generated

from the perspective of a person who has successfully undertaken entrepreneurial activity in practice. This perspective combined with my ontological positioning has a methodological impact within this research.

This chapter will explain my methodological approach, and achieves five objectives for the overall thesis and research question; (1) an explanation of the methodology and how it extends my ontological position epistemologically (2) an examination of the general methodological context of entrepreneurship research, (3) the use of phenomenology as a methodology in other business and entrepreneurship research (4) an examination of the origins of emic and etic perspectives, and how this has been integrated into other disciplines and (5) the presentation of my case-study and the process and method by which I conducted my investigation. This chapter explains the methodological approach to the overall research question ‘what is entrepreneurship?’ by explaining the subjectivist phenomenological methodology and case-study narrative from the emic perspective.

The chapter is structured into four main sections. The first section deals with the epistemological impacts of positivism in entrepreneurship methodologically. It examines some examples of alternatives, and then moves to a discussion of phenomenology and methodology. It examines the difficulties that some researchers encounter when adopting a phenomenological methodological approach. The second section deals with the methodology of the thesis, as it relates epistemologically to my research question. The thesis makes a contribution to entrepreneurship studies by developing a subjectivist phenomenological

methodology through incorporating the emic perspective of the entrepreneur, who is also the researcher in this case. I will also examine the origin of emic perspectives in this section, and how they have been used elsewhere.

The third section deals with methodology as it relates to the method used in order to answer the research question. This section links subjectivist phenomenology with a qualitative case-study research method. It describes the case-study selection ‘The Archaeology Company’ as well as the data collection and subsequent analysis of the emic narratives of the entrepreneur. The final section is an overview of the methodological approach, and my conclusion.

### **3.1 The Epistemological Impacts of Positivism: Methodology and Entrepreneurship**

The epistemological influence of positivism in entrepreneurship has resulted in slow theoretical progress being made in entrepreneurship research. Harrison and Leitch (1996) warned that ‘entrepreneurship scholars may become increasingly self-referential and inward-directed because of the fields’ reliance on dedicated entrepreneurship journals, at the expense of intellectual development...’ (Busenitz et al. 2003, p.287). They argue that this inward-looking tendency is resulting in a lack of theoretical development in entrepreneurship because there are so few theoretical articles. They demonstrate this by describing 86 out of the 97 reviewed articles as being focused on objectively measurable entities, including ‘individuals’ i.e *people* as one of those measurable entities (ibid. p.296). This

demonstrates the dominance of positivist methodological approaches in entrepreneurship research.

In ontological terms, traditional entrepreneurship research regards the reality of entrepreneurs and their organisations as measurable ‘things’. This approach has an impact on ‘what can be known of the nature of these realities and how can it be known’ (Karataş-Özkan and Chell 2010. p.74). In order to ‘know’ these phenomena the majority of researchers study them by investigating the causal analysis of independent variables that look to explain the differences between these things. These are described by Van de Ven and Poole (2005) as variance studies, with quantitative statistical variance methodologies being ‘well suited for examining research questions such as: what are the causes or correlates of change in organisations?’ (ibid. p.1387).

So while viewing organisations and entrepreneurs as ‘things’ may assist in measuring the differences between both them and the organisations they build, they have relatively limited use for studies which look at ‘the activities or steps in which change and innovation unfold’ (ibid. p.1388). This is because entrepreneurship is an ongoing process that occurs over time. Positivist research methods may have limited use in theory development for such deeply temporal processes, being perhaps better suited to capturing moments in time. This has resulted in limited theoretical development because the dominant focus appears to be on variance *testing*. Later as the chapter develops, I will explain further how this particular philosophical focus has become the dominant perspective and also suggest why.

Furthermore, during the thesis I will develop an argument that the epistemological impact of this ontological positioning is the extraordinarily constricting and limited theory ‘opportunity theory’.

### *3.1.1 Dissent and Discord? Calls for Methodological Change in Entrepreneurship Research*

There is increasing acknowledgement that theoretical development in entrepreneurship may be restricted by the ongoing dominance of positivism and the associated methodological approaches. Jennings et al (2005) noted that in entrepreneurship research there is less of a gap in the literature between traditional perspectives and alternative approaches than ‘a chasm’ (ibid. p.147). It has been argued that there is a need for alternative perspectives when examining the phenomena of entrepreneurship because little of the research focus is based in ‘the real world’ of entrepreneurship (Leitch 2007). This thesis makes a contribution methodologically by answering the question, ‘What is entrepreneurship?’ using a phenomenological subjective perspective to explore the lived reality of an entrepreneur-turned-academic.

Some researchers would consider that entrepreneurship is what the entrepreneur achieves economically with their firms. For example, some researchers consider that growth of a firm is one of the most important outcomes of entrepreneurial efforts’ (Delmar and Wiklund 2008). Entrepreneurship, if it is considered as simply the growth of a firm in either employment or sales (Delmar et al 2003; Shane 2003; Dobbs and Hamilton 2007), presents a convenient paradigm for constructing the discipline of entrepreneurship around ways of dealing with

measuring those variables. Alternatively, some consider that entrepreneurship is what the entrepreneur does in terms of identifying an opportunity for profit that can then be exploited through the formation of a new organisation. This presents another convenient paradigm to construct a discipline around various ways of again measuring – but this time the unit of measurement is the entrepreneur.

As a result of this, researchers looking for change argue that traditional methods in entrepreneurship research focus too much on positivist methods of enquiry (Bygrave 2007) because the majority of research favours a positivist epistemology and large-scale studies and surveys (Berglund 2007). Nonetheless, the solution to the lack of theoretical development in entrepreneurship research is not simply to incorporate qualitative research methods into the current research paradigms. Qualitative methods for measuring growth do not easily sit either within a generally positivist or an interpretivist context. Neither is it appropriate to attempt qualitative methods for examining the positivist epistemological paradigm, entrepreneurial opportunities and this thesis further develops an argument for this during Chapter 5 when I argue that it is necessary to ask different questions if we want to understand the entrepreneurial process.

Chell (2008) explains that where a researcher is positioned ontologically and epistemologically impacts significantly on the methodology they subsequently choose. If a researcher takes the opposite view of the world and social reality than a positivist, and ‘that it is the subjective experience of individuals who create, mould and interpret reality, the emphasis will be on explaining what is particular to individuals rather than what is general and universal’ (ibid. p.180). I would

agree that this should be the case – but doesn't necessarily mean that it is the case. I argue in this thesis that the discipline of entrepreneurship needs a significant ontological overhaul to begin with, and *then* researchers can work towards both radicalising and expanding the methodological toolbox. I propose that entrepreneurship theory will be all the better for this exercise.

Recently there have been some radical suggestions regarding the nature of entrepreneurship, including an argument that entrepreneurs and entrepreneurship are in some way representative of unoccupied space waiting to be filled. For example Jones and Spicer (2005) argue

‘that ‘the entrepreneur’ is an empty signifier, an open space or ‘lack’ whose operative function is not to ‘exist’ in the usual sense but to structure phantasmic attachment?...the entrepreneur is a marker of this lack; the entrepreneur is indefinable, and necessarily so; the entrepreneur is an ‘absent centre’. To say all this is to make a decisive shift in the way that we think about objects...’

(ibid. p.235-236).

They then describe that the failure of trait based theory has been the failure to identify entrepreneurial traits. It is possible that rather than failing to identify entrepreneurial traits, this theory may fail in its positivist attempts at prediction. This does not mean that entrepreneurs are indefinable rather it is an indication of the failure of positivist methodologies to explain human activity. By researchers not recognising this as a problem in entrepreneurship research, positivist

approaches to dominate. It is possible that entrepreneurs do not exist objectively and as ‘things’; but neither do they solely exist as subjective players in a economic field. Part of the difficulty with this is that positivism tends to measure *ex post* that which they then attempt to interpret methodologically for a prediction *ex ante*.

It may be the case methodologically that measuring an entrepreneur’s traits such as locus of control, is an attempt at prediction that people with a strong locus of control will go onto become entrepreneurs. Locus of control theory ‘concerns whether a potential end or goal can be attained through one’s actions or follows from luck or other uncontrolled external factors’ (Johnson and Delmar 2010, p.298). The likelihood that one will become an entrepreneur is considered to develop from the belief that success depends on ones’ own actions. This approach has been criticised by those more in favour of ‘attribution theory which has a more complex view on causality orientation’ (ibid.). This is part of the attempt to answer why people become engaged in entrepreneurship (i.e. what causes it), as a way of predicting who is then more likely to do so.

It is possible however that entrepreneurs and entrepreneurship may not exist *ex ante* in the way constructed by academic discourse. Entrepreneurs are more likely to demonstrate a strong locus of control simply because of the process of becoming an entrepreneur that they have been engaged in. However, I will argue that the process of organisation building does then lead entrepreneurs to ‘exist’. Therefore, rather than entrepreneurship being an ‘impossible and incomprehensible object’ (Jones and Spicer 2005, p.236), maybe it only becomes impossible when researchers import positivist methodologies to answer

interpretivist questions. The attempts by researchers to use methodological tools to complete a job that those tools are unsuited to, must lead to the conclusion that entrepreneurship is incomprehensible. Clearly some alternative theories are required.

De Bruin et al (2007) have noted that ‘less accepted methods of doing research...need to go hand in hand with different approaches to *data collection* and *data analysis*’, (ibid. p.329). They observe a bleak and one-sided picture of entrepreneurship because of the propensity of researchers to continually employ conservative methodologies that are overwhelmingly positivist (ibid.). This is contributing to a serious lack of theoretical development in the field and a lack of theoretical progression that is not due to the failure to produce better statistical data by objective and value free-researchers. Rather, the lack of theoretical development is an implicit ontological failing. Researchers appear unaware of this and a far more explicit epistemological failing may be demonstrated by poor or unexpected results.

This process is clearly described by Ogbor (2000) as a form of ideological control with statistics being used to disguise the researchers’ ideological position in the building of an (oppressive) academic discourse. He argues that in the case of entrepreneurship the

‘tendency to reify myths into measurable abstracts has given rise to a conviction that the characteristics and traits of entrepreneurs...can be abstracted, classified, codified, categorized and operationalised via

mathematical models in order to aid quantification, measurement, validity and correlation, with the aim of determining causal relationships between heroes and non-heroes’

(ibid. p.622-623).

Some of the examples of methodological change in entrepreneurship research that I address below use alternative approaches by way of critiquing the dominant positivist construct. The alternative approaches offer the most theoretically enlightened and practically useful comment on the process of entrepreneurship that currently exist within a field crowded by mathematicisation and positivism (Busenitz et al 2003).

### *3.1.2 Some Examples of Alternative Methodological Approaches in Entrepreneurship Research*

Alternative approaches in entrepreneurship research appear to generally focus more on the *process* and *practice* of entrepreneurship than do more traditional forms of research. These alternative forms include grounded theory interviews (Dyer et al 2008) or they can take an emic ‘story-telling’ approach (i.e Mumby-Croft and Brown 2006; Fu Lai 2008), and include personal narratives (Vickers 2005; Wallace 2009). Also, alternative written evidence has been gathered for research such as emails (Lewis 2006). Therefore, if the answer to the question ‘what is entrepreneurship?’ lies within ‘practice and process’ an alternative methodological approach to positivism is required.

While acknowledging that traditional and dominant literature in entrepreneurship accepts the notion of economic rationality, Bruni et al (2004) take as their epistemological stance entrepreneurship as a constructed social phenomenon. They consider entrepreneurship as a set of learnt and enacted practices and their research examines both gender and entrepreneurship as interrelated performances and practice. Their methodology takes the hermeneutic ethnography of two case - studies. They deliberately avoid exemplary cases of exceptional entrepreneurs, because they are interested in entrepreneurship as an ordinary and practical accomplishment. They conclude that their ethnographic descriptions highlight a contrasting process, namely the fact that both our organizations were practicing entrepreneurship in ways that they ‘considered alternative (if not opposite) to the one described by a model of hegemonic masculinity...exploring entrepreneurship and gender as practical accomplishments, we found alternative forms of entrepreneurship to those that are allegedly hegemonic’ (ibid. p.425).

Similarly, in her investigation into entrepreneurial processes Fletcher (2006) remarks firstly that entrepreneurship research lacks theoretical development. Taking a socially constructivist ontological position, the methodology used for this research is an ‘off the shelf’ entrepreneurial account of the entrepreneurs’ own experiences of setting up ‘The Coffee Republic’. The purpose of the research is to understand the entrepreneurial practices and activities that form part of, in this case, opportunity construction. She suggests that by using the lens of social constructionism researchers and ‘their preoccupations with identifying the many forms, definitions structures, processes and varieties of entrepreneurial practice

become provoked to consider the purpose and process of entrepreneurship enquiry – particularly its epistemological/ ontological assumptions’ (ibid. p.436).

Researchers taking an alternative methodological approach also argue that ‘in order to understand entrepreneurship, we need to move away from considering the entrepreneur in isolation and look at the entrepreneurial process. Entrepreneurship is not merely an economic process but also ‘draws from the social context which shapes and forms entrepreneurial outcomes’ (Jack and Anderson 2002, p.467). In this study on embeddedness the researchers adopt the concept structuration (Giddens 1984). Again using an ethnographic approach, their focus was on understanding rather than measuring and they explain that their ‘methodological techniques provided sufficient depth of data to allow a meaningful analysis of the entrepreneurial process in context, to explore embeddedness, and to gain an in-depth understanding of the role of each respondent’ (ibid. p 473).

### *3.1.3 Phenomenological Methodology: A Comment on Methodological Difficulties in Research*

I described in the previous philosophy chapter the fundamental difference between Heideggerian subjectivist phenomenology, and the Husserlian transcendental phenomenology and explained the deep ontological distinctions between the two phenomenological traditions (Koch 1999). The ontological basis for a phenomenological enquiry therefore will have a significant bearing on the epistemological and methodological approach. Unfortunately, this distinction is frequently misunderstood and has the effect of weakening the reputation of phenomenological methods because ‘a failure to distinguish between Husserlian

transcendental and Heideggerian hermeneutic phenomenology results in methodological confusion' (Lowes and Prowes 2001, p.471).

For example, Wertz (2005) describes phenomenology *generally* as a science, explaining that it is so 'by virtue of being methodical, systematic, critical, general and potentially intersubjective...the research is descriptive, uses the phenomenological reductions and investigates the intentional relationship between persons and situations' (ibid. p.170). For Wertz, phenomenology establishes objectivity and statements of universality that potentially provides an alternative framework for 'positivists, postpositivists, constructivists, critical and relativist approaches' (ibid. p.175). This is principally developing a phenomenology from Husserl rather than the general phenomenology he claims and the ontological differences between the groups he lists cannot facilitate a general scientific phenomenological methodology.

Unfortunately, some researchers are unclear as to the epistemological and methodological impact of this deep ontological divide. For example, in their study of emotion at work McClure and Brown (2008) claim that the approach they take is existential, yet they use the phenomenological reduction as the foundation for their methodological approach. They describe phenomenology as 'the study of lived or existential meanings that have shown themselves to individuals' (ibid. p.4). Using Ricoeur and a hermeneutic existential approach their methodological approach follows Giorgi's (1997) steps for the phenomenological reduction. However, Ricoeur rejected Husserl's idealism (Thompson 2009) in favour of the

hermeneutics of lived experience as a form of ‘consciousness exposed to historical efficacy’ (cited in Thompson 2009, Ricoeur 1982, p.114). For Ricoeur phenomenology represents meaning rather than the ‘naturalistic-objective attitude’ (ibid.).

The difficulty is that researchers appear to be attracted by the notion of ‘scientifically’ undertaking qualitative research. This being the case it would be useful for researchers to read Heidegger’s (1926/1962) views on what is appropriate for scientific method (i.e. neither people nor their activities). With both a lack of ontological conviction or clarity researchers assume that the process of ‘bracketing’ will facilitate objectivity in all phenomenological research (notwithstanding that even Husserl himself began to have doubts about the phenomenological reduction during his later writings). Lowes and Prowes (1991) explain that bracketing in phenomenological research is an activity ‘believed to defend the validity or objectivity of interpretation against the self interest of the researcher’ (ibid. p.473). Heidegger would have argued that this was simply impossible because in research we are always subjectively engaged and always self-interested.

One of the best known phenomenological papers in entrepreneurship research is Cope (2005). This paper is looking to ‘demonstrate how a philosophy such as phenomenology can be translated into an interpretative method that can be employed by entrepreneurship and small business researchers’ (ibid. p.164). In

this paper Cope examines the process of entrepreneurial learning by introducing the experiences of the six practicing entrepreneurs of his study. Entrepreneurial learning 'is an emerging movement of entrepreneurship, which has attracted more attention very recently' with the focus being primarily on cognitive processes (Karataş-Özkan and Chell 2010, p.45). Cope's phenomenological study in contrast to this goes beyond cognitive description and works towards 'an interpretative explanation that would help account for the phenomenon of entrepreneurial learning' (Cope 2005, p.174).

Cope initially appears to adopt a Husserlian approach when he argues that the strength of 'phenomenological forms of enquiry such as the phenomenological interview is the emphasis on suspending ones theoretical presuppositions prior to engagement with the phenomenon under investigation' (ibid. p.180). However, he also recognises that phenomenology also reflects an 'existential concern for understanding the human-being-in-the-world, where human existence is defined by the current experiential context in which in occurs' (ibid. p.170). This he acknowledges will also renegotiate the relationship between researcher and researched because 'any interpretations offered by small business and entrepreneurship researchers engaged in phenomenological enquiry are *in themselves* the result of an interpretative process in which individuals under investigation make sense of their experiences' (ibid. p.171).

The methodology that Cope adopts is the phenomenological interview in order to elicit 'rich descriptive and contextual narratives of the challenges that managing a small business can create...each participant was chosen for the unique and highly interesting story that they would bring into the research process' (ibid, p.175). However, the difficulties that researchers can encounter in following a phenomenological method after Husserl are demonstrated here. Cope admits that further to examining the emerging theories on entrepreneurial learning, he 'tried to purposefully ignore existing theories and ideas, the aim being to ensure that these were not taken into the field' (ibid. p.176). This he found difficult to implement because 'the research questions driving the inquiry need some kind of answers in order to produce work that can make a genuine contribution to knowledge' (ibid. p.181). This bracketing of pre-existing theories, he suggests is very challenging and may actually be impossible.

There are several methodological difficulties with the approach taken by Cope and although the research undertaken and the research method are both interesting by their own merit, it is clear why the bracketing issue was a struggle. Firstly, existential phenomenology would not just place the 'object' of study i.e. the entrepreneur, in isolation from their world-context but would also include the researcher into both that world context as well as their own. As he explains early on in the article, 'in trying to describe the lived world from the view point of the detached observer one becomes too removed from the inherent situatedness of human existence' (ibid p.168).

This is an existential observation, and not particularly well suited to the notion of entrepreneurial learning as having a universal essence. Rather, the experience of human learning is one of explicit subjectivity which again is better suited ontologically to Heidegger (1926/1962) and his notions of Dasein. The phenomenon of entrepreneurial learning can be seen ‘only by reason of showing itself of something...and signifies a distinctive way in which something can be encountered (ibid. p.51/76) In this way, entrepreneurial learning can only be encountered through the entrepreneurial context of Being-there i.e. in the world as an entrepreneur experiencing the process of learning.

The way that the researcher interpreted the entrepreneurs’ activities and process, are a result of the researcher themselves also existentially and experientially Being-there. Academic researchers are of course, also as human beings have an interpretative nature and, therefore, as they live out their daily lives, they understand...understanding is a designated act’ (Herda 1999, p.50). In this way in terms of the relationship between researcher and researched, Heidegger would for the sake of subjectivity -‘re-open the brackets and let existence back in’ (Kearney 1994, p.30).

It is impossible to attempt research from a subjectivist and existential perspective, while also bracketing presuppositions. It may well have been an easier methodological approach had Cope (2005) undertaken his review of theories and literature after the data collection, while acknowledging at the outset where his

initial research question had originated both personally and professionally. Following a Heideggerian phenomenology in order to understand the experience of entrepreneurial learning (as opposed to a Husserlian phenomenology of discovering the essence of entrepreneurial learning) it would be both impossible and inappropriate to bracket presuppositions in a manner that supposedly satisfies science, when researching human activity. These are some of the difficult and complex issues that face phenomenologists.

Many researchers would prefer to avoid what may be seen as the extreme subjectivism of the existential approach, assuming that the acceptance of subjectivity and experience results in a lack of rigour. In the next section I will firstly examine how exploring emic and etic perspectives helps to construct a clearer subjectivist methodological approach. I then briefly look at some research that incorporates emic perspectives successfully.

### **3.2 Developing a Subjectivist Phenomenological Methodology: The Emic Perspective**

Emic and etic perspectives are common terms in ethnography and the ‘emic’ perspective or the informants perspective ‘is at the heart of ethnographic research. Obviously the insider’s view of what is happening and why is instrumental in understanding and accurately describing situations and behaviours’ (Boyle 1994, p.166). Qualitative researchers tend to be more committed to the specifics of particular cases and a more emic approach (Denzin and Lincoln 2005). Qualitative research methodology is seeking contextual understanding of a phenomenon rather

than a scientific non-contextualised interpretation (Denzin 2009). Emic or the insider perspective, are used and can be seen in entrepreneurship research generally when a first person account of the entrepreneurial phenomenon is collected and analysed.

A phenomenological study, will normally collect emic data (Miles and Huberman 1994), which may then be incorporated into a wider etic account. This perspective as the 'emic' is rarely acknowledged explicitly in qualitative entrepreneurship research although some have suggested generally that case-study research in general is the 'primary vehicle for 'emic' inquiry as opposed to 'etic' inquiry' (Karataş-Özkan and Chell 2010, p.122). In research practice, however emic is rarely presented in opposition to the etic, usually it serves to deepen the etic perspective. It can be considered that both views and perspectives on a phenomenon have equal value, depending on the topic being researched.

### *3.2.1 Emic and Etic Perspectives: Origin and Research*

The anthropological linguist Kenneth Pike first conceived of the phrases 'emic' and 'etic' as a way of describing 'behaviour from different standpoints' (1967, p.37). He derived the phrases from the linguistic concepts of *phonemic* and *phonetic*. Phonemics is categories of sound from inside the speech system, and phonetics is the mechanisms of speech understood from outside the system. Pike intended for these phrases to have direct applications between and from language to culture. That is, not only an explanation of differing perspectives of language

perception but also to be representative of differing views of the same behaviour from both inside and outside that culture.

Pike had recognised that different and distinct kinds of data were being gathered in the study of cultural phenomena, for example in anthropology fieldwork (Warner 1999), but also that the different types of data could have distinctive benefits to cultural research. Importantly, both viewpoints were considered by Pike to have equal value, and should be used as compatible perspectives rather than oppositional ones (Berry 1989). Extending these concepts away from an anthropological context, the concept of ‘inside’ or ‘outside’ a system can also be understood as corresponding with the ideas of biography and autobiography respectively. Emic and etic perspectives therefore are stories written and produced from two different perspectives ideally written from multiple vantage points (Bayman 2001).

Pike’s early ideas regarding emic and etic perspectives were developed further by the positivist anthropologist Marvin Harris (1976) who would not have accepted the credibility of an emic perspective as grounded in autobiography. Harris preferred that knowledge was a dish best served cold. It is objective, from the outside and with minimum interpretation – not least from the object (or subject) of study. Therefore, biography could be interpreted as having a place in science, if conducted at a distance, in an objective manner. Autobiography with its emotional contribution and subjective opinion, would be better judged as art or fiction (ibid.).

Harris developed Pikes linguistically grounded ‘inside’ and ‘outside’ system perspectives by making a distinction in terms of people’s own views on the significance of their actions from ‘inside’ their culture (*emic*), and the observers’ objective analysis from the ‘outside’ (*etic*) of a culture (Johnson 2002). Harris adhered to the Enlightenment principal of the detached observer that Layton describes as attempting to ‘objectively determine the true causes of events’ (Layton 1997, p.131). The significance of the possibility of an objective observer is demonstrated in the controversial emic/etic dichotomy debates within anthropology.

The debates were instigated by Harris who wrote about them extensively (Boyle 1994) at the same time as arguing against the subjectivity of ethnographic experience versus using ethnographic data as a scientific framework (Layton 1998). Harris’s strict adherence to scientific approaches in anthropology insisted that cultural materialism was the only way to generate the same universal conventions as those found in the natural sciences. Consequently, Harris modified Pikes ideas away from propositions regarding the equality of different perspectives because he argued that from a scientific perspective the emic context was not scientifically legitimate.

Harris did recognise that the different perspectives existed in the manner that was described by Pike, but believed that only the etic perspective was appropriate for scientific research. ‘In Harris’s definition, emic statements refer to logical systems whose discriminations are real and significant to the actors themselves, and etic

statements depend on distinctions judged appropriate by scientific observers' (Warner 1999, p.118). The appropriate distinctions for the scientific 'observer' are exactly that; observations that describe rather than explain. Harris states '...to describe body motions and the external effects produced by body motions, it is not necessary to find out what is going on inside of other peoples' heads — at least it is not necessary if one adopts the epistemological stance of cultural materialism' (Harris 1976, p.330).

Harris most notably developed cultural materialism within anthropology as a method of explaining people's lives as determined by the emphasis within the culture upon the role of technology and demography. He maintained that 'causes of social action always proceed from the material to the ideological, and never the other way around...[he] rejects the converse proposition, that peoples' ideas can have an effect on their material or social condition' (Layton 1998, p.131-132). This form of materialist determinism would be in direct contradiction to ideas of social constructivism that would argue that people's social and material conditions are often a tangible and direct result of peoples' ideas.

Harris's development of cultural determinism demonstrated that he and Pike were ontologically divided. Pike was all for the inclusion of the subjective perspective to create better understandings; Harris was all for exclusion to create more controllable, objective and predictable scientific understandings. The difficulty with that is that human beings aren't usually predictable, they are seldom

controllable and often their own explanation for a particular behaviour may differ somewhat from an observer.

As well as cultural materialism, Harris also further developed emic and etic to explain and describe people's understandings of culture from inside and outside. Contrary to Pike's original intention for emic and etic perspectives to be compatible, Harris regarded the terms as an irreconcilable duality, and adopted them as oppositional stances in his work rather than regarding differing perspectives as an opportunity for deeper understanding at different levels of analyses.

Harris expands this further when stating that this unnecessary information that consists of 'what goes on in people's heads', has 'come to be known as 'emic' operations' (1976, p.330) and admits that the epistemological assumptions of cultural materialism 'clashes' with Pike's (ibid.). Harris's contention is that scientific observation of 'organisation or structure that exist outside the minds of the actors....may in fact be contrary to the principles elicitable from the actors themselves' (ibid, p.331); therefore the emic runs the risk of *contradicting* the scientific etic. Rather than risk this difference and potential for contradiction, the sacrifice can be made of deeper understanding regarding various perspectives subsisting in any culture. Harris regards this as necessary for retaining scientific objectivity.

Significantly, it is clear that Pike's emic/etic distinction coincided with considerable epistemological tension in anthropology. Tension that was grounded

in the scientific comparative approaches concerned with objective description; and interpretivists traditions that were concerned with explanation and the interpretation of what was 'going on in people's heads'. Traditional ethnography sought to offer grand typologies of human cultures based on scientific paradigms. Others began to regard anthropology as primarily as human science, based on interpretation and *Verstehen* (Jardine 2004) with the interpretivists such as Bronislaw Malinowski and Franz Boas seeking to comprehend the subjects or native point of view (Jardine 2004). These interpretivists did not consider that economic relations and the material conditions of existence had 'primacy over other aspects of social life' (Layton 1997 p.28).

### *3.2.2 Emic and Etic Perspectives in other Disciplines, Emic Existential Phenomenology, and Emic Approaches in Entrepreneurship*

This approach may be possibly useful in examining entrepreneurship because entrepreneurship is a very complex phenomenon that incorporates both an economic effect as well as an ongoing practical and social process. Both emic and etic perspectives have equal value. That is the observer of entrepreneurship has equally as much to contribute as the viewpoint of the practitioner. For example rather than arguing that the practitioner (or emic) perspective presents a more truthful reality, 'the use of both approaches by entrepreneurship researchers is likely to mean that a wider range of questions may be addressed' (Leitch et al 2006, p.72). These perspectives facilitate the collection of both emic and etic types of data, while understanding that both types tell a 'story' about the phenomenon rather than presenting a universal truth.

Emic and etic perspectives have been used in other disciplines (Table 3.0) and I used these as search terms in the Web of Science Database, to look at approximately fifty articles to establish the disciplines that already incorporated these perspectives. I examined the various methodological approaches that incorporated these perspectives to see how this could benefit my research approach.

<b>Psychology</b> , cross cultural psychology, Big Five personality indicators	Maheswaran and Shavitt (2000); Mistry et al (2009); Saucier and Georgiades (2005); Triandis and Eunbook (2002); Higgins and Bhatt (2001); Triandis (2000); Landrin and Klonoff (1992); Helfrich (1999); Smith and Sluckin (1979); Berry (1999); Watkins and Adebowale (1994); Liddell (2002); Saucier (2002); Harré (2000); Lonner (1999); Di Blas and Forzi (1998); Katigbak and Church et al (1996); Jackson (2004); Berry (1989)	Theory; Ethnography; Survey; Phenomenology; Triangulation; Text Analyses;
<b>Medicine</b> epidemiology, nursing, psychiatry, health studies	Karim et al (2007); Uys et al (2008); Doyle (2008); Alegria (2004); Artre and Kudale (2004); Warner (1999); Spiers (2000); Barrosos and Powell-Cope (2000); Houldin (2007); Weiss et al (2001); Weiss et al (1992);	SPSS; E.M.I.C*; Focus Group; Survey; Theory; Interview; Literature Review; Grounded Theory; Triangulation
<b>Education</b> language, linguistics, nutrition, pragmatics, philosophy	Haugh (2007); Yamaguchi and Koyama (2009); Cutz and Chandler et al (2000); Bailey and Hutter (2008); Berkenkotter and Ravotas (1997); Dewaele (2008); Harwood (2009); Godina and McCoy (2000)	Ethnography; Mixed Methods; Theory; Focus Group; Triangulation; Survey; Interview; Text Analysis
<b>Business</b> marketing, socio-economics, tourism, management	Parker and Keim (2004); Martin and Woodside (2008); Woodside et al (2004); Wu (2007); Kimberley et al (2007)	Mixed Methods; Grounded Theory; Action Research; general Behaviour Model

\*E.M.I.C – Explanatory Model Interview Catalogue

**Table 3.0: A Summary of Some Examples of Emic and Etic Perspectives in other Disciplines.**

It was clear that emic perspectives are not always used in research for solely interpretative and phenomenological purposes. For example, the emic perspective was just as easily incorporated into positivist agendas when it was triangulated and quantified in language, psychiatry and medicine. Therefore, it cannot be stated that the 'etic' perspective is always the positivist outside perspective, or the emic *always* used by the interpretivist. The methodological approach is either positivist or interpretivist depending on the ontological position of the researcher.

The emic perspective combining both the researcher and researched has been combined with case-study methodology by Fearfull (2005), who worked herself as a clerk in the organisation where she was going to study the working lives of clerks. Similarly, existential phenomenological methodology has been used previously, for example Vickers (2005) studied the working lives of people with chronic illnesses using a Heideggerian phenomenological methodology. In both of these pieces of research rather than bracketing their own subjectivity, they incorporate it into the method. Vickers for example acknowledges and draws upon her own experiences of having a chronic illness. This research was in part emancipatory because Vickers sought to reinstate the 'invisible' people that had unseen chronic illness and this included her own experience.

She explains that 'Heideggerian phenomenology is introduced as the methodological and philosophical vantage point for a study where ante narratives have been sought to illustrate the post modern working life of sick people' (ibid. p.74). In keeping with Heidegger's existential view of experience and historicity

these narratives are not tidily furnished with clear beginnings and endings for these stories. As Macquarrie (1972) explains ‘our experience and knowledge are always incomplete and fragmentary’ (ibid. p.13). So with Vickers (2005) study the narratives are left open, incomplete and with loose ends. We don’t know how it turns out for the participants in the study apart from the mention made that two women died shortly after completing the study.

McKenzie (2007) also recognises the part that researchers play in the construction of knowledge when he suggests that verbal histories should be gathered from entrepreneurs because ‘important new information can be extracted from the verbal histories of entrepreneurs...verbal history is an accurate collection of subjective evidence...and the researcher is an integral part of the discourse’ (ibid. p.308) In this way, phenomenology avoids attempts to establish verbal truths, rather it seeks ‘one articulation told from a point of view that seeks to persuade others to see the event in a similar way’ (Kohler-Riessman 2008, p.187). Therefore, emic data only seeks to be persuasive about a phenomenon it does not seek to be definitive. Existential phenomenology is a methodology that captures ‘the level of the respondent’s life-world...understanding is attained by describing lived-experience and the meanings that emerge from them...in an emic approach the interpretation relies on the respondent’s own terms...describing experience as lived rather than conceptually abstract terms’ (Thompson et al 1989 p. 139-140).

Emic approaches are most often used in entrepreneurship to examine elements of the entrepreneurial process through case-studies. For example, the development of

leadership in entrepreneurship as a result of early life experiences (Kets de Vries and Florent-Treacy 2003). In this case the researchers clearly engage with and impact upon both the research process and the object of study; the entrepreneur called 'Roustam Tariko'. There is no attempt at objectivity and indeed the friendship between researcher and subject deepened and enriched the data collected.

Other examples of a successful phenomenological approach are Kisfalvi's (2002) research into the complex and evolving entrepreneurial processes that developed strategy and practices in the firm 'Chemco'. In this research it was the entrepreneur's 'subjective processes, although they were indeed sources of 'biases', were also what ultimately underlay his firm's consistent growth and profitability' (ibid. p.515-516). Another interesting case-study that made extensive use of the entrepreneur's emic narrative was Mumby-Croft and Brown (2006), whereby we are told the story of his fishing company by the entrepreneur himself, in a way that engages and elicits empathy because the business ultimately failed.

### **3.3 Research Method: Linking Phenomenology with Qualitative Case-Study Research**

The research method involves an enquiry into new venture creation processes and practices to gain a perspective on my research question 'what is entrepreneurship?' The methodology employed in this research is an existential phenomenological enquiry from a lived-experience perspective. The method for conducting the research is a longitudinal case-study described from an emic perspective. As explained in the previous chapter the philosophical underpinning

of existential phenomenology operates within a subjectivist ontology as well as a socially constructed paradigm of how we know that reality exists.

The research design and methods for this research include the context of the study which is a phenomenological account of the lived-experience of entrepreneurship in my own company – ‘The Archaeology Company’. A ‘phenomenological approach uses qualitative and naturalistic approaches to inductively and holistically understand human experience’ (Karami et al. 2006, p.44). Therefore the philosophical underpinning, methodology and the data collection including the emic perspective interpreted and explored through a narrative, and the data analysis report represent a qualitative approach to the research. Qualitative research is explained here by Denzin and Lincoln (2008), in a way that explains why qualitative research is the most appropriate research design for my question;

‘The word *qualitative* implies an emphasis on the qualities of entities and on processes and meanings that are not experimentally examined or measured (if measured at all) in terms of quantity, amount, intensity, or frequency. Qualitative researchers stress the socially constructed nature of reality, the intimate relationship between the researcher and what is being studied, and the situational constraints that shape enquiry. They stress *how* social experience is created and given meaning’

(ibid. p.14).

In recent years it has started to be recognised that entrepreneurship researchers need to begin to investigate in much greater depth the activities of individuals

engaged in the processes of starting a business, if they are to understand how that occurs. Gartner and Shaver (2005) suggest that more evidence of these processes needs to be generated because ‘there is very little evidence about the micro-behaviours of firm founders’ to be found in entrepreneurship research (ibid. p.215). The case-study in the research herein provides an account of how these venture creation activities took place from the perspective of the entrepreneur.

A phenomenological approach promotes ‘experiential understanding and glimpses of multiple realities’ (Brundin 2007, p. 288). The processes and practices involved in setting up and running a rapidly growing firm are ‘multi-dimensional rather than one-dimensional phenomenon’ (Davidsson et al. 2006, p.363). This assertion sets out an interesting empirical challenge if the acknowledgment of complexity is then to be translated into a satisfactory methodological approach. The case-study data and presentation of the research in this thesis attempts to address this.

It has been previously suggested that some case-study research tends to be ‘anxious to demonstrate that cases are chosen on the basis of typicality and representativeness...’ (Perren and Ram 2008, p.88), but I am not demonstrating that here. This case was chosen for quite different reasons and ‘The Archaeology Company’ was selected as the context for my research, because of access. This was a company that I set up and ran successfully for over seven years and I would suggest that as a researcher one can’t really get more ‘intimate’ (ibid.) with my subject than that.

My experience of setting up 'The Archaeology Company' had the potential to offer interesting insight for several reasons. As an organisation it was not representative of the majority of new firms because it is widely agreed that the majority of new firms fail. Delmar (2006) explains that for the majority of organisations, growth is far from usual because 'most firms start small, live small and die small...they never embark on a significant growth trajectory' (Davidsson 2006, p. 390).

'The Archaeology Company' experienced rapid growth, and a rapidly growing firm is considered to be a positive indicator of firm performance and success (Baum et al. 2001; Barringer et al 2004; Covin and Slevin 1991 etc). Although research suggests that very few firms manage it (Casson and Wadeston 2007). For this reason more in-depth case-studies on high growth firms have been called for in the literature (i.e. Davidsson 2006). From a research perspective therefore this case makes a contribution by offering insight into entrepreneurship in a high-growth context that other cases may not be able to provide (Siggelkow 2007)

My experience of constructing 'The Archaeology Company' therefore presented me as both the researcher and researched and the subject as well as object of investigation. Which offered the possibility being 'a distinct experiment that stands on its own as an analytical unit' (Eisenhardt and Graebner 2007, p.25). There was also the likelihood of contribution to the field by offering empirical evidence from the rich real-world context from which the phenomenon of entrepreneurship occurred (ibid.).

### *3.3.1 Case Selection: The Archaeology Company*

Archaeological and Heritage Management Services Limited, trading as ‘The Archaeology Company’ was incorporated in Ireland at the start of 2003 as a limited company ‘Archaeological and Heritage Management Services Limited’. During the time of incorporation Ireland was experiencing a construction-led industry economic boom. I began the planning stage of the company in the autumn of 2002, and my role was the managing director. I originally had three other directors, one of whom was my husband Peter Lawson, and all the co-directors were licence-holding archaeologists. The initial plan was that I would get the company up and running with Tony Friedman, one of the co-directors working on a subcontractor basis. When I had built the ‘The Archaeology Company’ up to a sustainable enough level, the other two remaining directors would leave their jobs. They were reluctant to make the transition from paid employment, until they could be sure that my plans would work.

My company in the early years was tied into the expanding housing construction industry, and mainly managed projects associated with this, such as housing estates and the development of towns. When the company became more established, and subsequently had three years of accounts it became less dependent directly on the housing section of the construction industry. We became eligible for government contracts and could participate in state tendering competitions for large-scale infrastructural projects.

These competitions were normally for infrastructure projects, for example bypasses, motorways, sewage schemes and roads. By that stage as we had also built up our 'private client' base so we managed the larger government contracts at the same time as smaller developer-led projects. Two other directors left the company relatively soon after the start-up, which left me to run the organisation both financially and administratively, and my husband managed the archaeological aspects of the projects on site, including the archaeology, the crews and the clients.

The archaeological services that 'The Archaeology Company' offered were small-scale testing projects for individuals building houses who had to submit an archaeological assessment report as part of the planning process. Also projects that involved larger scale monitoring, and testing jobs on road schemes. This would involve having archaeologists at various points along the proposed road, watching the contractors remove the topsoil in case there were archaeological remains present that would be impacted upon during construction. If there were, these had to be either resolved by excavation and recording by the team or alternatively the archaeology was preserved by redesigning the road away from the archaeological remains. I started the business by designing and printing 3000 brochures for potential clients and telephoning them. This was to see if they used archaeologists, and secondly if they had a project coming up I could quote for and send on a brochure in the meantime.

I employed my first member of staff, a neighbour within a couple of weeks to help out with the brochure marketing campaign. We had 14 full time staff members

within 6 months. The first year's turnover exceeded €350,000 net, and by 2007 the net turnover exceeded €1,800,000. At our peak we were completing between 45 and 50 projects per month and had a permanent staff of 18 with a further 40 full time subcontractors. There were a few established archaeological contract services companies in Ireland at this stage, but the majority of them had been established during the 1990's. The Archaeology Company was the only new company that managed to break into the tender circuit by frequently submitting successful bids, see Figure 3.0: Timeline of 'The Archaeology Company' taken from the *emic* narrative (i).



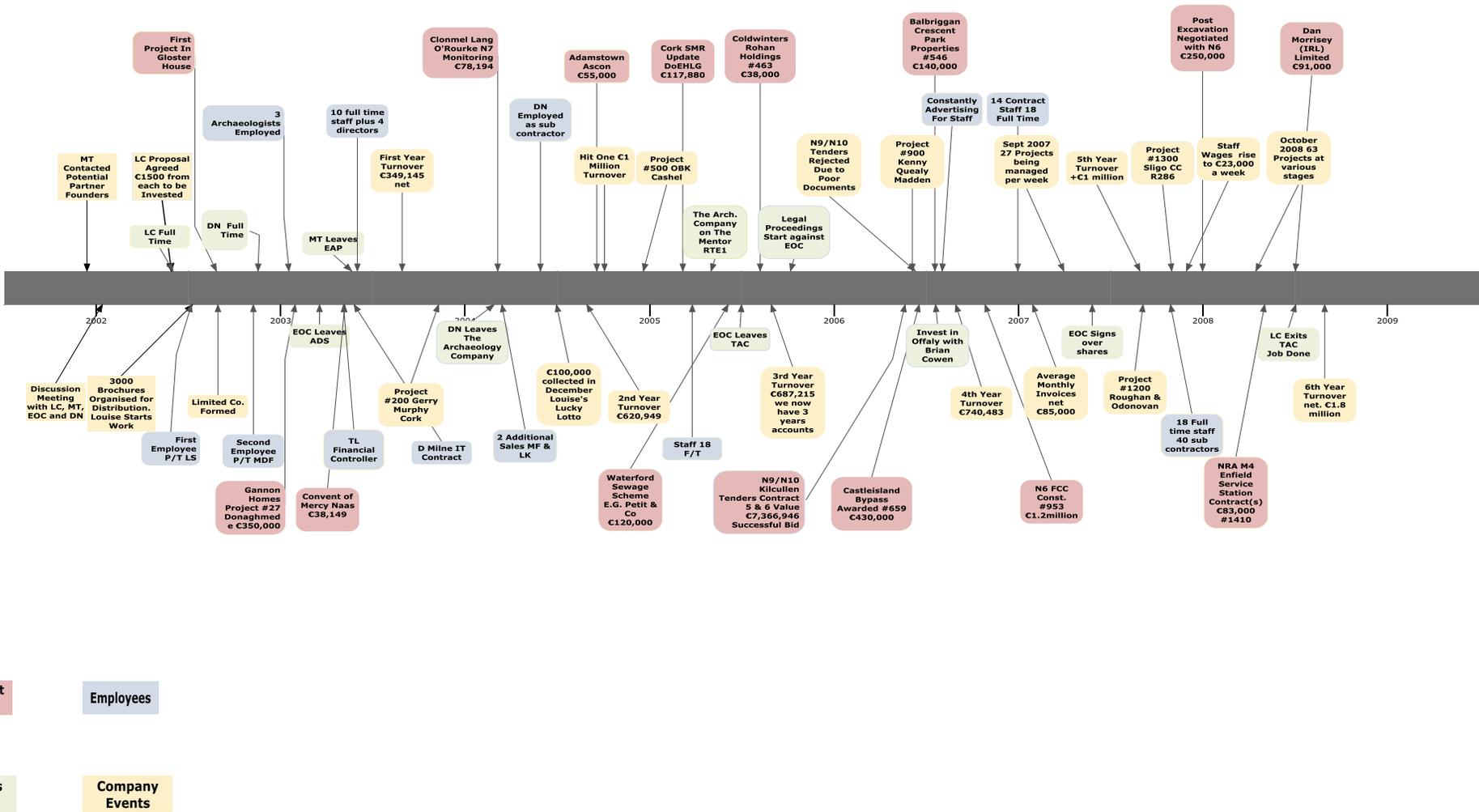


Figure 3.0: Timeline of 'The Archaeology Company'

### 3.3.2 *Data Collection and the Development of the Research Question*

During the pre-start up phase of the company and the process of setting up and running it, I kept detailed diaries, journals and notebooks that recorded my activities and thoughts as the business unfolded. These notes and diaries covered the period from 2001 to 2008 and included all my earliest plans for the business, drawings, pre-start up meeting notes and concepts regarding the imagined structure of the business. As the business developed, these notes and journals were exchanged in favour of the written diaries that I kept while I ran the business.

These records presented me as both researcher and entrepreneur with unusual access and knowledge of the entrepreneurial process that could be used for the purposes of academic research. The initial research question was '*what were the factors that led to the rapid growth of The Archaeology Company?*' The data collection therefore was originally structured around this question and the thesis was to be structured into two parts. Part A was to be the a phenomenologically grounded emic narrative of the experience of the rapid growth of 'The Archaeology Company', and the second part, Part B was to represent the 'etic' perspective and a comparison of the two perspectives. This was in order to present insider and outsider perspectives on the phenomenon of firm growth.

In order to maintain the integrity of the emic phenomenological account, unusually for a doctoral thesis the emic accounts were produced prior to any literature being consulted, and this was the first research activity that took place. A

more traditional approach would possibly have involved starting with the literature review in order to identify gaps in the literature, and having done so the data collecting phase would then commence. However an existential phenomenological approach would not be compatible with the ‘bracketing’ of this outside etic knowledge. Clearly, a literature review undertaken at the outset of the process may have had a significant impact on the subsequent collection of the data, and soundness of the emic account.

### 3.3.3 *Collecting the Emic Narrative Accounts for Analysis*

My diaries and journals were used to provide me with a phenomenological emic narrative of the growth of my firm, and I wrote this in three phases between 2008 and 2009. The first problem I encountered was a methodological one, in that my initial research question had really turned out to be a ‘why’ question and this turned out to be not well suited to my single case emic account data. This is the reason that there was more than one data collection phase. I was dissatisfied with ‘the story’ I was telling in terms of trying to explain why my firm had grown. There was simply more than one ‘story’ to tell about this phenomenon. It became clear that setting up and running a business can be experienced in many ways by the entrepreneur.

The three emic accounts that I had at the end of the data collection phase covered three different aspects of the process. The first narrative *emic account (i)* focused on the growth of the business, and it was an account that described the growth in sales, staff and new projects, as well turnover, profit, increase in wages, and so on.

The focus of this account was the external factors in the economic environment at that time, for example the construction boom in Ireland, as well as the value of the large road and infrastructure tenders that I had procured as managing director of the company. As part of this account I constructed a timeline of the company and these factors, which can be seen in the previous section presented as Figure 3.0.

The second narrative *emic account (ii)* covered a more existential account of the personal meaning which creating and growing my business had for me. This explored my implicit motivations for embarking on the entrepreneurial process, and was an attempt to understand how I was able to do something that other people seem to find quite difficult. This explored some events that I had experienced while I was a child such as being homeless, being in a children's home and also being in foster care. These events made it difficult for me to finish school so I started work at a young age in very low paid jobs. This explains why I had a reasonable tolerance for the various hardships encountered in running the business, as well as a capacity to believe that if situations are difficult, it's my responsibility to change them.

The third narrative *emic account (iii)* effectively dismissed the economic *emic account (i)* as an explanation for the company growth by arguing that the answer to the question 'why did this business grow' was to be found in asking instead 'how' this business grew (McKelvie and Wiklund 2010). This led to a new question: '*how did 'The Archaeology Company' become a rapidly growing firm?*' This final narrative therefore described and explained the events, problems and difficulties that I had encountered while running the business, as well as the steps I

took to solve the initial difficulty and ensure that the problem did not occur again. At the end of the written emic narratives I had just under 70,000 words to analyse. This would be sufficient for my analysis, so I proceeded with my review of the academic literature.

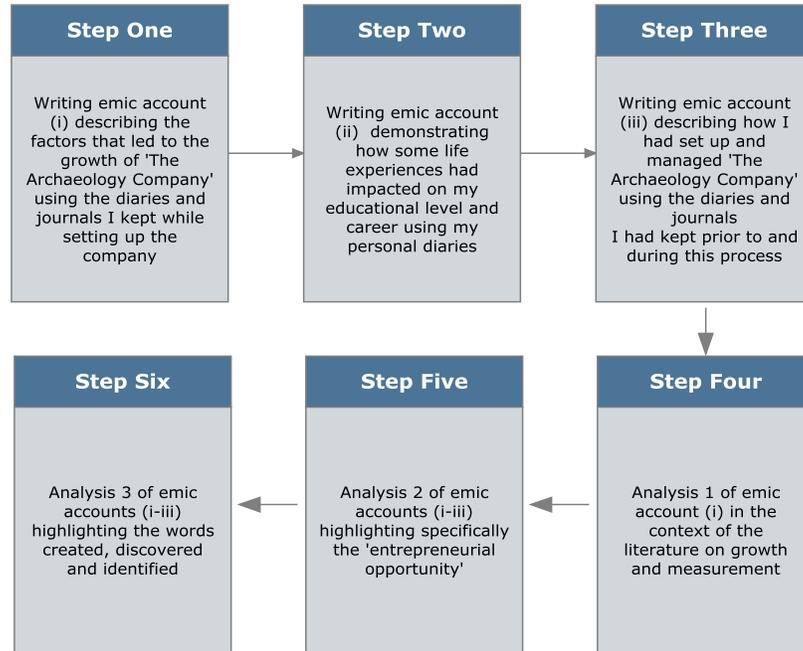
The literature review concentrated on the entrepreneurship and firm growth literature to begin with because the development of the research questions still focussed on the economic outcome of my firm, i.e. growth. This proved very unsatisfactory and I found the literature to be dominated by measurements of growth, within which my data did not seem to sit easily. (Other than to say that what entrepreneurs consider as firm growth may be somewhat different to how an academic researcher might measure growth). The answer to explaining the success of the company did not lie in measuring its growth alone. This was only one part of the whole process.

I read Scott Shane's (2003) book 'A General Theory of Entrepreneurship: The Individual Opportunity Nexus' and I immediately saw that his research could provide me with a research question that was a much better 'fit' to my data. The research question then became '*how important was the entrepreneurial opportunity in the case of 'The Archaeology Company'?*' The second literature review that I undertook was a review of the entrepreneurship literature, specifically relating to opportunity theory. The research question developed once more after this literature review as it became clear to me that contrary to the etic perspective of entrepreneurship in the literature, the principal activities that this entrepreneur undertook were not related to opportunity.

My data was analysed to examine how important entrepreneurial opportunity was in this case-study. The final research question emerged from the realisation that many researchers appear to have different understandings of ‘what entrepreneurship’ is. Therefore, the final question explored during the research of this thesis became ‘*what is entrepreneurship?*’ and this question incorporates and answers many of the questions that I asked within the thesis process.

#### *3.3.4 Analysing the Emic Narrative Data*

The first step that I took was to rewrite the ‘raw’ emic narrative data to provide a more coherent ‘story’ for the thesis. Some of the data was unsuitable because there were unnecessary anecdotes that had little bearing on the research. Also, there were stories that described personal interactions and disagreements that were neither suitable for inclusion nor relevant to the research question. The original plan was to incorporate all the re-written narratives, in a shortened form, into the PhD, but this made the thesis far too long. The decision was taken at the editing phase of the thesis to include only the narratives that had contributed to the overall thesis. Therefore this thesis contains the shortened *emic account (iii)* on the process of setting up the company, as well as an *emic account (ii)* describing early life experiences and how these impacted on my experience of the entrepreneurial process. The following Figure 3.1 below illustrates these steps



**Figure 3.1: Data Collection and Analysis Steps in the Research**

For the purposes of the analysis presented in Chapter 6 all the original emic narratives were used. It is important to mention this because the literature review of opportunity had an immediate impact on how I would interpret my experience of the venture creation process. Therefore when I re-wrote the emic it could have potentially been quite simple to remove any mention of the term ‘opportunity’, but I was using all the data I had collected prior to my knowledge of this theory. In this way the analysis presents an accurate reflection of opportunity in the entrepreneurial process in this case.

I analysed the data with the research question ‘how important was the entrepreneurial opportunity in this case?’ to the fore. I began by looking for the word ‘opportunity’ throughout the three emic narratives. I examined the data line by line highlighting the word ‘opportunity’ wherever I found it, including

associated words such as 'opportunistic'. During this stage I was interested to establish if the word 'opportunity' could be associated with being either discovered or created. I asked the question 'was the opportunity at the end of the entrepreneurial process?' i.e. created, or was it at the beginning? i.e. discovered.

The word 'opportunity' was mentioned fifteen times in total across the three emic accounts. This led me to ask 'is this evidence that the opportunity existed?' It has been noted by researchers that there is very little evidence that opportunities exist (Shane 2003), so this may provide a contribution to literature by doing this. I analysed the data further by examining what these opportunities meant to me during the process of setting up and running the business. This led me to ask that, in the context of 'entrepreneurial opportunities' are researchers and practitioners talking about the same thing?

In order to establish this, I allocated colours to the words 'created, identified and discovered' as they appeared through the text to establish the association between these activities and opportunity in this case. These words in direct contrast to the word 'opportunity', appeared very frequently, and not necessarily in association with the much less frequent appearance of 'opportunity'. Finally then I analysed the data to understand what was being created identified and discovered in this case. The answer to this was that problems were constantly being identified, and solutions were then being created (and occasionally discovered) throughout the entrepreneurial process of gradually gaining control of the organisation. The analysis chapter presents these findings in greater depth.

### 3.3.5 *Problems with the Data Source and the Analysis*

I encountered five significant problems with the data source and the analysis:

1. Although it may be the case that there is ‘no substitute for knowing your data intimately’ (Leavy 1991), in this particular case while there were obvious advantages, there were also less obvious disadvantages. The first problem was that it was difficult to establish how much narrative I needed to write, because without sight of the literature it was unclear what purpose I was writing towards. There was no set goal for the written narrative, which is in keeping with an existential phenomenological account, but difficult to accomplish in practice. Also, it was personally difficult to write some parts of the different ‘stories’ because I am emotionally involved.
2. The emic narrative was written three times because it was difficult to judge without any clear idea of context, what would be useful and what would not. This meant a significant amount of written work – not a problem in itself but problematic in terms of what to include and what not to include. It is important that this research has integrity, but I control what is to be known about the entrepreneurial process, by including or excluding different parts of it. (Not however, as it relates to my research question).
3. The initial question was a ‘why’ question and ‘why questions have been the hallmark of quantitative sociology which seeks to explain and predict behaviour’ (Holstein and Gubrium 2005, p.498). My research was

qualitative and didn't fit my original research question, which may have been better suited to a quantitative study. It took a while to realise that there was disparity between philosophy, research question and methodology.

4. It continues to be problematic that the emic data exposes me personally, as these accounts are taken from my personal diaries and journals. In writing a very close and accurate account of my experiences during the process of entrepreneurship, I have been revealed in a way that is discomforting. There was a level of disclosure within the narrative that I would have preferred to have been coming from someone else. It was a difficult task to decide what was relevant and interesting and what was not. I also needed to make the decision that the research itself was more important than how I may feel about other individuals reading about my experiences.

5. There is an enormous amount of literature on entrepreneurship as well as firm growth. It was a significant undertaking to attempt to review all this literature to find something that would 'fit' theoretically well enough with my story to facilitate an analysis. There was a significant problem in that none of the literature appeared to reflect or explain my experience of being an entrepreneur very accurately. This resulted in two literature reviews (only one of which is included here). In my view, it would have been easier to conduct a literature review and then to write the narrative to fill a particular 'gap' in the more traditional manner. Unfortunately this

would have resulted in an emic narrative that was influenced by the etic, and possibly not have been quite as interesting overall. The data presented in this thesis, because it was collected in the way that it was, is genuine as an emic ‘entrepreneurial account’, as well as in keeping with a subjectivist phenomenological methodology that retains its existential ontological roots.

