2

Studying Enterprise: What, Where, When, Who and How?

Overview

This chapter has the following objectives:

- To provide a 'map' or guide to how different academic disciplines and approaches relate to each other.
- To introduce six dimensions (or specification decisions) of enterprise research – purpose, theoretical perspective, focus, level of analysis, time frame and methodology – which form the basis for knowledge claims about entrepreneurship and small business.
- To show that these dimensions have geographical aspects, whereby European and US scholars tend to adopt consistently different approaches to producing knowledge about enterprise.
- To argue for a pragmatic and inclusive approach to theorising enterprise.

Introduction

To be human is to be connected with many separate and overlapping spheres of life. Those that research human activity in academic disciplines tend to erect formal and precise boundaries in seeking to describe and explain that activity. And whilst scientific work should tend toward precision, textbooks are works of synthesis and should draw inclusively and broadly the range of pertinent disciplines. Boundaries need setting though. Chapter 2 does this. It is not about enterprise, it's about studying enterprise. Imagine this chapter as a map – its an old cliché, but an appropriate one – explaining different territorial boundaries; the places of particular interest; the major connecting routes; the dangerous marshes where people can get bogged down; and the mysterious, exciting places yet to be explored. What maps do is tell you what's in and what's out. You have ten more chapters to go. You need a map.

One aspect of maps is how quickly they become obsolete. The territory of entrepreneurship is growing fast, and it re-shapes as it grows. The number of academic articles with entrepreneur/ship in the title published in 1990 was about 50, in 2006 it was 370 (Sorenson and Stuart 2008: 518). Ever more topics are added to the sub-disciplinary field of entrepreneurship and small firms. Blackburn and Smallbone, writing about the UK research scene, suggest that this growth is due to the same structural changes in the economy I discussed in Chapter 1 and 'reflects an increasing interest in the field on the part of policy makers at local, national, and the European Union levels, as well as by the media and society at large' (2008: 267). Not only is the study of enterprise growing in size, but also in importance. We imagine that research into entrepreneurship is clearly serving an important need in society, answering vital questions. Many of these questions will be debated in this textbook. But don't expect clear cut answers. Enterprise scholars do not agree the discipline's purpose or on what theoretical perspectives are relevant; on what questions need answering. We don't agree on what should be studied or how it is defined, what time frame is relevant, or even how the research should be conducted (Gartner 2001; Low and MacMillan 1988). This chapter explains why we disagree, but also shows how the territory connects. The study of enterprise might be more like the European Union than the United States of America in terms of its constitutive coherence, but it does cohere.

Many of the ideas, theories and concepts I allude to here are described in fuller detail in subsequent chapters. In order to make sense of the messy map of enterprise some simplification is necessary. The argumentation metaphor I use to do this is a common one, again, almost a cliché. It is the notion of positions on a line, stretching from one pole to another. Inevitably the tendency here with this form of argumentation is to stress the distinctive and the extreme. Positions at the end of the line, or poles, are clearer, easier to grasp. This form of argumentation smooths the peaks and troughs in order to tell a coherent story. The dimensions of that story are provided to us by an important article by Low and MacMillan (1988). They specified six things – purpose, theoretical perspective, focus, level of analysis, time frame, and methodology – that enterprise researchers need to consider when doing research (Gartner 2001: 27). This research when written up into articles and books becomes knowledge about enterprise. These six dimensions, six lines if you like, present us with a way of thinking about the what, where, when, who and how of enterprise research. They give us a map explaining where things are, so that we can better study enterprise.

The next section addresses five of the six decisions researchers make to do enterprise research. Who – the way enterprise is organised into specific subject based disciplines – and where – the geographical distinctions which characterise enterprise studies – each have their own sections, before we come back and address the sixth Low and MacMillan decision – theoretical perspective – which we discuss in the last section.

What? When? How?

Purpose and focus

Why research and study entrepreneurship? For many in the field there seems little purpose in researching the topic unless it seeks to 'explain and facilitate the role of new enterprise in furthering economic progress' (Low and MacMillan 1988