### **3.4 Conclusion**

This chapter has explained my methodological approach to the research question, and has described how this approach extends my philosophical position as well as impacting upon my research method. I have examined the dominant methodological approach in entrepreneurship, as well as presenting examples of alternative approaches including phenomenology. I have explained, with respect to phenomenology that either following a Heideggerian phenomenology or a Husserlian one, will significantly impact on the research method pursued.

This chapter has also explained my employment of the entrepreneurial ‘emic’ perspective, and defines how using this perspective is a good ontological fit with my phenomenological methodology. In order to do this I have explained the origins and conception of these perspectives, as well as demonstrating how they are used in other disciplines. Finally I have described and explained the choice of case-study for this research. I have described the origins of my data as well as how I collected and analysed it.

I am suggesting that the methodological approach taken here necessitated emic and etic perspectives (Pike 1967) because I suggest that the answer to ‘what is entrepreneurship?’ is not being adequately explored and researched due in part to the dominant or ‘etic’ academic perspective in the literature. The reason for this may be because the ‘etic’ perspective for entrepreneurship has failed to take sufficiently into account the ‘emic’ or insider perspective on the practice of entrepreneurship when developing its theoretical framework. I suggest that ‘emic’ accounts of entrepreneurial practice are being sidelined, because the majority of researchers are interpreting entrepreneurial activities through a primarily positivist lens.

Furthermore, the ontological positioning of researchers impacts significantly upon the influential ‘etic’ or academic perspective on what entrepreneurship is, and I suggest that the dominance of positivism in the ‘etic’ view is constraining the development of more useful theory. If it is considered that an ‘entrepreneur is a person who founds, organizes, and manages a business’ (Solomon 1999, p.172), it stands to reason that entrepreneurship involves the processes and activities that person embarks upon while getting that job done. How any other researcher however interprets these activities, or indeed interprets this question, impacts considerably upon the subsequent methodological approach taken.

To conclude, positivism as the dominant philosophical underpinning of the etic perspective in entrepreneurship has had a significant methodological impact on the field, and subsequently on the development of theory. This chapter has further explored the self-imposed limitations that are a result of positivism’s narrow

approach, and the significant impact that this then has on how knowledge about entrepreneurship is accumulated.

Heideggerian phenomenology provides the possibility of gaining a better understanding of entrepreneurship philosophically, because I argue, Heideggerian phenomenology is well suited to entrepreneurship as practice. This chapter has therefore developed the thesis and made a contribution by exploring and suggesting a way that it is possible to achieve a Heideggerian phenomenology for practice, methodologically. This is achieved through a subjectivist phenomenological methodology that captures the lived-experience of entrepreneurship. The next chapter will now turn to presenting the emic narrative data collected through this novel methodological approach.

## **Chapter Four:**

### **Case Data (1): An Emic Narrative of Entrepreneurship as Lived Process and Practice**

#### **4.0 Introduction**

The lived-experiences of the processes and practices involved while creating a new organisation are rarely accessible for the purposes of academic research. This chapter makes a contribution by presenting an emic narrative that describes entrepreneurship as lived. The overall research question of this thesis is, ‘What is entrepreneurship?’ and this chapter tells the story of what entrepreneurship ‘is’ as described by the entrepreneur herself. In this chapter, therefore I present an emic narrative describing how this phenomenon was experienced by me as lived and practiced process of setting up and running ‘The Archaeology Company’.

This chapter is not structured in the same way as the rest of the thesis, because it is a first-person narrative account told by me ‘as-entrepreneur’. This emic narrative is *emic account (iii)*. When the account was initially written I had identified several areas that were critical for the setting up and running of my business. The structure of ‘the story’ contained here, is a reflection of those convictions, and has

eight separate sections. These are (1) introduction; (2) 2002-2003 Planning; (3) 2003-2004 Marketing; (4) 2003-2004 Administration; (5) 2003-2004 Financial Management (i) Cashflow; (6) 2004-2005 Financial Management (ii) Profit; (7) Tendering Systems; and finally (8) Conclusion.

#### **4.1 Emic Account (iii)**

##### **Introduction**

*The Archaeology Company was personally a massive creative process. It was a whirl of excitement and ideas that found application in solving practical problems. I had the thrilling role of 'the creator' and with it the good fortune to experience the buzz of grasping a problem, and literally feeling I was throwing it around the place until I had a solution. That was fantastic when it happened and I could feel everything in my head just **working**. It was a physical process as well because I had to find some way to externalise and communicate so that the problem would be suspended in the room with us until I had the problem resolved. It never failed; a solution was always found. In the very early stages of the business the company went within a few months from one room in my house, to two rooms and then three, then one staff member then several, then an office, then a bigger offices, then a suite of offices. For some months my entire experience of the company was making the problem solving 'event' to occur on almost an hourly basis and it was exciting. My identity was for some time 'job creator'.*

*I was so determined to make this company work. I was quite unprepared for what would be involved. The creation of a whole load of **systems** had to happen and had*

*to happen extraordinarily quickly and everyone was looking at me to get everything working. (Let alone the huge amount of 'stuff' that needed to be bought continuously, computers printers, binders, telephones, faxes, furniture, stationary- to keep up with all the staff members we were employing). This was very exciting and rewarding feeling the energy in the air of the company, but it also completely spiralled out of control. It was so exciting to think of all the opportunities and possibilities. I couldn't get to sleep at night and I'd bring my laptop to bed looking for jobs which I would highlight in pink in the AIS magazine (Advanced Information Services. A construction industry magazine). It was so exciting for everyone working there as well and they were all buzzing along with me. I could solve everything; I could create it all but it was a serious strain on my brain almost every minute of every single day. It felt like I was going insane. Never since those early months have I experienced such intensity with having to do so much so quickly. Problem-solving one after the other; day after day. Whatever this crazy creativity is, the mental chaos of everything flying around in your brain and the simple euphoria when you get a result and solve the issue successfully. The whole company is creativity and problem solving and the company has become exactly what I saw it becoming in my mind.*

*It's likely that the explanation for business success lies simply in the practical aspects within the company itself, and that by examining those I can much better explain the growth of 'The Archaeology Company'. The nature and the magic of the rapid economic growth of the company lies within the structure itself and this is a description of how to run that structure in order to thrive. The practical*

*factors are the ones that will work. To a greater extent it was what I did about the experiences and the practical manifestations of that 'doing' in terms of creating a series of successful systems; systems that were put in place as a reaction to the situation as and when it or they arose. I have always appreciated the increased options that money can provide you with in terms of being able to do what you want to do rather than what you have to do. I didn't take financial aspects into consideration at the initial stages and had no concept of the financial implication of so many staff. I also didn't consider the implications of having so many people working for you in a successful sense would change my own situation.*

*With company formation you have this mad fuzzy changeable mass that flows in and out of the company structure. The mass is moving according to feelings and emotions and making decisions made on no particular business sense. They are made for deep personal reasons that only exist within that particular moment and have been created by something that might be totally instinctual. These personal situations are continually changing within the business itself and are completely rationally inconsistent.*

*Time and again the business proves that it is not the predictable problems that are the real problems. These predictable problems are simply resolvable situations that arise when certain things happen. The main problems are the unpredictable events that happen out of the blue and suddenly. Of course part of being in business for a certain length of time means that less and less events are completely unpredictable. Experience helps you realise that certain events will cause certain problems to arise, and that certain behaviour will solve those problems. This is*

*thinking on your feet levels of knowledge and is associated with the small elemental factors that on a single level won't help you succeed, but combined with others will help your capacity to solve problems and learn from them for future reference. The problem arises when you make the same mistake over and over, and try different solutions even when you know the one that works. You already have the concrete and practical stuff that you can do but you avoid it.*

*There is no place for being passive in the relationship you have with your company, your clients and their projects, your staff and systems. There's no point in thinking that something else 'will happen' and do all the stuff for you because if you aren't watching closely you can be guaranteed that nobody else will be and then you won't understand why you've gone bankrupt. For The Archaeology Company the main falling down point in year two was the lack of control and that factor alone resulted in a very successful company getting into unnecessary financial difficulties during that time which almost broke us over the course of the following year.*

*Had I known about the importance of control, and just as essentially how to implement the systems that give you control, the financial black-hole would have been completely avoidable. There are small things you can put in place to keep a tight control on things. Obviously I would still have made mistakes. I am also a product of all the mini irrational factors and impossible to remove unless we get robots to build organisations on a production line. But the basic fundamental errors would have been avoided. I was more usual than unusual in making the 'control' errors, everyone does it. The reason businesses fail is because of not*

*understanding how important all the elements are. It's easier for business owners to believe that lies with external and uncontrollable factors than to believe that it lies with what they are themselves are doing (or more usually not doing).*

*If a person has a closed mind to the idea that the problem can be solved either within themselves or their organisation; if somehow they regard the cause of the problem is 'out there,' as an imposition on their business, rather than 'in here' they will not look for the solutions within their own company. If the reason your business is failing or that you aren't being profitable then this is because of either (a) something you're doing or (b) something you're not doing. No-one's judging you for fault because nobody's that interested. It's a business and if you want to succeed you must find your solution within yourself, and apply it to the business.*

*During 2000 and 2001 Peter Lawson and I were both working for a company called Turas Archaeology, based down in Wexford. Turas was owned by Peter's brother Frank along with two business partners. We had moved to Ireland from Wales at the end of 1999, as Peter had been working for several years as a subcontractor in Frank's archaeology firm and he had started to discuss the possibility of a partnership with Peter. Turas Archaeology had successfully tendered for a €1.2million euro project for the National Roads Authority on the Ballythomas Bypass. The project was going to last for well over a year and had therefore given Turas Archaeology an opportunity for a time of security and stability while they completed the project. This was the largest project they had tendered for, and Frank was happy to give Peter a job as a licenced archaeologist on the project and me a role in administration. It was an exciting time for us.*

*Peter and I weren't married at that stage although we had recently become engaged. I had two very young children from my first marriage, and had been studying for several years before moving back to Ireland. This was the first serious job I had had since leaving work to go back to university. I started out on a tourism feasibility study for the company and when that was completed Frank gave me a role in the office to organise the administration of the project. This was a useful time in terms of grounding for setting up the business.*

*There was not a lot going right in that company and it appeared to me that they were wasting money left, right and centre because they were completely administratively disorganised. They had no financial systems, no staff control systems and everything was exciting and noisy, but stressful and chaotic. There was obviously enough money being made within the project to allow for the lack of discipline, so everything kept going more or less! There wasn't even a payroll system. At the time I was pretty judgemental and critical of all of it. I had yet to realise that when a company suddenly grows from a €100,000 a year company to a €1million euro a year company it can cause a massive amount of problems in terms of catching the company up organisationally in relation to the turnover.*

*Retrospectively, I imagine that this must have been a big lesson for me when setting up The Archaeology Company. I had seen at firsthand what can happen when a business has the ambition and potential to become huge but not the preparation, or even the knowledge that it needs the preparation. The company was set up at the outset in preparation to become a huge company; (Plates 1 and 2) the problems started when I had created the administrative system for that*

*potential in a very short space of time, but had not achieved sustainability in terms of revenue, nor had I any control over key elements because I wasn't even aware that there were key elements.*

*Frank continually experienced huge amounts of stress and hassle in terms of the cashflow and his wages bill. We would be handed our cheques on Friday and the whole company would go into the bank in Wexford to cash them. Over the next few months while I worked at Turas Archaeology I was able to identify where there were a lot of problems in the company, but Frank and I found it next to impossible to work with each other. I thought he was a complete fool for not listening to me and losing money all the time, and he thought I was arrogant for assuming that I knew better. I thought I was doing what he was paying me to do; which was identify where the problems were and look at ways to sort them out. I don't think he was ready for me to tell him that the problem was simply everything he was doing. The relationship was punctuated by out and out shouting matches that he found problematic in terms of undermining him, and then he couldn't sack me because of Peter. We still have the potential even now to clash, but as we no longer work with each other we are able to keep the conversation 'safe' by not discussing anything business-related.*

*Frank was extremely enthusiastic when we spotted a house that we wanted to buy in Birr, Co Offaly, even though it meant that we would be leaving Wexford. He suggested that maybe we could expand Turas Archaeology into a Midlands Office. Peter was keen to do this as he was still confident that he would be made a partner in Turas Archaeology. He thought setting up an office in the midlands*

*could be a positive step towards making that partnership happen. If he was able to grow the offices sufficiently successfully it would justify Frank making him a partner. The house we bought had enough room for both the family and an office. The central location was ideal as it also meant that because Peter was working on sites all over the country at that stage, he would have less travel time on the road. There were no archaeological consultancies based in the midlands either and this could potentially be advantageous in picking up work from companies that would otherwise look to either Dublin or Galway.*

*We had an old computer, headed paper from the Turas Archaeology office, and a list of architects to contact that Frank had collected from the internet. The brochures consisted of a headed sheet of paper and a list of projects held together with a slide binder. I thought it was a good idea to send these as other companies weren't marketing at all; but I couldn't persuade Frank to invest any more money in better presentation. I kept track of the architects I rang asking for work in a little blue notebook (Plates 3 and 4). I kept notes of everything and by the start of 2001 I was beginning to see that the marketing effort was poorly organised but had great potential. All that needed to happen was that the marketing was done in a far more controlled planned and systematic fashion. I was very excited by the results I was getting and felt that if I was given a proper budget for brochures and computerising information rather than notebooks I could really take the marketing for Turas Archaeology up to another level.*

*I knew that one of the main problems Turas Archaeology had was the ebb and flow of work that resulted in the lack of stability in the company as they could*

*never tell where the next project was going to come from. I knew that there were no other companies in either the midlands or indeed Ireland who were actually marketing their business and I felt that this would give Turas Archaeology the upper hand. I put together a Business Development Report (Plates 5-19 BDR (a-o)) which I believed to be a blueprint for Turas Archaeology's long term stability and growth. I produced a comprehensive report for them, based on the work I had been doing and the results I managed to achieve. I was convinced that once Frank and his partners had seen the hard evidence of my proposal right in front of their very eyes that they would be over the moon and make Peter a partner immediately after implementing all my ideas.*

*This Business Development Report was a key moment in my professional life in terms of how to make a business work. I had gathered the information as to how effective a sales strategy would be and I was able to quantify it. I had already had the opportunity to test it, and from this information I was able to produce a growth and sustainability plan. I put a huge amount of energy and enthusiasm in the report which was really a blue-print for growing a services type company. At that time I became extremely disillusioned with Turas Archaeology because this plan was completely ignored by the partners, and indeed no-one even acknowledged they had received it. I waited for a couple of months for them to respond completely convinced that they would be as excited about the plan as I was, but to this day I do not even think they opened the attachment.*

*At this stage Peter and I had been in Ireland for almost two years and I knew that he had no chance of being made a partner in that business. My reasoning was, as*

*there was no compelling reason for them to do so, in their position I wouldn't make Peter a partner either. I began to try and persuade Peter to go out on our own as because the plan was so good we should do it ourselves. This was not easy to do and took over a year of persuasion and argument to get Peter to agree to giving it a go. I wasn't exactly helping the situation by going on and on about it. In my mind this would be an ideal opportunity for Peter to 'be his own man'.*

*He didn't feel actually that he wasn't his own man and he was quite happy the way things were. At this stage we'd only been married about a year, my two youngest children were 6 and 4 respectively, I was trying to complete my Masters degree at night and during the day I was working for Turas Archaeology. I didn't want to keep doing that. I believed that the company was something I could set up and leave it for Peter to take over when it was up and running. Peter however was reluctant to take the risk and change things unless it could be shown that the company would work. I do think though, that it's sometimes the case that people say they don't want to do a particular thing when in fact they do want to do it, but they need to be persuaded because then they don't have to take responsibility. If it went wrong it would be down to someone else. Sometimes it's like I'm among people and I look like them, but actually I'm not the same bloody species at all.*

*I needed his co-operation though because I couldn't do it on my own and I needed his help. This was because I couldn't go out and do the work by myself. I had no experience, I was without an excavation licence and I didn't particularly like working as an archaeologist in Ireland anyway. He agreed to help me and become a director, but wouldn't work for the company or leave his job unless there was*

*enough work for him, and two other people. We had to think about bringing in partners or directors straight away then in order for them to do the work particularly as we could offer no guarantees and may not be able to pay them for the work they did. Peter suggested two people: Tony Friedman from Youghal and Myra Harding from Dublin. I didn't really mind who they were as it was just 'bums on seats' as far as I was concerned.*

### **2002-2003: Planning**

*In July 2002, I stopped work for Turas Archaeology when I went on maternity leave to have my third child Ruairí. Peter set up a meeting with two of his archaeological contacts Myra Harding and Tony Friedman and I met them in Birr in August. We had the meeting and they both seemed really nice and excited by the prospect. Obviously this was something that they too had been thinking about but they were nervous about doing it on their own. Both of them had licences to excavate and reasonable experience. Being by nature debt averse, my proposal planned to set up the company without any large sums or borrowings. I had put together start-up costings of just over €4650 (Plate 20), but I suggested that we should all invest €1500 each into the company start up to cover unforeseen costs. Peter and I had around €3000 left in the credit union from the sale of my flat in Essex, and I was less worried about the start-up costs than the running costs. I proposed therefore that I wouldn't take a wage to begin with, and this amount could be returned to me at the end of the year.*

*Fundamental to my strategy was getting the company off to a flying start in terms of the company profile. This was to be achieved by putting together a fantastic and professional looking brochure that would give us immediate credibility. I had always considered that slide binders sent out with a list of jobs looked shoddy and a telephone call gives the chance to get information back from a potential client, rather than a letter which gets chucked in the bin. I wanted business cards, professional headed paper that looked as if we had used a designer to give us a clean and modern look (Plates 21 and 22). I wanted a sharp brand that was professional yet at the same time friendly and easy on the eye. Nothing garish or hippy new-age archaeology looking; no we needed to look like professionals. I wanted no acronyms either as these were already being used for many archaeological consultancy firms such as ACS Ltd; ADS Ltd, VJK Ltd, and IAC to name just a few. I wanted a generic name that was instantly remembered and to the point and that just said in a plain manner exactly what we were about. We were unable to register 'The Archaeology Company' so we registered the company as 'Archaeological and Heritage Management Services Limited' as this simply stated what we did. Then I registered the company as trading as The Archaeology Company as this was who we were.*

*I put a huge amount of time into considering the designs for the company 'look' as whatever was chosen would convey a message to potential clients. I felt that, in particular the brochure really needed to give a positive message about the company, not least the message that we were established! The writing in the brochure would be important but I suspected that most people would get one*

*impression of us when they took it out of the envelope and that we needed to make an impact in that second (Plates 23-28). If they read the information contained in the brochure we would be lucky, but we had to get the name across and the services across in as short a time as possible. At our meeting I said to the other directors that I felt it was really important that we forge an immediate connection with our clients. I felt very strongly that this would best be achieved by including photos of all of us in the brochure.*

*I argued that if people opened the brochure to look at it, because people are interested and drawn to photos of people it would make potential clients more likely to engage with the brochure for a few more vital seconds. The others did not agree with this reasoning at all and they were initially reluctant to put in photos of themselves. The objections were that they would look silly and everyone else in archaeology would laugh at them. I said 'they can laugh all they want because who'll give a s\*\*t when we're the biggest archaeology company in Ireland and they're looking at us for a job?' Anyway, if other archaeologists are amused by the photos, maybe the potential clients will be as well and this may make them feel friendly towards us and more likely to take our call?*

*Peter was the most difficult to persuade as he still hadn't bought into the venture yet, and was still occasionally feeling quite hostile towards it. I carried on with my reasons for the photos. For example, if people open the brochure they will remember that there were photos in it. We are mounting a double pronged attack with this marketing strategy. We are telephoning people to make sure they got our brochure. This is a charm offensive disguised as a brochure. The brochure is the*

*opportunity to telephone. The brochure is an excuse to call and talk to them. If the client remembers these friendly faces they will be better disposed to talk to us. We have to be different to other things that may land on the desk day in and day out. Four big smiles are a nice thing to look at. (Although when I used to telephone potential clients sometimes they would ask me which one I was, which was awful).*

*The other two were far easier to persuade in the end as Tony Friedman thought the whole thing was hilarious and Myra Harding wanted to believe, and eventually the photos got taken. I drew a mock up that showed them where the photos would go and what I was trying to achieve. Tony had a really good camera so we all stood in my hall taking pictures of each other. Peter was completely unimpressed as he thought he would look like an idiot. The quote for 500 brochures €285, but for €850 we could get 3000 printed. In effect buy 1500 get 1500 free!! I suggested that this was worth the investment because all being well we would end up being forced to buy the brochures in 500 batches which would be really expensive. I was very confident in any case that I would soon get through 500 brochures.*

*There was a discussion as to whether there actually could possibly be 3000 companies in Ireland that used archaeologists? I said that there might be tens of thousands of companies that used archaeologists and we may as well aim high. At this very early stage the other directors were depending on me to get everything off the ground. Peter was still working for Turas Archaeology so had nothing to lose either way. Myra was working for BES Archaeology, and still had a full time job and Tony was self employed anyway so his position hadn't changed. The only*

*risk they were taking was to give me the €1500 at start up. It was clear that money problems were not really an issue for Myra, but that she would like to have the opportunity to run her own business and make a lot more. I had a baby, Rory at the end of August 2002 and spent the following four months getting everything ready for January. Therefore, by early 2003 all the brochures were printed and ready for distribution, as well as the headed paper, and business cards. All I had to do was start phoning people.*

### **2003-2004: Marketing**

*Rory was just a few months old when I was ready to start phoning. I had my laptop in the kitchen and a telephone extension lead so that the phone would reach from the hall. I chose to do it from there so that I would hear him from his cot upstairs. I planned to make calls while the older two children were at school, and he was having his naps. I would change the phone connection depending on whether I needed the phone or the internet. I was very confident that this work, after all I had the Business Development Report which told me that it couldn't fail. All I had to do was to generate enough work that we could employ enough people to do the work, earn money and have administrative staff to run things. However, when the 10 large brown boxes full of brochures arrived at my door for me to stack in the hall I did feel a little out of my depth. It's one thing to have all the plans and the ideas about getting something started but another thing entirely to have got other people on-board, persuaded them to give your ideas a chance and then begin work. When you've finished all your plans and the only thing left is to*

*sit down, by yourself at the table in the kitchen while the baby's asleep and start phoning people.*

*I wrote a script to use when ringing clients that was based on the one I used for Turas Archaeology, but the progress was very slow sitting in the kitchen on my own, making calls in between collecting kids from school and feeding Rory. Peter was out at work all day and didn't get back from site until the evening so I was on my own most of the time. Also I had not counted on just what 3000 A4 colour brochures would look like, and it was my job to get through each one by sending them to clients. It's not much fun phoning on your own.*

*One morning someone knocked on the door and it was my neighbour Janet Byrne from number 114, who I hadn't ever met before because this was a new estate. She was at home on her own all day with her toddler Mark, and her other son was at school and wanted to know if I wanted to meet up for coffee. I may have had young children and a baby but I was never part of the baby's toddler's mum groups. Also, I was never, ever one for meeting mums for 'gossip' and coffee, so this was not ideal as it would waste what little time I had available!! I was trying to make client phone calls between the baby, and picking up and dropping off the other children and I was busy then trying to get the letters typed up to send out with the brochures! I didn't let her in the door at first, but she noticed that I had piles of boxes piled up behind me, even though I had kept the door quite closed.*

*Janet asked me what those boxes were so I explained that these were the brochures for my new business and I was sending them out and I was very busy*

*with that 'as you can imagine'. I was trying to keep the conversation short and get her and Mark off the doorstep. But Janet was nice and said she was interested in archaeology and could she see one of the brochures. I hadn't really seen anyone else apart from us give a reaction to the brochure and I had been spending a lot of time on my own, so I let her in. I explained to her about the business and that the brochures were in my hall because I was sending them out to try and get projects. Janet offered to help me straight away as clearly there were thousands of them. I was a bit horrified when she said she could help me 'stuff envelopes'. I said 'no!! It's not just stuffing envelopes this is a marketing strategy' so she said 'well I'll help you do that then' and Janet became my first employee.*

*At first Janet tried to say she wouldn't take any money but I told her that she had to because she was working for me, and at a future date she could otherwise argue that I didn't pay her when I started up so she had a stake in the business. This way we knew where we stood so I paid her €10 an hour for two hours a day three days per week. Janet was happy to get out of the house and used to bring Mark in and leave him in my living room playing and watching telly. She said I was doing her 'a favour' giving her something to do so, but I wouldn't accept a favour. I said 'listen Janet this is a professional company and it is unprofessional not to pay you'. Janet was about 10 years older than me at the time, and had worked mainly in factories and warehouses before having her children and she wasn't joking when she said she didn't know how to use a computer. She had never used one!!! I had to show her how, including Microsoft Outlook, and how to cut and paste the covering letter to go with the brochure. I gave her a script and because I only had*

*one phone we took it in turns to make the calls. After she had left for the day I then would print out the letters and send out the brochures.*

*It was brilliant to have Janet there with me which I hadn't expected. Making the calls became great fun and it was easier when you have someone else to make them with you. I began to really look forward to the days she was working for me, and miss her when she wasn't. My telephone had a really loose connection from being yanked from the hall into the kitchen and it kept cutting out while we were talking to clients, so one day Janet turned up with a new phone for us to use as she knew it would not really occur to me to replace it. Having Janet there then caused a problem because I didn't know if she'd rung a company and then we were finding it hard to remember who we had rung when people had more than one advert in the Golden Pages. I set up a client database on Microsoft Outlook and that way under contacts we could put all the information in about who we had rung and what we had sent them. As we were also sharing the computer it just meant a quick check and we could clarify that it wasn't a repeat. If Janet and I were ringing at a different time I wouldn't have known otherwise who she had already rung so that sorted that problem out.*

*We could also attach the letter and add in a few comments, such as if they had a project or one coming up. We flagged Outlook to remind us a week later after sending the brochure to do a follow-up call. Follow-ups became as important as the first contact as it makes The Archaeology Company look pretty interested in your project if you can ring back three months later and say to them 'hi I spoke to*

*you a while ago about Balbriggan and you said give you a buzz in June. What's going on with that project can we give you a quote yet?'*

*We went through the Golden Pages really rapidly and I became worried that we were running out of potential contacts. The telephoning was working, my system was getting results but there really had to be more architects and other companies that used archaeologists in Ireland than the ones we were reaching. We really needed more companies to ring. I started researching on the internet in the evening looking for possible lists of architects firms from sites such as the Irish Association of Architects, but there still weren't enough contacts. There was, however a link from the website giving a link to a publication called Advance Information Services which was supposed to give information to the construction industry in Ireland about different projects on the go. I emailed them to get a free trial and as soon as I saw the publication I knew I needed to subscribe immediately.*

*This was the break I had been looking for. For our business this publication was fantastic. It gave all the information I needed about planning applications, commercial or residential, planning applied, granted or refused all over the Leinster region which covered from Dublin to Monaghan and down as far as Waterford. The information contained was very handy to me as it really gave us something to work from. The details included the type of development and the address, the promoter details (usually a property developer), the engineer's architects and/or design company. These details frequently gave contact names and telephone numbers. This was a breakthrough moment for our company. Janet*

*and I were able to look through the magazine at all the developments and establish direct contact with the architect on the project, so it was much easier to get past the receptionist and through to the person actually dealing with the project. We began to get our first projects through by February and then the business began to boom. Janet and I moved out of my kitchen as it wasn't really working having to pack everything up every afternoon.*

*We moved into two rooms in another part of the house and I decided that we needed two computers and a printer and fax in order to deal with some of the increasing administration. We got Broadband installed so that it was easier to communicate with Tony Friedman, who was doing the majority of the fieldwork but quickly I realised that the main difficulty was that there was too much work being generated for me to do part-time and for the few hours Janet was doing each week. I felt that more calls needed to be made in order for the level of work to increase, but increasingly I was spending time administrating projects. So I took on a part time administrator who started work on the first of May, Amanda Starr. Two months later we had to move the offices as it wasn't really working with all the people that were starting to come in and out of the house and the children, and Rory in a playpen.*

*We rented a two bedroom apartment in The Maltings in Birr, which had an open plan kitchen and living area. The administrative staff and the archaeologists worked in the open plan space, and Peter and I took a bedroom each as an office. By this time the project volume was doubling each month; they were literally pouring in from all over the country. In August 2003 we were asked to provide a*

*fee proposal for archaeological excavations at a substantial housing development in Donaghmede. The Archaeology Company quoted successfully for this project; the developer was GH and the architects firm was CCK. The value of the project ended up having a net worth of over €300,000 and due to the accompanying increase in staff numbers we moved to a suite of offices in Birr Technology Centre. The first year turnover exceeded €350,000 and by the end of the year we had 14 permanent members of staff, as well as occasional subcontracting teams. The marketing strategy had proved a successful one but that was just one element of the organisation that needed to be successful, as I soon started to realise.*

#### **2003-2004: Administration**

*During the mid-1980's I had worked for a company called Stanley Davis Company Services Limited. This organisation was a company formation agency that would incorporate limited companies and then sell them on. They also conducted company searches and provided financial accounts filed by limited companies. This was done by Companies Registration Office providing microfiches, which the team then searched to obtain the details. These were very much pre-computer times and most of the work was done with pen and paper, and by phone. This was a great place to work in and I really enjoyed working there. I looked forward to going into work every day. My salary was £5000 per annum, but the best thing about it was the people that worked there. There was a terrific sense of teamwork and excitement and we all got on very well together in the sales team.*

*Part of the training involved some basic aspects of company law – including the benefits of having a limited company as the best structure within which to run a business. I was in the sales team and was therefore involved in registering companies and advising people by telephone about various legal matters, as well as taking orders for company searches. I did this job for around two years before deciding that I wanted to work for a solicitor and learn more about the law. However, this organisation helped me to understand the limited company formation process and I always knew that if I set up my own company I would structure it as a limited company. The company was great because it employed me when I was extremely young at only 16, and without either qualification or experience. They gave me a chance on the phones and then trained me and gave me great experience.*

*To a certain extent part of the idea that I had in my mind about the way my company would 'feel' was obtained from this experience. For example, the importance of the telephone in terms of sales, and how important it was to speak to clients in a friendly, interested and focused way. Robert Maxwell bought this company soon after I left in 1988. The company demonstrated to me that a successful company starts with being a really enjoyable and fun place to work in. We worked very hard, there was a lot of banter between the sales staff and we all wanted to do a good job. The sales team that I set up at The Archaeology Company was largely modelled on this, and I was most often to be found in the sales office messing around with all the women on the phones.*

*Right from the beginning I had decided that the company would be as big as the largest companies within a three year timeframe, so I had planned for it to be huge. Because of the Business Development Plan I felt simply that the amount of projects we would get in would be absolutely determined by the amount of calls we could make. If we got 12 quotes per 100 calls then getting 50 projects was only a matter of making 400 calls. What I needed to assess was how much it would cost to give all four of us a wage and cover running costs on a monthly basis. It was important to compare that with the maximum amount it was possible to earn per month based on the three archaeological directors working a five day week. For example half capacity work rates at €400 per day would generate €1200 which would not be enough if the directors were drawing €625 per week salary. These were the practicalities of the immediate finances and the other issue was the structure.*

*However, all this planning was based around the acquisition of projects – not really on the administration of this type of organisation. The success for the marketing strategy brought its own difficulties. Not least that every single project had a different element to it and none of these were being organised. By August 2003 we were dealing with an ever increasing number of projects coming in and it was becoming virtually impossible to keep track of them. Some of these projects wouldn't get past the quotation phase, but the majority of them would proceed to completion. For a project to be completed there were quite a few phases for it to pass through, such as quotation, confirmed, licence application, site work, report, invoice etc. I had identified and broken down each element contained within the*

*project and I had allocated resources to each one in a way that made sense in terms of completing the project.*

*The problem was that from July and August we were getting in a large number of projects and each project had all those varying stages and no-one was really able to control that or make sure they remembered what needed to be done on each one. Different people were involved at each stage so Peter may decide how many days were needed to complete the project then I would then price this up and send out a quote. After that someone else would complete a licence application and then different people would end up out on site. Obviously when all the projects started coming in I had not really anticipated that there would be so many that it was impossible to keep a track of every stage being done by every person, on each project in my head (Plate 29). To a certain extent it was a matter of luck if all the elements combined successfully enough that a job got completed on time and an invoice sent out!! It was disastrous to try and remember all of it and when we were in The Maltings I couldn't sleep and I was going crazy because there was such a terrible feeling of foreboding that there was so much happening and it was so frantic and panicked because it was all being done by the skin of our teeth. I knew I couldn't hold all of it together in my head and that eventually I'd make a mistake or someone would and disaster would strike. This was because the business was going out of control and I knew it.*

*The phone was ringing in the office constantly with clients and letters of confirmation (Plate 30) were coming in by fax about 3 times a day. Every time Janet picked up the phone she got a project in and I didn't want to say no as I*

*knew we had to build the business up really quickly to a high level. We got a job in from a company called H. Co, based in Dundalk and their client was TH Limited. Peter went up and met them and we were appointed as their archaeologist. This was potentially very exciting for us, as TH Limited were a large company with a lot of projects around Ireland. We were asked to undertake an urgent testing job which we booked in but unfortunately when the archaeologist was due to go on site we realised that no-one had applied for the testing licence when we were given the go ahead and these take three weeks to get. We couldn't go on site and begin to break ground without a licence and we were in the terrible situation whereby we had work booked in for an archaeologist that they couldn't do and the client wanted us there but we couldn't do the project.*

*This was an utter disaster as the client was expecting us on site and had the machine ready, and we had an archaeologist booked to go on, and the client was expecting to get us out of the way so that they could proceed with the development very quickly. Amanda Starr started crying because any delay on site usually makes the developer pretty angry as it can cost them a huge amount of money. In this instance we were lucky. Peter telephoned Dúchas and told them the client had an emergency and they rushed through a licence. Problem solved. In addition to this things were happening such as reports not being sent out, or invoices being forgotten. In this instance the licence not being applied for wasn't really the problem as such – it was a symptom of a larger problem. We didn't seem to be able to control or predict when something might go wrong again. These were easy*

*things that were going wrong and that could go wrong at any stage and would continue to do so, even as the immediate situation was sorted out.*

*We needed to get a list together of all the projects we had on the go and put onto it what stage they were at. I wrote out a few ideas of how it may look (Plate 31) for example has just the basics as initially I was just going to list the projects in terms of what the company name was and what sort of project it was. Job location was also important as that was the name we would use. A client company may give us several projects but the location was a better identifier as the exact location was likely to be unique.*

*In any case the three major stages I identified were quotation stage, working stage and completed stage. Within that there would be room on the form to add further clarification. The Weekly Project Update eventually became a working document that was networked into everyone's computer. If a project came in and was confirmed we could change the status and the notes and more importantly it would give everyone an at-a-glance working tool giving everyone information and control of a project smoothly through the working stages.*

*For example a quotation would come in and it would be logged under the quotation section. This would include the name of the client, the address of the client, the address of the project, the office location that was dealing with it (Birr Cork or Dublin), and then any information or comments that may be useful in terms of letting you know what was happening with the project. The date the quote was sent was extremely important as this would inform me as to when the follow*

*up call needed to be made. The WPU (Plate 32) was used by every department; sales, accounts, invoicing, archaeologists and directors. The quotation stage was the important part for the sales team. After the quote was sent out it was not only important that the quotation was followed up **but** it needed to be followed up within two weeks and I needed to be able to see when we had last spoken to the client to check that this was being done. The next section on the WPU dealt with clients that had given us the go ahead but had not sent in their Letter of Confirmation or deposit. The weekly project system was modified and changed as more was added as I gained more understanding over time about what I needed to control.*

*For example a scheduling section was added when I realised the importance of having work scheduled in. This one thing really helped manage the business. When we filmed for 'The Mentor' we had to go and meet the woman who was running Cork City of Culture and she was talking to us about exactly how the business was run. She asked me what project management system are you using and I said 'I don't have one' thinking she was talking about some sort of computerised system. My IT guy had tried to sell me Lotus Notes and I thought that was what she meant. She was surprised as, because we were a project-based business how could we control everything? I explained to her the WPU and how we used it and how it had evolved and she said 'that's it, that's your project management system'.*

*It was pretty good as it meant that when I realised that we needed weekly management meetings I could just go through the WPU with the office and sales*

*manager and see immediately what progress had happened during the week. This meant that I didn't have to keep thinking about everything and being told everything all the time. I just got a summary of everything that was going on (the important stuff) and then I could make decisions about the week all in one go. This could also control things like making sure the report had gone out and that the invoice had been sent, because it only got put on the update if it had been done. If a report wasn't finished or if an invoice hadn't gone I could say 'why not'? In my experience if the invoice doesn't get sent there has never been an instance where the client will ring up and say 'where's my invoice I need to pay you'. However writing invoices was only one small part of overall financial management. I could see from the WPU what invoices needed to be written but it didn't tell me how much money was due in or if we were profitable! That took managing in a different way.*

### **2003-2004: Financial Management (i) Cashflow**

*In the early stages I was uninterested in any other financial aspect of the business other than the value of the projects I could get in. The approach that I had was very simplistic in terms of to my thinking, paying a staff member €100 a day and charging them out at €390 per day would automatically guarantee that the company was profitable as this was a pretty good return. I did try and do some rudimentary bookkeeping when we were in the house and then in the Maltings but primarily this consisted of a pile of receipts that at some stage I planned to log in some sort of document. Unfortunately the pile of receipts kept getting bigger and I was becoming more aware that as I had absolutely no accountancy experience I*

*wasn't really getting the job done. By the time we moved into Birr Technology Centre I realised that something had to be done about this. Amanda Starr had an uncle, Clark Williams who was bookkeeper so I offered him a three day week as my financial controller and gave him all the receipts and left him to it.*

*It's fair to say that I was uninterested in the finances and felt that the best thing to do was to pay to be able delegate this to someone who knew what he was doing. Clark Williams had been a bookkeeper for years and he seemed authoritative so I let him get on with it. He bought an accounts package immediately and was able to issue invoices, calculate wages, and organise VAT etc. It was a great relief to me not to have to be involved in these as my focus was on maintaining the 'work in' targets and managing projects. He provided me with a printed report each week that told me the creditors and debtors, which I didn't understand. And gave me a profit and loss report which at the time, I didn't know was a profit and loss report!! They were meaningless to me as to my mind I had employed him to take care of that side of the business and therefore I would have expected that with that much money, he would simply just get on with it.*

*On reflection this is extremely naive. It was all the bits of paper and the fiddly repetitive aspect of it (so I thought) that was best left to experts. Looking back I am appalled, but unfortunately I didn't realise how critical these aspects of the business were primarily because getting it wrong is catastrophic. And there are so many ways to get it wrong compared with only one way to get it right!! He was a disaster and not necessarily due to anything he was doing – it was because I gave him no direction. He could see that we were making a week on week loss but did*

*not outright tell me this was the case. I was just given the report each week that I didn't read, however to his mind he was telling me – because he'd given me the report. By the time he actually told me that we were making a loss we owed the Revenue Commissioners €130,000 in taxes and the Sheriff had begun calling to the office about the VAT. They didn't yet know about the PAYE.*

*Clark Williams said that we were operating in a financial black hole and that I was trading recklessly. If I was found guilty of that I would have lost all my directors protections; he was warning me. The projects being confirmed had also started to slow so I began going through the files. Clarke's solution to the black hole was that he felt that the reason for the deficit was that we weren't charging enough and so then he had put all the rates up – and nobody was confirming the work. I should not have given him control of the quotations!! I had calculated a rate formula for every type of job and I assumed he was following the formula. He wasn't! Also, he had started adding on a lot of expenses to the final invoices as a way of generating more money from each job which was annoying clients. The difficulty was less that we weren't earning enough money from each project – it was more that we were spending too much and this overspend was primarily on administration staff or non fee earning staff such as Clark Williams!!*

*Clark was getting very stressed out and we were in frequent conflict. Before Christmas 2004 it became clear that we would not have enough money to get the staff through the Christmas period which is a traditionally very slow time in construction and we shut down the business for approximately two weeks and staff would take an amount of paid holidays during this time. So, it is an expensive time*

*for us in that it doesn't generate any income. Clark indicated to me that the reason for this lack of money for the Christmas period was that there were a huge number of clients who had not paid the balance on their projects even though they had had the report. Firstly, I understood that this wasn't an issue because we had a 'no money no report' policy. However, Clark had decided that he would send the final reports out to the clients first, and then send an invoice that allowed 30 days for payment, because he felt that the 30 day credit to clients was more professional.*

*We were owed around €115,000 from clients. Notwithstanding that, at this stage I had still not grasped the concept of the difference between profit and loss, and cashflow, this seemed a pretty dire situation. Clark had been sending out the reports with the invoice allowing 30 days to pay, but when the client still didn't send a cheque, he had been sending out a little 'reminder' letter asking nicely please send him a cheque. Not surprisingly as we were dealing with developers and construction companies, absolutely nobody was paying us and the overdraft had crept up to €30,000 and we were constantly breaching credit limits to pay wages through Direct Pay in any case. I said to Clark 'pick up the F\*\*\*ing phone Clark and get them to send us our money!!! Why are you sending out these stupid little begging letters and polite reminder emails??!! Why are you sending the \*\*\*\*\*'s out the reports when they haven't paid!!' He said the following to me and I wrote it down exactly because it was so stupid; 'Louise, I don't think you really understand how business is done in Ireland. You just can't be going around asking people for money. It's not done like that over here, people just don't like that. You've to be a bit cute about it'.*

*I said 'Clark Williams, I don't really give a \*\*\*\* how business is or isn't done in Ireland, but we need that money and even in Ireland people need their wages!!! You better get calling them! He said 'well, Louise I don't personally feel very comfortable with that approach and I am not happy with the idea that I have to phone people for money as part of my job'. At this stage the administrative staff and the sales staff were all together in a large open plan office and clearly people were listening to this little exchange as it was getting a bit irate. I said to him get me a list right now of all the people who owe us money and then all their files and put them in my office. When I went into my office there was a huge pile of files about 3 feet high on my desk and I began ringing and started to get very very angry and stressed out. I could feel my face burning with fury at these \*\*\*\*\*'s taking the reports and leaving us for months without paying their invoices. Plus that idiot in the other office sending out little please send us the money letters. I was furious.*

*I thought to myself after a couple of calls, 'this is no good; I'm getting really wound up here. This is our fault and our own problem because of how we've not been controlling this and I'm too personally upset about this because I'm afraid and worried and it's making me furious'. I thought about it and wrote it down, what the various issues were that had resulted in this, and then came up with a plan that would firstly solve the immediate crisis, secondly save Clark Williams' face as he wouldn't have to back down on his 'no phoning for money' attitude, and lastly be fun and involve the whole company pulling together.*

*So I came up with Louise's Lucky Lotto. I went into the office and I said to everyone that was in; archaeologists, administration, sales, basically everyone there; 'from now on until we collect all the money we need for Christmas, getting money into this company is everyone's job and everyone is going to stop what they're doing right now, and get this money in'. Of course no-one was used to phoning for money but the company wasn't going to last another week if we didn't get it in. We had a big Christmas Party organised for just before Christmas and I figured if we made it that far we would survive, so I said to the staff 'over the next four weeks we needed to collect €100,000 and if we do, I will give one lucky staff member €1000 cash at the Christmas party'. They would all be given raffle tickets and we would draw numbers on the night for the cash.*

*The staff got Vouchers of €250 anyway at Christmas, so an extra €1000 for someone would be really handy to add to that. Independent of my input the staff decided to set up a long wall chart like a thermometer that was divided into €10,000's and Clark Williams printed off a load of copies of different euro notes to stick up onto it, and the whole company (even including Clark) started working the phones. They were much more effective at the calls than I was primarily because they made it fun and they could all be charming and nice about the money, whereas I was too strung out. In fact they told clients what I was up to as a way of getting the clients to send in their money. The clients didn't want to be held to account for losing them the bonus I think!! In particular Kelly-Ann who was a member of the sales team, was extremely effective. Most people got in a few thousand here or there but she was amazing and managed the right balance*

*between friendly, persistent and firm. Needless to say they all managed the €100,000 total, just before Christmas and the €1000 was given out at the party, (I drew three numbers in the end because they asked if they could have 2X €250 prizes and one €500 which Kelly-Ann won,), and everyone was happy.*

*However, this was not a permanent solution so the first day back after Christmas I called Clark Williams in to my office and calmly said to him no more letters no more emails and if I ever see a letter requesting payment, ever again you will be sacked instantly. Go back now and wipe all those templates from your computer. If a report ever goes out again without payment, unless I have sanctioned it beforehand and I see my signature, I will sack you for that as well. I was also aware that if you don't want to do something, and you don't like doing it, you are unlikely to be good at it. There was no point in forcing Clark to phone clients for money as he would be as ineffective as the polite letters. It required a certain skill and Kelly-Ann seemed an obvious candidate. I asked her how she'd felt about making the calls? I was conflicted because she was also very good at getting in projects and I didn't want her to stop- but clearly getting in money was also extremely important. She said to me that she absolutely didn't have a problem with it.*

*Actually, not as much time would initially need to be devoted to it as had been spent that December collecting the €100,000 before Christmas because if it was done regularly it shouldn't ever get to that stage with the debtors. I suggested to her that she devote one day a week doing collections and that she would provide me with a report each week of cashflow projections for the following week. We*

*would sit down each week and discuss the likelihood of that money coming in, and my decisions to spend money that week would be based on the projections she gave me. I needed to get at least €12,000 in a week and we would keep that in our minds as a general target in terms of a monthly income.*

*The system worked in the following way: There were in general two points of revenue for each project, the Letter of Confirmation (LOC) whereby they appointed us as the archaeologist on the job and gave us a 50% retainer fee. This wasn't invoiced until the cheque came in, and I wouldn't allow site work to begin until we had secured this. Without exception people who made a fuss over paying a retainer or even refused to pay, were a nightmare to obtain final report money so the LOC rule became extremely enforced unless they were a county council or government body that simply wouldn't pay retainers. But that was okay because people like the Irish Concrete Federation or County Councils were good for it.*

*So, Kelly-Ann would control the LOC money and ensure it was in prior to the archaeologist being scheduled. When this occurred the archaeologist completed the job and did the report. A final invoice was issued as soon as the archaeologist left site. Kelly-Ann would ring when the report was completed and speak to the client about them getting the report; and us getting the money. When she spoke to them she could establish a cashflow projection as it was important that it was not only established that they would pay- but equally important was when exactly they would pay. In our weekly meeting we would discuss these projections and she could draw attention to any ambiguous situations that needed a decision, as well as letting me know that we had enough cash coming in for the next four weeks.*

*Although I was generally the most focussed on the following week, it was important to have the overall cashflow feel for the month.*

*Eventually Kelly-Ann ended up taking a lot of time managing cashflow because we had so many projects and so much money was involved in terms of collecting it promptly, so I replaced her on the sales team with Carol Branson, who was brilliant at getting in the projects, and this all worked pretty well. The cashflow situation became more or less immediately controlled with the cashflow projection system and Kelly-Ann's work. However, cashflow and profit is not the same thing! Cashflow was improved instantly but profit wasn't and there was still a gap between earning and spending – in the wrong direction.*

#### **2004-2005: Financial Management (ii) Profit**

*The company was failing and as Clark Williams had described, we were falling down a financial black hole. He said it was a black hole as he couldn't see a reason for it. But of course there had to be a reason. He was arguing with me that the problem was in not charging enough to the client. However, the fact that people stopped using us when he put the prices up meant that this was not really the problem. I had two options available and these were cut costs, or increase efficiency and I decided to do both. I worked out the overheads and realised that I needed to achieve 120 billable days per month in order to cover running costs, this meant that I had to have 6 fee earners working 20 days a month to achieve this. At that time I had more staff than that and everyone seemed very busy, but we weren't billing €47,000 (net) that we needed each month. I began to understand*

*the 'black hole' and what was happening. It was simple; the projects were coming in, they were being priced for 3 days but without proper control the archaeologists would then take 5 days to complete the project. Therefore, a timesheet would look very plausible, everyone was working on projects, but then the archaeologists were taking their time to finish writing the reports.*

*The extra days being taken by every single fee earning member of staff was causing the black hole. In addition things like the staff expenses weren't being controlled as Clark was accepting everything receipt submitted (and then trying to pass it on to the client). I took a hard line and capped expenses and brought in rules about what could be claimed and what couldn't. Such as we were paying people to basically leave their house and go to site whereby it was reasonable that they would be expected to travel some small part in their own time to work!!. People who were 'working from home' were then claiming expenses when they had to attend the office. Expenses were contentious, boring and endlessly brought up in meetings. Eventually I took a like it or lump it attitude as it drove me crazy and I changed from very reasonable, to extremely unreasonable to the extent of hard line. It became cheaper to use subcontractors as they didn't claim expenses, had a daily rate and they were only paid for the work they actually did and gradually these were the only new staff that I would use, primarily for that purpose.*

*I had put up a large whiteboard in the sales area that was divided down the middle into two. One side of the board was 'projects in' and the monthly target was 30 new projects per month. If this was exceeded the sales staff got €300*

*'expenses' in their wages. Therefore if it was the last week of the month and that board was on 28 projects I could be sure that nobody was leaving the office until those extra projects came in. On the other side of the board I had a 'days confirmed' space which everyone in that office knew needed to be at least 120 days a month or we were in trouble. There was no extra bonus for this though, as the job confirmed had more to do with pricing the job correctly which was not a sales duty. The purpose of it was simply so that everyone in the company could get a feel for how things were going that month.*

*The solution to the financial 'black hole' became another white board. However, these were monthly whiteboards that had room down the side for archaeologists' initials and each day in the month to be filled. In this way when a job was confirmed it could be scheduled, and no days were lost over the month if the scheduling was done properly. The scheduling board became a visual aid that told us what work was being done and ensuring that people were scheduled in to take three days to do a project that took three days. There was no opportunity for them to go over the time because they were scheduled in to do something else the following day. And so on. Amanda Starr was resistant to the scheduling board as firstly if a client cancelled it caused difficulties. However, if a client cancelled it was easier to reschedule everyone to accommodate that than to accept that days would be lost because of a cancellation. There was always a way to re-schedule the board more effectively.*

*It was more cost effective to schedule €48,000 worth of work to take place in one month than to not schedule the work and it then ended up taking 6 weeks or even*

*two months!!*. Indeed it was essential that when sufficient work was coming in, which it was, that the time being taken was financially viable. The scheduling board took place on a Friday morning for the following week, although this was a final re-jig as usually it was possible to schedule 4 weeks in advance. Amanda didn't like to plan this far in advance. To her it left project scheduling open to constant amendments and changes with new jobs coming in, or urgent jobs needing to take place, or other jobs being cancelled. However, I tried to explain to her that it was a tool that needed to be constantly updated and changed in order for it to work more effectively.

*Furthermore I had more objections from her because sometimes archaeologists took longer to complete a project and this messed up the board. For me, the scheduling board identified this problem immediately and there were two instances that this could possibly happen. One of these would be a job genuinely taking longer and the archaeologist on a daily rate. In this case the other work could be rescheduled and the extra time was a good thing as these were more billable days. The other instance was not acceptable and that was if the archaeologist had spent too long writing an unnecessarily detailed or interesting report that was neither required by planning – or factored into the pricing for the job. In this case I would make it clear that I was unhappy with the situation but Amanda frequently would position herself as the spokesperson on the side of the archaeologist. This was frustrating as I needed to present a united front to the staff in terms of the systems I was implementing, and while I could understand that*

*sometimes things do happen; I needed her to make the scheduling work, not give me umpteen reasons why it couldn't work.*

*At this stage I could feel that Amanda Starr and Clark Williams did not agree with the changes I was trying to make in the company in order to make it more efficient. I think it was easier for them when I didn't really know what I was doing. Eventually I became fed up listening to each of them telling me why these new ways of doing things would not work and I made them both redundant. I walked into the main office and Clark was playing solitaire on his computer which suggested to me that he wasn't very busy so I asked him to leave immediately. Amanda was disapproving of this new turn of events so I asked her to leave also, but I talked things through with her and it seemed to me that we ended on reasonable terms. At this stage I had agreed a payment schedule with the revenue commissioners to pay back the money as well as remortgaged the house so I was not in the mood for people trying to be obstructive to my way of thinking.*

*Of course as Clark had left instantly I did need to learn the accounts package pretty quickly and I took over the entire finances of the business from that minute on, and never relinquished it. This was a significant moment in terms of gaining control. I very quickly was able to make the connection between profit and effective scheduling; profit and effective cash flow. I had learnt the importance of knowing the finances every single day, the importance of how much money you were earning and how much money needed to be spent. This was liberating as, once all these aspects of the business were understood I was able to control it as I*

*could forecast and plan far more effectively. (Rather than just letting the business run itself).*

*After Clark left I also then went through all the files and had a closer look at all the work that he had been doing. I noticed fundamental errors such as forgetting to write invoices for projects especially if they were ongoing projects like long term monitoring that may have lots of invoices over the duration of the project. Days were missed that could have been invoiced. Also a contract was invoiced and treated as if it was a fixed rate project, when it was a daily rate (so in effect we paid the NRA to do that job). Also, maybe only a retainer invoice had been sent but not a final invoice etc etc. It seems unbelievable that these invoices could have been missed but they were.*

*There was no system to ensure that with all the contract staff and the permanent staff working billable days on site, that every day being worked had subsequently been invoiced. We had been losing up to €3000 a month in missed invoices, so I decided that I needed to address this as it was purely lack of organisation. At the start of every month I asked my assistant Helen Jones to provide me with all the archaeologists' time sheets for the previous months. I made a list of all projects that each archaeologist's had said they had worked on and pulled the files. Then I checked that each file had the full invoices written and sent, and if they had been missed I sent them. Basically this was just a final check and closing of the month which I called monthly housekeeping, because in effect I was tidying and checking. It didn't take long but generally produced between €1000 or €3,000*

*each month through no particular fault of anyone it's just that there was always a lot of projects, a lot of invoices and a lot of staff, subcontractors and billed days!*

### **Tendering Systems**

*During my time with Turas Archaeology I had helped them with the tendering process – but only with the calculations. The tenders were government tenders mainly for projects for the National Roads Authority and I got some good experience on the Ballythomas Bypass project as to what was involved. The tenders were out together and calculated by the partners and it was clear that these were a big deal. A government archaeological tender can be a pile of paperwork two feet high. Basically because it's not just the archaeological resolution that the company is tendering for, it's fundamentally a civil engineering tender. For example, The Archaeology Company would have to include figures for security fencing, hard standing parking including things such as offices toilets and electricity for phone systems and computers.*

*The company would also have to provide rates for all the machines such as diggers, back-loaders (plus operators), backfilling and ground reinstatement. Also we would need to price the negotiations with the landowner, that would also include stock-proof fencing and things like health and safety management. Basically a lot of these things were costed as 'items', but this meant if there was an overrun this rate was all you could claim. Therefore the items had to consider that overrun in the price. It was okay as I tried to always haggle the cheapest civil engineers price, for the tender and then my margin was always 15%. If I was*

*awarded the tender I would go back to the contractor tell him I'd got the tender, now give me a rate I can work with. As these were such enormous amounts even 3% or 5% reduction at this stage meant considerable cash differences in our favour.*

*Other things were also items, but you also had to include every grade of site worker from general operative, to supervisor to licence holder and project manager. There was an hourly rate item and quite often these hours would be calculated in the tens of thousands. These had to include overheads (down-time, expenses, accommodation for crew holidays sick pay and PRSI office input) etc, as well as profit and the hourly pay of the site worker. Then it was broken down into an hourly rate and submitted as an item. These are complicated documents, and to start with I would dread them but then I came to love them as I organised a standardised pricing system that meant basically I could do away with all of the intimidating detail and get down to what mattered. What mattered was the pricing and nothing else. The main problem with tenders was not calculating the cost of all the various specifics of the archaeological component of the project. Rather, it was calculating how much your competitors were going to put in and beating that figure!! Of course all the archaeologists thought the tenders were about the archaeology. They hated the fact that for me, the tenders were only ever about the figures.*

*I realised that the problem with the tender process was that there was no apparent logic to the tender process. Every single tender was approached by Turas Archaeology as if it was the first time they were looking at a tender and it was to*

*be assessed on its own merits. I began by doing that as well but it was a problem because it was so time-consuming, and there were no guarantees because it left far too much to chance. The first tenders I applied for I was not eligible for. We needed three years of accounts as well as a large project under our belt and frequently minimum turnover. I was disgusted with the tenders time and again having massive civils as to begin with I too mistakenly thought it was all about the archaeology. Of course it was about the transfer of risk so the NRA was transferring the element of risk as much as possible back onto the archaeology company tendering. If there is an overrun and the NRA are providing machines then the overrun can be argued to be down to the NRA and therefore we can take as long as we like. A fixed price, our own machines means that the risk is on the part of the contractor – us.*

*At the start we were excluded as a small company, and I felt that we therefore had no chance to become a big company and it was a catch 22 situation. I kept on trying anyway. I kept constantly putting in tender prices that I wasn't eligible to carry out. I kept writing to the NRA or the County Council involved to complain and ask if they could bend the rules or reduce the criteria; but they wouldn't so I began to be more creative in my submissions. For example I would say in the submission that three years of accounts would be provided 'upon successful appointment' which gave me a better chance of having them done by the time that happened. (a) I may not be successful in the amount and (b) quite some time could lapse between success and appointment. If the turnover requirement just stated 'turnover' I would provide a gross figure instead of a net and I persuaded my*

*accountant to write a letter for me to that effect. People tend to read qualifying letters quickly and not pay too much attention to the detail.*

*I just kept at it as I knew that if we kept doing it something would give. We started to be awarded smaller tenders such as the Sites and Monuments Records (SMR) update for Cork and Kerry. Then a couple of smaller NRA projects worth around €50,000, also the Waterford Sewage Scheme which was about €120,000. We still weren't really in the running for the massive projects, even though between the infrastructure jobs and then all the smaller projects we were doing quite well. I decided that the large tenders needed a different approach because we had been blown out of the water by the big guys a few times. I decided to stop treating each tender as if it was an entity that existed purely in isolation. I began to devise a statistical system based upon average rates for all the different elements and recording the amounts of all previous submissions. Each element in the bill of quantities was recorded as an average. I then compared the final tender price we had submitted to the price the successful tenderer had submitted, and calculated it as a percentage that could be applied to calculate the items/ rates for The Archaeology Company downwards.*

*This way I began to have control of my rates based on average, what the competitors were submitting. I could adjust it upwards and downwards depending also on other factors for example when the economy started to slide they said it was a 30% reduction so I reduced everything by 30% as a starting point. By averaging out the amounts your competitors are submitting in terms of differences between you and the other companies you can begin to predict their next move*

*and as such undercut them. The usual instinct in tenders is to look at all the elements carefully and make sure you've got everything covered. My logic however was in a competitive situation the object is primarily to win, and therefore get the price in based on what other people will submit – and then make the project fit the budget. This can be done by renegotiating with contractors as explained above, reducing the profit percentage or cutting wage rates.*

*For example we tendered in November 2006 for two connected projects that were to be awarded separately or together depending on the tender amounts. These were the N9/N10 Kilcullen to Waterford Project services (Contract 5) and (Contract 6). Our tender amounts were €3,873,754.55 and €3,493,192.50 respectively. This meant we were the lowest tender and we were actually 100% eligible (Plates 33 and 34). In these instances the accompanying paperwork that was submitted was really poor and they refused us the contract award. The tender calculation was such that I was a very small percentage below the next companies, (1.75% and 0.3%).*

*The tender situation is that if it was a massive price difference between you as the cheapest and the next one along, you would have to wonder if a massive error had occurred and that you'd missed something. Therefore the best way is to be close to the next one up. However in this instance the prices were so close that they awarded them to the next company as they had much better paper work. I wasn't in charge of the archaeological method statement part of the submission. Method statements are part of the archaeological licence application process and Peter always did that part of the tender. In this instance he thought we weren't going to*

*get it anyway so what's the point. Also he didn't put in any kind of project management plan for resolving the archaeology and all of these were critical documents.*

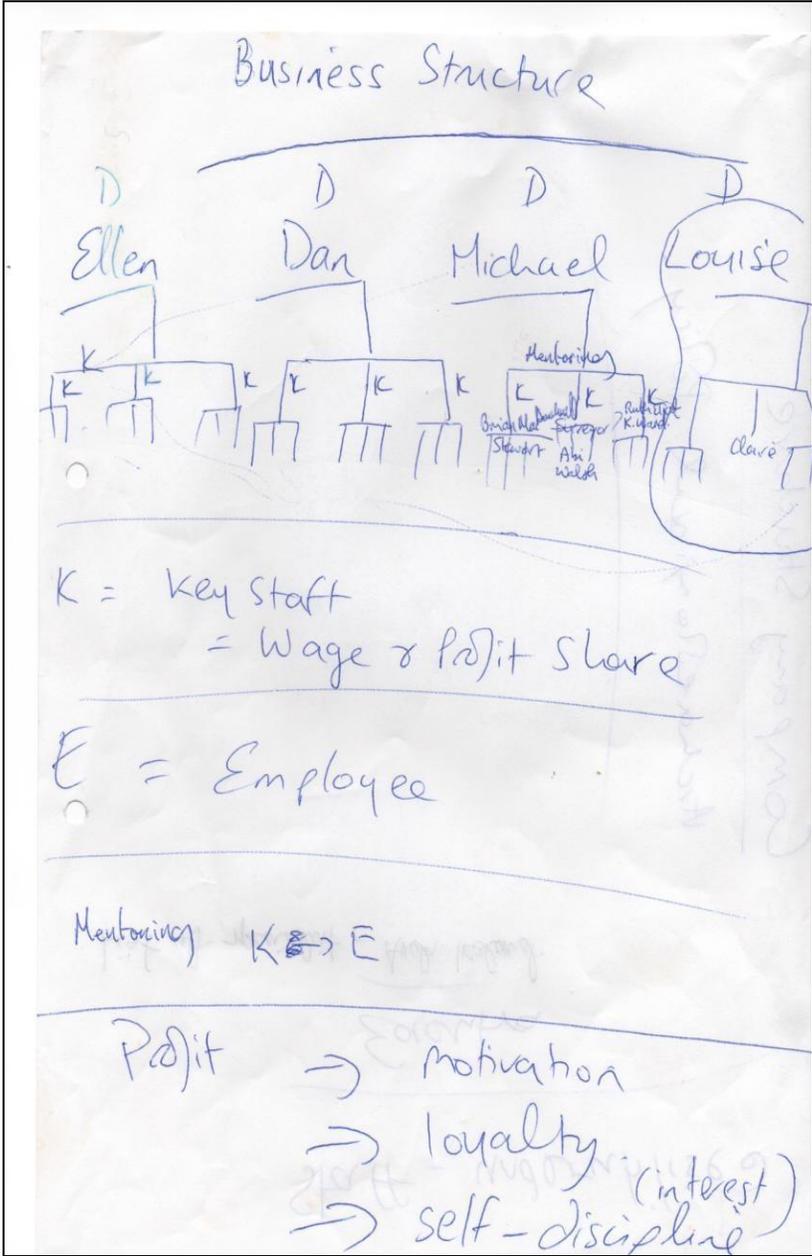
*I thought he was a bit of an idiot but after the initial shock I was okay because I was relieved that it hadn't been me that had messed up so massively. I figured that if the accompanying documents were so poor that they didn't give it to us, clearly he wasn't ready to do that sort of project so maybe just as well. The amounts involved were huge and therefore if we fell at the first hurdle clearly we could have ended up in a right mess if it hadn't been run properly. It made it easier to recover from the disappointment the fact that we were awarded the Castleisland Bypass Tender that week, the week before Christmas 2006, and it was worth around half a million euro which I figured would at least keep us going for a good part of 2007. I had also made a mistake on that when I had calculated hectares into square feet and then out in a unit price that hadn't calculated it back out. The difference was €4200 total instead of €42,000 and we had to take the loss to do the project but I figured I could recoup it somewhere else so we proceeded anyway. We have completed quite a few tendered jobs now.*

### **Conclusion.**

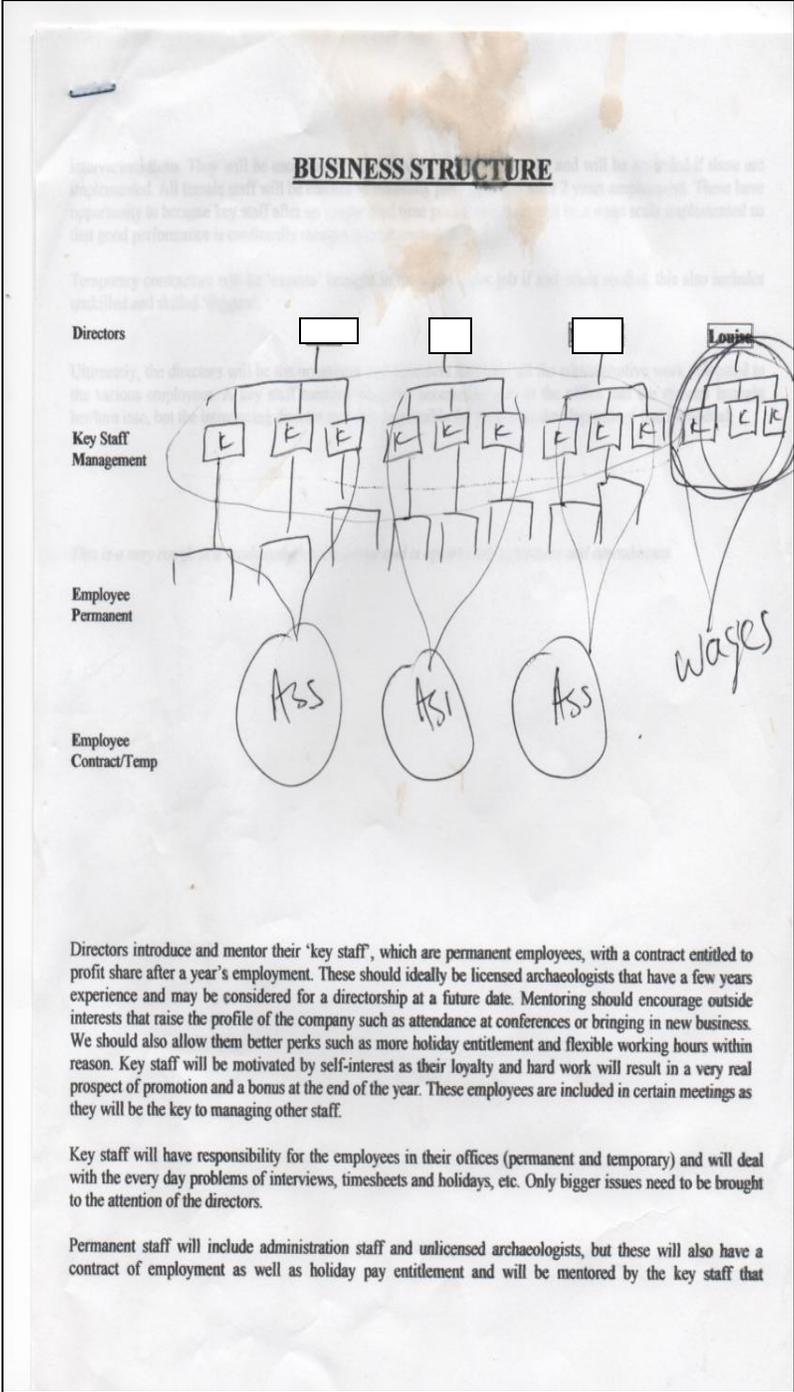
*To conclude, in my experience the above areas are the significant factors in running and growing a successful business. Firstly sufficient sales must be generated to cover costs and make a profit. If you know how much the costs of the company are then it's an easy calculation to establish how many sales you*

*absolutely have to make in order to be successful. So an effective marketing strategy that succeeds in generating sufficient sales is the first thing. Secondly these sales need controlling and administering particularly if the organisation is in a rapid growth situation. Systems must be put in place that ensures the successful delivery of those sales through every stage; regardless of the product or service. Thirdly the company has to make enough money to cover costs and making money means that the resources must be controlled properly otherwise it will just be wasted. These resources can be human labour, a product, equipment etc. But control is a priority. Finally, regular and effective cash collections. Good cashflow control and demand that payment is made on time. Of course if there is no control in the business then no-one will know when 'on time' actually is, so again this is a regular and consistent part of running the company.*

**PLATES**



**Plate 1: Planning for a Large Company**



**Plate 2: Planned Business Structure**

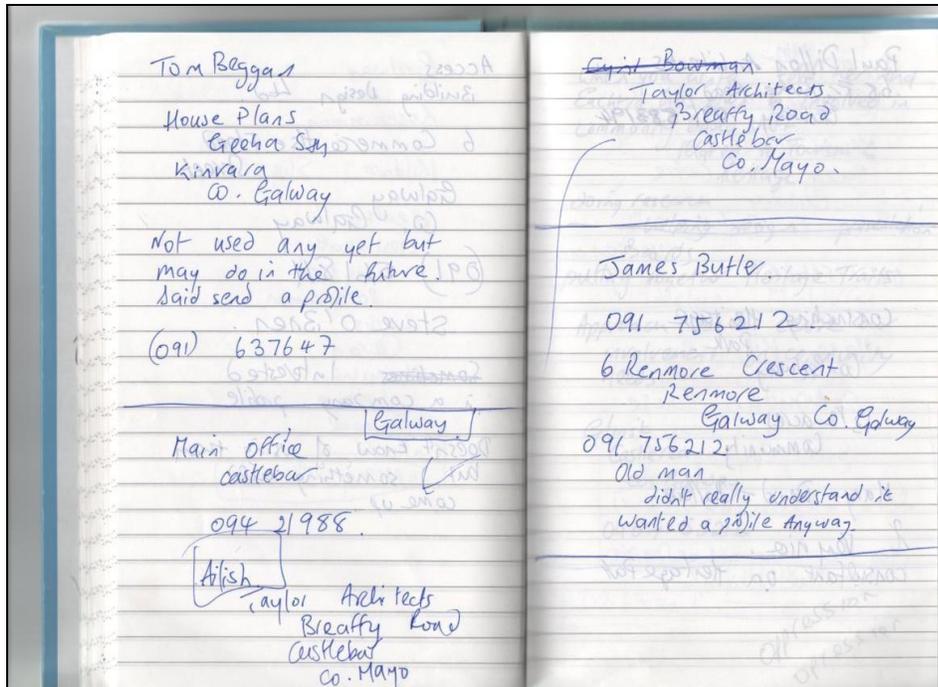


Plate 3: Early Client Contacts (i)

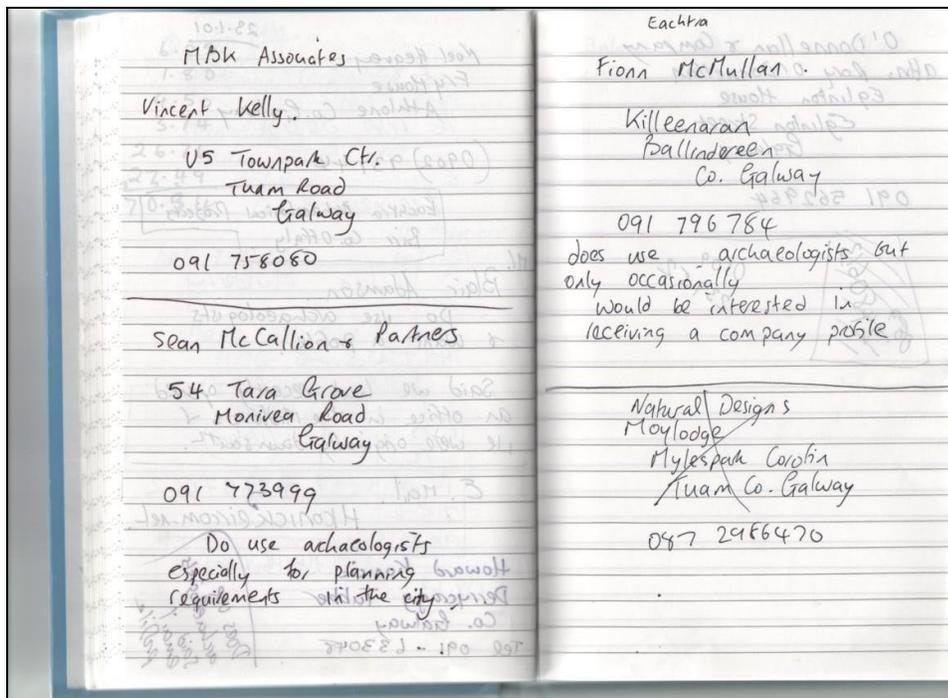
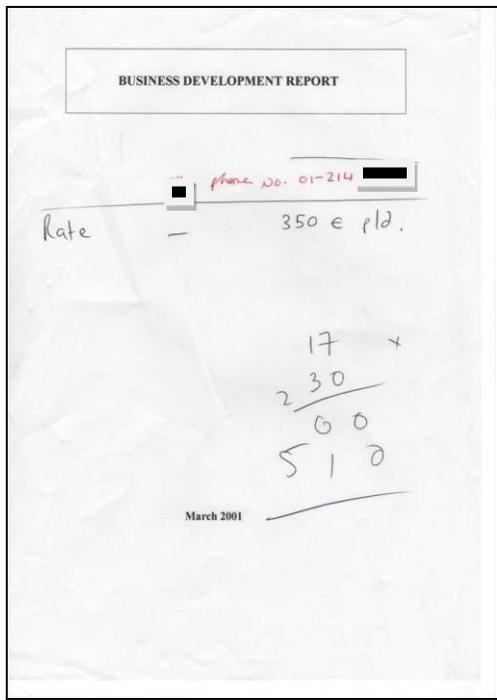


Plate 4: Early Client Contacts (ii)



**Plate 5: Business Development Report (BDR) (a)**

An index page from a Business Development Report (BDR). The title "Index" is centered at the top. Below it, there is a table listing the report's sections and their corresponding page numbers. The table is as follows:

	Page
• Introduction	2-3
• A Reason for Development	4-5
• The System	6-9
• Logistical Considerations	10-14
• Time Line	15

Below the table, there is a section titled "Figures" with a list of figures and their page numbers:

Figure	Description	Page
Fig.1	System Flow-Chart	6
Fig.2	Results of Preliminary Sales Strategy	7
Fig.3	Projected Results of a Future Strategy	8
Fig.4	New Customers	8
Fig.5	Client Information Sheet	16

**Plate 6: BDR (b)**

## Introduction

The purpose of this report is two-fold. Firstly it presents me with an opportunity to give an update on some of the work I have been doing over the past couple of months. To date my job has been a mixture of administration/clerical, coupled with general assisting and editing. However, there has been a customer/business development element contained within that and it is this aspect that forms the basis for the report.

The pilot scheme appears to have been unusual for an archaeological company, with the opportunity arising through the addition of a new office in Birr and the subsequent need to implement self sufficiency as soon as possible. From the companies contacted, it was clear that they had not been approached in this manner before. It is fair to say that [ ] is the only archaeological company to have integrated such a strategy into their overall business plan. This will work to [ ]'s advantage as the sales and marketing strategy does not have the added pressure of competing against similar schemes, as well as the competitive advantages of being the only archaeological company to be organised in this way. The entire Irish market is open to [ ] for the taking.

This brings me to the second, and most important basis of the report. Aside from the personal benefits of being able to justify my position within the company through the Development Report, the findings are very positive for [ ] Archaeological [ ] continuing as a successful company.

This report clarifies the benefits of a company-wide integrated Business Development Strategy. The strategy fits in with the changes being implemented in terms of the overall management structure and the improvements being made in its financial

2

**Plate 7: BDR (c)**

systems. The organisation and re-structuring of the client database is another element of [ ]'s transition to another level of professionalism and company management.

To summarise, the purpose of this report is to demonstrate the benefits of formalising the approach [ ] has with clients, including potential clients- and ultimately its approach to future business.

**Plate 8: BDR (d)**

### A Reason for Development

[ ] a Archaeological [ ]s is a project-based company that relies upon a considerable influx of projects to achieve a controlled and sustainable growth. Indeed, a steady flow of projects is essential to maintain the level, which the company has already achieved, regardless of growth and expansion ambitions. Two problems become immediately clear from [ ]'s project dependency.

Firstly, a problem is created by the client requiring services who, upon contacting [ ] then needs to be 'squeezed in' around existing jobs for their facilitation. This is erratic and under the present system, uncontrollable. Planning ahead becomes impossible. Additionally, if it is unclear whether customers will keep telephoning- and if they do how frequently, how can there be any forecast of future sustainability and growth? -This highlights the second problem.

The weakness of the present system is that it becomes impossible to avoid a 'feast or famine' scenario. For example, during one 6-month period, there is a huge amount of work -and the company expands quickly. Human resources become over-stretched, and rapid hiring is needed to ensure that a reasonable level of service can be achieved. Some clients may find the service increasingly defective as they get pushed to the back of the queue.

During that same six-month period the following year, the work becomes less intense and slows down. Human resources are found to be at a level over and above that which is needed, and the company becomes responsible for losing key staff – through lack of work. Although it isn't **lack of work**, -because the same level of work is still being generated; it's **lack of organisation and forward planning**. A result of neither knowing the clients or knowing their requirements.

Any business or company that uses archaeologists is our future customer. Business Development involves a commitment towards getting to know those customers, and using the information they provide to forward plan your business, months or even years in advance. Knowing your clients facilitates expansion within a 'managed client' environment because your company is in control of incoming business -not the other way around.

**Of course, it is also about getting to know those potential customers to encourage them to give  a their business -instead of another archaeological company; resulting in increased market share and increased profits.**

The goals of this company wide Business Development Plan are;

- Business Sustainability
- Company Growth and Increased Market Share
- Accurate Financial Projections
- Security for Staff
- Increased Profits

### The System

To date, the Birr office has implemented, what was in effect a pilot scheme to establish the feasibility of increasing our client base using basic sales/marketing techniques. The projected results of this system on page 7 are a *conservative* estimate of potential increased jobs/revenue based upon the fact that the pilot scheme operated within other responsibilities at the Birr office.

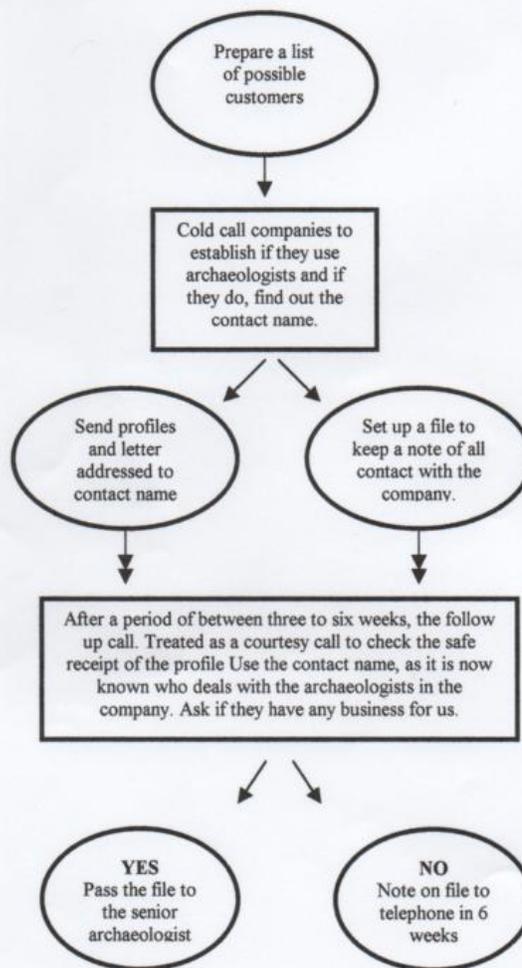


Fig.1

Plate 11: BDR (g)

## Results

The areas covered in the pilot scheme so far have been

*Galway Tipperary Offaly Dublin*

For the purposes of the report the numbers have been rounded up using averages.

### Results of Preliminary Sales Strategy

<i>Number of Companies Cold Called</i>	<b>100</b>
<i>Negative Responses</i>	<b>1</b>
<i>Never use archaeologists</i>	<b>25</b>
<i>Very Occasionally**</i>	<b>15</b>
<i>Use archaeologists</i>	<b>60</b>
<i>Fee Quotations/Jobs</i>	<b>7</b>
<i>Potential Fee Quotations</i>	<b>4</b>

Fig.2

These figures give a base from which an approximate **projection** of future sales using the above system, can be forecast. *On average, we now know that if we contact 100 companies, approximately 12% of them will at least consider us for projects or future projects and 7% will want us to either do a job, or quote for one.*

In addition, knowing that 12 companies have work coming up/ projects already for archaeologists means that there is now a potential for **planning ahead** using a system of regular contact.

On a larger scale the advantage of a company wide sales/marketing strategy would mean that instead of dealing with 100 potential customers, [ ] could deal with 1000 or more.

**Projected Results of Future Strategy**

<i>Number of Companies Cold Called</i>	<b>1000</b>
<i>Negative Responses</i>	<b>10</b>
<i>Never use archaeologists</i>	<b>250</b>
<i>Very Occasionally</i>	<b>150</b>
<i>Use Archaeologists</i>	<b>600</b>
<i>Fee Quotations/Jobs</i>	<b>70</b>
<i>Potential Fee Quotations</i>	<b>40</b>

*Fig.3*

**Conclusion**

The conclusion is that by implementing a simple business development strategy within the wider business plan, [ ] could increase their market share of archaeological projects on a national level. Importantly, this strategy also allows

**Plate 13: BDR (i)**

sustained and organised contact with customers, allowing for realistic forward planning. [ ] will know what projects are in the pipeline before they become jobs and can plan accordingly.

#### New Customers

Kenny and Associates	Tullamore/Offaly
Derek Coulter and Associates	Birr/Offaly
Mary Dowd-Barker	Galway
McCarthy Hyder	Dublin/International
Eammon Stafford	Roscrea/Tipperary
M. J. Farah & Associates	Thurles/Tipperary
*Adam Herbison Associates	Antrim
*Coyne Wiggins	Galway
*Glenman Corporation	Galway
*Sean McCallion and Partners	Galway

Fig. 4

## **Logistical Implications of a Business Development Strategy**

### **Introduction**

The strategy I propose in this report is the organisation and centralisation of Business Development for [ ]. This section deals with the logistics of implementing such a plan, as the advantages have been outlined in the previous sections.

### **Centralisation of Sales/Business Development Office**

One office would be responsible for the generation of new business for all offices. For the purposes of this report I recommend the Birr Office. This is because the office itself is geographically in a central location, but also because the Business Development plan pilot was implemented there.

Centralisation of a client database is an important facet of the Business Development Plan, because control over new business becomes more efficient with all files, documents and information pertaining to development, being centrally located. Access to the information will be available to all offices at any time, via the Internet with hard copies of correspondence that will be kept on file to be faxed if necessary. The information contained in the database will be organised in such a way that the clients' history will be available from your computer whenever it is needed. (See Fig.5) via the central computer system. The updating and maintenance of the system is better done from the central office, and any new information must be passed directly to them for updating which can be done by telephone, email or fax. This includes copies of all correspondence sent to other offices to be placed on the client's hard file for future ease of reference.

### **Regionalisation of Offices**

For the purposes of organising the inflow of projects generated by business development, the country will be divided into four, with each equal quarter being covered by an [ ] office. The areas will be agreed at the initial meeting. To a certain extent this is already being done by the four offices, however it needs to be formalised for this strategy. Note that this is a superficial division aimed at organising a systematic sales strategy. Regions remain fluid and interchangeable for the purposes of who undertakes a particular project.

Each office will become colour coded, in conjunction with their designated area. Ultimately, the Business Development person will be able to glance at a map, folder or file and be able to see where all the projects are taking place, and which office is overseeing it.

### **Formalising Client Data-Base**

A formal hard copy client database needs to be implemented as well as the computerised system, that would also be divided **regionally**, and then divided into three units;

- **Potential Clients** (on the telesales rota),
- **Live Clients**
- **Past Clients** that have already worked with Eachtra.

### **Financial rating**

All clients will be financially rated within the company. The information for this rating will be shown on the computerised database as well as their hard file, and will enable job prioritisation according to financial rating as well as geographic convenience. When the system is up and running the financial rating system should prove useful in terms of Fee Quotations and standardising rates according to client

**Plate 16: BDR (I)**

loyalty/ revenue. The clients will be rated according to the amount of business they have provided  with, from 0-10. Beginning with new clients being given a financial rate of 0.

<b>New Clients</b>	<b>(0)</b>
<b>£1-500</b>	<b>(1)</b>
<b>£500-1500</b>	<b>(2)</b>
<b>£1500-3000</b>	<b>(3)</b>
<b>£3000-5000</b>	<b>(4)</b>
<b>£5-10,000</b>	<b>(5)</b>
<b>£10-20,000</b>	<b>(6)</b>
<b>£20-50,000</b>	<b>(7)</b>
<b>£50-100,000</b>	<b>(8)</b>
<b>£100-150,000</b>	<b>(9)</b>
<b>£150,000 +</b>	<b>(10)</b>

When a client telephones with a possible new job, the archaeologist will be able to get all their details up onto their computer screen, including the amount of money that company has been worth to  to date.

#### **Time Scale**

The entire system should initially take one person approximately four to six weeks to set-up, with the co-operation of all offices towards centralising all client information information. Practical partner involvement will include the commitment to the initial meeting as well as quarterly meetings to set targets and choose the forthcoming sales region, together with receiving a progress/sales report.

The system also involves locating and listing all companies in Ireland that may use archaeologists, then sorting them by region before they are contacted.

**Plate 17: BDR (m)**

### **Formalising System**

The exact system of contact as demonstrated in the flow chart needs to be agreed and sanctioned by the partners.

There also needs to be room within the whole Business Development programme for integrating a strategy for road jobs and other large scale developments.

### **Equipment**

Much of the equipment needed is already in the Birr Office, although there is a potential problem with respect to the time it takes to make up company profiles before they get sent out to customers. A new printed brochure should be considered during the initial setting up stage.

The company profile is our public image and needs to be as professional as possible.

### **Staff**

Initially, one person full time would be able to set up the system. However, if I were to be given the go-ahead, the terms of my employment would need to be discussed, as the responsibility for the system requires more than assistant level. Also, the increase in revenue for  would need to be recognised in the terms of employment.

A quarterly meeting with the Partners would be sufficient to determine the sales region for the following three months and set the **Fee Quotation Targets** for the following quarter. For example, at target I would expect the system to produce an absolute *minimum* of five potential jobs per week to be distributed between the four offices for Fee Quotations.

**Plate 18: BDR (n)**

*Running Costs*  
**RUNNING COSTS**

**REVISED START UP COSTS minus wages (10,000)**

- Phone linesx3 e750
- Computers first month e200
- Vehicle Leasing first month e900
- Printing e1000
- Mobile phone purchasex3 e450
- Diesel e300
- Insurance e500
- Phone rental e100
- Company incorporation e250
- Stationary e200

Total

**e4650**  
 (e1162.50 each)

\*\*\*\*\*

Wages are the problem in the first month. I anticipate having enough jobs in to cover them- but we have to wait until the money comes in from clients.

I will start work immediately and give myself a month to have gained enough work to keep  working full time for the month of February. I would plan that Dan starts work as soon as the first clients come in and I will market his area through January at the outset to facilitate this. I  would anticipate being able to give him enough work so that he is working full time for February.

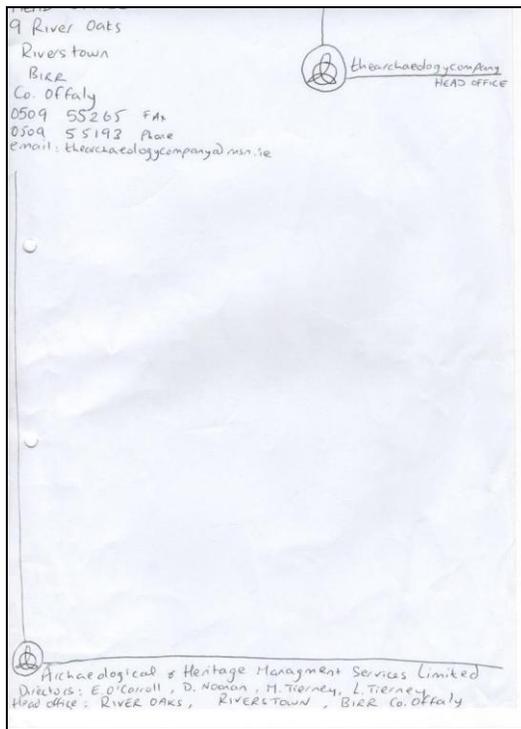
The balance of the money earned I propose he puts into the company for the following month so that  can start work and afford to work before her money starts coming in the month after that.  will start work at the same time as , I will continue to work at the same time as . I will not draw a wage for the first two months and we will note this down and compensate me at the end of the year.

See the time line (inexpertly constructed).

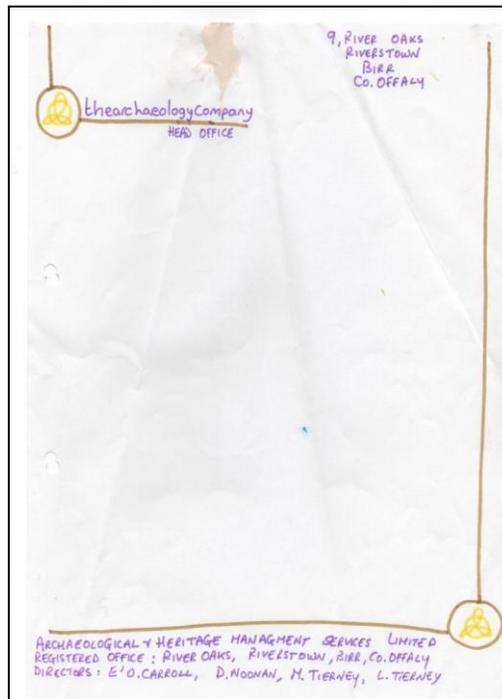
\*\*\*\*\*

See you all on Saturday.....

**Plate 19: Start Up Costs**



**Plate 20: Headed Paper Design (i)**



**Plate 21: Headed Paper Design (ii)**

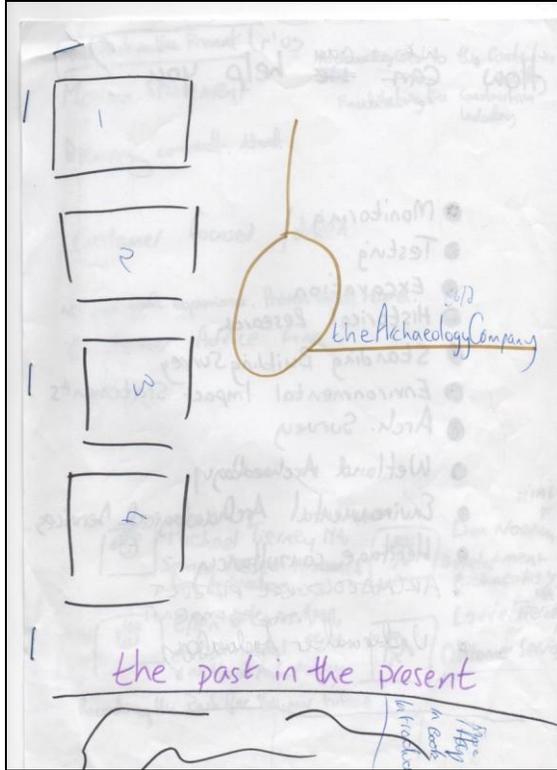


Plate 22: First Brochure Design (i)

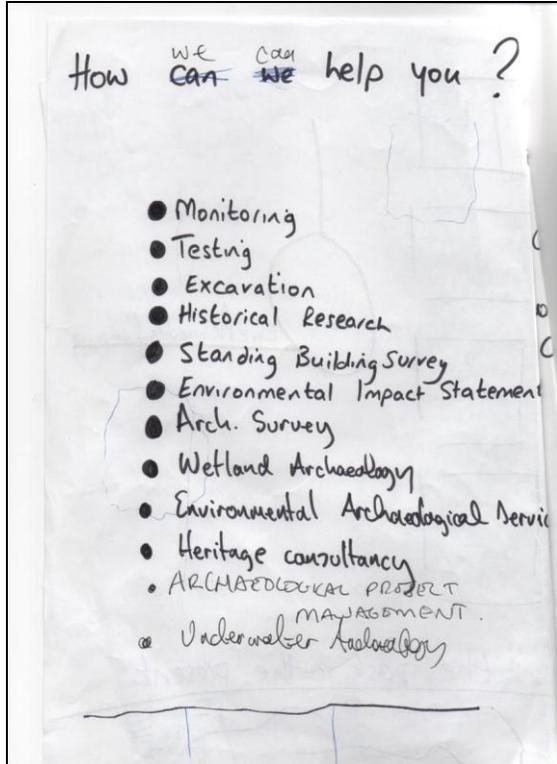


Plate 23: First Brochure Design (ii)

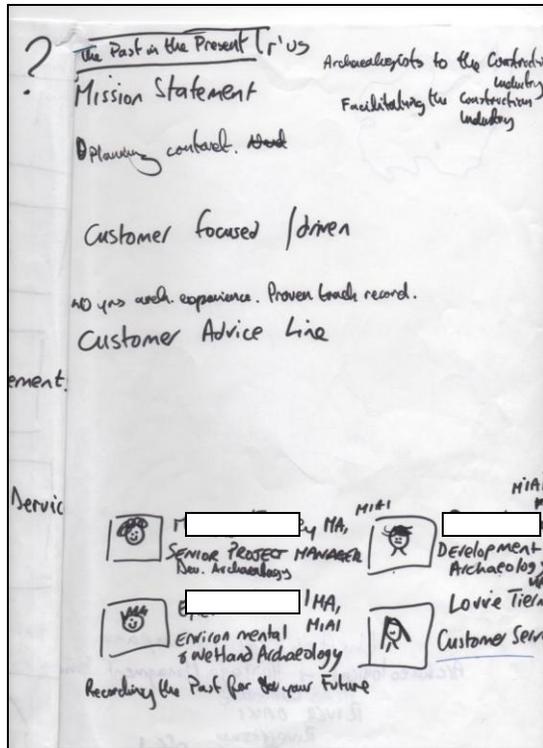


Plate 24: First Brochure Design (iii)

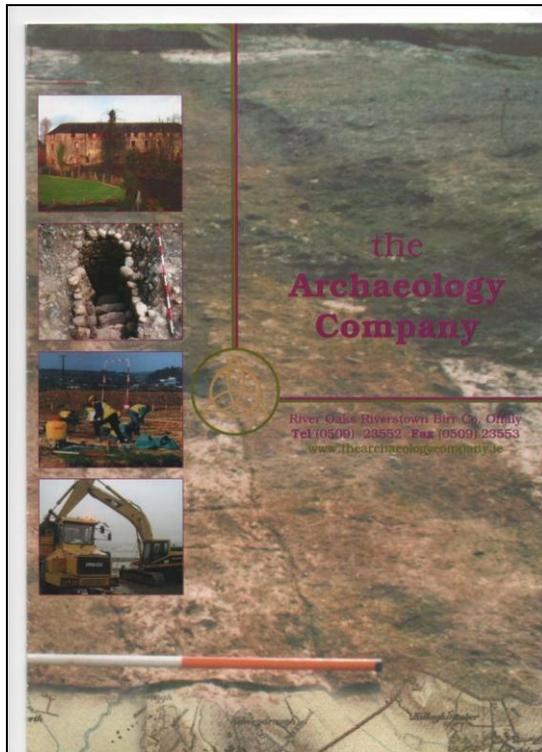


Plate 25: Completed Marketing Brochure (i)

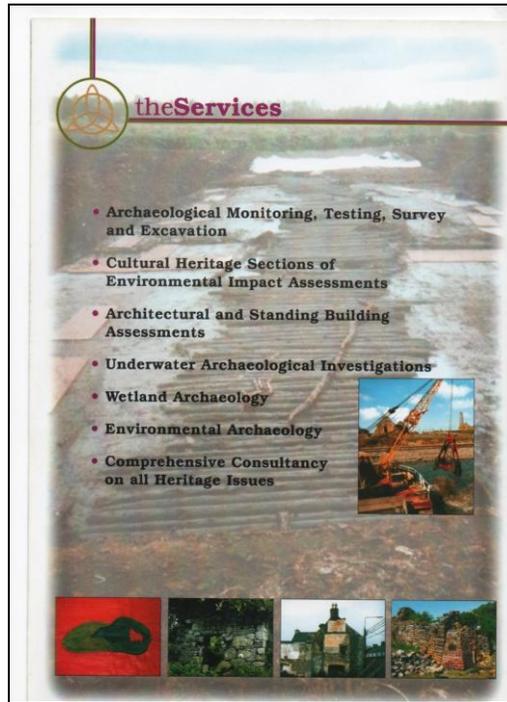


Plate 26: Marketing Brochure (ii)

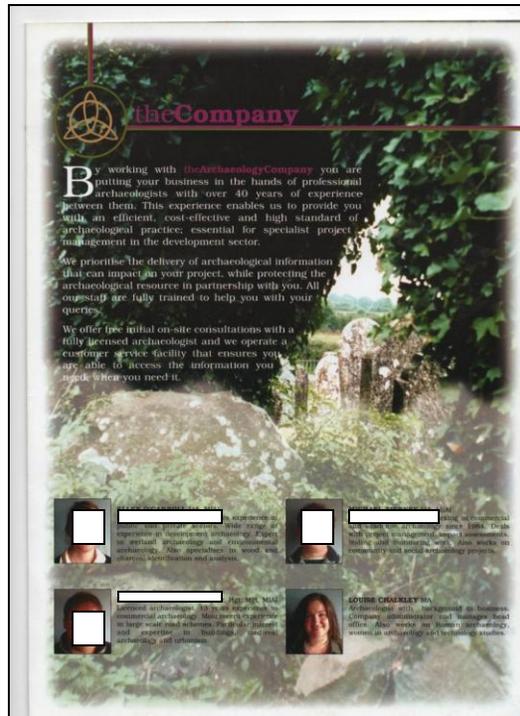
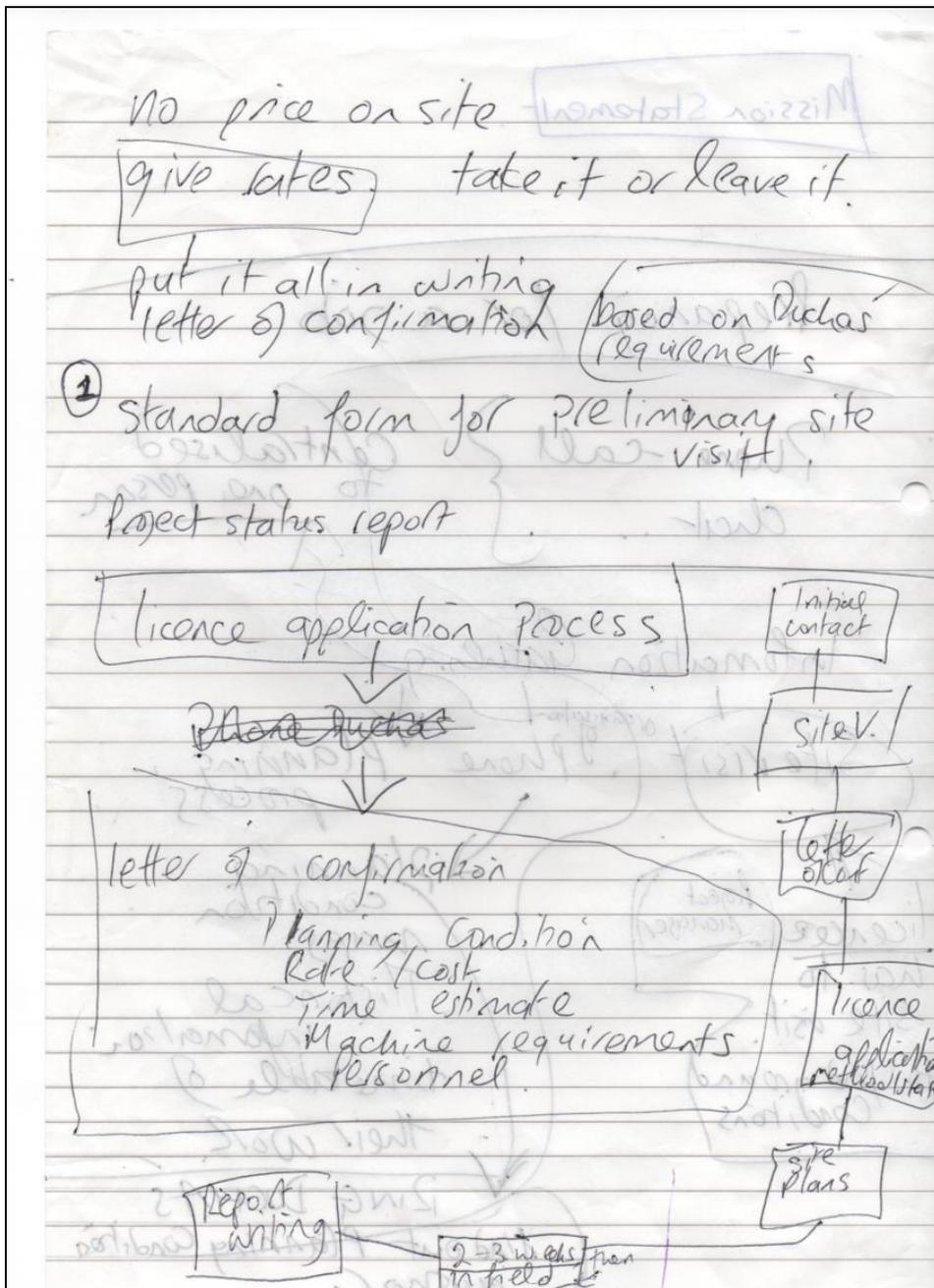


Plate 27: Marketing Brochure (iii)



**Plate 28: Assessing the Project Stages that Needed Managing**



**theArchaeologyCompany**

**Letter of Confirmation**

**Date: 27<sup>th</sup> November 2003**

**Re: Desk top study in Portumna**

The client, Edward Lynch agrees to appoint The Archaeology Company to act as archaeological consultants for his project at Claggernagh, Portumna. This is in compliance with a request for further information under planning reference number 03/5222 from Galway County Council which stated that an archaeologist was required to;

*'carry out an Archaeological Study of the proposed site. The Archaeologist shall prepare and submit a report, describing the results of the Archaeological Study, to An Dúchas [sic.] for its consideration.'*

Michael Tierney carried out a site visit, and following this and consultation with the client and relevant bodies, the work needed was clarified;

Desk Top Study and Site Visit

**€950**

**Payment schedule**

50% of projected costs as retainer fee (exc. VAT €475 ) with the balance due upon submission of report.

Signed (client):

Date:

2/12/03

Name of client:

Address:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



**Plate 29: Example of the Letter of Confirmation**

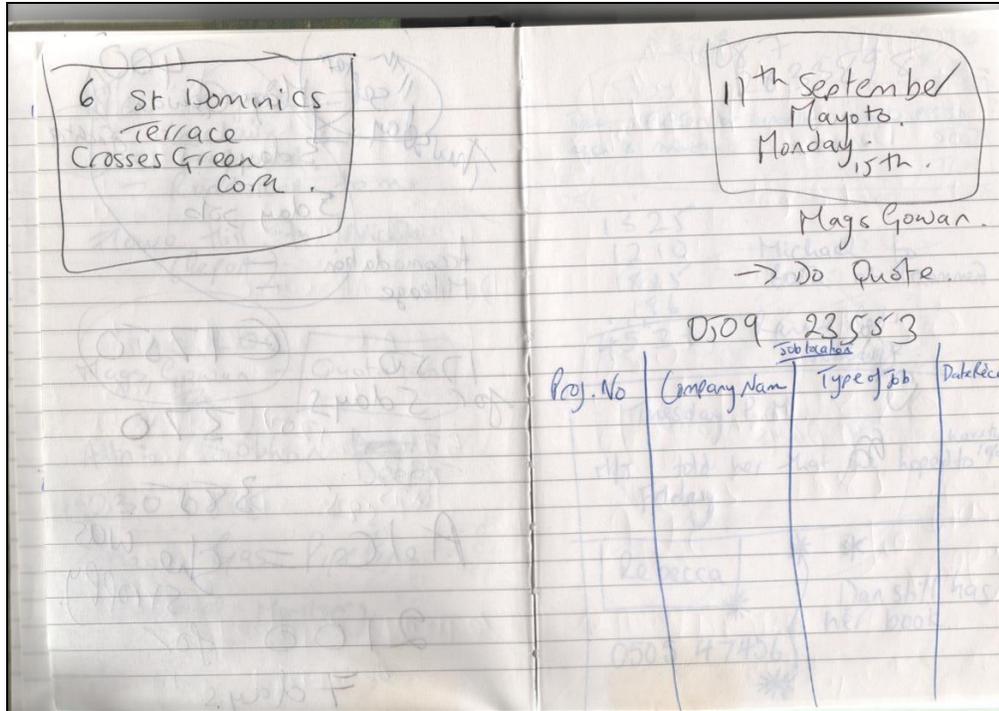


Plate 30: Working out the Weekly Project Update

Project #	Company / Client	Project	Bill-able days	Arch	Draft Report & invoice sent - Yes / No	Agreed completion date	Date Sent?	Date Paid?
43	Project Management - Quality Irish Foods	Finex - Testing	?	<input type="checkbox"/> R	Invoice sent 20/11/03. Solicitors letter sent 28/4/04 AGREED PAYMENT RECD. 25.05.04 to send draft & invoice	Awaiting payment	20/11/03 28/4/04	25/05/2004 De
81	Ronan Clarke Engineer / Jack Tierney	Lairds Hotel, Naas	4.5 out of 17.5 days	<input type="checkbox"/>		12/5/04		-
82	David Kelly Ptns / John O'Donovan	Green Quay, Youghal	?	<input type="checkbox"/>	Yes		24/2/04	Awaiting payment
94	John Kenny	Marlinstown Graveyard, Westmeath	?	<input type="checkbox"/>	FINAL PAYMENT REC'D. 27.05.04		8/4/04	27/5/04
98	Forristal, Padraig	Church St-Main St, Birr	DN/NR	Y	yes. To invoice on final section report	12/5/04		
104	Dunne Project Management Ltd.	Irishtown, Clonmel	?	D	Yes FINAL PAYMENT MONITORING PHASE RECD. 25.05.04	13/4/04	14/4/04	Paid
116	Wicklow Co Co	Ballinglass - Phase 2	?	<input type="checkbox"/>	Yes		24/3/04	Awaiting payment
132	Hugh O'Rourke / Mellan Constr	Kylebeg, Banagher		<input type="checkbox"/> R	FM writing report	4/6/04		
136	Midland Health Board	Hospital in Athlone	?	<input type="checkbox"/> R	FINAL PAYMENT RECD. 25.05.04	16/4/04	16/4/04	Paid
137	Oliver Ganly Architects	Finnstown House, Lucan	?	<input type="checkbox"/>	Yes	15/4/04	15/4/04	Awaiting payment
145	Dept Of Education	Thurles Secondary School	?	<input type="checkbox"/>	DN writing testing report	4/6/04	4/6/04	Awaiting payment
145	Dept Of Education	Thurles Secondary School	?	<input type="checkbox"/>	Draft desktop survey report & invoice sent. Dan writing testing rpt.	21/4/04	21/4/04	Awaiting payment
147	Mulrooney, P.J.	Loughal, Kilcormac	?	<input type="checkbox"/> NR	Yes	2/4/04	2/4/04	Awaiting payment
150	Standish Sawmill	Leap Castle area	N	<input type="checkbox"/> C	F.I. request. MT & EOC writing report	TBC	Writing report	Writing report
156	Irish Concrete Federation	Carranstown, Co. Meath		<input type="checkbox"/> G	EOC & NG writing report	8/6/04		
163	Joe Errity, Paddy Dooley	Streamstown, Killyon	No	<input type="checkbox"/>	Licensed work unnecessary. FULL PAYMENT RECD. 27.05.04			27/5/04
167	Gareth Butler	Enniscoffey Co Westmeath		<input type="checkbox"/>	fieldwalking, research & impact report	1/6/04		
168	Herr & Co./ Clermiskin Construction	Dromiskin, Co. Louth	5	<input type="checkbox"/>	FINAL PAYMENT RECD. 24/5.	25/04/2004	24/4/04	24/5/04
176	Cork Co. Council	Bandon Road, Cork	DN	<input type="checkbox"/>	granted. Cemeteries. LoC sent. PROFESSIONAL FEES RECD. 26.05.04	50%	4/6/04	
180	James Duffy & Sn	Kiloleagh, Moate		<input type="checkbox"/> NR	NR to write testing report	4/6/04		
182	Joe Errity/Laurence Smith	Lorenzos, Main St, Birr	NR	<input type="checkbox"/> N/A	FULL PAYMENT RECD. 28.05.04	12/5/04		

REPORTS

Plate 31: An example of an early Weekly Project Update



Date: 20<sup>th</sup> December 2006  
File Ref.: NRDO0135/17.07 (e)

Ms.   
The Archaeology Company,  
Birr Technology Centre,  
Mill Island,  
Birr,  
Co. Offaly

Dear Madam,

**Re: N9/N10 Kilcullen to Waterford Scheme: Phase 3 Kilcullen to Carlow  
Archaeological Services Contracts No. 5**

The following is a list of the Tender Totals in ascending order received for the above contract. The tenders have not been checked for arithmetic errors or for compliance with the Instructions to Tenders.

Contract No 5.
€ 3,493,192.50
€ 3,508,082.30
€ 3,564,325.25
€ 3,616,005.25
€ 3,808,992.95
€ 3,868,201.93

Please note that the Tender award criteria shall be based on both the Tender Price and technical merit of the Tenderer's submission,

Yours sincerely

Paul MacDonald  
Executive Engineer

Endorsed by:

Hilary King  
Chartered Engineer  
Project Engineer Construction

**Plate 32: Our successful tender bid N9/N10 contract 5**

Date: 20<sup>th</sup> December 2006  
File Ref.: NRDO0135/17.07 (f)

Ms.   
The Archaeology Company,  
Birr Technology Centre,  
Mill Island,  
Birr,  
Co. Offaly

Dear Madam,

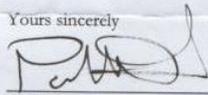
**Re: N9/N10 Kilcullen to Waterford Scheme:Phase 3 Kilcullen to Carlow  
Archaeological Services Contracts No. 6**

The following is a list of the Tender Totals in ascending order received for the above contract . The tenders have not been checked for arithmetic errors or for compliance with the Instructions to Tenders.

Contract No 6.
€ 3,873,754.55
€ 3,953,374.50
€ 3,969,372.00
€ 4,292,224.25
€ 4,442,996.90
€ 4,486,681.23

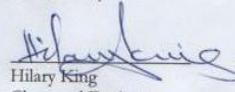
Please note that the Tender award criteria shall be based on both the Tender Price and technical merit of the Tenderer's submission.

Yours sincerely



Paul MacDonald  
Executive Engineer

Endorsed by:



Hilary King  
Chartered Engineer  
Project Engineer Construction

**Plate 33: Our successful tender bid N9/N10 Contract 6**

## **Chapter Five:**

### **A Review of the Entrepreneurship Literature including the Economic Foundations and Impact on Opportunity Theory**

#### **5.0 Introduction**

Chapter 4 provided a phenomenological narrative of the lived-experience of entrepreneurship as described from the emic perspective of the entrepreneur. This chapter now turns to exploring the etic perspective of ‘what is entrepreneurship?’ as described and researched in the academic literature. The purpose of this is to provide the theoretical context for my analysis of the emic data in Chapter 4, in preparation for the analysis following in Chapter 6. This chapter will firstly explore some of the ideas economists have traditionally had about firms, as well as their ideas about the role of the entrepreneur within those firms. I will clearly illustrate how this has impacted upon what the majority of academic researchers believe entrepreneurship ‘is’.

The chapter aims to demonstrate the process of emergence of entrepreneurship theory from economics, and the significant impact that this context has on entrepreneurship research. Bygrave (2007) has recognised this noting that

entrepreneurship, in trying to carve out a new theory by drawing on other disciplines, ‘...runs the risk of being driven by them...’ a process he describes as ‘physics envy’ (ibid. p.78). Economics, has a dominant ontology, whereby it considers ‘...itself as methodologically akin to physics...[and]...many economists, especially older ones, still entertain kissing-cousin fantasies about their relation to physicists...’ (Fullbrook 2009, p.7). I suggest that the ‘natural science’ aspirations in economics have a significant epistemological impact on the discipline in general, which has in turn subsequently impacted on the development of the theoretical field of entrepreneurship.

Within mainstream economic, concepts of the firm and entrepreneurship have been traditionally kept quite separate (Loasby 2007). Combining them to build a theory of entrepreneurship has had significant implications for how entrepreneurs are considered to operate within markets. Entrepreneurs are assumed to primarily be a mere function of the market, and many economists share very similar ideas as to what it is that the market does particularly with respect to equilibrium.

Theories of equilibrium are a key concept in orthodox economic traditions, whereby a general equilibrium of optimising agents is assumed to encompass a whole economy (Loasby 2007). Mainstream economists consider the market to be an impersonal competition-driven process with an observable outcome of price and quantity equilibrium (Casson 2010). Economists in the Austrian tradition on the other hand seek to take a more subjective view of market processes by recognising the ‘...speculative element in all individual decision-making and to incorporate the activity of the real world businessman into a theoretical framework

that provides understanding of the market process' (Kirzner 1997, p. 69-70). In this view, market equilibrium is a function of more idiosyncratic forces whereby individuals make subjective choices that impact on market equilibrium. The individuals making those choices are entrepreneurs.

I will generally explore where the mainstream approach has originated and then taken researchers in the theoretical field of entrepreneurship, and closely examine the appropriateness of this for entrepreneurship theory. I will do this by asking the following three questions;

- How significant is the impact of economics on entrepreneurship theory?
- Do entrepreneurs discover, identify or create opportunities?
- What is an entrepreneurial opportunity?
- The impact of opportunity on the theoretical development of entrepreneurship

The chapter is divided into four sections. Firstly, I will examine how economic perspectives have developed into theories entrepreneurship. This section will look at the way in which entrepreneurship has been developed in relation to these perspectives: i.e. as a sub-discipline of a subjectivist economic theory. The purpose of this section is to establish the ontological foundation of entrepreneurship studies that will be shown to be rooted in positivism. The second section will look at opportunity theory. Entrepreneurship theory depends on two dominant perspectives that relate to opportunities: (i) opportunities are discovered or/identified or (ii) they are created. The discovery/identified perspective is widely

considered to be Kirznerian opportunities (1934, 1997) whereas Schumpeterian (1934) opportunities are considered to be created opportunities. I will discuss the implications of each perspective for entrepreneurship research. This will establish where entrepreneurial opportunities are considered to originate as both a theoretical concept and also in practice.

In the third section, I will examine the literature in an attempt to establish what entrepreneurial opportunities *are* by looking at what researchers of entrepreneurship widely consider them to be. In order to do this I review the literature for a definition and explanation of what entrepreneurial opportunities are, and their supposed role during the entrepreneurial process. Finally, I will ask if entrepreneurship is about the opportunity and show that this theory has some key deficiencies. Namely (i) uncritically extending subjective economic views of the firm (ii) a lack of coherent definition (iii) ontological inconsistency and (iv), a lack of evidence. This results in entrepreneurial opportunity theory having very many loose ends with an incoherent, contradictory and somewhat vague epistemological framework and little practical use

## **5.1 Opportunity Theory has Evolved from Economic Theories**

In mainstream economic theory it is the market that controls resources, the price movement of goods and services, as well as firm behaviour through a process of achieving and maintaining equilibrium between input and output. Market equilibrium was historically regarded as needing arbitration, which was the sole function of a 'Walrasian' (1954) market auctioneer or arbitrageur. Casson (2010)

describes him as being a single ‘...God-like figure, all powerful and totally altruistic...that despite possessing a monopoly of trading opportunities...appropriated no profit himself’ (ibid. p. 336). This is despite the fact that as the information in the market is free to everyone, s/he incurred no costs (ibid.). This idea of a perfect market implied ‘...a general profit opportunity, which is both known to everyone and, equally capable of being exploited by everyone...in an important sense a profit opportunity for no-one in particular’ (ibid. p.57). The consequence of free information was a fundamental flaw in the theory and when challenged by Richardson (1960), Walras ultimately failed to produce a workable model of market equilibrium.

Nevertheless, classical economists still presume that since markets control economic activity then they must also regulate the behaviour of firms within the market, including whether they grow or not. Interestingly entrepreneurial activity was not considered in any way to be a factor in firm growth for the theories that emerged from the all powerful market Theories of the firm from a mainstream economic tradition seek out ‘...event regularities or correlations of the sort required for the employment of their mathematical-deductivist methods...without seeking why this should be so’ (Lawson 2009, p.285). This is partially because, as in physics, they seek to uncover the ‘natural’ behaviour of all firms, which is assumed in many cases to be separate from any human intervention - and is the reflection of a specific ontological position embedded in positivism. The next section describes how this impacts on economic theories of entrepreneurship.

### 5.1.1 *Entrepreneurship as Economic Function*

Richard Cantillon (1660-1734) has been recognised as the first economic theorist who ‘...identified entrepreneurship as a significant economic function’ (Loasby 2007, p.1089). In 1755, he wrote an essay that included a character indistinguishable from the ‘...petty capitalist trader at the centre of mercantilist theory...buy[ing] goods at a certain price and sell[ing] them at an uncertain price’ (Jones and Spicer 2009, p.49). This character was an entrepreneur, identified by Cantillon as having a risk-bearing function in the market because s/he buys goods at a certain price and sells them at an uncertain price, and bearing the ‘...risk caused by fluctuations in consumer markets’ (Casson 2010, p.5). Uncertainty and risk-bearing in the market are the function of entrepreneurship from this perspective (Fayolle 2007).

Carl Mengers (1871) developed this further in his *Principles of Economics* when he argued that there must be a causal connection between goods and the human need for those goods (Koppl and Minniti 2005). Instead of the market forces of supply and demand dictating pricing, human need would instead dictate price levels. These markets operated in disequilibrium, with an ‘economiser’ deciding the value of goods. This was done by the economiser firstly establishing the need for a particular good and the available quantity as well as the need. When ‘the available quantities are smaller than his requirements. These are ‘economic goods’. The economiser then imputes value to the economic goods [and] value emerges from an act of evaluation. Exchange takes place when evaluations differ’ (ibid. p.83). Identical evaluations of the goods would result in equilibrium in the

market, and consequently ‘...a set of prices at which there are no profit opportunities’ (Gifford 2005, p.37). Disequilibrium, in contrast provides the opportunity for profit in the market.

In (1919) Marshall explored this further by examining what caused this profitable disequilibrium. He suggested that disequilibrium was caused by exogenous shocks and that it was the role of the entrepreneur (Marshall described this as the ‘undertaker’), to return the market back to equilibrium after these shocks. Significantly Marshall differentiated the role of the entrepreneur from that of the business manager, by suggesting that a manager would make decisions from within the existing limitations of the organisation as a result of that shock. The entrepreneur however recognises that a change in the organisation can create profit opportunities. In this way the manager’s role was not only distinct from that of the entrepreneur was also less important (Zaratiegui and Rabade 2005) because the role of the entrepreneur was directly linked to profits generated by opportunity.

These opportunities for the entrepreneur appeared to be without risk because, in this instance, entrepreneurs are exploiting opportunities for profit as rational economic actors with perfect knowledge of the market whereby individuals with ‘...full information and perfect foresight enter into atomistic exchange...’ (Chiles et al. 2007, p.468). Entrepreneurs in this way can make fully maximised choices that move the market back towards equilibrium, while having no ability to make decisions outside of equilibrium (Foss 1998). These entrepreneurial profit opportunities also had no uncertainty because the outcome was already previously established by the market.

### *5.1.2 Perfect Competition, Entrepreneurship, Risk and Uncertainty*

Knight (1921) explored the relationship between the entrepreneur, risk and uncertainty while he was investigating the scope of the theory of perfect competition. At this time perfect competition was being ‘...refined into a precise analytical model of a system of optimising individuals operating with a complete list of goods, well defined technologies, and fully specified preference functions in an environment which allowed everyone to know the relevant consequences of every option when making choices’ (Loasby 2007, p.1078). Knight was critical of this model and the concept of predetermined outcomes.

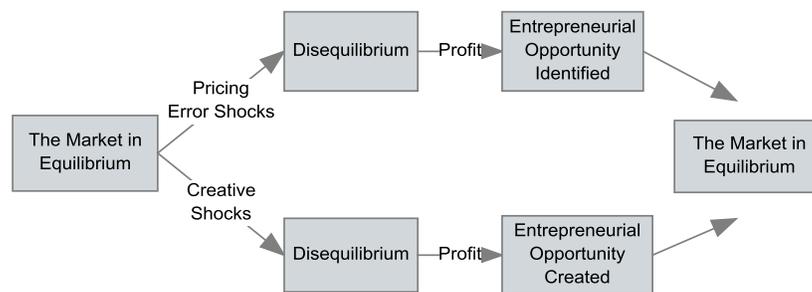
He suggested on the contrary that, ‘...the role of the entrepreneur is not to engage in mere activity but to [also] manage the uncertainty thrown up by economic and social life’ (Jones and Spicer 2009, p.50). Opportunities for profit had uncertain outcomes for the entrepreneur because, unlike in the theory of perfect competition where risk can be calculated, and can be insured against (Casson 2005) uncertainty cannot. Uncertainty cannot be calculated as a probability (Knight 1921). Knight argued that uncertainty plays an even more important role than risk in entrepreneurial activity, because risk can be calculated while uncertainty cannot. Without entrepreneurial uncertainty, there can be no ‘...source of advantage for any agent other than privileged access to some distinctive and limited resource’ (Loasby 2007, p.1079). Loasby (2007) develops this further by suggesting that the notion of uncertainty depends on differences in beliefs. For Loasby these differences in beliefs originate in the different mental models that people construct in order to cope with Knightian uncertainty...’ (ibid. p.1090).

The Austrian economists are also critical of economic models of perfect competition, in particular the Walrasian general equilibrium model with its mediating auctioneer. The Austrian group of economists were a dedicated ‘...group of scholars devoted to the most fundamental problems of microeconomics....emerg[ing] out of the earlier subjectivist tradition...as that tradition came to be represented in the midcentury contributions of Ludwig von Mises and Friedrich Hayek (1937)’ (Kirzner 1997, p.61). In this subjectivist framework, the idea of perfect competition cannot offer researchers a ‘...satisfying theoretical framework for what happens in market economies’ (Kirzner 1997, p.61).

Hayek (1937) was critical of mainstream economic theories and their theories of perfect competition. He was particularly concerned ‘...whether economics could say anything about the real world and criticised equilibrium theory as a system of pure logic’ (Chell 2008, p.29). Rather than being a ‘...mechanical exercise in constrained maximisation...’ these scholars argue that ‘...imagination and boldness must inevitably play central roles’ in economic life and the market (Kirzner 1997, p.61). Hayek and Mises (1949) suggested that the markets were in fact driven by the daring actions of entrepreneurs in the quest for profit opportunities under conditions of disequilibrium. The school of Austrian economists considered the market to be entrepreneurially dynamic with individual profit seeking speculation its driving force.

Entrepreneurship theory in these traditions can therefore be shown to originate from three very clear economic assumptions. First there is the assumption of an

objective market that functions according to equilibrium or disequilibrium. Secondly, entrepreneurs act speculatively upon profit opportunities that are produced by the market. Finally, that difference in information about these opportunities results in uncertainty, and the entrepreneurs' role is to manage this uncertainty profitably. Figure 5.0, below illustrates the role of the market as it relates to entrepreneurship.



**Figure 5.0: The Market and Its Impact on Entrepreneurship**

My figure shows how the market creates a profit opportunity through either demand or supply-related shocks. It is the entrepreneur's role to recognise the opportunity for profit created by these shocks, and manage either the risk or uncertainty associated with exploiting this profit opportunity. Shocks cause market equilibrium or disequilibrium, depending on one's perspective on the market. The profit opportunity is a result of moving these markets back towards whatever the natural state of the market is assumed to be.

Kirznerian opportunities would be produced by the market, (1934, 1997) and Schumpeterian (1934) opportunities would be created by the entrepreneur; the next section explains how these opportunity processes occur. The theoretical

perspectives of both Kirzner and Schumpeter have successfully (and quite necessarily) had a significant impact by bringing the entrepreneur to market. This has been achieved by suggesting that entrepreneurial activity is market, profit and opportunity driven. In the next section I will discuss how the concept of the entrepreneurial opportunity has been developed beyond Kirzner and Schumpeter.

## **5.2 Do Entrepreneurs Discover, Identify or Create Opportunities?**

Baron (2004) suggests that opportunities have three central characteristics. These are ‘...newness, potential economic value (i.e. potential profitability) and perceived desirability...something that has not existed or been available before’ (ibid. p.50). An opportunity may then be defined as objective, profit seeking or potentially profitable and would exist in the market, regardless of the presence of the individual entrepreneur. This is the Kirznerian approach whereby profit opportunities are just waiting to be found. The discovered/identified view of opportunity is considered by many researchers to be the objective position on opportunities.

Opportunities are assumed to exist *ex ante* (or before action), and would still be there regardless of entrepreneurial intervention. They are quite separate to the entrepreneur, and purely an outcome of market forces. Profit opportunities are considered to start the entrepreneurial process and the entrepreneur is given the role of identifying such opportunities. In this objective tradition, the most important entrepreneurial activity is considered to be identifying ‘a feasible, profit

seeking potential venture that provides an innovative new product or service to the market...’ (ibid.).

An alternative perspective however, argues that opportunities are not created by the market to be identified by the entrepreneur, but rather the entrepreneur themselves *creates* the opportunities for profit in the market. Shane (2003) suggests that opportunities have an objective component that does not exist solely in the mind of the entrepreneur...before opportunities are identified sources of opportunities must lead them to exist’ (ibid. p.12). Opportunities may also exist *ex ante*, for entrepreneurs when they are have been created by other entrepreneurs. Shane argues that an opportunity can also be a situation created by the entrepreneur, *ex post* (or after action), whereby ‘...a person can create a new means-end framework for combining resources that the entrepreneur believes will yield a profit’ (ibid. p.178). Opportunities created by the entrepreneur, is regarded by some as a Schumpeterian view, in contrast to the markets creating the opportunity.

### 5.2.1 Kirznerian Opportunities: Objective Subjectivity and Equilibrium

The tradition that states that profit opportunities exist *ex ante* awaiting discovery in the market is the theoretical perspective that has been primarily influenced by Kirzner (1934, 1997). Kirzner was in turn heavily influenced by Knight (1921), for whom it is the entrepreneur’s role primarily to deal with the uncertainty caused by market fluctuations, in order to make a profit. Also, the entrepreneur needs to

be aware of price discrepancies in the market between goods and services in order to ‘immediately make a profit by buying this commodity in the cheaper location and sell it in the dearer’ (Loasby 2007, p.1092). Discrepancies in prices for Kirzner signify that the economy is always operating out of equilibrium; the entrepreneur discovers this and makes a profit by moving the market back towards equilibrium through entrepreneurial activity. Markets never achieve equilibrium however and entrepreneurial interventions only serve to ‘...move the markets towards equilibrium without ever reaching that state’ (Casson 201, p.336).

In this way Kirzner considers that the role of the entrepreneur is a functional one that serves to keep markets moving while at the same time they identify the profit opportunities caused by price discrepancies. Profit opportunities exist *ex ante* in the market produced by previous entrepreneurial errors which have resulted in shortages or misallocated resources. ‘The daring alert entrepreneur discovers these earlier errors...’ (Kirzner 1997, p.70), and is able to exploit them for profitable gain. These are objective opportunities that exist whether or not the entrepreneur is alert enough to identify them, but they are also subjective because they require the entrepreneurial individual to recognise the ‘...competitive imperfections in a factor or market’ (Alvarez and Barney 2010, p.559) that have caused them. Kirzner concludes that it is the market that contains opportunities for ‘...pure entrepreneurial profit’ (ibid. p.70).

Some researchers have also argued that Kirznerian opportunities are quite common because of their lack of innovation as they just need to be spotted, and they are therefore low risk (Shane 2003). They are considered low risk because the

worst that can happen is that the entrepreneur fails to recognise an opportunity and an opportunity goes unnoticed (Klein 2008).

### 5.2.2 *Objective Subjectivity Opportunity Identification and Alertness*

The process of objective subjectivity required for Kirznerian opportunities to exist arises from the concept that opportunities pre-exist in the market in an identifiable and objective sense independent of the entrepreneur. They exist whether or not they are recognised by the entrepreneur, however it is necessary for an entrepreneur to possess the subjective alertness to identify them. The recognition of opportunities, unlike models of perfect competition or optimal size, requires the subjectivity of certain individual activity in order to kick-start the entrepreneurial process in the markets. Kirznerian opportunities need to be recognised so the most critical individual characteristic of the entrepreneur is alertness.

This subjective alertness has become a focus for much entrepreneurial research because the ability to recognise opportunities is ‘...among the most important abilities of the entrepreneur’ (Ardichvili et al. 2003, p.106). It is assumed that the difference between entrepreneurs and non-entrepreneurs is their ability to recognise opportunities, an ability defined as alertness. Gaglio and Katz (2001) suggest that unlike other market actors who accept information at face value, entrepreneurs are alert individuals who ‘may simply have a habit of being contrary and/ or looking for change’ (ibid. p.99) arguing that being alert to entrepreneurial opportunities facilitates, the creation of wealth.

Research that focuses on alertness assumes that there is the same subjective information available for everyone, and that the process of alertness results in the same outcome of an opportunity, even if an individual's ability to be alert may differ. It is this difference in ability of alertness that plays a key role in defining the entrepreneur. For example, Nicolaou et al (2009) argue that if recognising the opportunity is '...a necessary part of new business creation, then researchers must account for differences across people in their ability to recognise opportunities in order to explain new business formation' (ibid. p.300). Recognising the opportunity is considered to be the key skill underpinning the entrepreneurial process where '...opportunities exist and all one has to be able to do is to be able to recognise them, appropriate them and transform them into economic realities' (Fayolle 2007, p.39).

Entrepreneurial alertness to opportunities has been researched by examining three broad concepts that are considered as central to this ability: 'knowledge, cognition and creativity' (Corbett 2005, p. 475). Researchers are interested in what *ex ante* factors exist that trigger this process for the individual entrepreneur and factors such as prior knowledge contribute to alertness as a '...resource in the discovery of potential commercial opportunities...' (ibid.).

Prior knowledge is considered a critical factor in alertness to opportunities, because it is linked to greater alertness by Kirzner (1997). It has been argued that the 'literature on knowledge and opportunity provides us with evidence that knowledge asymmetries are important distinguishing factors with regards to who recognises what opportunities and who does not' (Corbett 2005, p.476).

Individuals are considered to possess different knowledge which ‘refers to an individual’s distinctive information about a particular subject matter (Shepherds and DeTienne 2005, p.93). The higher the level of prior knowledge that an individual may possess, impacts upon their ability to recognise opportunities over and above other people. Prior knowledge facilitates alertness because without it people may be ignorant of an opportunistic situation (Shane 2003). In this way ‘...non-alert individuals fail to identify or create entrepreneurial opportunities because they misjudge their market environment’ (Gaglio and Katz 2001, p. 98).

There is a substantial amount of entrepreneurship research that focuses on alertness and the associated personality traits and individual cognitive biases that make entrepreneurs more alert than other people (i.e Baron 2004, 2010). Personality traits research examines differences between entrepreneurs, non-entrepreneurs and managers. It is argued that individual characteristics may result in the ability to recognise opportunities. If you are more likely to be alert to opportunity it follows that you may be more inclined to act upon them. Shane (2003) argues that people’s ‘...personalities and motivations will influence the likelihood that they will exploit entrepreneurial opportunities because people with certain aspects of personality and motivations act differently from others in exactly the same situation’ (ibid. p.97).

The trait approach suggests that entrepreneurs can be differentiated from non entrepreneurs by the presence or absence of certain traits (Keh et al. 2002). These traits make entrepreneurs more likely to identify and act upon risky opportunities. This approach argues that there are ‘...specific cognitive biases that influence risk

perception as they relate to entrepreneurs; overconfidence. , illusion of control and representativeness...’ Dyer et al 2008, p.318). Overconfidence gives entrepreneurs the ability to identify and act upon perceived opportunities whereby other people may not see the same situation as particularly opportunistic given the circumstances. Overconfidence is a result of an entrepreneur’s belief that they are right, and this ‘belief in the accuracy of one’s judgement is too high given the data’ (Shane 2003, p.113). The entrepreneur still believes they will succeed regardless of evidence to the contrary.

Recent evidence has also suggested that characteristics can explain entrepreneurial opportunity evaluation (Keh et al 2002). Some cognitive theories have been developed with regards to opportunity recognition and how it relates to processing information. Alertness is a cognitive skill or pattern recognition trend that is used to explain ‘why’ entrepreneurs think differently, particularly with regards to opportunities (Baron 1998). According to this theoretical perspective, entrepreneurial alertness is the capability of an entrepreneur to “connect the dots” in any situation, which in turn allows them to identify an opportunity where others may not (ibid.).

This theory is also known as ‘prototype theory’, and was developed to assist researchers understand what occurs in the minds of specific entrepreneurs during the opportunity recognition process (Dyer et al 2008. p.320). Pattern recognition or prototype theory suggests that through experience, individuals acquire or construct prototypes in their minds that represent a category of objects that best captures its essential meaning (Baron 2004, Baron and Ensley 2006) These

constructed prototypes then play an important role in the individuals' perception when they '...encounter new events or objects...and in the detection of connections between them. In essence prototypes serve as templates...' (Baron and Ensley 2006, p.1333). These are the opportunity templates that entrepreneurs then go on to use when they recognise opportunities.

This theory argues that entrepreneurs form *ex ante* mental abstractions about what would constitute an opportunity in a particular situation. In much the same way as an individual may have a template in his or her mind for example of a car or a house the entrepreneur would also have a template in their mind for an opportunity. The entrepreneur would then use this prototype or mental abstraction as a way of comparing ideas for new products or services, with their existing prototype for a business opportunity (Baron 2004). In this theory entrepreneurs would have the cognitive mechanisms that mean they '...possess better-developed prototypes for opportunities' than the general population (ibid. p.66). These superior cognitive mechanisms are the difference between entrepreneurs and non-entrepreneurs.

This is potentially an interesting analytical concept for providing disciplinary insight into entrepreneurial cognition. However, gaining further insight would require the researchers to succeed in taking the theory one step further and provide more conclusive evidence for alertness. Dyer et al (2008), acknowledge this lack of evidence and comment that although the '...notion that entrepreneurs have better pattern recognition skills than nonentrepreneurs is intuitively appealing...there is little empirical evidence to support this premise' (ibid. p.318).

Furthermore, opportunities in this tradition exist *ex ante* but the limited empirical evidence that has in fact been provided has only been *ex post*, in nature as noted by Baron and Ensley (2006) when they state that all the data in collected in their study ‘...are retrospective in nature; both novice and experienced entrepreneurs reported on events that had happened in the past... [and] both groups reported on the company they were now running’ (ibid. p.1343). This leaves open the possibility that the entrepreneurial process maybe beyond mere alertness to opportunity.

### 5.2.3 *Schumpeterian Opportunities: Subjective Objectivity, and Disequilibrium*

An alternative to Kirzner has been offered by Schumpeter (1934).The subjective objectivity of Schumpeterian opportunities, suggest entrepreneurial opportunities that are in contrast to notions of Kirznerian objective subjectivity, as well as ideas associated with entrepreneurial alertness. Schumpeterian opportunities refer to the subjective creativity of the entrepreneur and the objective consequences this activity then has in the market. Opportunities exist in this sense when they are created by entrepreneurs and the ‘...process of creative destruction and ensuing churn results from the creation of value through innovations in new products services and organisations’ (Agarwal and Sarkar 2007, p.265).

Entrepreneurs act to disrupt existing market equilibrium during this creative process, rather than acting to reinstate equilibrium in already disrupted markets. Schumpeter assumed the markets would have a tendency towards equilibrium that the entrepreneur disrupts through the shocks caused by his/ her creativity. He

suggests that entrepreneurs create opportunities in the market as a consequence of 'prime' entrepreneurial activity. These created opportunities are caused by either the conquest of a new source of supply for raw materials irrespective of whether this supply is to be discovered or created, as well as the creation of new monopoly positions in the market (Baumol 1993; Sarasvathy 2004). Schumpeter describes this activity as

'... (4) the discovery of a new source of supply of raw materials of half manufactured goods, again irrespective of whether this source exists or whether materials or half manufactured goods, again irrespective of whether this source exists or whether it has to be created. (5) The carrying out of the new organisation of an industry like the creation of a monopoly position'

(Cited in Baumol 1993, p.27).

When the entrepreneur has created market disequilibrium with innovation precipitating '...major structural changes in the economy [s/he] takes the crucial decision to commit resources to the exploitation of new ideas' (Casson 2010, p.7). Unlike Kirznerian opportunities, the creation of these opportunities can be caused by exogenous factors such as technology, changes in regulations or society and demographics (Shane 2003), but the creativity emerging from the entrepreneur is still endogenous to the market and market forces.

Some researchers have argued that unlike the Kirznerian opportunities these are the more frame-breaking or innovative opportunities, which are not merely

identified by entrepreneurs (Shepherd and DeTienne 2007). These opportunities emerge as they are created by ‘a rare breed of individuals motivated intrinsically to utilise the benefits of technological, demographic and social change’ (Dutta and Crossan 2005, p.430). Identified opportunities should be distinguished from these more ‘...incremental and truly innovative opportunities’ (ibid.). These Schumpeterian opportunities are most frequently linked to innovation as these opportunities make ‘...the creation of new goods and services possible’ (Companys and McMullen 2007, p.307). The focus on innovation (Saemundsson and Dahlstrand 2005; Lumpkin and Lichenstein 2005), suggests a link with technology (Buenstorf 2007; Shane 2001), that makes these opportunities both rare and high risk in a way that requires novelty (Shane 2003).

Some researchers suggest that these opportunities furthermore can be considered as existing *ex post* as well as *ex ante*. This is primarily because the entrepreneur may disrupt equilibrium with the creation of a new market, but this is done prior to the activity undertaken to exploit the opportunity during the ‘...discovery and exploitation process’ (McKelvie and Wiklund 2004, p.219). This means that the opportunity, upon being created by the innovative entrepreneur can exist both before and after exploitation activity. As such these opportunities have a subjective objectivity quality because another entrepreneur may happen upon the created opportunity, or indeed may have identified it through discovery activities, and then subsequently go on to exploit it.

#### 5.2.4 *Subjective Objectivity: Characteristics and Opportunity Exploitation*

As well as the alertness required to identify a Kirznerian opportunity, Schumpeterian opportunities are also considered to need certain personality traits in order to subjectively create opportunities (De Carolis and Saporito 2006). There is little literature on the process by which entrepreneurs first ‘create an opportunity’, before either others go on to identify it, or the same entrepreneur goes on to exploit it. However, there is literature that examines which psychological factors may make entrepreneurs more *likely* to exploit opportunities, be they either created *or* identified. This literature seeks to explain ‘...how each individual’s mental makeup is related to his or her ability to identify and exploit an entrepreneurial opportunity’ (Corbett 2005, p.474). It is again looking for differences between entrepreneurs and non-entrepreneurs, but this time focussing upon the decision to exploit an opportunity.

The most researched traits for opportunity exploitation are risk-taking propensity, need for achievement and locus of control (Keh et al 2002; Shane 2003; Chell 2008). Risk-taking propensity was considered by Schumpeter (1934) to be a necessary trait of an entrepreneur and this risk-taking trait is usually associated with ‘...someone who in the context of a business venture, pursues a business idea when the probability of succeeding is low’ (Chell 2008, p.102). Shane (2003) suggests that this trait means that people with a higher risk-taking propensity are more likely to exploit opportunities because ‘people who exploit entrepreneurial opportunities have a higher propensity to bear risk than those who do not exploit entrepreneurial activities’ (ibid. p.103).

However, in contrast to this, there is also considerable evidence to suggest that entrepreneurs in fact engage with a process of taking more calculated risks, or are in fact less likely to engage in risky behaviour. The appearance of 'risk' taking or not depends on 'from whose perspective is the decision or action considered to be risky...even a decision to do nothing may involve a risk' (Chell 2008, p.102-103).

Locus of control refers to the '...person's belief that she can influence the environment in which she is found...' (Shane 2003, p.108). Bygrave (2004) noted that entrepreneurs are people more likely to have a need to be in charge of their own fate. This is linked to the likelihood entrepreneurs will exploit opportunities because 'people with an internal locus of control are those individuals who believe themselves to be in control of their destiny' (Chell 2008, p.98). In doing so, entrepreneurs are more likely to exploit opportunities because they believe in their own ability to be able to do so.

Need for achievement suggests that people with this personality trait are more likely to exploit an opportunity because of a willingness to problem-solve in a challenge oriented way. This theory originated from McClelland in the 1960s (Chell 2008), when he argued that motivation is the key to entrepreneurial behaviour with entrepreneurs having '...a drive to excel [and] to achieve a goal in relation to a set of standards' (ibid. p.88). Achievement motivation is what drives people to solve problems, and this makes entrepreneurs more likely to exploit opportunities because '...the exploitation of entrepreneurial opportunities requires solving novel and ill-specified problems' (Shane 2003, p.99-100). Therefore, opportunity theory differentiates between entrepreneurs and non-entrepreneurs in

the following way. Firstly an entrepreneur is alert to an opportunity in the market, or creates an opportunity. Secondly, particular character traits make an entrepreneur who will then exploit that opportunity.

#### *5.2.5 Objective Subjectivity or Subjective Objectivity? Alternative Perspectives on Opportunity*

This final section on opportunity theory perspectives now turns to exploring some different philosophical approaches that underpin alternatives to opportunity theory, including critical realism and social constructionism. This stream of research has been considered to offer an alternative perspective that adopts an interpretative or socially constructed view of reality, in parallel with the realist stance on opportunities (Dutta and Crossan 2005). It acknowledges that both Kirzner (1934,1997) and Schumpeter (1934) portray entrepreneurship as an ‘...individual endeavour, and thereby neglect the possibility that entrepreneurial judgement and the recognition and enactment of opportunities may be derived from social processes (Foss et al 2008, p. 74). As a result of this, researchers have started to address these shortcomings by developing alternative perspectives on entrepreneurial opportunity drawing from various elements of social constructionism, and critical realism.

We have seen that there has been some debate in the field with regards to whether ‘...entrepreneurial opportunities exist in an objective way or whether they are more subjective in nature, being actively created by the entrepreneur herself’ (Buenstorf 2007, p. 326). Kirzner and Schumpeter have been positioned as representing either

the positivist (or realist), position on opportunity, and the interpretivist position respectively (Chell 2008). They argue that opportunities either identified (or discovered), has a dominantly positivist or realist epistemology (Dutta and Crossan 2005), and that this needs alternatives.

For example, Vaghely and Julien (2010) argue that there are two main points of view in the literature and that these are the ‘...opportunity recognition or discovery viewpoint and the social constructionist or developmental psychology’ view (ibid. p.74). The socially constructed position frequently aligns itself with the *opportunities as created* side of the origins of opportunity debate. This is because it has been argued that ‘...the discipline implicitly thinks about opportunity identification or creation as a process of social construction’ (Gaglio and Katz 2001). Vaghely and Julien (2010), however, combine both perspectives by regarding the entrepreneur as the ‘...opportunity identification oriented processor’ (ibid. p.82) who constructs, recognises and enact opportunities.

Opportunities, the market, and the individual entrepreneur, exist in absolute terms, with the markets and opportunities having a particular objective reality. In contrast to this, it is argued that opportunities are created by the entrepreneur and may not therefore exist in an entirely objective sense *ex ante* (Chell 2008; Alvarez et al 2007; Barney 2007; Fayolle 2007; Mitchell et al 2007; Dimov 2004, 2007; Sarasvathy 2004; Gartner et al 1999). Rather than existing objectively, these opportunities are considered as ‘...created endogenously by the reactions and enactment of entrepreneurs...opportunities do not exist until they are created’ (Alvarez and Barney 2007, p.16).

Opportunities have also been suggested as being in the process of emerging from a person's ideas over time and although not '...necessarily equivalent to an idea...an idea is most likely a core attribute of an opportunity [and] to become an opportunity an idea may require more refinement' (Ko 2004, p.101). These views would consider opportunity creation as an emerging, ongoing subjective process whereby entrepreneurship depends 'on making the right judgement at the right time – a cognitive process – but it also depends on enactment and behaviour' (Chell 2008, p. 259).

Opportunities as a social construction are then considered to mainly exist *ex post*, or after creation and these opportunities are found at the end of an entrepreneurial process influenced by individual and situational differences. These researchers are generally critical of the positivist approach to entrepreneurial opportunities because 'opportunity recognition does not fully acknowledge the social nature of economic structures' (Wood and McKinley 2010, p.67). Researchers with an alternative perspective consider that entrepreneurial opportunities emerge as a result of entrepreneurial action and the individuals '...cognitions and behaviours as they engage in interactions with current social structures' (ibid. p.68).

In this research it is also considered that opportunities are possibly constructed by new information that is introduced into the economic environment, and then interpreted by the entrepreneur '...by retrospective sensemaking of new information with the help of heuristic trial and information processing' (ibid. p.83). Researchers have suggested that either perspective could potentially be interpreted through a socially constructed lens, when it is considered that an 'all

encompassing epistemological framework is required wherein the entrepreneur his organisation and his network, all have their place' (Vaghely and Julien 2010, p. 77).

Others would disagree, and argue that instead that opportunities need a completely different perspective than the one provided by alertness and/or opportunities created. Sarason et al (2006) for example uses the work of the sociologist Anthony Giddens (1984) regarding structure and agency for their examination of entrepreneurial opportunities. Sarason et al (2006) suggest that 'sources of opportunities are extant features that provide the context for creating entrepreneurial ventures' (ibid. p.287). They argue that structuration sees the entrepreneur (agent) and opportunity (structure) as a duality (ibid.).

Structuration theory considers that the human agent and social structure do not exist as separate entities and '...agents cannot be understood independently of structures' (Sarason et al 2006, p.292). This perspective would recognise the role that entrepreneurial agency plays in recognising the role of opportunities in the structure because '...structure is not wholly deterministic; it is counterbalanced by agentic freedom to act' (Chell 2008, p.77). In this way Sarason et al (2006) acknowledge that opportunities cannot exist *a priori* and separate to the entrepreneur and the venturing process, simply awaiting discovery. Instead, they become '...manifested to the entrepreneur and others as they are conceptualised and developed by the actor as part of the venturing process' (ibid. p. 287). Some researchers disagree with the suitability of this structuration approach, for example Mole and Mole (2010).

Mole and Mole (2010) adopt a critical realist stance when they examine the individual-opportunity nexus, arguing that structuration is not the best way to examine this phenomenon. The critical realist approach has recently become popular within management and economic theory, although it is still a 'fairly new project' (Davidsen 2009, p. 41). Mole and Mole (2010) argue that for Giddens, a perspective focusing on the nexus between individual and opportunity would be ontologically impossible. The duality between the opportunity and the entrepreneur is not structuration. That is because '...it is not possible to study the interplay between opportunity and entrepreneurship, as this necessitates analysis of the interplay between structure and agency' (ibid. p.233). Alvarez and Barney (2010) explain that this is why critical realism is suitable for opportunity theory. They explain that Bhaskar (1975) considers that

'reality exists objectively and independently of human knowledge about it, even though social reality may be different from its empirically observable surface appearance. In this sense, while realism and critical realism have some important differences, they share the assumption that reality, including social reality, exists independent of the thoughts and perceptions of individuals'

(ibid. p.561).

Opportunities therefore exist in a real independent and objective sense, because opportunities would still be there irrespective of the individual exploiting them. Critical realists would argue that even if the entities themselves are unobservable

their effects should be. I suggest that if opportunities do exist objectively then there should be more of a consensus as to what opportunities are.

### **5.3 What is an Entrepreneurial Opportunity?**

Entrepreneurial opportunity theory represents the dominant paradigm in entrepreneurship research. Entrepreneurship has for many years been broadly defined as an entrepreneur relentlessly pursuing opportunity without regard to the resources s/he currently controls (Stevenson and Sahlman 1989; Stevenson and Jarillo 1990). The process of entrepreneurship is assumed to involve the activities that are connected to the recognition and pursuit of opportunities, and that the entrepreneurial process consists of the entrepreneur finding a way to do that (Stevenson and Jarillo 1990, p.23). Opportunities are considered to represent the very domain of entrepreneurship (Gaglio 2004) and subsequently there is a ‘tendency to view opportunities as a given in models of entrepreneurship’ (Agarwal et al 2007, p.271).

Since it is widely considered that the recognition and exploitation of a successful opportunity has become the very definition of the entrepreneur (DeTienne and Chandler 2007), this section will turn to exploring the definition of opportunity.

#### *5.3.1 Definition*

Some researchers have argued that it still represents a major challenge for entrepreneurship research to be able to ‘clearly define the scope and boundaries of its field’ (Buenstorf 2007, p.323). A seminal work on entrepreneurship was written by Shane (2003) where he attempted to address some of these difficulties,

by answering calls for a conceptual framework with his influential book ‘*A General Theory of Entrepreneurship: The Individual Opportunity Nexus*’ (2003). A significant achievement of this book rests in its successful effort ‘...to assemble the fragmentary pieces of knowledge about this phenomenon in one place’ (ibid. p.2). Shane was able to produce a substantial and comprehensive review of the theoretical literature up until that point. He then develops an opportunity-nexus theory from that literature. According to Shane entrepreneurship is assumed to revolve around opportunities as discovered, identified or created and then exploited as outlined previously. Entrepreneurship can be ‘explained by considering the nexus of enterprising individuals and valuable opportunities’ (ibid. p.9).

Entrepreneurship as it relates to the market is described by Shane as an activity that ‘...involves the discovery, evaluation and exploitation of opportunities to introduce new goods and services, ways of organising, market processes and raw materials through organising efforts that had previously not existed’ (ibid. p.4). Discovering opportunities is considered the essential, critical first step in the entrepreneurial process – one from which exploitation and entrepreneurial profit will follow.

Discovering or identifying opportunities is the economic function that makes entrepreneurs so critical for market processes. This is the reason a central question in entrepreneurship has become ‘*Why do some people recognise or discover an opportunity, yet others do not*’? (for example Baron 1998; Dyer et al. 2008). As discussed, many researchers assume that the reason for this is that a particular

entrepreneurial alertness to imperfections in the market will lead to the opportunity for profit (Busenitz 1996; Kirzner 1997; Yu 2001). This alertness to opportunities has been described as being the very ‘fulcrum of entrepreneurship’ (Jones and Spicer 2009, p.23). However, it is worth noting that a description of how *useful* opportunities are, asserting their *centrality* to the entrepreneurial process and stating how they are considered to *function* in terms of generating profit through equilibrium is not actually quite the same as having a coherent disciplinary consensus of definition.

### 5.3.1 *The Problem of Definition*

It has been pointed out that entrepreneurship research is lacking a coherent theoretical consensus or framework that ‘...explains the emergence and development of entrepreneurial opportunities...’ (Companys and McMullen 2006, p.302). Shane has suggested a reasonable thesis on the possible sources of opportunities prior to emergence (for example, when he discusses the environmental context for productive entrepreneurship). Yet scholarly understanding still appears to be limited particularly with respect to the development of these opportunities in practice, yet ‘most studies take ‘opportunities for granted’ (ibid.).

Dimov (2004) has suggested that there is a disciplinary weakness and subsequent lack of agreement for the definition of opportunity. He has noted more recently that this makes the concept of entrepreneurial opportunity currently inoperable for entrepreneurship research (Dimov 2011). Extending this I argue that it is possible

that the notion is sufficiently vague it allows researchers to incorporate any interpretation of opportunity that suits their particular research at that time. Over the past decade, a substantial amount of work has taken the term ‘entrepreneurial opportunity’ as the basis for research without expanding on precisely what is meant by the term (i.e. Mitchell and Shepherd 2010; Vaghely and Julien 2010; Mitchell et al. 2008; Corbett 2007; Mueller 2007; De Tienne and Chandler 2007; Plummer et al. 2007; Brannback and Carsrud 2005; Dutta and Crossan 2005; Lee and Venkatamaran 2006; De Carolis and Saporito 2006; Ko 2004;).

Others have also simply used ‘opportunity’ without providing any further explanatory framework for their definition (Gartner et al 2008; Chiles et al 2007; Keh et al 2002; and Lumpkin et al 2009). An example of the difficulty researchers have whilst grappling with this concept is also reflected by Gartner and Shavers’ (2004) meaningless definition when they suggest that ‘...opportunities depend on circumstance...opportunities are favourable events’ (ibid. p.30). In a similar way entrepreneurial opportunities are suggested to be a change in ‘a favourable way to a desirable state in the future...’ (Ko 2004, p.101). Or, they are ‘...spawned through a process likened to the spawning of hurricanes over the ocean...’ (Sandberg and Hench 2004, p.273).

#### **5.4 Is Entrepreneurship about the Opportunity? Four Significant Deficiencies in Entrepreneurship Opportunity Theory**

I argue here that entrepreneurship is not about opportunity. Opportunity theory is a bad theory for entrepreneurship four reasons (i) uncritical adoption of *homo*

*economicus* (ii) lack of definition and vagueness (iii) ontological inconsistency underpinning the theory and (iv) lack of evidence. Opportunity theory is a positivist economic construct and I will argue that based on the literature *nobody really knows* precisely what opportunities actually are. All the deficiencies with regards to opportunity theory emerge from a common cause. That is, economics and the problem of positivism, particularly ‘physics envy’ as I have described previously and will expanded upon here.

The impact of this influence is that there is a lack of specific definition as to what exactly *entrepreneurial* opportunities are, and how entrepreneurs make use of them when they create and grow their organisations. The vagueness is further exacerbated by ontological inconsistencies whereby the ideas that relate to what actually ‘exists’; i.e. profit opportunities in a positivist sense, have been adapted quite uncritically by more interpretivist ontological perspectives.

The result of this ontological conflict is that without a certainty or even some consensus regarding the ontological nature of opportunity, it becomes nigh on impossible to produce empirical evidence. ‘Opportunity’ is a philosophically loaded concept because whatever a researcher considers as being ‘real’ or not, will have a direct impact on what can be considered as providing evidence for opportunity. This is reflected in the acknowledged lack of empirical evidence *ex ante* (and arguably *ex post* also). This section will now examine those four deficiencies in more depth.

#### 5.4.1 *Extending the Economic View of the Firm with the Assumption of Homo Economicus*

Casson (2005) argues in his paper 'Entrepreneurship and the theory of the Firm', that the 'theory of entrepreneurship is a necessary element in any comprehensive synthesis of theories of the firm' (ibid. p 327). This may arguably be so, but it does not automatically follow that the theory of the firm is a necessary element for a theory of entrepreneurship. Entrepreneurship may be a useful construct for explaining human agency in the behaviour of firms, but theories of the firm may not be useful to the entrepreneur his/herself, or indeed researchers who would like to learn about entrepreneurship as a process.

Casson suggests the numerous ways in which entrepreneurship theory is compatible with the theory of the firm. I would agree and suggest that nowhere does it do more than with entrepreneurial opportunity theory. He argues that this is because the theory of the firm serves as a critique of neoclassical theory so there is scope for a synthesis between them. Casson suggests similarities in terms of the entrepreneur as market-maker, as opposed to the Walrasian auctioneer, and the notion of judgemental decision-making being similar to risk and uncertainty. In this paper he proposes that the 'managerial perspectives on the firm can be usefully combined with economic insights into entrepreneurship to move closer towards the goal of a synthetic theory of the firm (ibid. p.329).

Similarly, Casson and Wadeson (2007) argue that the discovery of opportunity extends the economic theory of the entrepreneur. They suggest that 'the

exploitation of opportunities is a vital part of the economies response to external shocks' (ibid. p.286) and that opportunities are a 'natural' part of economic volatility. They see three main aspects to entrepreneurial activity and these functions are suggested as 'discovery of an opportunity, procurement of resources for a project, and the realisation of benefits through project implementation' (ibid. p.298).

A deficiency with opportunity theory emerges from this tradition in the following way. Firstly, although opportunity theory does extend the economic theory of the entrepreneur, this is not necessarily a good thing. Neither is the assumption that the entrepreneurial process exists primarily as an entirely economic outcome and function. I would argue that the entrepreneurial process may have an economic function from one perspective i.e. the economic perspective, but that entrepreneurship is actually a rather more complex process. Secondly, this theory builds upon and adopts the assumption that the markets (and consequently opportunity) are in some way natural.

The origins of markets and equilibrium as being viewed as a natural phenomenon can be traced to Hume. He wrote his *Treatise of Human Nature* (1739-40), as a way of making a contribution to 'the science of man', akin to Newtonian physics, and 'analogous to Newton's law of universal gravitation. Comparing the tendency for the price level and the stock of money to come into equilibrium with one another with that of water to settle at one level' (Callinicos 2007, p.16). It is

assumed that not only are ‘the markets’ somehow a natural construct that will settle in one way or another at their ‘natural’ level but that opportunities are a natural by-product of this process. There is considered to be a natural course of events in the behaviour of the markets which is also considered a normative course and almost teleological. At the centre of it all is the idea of reaching a state of equilibrium.

The assumption that the activity of entrepreneurs is related to equilibrium is directly analogous to natural states of equilibrium. This is why so much literature is focused on establishing the ‘laws’ that make entrepreneurs different to nonentrepreneurs. This has meant that a very basic idea has been missed – entrepreneurs become entrepreneurs through the activity of doing entrepreneurship. Entrepreneurship is the learnt practices of organisation construction processes. Nonetheless, the intuitive appeal of the entrepreneurial opportunity has resulted in very few researchers critically investigating the origins of this concept. I argue that the entire discipline has unwittingly become enmeshed in a framework that is in effect striving to become a natural science, and I would argue that it does this inappropriately, particularly when it does not fully understand its reasons for doing so.

Mainstream economics has ‘...always worked on the assumption of Homo Economicus – a model of people as rational self-interest maximizers’ (Ghoshal 2005, p.82). This, Ghoshal argues, is a rather pessimistic model of people and

suggests that the reason for this ‘...lies not in evidence but in ideology’ (ibid. p.83). Similarly to opportunity theory, it has an ideological component. The assumption that entrepreneurs are a manifestation of *homo economicus* provides an ideological justification for rational self-interested behaviour that will result in a favourable economic outcome, which fits well with the concept of the profit opportunity being produced by the market.

The theory of entrepreneurship is already synthesised with Austrian theories of the firm in the manner described above, and this has manifested itself in opportunity theory. A further deficiency with opportunity theory is that it is considered to be ‘*the*’ theory of entrepreneurship, without acknowledging that it is one particular economic perspective on a more complex process. This is because the origins of entrepreneurial opportunity theory has not been critiqued sufficiently, it is a taken for granted concept.

#### 5.4.2 *Entrepreneurial Opportunity is ‘Bad Theory’*

Entrepreneurial opportunity theory has evolved from a positivist economic set of assumptions. A ‘bad theory’ has been described as Popper (1934), as both vague and non-falsifiable, and this entrepreneurial opportunity theory certainly falls into this category. Therefore I would argue that opportunity theory is even a poor theory for positivists, because it is most certainly vague, and secondly it is non-falsifiable. ‘Entrepreneurship researchers have not converged on a universally

agreed upon definition of opportunities...’ (Casson 2005), but why is this the case? Is it possibly because they can’t, which indicates a pretty fundamental flaw.

Unlike with economic theories of the firm, whereby a notion of market opportunities can often serve as a simple theoretical vehicle to allow researchers to quickly get from (a) to (z) (often by means of statistical probability), opportunity theory is the central concept in entrepreneurial research. This vaguely defined theory is not good enough to hinge a whole discipline upon. I suggest that there are two serious issues with the vague definition of an entrepreneurial opportunity: (i) vagueness of the concept resulting in infinite interpretation, (ii) conflicting differences in underlying ontological assumptions.

Table 5.0 below demonstrates the variety of ways that researchers have used ‘opportunity’.

<i><b>Opportunity Description</b></i>	<i><b>Author(s)</b></i>	<i><b>Opportunity Origin</b></i>	<i><b>Opportunity Context</b></i>
<i>Local Opportunities'</i>	Jack and Anderson (2002)	Both created and recognised by embeddedness/ structuration	'examples of local opportunities which fitted the specific needs of the local situation. In this instance they recognised the need (opportunity) through being embedded' (p.483)
<i>Business Opportunities'</i>	Amit, Glosten and Muller (1993)	Created and Identified using Resource Based View	'Entrepreneurs are individuals who innovate, identify and create business opportunities...' (p.817)
	Ardichvili, Cardozo and Ray (2003)	Created, Identified Discovered and Recognised: Alertness/ Traits	'entrepreneurs personality traits, social networks, and prior knowledge [are] antecedents of entrepreneurial alertness to business opportunities' (p.105)
	Baron and Ensley (2006)	Identified Traits: Pattern Recognition Theory	'to obtain further information on the cognitive frameworks employed by entrepreneurs to identify new business opportunities, we also asked participants in the study to describe ideas for new products or services they had considered...' (p.1334)
	Busenitz, West, Shepherd, Nelson, Chandler and Zacharakis (2003)	Recognised	'It is when we probe the various intersections, exploring how individual differences impact the recognition of business opportunities or how they facilitate the marshalling of necessary resources to exploit these original insights, that we seem to uncover the true drama of the entrepreneurship phenomena' (p. 297)
	McKelvie and Wiklund (2004)	Discovery	'The cases involved are new ventures and we focus on their original business opportunity and their subsequent metamorphosis in the discovery and exploitation process'

**Table 5.0: Opportunity Theory and Entrepreneurship**

<b><i>Opportunity Description</i></b>	<b><i>Author(s)</i></b>	<b><i>Opportunity Origin</i></b>	<b><i>Opportunity Context</i></b>
<i>Business Opportunities'</i>	Saemundsson and Dahlstrand (2005)	Selected, Identified, Created Resource Based View	'The novelty of the business opportunity, and the subsequent innovation may differ greatly among firms. Some firms may introduce products and services that are new to the world, while others may introduce refinements of existing ones, or similar products at a low price' (p. 114)
	Ucbasaran, Westhead and Wright (2008)	Identified, Imagined, Created Alertness, Kirznerian	'After identifying a business opportunity, an entrepreneur usually expends time and resources evaluating the costs and benefits associated with exploiting the identified opportunity' (p. 158)
<i>new business opportunities'</i>	Dyer, Gregerson and Christensen (2008)	Recognition, discovery and creation Behaviour and cognitive processes	'the more time one spends searching for and assimilating information, the greater the probability that he/she will serendipitously discover a new business opportunity' (p. 319)
	Nicolaou, Shane, Cherkas, Hunkin and Spector (2010)	Exploitation/ Engagement Genetic Factors, Individual Differences	'People are more likely to engage in entrepreneurial activity if they are more highly educated because education provides the back ground knowledge to notice new business opportunities' (p. 169)
	Ucbasaran (2004)	Identified, Cognition	'New business opportunities are rarely derived from historical data alone. Some individuals interpret new and often ambiguous information with a heuristic-based logic in order to identify new business opportunities' (p. 79)
<i>valuable opportunities'</i>	Eckhardt and Shane (2003)	Discovery	'If an entrepreneur does discover a valuable opportunity and that opportunity generates entrepreneurial profit, that profit is likely to be transient...' (p.339)

<i>Opportunity Description</i>	<i>Author(s)</i>	<i>Opportunity Origin</i>	<i>Opportunity Context</i>
<i>perceived business opportunity'</i>	Baughn, Lim, Le, Neupert and Woods (2004)	Recognised, Identified, Contextual Factors	'About two thirds of the new entrepreneurs, however, are attempting to take advantage of a perceived business opportunity despite having other career options' (p. 192)
<i>potentially profitable opportunities'</i>	Baron (2006)	Recognition, searching, alertness Kirzner, pattern recognition	'varied business and work experience can be a major plus for entrepreneurs in terms of recognising potentially-profitable opportunities' (p. 105)
<i>serendipitous opportunities'</i>	Buenstorf (2007)	Created, discovered, perceived within an evolutionary market process	'It is by no means guaranteed, however, that such serendipitous opportunities' are also <i>discovered by</i> their creators. Furthermore, creators of opportunities are not necessarily the only ones able to discover them' (p. 328)
<i>project opportunities'</i>	Casson and Wadeson (2007)	Discovered, Identified Differences in Information	'An opportunity is defined as an unexploited project which is perceived by an individual to afford potential benefit. A discovery is the identification on an opportunity- by an individual who scans the set of possible projects' (p. 298)
	Casson (2010)	Discovered Economic Volatility	'an opportunity is best conceived as a hitherto unexploited project' (p. 42)
<i>perceived opportunities'</i>	Chiles, Bluedorn and Gupta (2007)	Created and Exploited Human Imagination and Resource Combination	'how can entrepreneurs organise resources not only to respond to dynamic markets and perceived opportunities- but also to participate in their creation' (p. 472)
<i>Economic Opportunities</i> <i>Market Opportunities</i> <i>Technological Opportunities</i>	Companys and McMullen (2007)	Typology, Taxonomic Classification Exploited, Created, Discovered Enacted	' <i>economic opportunities</i> include both the <i>technological opportunities</i> that make the creation of new goods and services possible, as well as the <i>market opportunities</i>

<b><i>Opportunity Description</i></b>	<b><i>Author(s)</i></b>	<b><i>Opportunity Origin</i></b>	<b><i>Opportunity Context</i></b>
<i>Producer and Consumer Opportunities</i> <i>Sociopolitical Opportunities</i>		Competitive Advantage	that enable these goods to be commercialised' (p. 307) <i>Cultural cognitive opportunities</i> are subjective situations- that require interpretative processes for the enactment of valuable new means-ends relationships ...one can classify <i>cultural cognitive opportunities</i> according to their source in the value chain' (p. 309) <i>Sociopolitical opportunities</i> are objective situations embedded in existing social structures that actors exploit to create new means-ends relationships.' (p. 310) <i>Network opportunities</i> are those resulting from existing social relations in prevailing network structures- Similar to <i>economic opportunities</i> , <i>network opportunities</i> are viewed as objective situations that need discovery' (p. 310) As opposed to <i>network opportunities</i> , <i>political opportunities</i> are more intriguing because they require that network participants leverage different ideological frames to interpret and act upon <i>perceived opportunities</i> - in the sociopolitical landscape' (p. 310)
<i>Cultural Cognitive Opportunities</i>			
<i>Network and Political Opportunities</i>			
<i>Perceived Opportunities</i>			
<i>Valuable Economic Opportunity</i>	Fiet, Clouse and Norton (2004)	Discovery Prior Specific Knowledge Systematic Search	'We define discovery as a valuable economic opportunity- that can be exploited to create new wealth. Discoveries typically provide entrepreneurs with idiosyncratic advantages resulting from their prior specific knowledge (p. 25) 'Their primary objective was to pit alertness to determine- under experimental conditions which search mode would find the most discoveries of valuable venture opportunities' (p. 23)
<i>valuable venture opportunities'</i>			

<b><i>Opportunity Description</i></b>	<b><i>Author(s)</i></b>	<b><i>Opportunity Origin</i></b>	<b><i>Opportunity Context</i></b>
<i>venture opportunities</i>	Delmar and Shane (2004)	Identified, Pursuit Evolutionary Process	'We defined work on the venture as the taking of an action in the pursuit of the opportunity that they had identified. In this way we differentiate from the period in time when they first began to exploit it' (p. 393)
<i>manufacturing opportunities</i> <i>service opportunities</i>			Fifteen percent of the sample pursuing manufacturing opportunities, 37% pursuing service opportunities' (p. 400)
<i>economic opportunity'</i>	Fiet (1996)	Discovered, Disequilibrium Identified	'Since Adam Smith (1776), economists have attempted to understand how entrepreneurs discover economic opportunities and distribute wealth' (p. 420)
<i>new venture opportunities'</i>			'when entrepreneurs discover new venture opportunities- it is not because that have unusual perceptive ability. It is because they are able to react to similarities between current signals and specific information garnered from previous experience' (p. 426)
<i>new venture opportunities'</i>	Lumpkin and Lichenstein (2005)	Creating, Recognising, Pursuing Organisational Learning (OL)	'we show how the processes of discovery and formation- of new venture opportunities can be enhanced through OL. Each of the three types of learning links to a specific aspect of the opportunity-recognition process' (p. 452)
<i>opportunity ideas'</i>	Dimov (2007a)	Opportunity Development Process Idea generation	'Knowledge, as the content of prior learning, and as a reflection of information asymmetries, may be necessary but is not by itself a sufficient condition for explaining the development of one's opportunity ideas' (p. 576)

<b><i>Opportunity Description</i></b>	<b><i>Author(s)</i></b>	<b><i>Opportunity Origin</i></b>	<b><i>Opportunity Context</i></b>
<i>opportunity ideas'</i>	Dimov (2007b)	Iterative social process Series of Insights	'Opportunities can be represented as a stream of continuously developed ideas, driven and shaped by one's social interaction, creative insights, and action at each stage' (p. 714)
<i>gainful opportunities'</i>	Endres and Woods (2006)	Austrian: alertness , discovery Behavioural: generated endogenously	'Instead of assuming that gainful opportunities exist in markets and are awaiting discovery, some behaviourally oriented research has taken the position that opportunities are originated endogenously' (p. 196)
<i>market opportunities'</i>			'Behavioralists have demonstrated that entrepreneurs construct representations of market opportunities that had not occurred in other market participants' (p. 195)
<i>business opportunities'</i>	Fletcher (2006)	Formed relationally and communally Enacted	Building a business and identifying a market opportunity- is, then, a relational activity characterised by multiple acts and supplements' (p. 433)
<i>market opportunities'</i>			'Although the business opportunity and 'light bulb' moment is spoken of as being in the mind of Bobby first and then Sahar, this does not necessarily mean that opportunity formation is an activity that occurs primarily through, and <i>because of</i> , the special cognitive-processing capabilities of these individuals as is implied in opportunity discovery models' (p. 432)
<i>innovative market opportunities'</i>	Gaglio and Katz (2001)	Identified by motivated propensity Cognition Alertness by Schema	'Other market actors do not have the responsibility to create innovative market opportunities although they do have an obligation to consider such opportunities once they are available in the marketplace' (p. 95)

<b><i>Opportunity Description</i></b>	<b><i>Author(s)</i></b>	<b><i>Opportunity Origin</i></b>	<b><i>Opportunity Context</i></b>
<i>profit opportunities'</i>	Kirzner (1997)	Identified Market Disequilibrium	'we understand the resulting price increases as driven by entrepreneurs recognizing, in the face of the uncertainty-of the real world, the profit opportunities available through the expansion of supply through production, or through arbitrage' (p. 70)
<i>profitable opportunities'</i>	Shane and Venkatamaran (2000)	Discovered, identified, exploited	'entrepreneurship is concerned with the discovery and exploitation of profitable opportunities' (p. 217)
<i>imagined opportunities'</i>	Klein (2008)	Imagination, subjectivism	opportunities are best characterized neither as discovered nor created, but imagined....the concept of opportunity- imagination emphasizes that gains (and losses) do not come into being objectively until entrepreneurial action is complete' (p. 181)
<i>non-entrepreneurial opportunities'</i>	Lee and Venkatamaran (2006)	identify, discover dis-equilibrium	'two different sets of options (in theory), one entrepreneurial (which we define as involving more risk) and one non-entrepreneurial (which we define as involving-less risk' (p. 112)  'we do not mean to say that all entrepreneurial opportunities-are riskier than all non-entrepreneurial opportunities.- Some entrepreneurial opportunities may be less risky than some non-entrepreneurial opportunities' (p. 113)
<i>commercial opportunities'</i>	Sanders (2007)	creation, knowledge evolution scientific discovery	'the creation of new ideas and more precisely, commercial-opportunities is usually treated as an exogenous supply push factor in the decision to become an entrepreneur' - (p. 340)
	Yencken and Gillin (2004)	discovery, recognition	'Opportunity phase, where opportunity recognition or discovery occurs involving the identification of a commercial opportunity' (p. 242)

<b><i>Opportunity Description</i></b>	<b><i>Author(s)</i></b>	<b><i>Opportunity Origin</i></b>	<b><i>Opportunity Context</i></b>
<i>innovative opportunities</i>			entrepreneurship involves two phenomena: the presence-of innovative opportunities and the presence of enterprising individuals' (p. 244)
<i>wrong opportunities'</i>	Shane (2000)	Discover, recognise disequilibrium forces	'In any given new technology, entrepreneurs could fail to identify any opportunities, or could identify the wrong opportunities, making an explanation for the discovery of opportunities an important part of the domain of entrepreneurship' (p. 448)
<i>Radical Opportunities'</i>	Shane (2001)	Discover, exploit	'established firms often choose not to pursue radical opportunities, leaving them to independent entrepreneurs' - (p. 208)
<i>technological opportunities'</i>			'several attributes of technological opportunities... could influence the probability that new firms will be created to exploit them' (p. 206)
<i>market opportunities</i>	Miller (2007)	Recognised, created, discovered	'The entrepreneur connects dispersed knowledge regarding products and demand to exploit a previously unrecognised market opportunity' (p. 61)
<i>yet-to-be-discovered opportunities'</i>	Shepherd, McMullen and Jennings (2007)	Discovered, created	'how does one search for yet-to-be-discovered opportunities when the assumptions underlying the expected utility perspective of risk and rationality have little relevance for entrepreneurship as opportunity discovery or creation' (p. 86)
<i>Frame-breaking opportunities</i>	Shepherd and DeTienne (2005)	Identified, discovered	'While the number of opportunities is a highly - appropriate outcome of the opportunity identification process, it may not be a sufficient indicator of the

<i>Opportunity Description</i>	<i>Author(s)</i>	<i>Opportunity Origin</i>	<i>Opportunity Context</i>
			value of an opportunity. Given the central importance of frame-breaking opportunity to the theory of discovery it is appropriate for investigators to distinguish-between incremental and truly innovative discoveries' - (p. 92)
<i>bona fide opportunities</i>	Short, Ketchen, Shook, and Ireland (2010)	Developed, identified, created (review)	'Dreams are aspirations whose connection to bona fide opportunities remains undefined...entrepreneurial dreams often centre on non economic goals, such as gaining autonomy' (p.54)
<i>bona fide opportunities</i>	Baron (2004)	Alertness, Identified, Cognition	In view of such considerations, it seems reasonable to suggest that <i>bona fide</i> opportunities require all three characteristics noted above' (p. 50)
<i>favourable event opportunities</i>	Gartner and Shaver (2004)	recognised, regulatory focus theory cognition	'one might suggest that opportunities are favourable events. In broad terms favourable events can be taken to mean the environment which would be anything that is not, substantially about the entrepreneur' (p.30)

Table 5.0 demonstrates the potential problems Gartner and Shaver (2004) have by asking entrepreneurs the following question in their study ‘*what is the biggest opportunity facing your business*’? (ibid. p.11). Table 5.0 demonstrates that there are many interpretations and descriptions of opportunity, but all of these would potentially elicit different replies if applied they include

- What is the biggest *local* opportunity facing your business?
- What is the biggest *business* opportunity facing your business?
- What is the biggest *new business* opportunity facing your business?
- What is the biggest *project opportunity* facing your business?
- What is the biggest *potentially profitable* opportunity facing your business?
- What is the biggest *economic* opportunity facing your business?

It demonstrates the origins of the perspectives for opportunity are varied, not always acknowledged, or indeed consistent with the methodological approaches being adopted by researchers. The discipline is operating in confusion, but attempting to bypass the confusion by ignoring it. This does practitioners a disservice as when put together on a Table, it can be seen that what you opportunity theory is, is a positivist academic discourse. A discourse that fails to recognise the complex processes involved in creating companies.

It has already been acknowledged that there is an increasing difficulty and confusion with regards to scholarly understanding of the concept of opportunity (Dutta and Crossan 2005; Eckhardt and Shane 2003). A specific definition would, it has been argued facilitate ‘...more precise, theory driven research’ (Eckhardt and Shane 2003, p.148). This would be a necessary development for the discipline of entrepreneurship research, only if the problems were outlined were not already insurmountable.

The vagueness and difficulty with the definition of entrepreneurial opportunity is symptomatic of a fundamental paradigmatic unsuitability? I would argue that this is the case because entrepreneurs *neither discover nor create opportunities*. This is not what entrepreneurship is. With the academic discourse captured on Table 5.0 entrepreneurial opportunities can and do mean anything, and in doing so in effect mean absolutely nothing. I suggest instead that what is more significant is the fact that entrepreneurs create organisations and that this process is where the research focus should be. Precise theory driven entrepreneurship research should focus on how organisations are achieved by developing an alternative framework of entrepreneurship that does not depend on the concept of opportunity.

### *5.2.1 Ontological Inconsistency: What Actually Exists in Entrepreneurship Research?*

Alternative perspectives have been developed in entrepreneurship research as a way of researching from a non-positivist epistemological stance, but they still tend to focus on opportunity theory. I argue that a truly alternative perspective ought to reject opportunity theory. It is a deficiency of alternative perspectives that they

seek to extend opportunity theory, rather than offering an alternative. An alternative would potentially provide a much better understanding of entrepreneurship. Attempts at extending opportunity theory represent an ontological flaw, because opportunity theory is positivist in origin while interpretivist traditions obviously are not. The result of this is that alternative perspectives add to the untidy sense of loose ends, inconsistency and confusion in the field. Within an interpretative tradition opportunities possibly *cannot* exist, and as such entrepreneurship must be process of doing something else.

Very few interpretivist researchers are aware that they are continuing to build upon a positivist discourse. Latour (1987) describes the development of a discourse as being a weak rhetoric turning into a strong one. This is the process of scientific articles fortifying themselves until they become scientific reality.

‘The number of external friends the text comes with is a good indication of its strength, but there is a surer sign: references to other documents. The presence or the absence of references, quotations and footnotes is so much a sign that a document is serious or not that you can transform fact into fiction or fiction into fact just by adding or subtracting references’

(ibid. p.33).

Within entrepreneurship research a similar ‘literature fortification’ has resulted in opportunities becoming a reality because all research relates in some way to this concept, rather than questioning if the concept itself is relevant for entrepreneurs in the first place. Alvarez and Barney (2007), state that ‘opportunities do not exist

until created' (ibid. p.16). The assumption here being that once that creation process takes place opportunities do then exist and hence become a reality.

Ontology is concerned with the nature of social reality and being (Delanty and Strydom 2003). It asks questions regarding what there *is* in the world, and also what is possible given the way the world is (Law 2004). Ontology is the philosophical position individuals take on what exists, and this position is different for a positivist, a critical realist, or a social constructionist. Ontology is not the preserve of academics because we are all ontologically informed and driven. There is an ontological disjunction between these positions as explained by Law when he states 'It is not that we are being refused a particular and specific perspective on certain restricted parts of a world that is common to us all... [m]uch more profoundly, it is that we are *not a part of these worlds at all...we do not exist to those worlds*. Just as *they do not exist to us*' (ibid. p.135).

Ontology is not concerned with knowing something from a different perspective (epistemology) rather it is concerned with what exists. Assuming that opportunities are created is adopting an epistemological framework is based upon positivism. Ontologically, a social constructionist would have a particular view of what exists, and a positivist would take a different view. The search for knowledge about this 'elusive' phenomenon (Dimov 2011) would not include a socially constructed perspective on opportunities if ontological consistency were to be demanded.

Klein (2008) has suggested that entrepreneurship researchers investigating opportunity misinterpret Kirzner's 'instrumental use of the discovery metaphor and mistakenly makes opportunity the unit of analysis' (Klein 2008, p.176). With so much confusion regarding a precise definition of opportunity it may be easier to just take the concept as a 'given' rather than giving serious consideration to what 'an opportunity' actually is for the entrepreneur. Klein notes that the '...creation metaphor implies that profit opportunities once the entrepreneur has conceived or established them, come into being objectively...creation implies something that is created...there is no uncertainty about its existence or characteristics' (ibid. p.181).

Wood and McKinley (2010) use a 'socially constructivist lens to develop a theory that identifies the origins of opportunities and depicts the processes that result in the production of opportunities' (ibid. p.77). They suggest that this process involves opportunities being constructed and becoming objectified which involves building consensus '...through a flow of information that diffuses from the entrepreneur through social ties to potential stakeholders' (ibid.). I would counter this premise by starting to suggest that entrepreneurs build consensus for their *organisations* not their opportunities.

Similarly Alvarez and Barney (2010) suggest that the social constructionist view would consider that created opportunities are not

'formed by endogenous shocks to a market or industry. Instead, they are created endogenously by the actions of those seeking to generate economic profit themselves. As the process of creating opportunities begins, actors

engage in activities consistent with whatever prior beliefs they might have about opportunities and their available resources...’

(ibid. p.565).

A consistent socially constructionist position would not seek to extend opportunity theory in this way. Rather, it would consider that entrepreneurs themselves are constructed socially through the very process of creating an organisation. This process is far more significant than either recognising an opportunity through alertness, or creating the opportunity. The organisation and the entrepreneur are not pre-existing social realities; rather they *become* real by the social interpretation and consensus that they are an entrepreneur. This happens when they have constructed an organisation.

The idea of opportunities is being constructed by researchers who expect entrepreneurs to behave in a particular way, but opportunities themselves cannot be constructed by entrepreneurs. The concept tells us far more about researchers in the discipline than it tells us what entrepreneurs actually do. It means that it is much easier to extend and build upon an existing theory than to imagine a new one.

Kuhn (1962) explains the nature (and rarity) of scientific revolution in the following way

‘...the new theory implies a change in the rules governing the prior practice of normal science. Inevitably, therefore, it reflects upon much scientific work they have already successfully completed. That is why a

new theory, however special its range of application, is seldom or never just an increment to what is already known. Its assimilation requires the reconstruction of prior theory and the re-evaluation of prior fact, an intrinsically revolutionary process that is seldom completed by a single man and never overnight'

(Cited in Delanty and Strydom 2003, p. 76).

Leaving aside that women can also be part of scientific revolutions, the reason why opportunity theory is the dominant paradigm in entrepreneurship is clear. Regardless of the legitimacy of the construct, opportunity theory has become the accepted paradigm in entrepreneurship research and it requires nothing short of a revolution to change this. Paradigms include '...law-like generalisations, implicit assumptions, instrumental and embodied habits, working models, and a general and more or less implicit world-view....Scientific training, says Kuhn, is about *learning to see chosen empirical circumstances in terms that fit how other paradigm-sharing scientists see them...*' (Law 2004, p. 43).

Revolutions are difficult because social scientists are trained to only see phenomenon in a particular way. A similar paradigm is also being 'sold' to entrepreneurs so that they are asked to consider that the most critical part of the practice of entrepreneurship is in the successful identification of an opportunity. My own experience as an entrepreneur and the research process for this thesis has taught me that the most critical part of the practice of entrepreneurship is actually in the construction of the organisation itself. However, for other researchers to

‘reject the prevailing paradigm just because of a little local difficulty would leave the scientists without any guidelines for further research’ (Benton and Craib 2001, p. 59). I suggest that there are no useful guidelines for studying the practice of entrepreneurship without opportunity theory.

From a socially constructed perspective entrepreneurs cannot create opportunities; rather they construct the social reality that is organisations, through the socially constructed process of *becoming* an entrepreneur. Berger and Luckmann (1966) would probably not find the notion of opportunity as either created or discovered, enacted or identified compatible with their thesis that reality is socially constructed.

In their observation regarding the nature of human social life, Berger and Luckmann are primarily interested in how we (in society), construct *reality* through social processes. The question that social constructionists ask is what is real, how is that reality constructed and by whom? (Berger and Luckmann 1966). They are not actually saying that reality doesn’t exist. Berglund (2007) explains that by taking a social constructionist perspective ‘...we do not necessarily mean that we deny the existence of an external physical world independent of our perceptions, but it does imply that the only way things exist to us is how we interpret or give meaning to them’ (ibid. p.77).

Entrepreneurs are not responsible for giving a reality to opportunity, academics do that through discourse construction, but nor do entrepreneurs interpret opportunities. Opportunities as reality have been given an epistemic and discursive

dominance that has developed from a positivist ontological view of what is real Searle (1995) describes how philosophers typically make the mistake of treating reality as if it is a fact when he states that ‘...philosophers who discuss these issues treat them as if they [are] concerned [with] how the world is in fact. They think the issues between say, realism and idealism concern the existence of matter is about objects in space and time. This is a very deep mistake. Properly understood, realism is not a thesis about how the world is in fact’ (ibid. p.155).

Social constructionists do not deny that reality exists, either socially physically or materially. They instead question the notion of objective universal facts about that reality. *Organisations* exist. *Entrepreneurs* exist, but they do not exist as objective universal realities, they have histories that become reality through the actions and interpretations of people. Opportunity theory therefore is probably far more significant in entrepreneurship research than it is for the entrepreneur.

Bergman and Luckman (1966) discuss the social construction of institutions as

‘reciprocal typification of habitualised actions of actors... [that] manifest themselves in collectivities containing considerable numbers of people. It is theoretically important however, to emphasise that the institutionalising process of reciprocal typification would occur even if two individuals began to interact *de novo*’

(ibid. p.70-73).

More than one person therefore has to recognise a particular phenomenon to begin the institutionalisation process. Social reality consists of recognisable institutions

then the collective must actually contain a lot more than one or two people. It depends on recognition and consensus of a particular entity by more than one person and this requires the 'systematic accounting of the dialectical relation between the structural realities and the human enterprise of constructing reality' (ibid. p208). This is not the same as saying that reality does not exist, rather it is how we interpret it and in society the majority of individuals recognising the same reality, is the process that constructs any particular institution.

This can clearly be seen in the construction of organisations. Organisations are part of a social process that has already become an institution. An organisation exists in reality because there is a social consensus regarding its existence. This is what Berger and Luckman (1966) call crystallisation, when the organisation can clearly be seen to possess a reality of its own (ibid.). This happens through the establishment of routines constructed and controlled by the actors responsible. The organisation does not exist 'in fact' or in a universal way for all individuals however. There is a reality according to Berger and Luckman but importantly '...the objectivity of the institutional world however massive it may appear to the individual, is a humanly produced, constructed objectivity' (ibid. p.78). Therefore for social constructionists, unlike realists and critical realists it may be accurate to say that rather there are no objective, universal social facts.

Social constructionists 'provide a theory of knowledge about the becoming of social reality' (ibid. p.436), and I would ask in what way can it be accepted that entrepreneurial opportunities have a social reality? Reality has some form of materiality and structural coherence or consensus regardless of the multiple

subjective interpretations individuals may have of it. I may have had a different experience of working at any particular organisation than another person, but both that person and I would know that we were in an organisation or a company when we saw it. Organisations are social institutions. Institutions have a reality that opportunities cannot have beyond academia. Opportunities can only become institutional facts through the process of organisation building. Finally, there is also the issue of the lack of evidence to substantiate a workable opportunity theory in entrepreneurship.

*5.2.2 Lack of evidence: The Paradoxical Nature of Opportunities Ex Ante, Ex Post (or both).*

In a Popperian sense then if opportunities exist then they should be falsifiable and testable. The empirical evidence for an entrepreneurial opportunity should be precise and easily recognisable by researchers. This evidence for opportunities should also be considered to be objective and exist *ex ante*, irrespective of any entrepreneurial intervention. The difference being between entrepreneurs and non entrepreneurs in this case being that they are the ones who spotted the opportunity and then acted upon it.

As a social constructivist, my position is that it does not matter that there is no evidence that opportunities exist or not. I would argue that evidence is probably quite important for positivists. My position would be that opportunities themselves existing or not is largely irrelevant because from either perspective opportunities do not form a central part of what entrepreneurs do. Even if there was factual

evidence of opportunities, for which there is not, I would still not be able to recognise that phenomenon as an opportunity in all likelihood I would recognise it as something else. However, the lack of evidence must surely be far more serious and problematic for positivist entrepreneurship research. If entrepreneurship is dominated by positivism then surely it ought to be supported by factual evidence of the existence of entrepreneurial opportunities?

Shane (2003) suggested that relevant research had not yet been done for entrepreneurial opportunities. He argues that on the one hand the ‘...uniqueness of Schumpeterian opportunities makes the accumulation of evidence about opportunities difficult’ (ibid. p.21). This is because these types of opportunities are both rare and high risk because they are very innovative and creative. For Shane ‘...entrepreneurs respond to objective information about opportunities that varies over time and place’ (ibid. p.42). Yet for Schumpeter the emphasis was on the creation of new markets and new materials for production not creating a new nexus for exploiting the existing market. So for Shane while on the one hand he stresses the innovativeness of Schumpeterian opportunities, these opportunities still somehow have to be discovered.

Identified opportunities as discussed previously are widely considered to be opportunities produced by the market rather than created by the entrepreneur. According to Shane these opportunities are considered to be the more common form of opportunity as they do not require as much innovation, yet he also states that he could find ‘...no empirical evidence about the sources of Kirznerian opportunities’ (ibid. p.22). He suggests that there is a much better ‘...explanation

and empirical evidence for the sources of Schumpeterian opportunities' (ibid. p.22). This is confusing as the suggestion is that there is less evidence for the more common form of identified opportunity yet more evidence for the less common, innovative and created opportunity.

The confusion between a definition of opportunity and the impact for potentially collecting evidence is demonstrated when Shane also states that '...entrepreneurial opportunities are not always profitable. Sometimes they can turn out to be unprofitable...' (ibid. p.18). Surely then opportunities cannot be simple pre-existing entities because if so they would *always* be profitable in a capitalist market. Otherwise maybe it's not really an opportunity. He also argues that opportunities have potential for profit-making rather than profit opportunities and that since '...potentialities are not yet actual, we would argue that they could not be measured except in the negative since, that is in terms of metaphysical limitations or upper limits' (Shane et al 2003, p. 262). Does this mean anything other than a profit opportunity is not the same as an entrepreneurial opportunity and that the profit opportunity is only opportunistic in terms of its potentiality?

This is beginning to suggest a rather difficult paradox may lie at the heart of the issue of evidence. An opportunity is only a profit opportunity after it becomes profitable. The potentiality of an opportunity can only exist in reality *ex post*. Yet in order to produce evidence for opportunities existing *ex ante* and as an objective phenomena then surely they must be clearly profitable from the outset? Accordingly the majority of entrepreneurial endeavours, if opportunity theory is to provide an adequate basis for explanation, they must then be successful. Yet as

Dimov (2007) argues ‘it is highly unlikely that the *ex-post* characteristics of an opportunity are known or correctly perceived *ex-ante*, i.e at the time an opportunity was conceived’ (ibid. p.562). If this is the case how then can opportunities be identified, and why is there so much research on entrepreneurial alertness?

If a partial definition of profit is related to financial advantage, and the definition of opportunity is an advantageous situation, it does rather appear to be the case that both definitions hinge upon the advantageous nature of the two concepts. However, neither of these ‘exists’ entirely *ex ante* and furthermore profitability can be a timing issue because sometimes profit is temporary, and usually profitability is dependent on several varying factors. What happens if the fortunes of an organisation fluctuate? Has the opportunity become less good or real as profitability fluctuates? Casson (2005) has suggested that optimism creates an opportunity because the pessimism of other people creates a psychological barrier to entry.

If the entrepreneur’s judgment is correct, then the greater this psychological barrier, the more profit is likely to be made ‘...for if other people share his optimistic estimates, then they will compete for the same resources...’ (ibid. p.340). But if the opportunity is objective, it should always be profitable. Or is it the case that it becomes profitable by firstly, the entrepreneur acting upon it and secondly and equally significantly, other individuals *incorrectly* not acting upon it? If others did act, would it still be an opportunity? This is quite a difficult issue to address either in terms of evidence *ex ante* or indeed evidence of opportunity *ex*

*post*. Organisations and entrepreneurs are continually changing and opportunity theory is not really able to make allowances for this in either scenario.

Gartner et al (2008) note that a study conducted in 1995 by Smith demonstrated that there was little evidence that entrepreneurs thought about their activities in terms of ‘opportunity’. They argue that while academics ‘...may offer the label *opportunity* for the experience that entrepreneurs encounter, they rarely use words such as *discover* or *create* to describe situations academics might construe as entrepreneurial opportunities’ (ibid. p.312). Part of the reason for this is that an academic may clearly use the phrase to describe almost any or every circumstances an entrepreneur is faced with. This makes gathering consistent evidence rather difficult. I am not sure if much progress on this has been made since Shane (2003). For example, Casson and Wadeston (2007) argue that ‘...the concept of opportunity is difficult to apply in practice’ (ibid. p.285) to perhaps explain the lack of evidence. Indeed scholars conducting statistical research on opportunities, (for example, Keh et al 2002), frequently issue surveys to entrepreneurs that make absolutely no mention of the word ‘opportunity’ whatsoever, yet arrive at conclusions that still focus on opportunity.

Davidsson (2004) cautions that the ‘...unwary reader may be led to believe that the empirical evidence is much more consistent than it really is...’ (ibid. p208). It has been noted by researchers recently that opportunities are an elusive construct and that empirical studies are extremely restricted (Dimov 2011). Dimov argues that for opportunity theory the

‘question of validity rests on whether what is observed empirically indeed constitutes or is oriented toward an entrepreneurial opportunity. To the extent that this question can only be answered in retrospect, one cannot study what is perhaps most appealing both theoretically and practically, namely aspiring or nascent entrepreneurs; in such settings, the notion of opportunity as it currently stands is inoperable. It lacks tangible premises that can enable researchers to develop theoretically legitimate operational definitions’

(ibid. p.59).

Dimov acknowledges that it is impossible to gain evidence of opportunities existing prior to entrepreneurial activity taking place. The lack of definition and evidence adds to the difficulty of applying the theory to nascent entrepreneurs. He suggests ways that the notion of opportunity can be possibly reconceptualised as ‘...(1) opportunity as happening (2) opportunity as expressed in action and (3) opportunity as conceptualised in market structures’ (ibid. p.59). This is more consistent with considering entrepreneurship as a process, but still keeps opportunity at the core of the discipline. I suggest that if the theory as it stands, is inoperable, lacks evidence and a definition, why not start looking at something else completely rather than keep modifying something which is fundamentally flawed’? It may be time to drop this unhelpful concept.

## 5.5 Conclusion

‘What is entrepreneurship?’ Entrepreneurship is not about the pursuit of opportunities. What exactly is entrepreneurship theory attempting to do? It is not enough to cut and paste entrepreneurial activity into an economic paradigm dominated by notions of market equilibrium. It needs to explain how entrepreneurs successfully build organisations and then develop this towards understanding why so many fail to do so. By emphasising the entrepreneurial opportunity in research, the discipline of entrepreneurship research is merely adding to a rather *ad hoc* economic paradigm.

One reason that opportunity theory is so intuitively appealing lies in its most fundamental flaw – it can mean all things to all people. The problem is that opportunity theory is not representative of actual entrepreneurship practice. Intuitive appeal does not form sufficient basis for a theory that claims to bridge the divide between entrepreneurial theory and entrepreneurship as practice it merely reinforces a commonsense understanding that is incorrect but should at least be identified as such in academic studies. Opportunity theory does not help to explain the process by which entrepreneurs construct organisations, succeed or as is more probable fail. It may well be that the difference between entrepreneurs and non-entrepreneurs primarily lies in the fact that an entrepreneur has constructed a company but someone else has not. The interesting element of this is *how* the entrepreneur has done it, rather than who was able to identify the opportunity.

This chapter has reviewed the historical foundations of entrepreneurship but it is serving primarily as a critique of equilibrium-based economics ‘...and it’s extremely restrictive assumptions’ (Mathews 2010, p. 219). The review of the literature on entrepreneurship has inevitably required a comment regarding the impact of economics in the development of entrepreneurial opportunity theory. Casson (2005) states that practitioners in the field of business and entrepreneurship ‘...require an intellectual product that can...be explained in simple terms to clients... [and] that leads to practical advice’ (ibid. p.328). I would suggest that much mainstream economics would appear to have little bearing on the real world of the entrepreneur, and as such I argue that maybe it is inappropriate to serve as the basis for entrepreneurship theory, explained in simple terms or not.

Opportunity theory is not the intellectual product that entrepreneurs need, and academics need to do better than this. Dimov (2007) suggests that researchers either call the whole venture creation process ‘...regardless of where and how it ends ‘opportunity’ or discard the label completely’ (ibid. p.720). I would propose the latter is necessary because even though he argues that to do so would not bring about ‘peace of mind to the field’ (ibid.) this is preferable to a theory that doesn’t actually work in practice and bears little relation to what entrepreneurs may do.

There are also many theoretical inconsistencies in entrepreneurship research some of which originate in ontological confusion and contradictions. This is a result of researchers being unaware of the ramifications of entrepreneurs’ economic theoretical foundation. This is a weakness because various mainstream economic

traditions would have a particular ontological focus on what exists, i.e. markets, opportunities (for growth and/or profit), economic agents and equilibrium. This perspective regarding what exists appears to have been adopted quite uncritically by researchers using opportunity as their epistemological framework. Opportunities are assumed to exist for the entrepreneur, and this is the main concept researcher's use when they seek to uncover and explain what entrepreneurs do. This is having detrimental consequences for developing a potentially useful theory of entrepreneurship.

Ghoshal (2005) asserts that 'Nothing is as dangerous as a bad theory' (ibid. p.86), for academic discourse and opportunity theory must be categorised as just such a theory. If this is a bad theory from an academic perspective it is also literally dangerous because of the potential impact of this theory for practitioners. Practitioners are led to believe that the most central aspect to entrepreneurship is the quality of the opportunity they identify or discover.

Dutta and Crossan (2005) for example suggest that their research has several useful insights for practitioners;

'first it suggests that entrepreneurial opportunities may be usefully analysed on the basis of either of the two contrasting ontological positions positivist/ realist versus social constructionist – provided that we adopt a learning perspective.....this we believe, provides entrepreneurs with a very useful process view of opportunities...we suggest that once entrepreneurs

adopt this expanded process view of opportunities that cross multiple levels of analysis, they stand to benefit immensely...’

(ibid. p.444).

This is well-meaning but possibly inaccurate so potentially quite dangerous to practitioners as once again it emphasises that the ‘opportunity’ is not only a critical part of the process but in fact *is* the entrepreneurial process.

The assumptions of the market existing as a natural entity combined with notions of entrepreneurs as *homo economicus* is very dangerous for practitioners because a focus on economic function alone ignores the actual difficulties of the venture creation process itself. There are more important elements to entrepreneurship than identifying a profitable opportunity. It is a serious deficiency that this appears to be the central theoretical concept for the entire field, and discourse on entrepreneurship, yet remains largely unquestioned. I would agree with the argument that ‘opportunity as a label for an objective phenomenon, may be an artefact of previous academic beliefs and theories that have little relationship to the actual events and experiences of entrepreneurial individuals’ (Gartner et al 2008, p.312).

I have demonstrated not only the impact of these academic beliefs and theories on entrepreneurship to positivist approaches to the subject but that this is also not acknowledged in the search for alternative perspectives. The question ‘what is entrepreneurship?’ should be related to a *totally* different perspective. The next chapter looks at the lived-experience of entrepreneurship to ‘...ascertain whether

our scholarly ideas *fit* with the experiences of individuals in the world' (Garter et al 2008 p.312). Are the scholarly ideas regarding entrepreneurial opportunity a good 'fit' with the experience of entrepreneurship? I suggest not, and argue that a far better fit is provided by how entrepreneurs become entrepreneurial through the process of constructing their organisations. This should be the defining question in entrepreneurship research.

## **Chapter Six:**

### **What is Entrepreneurship? Opportunities and Resources in the Venture Creation Process**

#### **6.0 Introduction**

The previous chapter has described how entrepreneurship is considered to be the discovery, creation and exploitation of opportunities. The entrepreneurship literature mainly focuses on the discovery, identification and creation of opportunities and this concept is considered to be critical to the new venture creation process (Shane 2003 Stevenson and Sahlman 1989; Stevenson and Jarillo 1990; Hart et al 1995). This chapter answers the question ‘what is entrepreneurship?’ by asking how important were the opportunities and resources in the venture creation process of ‘The Archaeology Company’.

This chapter provides an analysis of the empirical data provided by the three *emic* narratives described in Chapter 3. This is to establish the importance and impact of the entrepreneurial opportunity during the process of setting up and running ‘The Archaeology Company’. The assumption of entrepreneurial opportunity theory is that there is a strong link between opportunities and how entrepreneurs create

organisations. This is irrespective of whether the perspective considers opportunities to have originated from creation, identification or discovery. Furthermore, the relationship between the entrepreneur and the opportunity is frequently assumed to be primarily outcome driven. That is, there is a linear trajectory between the opportunity and the resulting organisation, with the entrepreneur primarily acting as an alert mediator between these two entities.

This chapter will demonstrate that this assumption is one of the root causes for opportunity theory failing to satisfactorily account for the entrepreneurial process. This means that its centrality is misplaced. I argue that entrepreneurial opportunity theory subsequently falls short of offering any real insight into the activities that take place in-between these two supposedly distinct points. The assumption being that if the opportunity is good, that this *in itself* offers sufficient explanation for the subsequent development of the successful organisation.

For example Casson (2010) states that ‘overall, a good entrepreneur, with good judgement will tend to select good project, whilst a bad entrepreneur, with bad judgement, will select bad projects’ (ibid. p.46). In this way if you are a good entrepreneur, it follows that you will identify a good opportunity which in turn will develop into a good project. As a result, there is little research in the literature that specifically examines how opportunities, once identified, subsequently function throughout the venture creation process. Furthermore, the entrepreneurship literature has largely failed to examine what else, other than the development of an opportunity, happens during the process of entrepreneurship.

As a consequence of this the entrepreneurial opportunity literature provides little useful insight as to how entrepreneurship as a process unfolds in practice.

This chapter takes the activities involved in the process of ‘entrepreneuring,’ during the venture creation process, as its unit of analysis. This term was first used to describe habitual entrepreneurs (MacMillan 1986), and has been further developed by Steyaert (1997, 2007, 2011), Steyaert and Landström (2011) and Johannisson (2011) to explain entrepreneurship as practice. This chapter presents an exploration of entrepreneurial process, by analysing the emic case study account and is presented in three sections. The first section provided a general analytic overview of the process of venture creation as described in the *emic* narrative (iii) of Chapter 7. This section uses this emic narrative to explore the various elements of change unfolded through three suggested processual categories of entrepreneurship. These are described as being (1) venture creation as continual change, (2) developing entrepreneurial expertise from crisis (3) transforming a lack of control into organising.

Section three of the chapter analyses all the emic data collected with respect to the extant theory discussed in Chapter 5. This is the etic perspective and establishes whether the impact of the entrepreneurial opportunity was a significant aspect of the venture creation process in this case. This section does this by asking two questions: (1) was the process of venture creation in this case a matter of selecting a good opportunity? (2) Were opportunities discovered identified or created in this case? Section four examines entrepreneurship as the practice of ‘entrepreneuring’, and is presented in three sub-sections. The first section is analysis of the data

demonstrating that as an alternative to the creation and identification of opportunities, the venture creation process consisted of the ongoing identification of problems – and the subsequent creation of solutions.

The final part is a discussion that entrepreneurship needs to develop a new theoretical framework for a practice theory of ‘entrepreneuring’ (Johannisson 2011). This draws upon and extends some constructs regarding resources from Penrose’s Theory of The Firm. Entrepreneurship as the venture creation activities described in this chapter as ‘entrepreneuring’ consisted of a process of identifying problems and creating solutions. These are identified over three categories (i) managing change, (ii) developing expertise and (iii) controlling the process through organising. I will use this discussion to argue that this process is achieved through the implicit and explicit appropriation of resources for service within the structure of the organisation itself. This theory therefore would reject the notion of the necessity of entrepreneurial opportunities, as well as any associated assumption of the entrepreneur as primarily a rational profit-seeking *homo economicus*.

By bringing the research focus onto ‘entrepreneuring’ I argue that the entrepreneurial process should alternatively be considered as more akin to the tool-making *homo habilis*. This research would emphasise the practical adaptation relationship that entrepreneurs need to continually have with the changeable and inhospitable environment within their organisation. I explore the potential of this perspective by using a Heideggerian framework, which considers entrepreneurial resources as either ready-to-hand tools, or transformative present-

at-hand tools. Using the data, I will explain how the development of this theoretical framework has the potential to uncover and explain the processes by which entrepreneurs obtain the resources, tools and skills required to be able to create, control (and also benefit), from this hostile environment.

### **6.1 Entrepreneurship as Entrepreneurship: A Process of Continual Change**

How did change unfold during the venture creation process in the case of The Archaeology Company? Van de Ven (1992, p.169-170) suggests that there are three meanings of process used by researchers.

1. A logic that explains a causal relationship between dependents and variables. In this instance process is not directly observed.
2. A category of concepts or variables that refers to actions of individuals or organisations. This does not explain how change occurred, rather it examines changes in variables,
3. A sequence of events that describes how things change over time. This is the least used and understood meaning of process.

(ibid.).

In my analysis of the venture creation process involved in constructing ‘The Archaeology Company’ I am using the third, and least understood meaning of process. This is in order to uncover and describe how these complex activities and events took place as described in my data. The focus of this chapter is on the ‘sequences of incidents, activities, and stages that unfold over the duration of a central subjects’ existence’ (ibid. p.170). In this research I am the central subject, and the context is my experience of the process of entrepreneurship while setting

up and running my own rapidly growing business for seven years. I have described that process of change as I experienced it, and this section now begins to look at how that changed occurred.

The venture creation processes involved in 'The Archaeology Company' unfolded as an ongoing phenomenon of extreme change, experienced through a complex combination of emotion, improvisation, passion and activity (Johanisson 2011; Hjorth 2003). The accounts described offer empirical support to the assertion that organisations exist in a process of organising 'in a world of ongoing change and flux' (Van de Ven and Poole 2005, p.1379). New ventures in the early stages of organising however do not change by themselves, and the emic data describes how the primary driver of the organising process in this case was the entrepreneur in response to various critical events. During this process, the organisation itself transformed and changed in terms of both its artefacts; i.e. *'the huge amount of 'stuff' that needed to be bought continuously, computers, printers binders, telephones, faxes, furniture, stationary – to keep up with all the staff members'* as well as its structure; i.e. *'the scheduling board took place on a Friday morning for the following week'*.

Just as significantly however, I-as-the entrepreneur also changed within the organisation in terms of building capabilities and drawing upon resources; *'I did need to learn the accounts package pretty quickly and took over the entire finances of the business from that minute on'* as well as in terms of the social interaction required with individuals; i.e. *'there was no point in forcing Tommy to phone clients for money'*. Put another way, over time I became far more of an

expert at ‘entrepreneuring’, and less of a novice (Sarasvathy 2008), and this expertise was developed by dealing effectively with daily crises and problems i.e the ‘*main problems are the unpredictable events that happen out of the blue and suddenly. Of course part of being in business for a certain length of time means that less and less events are unpredictable. Experience helps you realise that certain events will cause certain problems to arise, and that certain behaviour will solve those problems*’. This demonstrates that the majority of problems were caused by unpredictable events, yet when they subsequently became predictable they were no longer problematic. The process of transforming the unpredictable into the predictable was a matter of experience.

#### *6.1.1 Entrepreneurship as Entrepreneuring: Learning and Developing Expertise from Crisis*

(Karataş-Özkan and Chell 2010, p.179) have suggested that the entrepreneurship process ‘involves a learning process, an ability to cope with problems and learn from them’ and that this learning capacity is heightened even further from coping with unsuccessful experiences. In particular, as they demonstrate with their KBrandArt case study, critical incidents are a powerful source of experiential knowledge in the learning process. Therefore, each critical incident or problem that occurred in the process of setting up ‘The Archaeology Company’, even those that represented an unsuccessful experience, continually built expertise. ‘*This was an utter disaster as the client was expecting us on site and had the machine ready, and we had an archaeologist booked to go on, and the client was expecting us...any delay on site usually makes the developer pretty angry...the weekly project update eventually became a working document... [it] was modified as*

*more was changed and added as I gained more understanding over time about what I needed to control”.*

This expertise was built by learning from the incident, and then using the experience as a resource from which to build yet more effective entrepreneurial expertise. It has been suggested that studying entrepreneurship ‘as a form of expertise introduces an important new perspective to the field’ (Sarasvathy 2008, p.13) and this perspective could be useful in building towards a theory of ‘entrepreneurship’.

In this way predicting the future became less of a concern because the most significant part of the process of transforming from novice (ibid.) to becoming an expert in ‘entrepreneurship’ involved using a given set of means to construct a way of controlling the future (ibid. p.73). An example of this transformation from novice to expert by finding a means to control the future is highlighted by the sudden realisation that an efficient cashflow system was necessary. This was only understood as a result of a chronic cashflow shortage that meant the company’s survival over the Christmas period was in serious doubt.

While in the short-term the entire company was mobilised into collecting money from outstanding debtors, this was not a permanent solution. I had learnt that without a way of controlling the cashflow into the organisation, we ran a serious risk of it happening again. The experience itself was very negative and problematic on a personal level because it was my personal responsibility as managing director, to ensure that there was enough money to pay all of the staff.

However, on a professional level it was equally problematic because not paying the staff would result in having to close the company altogether.

Furthermore, I knew that the staff would need to *continue* to be paid regularly in the future if the company was to function and **have** a future. In this way then the link was forged between the need for wages and the regular need to control cashflow, subsequently, I became a 'cashflow expert'. When the initial crisis was resolved it became clear that cashflow control was crucial, and that it wouldn't manage itself. A formalised system was put in place that would control this in the future. *'I suggested to her that she devote one day a week doing collections and that she would provide me with a report each week of cashflow projections for the following week....my decision to spend money that week would be based on the projections she gave me'* This control of the future was then achieved by a cashflow projection system that would trigger a phone-call to an outstanding debtor long before the situation reached crisis point.

#### *6.1.2 Entrepreneurship as Entrepreneurship: Organising as Transforming a Lack of Control*

'The Archaeology Company' was in a state of constant movement and change, which was a direct result of being a rapidly growing organisation. This constant change was propelled onwards by a series of crisis events that were not always in obviously related areas of the business, but yet very similar in origin. The majority of these events were being generated by a novice's lack of control. Also, it is clear that although I ran the organisation for seven years, these crisis events were mostly at the start of the process, that is during the first three years. This would be

consistent with the majority of small businesses failing during the first few years of trading (Allen 2007; Hmieleski and Baron 2009). These were in the areas of marketing, administration and cashflow (2003-2004), profit and tendering (2004-2005).

Frequently, the lack of control emerged from the lack of formalisation and organisation in the company at the start. Each of the crises was managed immediately, but neither them, nor the subsequent resolution of them was intentionally planned at the outset. However, once these events were experienced, considerable planning and organising then took place to ensure that the events did not reoccur again in the future.

In this way, I suggest that there are fundamental organising events that need to occur at the beginning of a company, that these are difficult to pre-empt, and that these organising events need to be managed successfully because they are fundamental structures. These are the structures that control the future of the organisation and reduce both chaos and problems. These structures, once they are competent may need to evolve and change to suit the changing needs of the company, but their 'useability' does not need to keep on being 'reinvented'. Furthermore, I would suggest that *all* new businesses need to undertake a similar process of organising and control. A failure to do so will result in organisational death from a thousand administrative and financial cuts.

The reason for the immediacy and urgency in dealing with the majority of the critical events is that most of them were possibly only survivable once by 'The Archaeology Company'. If they had been allowed to continue, the likelihood was

that the company would not survive. In this way, as the process of venture creation unfolded, accelerating the creation of a formal and effective structure for the company was a simple matter of survival. As I had the primary responsibility for ensuring that the company managed to survive, the majority of my time was spent developing those structures. *'sufficient sales must be generated to cover costs and make a profit...these sales need controlling and administering...systems must be put in place...the resources must be controlled properly otherwise it will just be wasted...control is a priority...finally regular and effective cash collections.'*

However, rather than creating an effective and planned structure for the company from the outset I was completely unaware that these were issues that I would have to deal with. The structure wasn't planned to be efficient, rather it evolved from a series of serious problems that had been unanticipated prior to them occurring. Lack of experience meant that effective plans could not be made in advance of these unforeseen problems, and even if they had they would in all probability have been flawed in any case (Gersick 1994). Primarily because, prior to the activity of *doing* -I actually didn't know what I was doing.

However, as soon as a problematic event had occurred the experience was learnt from and acted upon, for example things *'could go wrong at any stage and would continue to do so, even as the immediate situation was sorted out. We needed to get a list together of all the projects we had on the go and put onto it what stage they were at'*. This then developed into the formalised system of the weekly project update because we *needed* to avoid another crisis developing from the fact that we did not know what was going on with the projects. These events led onto

further positive events, for example getting even more projects because we became experts at controlling the projects and experts at managing the clients. We were building an organisational structure that could effectively both facilitate *and* generate company growth into the future.

This is in contrast to the assumption that when entrepreneurs found new firms they immediately begin to organise in a goal-directed manner ‘establishing the set of routines and structures that support a goal-directed, boundary maintaining collective system of activities’ (Delmar and Shane 2004, p.387). This approach assumes that the process is one of outcome-driven rational choice, whereby the routines are established in order to become more collectively organised towards a set goal. These set goals are linked to an assumption of the primary role of the entrepreneur as being an effective operator in the market. The emic narrative however suggests that my role was closer to being an effective manager of the constant hazard of endogenous change within the organisation itself.

Both outcome-driven and event-driven process research described previously, not only have a different focus, but also emerge from different ontological perspectives. Outcome driven research focuses on the outcome of events and works backwards to determine the cause. Event-driven explanations are in contrast built forward from events to outcomes (Van de Ven and Engleman 2004). The *emic* (iii) data presented in Chapter 4 I would argue, clearly demonstrates that the entrepreneurial process in this case unfolded over time as an experiential, event driven learning process. There was a plan, outcomes were considered and these were written down before the business was set up. But these plans were no use

whatsoever in the process of actually making ‘The Archaeology Company’ happen.

The process needed the ability to learn, (and learn fast), as well as the ability to organise. The next section examines if these entrepreneurship events were driven forward by entrepreneurial opportunity. Was the success and rapid growth of ‘The Archaeology Company’ largely attributable to me being a ‘good’ entrepreneur that had managed to identify ‘a good opportunity’, or was it something else as is being suggested in this section? It is clear from my emic account that ‘opportunity’ barely registered as a factor in the success of the company and this is considered in the next section.

## **6.2 The Impact of Opportunity in this Case**

What was the impact of the entrepreneurial opportunity in this case? Many researchers consider that entrepreneurship is primarily about an entrepreneur having the ability to identify a ‘good’ opportunity right from the start (Baron 2004). In the previous section I have demonstrated that for ‘The Archaeology Company’ the overall process of ‘entrepreneuring’ involved three categories (i) driving and managing continual change, (ii) developing expertise and (iii) transforming a lack of control into systems and stability. Was the process of ‘entrepreneuring’ in this case simply a matter of good opportunity selection? If it was, then the impact of the opportunity on the entrepreneurial process of new venture creation should be significant in those three categories. I argue that it was

not and that the venture creation process derives from ongoing creative resourcefulness rather than an opportunity and

‘...everything else in the new venture creation process derives from this beginning. In other words, entrepreneurs’ decisions to found new ventures often stem from their belief that they have identified an opportunity. Because opportunity recognition is often at the start of the entrepreneurial process it is not surprising that it has long been a central concept in the field of entrepreneurship’

(Baron 2010, p.123)

Opportunity recognition has possibly been a central concept in entrepreneurship research for far *too* long, not least because it fails to take into account the complex change processes involved in creating organisations. As demonstrated above, the entrepreneurial process described in the emic data was exemplified by rapid change, both in terms of the entrepreneur as well as the organisation itself. The underlying assumption of opportunity theory seems to be that a good idea alone will win the ongoing battle for venture survival. My emic data has demonstrated that a good idea isn’t worth the paper it’s written on if you cannot learn, adapt and organise quickly in order to solve problems as they occur.

I have previously argued in this chapter that the process of ‘entrepreneuring’ that was experienced while ‘The Archaeology Company’ developed was attributable to factors such as the capacity to learn, and the ability to organise. Within the

problematic environment of an organisation, I would argue that of more use to an entrepreneur than the opportunity, is the ability to engage in ongoing combative and effective action. The ability to learn quickly and to organise under very changeable circumstances, are significant factors that will underpin effective entrepreneurial action. Without them failure is inevitable and many a good idea has floundered on the rocks of poor practice.

I will begin the analysis by looking at the impact of the entrepreneurial opportunity in this case, and discuss whether the impact of it could be considered to be significant to the whole process of company development. I will do this by considering the way it is referred to in my emic narrative and looking for the possible answer to this question in the context of the literature. If entrepreneurship, (or indeed ‘entrepreneuring’) is primarily dependent on the selection of a ‘good’ opportunity, then the literature should be confirmed by the data.

Although the word is mentioned in the emic narratives, it rarely resonates specifically to the process of venture creation itself. Different types of opportunity were mentioned in the narrative data. I have outlined these below in Table 4.0. The description of the ‘types’ and their contexts are in keeping with the literature review in Chapter 5. For example, I make reference to the opportunity to be self-employed rather than employed, (i.e in *emic (ii)*), but equally I make reference to previous employment opportunities when I am explaining elements of my work history. These cannot be considered to be significant factors in the subsequent

venture creation process as they were past job opportunities that were discussed anecdotally rather than explaining future activity in terms of opportunism.

<b>Nature of Opportunity</b>	<b>Emic (i) Quote</b>	<b>Emic (ii) Quote</b>	<b>Emic (iii) Quote</b>
<b>Employment or Moneymaking Opportunities</b>	<i>This was an opportunity for her [Myra]to break away from being employed and having to do fieldwork'</i>	<i>[Myra 's] motivation was that having her own company gave her the opportunity to break away from being employed...'</i>	<i>In my mind this would be an ideal opportunity for Peter to be 'his own man'. Myra 'would like to have the opportunity to run her own business and make a lot more [money]</i>
<b>Anecdotal Opportunities</b>		<i>When I first left school my employment opportunities were very limited other than Youth Training Schemes'</i>  <i>I was attracted to the [telesales] job primarily for the opportunity to make fantastic money if you were good at it, and also because you didn't need qualifications or experience'</i>	
<b>Industry Opportunities</b>		<i>The growth in the construction industry led to the opportunity for archaeological services to rapidly increase since the 1980's</i>  <i>There has been plenty of opportunity, but that alone does not appear to have been sufficient to explain how The Archaeology Company alone was able to break into what appeared to be a cartel of archaeology companies'</i>	<i>[The Ballythomas Bypass] project was going to last over a year...an opportunity for a time of security and stability while they [Turas]completed the project'</i>
<b>Business Opportunities</b>		<i>Even making a place for yourself under the table allows for the opportunity to reach up and grab the plate from under them. And that's what we did').</i>	<i>It was so exciting to think of the opportunities and possibilities'</i> <i>I had the information as to how effective the sales would be. I had the opportunity to test it.</i>
<b>Market Opportunities</b>		<i>I conclude that largely this has been due to factors such as successful marketing, qualified directors and an opportunistic marketplace. However, I have continually been the person driving the business, coming up with the ideas, diversifying the systems, solving the problems and making the tough decisions</i>	<i>It won't work at all unless you have a business with a marketable product or service within an environment that itself presents opportunity'</i>

• **Table6.0: Opportunities in the Narratives**

I would more-or-less concur that there is symmetry of meaning between the assertion that there was an ‘opportunity to make a lot of money’ and the possibility of a ‘profit opportunity’ (i.e. Kirzner 1997, p.70). Also Baron’s (2006) ‘potentially profit-making’ opportunity (ibid. p.205) is also in keeping with these statements. Nevertheless, the data are not clear as to how these assertions demonstrate a particular alertness to opportunity. Nor does it point towards me identifying a good opportunity over and above other people. The opportunity to make a lot of money can be considered to be an aspiration that is widely held, and not indicative of the ability to set up and run an organisation.

Was setting up the company simply the operationalisation of a ‘good’ opportunity? It seems if there are two elements for consideration, firstly a significant element that would make ‘The Archaeology Company’ a ‘good’ opportunity’, is could be considered of a good quality (Shane 2003, p.188) or potentially valuable? For example if the company was offering ‘potentially valuable new products or services’ (Baron 2010, p.123). However, the value of the new services offered by ‘The Archaeology Company’ was only realised by their effective management. Prior to the effective management systems, the archaeological contractor services being offered to the market by the company were exactly the same, but not being in fact very valuable.

Secondly, I would need to identify this opportunity over and above other people. Therefore, the opportunity would not only need to be valuable, it is also much better if no-one else knows about it. This is because the entrepreneur;

‘...earns a profit for using her information to correctly identify and exploit a valuable opportunity. Unfortunately for the entrepreneur, the act of exploitation leads other entrepreneurs to learn about the opportunity and compete to exploit it. Because opportunities are exhausted by competition, the entrepreneur would like to minimise competition...’

(Shane 2003, p.258).

In this case the need for contract archaeology services was easily identified as there were several other companies offering the services, as well as numerous sole traders that were attempting to set up similar organisations but with varying degrees of success.

I suggest that setting up an organisation may give a different appearance from the outside, to how it actually takes place from the inside. From an outside perspective it may look as if there was a valuable opportunity in the market and that the opportunity therefore was a good one. However, I argue that this ‘opportunity’ in the market did not exist either in an objective sense or a real sense because it was the setting up of the company itself that eventually produced value. The opportunity did not (i) manage or drive continual change, (ii) did not assist me in developing expertise or (iii) transform the lack of control into organising. If it is accepted that these are the three elements that underpin entrepreneurial practice, then it is clear that entrepreneurship as a process of ‘entrepreneurship’ is not merely a matter of selecting a good opportunity.

### **6.3 Were Opportunities Discovered Created or Identified in this Case?**

‘The Archaeology Company’ could be considered the outcome of a simple supply and demand situation, and in this instance all that needed to happen was that the opportunity needed to be identified. In 2003 there was a supply of services being offered by other archaeology companies as well as increasing infrastructure development requiring archaeological consultancy services. As Sarasvathy et al (2005) points out in this case there was a need and I was able to supply it meaning that ‘...rather obviously the opportunity for bringing them together has to be recognised and then the matchup between supply and demand has to be implemented either through an existing firm or a new firm’ (ibid. p.145).

In this case there were lots of planning applications and lots of motorway and bypass building projects requiring archaeological services. However, was identifying a supply and demand match up to meet excess demand in a growing market (Shane 2003 p.126), enough to have driven the rapid growth and associated continual change processes within ‘The Archaeology Company’? The opportunity identification literature would suggest that to be the case.

If it is accepted that the venture creation process begins with recognising an opportunity, it is possible that the company grew as a result of me-as/entrepreneur, behaving as a prospector (Miles and Snow 1978) in an already dynamic market. Prospectors are individuals that recognise the opportunities in dynamic markets as the industry changes by actively setting out to look for them.

Market growth has been used to explain entrepreneurial activity with several studies supporting the proposition that new firm creation is likely in growing markets because ‘...new firm entrants do not need to compete directly with established firms for customers. Rather they can seek customers from among potential adopters’ (Shane 2003, p.127). In growing markets there is less competition for new firms to contend with, and this improves the quality of the opportunity available for exploitation. The opportunity literature fails to adequately explain the role of competition in this case as it would assume that the impact of competing firms was insignificant as there was so much available work.

This is not an explanation that works well with ‘The Archaeology Company’. During this period many archaeologists had also potentially ‘identified’ this opportunity for contract archaeology resolution services. The increase in activity in the construction and infrastructure sector was clear for all to see, but not all responded in the same way. ‘The Archaeology Company’ was the only new firm that gained significant access to the industry over the seven year period, and the reason that it did so was through a sustained and regularised marketing strategy that built up the business until it became eligible for large state tenders. When the company became eligible, I used the competitor’s own tender rates as a resource for the basis for my own submissions. These government tenders may be considered by some researchers to be entrepreneurial ‘business opportunities’.

### 6.3.1 *Are Government Tenders Identified Entrepreneurial Opportunities?*

Government tenders are an example of how ‘opportunity’ theory does not work in practice. It could be considered that tenders are in themselves ‘business opportunities’, or ‘profit opportunities’ I will use the tender process as an example to illustrate why the theory cannot really work by way of explaining entrepreneurial action or the venture creation process. Firstly, identifying government tender business opportunities does not take any particular form of alertness, as they are officially published in a public forum. Also, tenders are by their very definition a competitive process.

Not all companies are eligible, not all companies are capable – and very few companies are successful. Irrespective of the market conditions prevailing at the time, the aim is to submit the cheapest tender price and still make a workable profit. If the company is successful in the pricing and awarded the tender the real hard work begins in ensuring that the project is profitable. The profit margins are the outcome of both ongoing contractor transactions such as labour negotiation, as well as careful and controlled financial management of the project; maintaining the margins is a full-time job.

The overall success or profitability of a tender cannot be known until the project is underway, and even then it cannot be known for certain until towards the end of the process, and only after surmounting frequent project threatening difficulties. The important and critical parts of the tender process are *how* the project is run

both on the ground by the project managers, as well as *how* it the project is run administratively and financially. This is not creating or identifying a tender, nor is it creating or identifying a profit opportunity because, I would suggest this is the process of creating a successful project, and being awarded the tender is only the beginning.

Why any particular company is awarded any particular contract is irrelevant to the outcome for the business in terms of profitability. For example, it could happen on occasion that a tender was awarded and the company contracted would subsequently go out of business due to either under-tendering at the outset, or more usually failing to control costs over the lifetime of the project. Therefore, the call for tender applications (i.e the moment of ‘opportunity’); can be considered a very minor part of the process for either ‘The Archaeology Company’ – or indeed other companies.

Opportunity theory does the equivalent of regarding the identification or creation of the tender itself as being the important and entrepreneurial part of this process. As a result it fails to fully focus on the various aspects that are a necessary part of both setting up and running a business – or a government project. You could ask, ‘Why do some companies get awarded government contracts’? Or ‘Why do some people become entrepreneurs’? (Sarasvathy 2005) These are the wrong questions if the purpose is to build useful theory that practitioners can actually use. Instead I suggest that ‘How do some companies manage government contracts

successfully? And, ‘How do some people become entrepreneurs?’ (ibid.) are potentially far more useful questions.

### *6.3.2 Are Opportunities Created, Identified or Discovered is the Wrong Question in Entrepreneurship Research*

I argue, using my emic data from the case of ‘The Archaeology Company,’ that to ask whether ‘opportunities’ were created, discovered or identified by the entrepreneur is the wrong question. An *organisation* was created by an entrepreneur, and this is not accounted for in opportunity theory. I shall explain in the next part of this chapter, creating an organisation is a chaotic, unpredictable and difficult process for entrepreneurs, particularly at the start. Therefore, a more useful question for entrepreneurship theory ought to be ‘*how*’ this becomes controlled most effectively through the process of entrepreneuring? This is what I shall explore next using my empirical data.

## **6.4 ‘Entrepreneuring As Practice’: Identifying Problems And Creating Organisations**

As I have so far argued in this chapter, setting up and running The Archaeology Company was a story about process and change but not one that privileged entrepreneurial opportunity. The first part of this section now turns to an analysis of the data suggesting that, rather contrary to notions of the entrepreneurial process as being about opportunity, in practice it is about problem-solving. I develop this claim analysing the empirical evidence provided in the emic narratives. I was initially looking for evidence of creating and identifying

opportunities, but then found something unexpected. In the introductory paragraph of *emic* (ii) alone, problem was mentioned seventeen times and creativity was mentioned nine times. Over the total emic word-count these two words are significantly dominant in the text leading to the conclusion that rather than creating or identifying opportunities during the entrepreneurial process my activities were dominated by (a) *identifying problems* and (b) *creating solutions*.

The following is an example of some of the narrative examples from the emic, which illustrate the direct link between creativity and ongoing problems. For example, setting up the company was indeed an evolving and creative process- but it was equally an intensely changeable and problematic one. I would suggest therefore that solving problems was the dominant creative challenge within the entrepreneurial process as illustrated below in Table 6.1.

CREATIVITY	PROBLEM SOLVING
<i>'A massive creative process'</i>	<i>'solving practical problems'</i>
<i>[my] 'role as the creator'</i>	<i>'grasping a problem'</i>
<i>'My identity was job creator'</i>	<i>'I was able to identify there were a lot of problems'</i>
<i>'...so I began to be more creative in my submissions...'</i>	<i>'identify where the problems were, look for ways to sort them out'</i>
<i>'The whole company is creativity and problem solving...'</i>	<i>'I had to find a way to externalise the problem'</i>
<i>'The creation of a load of systems...'</i>	<i>'Problem solving day after day one after the other'</i>
<i>'I could create it all'</i>	<i>'and problem solving'</i>
<i>'The creative explosion...is a necessary part of my problem solving'</i>	<i>'Problem Solved!'</i>
<i>'Whatever this crazy creativity is, and the mental chaos'</i>	<i>Making the problem solving 'happening''</i>
<i>'...creating a series of systems'</i>	<i>'It's not the predictable problems that are the real problems...the main problems are the unpredictable events...'</i>
<i>'the problems started when I created...[the company] in a short space of time'</i>	<i>'It can cause a massive amount of problems'</i>

• **Table 6.1: Experiencing Problems as A Creative Challenge**

Table 6.1 above demonstrates how particularly to begin with, I experienced the process of setting up The Archaeology Company in at least two changeable and unpredictable ways. Firstly, 'entrepreneurship' as an activity was practiced through the gradual development of an entrepreneurial identity. This can be seen when I describe myself as being the creator of jobs, the systems, and indeed the company. Secondly, I began to consider myself as the principal '*Problem Solver!!*' in the company through this process, and this identity became recognised within the company as it grew, and problems would then be brought to me by others.

#### 6.4.2 *Problem-Solving as Expertise*

I became an expert problem-solver. This leads to me to ask 'how can an entrepreneur with a rapidly growing company experience nothing but problems – yet the majority of entrepreneurs supposedly exploit opportunities relentlessly and

their businesses do not grow, they may even fail'? This is I would suggest because opportunity theory is the wrong theory for entrepreneurship. The answer to this paradoxical question is demonstrated by the above table, novice entrepreneurs in particular possibly have far more dealings with difficulties than they do opportunities. It is perhaps worth entrepreneurship researchers taking a look at how this process happens, instead of only focusing on the insignificant question of opportunities.

It is also noticeable that the problems themselves, although acknowledged as being *very difficult*, are never described as insurmountable or impossible to fix. Indeed they are only described in the narrative in terms of explaining what I subsequently did with them. i.e. resolved them through a creative process. This process included identifying them as resolvable in the first instance, but also involved moving quickly to ensure that they could not occur again in the future. The creativity in itself was not the sole mechanism for problem-solving.

Rather the creativity and the problem-solving were a complex and inter-connected process whereby problems were addressed by controlling the possible circumstances in which these problems would occur again. The other significant word in the emic narrative was 'control'. In Table 6.2 below lack of control was identified by a crisis occurring in one of three critical areas, finance (profit and cashflow) new business (marketing and tenders) and administration (projects, people and productivity) achieved through systems.

<b>Crisis Area</b>	<b>Consequence</b>
Finance	<p><i>...not keeping a firm control meant that after a good start in 2003...in 2004 the company experienced losses of over €60,000</i></p> <p><i>...financial control...I realised not keeping a constant check would inevitably result in failure'</i></p> <p><i>I took control of the bookkeeping</i></p> <p><i>...no checking and control mechanisms to ensure profitability'</i></p> <p><i>...no financial control systems'</i></p>
Administration	<p><i>'I had complete control over who was working and when, and how long they were allocated'</i></p> <p><i>...we weren't controlling the schedules on these projects'</i></p> <p><i>...it completely spiraled out of control'</i></p> <p><i>...for The Archaeology Company the main falling down point was lack of control'</i></p> <p><i>...the importance of control...how to implement the systems that give you control...small things that you can put in place to keep a tight control on things'</i></p> <p><i>I was more usual than unusual in making the 'control' errors'</i></p> <p><i>...no staff control systems'</i></p> <p><i>...nor had I any control over key elements'</i></p> <p><i>I took control'</i></p> <p><i>...how do you control everything?'</i></p> <p><i>...each project had all those varying stages and no-one was really able to control that...'</i></p> <p><i>...we didn't seem to be able to predict or control when things might go wrong'</i></p> <p><i>...giving everyone information and control of a project smoothly through the working stages'</i></p>
New Business	<p><i>[the tendering] system is a great system...I have control of each amount/unit...'</i></p> <p><i>I had observed [tenders] being pulled together quite randomly as if there was no control of the outcome all that needed to happen was that [marketing] was done in a more controlled and systematic fashion'</i></p>

**Table 6.2 : Problem-Solving and Controlling the Future**

The new venture creation process from the outset was immediately taking on a rhythm that pulled ‘The Archaeology Company’ towards either a more formal structure which facilitated control – or almost immediate failure. This process began with an action in any of the above areas; finance, administration or new business, that triggered an unforeseen problematic event. Each was critical as it threatened the company. The underlying problem was identified, resolved and

then controlled to avoid it occurring again in the future through the creation of an appropriate system. I argue that this is not opportunity recognition but rather that it is creative and ongoing problem-solving. Furthermore, I would argue here **very strongly** that these are elements that are necessary in running all new organisations. In this way, I suggest that a practical theory of entrepreneurship would do far better to assist would-be-entrepreneurs in setting up these structures, as opposed to encouraging people to develop their alertness skills.

#### *6.4.4 Problem-Solving as Creativity*

Creativity has been long acknowledged to be a key element in the entrepreneurial process, from Schumpeter's 'creative destruction' (Carree & Thurick 2005), to the imagination involved in creating a 'new means-ends framework' (Shane, 2003). The literature regards creativity in entrepreneurship to be primarily a process of '...innovation at firm level' (Chell 2008, p.266). Entrepreneurs are generally considered as having more 'creativity than the rest of the population' (Shane 2003). Shane refers to the creation of new products and services, as the creation of opportunities. Shane (2003) also argues that entrepreneurs must possess imagination and creativity because 'the creativity that allows some entrepreneurs to discover more opportunities than others also appears to help them identify more valuable opportunities' (ibid. p.58). This therefore implicitly assumes that the creativity of entrepreneurship largely refers to the market, or factors exogenous to the organisation.

It has been recognised that creative skills ‘produce more creative solutions’ (Chell 2003, p.167), but unless the endogenous environment of a new organisation is recognised as being **problematic** as opposed to opportunistic, creative solutions will continue to be assumed as exclusively market-focused rather than organisation-focused. I am not saying that creativity in the market is not important, for example ‘The Archaeology Company’ created novelty in the archaeology consultancy market with the brochures and the sales team. What I am suggesting though, is that the necessity for creativity extends further than being an important factor *in* the market, *for* the market.

In the literature, the focus that links opportunities, creativity and the market is very much in evidence even when the entrepreneurs in the study are in fact talking about problems. One example of this is Dyer et al (2008). They conducted a series of exploratory interviews with high profile and innovative executives and entrepreneurs, with a view to gaining insight as to ‘...how they personally came up with the creative ideas on which new businesses are built’. The difficulty with a continual focus on opportunities is that all evidence is interpreted under the absolute assumption that this is a key factor, rather than considering what exactly is being said. In this instance Dyer et al state that ‘the most innovative entrepreneurs could remember specific questions they were asking at the time they recognised the new venture opportunity. For example part of Michael Dell’s initial opportunity recognition in the computer industry resulted from a single question...’why’? (ibid. p.323)

The researchers knew at the time of the study that Dell became a considerable force in the computer market. I do not believe that this market either existed at the outset of Michael Dell's venture creation activity, and I argue instead that he created an organisation through a process of entrepreneuring and in doing so he also created a market. He did this not by identifying an opportunity or creating an opportunity, rather he did this by identifying a problem and setting about solving it, firstly for himself and then for millions of other people. He discusses the problems he was having with computers 'I was a frustrated customer...I knew what was inside them...\$600 worth of parts were sold for \$3000...that didn't make any sense to me. I really questioned why it cost five times more to buy the darn thing than the parts cost...' (ibid. p.323).

Their next interviewee also emphasises that creative problem-solving is part of their activity by saying that when they address 'a new problem where there's a sort of conventional wisdom or consensus around a particular thing. I will also test out the opposite' (ibid. p.324). Also discussing the problems his wife was having with software 'I came up with the idea for the software by watching my wife work and hearing her complain...she was complaining about it. It was a waste of time...' (ibid. p.325). I disagree with researchers that this is a process primarily connected to opportunity, I argue instead that the entrepreneurs in this research were good problem identifiers and solvers and that this not only led to the creation of marketable and innovative products but importantly, also led to the successful creation of their organisations. How the organisation was created in this case is

where I turn to next, as I discuss how I transformed a continuous lack of control into the organisational structures that were required to build my organisation.

### **6.5 Entrepreneurs Create Organisations: ‘How’ is Equally as Important as ‘Why’**

During my years ‘entrepreneuring’ and setting up The Archaeology Company my lived-reality was almost entirely unconcerned with the market. My day-to-day concerns, as demonstrated in the emic narrative, were primarily focused on getting my company up and running – and keeping it running. Getting the company ‘up and running’ involved taking various actions for example, phoning for potential clients. Every single activity triggered another activity and frequently these activities were problematic events for my company. I describe them as being problematic because each one had the potential to devastate the business. At the time of our telemarketing campaign, Kelly-Ann and I telephoned the same client on the same day, about the same project.

It was clear that if The Archaeology Company was to build its business through a client-focussed sales approach that irritating potential new clients would not fit in with that plan. *‘Having Kelly-Ann there then caused a problem because I didn’t know if she’d rang a company and then we were finding it hard to remember who we had rang...I set up a client database on Microsoft Outlook and that way under contacts we could put all the information in about who we had rang...so that sorted that out’*. The event in itself would not cause the company too many difficulties, but it was still critical because it absolutely would if allowed to

continue into the future. It was important to recognise that the event had been caused by a more fundamental problem, and it was this that needed to be resolved. The underlying problem was that with two people ringing lots of clients, it was impossible to keep track of all the activity.

At this stage I was not in a position to either hire a secretary or buy a client management system so I turned to what I had, and created a solution. The client database on Microsoft Contacts enabled Kelly-Ann and I to both keep a track of our clients, but also it was able to evolve into a more sophisticated marketing tool over time as the company expanded. We were from that day, able to keep a track of all the projects and the clients, and this then developed into our client management system.

Table 6.3 below therefore demonstrates the six major steps that occurred during the emergence of my organisation. I consider them to be (i) taking the initial ‘triggering’ action, (ii) the subsequent problem or dangerous consequence (iii) identifying the underlying problem, (iv) pulling together various resources, (v) the immediate effect of this, and (vi) the system created to ensure that it did not occur again. The Table on the following page describes each of the steps and gives some examples of the areas in the business within which they occurred.

The Entrepreneurial Process in the case of the Archaeology Company						
	Action	Critical Event	Underlying Problem	Resource	Effect	System
<b>Start-Up</b>	We began to phone for potential clients	Kelly-Ann and I rang the same client company	We couldn't keep track of our calls and our clients	We were using MS Word for the contact letters so we used MS Contacts to Create a Database	From then on we could keep a track of our calls	Client Database Created for tracking and controlling client contacts
<b>Marketing</b>	We were using the Golden Pages for sourcing potential clients	We ran out of clients/architects to ring from the Golden Pages	The Golden Pages wasn't a sufficient enough resource to generate enough clients	Searching for Lists Discovered AIS Magazine	AIS Magazine provided us with infinite client details	Regularised System with Call Backs Database became a client management system
<b>Tenders</b>	I started to apply for government tenders	n/a	We weren't submitting competitive quotes	Began to Use Other Companies Previous Tender Amounts	Began to Base New Tender amounts on our competitors rates	Standardised Tender Rates System
<b>Project Management</b>	Juggling a lot of projects in a chaotic manner	Missed a Licence Application for an Important Client	Lack of Project Control	Created the Weekly Project update	Stage by stage Management of projects	WPU structured weekly management meetings
<b>Cash-flow</b>	Writing Invoices	Completely ran out of money	No cash-flow control	Discovered Kelly-Ann was good at collections	Kelly-Ann began to call for payment	Weekly cash-flow forecast
<b>Staff Management</b>	Archaeologists in the Field	Financial Black Hole	Staff taking longer to complete projects than we had quoted for	Schedules and Scheduling Board	Controlled the time field workers were spending on a project i.e what we had budgeted for	Weekly Scheduling Board on Friday, printed schedules for Field workers
<b>Financial management</b>	Clark Financial Controller	Critical Event Revenue owed €130,000	No Profit and Loss Control	Re-mortgaged House, & Agreed stage payments of €6,000 a month	Sacked Clark & became profitable	Took control of Finances checking P&L weekly and monthly

**Table 6.3: Six Transformative Steps That Turn Chaos into Control**

### 6.5.1 *The Transformative Steps that Turn Organisational Chaos into Future Control*

The activities and steps outlined above are entrepreneurship as the practice of 'entrepreneurship'. Each activity involved these progressive steps, and they occurred in every aspect of the business and frequently in a rapid and unexpected fashion. This demonstrates how complex, chaotic and precarious the entrepreneurial process is. The first step in this process is relatively easy, but the

reason that most firms do not grow, and maybe fail is that the subsequent steps are very intense, very problematic by nature and difficult to resolve. Any step not resolved successfully would have resulted in organisational failure, regardless of how good our services were and regardless of how successful we were in other aspects of the business, such as the marketing strategy and project procurement. Each one of these elements needed to be successful or we would not survive, one step unresolved would result in failure. I find it a failure of the entrepreneurship literature that nobody addresses these problems and instead focuses on opportunity.

Furthermore, each of these steps I consider to represent a complex process of learning that gradually develops into an expertise by the time step six, the 'System' step is reached. The final step of the process, or the created 'system' step, represents how the process moved towards building The Archaeology Companies structure into one that could control the future. This is *entrepreneuring*. The process of maintaining and implementing the various control-systems after step six subsequently became the ongoing function of *managing*. I suggest that many people find it extremely difficult to either develop the level of expertise required to resolve continual immediate difficulties, or to cope with creating structures based on future problem-avoidance.

An individual with the responsibility of creating a company needs to be very resourceful in order to deal with these difficulties. Step four which is the

‘Resource Step’ is one of the most challenging and creative parts of the venture creation process because it is at that moment the entrepreneurial task consists of transforming the existing problem at hand into the future controllable benefit. S/he can only accomplish this transformation by drawing on all her resources, be they physical, financial, creative or experiential. As such, I suggest that this is the most interesting and useful part of the process for scholars of entrepreneurship to understand how entrepreneurs construct firms. Therefore it is to a discussion about the importance of resources I turn to now.

#### **6.6 Discussion: *Homo Economicus* or *Homo Habilis*? How Entrepreneurs Transform Resources into Organisations.**

I have already argued that the venture creation process involves continual change, developing expertise from crisis and transforming a lack of control into organising. This section now explores ‘how’ entrepreneurs achieve this through a process of ‘entrepreneurship’. I define ‘entrepreneurship’ itself as involving a process of identifying and transforming implicit and explicit *resources* for service within the structure of the organisation itself. The majority of the services required from resources are to do with hands on problem-solving, throughout the changeable venture creation process.

It is through the use of resources during the venture creation process, that entrepreneurs transform problems into organisations. I argue firstly therefore that it is necessary to look at both the impact of resources on entrepreneurship (as opposed to firm performance), and the impact *on resources* of the process of

‘entrepreneurship’. This section secondly turns to a discussion about how entrepreneurs may mobilise various tools and resources for service using a Heideggerian (1926/1962) perspective. I will argue that the accepted wisdom in entrepreneurship research, that not only do entrepreneurs primarily pursue opportunities and that ‘they do so without regard to resources that they control’, (Stevenson and Sahlman 1989, Stevenson and Jarillo 1990, Hart et al 1995), is inaccurate and may need another look. Their assumptions appear to have been developed purely from the notion of entrepreneurs as a type of risk-taking rugged *homo economicus*. During the course of this discussion I will suggest an alternative to this assumption and instead present entrepreneurs as *homo habilis* – a handyman or toolmaker.

#### 6.6.1 *Penrose and the Productive Resources of the Firm*

The origins of the resource based view of the firm can be traced to Penrose’s (1952) paper criticising the use of biological analogies of firm growth. She suggested that economic principals and human motivation were far more important in terms of explaining firm growth and this view culminated in her book ‘The Theory of The Growth of The Firm’ (1959). Penrose considered the firm to consist of a collection of potentially valuable and productive resources held within an administrative framework. I have already shown that a large part of entrepreneurship involves creating this framework in the first place. For Penrose, the firm is ‘more than an administrative unit; it is also a collection of productive resources the disposal of which between different uses and over time is determined by administrative decisions’ (ibid. p.21). These productive resources

are things such as the physical resources a firm may have at its disposal, as well as the human resources. The resource only *becomes* a resource by the services they render to the firm.

According to Penrose (1959) resources are useful to the firm and as such states that the

‘services yielded by resources are a function of the way in which they are used – exactly the same resource when used for different purposes or in different ways and in combination with different types or amounts of other resources provides a different service or set of services... [or] a bundle of potential services’

(ibid. p. 22).

In this way a practice theory of entrepreneurship would consider resources as very important in the venture creation process, because entrepreneurial resources can also be defined by being useful, or by their ‘useability’. I would suggest that, much as Penrose described, that entrepreneurial resources are a function of the way in which they are used and become a resource by the services they render during the entrepreneurial process. However, the difference between entrepreneurial resources and the Resource Based View (RBV) is that the service of resources to the entrepreneur, are rendered through constructing the organisation, as opposed to operating more effectively in the market.

The firm’s resources are productive because they are rent earning either individually or in the collective. For Penrose an organisation never fully utilises

all its resources and therefore opportunities for growth can be found within new and novel uses for those slack resources (Lockett et al 2011, p.51). The RBV of an organisation explains that a firm must ‘acquire and control rare inimitable...resources and capabilities’ (Kraaijenbrink et al 2010, p.350), as well as having some sort of organised administrative structure within which to contain them. The result of these capabilities for a firm is sustained competitive advantage within the existing market conditions.

I will not discuss fully here the impact of RBV on theoretical positions such as dynamic capabilities (Helfat and Peteraf 2003), because these theories are looking specifically at the impact of resources on firm performance – or a focus on ‘structure-conduct-performance’ (ibid.) such as competitive strategy. I would suggest that this theory has an emphasis on the firm’s ability to exploit resources, and uses this to explain ‘differences between firms and why firms are better at rent creation than individuals... [it’s] a theory of rents at SCA’ (ibid. p.355). This resonates with my thesis, but differs in that I suggest that the impact of resources on entrepreneurship does not relate primarily to the ability to compete in the market or to identify opportunities in the market.

The impact of resources on entrepreneurial opportunities has already been examined in the literature. Mosakowski (1998) for example defines entrepreneurial resources as the behavioural propensity to identify opportunities. The entrepreneur’s resources are linked to firm performance inasmuch as they facilitate the identification of Kirznerian profit opportunities. In this way, generally it appears that the entrepreneur him/herself is treated as one more

resource to be exploited within the organisation by way of his/her role in identifying the 'right' type of opportunity. For example, in presenting their subjectivist theory of entrepreneurship, (Mahoney and Michael 2004) acknowledges that 'different persons may, operating with the same resource, generate entirely different services of these resources' (ibid. p.15).

But this subjectivist view still considers that the services generated by the individual are either competitive advantage or rent-seeking and does not consider that they may be needed for useful service by the entrepreneur within the organisation itself. In this instance the subjectiveness of the entrepreneur is primarily in relation to the resources the firm is seen to possess by the entrepreneur; which in turn is subjective inasmuch as how s/he extracts the rent seeking or competitive service potential from it. Kor et al (2005) suggest that this subjectivity arises from personal knowledge resulting in entrepreneurial economic profits being created by different decision-makers having 'different beliefs about the relative economic value of the opportunities associated with resources...' (ibid. p.25). The value of any particular resource for the entrepreneur may 'be drastically different from its market value' (Foss et al 2008, p.80) as suggested in this attempt at synthesising entrepreneurship with the RBV.

Once again however, although there is an emphasis on whether resources are discovered or created, the productive services rendered are 'rent generating' '...resources are not given but must be imagined created and discovered over time, as managers interact with the firms tangible and intangible assets' (ibid. p.87) highlighting the underlying assumption of unflinching economic rationality. In

short resources are solely considered to be the catalyst of economic benefit. I would suggest, however, that the economic outcome of an entrepreneurial resource is not always either pre-known, or the primary motivation for resourceful activity.

The productive services rendered may not have an obvious or immediate organisational effect in terms of rents and/ or competitive advantage, but frequently they have the immediate effect of stopping the organisation immediately failing. Therefore, indirectly entrepreneurial resources may have a beneficial market effect, therefore 'entrepreneurial outcomes are also competitive outcomes' (Foss 2011 p.56), but not always. Frequently, the direct effect is rather more immediate and parochial because an organisation as an **entity** needs entirely different services from its resources than does an entrepreneur. Because the definition of a resource is something that is useful in service therefore it must follow that entrepreneurial resources and their service may be different to a firm's resources and service.

Aside from the traditional resources described by Penrose such as human resources and physical resources; the entrepreneur also must have the intangible resources that are her pool for transforming problems at her disposal while building the structure of her organisation. The origins of the intangible subjective resources in this case I will discuss in the next chapter when I present data that explains this entrepreneur's lived-reality. Resources that may possibly be of service in constructing a firm can be described as undiscovered resources or created resources.

These can also be described as ready-to-hand resources and present-at-hand resources (Heidegger 1926/1962). These impact upon the entrepreneurial process, but this process itself then subsequently impacts on what is considered to be useful in the service of the entrepreneur as she solves the problems necessary to build her company. I suggest that the relationship between entrepreneurship and resources is worth a closer look than just as they play out in market performance, and I will do this in the next section using a Heideggerian framework.

### **6.7 That's Handy! Entrepreneurship as 'Entrepreneuring' and Resourcefulness: A Heideggerian Framework**

For Heidegger (1926/1962) a resource would have been dependant on Dasein; that is the individuals' 'way of being' would influence what they interpreted as either ready-to-hand or present-at-hand (Heidegger 1926/1962, p.83/114). A Heideggerian framework for describing entrepreneurial resources would emphasise the individual interpretation or subjective perspective on how these, resources (which Heidegger would consider to be tools or equipment), can be used. Heidegger considered that these subjective differentiations were primarily to do with the usability of equipment and tools. He considered the question of serviceability-for and usability-in, to be the 'worldly character' way of the ready-to-hand (ibid.).

Furthermore, the subjectivity of the present-at-hand has the potential for ready-to-hand depending upon 'discoveredness' (ibid. p.86/116). Present-at-hand and ready-to-hand tools are therefore dependent on what an individual considers their service to be for them personally in their current situation. Present-at-hand

resources are resources in waiting that will become useful by their use, but ready-to-hand resources, are resources already at the ready.

For example, some objects can already be discovered as ready-to-hand, famously his hammer analogy, which suggests that a hammer can only be so in light of its 'hammerness'. He states that 'an entity is discovered when it has been assigned or referred to something, and referred to as that entity which it is' (ibid. p.115/150). I take this to mean that in this instance there is a general consensus as to what something *can do* in our everyday world. That is '...the entities we encounter in it; equipment or ready-to-hand entities, warranted by the attention we pay to a specific context, as opposed to present-at-hand entities whose purpose is [as yet] unclear' (Gibbs 2008, p.424). Penrose's productive resources therefore can be considered as ready-to hand. That is they are either already productive and can be seen to be so in the same way by others. The resources will be productive in combination with other resources, and in the services they provide will have a general consensus.

In effect ready-to-hand resources are tangible because you know what they are and you know what you need to use them for. In 'The Archaeology Company' for example the ready-to-hand resources could be interpreted to include the initial investment. In this way it may have appeared to have been a relatively minute resource to start a business with, and given an impression to outsiders that we were significantly under resourced for our ambition to be the 'largest archaeological consultancy in Ireland'. Also, another example was the licence

eligibility of the archaeologist directors of the company described by one client as our 'licence to print money'.

In a Heideggerian context, he discusses the ready-to-hand hammer. We know it's a hammer because we have an idea in our mind what a hammer 'is' and it hammers and so on. For example as Gibbs (2008) suggests 'we come to know a tool better with use, through the revealing of its thingness in action' (ibid. p.425). A licence to excavate only really became a resource for the business when it was granted as permission to dig a particular archaeological site. Although, the ready-at-hand may often be subjective there would be consensus within certain groups as to the hammers 'hammeriness' because 'hammering itself uncovers the specific manipulability of the hammer' (Heidegger 1926/1962, p.98/130)

#### *6.7.1 Resources and Entrepreneurial Tools: Entrepreneurship as Homo Habilis*

In effect, whether €1500 working capital, a telephone, an excavation licence a computer server, or a hammer, what is being thought about here is a tool that can be used to get something done. (Some individuals from other societies, for example would not know that there was such a thing as hammering and therefore the hammer would be meaningless because it would have no serviceability or usefulness to them).

Some objects however, could be both ready-to-hand and present-at-hand. An example of this would be a rock that someone would just see as a rock, whilst another would see as a tool for making an arrow-head and hunting. This places the emphasis on both an understanding of the nature of the rock, and the relatedness

between it and the desire, need or problem. So for our ancestor the handyman *Homo habilis*, the rock becomes a ready to hand tool, but for Australopithecus, who didn't make tools, it's always going to have been a rock.

It's important to consider also that ways of seeing resources in a particular light have further influence, in that the *Homo habilis* who saw a tool where others saw flint would have widely influenced how others then saw those rocks, they also would have seen them as tools and in this transformation they would have become ready-to-hand. This process as well as being transformational, is also transferrable and therefore can be learnt.

It has been suggested that entrepreneurship **in itself** is a powerful tool (Sarasvathy 2004) that can be used to construct and create an environment within which people (the entrepreneur) can live well. Therefore, the stone is either ready-to-hand, or present at hand and I would suggest that the way of seeing depends on a sort of ontological imagining or even *Verstehen*, or interpretation, in action. Present-at-hand objects are things that have no interest to us in that moment because we don't see them as useful in the way that we need them to be. Things therefore become resources (or to put it another way tools, equipment), because of what they do rather than what they are, and subsequently resources do what we need them to do. What things 'do' or are 'seen to do' are socially constructed as is the nature of being, as for example, *homo habilis* wouldn't have imagined the possibility of stone tools without the social need arising, and this desire would have emerged within the social environment within which he or she was embedded.

So, when Dasein 'relates to a ready-to-hand item, it understands the item as fundamentally existing within a network of other entities and that in this network the item is useful. This network subsequently reveals where things belong and how they fit into our lives. Our understanding of this is *a priori* and generally subliminal' (Watts 2001, p.29). I would move this further forward by suggesting that for an imaginative individual the potentiality of the present-at-hand is infinite, and only fully realised when there is a need for something to be done, and a need for a previously unforeseen resource to be drawn upon. The position that Heidegger took in relation to ready-to-hand has resonance with Levi Strauss's bricolage which has been discussed in the context of resources by Baker and Nelson (2005).

Resources are the tool we use to achieve our ends but they are also the tools we make to use to solve problems. For example, Wynn (1997) explains 'Tool behaviour also entails problem solving, the ability to adjust behaviour to a specific task at hand, and for this rote sequences are not enough. It appears that when an artisan has a project to complete, he or she brings together a variety of bits and pieces of information, including previously learned motor sequences' (ibid. p.148-149). Entrepreneurs don't make use of opportunities – entrepreneurs make use of the tools that are their transforming and transformed resources.

This thesis may go some way to explain how 'firms may find heterogeneous value in ostensibly identical resources...' (Baker and Nelson 2005, p. 330). That is, by looking at the other less-visible types of resources that were made use of in this case it becomes very clear that no firm or entrepreneur can in fact have identical

resources. All that can be considered is that from one perspective resources, (i.e. financial or educational qualifications) may be identical. Yet the range of other resources from other perspectives is entirely unknowable because in their subjective interpretation they only become useful through use, this use is continually transformational in keeping with useability.

Baker and Nelson (ibid. p.336) argue that 'reliance on the resources at hand captures the role of external resource constraints' but because I suggest that the entrepreneurial process doesn't rely alone on resources-at-hand, external resource constraints may be less important than is currently thought. Furthermore their research focuses on entrepreneurial resources-at-hand. Unlike the bricolage perspective that considers bricolage as output rather than as internal organisation construction, they are primarily interested in the creation of 'some novel service in a way that is not described or explained by the contemporary entrepreneurship literature' (ibid. p.342). In their research, they are mainly looking at outputs of the firm as a result of bricolage not the internal construction of the organisation itself.

I would suggest that firms may grow through a process of bricolage that results in a novel product or service, but that in itself does not explain how that growth itself occurs. The one exception was when 'Jason Bond' in this article was required to solve the problem of his companies billing system needing so many clerks. 'Jason constructed complex chains of rudimentary code that integrated the two [accounts] systems...allowing his firm to avoid investing any money in its billing system for almost two years' (ibid. p.341). This is an example of the creation of

an organising system through a process of bricolage, and I suggest that it is in fact an example of being entrepreneurial.

Lévi Strauss (1966) described the ‘bricoleur’ as a kind of handyman (or woman) who

‘has to turn back to an already existent set of tools and materials...to engage in a sort of dialogue with it and, before choosing between them, to index all the possible answers which the whole set can offer his problem. He interrogates all the heterogeneous objects of which his treasury is composed to discover what each of them could ‘signify’ and so contribute to the definition of a set which has yet to materialise...’

(ibid. p.18).

Table 6.4 on the next page illustrates the process of resource transformation and creation during the process of setting up The Archaeology Company.

**Table 6.4: ‘Entrepreneurial’ as Transforming an Imagined Future Into Organisational Reality**

	Imagined Future	Entrepreneurial Resource				Economic/ Organisational (visible) Outcome
		Ready to Hand	Present at Hand	Created	Discovered	
<b>Start-Up</b>	Control of Clients	We were already using a laptop to send out client letters, but hadn't anticipated this need until we had started 'doing' the calling.	Microsoft Outlook was a program that was on the laptop but as I didn't have awareness I would need this, I didn't 'initially see' this resource.	This initially created a control for the clients, → gradually a Database Resource was created for what was to become a significant sales team.	Unanticipated need → Solution	<i>The Client Database became a marketing resource in itself to track projects and procure more projects. It transformed from more than just a recording tool into a project procurement resource in itself. We built up just under 3000 clients and contacts within the database and because we were able to track exactly what each client was planning, we could anticipate their needs.</i>
<b>Marketing</b>	Infinite possible clients	Golden Pages was the first obvious source of clients and initially I only imagined these would be architects	Construction Industry magazines that I didn't know I could use in this way until the need arose Transformed other companies rates into a resource	Sales Team	AIS Magazine → discovered because I was actively seeking a solution to a specific problem	<i>The AIS became a significant source of projects until we became eligible for government tenders; through it we gained access to the developers and engineers running projects- and the architects who were managing the planning aspects. This gave us private client contacts for example access to Ascon and the development at Adamstown, Balbriggan, Treasury Holdings, Atkins Global etc. After about two years we also subscribed to the CIS which was a similar publication but had a wider catchment area.</i>
<b>Tenders</b>	Eligible and Successful in Procuring Large NRA(government/ public tenders	e-tenders.ie was the obvious source of tenders; but we also actively contacted all the county councils with brochures as smaller value projects were not always put out to tender	n/a	A tendering system that could regularize my figures → controlled the competitive process	n/a	<i>Irish Concrete federation, County Councils: Kerry, Cork, Dublin City, Waterford, Westmeath, Offaly, procured a lot of high value tenders successfully.</i>
<b>Project Management</b>	Always Knowing what was happening to each project at every stage	Client Files and the Project information Forma, but these were all information on one project; not information on all projects	Disparate Information: it just needed to be transformed into organised information	A Project management System	A resource that organised the projects, → It freed up my time for organising other elements of the company	<i>The project management system allowed me to organise 50 or 60 projects at different stages at the same time. Not only in terms of projects coming in, but also to coordinate the sales team, with the administrative and scheduling, the invoicing and the field staff.</i>
<b>Cashflow</b>	Always paying bills on time and having enough money to pay all the staff.	Human resources (sales team)	'Angela' in sales → my Credit Controller through discussions and training	A Cashflow Forecast System. Co-ordinated with the WPU and the accounts/ invoicing. → this created a system for financial decision making and effective panning	A solution to payroll and creditor chaos...→ It wasn't inevitable to run the company so financially perilously.	<i>The alleviation of financial uncertainty also meant that we were able to behave confidently in the industry, pay all bills on time and plan for new activities. Borrowings were minimised and new projects were funded by tightly controlled in advance payment schedules. Ease of cashflow meant confidence in taking on and managing larger projects</i>
<b>Staff Management</b>	No field staff were wasting time because they knew I knew what they should be doing	Human resources (administrative team)	Sales white board to keep a track of projects procured: I thought that this visible tool could be useful for seeing where everyone should be in the field. → The Scheduling Board was conceived (and then 2 more or increasing staff)	A way of planning archaeologist's time for at least 4 weeks in advance. → If I could see there was a 'gap' or that it didn't dovetail I could get the sales team to phone clients specifically to fill that 'gap' rather than just hoping for the best	A solution to constant bickering about how long had been/needed to be spent on projects. Also a way of scheduling to maximise revenues → if you knew what was supposed to be happening nothing was left to chance	<i>Every project became profitable; existing projects became more profitable as the schedule was also created to maximise revenue each week as well as control staff. So instead of €40,000 worth of business being stretched over 6 weeks I could ensure that it was completed and invoiced within 4 weeks or less. The continual stretching of 4 weeks work into 6 weeks had caused the 'black-hole'. This stopped and became completely reversed. The same volume of projects; just made profitable through timing.</i>
<b>Financial Control</b>	Where we made a profit every single month	TL	Accounts Package a present at hand resource → I learnt how to use it and get what I needed from it.	Transformed myself –with practice-into someone (over several years) who was very good with accounts	The importance of understanding finance → Financial control	<i>The company becoming very profitable became only part of the overall financial success. In order to run the business effectively commitments such as Revenue needed to be managed very carefully. If I hadn't learnt about accounts/ tax I would not have taken a critical approach to the accountancy consultants- and the business would have failed through over compliance.</i>

--	--	--	--	--	--	--



Table 6.4 above, illustrates some transformational activities of the entrepreneurial *homo habilis*. It demonstrates the scope of the ‘heterogeneous objects’ that were transformed in order to become resources for service in building the organisational reality that was becoming ‘The Archaeology Company’. Initially, my primary concern in establishing the business had been new clients and ‘getting in’ new projects. This was reflected by mainly concentrating on hiring sales staff in order to achieve this. The effect of the success of the sales staff was a whole new set of problems emerging, and therefore I turned to those staff and worked with them towards playing a different role.

These new roles included the management of archaeological field staff through the scheduling system, and the management of debtors through the cash-flow system. There was a certain friction then developing between needing to manage the work that we already had – yet still continuing to procure more projects. The company kept growing as more staff were employed to keep the sales figures up, to manage the work, and then to do the projects themselves. This process was therefore one of continual improvisation and transformation which occurred through a bricolage of ready-to-hand resources, present-at-hand resources, created resources and discovered resources.

In the illustration above, a ready-to-hand resource such as The Golden Pages was made use of in an obvious way i.e. it was used as a source of potential clients. Present-at-hand resources, such as ‘project information’, were far less obvious because although we may have had it, I hadn’t considered it could be made use of and therefore we weren’t using it. An urgent need for information was identified,

and then this was transformed into a resource that could be used to manage all the various projects. In this way this present at hand resource was then used to create an important resource, the 'Weekly Project Update', which then went on to become an essential part of the companies structure. Similarly, a resource was discovered by actively searching for a solution to the problem of Golden Pages and clients running out.

This was an internet search looking for a list of architects that led me to the Advanced Information Services Magazine (AIS). This went on to supply 90% of our private client projects and turned into a valuable marketing resource. This is ability of 'bricolage resourcefulness' is somewhat similar to the 'patchwork quilt' ability described by Sarasvathy (2007, p.65). Rather than solving 'the jigsaw puzzle of a profitable opportunity more quickly and efficiently than others, I argue that entrepreneurs engage in constructing organisations by using what they have. In this way they

'...succeed in reshaping the environments in which they operate...effective actors are not heroic; they are determinedly pragmatic. They believe in the efficacy of small changes, the power of the actually possible. They do not often sound like great leaders; in fact they often spout old bromides. Nevertheless, they convert clichés into cathedrals- by actually rolling up their sleeves and building with materials available at hand'

(ibid. p.169).

This is all part of the same process of difficult steps described in Table 6.3 above, and provides another perspective. Table 6.5 below, if it could be transposed onto Table 6.4 above would fit in somewhere between the end of ‘Step Three’ and the start of ‘Step Five’ in the entrepreneurial process.

<b>Step 3</b> fig6.3 Underlying Problem	<b>Step.3.5</b> fig 6.4 Imagined Future	<b>Step 4</b> Four Sources of Entrepreneurial Resources	<b>Step 4.5</b> fig 6.4 Economic/ visible Outcome	<b>Step 5</b> fig 6.3 Desired Effect
---	---	--	---	--

**Table 6.5: The Synthesis between Problems, Resources and Organisation Building**

It is impossible to define precisely where Step Three ends and Step Five begins primarily because the process was nowhere near as linear and ordered as the tables suggest. For example, there may have been occasions when I went back and forth between the same steps, before being able to move forward. Also, many of the steps may have been happening in different areas of the business at the same time, yet be at different stages et cetera. I have just ordered them in this way for clarity and presentation.

Clearly, there is an overlap between gathering resources, the underlying problems, imagining that in the future these problems would not occur again, and establishing a structure that was maintained through a ‘system’ (or routine). This demonstrates the multi-layered, difficult, non-linear and complex nature of entrepreneurial activities, as well as the necessary progressive steps taken towards organising if failure was to be averted. I would argue that new organisations being

created by particularly novice entrepreneurs would possibly experience the progression of the 'steps' in Table 6.3 throughout very similar processes, but the subjective way of dealing with them would be very different because each individual person either sees or uses 'tools' in a completely unique way. However, in order to survive the desired effective control would need to be achieved no matter how it was constructed. I base this assertion on the following observation-companies need to be profitable, even if only very slightly, and all steps ultimately must lead towards that ultimate goal. (Regardless of whether the entrepreneur is aware of it or not!).

What researchers consider as garnering resources (Karataş-Özkan & Chell 2010) is generally considered to be gathering capital resources, human resources, computers and equipment etc. In the case of 'The Archaeology Company' I was subjectively re-interpreting the use of different 'resources' into what was needed at that time. Table 6.4 clearly shows that there was very little emphasis on financial resources in this process. There was the 'transformation' of human resources, or equipment resources, but all the while these activities occurred we were extremely financially constrained, but at the same time extremely resource rich.

With 'The Archaeology Company' I constructed and transformed the tools that I had at my disposal. Resource building is more than constructing an effective sequence of events, rather it's a process of improvisation whereby the entrepreneur turns to what s/he knows as well as what s/he has in order to 'get the job' done. Resources are the tools we use to achieve our ends, and in the process

of entrepreneurship these ends are most likely to involve solving a difficult problem.

The subjectivity of entrepreneurship is mostly captured in the use of resources that I have illustrated in Table 6.4. Unfortunately, most entrepreneurship research has only focussed on either the very first step – or the very last step that I described in Table 6.3 as I would suggest these are the most visible steps in the process. Not only that, as much of the research is outcome driven research would assume that the final step came first in order to facilitate the first! In creating the above Table I have therefore attempted to make visible the invisible behind-the-scenes creativity and processes that were fundamental to building ‘The Archaeology Company’.

## **6.8 Conclusion**

It has been argued that ‘not only is every entrepreneurial venture as an outcome unique, the detailed patterning of activities in the very emergence of entrepreneurial processes is unique as well’ (Gartner 2008, p.138). The strength of this chapter is that it has presented a rich analysis and insight into the unique pattern of activities involved in the venture creation process for ‘The Archaeology Company’. I have argued that rather than being ‘a good entrepreneur’, who subsequently facilitated me in identifying ‘a good opportunity’ I instead began the process as an individual who was not an entrepreneur – but was resourceful. This resourcefulness enabled me to participate in the process of ‘entrepreneurialing’ whereby I constructed an organisation and in the process of *doing so* became an entrepreneur. Therefore, this analysis has been developed from a story about

change on many complex levels, and has presented data to explain how that change occurred (Van de Ven and Poole 1990, p.244).

I have argued that the foundation of a new practice theory of entrepreneurship must have at its heart the understanding that entrepreneurs do not merely identify opportunities- they build organisations. In this way, the unit of analysis in this theory will be action rather than opportunity (Foss & Klein 2010). An action-based theory of ‘entrepreneuring’ therefore will focus on it as an event-driven process (Van de Ven 2004), that looks to be informed by practice as well as working towards a better understanding of practice.

Entrepreneurship as ‘entrepreneuring’ is first and foremost a process of ‘doing’ and it is this forms the basis of my theory outlined here. I have described ‘how’ this entrepreneur set up her own organisation and this has given me insight into the question ‘*how do entrepreneurs construct organisations*’? I suggest that the answer to this is that they do it through a process of ‘entrepreneuring’, and look to extend the practice theory of ‘entrepreneuring’ as suggested by Johansson (2011) when he suggested that the discipline needs a framework ‘...that acknowledges entrepreneurship as (everyday) hands-on practice, including routine as well as improvisation...’ (ibid. p.136)

These scholars, while clear as to why this theory *should* be developed, have not suggested a conceptual framework as to how a theoretical framework *can* be

developed, and I have contributed to research by developing a theoretical framework in this chapter. In this view, venture creation consists of a process of identifying problems and creating solutions within three general processual categories.

These are firstly ‘entrepreneuring’ as performed under treacherous conditions of continual change. Changes occur both within the individual themselves, as well as their organisation. Secondly ‘entrepreneuring’ is a process of learning; that is it involves developing expertise from the recognition and resolution of continual crises. And the third category in the process is ‘entrepreneuring’ as organising because it involves a difficult and dynamic transformation from a chaotic lack of control, into an organisation.

This chapter makes a contribution to theory by providing empirical evidence to answer the question *‘how do individuals manage the difficult processes of entrepreneuring’?* This chapter however, primarily provides an insight into the practices and experience of a novice entrepreneur, although this analysis still provides some awareness as to why so few people are able to complete entrepreneurship successfully. The venture creation process is difficult, but I suggest that having completed it once, the entrepreneur focuses on getting to step six in the process as soon as possible. This is what I would do the next time. This may also provide insight as to what transferrable skills and knowledge the practice

of entrepreneurship in itself brings, that can be used as a resource in subsequent venture activities.

I suggest in this chapter that entrepreneurship is the subjective interpretation and use of resources during the ‘entrepreneuring’ process. Each moment of ‘*Problem Solved*’!! during setting up and running The Archaeology Company was one more step in developing expertise in ‘entrepreneuring’, and each time the immediate crisis was learnt from sufficiently to avoid it occurring in the future, was another step closer towards becoming ‘an entrepreneur’.







## **Chapter Seven:**

### **Case Data (2): What is Entrepreneurship? Entrepreneurship as the Ongoing Practice of Lived-Experience**

#### **7.0 Introduction**

This chapter returns once again to the philosophical themes raised during Chapter 2, and extends them by presenting the data from my emic account (ii). This chapter explores the possibility of entrepreneurship as a process of the ongoing practice of lived-experience. The methodology chapter, Chapter 3 has already explained that three different accounts of emic data were produced in the collection phase of the research. Chapter 3 presented the timeline from emic narrative (i). Chapter 4 presented the data from *emic account (iii)*. This chapter contains the data from *emic account (ii)*.

This chapter relates to the overall research question ‘what is entrepreneurship?’ by presenting a discussion about the existential nature of human practice, using the *emic account (ii)* as an example from this case. The philosophical basis for my thesis has drawn upon elements of an existential Heideggerian (1926/1962) phenomenology. Entrepreneurs are people, and as Heidegger observes, ‘The

person is not a thing, not a substance not an object....essentially the person exists only in the performance of intentional acts, and is therefore essentially *not* an object...objectification of acts...is tantamount to depersonalization' (ibid. p.48/73).

In order to understand what entrepreneurship 'is', it is necessary and important to consider and reflect upon the personal context within which it occurs. The practice of entrepreneurship is not only Dasein or Being-there in that moment of 'doing entrepreneurship', but also incorporates an extension and continuum of the wider lived-experience of the individual. This Heidegger describes as the importance of considering Dasein as 'an interconnected sequence of successive Experiences...' (ibid. p.291/337). Entrepreneurship is part of a wider process of the entrepreneurs lived-experiences. The ready-to-hand and the present-at-hand interpretation of the resources discussed in Chapter 6 are part of that ongoing sequence of the entrepreneurs Dasein.

The chapter is structured in five main sections. The first section describes the existential nature of entrepreneurship and then presents the emic narrative from *emic account (ii)*. After this account has been presented, during the second section, I once again ask the question 'what is entrepreneurship?' in light of the narrative describing my early life-history. This leads into my discussion that entrepreneurship is ongoing practice. The third section is a discussion of entrepreneurship as stories, and introduces psychodynamic theories in

entrepreneurship as they relate to the impact of life history on entrepreneurship as practiced. The fourth section of the chapter discusses entrepreneurial practice as existential *habitus* and makes a link between Schutz (1932), Heidegger (1926/1962) and entrepreneurship as ongoing process.

### **7.1 *Emic* Narrative (ii) The Existential Nature of Entrepreneurship as Dasein and Ongoing Lived-Experience**

What is entrepreneurship? This chapter examines it as the ongoing practice of lived-experience. There are two reasons that this *emic account (ii)* is presented here. Firstly autobiographical recollection and diary writing is in keeping with an existential tradition. Existentialism considers that we cannot bracket previous experiences away from Dasein, because these accumulated experiences make us who we are. This includes entrepreneurs. Secondly, during the writing of the second *emic narrative*, I was considering the deeply held motivations for growing ‘The Archaeology Company’ while looking through my diaries and trying to describe and reflect upon what entrepreneurship means to me. The description of the story outlined here was considered as being important to motivation as well as meaning.

I have always kept diaries and notebooks as a way of making sense of events and this narrative is an edited version of the *emic account (ii)* which attempted to explore deeper and more implicit motivations. This recollection happened in an emotional way that at the time I was unable to understand. After all my research I have a much better understanding of the implications of these events. I argue in

this chapter, that entrepreneurship and setting up ‘The Archaeology Company’ represented an extension of an inherent ability to look after myself that had been developed and learned through previous life experiences. These life experiences gave me practice with economic independence as well as hard work, and problem-solving. My educational background and my career all led on from key significant personal events and these I describe here.

### 7.1.1 *Emic Narrative (ii)*

*‘I was a persistent runaway from around the age of 12 to 13, until I went into a children’s home and then into foster care. I understand that people see ‘runaways’ as troublemakers but I look at some of the kids that you might see around the place and it makes me feel so sad for them, because they might be trouble but to run you must have good reason. This experience taught me quite early on that you can do something about your situation. When I ran away I took refuge with friends, but often they couldn’t tell their own parents in case they told my mother, so friends would shelter me in secret.*

*Frequently though I had nowhere to go when I ran, so I would walk around all night until it was late enough in the morning, then I could knock for someone. Several times I also had to sleep ‘rough’, in a park just outside Romford in a bench shelter. I chose this park because it was small and locked at night and because it was beside a main road, I figured I could run out onto it if someone got into the park. It was very lonely, but also frightening because I was worried that something might happen to me when I was asleep. I would just doze sitting up,*

*with my back jammed into the corner of two sides of the shelter so that I was protected. The park shelter was white painted brick with a pitch tiled roof, closed in on three sides with a wooden slatted bench running along the back wall. It was a small park, and with the proximity to the road it was comforting to be able to see it.*

*Even now, even though I don't think about those years regularly, the effect has been that when I live my life I try to keep things under quite tight control. This runs from controlling household finances and then, clearly developed into learning very quickly the necessity of controlling the business. Fundamentally, once this experience happens you cannot un-experience it because in an extremely foundational way, you know for sure the possibility of how bad things can get. You can be very definite that this isn't something that you want to happen to you again, or worse your own family under any circumstances. So it makes you take everything quite carefully, and work really, really hard all the time because what you are trying to do is put as much distance between you and the possibility of that ever happening again. The underlying basis for really needing to do well in a particular way is fear.*

*The final time I ran away from home I was missing for just over two weeks. I had a social worker by then 'Mrs Barker' and I think that things had changed with social services becoming involved in the family because of my lack of school attendance because this time I wasn't taken back home, I was taken to the police station. I was almost 14 by then. The police raided the friend's house where I was staying at around 3am one morning and dragged me out because I refused to*

*leave. I was arguing with them that I hadn't committed a crime, that I had permission to be there so they had no right to take me away. They let me argue with them for a bit, but then they pulled me away from the banister, dragged me down the stairs and carried me out the front door.*

*I was taken to Romford Police Station, searched, and locked up in the cells. I didn't care at this point because I was still angry that they had dragged me out of the house at 3am in the morning and treated me like a criminal. I wasn't afraid at all – I figured that I may as well be a criminal at this rate if I was going to be treated like one. This experience is important because to a certain extent being put in the cells in Romford overplayed the authorities' hand, in that after this experience I was left with a sense of 'is that all you've got?' The worst part of the experience though was the embarrassment of being searched, because all my stuff was in a small plastic carrier bag. It embarrassed me when all my clothes were poured out all over the desk to be checked in or registered or whatever they do. This humiliation just made me more angry so I took a 'f\*\*\* you' attitude because that was it. I was in a cell yet I hadn't committed a crime so there wasn't really anywhere else the police could go with this, other than juvenile detention. Also, I had this clear thought which was, 'well, they can't kill me' when I was in the cells and this has been a general position that I have drawn upon on many occasions when I was running the business. Particularly during difficult decision-making contexts; if they can't kill you it makes you braver.*

*When different situations kept happening at work, and they were really difficult I always felt that I could do something about it; it might work it might not – but if it*

*doesn't they can't kill me anyway!! This may have made me an uncompromising negotiator at times. I am just never intimidated in a negotiation situation, it might be important but it's unlikely to be fatal. An absolute example of this in the business was when N6 construction had started to kick up a fuss over the amount of time their excavation was taking because our contract with them was for rates rather than a fixed price. In effect as long as we had agreement from the client for the number of site workers, they had to pay the daily rates for them to be there.*

*Progress was therefore dictated by N6 construction themselves as frequently they wanted the project to progress a lot faster, but they didn't want to have to pay for the additional staff to make it happen. They were trying to control the wrong elements of the project such as the timesheets and the precise and exact hour each person was working and were they paying for lunch breaks. What they needed to do was renegotiate a fixed price for the entire project with me, but they did not attempt to do so for over 6 months, during which time I was very happy to keep having so many people working on site. The engineers called me to the compound and said that they were considering not completing the project, and that instead they would build a bridge for the motorway over the archaeology so that they wouldn't impact it. They wanted a fixed price for the entire project and it had to be less than the cost of building a bridge which they told me would be about €600,000.*

*In this kind of situation it can be intimidating going into the room to begin with, but you have to do it and you realise that whichever way it turns out, the world won't end, so you take a chance. Of course I had to be outraged and horrified at*

*the prospect of what they were proposing. I believed they were lying about the cost of building the bridge. A face-to-face meeting is useful in this way because you can partly read it, but I couldn't be totally sure because I don't know how much motorway bridges cost. Particularly if they were already in the process of building the motorway in any case, it might make it cheaper. This motorway excavation was a substantial project that we were running and I didn't want to lose it, but by the same token neither did I want to end up losing money, in order to complete the project. I knew they were trying to recoup all the costs of the work from the NRA and that they were finding it difficult. My instinct told me that failing this, they were going to try and recoup some money from The Archaeology Company*

*It was worrying trying to think about how much a motorway bridge really going to cost the construction company to build? Would the NRA even allow for motorway supports for the bridge to be dug into the archaeological sites, and if so how much would it cost them to excavate those? In the end though the worry wasn't the factor that drove my negotiation, it was the price I thought they were the most likely to go with. I gave them a fixed price to finish the work that was based on the rates — and not on their bridge figure. I told them it would probably ruin my company it was so cheap, but if they were going to otherwise build a bridge what could I do? In turn they let me believe that they accepted the price because it was slightly under the cost of the bridge. And so on and so forth.*

*After my night in the cells in Romford the police didn't take me back, they took me to Harold's Hill Children's Home. I had heard terrible stories about children's homes so I was ready to be defensive but also relieved that this could be a new*

*life. It turned out to be brilliant and I loved it while I was there. I was getting fed regularly, I had somewhere safe to sleep, washing facilities and, which I couldn't believe, I was to get pocket money of £3 a week and not only that if I wanted to go swimming or another activity they would pay for that as well and it wouldn't come out of my money!! It was a modern facility at that time, although clearly institutional, and the people running it were pretty okay. Quite a lot of the kids would break out of the home at night and go shoplifting, and in the morning at breakfast there frequently used to be stolen goods to be shared out. The shoplifters were usually the boys and they would steal anything just to steal and often that would include boxes of makeup or toiletries that they didn't actually want themselves. In the end I didn't go the criminal road myself after all, and now I have children I am glad of that.*

*The Children's Home didn't end up being for long because the Home got me fostered with a family in Romford. Most foster parents do not want to foster teenagers, but the case workers in the home seemed to have a lot of positive things to say about me and the 'Smiths' took me on after they had met me. I had arrived in the home with very few belongings, but there was a general stash of clothes that the kids could use while they were there. It did mean though that I went to Naomi and Paul's with very little, just my carrier bag. They had to get a local authority grant to buy me clothes. Again to my mind this was brilliant. I had very few clothes, and only one damaged pair of shoes. The thought that I could spend all that money on myself to buy clothes was nothing I had ever experienced before. I*

*was able to buy jeans, skirts, dresses, and three pairs of shoes; I had never before had a choice of clothes to wear let alone three pairs of shoes.*

*The Smiths were a lovely couple and they were very good to me. They were a Jewish family and I was interested in all their customs. Naomi was a maths teacher and Paul had his own electrical supply business in Islington. They were so kind to me and went beyond anything that I could have expected. They applied for a grant to take me on holiday which they got. It was a family holiday. They took me to a place called Goudhurst in Kent to stay in an oast-house holiday home, and I had the time of my life. They brought their daughter, Janine who was a toddler and their friend Angela who was a Hari Krishna and let me bring my friend Kate as well. We would play board games and cards. This situation was very beneficial at the time but it didn't last. During the 1980's the policy was different regarding kids in state care to how it is now and a major difference was that at the age of 16 state financial support ceased for foster parents.*

*This coupled with the fact that my foster parents also had another baby during the time I was there, Alex, meant that my time with them had to end. At the time I took it very badly. I think during the time I was with them I had begun to feel that I could just become a member of their family. Unfortunately it wasn't their plan to keep me forever. This was supposed to be a temporary placement until I left the care system, and they did a great job while I was with them but this didn't mean that they wanted to keep me. I think that the time I was with them was probably quite a test for the family unit, even if I didn't see it like that at the time. Once*

*again other people were in charge of my life and there was nothing I could do about having to leave. I didn't want to move out but I was totally powerless.*

*This experience was still overall very beneficial one in demonstrating to me that there was another way of living in family life. To a certain extent it is the good experiences that I have tried to replicate in some way in my own life as it is now. Naomi and Paul were a normal family but they had a very definite structure within which they contained their day-to-day family life. It was nice to be part of that. Through this experience I can understand the feeling of safety children get from the certainty and reliability of their surroundings in their home lives. What as adults may seem rather boring as a routine, are the very things that give comfort to children I think because to a certain extent their lives are controlled by us.*

*If we are unpredictable and chaotic I think it worries them and therefore continuity and routine are the process by which they are relieved of that worry and can therefore grow into themselves. I've always been like that with my own four. Certainly I know two things; the impact of these events has been that my family life is lived within the knowledge of having had these experiences, and without certainty your life is chaos. My own personal family life was extremely predictable, particularly when my children were small. I can see that what began as a way of taking care of them, gradually developed into a way of taking care of myself as well.*

*The result of this has been that because I was continually organised with the children, I knew where I was and that meant that I could keep working all the*

*time. The fairly rigid routine I used to run with the children, basically freed up time. The only way that I was able to start up The Archaeology Company and run it with four very young children is because my family life was so predictable. It is much less so these days because they are older, but certainly when the children were all very small and the company was really taking off, my days were managed down to the precise minute, and it was all managed and worked out by writing it all up.*

*When I left the care of Naomi and Paul I was offered some support by social services to transfer to independent living, but I rejected it outright. I knew a few people from school that lived on the Mardyke Estate in Dagenham and I was able to secure a room in a school friends' flat for £30 a week including bills. The Mardyke Estate in Dagenham was one of the roughest estates in Essex. I don't know what it's like now, but at that time it was an unpleasant high rise estate. My options were quite limited but because I'd been there a lot, I was familiar with it and knew people there so I wasn't fazed by it. The only bad part of the estate was the underpass, particularly at night from the bus stop on the other side of the A13. For these reasons, I didn't really have too many school qualifications when I started looking for work, and there were very few jobs available to someone as young and unqualified as me but I needed to get a job. The only option available work wise was commission-only sales. I worked for Irish Life for a while phoning up leads and visiting people in their homes, trying to sell them savings accounts. I was good at this and worked well in a sales environment, but looking back God only knows who these people were buying a financial product from a 16 year old!!*

*I got sales person of the month and in a good month I did okay, but there was no regularity in terms of earning potential and it was costing me to get the train into the office and around London.*

*Also, I thought that it may be dangerous to keep going into peoples' houses and flats so I realised that even though the office knew the address of my 'appointments' this could still be considered a bit risky. I found a sales job closer to home in Essex and that was much easier because firstly it was on the industrial estate on the A13 opposite the Mardyke, and secondly it was basic plus commission. It was really very important in terms of surviving that I was always working as I had to pay for my room and cigarettes. The job paid £60 a week basic and was selling vending machines – either coffee or cigarettes, mainly to pubs and offices. I do remember it was very hard to live on that. After I had paid my rent and bought my cigarettes during the week, there wasn't a huge amount left.*

*It seems impossible looking back from where I am now, that this could have been my life at that time. The job at the vending company was cold-calling telesales, sitting at a desk going through the Yellow Pages and contacting businesses 'cold' by telephone to see if I could make an appointment for one of the salesmen to go to that business and sell them a vending machine contract. I was good on the telephone but this was a dead-end job and the people there were pretty rough. With these experiences under my belt it did however mean that I was able to apply for a different type of sales position, which I did for an organisation called Stanley*

*Davies Company Services. I was successful and in comparison to my two other previous jobs, it was fantastic.*

*I was answering the phone in the sales department, giving advice on setting up limited companies, and searching company names on microfiche. The other people I worked with were great; we were all quite young although I was the youngest. I felt I was moving up in the world and I moved away from the Mardyke estate and took a room in a house in Croydon. I felt that I had a decent bit of regular money coming in, I was going out and meeting new people and I was treated nicely there and loved going to work.*

*Working at Stanley Davis made me realise that I really needed to get some qualifications if I was going to be able to get on, so I enrolled in a technical college at night to get maths and law. I was finding the little training on company law that we, the sales staff we given to be very interesting, and I wanted to take this interest further. After a couple of years working there, I could see that solicitors and experts in company law had good career prospects, and were respected and had interesting jobs so I thought I may want to be a solicitor.( I already had an English O level and RE). I then thought that my best chance of getting a job in law without a degree was maybe to work as a solicitor's clerk, and become a 'legal executive', so aged about 18 I got a job as a clerk in a firm at Lincoln's Inn Fields near the law courts in Holborn 'Maples Teesdale Solicitors' I got this job on the basis of getting good law exam results from my night course, and they were impressed with the fact that I had done those courses. This was another good job and involved a lot of photocopying, but also bringing documents*

*around to barristers and other solicitors as well as filing documents at the High Court. This was access into another world and I enjoyed being around the courts. Everyone in Maples Teesdale was so calm, so polite, well spoken and respectful. I knew that ideally that's exactly what I wanted to be like. I started trying to dress smarter, by copying the clerks and the solicitors. I was intimidated to the point of speechlessness by the partners, but it didn't matter as it was lovely to even be around them all in their lovely offices.*

*I had moved home again and by 19 was subletting a council flat with a boyfriend on another council estate, this time in Brixton East London. Not long after we moved in the council tenant decided he wanted to move back into his flat. We could stay for a bit longer because of the lease but I knew that I would soon have to move yet again. I was fed up with moving and with everything else that had happened to me it led to an absolute drive to buy my own property. My life had constantly been disrupted by the issue of where to live. Very clearly I had the strong impression that the only way to gain security with my living arrangements, was to buy property.*

*I had originally started at Maples Teesdale on quite a low salary of £9,000 per annum which wouldn't have been enough income to buy a place. However, I was doing well there and they had raised my salary to £11,000 and as soon as they did I knew I had enough salary to purchase. The minimum amount that a flat would cost in a reasonable area in Essex was around £30,000 so my salary was enough at three times salary. Also because this was a solicitors' firm they had a*

*department dealing with conveyancing, and they very kindly saved me quite a lot of money by doing all the legal side of the purchase for me for free.*

*This meant that with the bit of money that I had saved up for a deposit, buying my own place was do-able. There was a major problem at the time when I started the purchase, because during the 1980's there had been an overheated property market, followed by a financial crisis, recession and property crash. On the one hand there were a lot of repossessions coming to the market which meant I had a possibility of buying a better place for the money I had, but on the other hand it was next to impossible for me to secure a mortgage. Even though I had savings, a permanent job and a good credit history the fact that I was so young (19 at this stage) and a single young woman meant that I had to approach six lenders with an application before I finally got approved. I had a good credit history, but not a lengthy one. Most of the lenders would not consider me without a parental guarantee because I was so young. The solicitors again, were very good and could see this was a problem so they wrote me a letter of recommendation, telling the mortgage companies that I had a secure income, in place of a guarantee. Only one company in the end would accept this, Northern Rock, but it meant that by the time I was aged 20, I had the keys to my first property.*

*At this time everybody I knew thought I was nuts as it would 'tie me down', but I needed this property as a symbol of security. It was a 'conversion' flat which meant that it was a large studio apartment, with a separate kitchen and bathroom, within a huge old detached Victorian house. I had a survey done which told me it was structurally sound and I eventually paid £32,000 for it reduced from £55,000.*

*It was in a really good area, and although it was in a run-down condition I knew I could fix that. The mortgage was going to be £150 a month cheaper than the rent for the flat in Brixton, it was much safer than the estate and I could walk to the station to get a train into work. I felt pretty good because for once nobody could uproot me, it was down to me to pay the mortgage and that was all. I had needed to stop a very chaotic element of my life, and after this basic need was sorted, I very much felt I could actually begin to properly get on with my life.*

*The impact of having nowhere regular to live for so many years was significant and clearly had a huge impact on me. It is, from one perspective, perhaps a surprising thing for someone to own their own property from this age. From my perspective, I had no choice; I had to own my own property. The flat has already appeared in this 'story' as I used the proceeds of it to buy our house in Birr that were used as offices, then offices again and now rented out. Also, I used what was left of my money from the Westmoreland Avenue sale in 2002, to set up 'The Archaeology Company'. Everything changed for the better again after I bought the flat. I had been hoping to get promoted to a trainee legal executive with Maples Teesdale but soon after I bought the flat the firm took on another young woman the same age as me who they decided to promote while keeping me as the clerk. I could see that from the outside everything about the new clerk was better than me. From the way her hair was cut, to how she spoke and the clothes and shoes she wore. She fitted in effortlessly into the environment but I in contrast was working really very hard to fit in and in doing so, of course I ultimately failed to do so.*

*I hadn't seen it so clearly before the new clerk arrived, how different I was until I stood side by side with someone who I would very much have liked to be exactly like, someone who I had been trying to be like. I felt like an idiot for believing that I had achieved something more with buying the flat, but immediately I could see that I had not. Having the flat wasn't enough to make the change in how people saw me, so while I thought that this firm had been great helping me to buy the flat and I would forever be grateful, I just couldn't take the disappointment. So I left really soon after applying for another job. I applied for a graduate training job at the Legal Aid Board in Holborn. I was very surprised to have got it because I applied to go on a fast-track training scheme for law graduates, and there was a stringent interview process with several interviews and it was actually a pretty good civil service job.*

*My salary went up to £12,500 per annum which was also great. There were 8 of us that started on the graduate training scheme and we had two weeks of training before-hand while they assessed what department we would be most suited to. It turned out that I had started on a slightly higher salary than the others because of my work experience in the solicitors. This gave me a confidence boost because it made me feel equally valued, even though I didn't have a degree. I was allocated to the finance department, so my job was to examine the submitted bills of barristers and solicitors and check they were submitting correct amounts. I also had to calculate the statutory charge which was the amount that people had to pay back to the Legal Aid Board if their cases had been successful. I also calculated whether people were eligible for Legal Aid. We had to take written exams every 6*

*months, and I was good enough at them and my job that the Board offered to sponsor a law degree in order for me to develop my career within the organisation.*

*Again, this increased my confidence because it meant that people were taking an interest in my academic development and that obviously they thought I had the potential to get a degree. Management at the Board considered that it would ultimately be necessary for me to have the relevant qualifications if I planned on making progress with them into a more senior position. This was a significant moment in terms of moving my career towards something more academic and ultimately the beginning of setting up an 'archaeology' company rather than a 'law' company or a 'whatever' company. I decided that if I really had the ability to do a degree then I would prefer to go it alone and not be tied into the Legal Aid Board for the rest of my working life. In order for them to sponsor the degree I had to sign quite a significant contract with them, and I very much needed to be my own person. I applied instead to study archaeology at London and Nottingham. London turned me down outright on the basis of my lack of qualifications. They advised me to take some 'A' levels or an access course and reapply in a couple of years. I didn't want to spend too many years doing that because I figured that I could almost have the degree itself within a couple of years. Nottingham University however accepted me as a mature student on the basis of an interview and I left my job deciding to spend some time travelling abroad before beginning my new life as an undergraduate student at Nottingham. I was 24 when I started as archaeology undergraduate student.*

*In order to facilitate this new student life I rented the flat out to a series of tenants for years. Because the property market lifted after my purchase and I had bought it quite cheaply, the rental income was significantly more than the mortgage repayments. I had bought a slightly shabby property, but I had renovated it and it was in a good area which then became a really very popular area for young professionals commuting into the city. While I was abroad, and then while I was at college I always had a job and always worked, but I also always had the flat as both an investment as well as a source of income, which was useful to me. Although it may seem contradictory to own the flat and then only spend a couple of years living in it, it isn't because all the time I did so many other things, I always knew it was there. I owned it for almost 13 years, and I would save my rental income separately, and then draw on it when I needed things over and above my income, particularly when I was at college and funds were sometimes short because I wasn't working full-time. I think I was just doing what I needed to do by going to college, and I did that by using what I had, and trying to get on the best way I could.'*

## **7.2 What is Entrepreneurship?**

Entrepreneurship can be considered to be a complex process whereby certain life history events are recalled which form the unique biography of the entrepreneur, and his or her capacity to learn. Some researchers consider that entrepreneurship consists of a 'rich and complex process by which entrepreneurs learn to negotiate the management of growing a small business' (Karatas-Ozkan and Chell 2010, p.30). This thesis makes a contribution by examining empirical data that describes

the complexity of entrepreneurship in different ways. The different emic accounts provide some substance to the idea that entrepreneurship can mean several things, not only to researchers but also to the entrepreneur his/herself. Furthermore, this thesis demonstrates that if the entrepreneurial process is considered as practice, this practice begins in the entrepreneur's life history.

In the previous chapter, Chapter 6, I have argued that entrepreneurship is 'entrepreneurship'. Entrepreneurship involves creative problem-solving and the transformation of resources from present-at-hand to ready-to-hand. This chapter now explores the notion that entrepreneurship is also *Dasein* as an entrepreneur, within the subjective prior experiences of the entrepreneur's life history. The methodological approach to the thesis takes the view that 'existential or existential-phenomenological approach to studying human thinking, feeling and being can provide insights' (Woike 2008, p. 103). The insight of this chapter is the description of what entrepreneurship has meant for this entrepreneur's life world.

From the emic perspective of this entrepreneur, this chapter provides insight into the process of setting up and running the Archaeology Company. This process provided me with security equally as it presented me with problems, because the company provided me with the means to continue my ontological project of 'getting on' and becoming someone that I wanted to be rather than how I may have alternatively been.

### *7.2.1 Entrepreneurship as the Ongoing Practice of Lived-Experience*

The experience of running my business was at times constantly stressful, but I was never in any physical danger. When I left local authority care, I found that situation very chaotic and stressful and gaining control and order in my life could only be achieved by working hard. I understand that other people, having experienced similar events, are not as able to leave them behind in the same way, but for me personally the solution to my problems was found in continually working very hard. This learnt practice of solving problems through working continued while I set up and ran 'The Archaeology Company'.

As I continued to work after leaving foster care and circumstances changed, it became equally important to me to survive intellectually. I understood that many of the jobs I had been doing were not the way I was planning on spending my life. The only way that I could achieve intellectual survival was to apply for jobs that I was not really qualified for, but still giving it a go. Part of the refusal to accept my 'fate' was that rather than thinking about what I didn't have, I needed to use what little I did have to the best possible effect within difficult circumstances. I used ready-to-hand resources such as 'being good on the phone', and of course the ability to work hard. Again, with 'The Archaeology Company' this practice of making the best out of whatever was to hand to solve problems became a useful resource in itself within the entrepreneurial process.

Equally, I had practice at transforming present-at-hand into ready-to-hand, for example the solicitors firm where I worked that did the conveyancing on my flat- and indeed the flat itself. My flat was constantly transformed between ready-to-hand and present-at-hand because firstly it gave me a sense of security, but also provided me with the income I needed to go to college. This emic account gives some insight into entrepreneurship as practice, both in the practice of *doing* as well as the practice of *being*. For Gibbs (2008), Heidegger would describe this understanding and transformation of ‘tools’ as a practice, a making sense of our world through ‘circumspection’. Gibbs describes this as the way ‘we see our circumstances — our situatedness — not in a theoretical way, but in the sense of *praxis*; an environment that enables us to act...the way we get on and ‘do’ (ibid. p.424).

Things were useful in their serviceability to me but this usefulness is subjective because the serviceability is only recognised when the need for a particular ‘tool’ or resource, arises. The process of entrepreneurship that I underwent exercised a personal ability to create and transform resources into new serviceable tools that would facilitate the growth of my company. This personal ability appears to be a practice that I have learned as an extension of my ongoing life experience. Without having had this practice I may not have been successful with the company.

The philosophical question of being facilitates examining the issue of the impact of prior experience on the interpretation of the current one(s). The experiences described in *emic* narrative (ii) above will clearly have impacted on my character but these impacts are not in themselves what made me become an entrepreneur. It is clear from the narrative that I may just as easily embarked upon an alternative life trajectory. Although it may also give credence to the position that some entrepreneurs may be more likely to have unusual life histories that impact upon them by providing them with an unusual set of resources to draw upon. I will discuss this in the next section on psychodynamic theory.

### **7.3 Entrepreneurship as Stories: Psychodynamic Theories**

This chapter has contextualised my work history and educational background through the presentation of an *emic* autobiographical story. This section explains some insights into this *emic* account by examining psychodynamic theories of entrepreneurship (e.g. Kets de Vries 1976). Psychodynamic researchers consider that entrepreneurship is an experience whereby life history events are recalled through autobiographical memory. Psychologists have been investigating the links between memory, consciousness and the self for decades, for example Adler (1931) and Freud (1915) (Woike 2008).

Woike also argues that there is a strong and important relationship ‘between the aspects of the self, including goals and motives, and to autobiographical memory...memories of personal experience have been found to be closely related

to various aspects of personality, including formation' (ibid. p.100). Psychodynamic theories are psychologically grounded because they suggest that formative experiences impact on personality and personality then impacts on the individual experience processes.

### *7.3.1 Psychodynamic Approaches in Entrepreneurship*

Within the entrepreneurship literature, there have been calls for a better understanding of entrepreneur's subjectivities, particularly 'the stories that entrepreneurs tell about themselves in the present, as to how their views of the past, present and future are seen, and then acted on in their day-to-day lives' (Gartner 2008, p.360). A psychodynamic approach to entrepreneurship was originally developed with a view to advance a typology of different styles of entrepreneurial leaders.

The theoretical position is that there is an entrepreneurial personality which is shaped by social, economic and psychodynamic forces (Kets de Vries 1987, 1997; Kets de Vries and Florent-Treacy 2003). My experience leads me to agree with part of this assertion, but not all. The entrepreneurial personality is partly developed through the subjective process of entrepreneurship itself. The emic account (ii), demonstrates that my previous life experiences have developed an innate resourcefulness, which I then drew upon in the process of entrepreneurship.

The psychodynamic approach argues that the narratives of formative experiences offer a representation of the individual entrepreneurs internal 'meaning systems' and subsequently how they construct their reality through interpretation and shared meaning Shamir and Ellam (2005). This approach maintains that experiences shape character and life issues as well as the way these issues will be enacted in both their personal and professional lives. The psychodynamic approach explores the ongoing relationship between the entrepreneur with their specific needs and desires, and the way in which they enact their organisations. Particularly of interest to these theorists is how 'important issues rooted in the entrepreneurs past shape entrepreneurial strategies...emotional factors can and do play a major role in directing entrepreneurs attention' (Kisfalvi 2002, p.493).

This approach has been developed from the psychological characteristics tradition, for example the implicit motivation of need for achievement predicting entrepreneurial activity over time (McClelland 1965/1987). Janson (2011) similarly describes how characteristics relating to self efficacy are developed on the basis of personal life experiences particularly those such as practical experience and how that relates to leadership. For example, the psychodynamic or life-story approach can 'emphasise the interpretation that people make and the meanings they ascribe to their experience over the facts of the events themselves....individuals necessarily make choices about which events they detail and expose as having developed their leadership' (ibid. p75).

Furthermore, researchers argue that although it is clear that remembering all life events is beyond the cognitive capacity of human beings, the small sample of life events we do choose to remember is significant (Woike 2008). Woike explains that when asked to write narratives about important experiences that people have had, the individuals' implicit motives are reflected in the stories they tell (ibid.). The narratives people write are themselves 'a representation of individuals meaning systems from which reality is interpreted and given personal meaning' (Janson 2008, p.76). Writing about these experiences for the *emic account (ii)*, reflected the deeper personal meaning that entrepreneurship had for me, as well as exposing some implicit motives for embarking upon and being able to cope with the venture creation process. Life experiences and formative events are considered important motivators because both the personal sphere and the professional sphere can 'echo them...and previous experiences colour the way an individual interprets and react to these events' (Kisfalvi 2002, p.493).

Psychodynamic theory has also then been linked to life issues by the strategic direction an entrepreneurial firm will follow (Kisfalvi 2002). This theory particularly reflects on entrepreneur's formative experiences and how they interact with the issues or projects that they subsequently decide to pursue (Kisfalvi and Maguire 2010). This research presents support for the idea that issues such as financing can be greatly impacted upon by the entrepreneur's life history. For example, Kisfalvi (2002) argues that her research demonstrates that in financial decision-making an entrepreneur whose 'life issues turn around questions of

survival, autonomy and a need for action can respond rapidly...[and] finance an acquisition through internally generated funds' (ibid. p.5).

I would agree with a general theoretical approach that addresses entrepreneurship is a process that is not 'fixed in time and space but draws on one's earlier experiences in life and reflects a transformation, which is about enacting a future' (Karataş-Özkan and Chell 2010, p.35). I am not convinced that previous life experience and history can serve as a tool for the prediction of entrepreneurial activity. That is because if it is accepted that entrepreneurship is a process that is in-the-making and transformational, an entrepreneur has become an entrepreneur through practicing the process of entrepreneurship. Rather than these life history experiences making me an entrepreneur, they made me resourceful.

#### **7.4 Entrepreneurial Practice and Existential *Habitus***

The practice of entrepreneurship as the practice of Dasein raises the question 'how can past experience be transformed into a resource, useful for entrepreneurial practice?' Karataş-Özkan and Chell (2010), describe this in the context of Bourdieu's *habitus* which is 'the actors embodied practical knowledge and comprehensive world' (ibid. p.81). Bourdieu emphasises practice as a way of being able to fully understand a situation. This emphasis brings me back to the difference between my original 'why' question and the development in the emic accounts into the 'how'.

In order to answer the question ‘what is entrepreneurship?’ in the context of the thesis, it is simply inadequate to only describe the outcome. In this way a researcher should not be ‘satisfied with only a study of the products of human work, he also has to construct the situation in which the products were produced’ (Glorstad 2000, p.187). The situation that produced my rapidly growing company was affected by how that was constructed, which in turn was affected by my previous life history.

Glorstad argues that reality must be considered as a constructed and reconstructed praxis, whereby individuals are practical beings in a practical world (ibid.). *Habitus* regards that the structures of society are incorporated into the bodies of individuals through their historicity; their lives and *habitus* are formed by the social conditions within which they live. In order to research entrepreneurship then, ‘one has to pay attention to the thoughts and representations of the agents because it is their ethos, their expectations for the future and their resources that are their subjective engine for practice...this practice can only be fully understood in the context of the shape of the field and their position within it’ (ibid. p.189).

Entrepreneurship viewed in this way is not a completed function, rather it is always a process of becoming, with the entrepreneur practicing their embodied habits within the organisations that they construct. Human history plays a role in developing the entrepreneurs ‘feel for the game’ in terms of their personal becoming (Karataş-Özkan and Chell 2010). *Habitus* is a reflection of life

experiences and these represent the union between existential past and transformational present. *Habitus* transforms past experiences into a resource by making them useful in the interpretation of present experiences; which in turn are of themselves experiences.

#### 7.4.1 *Schutz, Process and Practice*

Heidegger (1926/1962) argues that we are ‘Beings in Time’, which is a reflection of the ongoing and temporal nature of being. In order for life to progress we need to also accept the uncertainty of always moving through time, because life is never still (Langford 2002). This is the origins of human anxiety, our lives are always in progress which means that life can never be a ‘being that is discrete and well-defined but a constant transition of now-thus to a new now-thus’ (Schutz 1932, p.45). Within the progression of life, some individuals decide that our lives would be improved through entrepreneurship.

Like Heidegger, Schutz (1932) was also very critical of attempts to treat social phenomena exactly as if it were a ‘natural phenomenon, that is causally determined by physical events’ (ibid. p5). He asks ‘can the history of man and his culture be reduced to laws such as those of economics? Or, on the contrary can we not say that so-called economic and sociological ‘laws’ merely express the historical perspectives of the age in which they were formulated?’ The absence of scientific laws to tell us ‘what entrepreneurship is’ or to predict ‘who will be an entrepreneur’, does not mean that the process is completely unintelligible either,

rather if it is to be understood as practice then it may be approached not as an ‘experimental science in search of law but an interpretative one in search of meaning’ (Geertz 1973, p. 5).

This is because entrepreneurship is not ‘action in a box’. Rather it is action that emerges from other actions and experiences (including past as well as present), and other actions and experiences then emerge from it, because life, and entrepreneurship is continually moving forward. In my experience and in my life-world entrepreneurship has been just one aspect of a life that consists of many phases. The phases are not simple enough to have a defined end or beginning because ‘each phase of experience melts into the next without any sharp boundaries as it is being lived through; but each phase is distinct in its thusness, or quality from the next insofar as it is held in the gaze of attention’ (Schutz 1932, p.51).

The gaze of attention in this thesis falls on the process of ‘entrepreneuring’ as an active process that led to a rapidly growing firm. However, the experience of entrepreneurship was complex and occurred on different levels such as the level described previously in the time-line in Chapter 3. Entrepreneurship was also as a practical problem-solving process as described in Chapter 4, and now in this chapter entrepreneurship can be demonstrated to be the extension of a subjectivist and existential Dasein. Each different experience and activity that I undertook and that is described in this research as ‘entrepreneurship’, was constructed by various

multi-levelled activities such as ‘the activity as it occurred, various kinds of attention to that activity, retention of the projected act, reproduction of the projected act and so on’ (ibid. p.63).

The ongoing reframing of entrepreneurship as my ‘projected act’ consisted of experiences within experiencing. Without action, the projected act only becomes the project of the act, because entrepreneurship would be ‘a mere sketch with many empty places and variables in it. These empty places are filled in and the variables given value as the action progresses step by step’ (ibid. p.64). Life experiences may have made me resourceful but this in itself did not make me an entrepreneur. I became an entrepreneur through step-by-step learning and ongoing practice of constructing my company.

## **7.5 Conclusion**

This chapter has looked at the meaning of entrepreneurship in the wider context of the entrepreneur’s life. It has described the inherently existential nature of entrepreneurship by locating it as part of an ongoing lived-experience. I have connected the lived-experience of entrepreneurship with the ongoing nature of existence by presenting my *emic* account (ii). I have also examined a theoretical perspective in entrepreneurship that incorporates life history and personal stories into its research; psychodynamic theory. I have looked at my experiences as a form of *habitus*, and linked Heidegger with practice and the entrepreneurial process with a brief consideration of Schutz.

I outlined in my methodology chapter, Chapter 3 the difficulties associated with undertaking this type of research. There is a temptation to exclude the uncomfortable, and to include only the agreeable. However, for Chell (2008) a persons' reality is shaped by...perceptions of their present situation – and an interpretation placed on them that draws on recollections of past events and shapes suggestions of possible futures...[F]rom experience and social learning, a person builds up a repertoire of action possibilities – some more familiar than others' (ibid. p.206). The activities I undertook in the business can be further explained by this chapter and the disclosure of events that have shaped my reality. For example, it will now be clear how my telesales background impacted on the way I set the business up, as well as being clear how I came to have experience of this type of work. This chapter can provide a deeper context for the thesis, in that it explains why I had to be financially self-sufficient from an early age, and the lessons I learnt by buying a flat so young, and how this in itself again impacted upon my business dealings.

Existentialism situates the ontological as primary and the existence of me as 'an entrepreneur' lay in my transactions with a situation that both constituted me as an individual as well as me then constituting the situation (Annells 1996). This process was participatory and relational, that is I became an entrepreneur by doing it, rather than being an entrepreneur and so *then* doing it. This becoming was part of a wider life story where part of my being was entrepreneurship which in itself

was ‘engaged in a web of meaning and basic human values. It was not a distinctive entity. It is not grasped in isolation’ (Gibbs 2008 p. 425).

In this way, to have excluded this chapter and only included the *emic account (iii)* in Chapter 4 would have constructed an inaccurate discourse about me as an entrepreneur and my own personal reality. This story explains a perspective that describes the foundation of why I understand the world to be the way that it is to me. It’s a difficult story – yet so is entrepreneurship. In my view, by excluding significant past events and experiences that impacted upon the process because I was uncomfortable, may not have constituted rigorous work.

The philosophical approach that I have taken, would not facilitate me deliberately bracketing these experiences out of the thesis. Also, it has been argued by researchers that ‘relatively little is known regarding how individuals experience the process... [every] entrepreneur has a unique experience’ (Schindehutte et al 2006). By presenting the only the data from *emic (iii)*, the question of ‘how’ I experienced a rather extreme process in the way that I did, would remain unanswered. This chapter makes a contribution to the thesis by a phenomenological analysis of the entrepreneur’s prior experience that adds depth to the account of entrepreneurship as lived-experience. This extends the philosophical approach of a subjectivist view of entrepreneurship, rooted in individual existence, outlined during Chapter 3.

Finally, this chapter aims to move away from the notion of entrepreneur merely as rational actor. Casson (2010) has argued that a theory of entrepreneurship should be based on rational actor principals because these can ‘explain a great deal about how good judgment is supplied...it is possible to predict how entrepreneurs will behave on the basis that they will make the best possible use of the judgment that they possess’ (ibid. p.377). For Casson, entrepreneurship can be explained as superior economic judgment. In this way then, entrepreneurs possess better information about markets than other people, and entrepreneurship is about acting upon that and acquiring a temporary monopoly’ (ibid. p.379). By including this chapter I aim to demonstrate that entrepreneurship is considerably more multifaceted and complex than that. Entrepreneurship is the process of transforming resources from present-at-hand to ready-to-hand, and making them useful to practice. How this is achieved is located in time, experience and Dasein.

## **Chapter Eight:**

### **Conclusion: What is Entrepreneurship?**

#### **8.0 Introduction**

The thesis has explored the research question ‘what is entrepreneurship?’ through a phenomenological enquiry into the venture creation processes of a firm. It has used a Heideggerian phenomenological philosophy which has been extended into a subjectivist phenomenological methodology. This methodology has facilitated two views on entrepreneurship which have represented both the emic and etic perspectives. The thesis has addressed the research question by asking the following associated questions:

- What is entrepreneurship according to the dominant philosophical approach positivism?
- What is the impact of positivism on the methodological approaches taken in how academics undertake entrepreneurship research?
- What is entrepreneurship as experienced by the entrepreneur?
- Is entrepreneurship a process that involves the identification, creation or discovery of opportunities?

- How important were the opportunities and resources in the venture creation process of ‘The Archaeology Company?’
- How does past experience get transformed into a resource that is useful for entrepreneurship-as-practice?

This chapter will present some answers to these questions in conclusion to the thesis. Furthermore, I will also suggest here some implications for research, as well as describing where my theory of entrepreneurship is placed as an alternative to the existing epistemological framework of ‘opportunity theory’. I will also use this chapter to discuss how this study may be replicated by other researchers and the possibility for future research.

This chapter is structured in the following way: Firstly, I shall draw from my thesis my conclusions as to ‘what entrepreneurship’ is. This will be framed as an answer to the research questions outlined above. The second section of this chapter will outline my research contributions and findings from this study. Thirdly, I will describe and explain my propositions developing a theoretical alternative to opportunity theory. The fourth section will discuss some implications for the theory and practice of entrepreneurship, including some limitations of the study.

## **8.1 Conclusions to the Research Question: What is Entrepreneurship?**

Positivism has had a significant impact on the development of what researchers consider entrepreneurship to be. This can be seen where entrepreneurship is

considered as either the outcome of (a) economic function, or as (b) an event driven process. Both of these assume the existence of entrepreneurial opportunities. I have demonstrated that researchers that consider entrepreneurship to be primarily about economic function are influenced by positivism in the following way. Because of the dualistic nature between objective market and subjective actor, entrepreneurs are simply regarded as functioning to exploit a predefined and objective market (Sarasvathy 2008).

The dualism that has developed from positivism considers then that entrepreneurs respond to an entity that is already there. Casson (2010) states that ‘an entrepreneur is what an entrepreneur does’ (ibid. p.6), and entrepreneurship in this framework is ‘an activity that involves the discovery, evaluation and exploitation of opportunities to introduce new goods and services...that had previously not existed’ (Shane 2003 p.23). Opportunities represent the positivist domain of entrepreneurship.

Positivism has also had an impact on process-driven approaches to entrepreneurship, even as they frequently position themselves as the alternative to positivism. In this view entrepreneurship is the subjective construction of opportunities during a creation process whereby ‘new markets spring from unique individual perspectives’ (Harmelling 2011 p.295). The focus is therefore still on entrepreneurship as a process of developing and creating economic opportunities (Dimov 2007a; 2007b).

The impact of this methodologically is that while some researchers uncritically adopt positivist methodologies to examine entrepreneurship as economic function, interpretivist researchers adopting a process perspective are in danger of incorporating qualitative research methods to examine a positivist paradigm. This thesis has taken a different approach and incorporated a subjectivist phenomenology methodology in order to answer the question ‘what is entrepreneurship’ from the perspective of the entrepreneur.

The empirical evidence from the entrepreneurs emic account (iii) in Chapter 4 describes entrepreneurship from the level of the entrepreneur. Entrepreneurship is described as being a process of difficult and complex steps as opposed to being dependent on the identification of a good opportunity. The activities that accompanied these steps, I suggested in Chapter 6, were part of a process of continual change, the practice of developing expertise from crisis and the gradual transformation from a lack of control into an organisation. I conclude that entrepreneurship is a process that consists of a great many connected activities, but does not consist of the identification, creation or discovery of opportunities.

In the case of ‘The Archaeology Company’ I have demonstrated that what was being created through the process of entrepreneurship was firstly an entrepreneur, and secondly a company. The resources of the entrepreneur during that process were critical – the opportunity almost irrelevant. The process of what can be drawn upon and used as resources is located within the subjective experiences of the entrepreneur herself in this case, and this has been accessed because of the

consistency between an existential phenomenological ontological approach, and the methodology.

## **8.2 Contribution**

I have asked the question ‘what is entrepreneurship’ in a different way in each chapter in the thesis. This section now deals with the theoretical contributions of the thesis.

Firstly, my case data demonstrated that entrepreneurship is a complex process of practice-driven activities that do not include opportunity discovery, creation or identification. This view is a result of the emic data I presented in chapter 4 which described in some detail the necessary elements of setting up my organisation – but did not emphasise the opportunity. This is a contribution to the literature because it explicitly contrasts with the prevailing view of entrepreneurship, opportunity theory.

The entrepreneurship literature mainly focuses on the discovery, identification and creation of opportunities and this concept is considered to be critical to the new venture creation process (Shane 2003 Stevenson and Sahlman 1989; Stevenson and Jarillo 1990; Hart et al 1995). I have made a second contribution by examining this theory in the literature and arguing that it is a flawed construct. Opportunity theory is theoretically deficient due to the dominant ontological perspective and lack of epistemological development. Furthermore, it is also flawed because opportunity theory is of little or no use to practitioners.

A third contribution of the thesis is the presentation of the emic case data. Few empirical studies in entrepreneurship offer such in-depth data describing a first-person account of the processes and meanings involved in setting up and running a rapidly growing organisation.

The fourth contribution is that the methodological approach developed a subjectivist phenomenological methodology that captures the entrepreneur's life-world experience by advocating the use of both emic and etic perspectives. This approach contributes to entrepreneurship by demonstrating how entrepreneurs can be studied in an alternative way. The case-data emic accounts collected with this methodology provides the insider view of an entrepreneur's activities. This is an insight from the entrepreneur's perspective as to how problematic entrepreneurship can be, and how ongoing problem-solving facilitated building the structure of a company.

### **8.3 Developing an Alternative Theoretical Position for Entrepreneurship**

My theoretical position is that entrepreneurship is a process of practice-driven activities that involve an active engagement in a socially embedded process that draws upon both the experiential and tangible resources of the individual. This allows entrepreneurs to solve problems by creating and controlling an effective economic entity, through the transformation of these resources for use within an organisation.

This view of entrepreneurship has developed from my review of the literature as well as my case data analysis. In the entrepreneurship literature the question ‘what is entrepreneurship’ is viewed as either an economic function or an economic process. As an economic function entrepreneurship involves recognising the objective *ex ante* opportunities in the market. Entrepreneurs in this view are extraordinary because they are daring enough to take risks, and alert enough to identify them (Kirzner 1997; Koppl and Minniti 2005). They need to possess better judgment than non-entrepreneurs (Casson 2010), and the environment within which they operate is straightforward as long as the opportunity they identify is good.

Alternatively, entrepreneurship viewed as an economic process considers that entrepreneurs engage in creating opportunities. These opportunities only exist *ex post* and entrepreneurs in this view are involved in creating opportunities through the processes involved in setting up new organisations (Fayolle 2007). This process is considered to be more complex than simply identifying an objective opportunity. A subjectivist view of the process of entrepreneurship recognises that unique individual perspectives have a part to play in forming and creating opportunities (Chell 2008), as well as in the creation of new markets (Harmelling 2011).

The case data from ‘the Archaeology Company’ developed into an alternative perspective, because it showed that the process of entrepreneurship does not evolve around either identifying or creating opportunities in the economically driven manner that these two perspectives suggest. The case data demonstrated

that entrepreneurial opportunity did not feature as a major part of the process – rather the process was one of practical problem solving. This process drew upon the implicit resources of the entrepreneur’s personal experiences as well as transforming the explicit resources of the organisation into solutions to those ongoing problems.

Therefore entrepreneurship is experienced by the entrepreneur on multiple, equally complex levels, these levels include the economic, but this should not be the only research focus. This is because entrepreneurship is another ‘form of life’ (Chell 2008, p. 238) and as such is social, existential, personal and emotional – not to mention difficult. It is best described as the subjectively experienced process of ‘entrepreneuring’ (Steyaert 2005) because entrepreneurship is the process of learning by doing and learning through practice.

The emic accounts described this practice but rather than describing a straightforward and rational *homo economicus*, the case data described an entrepreneur making complex use of the various tools and resources at her disposal to solve the ongoing problems that arose from setting up her company. These activities were practical and more akin to *homo habilis* than *homo economicus*.

As a practice-driven activity the case data described the venture creation process as very problematic, so I have concluded that novice entrepreneurship in particular can be regarded as operating in a hostile environment, as opposed to an opportunistic one. This hostile environment can be resolved by the entrepreneur

creating or effecting endogenous order – in addition to possible new markets and services (Sarasvathy 2007). This I have shown to be very difficult, but through the creation and effectuation of endogenous order, new organisations are created by the entrepreneur rather than opportunities.

Table 8.0 below on pages 352-353, illustrates the way that the case data emphasises the process at the level of practice-driven activity. The final column in the table answers the question ‘what is entrepreneurship?’ from the emic perspective of the entrepreneur. The table also compares this position to the previously discussed economic function and economic process views.

	ENTREPRENEURSHIP AS ECONOMIC FUNCTION	ENTREPRENEURSHIP AS ECONOMIC PROCESS	ENTREPRENEURSHIP AS PRACTICE DRIVEN ACTIVITY
<b>WHAT IS ENTREPRENEURSHIP?</b>	<p>‘an activity that involves the discovery, evaluation and exploitation of opportunities to introduce new goods and services...that had previously not existed’ (Shane 2003, p.23).</p> <ul style="list-style-type: none"> <li>• A noun (positivist)</li> <li>• An economic function i.e firm performance</li> <li>• Economically rational behaviour</li> <li>• The enactment of homogenous entrepreneurial characteristics</li> <li>• Opportunities <i>ex ante</i></li> </ul> <p>A dualistic relationship between objective market and actor</p>	<p>‘a psychological predisposition on the part of individuals to take a chance in the hope of gain, and...to commit effort and resources to speculative activity’ (Penrose 1959, p.30)</p> <ul style="list-style-type: none"> <li>• A verb and/or a noun (pragmatic)</li> <li>• Characteristics resulting in entrepreneurship process</li> <li>• Heterogeneous (economic) behaviour</li> <li>• Socially constructed phenomena affecting performance (Karataş-Özkan &amp; Chell 2010)</li> <li>• Creation process of a new activity, a new organisation (Fayolle 2007)</li> <li>• Opportunities <i>ex post</i></li> </ul>	<p>‘active engagement with a socially embedded process that draws upon both the experiential and tangible resources of the individual to create and control an effective economic entity’.</p> <ul style="list-style-type: none"> <li>• A verb (interpretivists)</li> <li>• Subjectively experienced process of ‘entrepreneurship’ (Steyaert 2005; Johannisson 2011)</li> <li>• Experienced on multiple and complex levels not just economically ,i.e. socially and existentially</li> <li>• Is a ‘form of life’ (Chell 2008, p.238), so an emotional as well as economic activity.</li> <li>• The process of becoming an entrepreneur</li> </ul>
<b>WHO ARE ENTREPRENEURS?</b>	<p><b>Explicitly <i>Homo economicus</i></b></p> <ul style="list-style-type: none"> <li>• Entrepreneurs Born Heroic</li> <li>• ‘an entrepreneur is what an entrepreneur does’ (Casson 2010, p.6)</li> <li>• Behaviourally deterministic risk takers</li> <li>• ‘Entrepreneurs are alert; this is what they are like’ (Koppl &amp; Minniti 2005, p.83)</li> </ul> <p>Separate to Opportunities/ the market</p>	<p><b>Implicitly <i>Homo economicus</i></b></p> <ul style="list-style-type: none"> <li>• Entrepreneurs are made</li> <li>• Who is the wrong question (Gartner 1988)</li> <li>• Entrepreneurial Personality socially constructed (Chell 2008).</li> <li>• Creator of futures through constructing opportunities</li> </ul> <p>Separate to the opportunities they construct and the markets they create</p>	<p><b>Explicitly <i>Homo habilis</i></b></p> <ul style="list-style-type: none"> <li>• Entrepreneurs learn by doing</li> <li>• An entrepreneur is <i>how</i> an entrepreneur does it</li> <li>• Practical creators and transformers of tools (resources) and imagined futures</li> <li>• Experts in tool use (necessary pre-requisite for effective problem solving).</li> </ul> <p>Creators of Tools/ resources ready to hand as well as present to hand</p>

**TABLE 8.0: What is entrepreneurship?**

	<b>ENTREPRENEURSHIP AS ECONOMIC FUNCTION</b>	<b>ENTREPRENEURSHIP AS ECONOMIC PROCESS</b>	<b>ENTREPRENEURSHIP AS PRACTICE DRIVEN ACTIVITY</b>
<b>THE FUNCTION OF ENTREPRENEURS</b>	<p><b>An Opportunistic Outcome of the Market</b></p> <ul style="list-style-type: none"> <li>• Kirznerian View ‘to identify’ exogenously</li> <li>• To effectively respond to what already exists.</li> <li>• To exploit a ‘predefined market’ (Sarasvathy 2008)</li> <li>• Entrepreneurial rather than managerial</li> </ul> <p>To have significant economic effect</p>	<p><b>Creating Opportunistic Effects in the Market</b></p> <ul style="list-style-type: none"> <li>• Schumpeterian View ‘to create’ exogenously</li> <li>• ‘New markets spring from unique individual perspectives’ (Harmelling 2011, p.295)</li> <li>• To shape the environments in which they operate</li> <li>• Entrepreneurial rather than managerial</li> <li>• Drive the process</li> </ul>	<p><b>Creator or Effectuator (Sarasvathy 2008) of endogenous order, as well as possible new markets and services</b></p> <ul style="list-style-type: none"> <li>• Thesis View ‘to create <i>and</i> control’ endogenously as well as exogenously</li> <li>• Constructing what is there and controlling what they create.</li> <li>• Creative organisation of people and resources</li> <li>• Entrepreneurial creator of managerial roles and functions</li> <li>• To lead organisation into multiple new ends</li> </ul>
<b>THE OPERATIONAL ENVIRONMENT OF ENTREPRENEURS</b>	<p><b>Opportunistic</b></p> <ul style="list-style-type: none"> <li>• Alertness and Exploitation of opportunities occurs under known economic rules</li> <li>• Straight Forward once the opportunity is good.</li> <li>• External environment is risky but predictable</li> <li>• Entrepreneur needs accurate judgmental skills</li> <li>• Straight forward; rational.</li> </ul>	<p><b>Opportunistic</b></p> <ul style="list-style-type: none"> <li>• Creation of Opportunities under known economic and social rules</li> <li>• Evolutionary Process (Aldrich 1999)</li> <li>• Teleological</li> <li>• Organising takes a normative linear progression</li> <li>• ‘the entrepreneur is liable to modify the environment, intentionally or not’ (Fayolle 2007, p.143).</li> <li>• Complex</li> </ul>	<p><b>Hostile</b></p> <ul style="list-style-type: none"> <li>• Unknown rules result in endless problems</li> <li>• Non Teleological ‘unmoored from specific goals’ (Sarasvathy 2008, p.164)</li> <li>• Internal environment as penurious as the external.</li> <li>• Creative process to manage and control problems</li> <li>• Constant change resulting from intentionally creating organisational <i>habitus</i> (Bourdieu 1990)</li> </ul>
<b>FOCUS OF RESEARCH</b>	<p><b>Identifying the Opportunities Produced by the Market</b></p> <ul style="list-style-type: none"> <li>• Measuring entrepreneurs and their function in the market</li> <li>• Predicting entrepreneurial activity and abilities.</li> <li>• Opportunity through market equilibrium/ disequilibrium (i.e. Shane 2003 etc)</li> </ul>	<p><b>Process of Opportunity Construction/ Exploitation</b></p> <ul style="list-style-type: none"> <li>• Quantifying process, explaining predicting</li> <li>• Explaining and predicting</li> <li>• Opportunity Subjectively Created and Formed (Chell 2008),</li> <li>• Opportunities Fabricated (Sarasvathy 2008)</li> <li>• Function and Character</li> </ul>	<p><b>Processual Organisation Construction</b></p> <ul style="list-style-type: none"> <li>• Practical entrepreneurship as ‘entrepreneurial expertise’</li> <li>• Resources created identified or transformed.</li> <li>• Actions as an adaptive sense making process (Weick 1995)</li> <li>• Experience as the origin of resourcefulness</li> <li>• Explaining exploring describing lived experience</li> </ul>

#### **8.4 Implications for Theory and Practice, including Some Limitations of This Study**

The implications of this study for theory are that firstly researchers in entrepreneurship need to be clear from the outset what position they are taking on their object of study. The wider implication of this study is that I suggest it is not possible to have one theory that explains ‘what is entrepreneurship’ from one paradigm – opportunity. There is a possibility that development of the theoretical field of entrepreneurship will see a split between

- What is entrepreneurship? Economic Function
- What is entrepreneurship? Practice

This is not to say that these need to be completely divided, and make no reference to one another, but unfortunately it is not acceptable that economic function is in some way considered to be the practice of entrepreneurship. This needs to be recognised and a new theoretical alternative that is not focusing on opportunities needs to be developed.

The implications for practice are also important. That is a practice-based view of entrepreneurship may possibly be more useful in practice – than an economic functionalist view. It is not useful to practitioners that they are alert; it is useful to practitioners that they are resourceful and a theory that develops this concept may facilitate entrepreneurs in setting up and running a business as opposed to identifying a potentially profitable opportunity.

The *emic account (iii)* in Chapter 4 clearly emphasises the practical elements of organisation construction that appeared to be critical to driving and maintaining the entrepreneurial process. These were generally described as the importance of solving ongoing practical problems, as well as, administering and controlling the organisation effectively through the implementation of ‘systems’ for a rather chaotically developed structure. This needs further theoretical development in entrepreneurship research because while entrepreneurs operate very much in ‘the real world’, apparently economists less so. This is acceptable while they develop theory within the confines of what it is that they need to understand (i.e. economic markets), but it is less acceptable to try and then use this perspective to advise would-be-entrepreneurs.

Some limitations of this study include that this may be less relevant to experienced entrepreneurs as the study clearly looked at the development of a novice entrepreneur. Although I would suggest that successful entrepreneurs would also recognise parts of the process described here. For example, the difficulties of cash-flow and organising staff effectively in terms of productivity.

Another limitation of this study is that it is only one case taken from one perspective. It is likely that the other people in the process may take a different view of how the process unfolded. Also, the advantage of being both researcher and researched have provided much of the strengths of the research, but the real benefit of the thesis will be in possible future research where that will no longer be the case. In this way, this study could not be replicated in exactly the same way elsewhere.

However, future researchers may consider the value of collecting entrepreneurial emic accounts of the process and practices involved in setting up their businesses. Similar types of emic narratives could be taken from the autobiographical sources of entrepreneurs. A practice theory of entrepreneurship has considerable development potential for entrepreneurship research, as long as the focus is no longer on the process of opportunity recognition.

## **8.5 Conclusion**

This chapter has summarised the findings, contributions, implications and limitations of this research into a rather big question ‘what is entrepreneurship?’ Rather than looking at the effect of entrepreneurship on market processes (Kirzner 2009), or the effect of market process on entrepreneurship (Shane 2003), a practice theory of entrepreneurship will focus on the processes involved in setting up and running an organisation. This is what entrepreneurs do. Even if it was to be still accepted that part of this involves opportunity recognition, it needs to be recognised that without taking a series of effective actions, there would be no entrepreneurship. There are no successful ‘armchair entrepreneurs’.

There appears to be an attempt to position entrepreneurs in a similar way to ‘scientist’ in that entrepreneurs identify economic opportunities and scientists identify scientific breakthroughs. I have demonstrated in this thesis that entrepreneurs are not engaged in a process that replicates science, rather they are involved in a social and practical one. The assumption that if the quality of the origin opportunity is good enough, that alone will provide the entrepreneur with a

successful business, is a very dangerous one and this assumption needs to change. The success of a new venture is entirely dependent on the processes by which it is being constructed – **that** is entrepreneurship.

## BIBLIOGRAPHY

Ackroyd, S. and Fleetwood, S. (2000). *Realist Perspectives on Management and Organisations*. 1st ed. London and New York: Routledge.

Agarwal, R., Audretsch, D. and Sarkar, M.B. (2007). The process of creative construction: knowledge spillovers, entrepreneurship, and economic growth. *Strategic Entrepreneurship Journal*, 1(3-4), pp.263-286.

Ahl, H. (2006). Why research on Women Entrepreneurs Needs New Directions. *Entrepreneurship: Theory and Practice*, 30 (5), pp.595-621

Alegria, M., Vila, D., Woo, M., Canino, G., Takeuchi, D., Vera, M., Febo, V., Guarnaccia, P., Aguilar-Gaxiola, S. and Shrout, P. (2004). Cultural relevance and equivalence in the NLAAS instrument: integrating etic and emic in the development of cross-cultural measures for a psychiatric epidemiology and services study of Latinos. *International Journal of Methods in Psychiatric Research*, 13(4), pp.270-288.

Allen, K.R. (2007). *Growing and Managing a Small Business: An Entrepreneurial Perspective*. 2nd ed. Boston, MA, US.: Houghton Mifflin Company.

Alvarez, S.A. and Barney, J.B. (2010). Entrepreneurship and Epistemology: The Philosophical Underpinnings of the Study of Entrepreneurial Opportunities. *Academy of Management Annals*, 4pp.557-583.

Alvarez, S.A. and Barney, J.B. (2007). Discovery and creation: alternative theories of entrepreneurial action. *Strategic Entrepreneurship Journal*, 1(1-2), pp.11-26.

Alvarez, S. (2005). Resources and Hierarchies: Intersections between Entrepreneurship and Strategy IN: Acs, Z.J. and Audretsch, D.B. (eds.) *Handbook of Entrepreneurship Research: An Interdisciplinary Survey and Introduction*. 2nd ed. New York Springer, pp.247-263.

Amit, R., Glosten, L. and Muller, E. (1993). Challenges to Theory Development in Entrepreneurship Research. *Journal of Management Studies*, 30(5), pp.815-834.

Annells, M. (1996). Hermeneutic phenomenology: philosophical perspectives and current use in nursing research. *Journal of Advanced Nursing*, 23(4), pp.705-713.

- Ardichvili, A., Cardozo, R. and Ray, S. (2003). A theory of entrepreneurial opportunity identification and development. *Journal of Business Venturing*, 18(1), pp.105-123.
- Ardley, B. (2005). Marketing Managers and Their Life World: Explorations in Strategic Planning Using the Phenomenological Interview. *Marketing Review*, 5(2), pp.111-127.
- Atre, S.R., Kudale, A.M., Morankar, S.N., Rangan, S.G. and Weiss, M.G. (2004). Cultural concepts of tuberculosis and gender among the general population without tuberculosis in rural Maharashtra, India. *Tropical Medicine & International Health*, 9(11), pp.1228-1238.
- Bailey, A. and Hutter, I. (2008). Qualitative to quantitative: linked trajectory of method triangulation in a study on HIV/AIDS in Goa, India. *AIDS Care*, 20(9), pp.1119-1124.
- Baker, T. and Nelson, R.E. (2005). Creating Something from Nothing: Resource Construction through Entrepreneurial Bricolage. *Administrative Science Quarterly*, 50(3), pp.329-366.
- Baron, R.A. (2004). Opportunity Recognition: Insights from a Cognitive Perspective *IN*: Butler, J.E. (ed.) *Opportunity Identification and Entrepreneurial Behaviour*. 1st ed. USA Information Age Publishing, pp.47-73.
- Baron, R.A. (2010). Opportunity Recognition: evolving theoretical perspectives *IN*: Landström, H. and Lohrke, F. (eds.) *Historical Foundations of Entrepreneurship Research*. 1st ed. Cheltenham, UK. Northampton, Mass, USA Edward Elgar, pp.121-141.
- Baron, R.A. (2004). Opportunity recognition: Insights from a cognitive perspective *IN*: Butler, J.E. (ed.) *Opportunity Identification and Entrepreneurial Behaviour*. 1st ed. Connecticut, USA Information Age Publishing, pp.47-74.
- Baron, R.A. (2006). Opportunity Recognition as Pattern Recognition: How Entrepreneurs "Connect the Dots" to Identify New Business Opportunities. *Academy of Management Perspectives*, 20(1), pp.104-119.
- Baron, R.A. (1998). Cognitive mechanisms in entrepreneurship: Why and when entrepreneurs think differently than other people. *Journal of Business Venturing*, 13(4), pp.275-294.
- Baron, R.A. and Ensley, M.D. (2006). Opportunity Recognition as the Detection of Meaningful Patterns: Evidence from Comparisons of Novice and Experienced Entrepreneurs. *Management Science*, 52(9), pp.1331-1344.

- Barrett, J.C. and Fewster, K.J. (2000). Intimacy and Structural Transformation: Giddens and Archaeology *IN*: Holtorf, C and Karlsson, H (ed.) *Philosophy and Archaeological Practice. Perspectives for the 21st Century*. 1st ed. Lindome, Sweden Bricoleur Press, pp.25-38.
- Barringer, B.R., Jones, F.F. and Neubaum, D.O. (2005). A quantitative content analysis of the characteristics of rapid-growth firms and their founders. *Journal of Business Venturing*, 20(5), pp.663-687.
- Barroso, J. and Powell-Cope, G. (2000). Metasynthesis of Qualitative Research on Living With HIV Infection. *Qualitative Health Research*, 10(3), pp.340.
- Baumol, W.J. (1993). *Entrepreneurship, Management and the Structure of Payoffs*. 1st ed. USA: Massachusetts Institute of Technology.
- Baumol, W.J. (1968). Entrepreneurship in Economic Theory. *The American Economic Review*, 58(2, Papers and Proceedings of the Eightieth Annual Meeting of the American Economic Association), pp. 64-71.
- Bayman, J. M. (2001). Emic and etic perspectives on the history of archaeology. *Reviews in Anthropology*, 29(4), pp.361-377
- Benton, T. and Craib, I. (2001). *Philosophy of Social Science: the Philosophical Foundations of Social Thought*. 1st ed. Great Britain: Palgrave.
- Berger, P. and Luckmann, P. 1966 (1991). *The Social Construction of Reality*. 13th ed. London, UK. New York, USA. Victoria, Australia. Ontario, Canada. New Delhi, India. Auckland, New Zealand: Penguin Books.
- Berglund, H. (2007). Researching Entrepreneurship as Lived Experience *IN*: Neergaard, H. and Ulhøi, J. P. (ed.) *Handbook of Qualitative Research Methods in Entrepreneurship*. (1st ed.). Cheltenham, Glos, UK. and Northampton, Mass, USA Edward Elgar, pp.75-93.
- Berkenkotter, C. and Ravotas, D. (1997). Genre as Tool in the Transmission of Practice Over Time and Across Professional Boundaries. *Mind, Culture & Activity*, 4(4), pp.256-274.
- Berry, J.W. (1989). Imposed Etics-Emics-Derived Etics: the Operationalization of a Compelling Idea. *International Journal of Psychology*, 24(6), pp.721.
- Berry, J.W. (1999). Emics and Etics: A Symbiotic Conception. *Culture & Psychology*, 5(2), pp.165.

- Bhaskar, R. (1975), *A Realist Theory of Science*. (2nd ed.). London: Verso.
- Blattner, W. (2006). *Heidegger's 'Being and Time': A Readers Guide*. (1st ed). London, UK; New York, USA: Continuum International Publishing.
- Boyle, J.S. (1994). Styles of Ethnography *In: Morse, J.M. (ed.). Critical Issues in Qualitative Research Methods*. (1<sup>st</sup> ed.). California, US; London, UK; Delhi, India Sage Publications, pp.159-185
- Brännback, M and Carsrud, A (2008). Do they See what we See?: A Critical Nordic Tale about Perceptions of Entrepreneurial Opportunities, Goals and Growth. *Journal of Enterprising Culture*, 16(1), pp.55-87.
- Brundin, E. (2007). Catching it as it happens. *In: Neergaard, H. And Ulhøi, J. P. (ed.) Handbook of Qualitative Methods in Entrepreneurship*. (1<sup>st</sup> ed.). UK. MA, US. Edward Elgar, pp.279-307
- Bruni, A., Gherardi, S. and Poggio, B. (2004). Doing Gender, Doing Entrepreneurship: An Ethnographic Account of Intertwined Practices. *Gender, Work & Organization*, 11(4), pp.406-429.
- Buenstorf, G. (2007). Creation and Pursuit of Entrepreneurial Opportunities: An Evolutionary Economics Perspective. *Small Business Economics*, 28(4), pp.323-337.
- Busenitz, L.W., West, G.P., Shepherd, D., Nelson, T., Chandler, G.N. and Zacharakis, A. (2003). Entrepreneurship Research in Emergence: Past Trends and Future Directions. *Journal of Management*, 29(3), pp.285-308.
- Bygrave, W. (2007). The Entrepreneurship Paradigm Revisited *IN: Neergaard, H. and Ulhøi, J.P. (eds.) Handbook of Qualitative Research Methods in Entrepreneurship*. 1st ed. Cheltenham, Glos UK; Northampton, Mass USA Edward Elgar, pp.17-48.
- Caldwell, B. (2009). Some comments on Lawson's Reorienting Economics: same facts different conclusions *IN: Fullbrook, E. (ed.)* pp.13-19.
- Callinicos, A. (2007). *Social Theory: A Historical Introduction*. 2nd ed. Cambridge, UK; Malden, USA: Polity Press.
- Casson, M. (2010). *Entrepreneurship: Theory, Networks, History*. Cheltenham, UK., Massachusetts, USA: Edward Elgar Publishing.
- Casson, M. (2005). Entrepreneurship and the theory of the firm. *Journal of Economic Behavior & Organization*, 58(2), pp.327-348.
- Casson, M. (2005). The Individual – Opportunity Nexus: A Review of Scott Shane: A General Theory of Entrepreneurship. *Small Business Economics*, 24(5), pp.423-430.

Casson, M. and Wadeson, N. (2007). The Discovery of Opportunities: Extending the Economic Theory of the Entrepreneur. *Small Business Economics*, 28(4), pp.285-300.

Chell, E. (2008). *The Entrepreneurial Personality: A Social Construction*. 2nd ed. Hove, East Sussex: Routledge.

Chell, E. (2000). Towards researching the “opportunistic entrepreneur”: A social constructionist approach and research agenda. *European Journal of Work & Organizational Psychology*, 9(1), pp.63-80.

Chiles, T.H., Bluedon, A.C. and Gupta, V.K. (2007). Beyond Creative Destruction and Entrepreneurial Discovery: A Radical Austrian Approach to Entrepreneurship. *Organization Studies*, 28(4), pp.467-493.

Coad, A. (2009). *The Growth of Firms: A Survey of Theories and Empirical Evidence*. 1st ed. Cheltenham, Glos. UK.; Northampton, Mass. USA.: Edward Elgar.

Cohen, M.Z. and Omery, A. (1994). Schools of Phenomenology: Implications for Research IN: Morse, J.M. (ed.) *Critical Issue in Qualitative Research Methods*. 1st ed. Thousand Oaks, London, New Delhi Sage Publications, pp.136-157.

Collier, A. (2003). *In Defence of Objectivity and Other Essays: On realism, existentialism and politics*. 1st ed. Abingdon, Oxon, UK; New York, USA: Routledge.

Companys, Y.E. and McMullen, J.S. (2007). Strategic Entrepreneurs at Work: The Nature, Discovery, and Exploitation of Entrepreneurial Opportunities. *Small Business Economics*, 28(4), pp.301-322.

Cope, J. (2005). Researching Entrepreneurship Through Phenomenological Enquiry: Philosophical and Methodological Issues. *International Small Business Journal*, pp.163-187.

Corbett, A.C. (2007). Learning asymmetries and the discovery of entrepreneurial opportunities. *Journal of Business Venturing*, 22(1), pp.97-118.

Corbett, A.C. (2005). Experiential Learning Within the Process of Opportunity Identification and Exploitation. *Entrepreneurship: Theory & Practice*, 29(4), pp.473-491.

Covin, J. G. and Slevin, D. P. (1991). A Conceptual Model of Entrepreneurship as Firm Behaviour. *Entrepreneurship: Theory and Practice*, 16 (1), pp.7-25

Cutz, G. and Chandler, P. (2000). Emic-Etic Conflicts as Explanation of Nonparticipation in Adult Education among the Maya of Western Guatemala. *Adult Education Quarterly*, 51(1), pp.64.

- Davidson, B.I. (2009). Critical realism in economics: A different view *IN: Fullbrook, E. (ed.) Ontology and Economics: Tony Lawson and his Critics*. 1st ed. Abingdon, Oxon UK. New York, USA Routledge, pp.40-57.
- Davidsson, P. (2006). *Foundations and Trends in Entrepreneurship: Nascent Entrepreneurship*. (1<sup>st</sup> ed.). Boston: The essence of knowledge.
- Davidsson, P. Delmar, F. and Wiklund, J. (2006) *Entrepreneurship and the Growth of Firms*. (1<sup>st</sup> ed.) Cheltenham, Glos. (UK) Northampton Mass, USA: Edward Elgar.
- Davidsson, P. (2004). 'Review: Scott Shane: A General Theory of Entrepreneurship The Individual Opportunity Nexus' *International Small Business Journal*, 22 (1) pp.206-216
- De Bruin, A., Brush, C.G. and Welter, F. (2007). Advancing a framework for coherent research on women's entrepreneurship. *Entrepreneurship: Theory & Practice*, 31(3), pp.323-339.
- De Carolis, D.M. and Saporito, P. (2006). Social Capital, Cognition, and Entrepreneurial Opportunities: A Theoretical Framework. *Entrepreneurship: Theory & Practice*, 30(1), pp.41-56.
- Delanty, G. and Strydom, P. (2003). Introduction *IN: Delanty, G. and Strydom, P. (eds.) Philosophies of Social Science: The Classic and Contemporary Readings*. 1st ed. Berkshire, England Open University Press, pp.1-18.
- Delmar, F. (2006). Measuring Growth: methodological considerations and empirical results *In: Davidsson, P., Delmar, F and Wiklund, J. (eds.) Entrepreneurship and the Growth of Firms* (1<sup>st</sup> ed.) Cheltenham, Glos, UK: Northampton, Mass, USA Edward Elgar pp.62-68
- Delmar, F., Davidsson, P. and Gartner, W.B. (2003). Arriving at the high-growth firm. *Journal of Business Venturing*, 18(2), pp.189-216.
- Delmar, F. and Shane, S. (2004). Legitimizing first: organizing activities and the survival of new ventures. *Journal of Business Venturing*, 19(3), pp.385-410.
- Delmar, F. and Wiklund, J. (2008). The Effect of Small Business Managers' Growth Motivation on Firm Growth: A Longitudinal Study. *Entrepreneurship: Theory & Practice*, 32(3), pp.437-457.
- DeMartino, R., Barbato, R. and Jacques, P.H. (2006). Exploring the Career/Achievement and Personal Life Orientation Differences between Entrepreneurs and Nonentrepreneurs: The Impact of Sex and Dependents. *Journal of Small Business Management*, 44(3), pp.350-368.

- Denzin, N. K. (2009). *Qualitative Inquiry Under Fire: Towards a New Paradigm Dialogue*. (1<sup>st</sup>. Ed.). Walnut Creek, California: Left Coast Press.
- DeTienne, D.R. and Chandler, G.N. (2007). The Role of Gender in Opportunity Identification. *Entrepreneurship: Theory & Practice*, 31(3), pp.365-386.
- Dewaele, J. (2008). "Appropriateness" in foreign language acquisition and use: Some theoretical, methodological and ethical considerations. *IRAL: International Review of Applied Linguistics in Language Teaching*, 46(3), pp.245-265.
- Di Blas, L. and Forzi, M. (1998). An alternative taxonomic study of personality-descriptive adjectives in the Italian language. *European Journal of Personality*, 12(2), pp.75-101.
- Dimov, D. (2004). The Individuality of Opportunity Recognition: A Critical Review and Extension *IN*: Butler, J.E. (ed.) 1st ed. USA Information Age Publishing, pp.135-162.
- Dimov, D. (2011). Grappling With the Unbearable Elusiveness of Entrepreneurial Opportunities. *Entrepreneurship: Theory & Practice*, 35(1), pp.57-81.
- Dimov, D. (2007a). Beyond the Single-Person, Single-Insight Attribution in Understanding Entrepreneurial Opportunities. *Entrepreneurship: Theory & Practice*, 31(5), pp.713-731.
- Dimov, D. (2007b) From Opportunity Insight to Opportunity Intention: The Importance of Person-Situation Learning Match. *Entrepreneurship: Theory & Practice*, 31(4), pp.561-583.
- Dobbs, M. and Hamilton, R. (2007). Small business growth: recent evidence and new directions. *International Journal of Entrepreneurial Behaviour and Research*, 13(5), pp.296-322.
- Dooley, K.J. and Van de Ven, A. (1999). Explaining Complex Organizational Dynamics. *Organization Science*, 10(3), pp.358-372.
- Doyle, N. (2008). Cancer survivorship: evolutionary concept analysis. *Journal of Advanced Nursing*, 62(4), pp.499-509.
- Dutta, D.K. and Crossan, M.M. (2005). The Nature of Entrepreneurial Opportunities: Understanding the Process Using the 4I Organizational Learning Framework. *Entrepreneurship: Theory & Practice*, 29(4), pp.425-449.
- Dyer, J.H., Gregerson, H.B. and Christensen, C. (2008). Entrepreneur behaviours, opportunity recognition, and the origins of innovative ventures. *Strategic Entrepreneurship Journal*, (2), pp.317-338.

- Eckhardt, J.T. and Shane, S.A. (2003). Opportunities and Entrepreneurship. *Journal of Management*, 29(3), pp.333-349.
- Ehrich, L. (2005). Revisiting Phenomenology: Its potential for management research. *Proceedings Challenges Or Organisations in Global Markets, British Academy of Management Conference*, pp.1-13.
- Eisenhardt, K.M and Graebner, M.A. (2007). Theory Building from Cases: Opportunities and Challenges. *Academy of Management Journal*, 50(2), pp.25-32.
- Endres, A. and Woods, C. (2006). Modern Theories of Entrepreneurial Behavior: A Comparison and Appraisal. *Small Business Economics*, 26(2), pp.189-202.
- Fayolle, A. (2007). *Entrepreneurship and New Value Creation*. (1st ed.). Cambridge, UK. New York, USA: Cambridge University Press.
- Fiet, J.O. (1996). The Informational Basis of Entrepreneurial Discovery. *Small Business Economics*, 8(6), pp.419-430.
- Fiet, J.O., Clouse, V.G.H. and Norton, W.I. (2004). Systematic search by repeat entrepreneurs *IN: Butler, J.E. (ed.) Opportunity Identification and Entrepreneurial Behaviour*. 1st ed. United States of America Information Age Publishing, pp.1-27.
- Fletcher, D.E. (2006). Entrepreneurial processes and the social construction of opportunity. *Entrepreneurship & Regional Development*, 18(5), pp.421-440.
- Foss, N.J. (2011) (forthcoming). Entrepreneurship in the context of the resource-based view of the firm *IN: Mole, K. and Ram, M. (ed.) Perspectives in Entrepreneurship: A Critical Approach*. Basingstoke Palgrave Macmillan,
- Foss, N. J. (1998) The economic thought of an Austrian Marshallian: George Barclay Richardson. *Journal of Economic Studies*, 22(1), pp.23-44
- Foss, N.J. and Klein, P.G. (2010). Entrepreneurial alertness and opportunity discovery: origins, attributes, critique. *IN: Landström, H. and Lohrke, F. (eds.) Historical Foundations of Entrepreneurship Research*. 1st ed. Cheltenham, UK. Northampton, MA. USA Edward Elgar, pp.98-120.
- Foss, N.J., Klein, P.G., Kor, Y.Y. and Mahoney, J.T. (2008). Entrepreneurship, subjectivism, and the resource based view: toward a new synthesis. *Strategic Entrepreneurship Journal*, 2(1), pp.73-94.
- Fu-Lai, Y.Y. (2008). Uncertainty, learning and error elimination: Taiwanese entrepreneurs in mainland China. *Journal of Asia-Pacific Business*, 9(3), pp.249-270.

- Fullbrook, E. (2009). Introduction: Lawson's reorientation *IN: Fullbrook, E. (ed.) Ontology and Economics: Tony Lawson and His Critics*. 1st ed. Abingdon, Oxon.; New York. Routledge, pp.1-12.
- Gaglio, C.M. and Katz, J.A. (2001). The Psychological Basis of Opportunity Identification: Entrepreneurial Alertness. *Small Business Economics*, 16(2), pp.95.
- Gartner, W.B. and Shaver, K.G. (2004). Opportunities as Attributions: The Enterprise Serving Bias *IN: Butler, J. (ed.)* 1st ed. USA Information Age Publishing, pp.29-46.
- Gartner, W.B., Shaver, K.G. and Liao, J.(2008). Opportunities as attributions: Categorizing strategic issues from an attributional perspective. *Strategic Entrepreneurship Journal*, 2(4), pp.301-315.
- Gartner, W.B. (2008). Variations in Entrepreneurship. *Small Business Economics* pp.351-361
- Geertz, C. (1973) *The Interpretation of Cultures: Selected essays*. (1<sup>st</sup> ed.) London, UK: Hutchinson of London
- Geroski, P.A. (2005). Understanding the Implications of Empirical Work on Corporate Growth Rates. *Managerial and Decision Economics*, 26(2, Edith Penrose's Contribution to Economics and Strategy),pp. 129-138.
- Geroski, P.A., Lazarova, S., Urga, G. and Walters, C.F. (2003). Are Differences in Firm Size Transitory Or Permanent? *Journal of Applied Econometrics*, 18(1), pp.47-59.
- Gersick, C.J.G. (1994). Pacing Strategic Change: the Case of a New Venture. *Academy of Management Journal*, 37(1), pp.9-45.
- Ghoshal, S. (2005). Bad Management Theories Are Destroying Good Management Practices. *Academy of Management Learning & Education*, 4(1), pp.75-91.
- Gibbs, P. 2008. What is work? A Heideggerian insight into work as a site for learning. *Journal of Education & Work*, 21(5), pp.423-434.
- Giddens, A. (1984). *The Constitution of Society*. 1st ed. USA: University of California Press.
- Gifford, S. (2005). Risk and Uncertainty *IN: Acs, Z.J. and Audretsch, D.B. (eds.) Handbook of Entrepreneurship Research: An Interdisciplinary Survey and Introduction*. 2nd ed. USA Springer, pp.35-54.
- Giorgi, A. (1997). The theory, practice and evaluation of the phenomenological method as a qualitative research. *Journal of Phenomenological Psychology*. 28(2), pp.235

- Glorstadt, H. (2000). Freedom of Speech is always freedom from the speech of others, or rather control of their silence. On Pierre Bordieu and archaeology *In: Holtorf, C and Karlsson, (ed.). Philosophy and Archaeological Practice* (1<sup>st</sup> ed.). Sweden Bricoleur Press
- Godina, H. and McCoy, R. (2000). Emic and etic perspectives on Chicana and Chicano multicultural literature. *Journal of Adolescent & Adult Literacy*, 44(2), pp.172.
- Grbich, C. (2004). *New Approaches in Social Research*. 1st ed. London, UK; Thousand Oaks California, USA; New Delhi, India: Sage Publications.
- Harmeling, S (2011). Contingency as an entrepreneurial resource: How private obsession fulfils public need. *Journal of Business Venturing* 26(3), pp.293-305
- Harré, R. (2000). Personalism in the Context of a Social Constructionist Psychology. *Theory & Psychology*, 10(6), pp.731.
- Harris, M. (1976). History and Significance of the Emic/etic Distinction. *Annual Review of Anthropology*, 5pp.329-350.
- Harrison, R. and Leitch, C. (1996). Discipline emergence in entrepreneurship: accumulative fragmentalism or paradigmatic science. *Entrepreneurship Innovation and Change* 5(2), pp.65-83
- Hart, M.M., Stevenson, H.H. and Dial, J. (1995). Entrepreneurship: A definition revisited. *Frontiers of Entrepreneurship Research*,
- Harwood, N. (2009). An interview-based study of the functions of citations in academic writing across two disciplines. *Journal of Pragmatics*, 41(3), pp.497-518.
- Haugh, M. (2007). Emic conceptualisations of (im)politeness and face in Japanese: Implications for the discursive negotiation of second language learner identities. *Journal of Pragmatics*, 39(4), pp.657-680.
- Heidegger, M. (1926), *Being and Time*. (First English edition 1962) Oxford: Blackwell Publishing.
- Helfat, C.E. and Peteraf, M.A. (2003). The Dynamic Resource-Based View: Capability Lifecycles. *Strategic Management Journal*, 24(10), pp.997-1010.
- Helfrich, H. (1999). Beyond the Dilemma of Cross-Cultural Psychology: Resolving the Tension between Etic and Emic Approaches. *Culture & Psychology*, 5(2), pp.131.
- Herda, E. (1999). *Research Conversations and Narrative: A Critical Hermeneutic Orientation in Participatory Inquiry*. 1st ed. Connecticut, USA; London, UK: Praeger Publishers.

- Higgins, N.C. and Bhatt, G. (2001). Culture Moderates the Self--Serving Bias: Etic and Emic Features of Casual Attributions in India and in Canada. *Social Behavior & Personality: An International Journal*, 29(1), pp.49.
- Hill, C.A. and Van Heerden, E. (2003). Dwelling with impermanence: Emic perspectives on the realities of structuring residential place in the temporary informal settlement of Sgodi Phola/Zevenfontein. *Anthropology Southern Africa*, 26(1), pp.16-28.
- Hmieleski, K.M. and Baron, R.A. (2009). Entrepreneurs' Optimism and New Venture Performance: a Social Cognitive Perspective. *Academy of Management Journal*, 52(3), pp.473-488.
- Holstein, J.A. and Gubrium, J.F. (2005). Interpretative Practice and Social Action *IN*: Denzin, N.K. and Lincoln, Y.S. (eds.) *The Sage Handbook of Qualitative Research*. 3rd ed. Thousand Oaks; London; New Delhi Sage Publications, pp.483-506.
- Houldin, A.D. (2007). A Qualitative Study of Caregivers' Experiences With Newly Diagnosed Advanced Colorectal Cancer. *Oncology Nursing Forum*, 34(2), pp.332-330.
- Hume, D. (1739-40); (1969). *A Treatise of Human Nature*. Harmondsworth.
- Husserl, E. (1970). *The Crisis of European Sciences and Transcendental Phenomenology*. 2nd ed. Evanston, Illinois. USA: Northwestern University Press.
- Jack, S.L. and Anderson, A.R. (2002). The effects of embeddedness on the entrepreneurial process. *Journal of Business Venturing*, 17(5), pp.467-487.
- Jackson, J.L (2004). An Ethnographic Flim-flam: Giving Gifts, Doing Research and Videotaping the Native Subject/Object. *American Anthropologist*, 106(1), pp.32-42
- Jardine, N. (2004). Etics and Emics (Not to mention Anemics and Emetics) in the History of the Sciences. *History of Science*, 42(3), pp.261-278
- Jennings, P.L., Perren, L. and Carter, S. (2005). Guest Editors' Introduction: Alternative Perspectives on Entrepreneurship Research. *Entrepreneurship: Theory & Practice*, 29(2), pp.145-152.
- Johannisson, B. (2011). *Towards a practice theory of entrepreneuring*. Springer Netherlands
- Johnson, A. and Delmar, F. (2010). The Psychology of Entrepreneurs: A self regulation perspective *IN*: Landström, H. and Lohrke, F. (eds.) *Historical Foundations of Entrepreneurship Research*. 1st ed. Cheltenham, UK; Northampton, USA Edward Elgar, pp.289-317.

Jones, C. and Spicer, A. (2009). *Unmasking the Entrepreneur*. 1st ed. Cheltenham, Glos. UK.; Northampton, Mass. USA: Edward Elgar.

Jones, C. and Spicer, A. (2005). Dis-identifying the subject: Lacanian comments on subjectivity, resistance and enterprise. *Organization*, 12(1), pp.223-246.

Karami, A., Rowley, J. and Analoui, F. (2006). Research and Knowledge Building in Management Studies: An Analysis of Methodological Preferences. *International Journal of Management*, 23(1), pp.43-52.

Karataş-Özkan, M. and Chell, E. (2010). *Nascent Entrepreneurship and Learning*. Cheltenham, UK.; Northampton, Mass. USA: Edwards Elgar.

Karim, F., Chowdhury, A.M.R., Islam, A. and Weiss, M.G. (2007). Stigma, Gender, and their Impact on Patients with Tuberculosis in Rural Bangladesh. *Anthropology & Medicine*, 14(2), pp.139-151.

Katigbak, M.S., Church, A.T. and Akamine, T.X. (1996). Cross-Cultural Generalizability of Personality Dimensions: Relating Indigenous and Imported Dimensions in Two Cultures. *Journal of Personality & Social Psychology*, 70(1), pp.99-114.

Kaye, A.S. (1994). An Interview with Kenneth Pike. *Current Anthropology*, 35(3), pp.291-298.

Kearney, R. (1994). *Modern Movements in European Philosophy*. 2nd ed. Manchester, new York: Manchester University Press.

Keh, H.T., Foo, M.D. and Lim, B.C. (2002). Opportunity Evaluation under Risky Conditions: The Cognitive Processes of Entrepreneurs. *Entrepreneurship: Theory & Practice*, 27(2), pp.125.

Kets de Vries, M. And Miller, D. (1987). Neurotic Style and Organizational Pathology. *Strategic Management Journal* (5) pp.35-55

Kets de Vries, M. And Florent-Treacy, E. (2003) Roustam Tariko (A): Russian Entrepreneur. *Entrepreneurship: Theory and Practice* 27(3), pp.299-313

Kirzner, I.M. (2009). The alert and creative entrepreneur: a clarification *Small Business Economics*, 32(2) pp.145-152

Kirzner, I.M. (1997). Entrepreneurial Discovery and the Competitive Market Process: An Austrian Approach. *Journal of Economic Literature*, 35(1), pp.60-85.

Kisfalvi, V. (2002). The entrepreneur's character, life issues, and strategy making: A field study. *Journal of Business Venturing*, 17(5), pp.489-518.

- Kisfalvi, V. and Maguire, S. (2010). On the Nature of Institutional Entrepreneurs: Insights from the Life of Rachel Carson *Journal of Management Inquiry*, XX(X) pp.1-26
- Klein, P.G. (2008). Opportunity discovery, entrepreneurial action, and economic organization. *Strategic Entrepreneurship Journal*, 2(3), pp.175-190.
- Knott, A.M. and Posen, H.E. (2005). Is Failure Good? *Strategic Management Journal*, 26(7), pp.617-641.
- Ko, S. (2004). Bisociation and Opportunity IN: Butler, J. (ed.) *Opportunity Identification and Entrepreneurial Behaviour*. 1st ed. USA Information Age Publishing, pp.99-114.
- Koch, T. (1995). Interpretive approaches in nursing research: the influence of Husserl and Heidegger. *Journal of Advanced Nursing*, 21(5), pp.827-836.
- Kohler Reissman, C. (2008). *Narrative Methods for the Human Sciences*. (1<sup>st</sup> ed.). Thousand Oaks, USA; London, UK; New Delhi, India: sage Publications
- Koppl, R. and Minniti, M. (2005). Market Processes and Entrepreneurial Studies IN: Acs, Z.J. and Audretsch, D.B. (eds.) *Handbook of Entrepreneurship Research: An Interdisciplinary Survey and Introduction*. 2nd ed. USA Springer, pp.81-102.
- Kor, Y.Y., Mahoney, J.T. and Michael, S.C. (2007). Resources, Capabilities and Entrepreneurial Perceptions. *Journal of Management Studies*, 44(7), pp.1187-1212.
- Kraaijenbrink, J., Spender, J.-. and Groen, A.J. (2010). The Resource-Based View: A Review and Assessment of Its Critiques. *Journal of Management*, 36(1), pp.349-372.
- Landrine, H. and Klonoff, E.A. (1992). Cultural diversity and methodology in feminist psychology. *Psychology of Women Quarterly*, 16(2), pp.145.
- Latour, B. (1997), 1987. *Science in Action*. 7th ed. Cambridge, Massachusetts: Harvard University Press.
- Law, J. (2004), (2006). *After Method: Mess in Social Science*. 2nd ed. Abingdon, Oxon, UK. New York. USA: Routledge.
- Lawson, T. (2009). Ontology and Postmodernism: Reply to Ruccio IN: Fullbrook, E. (ed.) 1st ed. *Ontology and Economics: Tony Lawson and his Critics* Abingdon, Oxon.; New York Routledge, pp.275-296.
- Layton, R. (1997). *An Introduction to Theory in Anthropology*. (1<sup>st</sup> ed.). UK: Cambridge University Press.

- Leavy, B. (1994). The Craft of Case Based Research. *Irish Business and Administrative Research*, 15(1), pp.105-118
- Lee, J. and Venkataraman, S. (2006). Aspirations, market offerings, and the pursuit of entrepreneurial opportunities. *Journal of Business Venturing*, 21(1), pp.107-123.
- Leitch, C. F. Hill and R. Harrison. (2010). The Philosophy and Practice of Interpretivist Research: Quality, Validation and Trust. *Organizational Research Methods*, 13(1), pp.67-84.
- Leitch, C. 2007. An action research approach to entrepreneurship IN: Neergaard, H. and Ulhøi, J. P. (ed.) *Handbook of Qualitative Research Methods in Entrepreneurship*. 1st ed. Cheltenham UK, Northampton, USA Edward Elgar, pp.144-168.
- Lévi-Strauss, C. 1962 (1966). *The Savage Mind*. 3 (trans) ed. Chicago: The University of Chicago Press.
- Lewis, P. (2006). The Quest for Invisibility: Female Entrepreneurs and the Masculine Norm of Entrepreneurship. *Gender, Work & Organization*, 13(5), pp.453-469.
- Liddell, C. (2002). Emic Perspectives on Risk in African Childhood. *Developmental Review*, 22(1), pp.97.
- Loasby, B.J. (2007). A Cognitive Perspective on Entrepreneurship and the Firm. *Journal of Management Studies*, 44(7), pp.1078-1106.
- Lockett, A., Wiklund, J., Davidsson, P. and Girma, S. (2011). Organic and Acquisitive Growth: Re-examining, Testing and Extending Penrose's Growth Theory. *Journal of Management Studies*, 48(1), pp.48-74.
- Lonner, W.J. (1999). Helfrich's 'Principle of Triarchic Resonance': A Commentary on Yet Another Perspective on the Ongoing and Tenacious Etic-Emic Debate. *Culture & Psychology*, 5(2), pp.173.
- Lowes, L and Prowse, M.A. (2001) Standing outside the interview process? The illusion of objectivity in phenomenological data generation. *International Journal of Nursing Studies*, 38(4), pp.471-480
- Lumpkin, G.T. and Lichtenstein, B.B. (2005). The Role of Organizational Learning in the Opportunity-Recognition Process. *Entrepreneurship: Theory & Practice*, 29(4), pp.451-472.
- MacMillan, I.C. (1986). Executive Forum: To really learn about entrepreneurship lets study habitual entrepreneurs. *Journal of Business Venturing*, 1(3), pp.241-243.

Macquarrie, J. (1972). *Existentialism*. (1<sup>st</sup> ed.). London, UK; Middlesex, UK; New York, USA; Victoria, Australia; Ontario, Canada; Auckland, NZ: Penguin Books Ltd.

Maheswaran, D. and Shavitt, S. (2000). Issues and New Directions in Global Consumer Psychology. *Journal of Consumer Psychology*, 9(2), pp.59-66.

Mahoney, J.T. and Michael, S.C. (2005). A subjectivist theory of entrepreneurship *IN*: Alvarez, S.A., R. (ed.) *Handbook of Entrepreneurship*. 1st ed. Boston, MA Kluwer, pp.33-53.

Mandiyanike, D. (2009). The dilemma of conducting research back in your own country as a returning student – reflections of research fieldwork in Zimbabwe. *Area*, 41(1), pp.64-71.

Manen, M. V 1997. *Researching Lived Experience: Human Science for an Action Sensitive Pedagogy*. 2nd ed. The University of Alberta: The Althouse Press.

Martin, D. and Woodside, A.G. (2008). Grounded Theory of International Tourism Behavior. *Journal of Travel & Tourism Marketing*, 24(4), pp.245-258.

Mathews, J.A. (2010). Lachmannian Insights into Strategic Entrepreneurship: REsources, Activities and Routines in a Disequilibrium World. *Organization Studies*, 31(2), pp.219-244.

Maxwell, G. (1962). Theories, Frameworks, and Ontology. *Philosophy of Science*, 29(2), pp.132-138.

McClelland, D.C. (1965). Characteristics of Successful Entrepreneurs. *Harvard Business Review*, (43) pp. 6-24

McClure, J and Brown, J.M. (2008) Belonging at Work. *Human Resources Development International*, 11(1), pp.3-17.

McDaniel, B.A. (2005). A Contemporary View of Joseph A. Schumpeter's Theory of the Entrepreneur. *Journal of Economic Issues (Association for Evolutionary Economics)*, 39(2), pp.485-489.

McKelvie, A. and Wiklund, J. (2004). 'How knowledge affects opportunity discovery and exploitation among new ventures in dynamic markets.' *IN*: Butler, J. (ed.) *Research in Entrepreneurship and Management*. 4th ed. Greenwich, CT Information Age Publishing., pp.219-240.

Merleau-Ponty, M. (1945). *Phenomenology of Perception*. (Translated 1958 by Colin Smith 'Phénoménologie de la perception') ed. London and New York: Routledge.

- Miles, R.E., Snow, C.C., Meyer, A.D. and Coleman, J.,Henry J. (1978). Organizational Strategy, Structure, and Process. *Academy of Management Review*, 3(3), pp.546-562.
- Miller, D.A. (2008). Discovering the quantity of quality: scoring 'Regional Identity' for quantitative research. *Language Sciences*, 30(6), pp.652-678.
- Mistry, J., Jacobs, F. and Jacobs, L. (2009). Cultural relevance as program-to-community alignment. *Journal of Community Psychology*, 37(4), pp.487-504.
- Mitchell, J.R. and Shepherd, D.A. (2010). To thine own self be true: Images of self, images of opportunity, and entrepreneurial action. *Journal of Business Venturing*, 25(1), pp.138-154.
- Mitchell, R.K., Mitchell, J.R. and Smith, J.B. (2008). Inside opportunity formation: enterprise failure, cognition, and the creation of opportunities. *Strategic Entrepreneurship Journal*, 2(3), pp.225-242.
- Mole, K.F. and Mole, M. (2010). Entrepreneurship as the structuration of individual and opportunity: A response using a critical realist perspective: Comment on Sarason, Dean and Dillard. *Journal of Business Venturing*, 25(2), pp.230-237.
- Mosakowski, E. (1998). Managerial prescriptions under the resource-based view of strategy: The example of motivational.. *Strategic Management Journal*, 19(12), pp.1169.
- Moustakas, C. (1994). *Phenomenological Research Methods*. 1st ed. Thousand Oaks; London; New Delhi: Sage Publications.
- Mueller, P. (2007). Exploiting Entrepreneurial Opportunities: The Impact of Entrepreneurship on Growth. *Small Business Economics*, 28(4), pp.355-362.
- Mulhall, S. (1996). *Routledge Philosophy Guidebook to Heidegger and Being and Time*. 2nd ed. London and New York: Routledge.
- Mumby-Croft, R and Brown, R. (2006). SMEs, growth and entrepreneurship: the steady rise and precipitous fall of Seaking. *The Journal of Entrepreneurship*, 15(2), pp.205-224.
- Nagy, B. and Lohrke, F. (2010). Only the good die young? A review of liability of newness and related new venture mortality research IN: Landström, H. and Lohrke, F. (eds.) *Historical Foundations of Entrepreneurship Research*. 1st ed. Cheltenham, UK; Northampton, MA, USA Edward Elgar, pp.185-205.
- Nash, J. (1981). Ethnographic Aspects of the World Capitalist System. *Annual Review of Anthropology*, 10pp.393-423.

- Nicolaou, N., Shane, S., Cherkas, L. and Spector, T. (2009). Opportunity Recognition and the tendency to be an entrepreneur: A bivariate genetics perspective. *Organizational Behavior and Human Decision Processes*, 110pp.108-117.
- Norris, C. (2007). Transcendental realism IN: Hartwig, M. (ed.) *Dictionary of Critical Realism*. 1st ed. Abingdon, Oxon, UK; New York, USA; Canada Routledge, pp.474-481.
- Ogbor, J.O. (2000). Mythicizing and Reification in Entrepreneurial Discourse: Ideology-Critique of Entrepreneurial Studies. *Journal of Management Studies*, 37(5), pp.605-635.
- Parkar, S., Dawani, V. and Weiss, M. (2008). Gender, Suicide, and the Sociocultural Context of Deliberate Self-Harm in an Urban General Hospital in Mumbai, India. *Culture, Medicine & Psychiatry*, 32(4), pp.492-515.
- Parker, S. and Keim, K.S. (2004). Emic Perspectives of Body Weight in Overweight and Obese White Women with Limited Income. *Journal of Nutrition Education & Behavior*, 36(6), pp.282-289.
- Penrose, E. 1959, (2009). *The Theory of the Growth of the Firm*. Revised ed. Oxford, UK.; New York, US.: Oxford University Press.
- Penrose, E. (1952). Biological Analogies in the Theory of the Firm. *The American Economic Review*, 42(5), pp. 804-819.
- Perren, L. and Ram, M. (2003). Case Study Method in Small Business and Entrepreneurial Research: Mapping Boundaries and Perspectives. *International Small Business Journal*, 22(1), pp.83-101.
- Pike, K. (1967). *Language in Relation to a Unified Theory of Structure of Human Behaviour* (2<sup>nd</sup>. Ed). The Hague, Netherlands: Mouton
- Plummer, L.A., Haynie, J.M. and Godesiabo, J. (2007). An Essay on the Origins of Entrepreneurial Opportunity. *Small Business Economics*, 28(4), pp.363-379.
- Prost, G.R. (2007). An Emic - Etic Model for Language and Culture: Response to McElhanon. *Journal of Interdisciplinary Studies*, 19(1), pp.139-158.
- Ray, M. (1994). The richness of phenomenology: philosophic, theoretic, and methodologic concerns IN: Morse, J.M. (ed.) *Critical Issues in Qualitative Research Methods*. 1st ed. Thousand Oaks, California; London, UK; New Delhi, India Sage Publications, pp.117-135.
- Reesink, G. (2008). Lexicon and syntax from an emic viewpoint. *Studies in Language*, 32(4), pp.866-893.

Reichstein, T. and Jensen, M.B. (2005). Firm size and firm growth rate distributions--The case of Denmark. *Industrial & Corporate Change*, 14(6), pp.1145-1166.

Ricoeur, P. (1982) *Tems et récit – 1. L'intrigue et le récit historique*. Paris: Editions de Seuil

Rorty, R. (1999). *Philosophy and Social Hope*. (1<sup>st</sup>. Ed). London; New York; Victoria; Ontario; Auckland; Middlesex: Penguin Books.

Russel, B. (1961). *History of Western Philosophy and its Connection with Political and Social Circumstances from the Earliest Times to the Present Day*. 2nd ed. Kent, UK: Georg Allen and Unwin Limited.

Sabbagh, C. and Golden, D. (2007). Reflecting Upon Etic and Emic Perspectives on Distributive Justice. *Social Justice Research*, 20(3), pp.372-387.

Saemundsson, R. and Dahlstrand, Å.L. (2005). How Business Opportunities Constrain Young Technology-Based Firms from Growing into Medium-Sized Firms. *Small Business Economics*, 24(2), pp.113-129.

Sandberg, W.R. and Hench, T. J. (2004). Perceiving Opportunity “Through a Fog of Uncertainty”: Haworth Inc (1948-1976). In Butler, J.E. (ed.) *Opportunity Identification and Entrepreneurial Behaviour* (1<sup>st</sup>. Ed.) Connecticut: US Information Age Publishing pp.271-290

Sanders, M. (2007). Scientific Paradigms, Entrepreneurial Opportunities and Cycles in Economic Growth. *Small Business Economics*, (28) pp.339-354

Sarason, Y., Dean, T. and Dillard, J.F. (2006). Entrepreneurship as the nexus of individual and opportunity: A structuration view. *Journal of Business Venturing*, 21(3), pp.286-305.

Sarasvathy, S.D. (2008). *Effectuation: Elements of Entrepreneurial Expertise*. Cheltenham, UK. Northampton, MA, US: Edward Elgar.

Sarasvathy, S.D. (2004). Constructing Corridors to Economic Primitives: Entrepreneurial Opportunities as Demand-Side Artifacts IN: Butler, J. (ed.) *Opportunity Identification and Entrepreneurial Behaviour*. 1st ed. United States of America Information Age Publishing, pp.291-312.

Sarasvathy, S.D. (2004.) The questions we ask and the questions we care about: reformulating some problems in entrepreneurship research. *Journal of Business Venturing*, 19(5), pp.707-717.

Sarasvathy, S.D. and Dew, N. (2005). New market creation through transformation. *Journal of Evolutionary Economics*, 15(5), pp.533-565.

Saucier, G. (2002). Gone too far—or not far enough? Comments on the article by Ashton and Lee (2001). *European Journal of Personality*, 16(1), pp.55-62.

Saucier, G., Georgiades, S., Tsaousis, I. and Goldberg, L.R. (2005). The Factor Structure of Greek Personality Adjectives. *Journal of Personality & Social Psychology*, 88(5), pp.856-875.

Schindehutte, M. Morris, M and Allen, J (2006) Beyond Achievement: Entrepreneurship as Extreme Experience. *Small Business Economics* (27) pp.349-368

Schumpeter, J. A. (1934). *The Theory of Economic Development* (1<sup>st</sup>. ed.) US: Harvard University Press

Schutz, A. (1934) *The Phenomenology of the Social World* (1<sup>st</sup>. ed.) USA: Northwestern University Press

Scruton, R. (1995). *A Short History of Modern Philosophy: From Descartes to Wittgenstein*. 2nd ed. London, UK: Routledge.

Searle, J.R. 1996 (1995). *The Social Construction of Social Reality*. 2nd ed. London, UK. New York, USA. Victoria, Australia. Ontario, Canada. New Delhi, India. Auckland, New Zealand.: Penguin Books.

Segal, S. (2004). *Business Feel: From the Science of Management to the Philosophy of Leadership*. 1st ed. Hampshire, UK and New York, USA: Palgrave Macmillan.

Shane, S. (2003). *A General Theory of Entrepreneurship: The Individual-Opportunity Nexus*. 2nd ed. Cheltenham, Glous, UK; Northampton, Mass, USA: Edward Elgar.

Shane, S. (2001). Technological Opportunities and New Firm Creation. *Management Science*, 47(2), pp.205.

Shane, S. (2000). Prior Knowledge and the Discovery of Entrepreneurial Opportunities. *Organization Science*, 11(4), pp.448-469.

Shane, S., Nicolaou, N., Cherkas, L. and Spector, T.D. (2010). Do openness to experience and recognizing opportunities have the same genetic source? *Human Resource Management*, 49(2), pp.291-303.

Shane, S. and Venkataraman, S. (2000). The Promise of Entrepreneurship as a Field of Research. *Academy of Management Review*, 25(1), pp.217-226.

Shanks, M. and Tilley, C. (1992). *Re-Constructing Archaeology: Theory and Practice*. 2nd ed. Abingdon, Oxon, UK: Routledge.

- Shepherd, D. McMullen, J. and Jennings, P. (2007). The formation of opportunity beliefs: overcoming ignorance and reducing doubt. *Strategic Entrepreneurship Journal*, (1), pp.75-79
- Shepherd, D.A. and DeTienne, D.R. (2005). Prior Knowledge, Potential Financial Reward, and Opportunity Identification. *Entrepreneurship: Theory & Practice*, 29(1), pp.91-112.
- Short, J.C., Ketchen, D.J., Shook, C.L. and Ireland, R.D. 2010. The Concept of "Opportunity" in Entrepreneurship Research: Past Accomplishments and Future Challenges. *Journal of Management*, 36(1), pp.40-65.
- Sigglekow, N. (2007). Persuasion with Case Studies. *Academy of Management Journal*, 50(1), pp.20-24
- Singh, R.P. (2001). A Comment on Developing the Field of Entrepreneurship Through the Study of Opportunity Recognition and Exploitation. *Academy of Management Review*, 26(1), pp.10-12.
- Smith, J. (2005). Merleau-Ponty and the Phenomenological Reduction. *Inquiry*, 48(6), pp.553-571.
- Smith, P.K. and Sluckin, A.M. (1979). Ethology, ethogeny, etics, emics, biology, culture: on the limitations of dichotomies. *European Journal of Social Psychology*, 9(4), pp.397-415.
- Solomon, R.C. (1999). And Now for Something Completely Different: from Heidegger to Entrepreneurship. *Business Ethics Quarterly*, 9(1), pp.169-177.
- Spiers, J. (2000). New perspectives on vulnerability using emic and etic approaches. *Journal of Advanced Nursing*, 31(3), pp.715-721.
- Stevenson, H.H. and Sahlman, W.A. (1989). The entrepreneurial process IN: Burns, P. and Dewhurst, J. (eds.) *Small Business and Entrepreneurship*.(1<sup>st</sup>. ed. Basingstoke Macmillan, pp.94-157.
- Stevenson, H.H. and Sahlman, W.A. (1989). The entrepreneurial process IN: P. Burns and J. Dewhurst (ed.) *Small Business and Entrepreneurship*, 1st ed. Basingstoke Macmillan, pp.56-83.
- Stevenson, H.H. and Jarillo, J.C. (1990). A Paradigm of Entrepreneurship: Entrepreneurial Management. *Strategic Management Journal*, 11(4), pp.17-27.
- Steyaert, C. (2005). *Entrepreneurship: in between What? on the "Frontier" as a Discourse of Entrepreneurship Research*. Academy of Management

Steyaert, C. (2011). Entrepreneurship as in(ter)vention: Reconsidering the conceptual politics of method in entrepreneurship studies. *Entrepreneurship & Regional Development: An International Journal*, 23(1), pp.77-96.

Steyaert, C. (2007). 'Entrepreneurial' as a conceptual attractor? A review of process theories in 20 years of entrepreneurship studies. *Entrepreneurship & Regional Development*, 19(6), pp.453-477.

Steyaert, C. (1997). A Qualitative Methodology for Process Studies of Entrepreneurship. *International Studies of Management & Organization*, 27(3), pp.13-33.

Steyaert, C. and Landström, H. (2011). *Enacting entrepreneurship research in a pioneering, provocative and participative way: on the work of Bengt Johannisson*. Springer Netherlands

Tapp, A. (2005). Why Practitioners Don't Read Our Articles and What We Should Do About It. *Marketing Review*, 5(1), pp.3-12.

Thomas, J. (2006). Phenomenology and Material Culture *IN*: Tilley, C., Keane, W., Kuchler, S., Rowlands, M. and Spyer, P. (eds.) *Handbook of Material Culture*. 1st ed. London, California, New Delhi Sage Publications, pp.43-59.

Thompson, J. B (2009) *Paul Ricoeur Hermeneutics and the Human Sciences*. (ed.). (2<sup>nd</sup>. E. UK Cambridge University Press

Thompson, C. J. Locander, W. B and Pollio, H.R (1989) Putting Consumer Experience Back into Consumer Research: The Philosophy and Method of Existential-Phenomenology *International Journal of Nursing Studies*, 11(2), pp.56-72

Todres, L. and Wheeler, S. (2001). The complementarity of phenomenology, hermeneutics and existentialism as a philosophical perspective for nursing research. *International Journal of Nursing Studies*, 38(1), pp.1-8.

Triandis, H.C. (2000). Dialectics between cultural and cross-cultural psychology. *Asian Journal of Social Psychology*, 3(3), pp.185-201.

Triandis, H.C. and Suh, E.M. (2002). Cultural Influences on Personality. *Annual Review of Psychology*, 53(1), pp.133-150.

Ucbasaran, D., Westhead, P. and Wright, M. (2008). Opportunity Identification and Pursuit: Does an Entrepreneur's Human Capital Matter? *Small Business Economics*, 30(2), pp.153-173.

Uys, L.R., Holzemer, W.L., Chirwa, M.L., Dlamini, P.S., Greeff, M., Kohi, T.W., Makoae, L.N., Stewart, A.L., Mullan, J., Phetlhu, R.D., Wantland, D.J., Durrheim, K.L.,

- Cuca, Y.P. and Naidoo, J.R. (2009). The development and validation of the HIV/AIDS Stigma Instrument - Nurse (HASI-N). *AIDS Care*, 21(2), pp.150-159.
- Vaghely, I.P. and Julien, P. (2010). Are opportunities recognized or constructed?: An information perspective on entrepreneurial opportunity identification. *Journal of Business Venturing*, 25(1), pp.73-86.
- Van de Ven, A. (1992). Suggestions for Studying Strategy Process: a Research Note. *Strategic Management Journal*, 13pp.169-188.
- Van de Ven, A. and Engleman, R.M. (2004). Event- and outcome-driven explanations of entrepreneurship. *Journal of Business Venturing*, 19(3), pp.343-361.
- Van de Ven, A. and Poole, M.S. (2005). Alternative Approaches for Studying Organizational Change. *Organization Studies (01708406)*, 26(9), pp.1377-1404.
- Van de Ven, A. and Poole, M.S. (1990). Methods for Studying Innovation Development in the Minnesota Innovation Research Program. *Organization Science*, 1(3), pp.313-335.
- Vickers, M.H. (2005). Illness, Work and Organization: Postmodern Perspectives, Antennarratives and Chaos Narratives for the Reinstatement of Voice. *TAMARA: Journal of Critical Postmodern Organization Science*, 3(2), pp.74-88.
- Wallace, P. (2009). Career stories of women professional accountants: Examining the personal narratives of career using Simone de Beauvoir's feminist existential philosophy as a theoretical framework. *Qualitative Research in Organizations and Management: An International Journal*, 4(1), pp.62-83.
- Warner, R. (1999). The emics and etics of quality of life assessment. *Social Psychiatry & Psychiatric Epidemiology*, 34(3), pp.117-139.
- Washabaugh, W. (1991). Emics and Etics: The Insider-Outsider Debate (Book). *Journal of Asian Studies*, 50(3), pp.641-664.
- Watkins, D. and Akande, A. (1994). Approaches to Learning of Nigerian Secondary School Children: Emic and Etic Perspectives. *International Journal of Psychology*, 29(2), pp.165-182.
- Watts, M. (2001). *Heidegger: A Beginners Guide*. 1st ed. Abingdon, Oxon: Hodder and Stoughton.
- Weber, R. (2004). Editor's Comments: The Rhetoric of Positivism versus Interpretivism: A Personal View. *MIS Quarterly*, 28(1), pp. iii-xii.
- Weick, K.E. (1995). *Sensemaking in Organisations*. 1st ed. Thousand Oaks; London; New Delhi: Sage Publications.

- Weiss, M., Doongajl, D., Siddhartha, S., Wypij, D., Pathare, S., Bhatawdekar, M., Bhave, A., Sheth, A., & Fernandes, R. (1992). *The explanatory model interview catalogue (EMIC): contribution to cross-cultural research methods from a study of leprosy and mental health. British Journal of Psychiatry*, 160pp.819-830.
- Weiss, M.G. (2001). Cultural epidemiology: an introduction and overview. *Anthropology & Medicine*, 8(1), pp.5-29.
- Wertz, F.J. (2005). Phenomenological Research Methods for Counselling Psychology. *Journal of Counselling Psychology*, 52(2), pp.167-177.
- Wilson, T.D. (2003). Philosophical foundations and research relevance: Issues for information research. *Journal of Information Science*, 29(6), pp.445-452.
- Woike, B. A. (2008) A functional framework for the influence of implicit and explicit motives on autobiographical memory. *Personality and Social Psychology*, 12 (1), pp.99-117
- Wood, M.S. and McKinley, W. (2010). The production of entrepreneurial opportunity: a constructivist perspective. *Strategic Entrepreneurship Journal*, 4(1), pp.66-84.
- Woodside, A.G., Macdonald, R. and Burford, M. (2004). Grounded Theory of Leisure Travel. *Journal of Travel & Tourism Marketing*, 17(1), pp.7-39.
- Wu, J.Y. (2008). A General Behavior Model and New Definitions of Organizational Cultures. *Journal of Socio-Economics*, 37(6), pp.2535-2545.
- Wynn, T. (1997). Tools and tool behaviour *IN: Ingold, T. (ed.) Companion Encyclopaedia of Anthropology: Humanity, Culture and Social Life*. 3rd ed. London. New York Routledge, pp.133-161.
- Yamaguchi, A. and Koyama, W. (2009). Toward a critical dialogue across languages and cultures: On native and Western linguistics in modern Japan. *Journal of Pragmatics*, 41(1), pp.147-156.
- Yencken, J. and Gillin, J. (2004). Technological Innovation and the Early-Stage Development of New Technology Small Firms: Entrepreneurship, Entrepreneurial Capacity, and the Opportunity Discovery Process *IN: Butler, J.E. (ed.) Opportunity Identification and Entrepreneurial Behaviour*. 1st ed. USA Information Age Publishing, pp.241-271.
- Yu, T.F. (2001). Towards a theory of the entrepreneurial state. *International Journal of Social Economics*, 28(9), pp.752-766.
- Zaratiegui, Jesús M. and Rabade Luis Arturo. (2005). Capital owners, entrepreneurs and managers: a Marshallian scheme. *Management Decision*, 33(5), pp.772-785

Zhang, Z., Zypher, M., Narayanan, J., Arvey, R., Chaturvedi, S., Avolio, B. and Larsson, G. (2009). The Genetic Basis of Entrepreneurship: Effects of gender and personality. *Organizational Behavior and Human Decision Processes*, (11)pp.93-107.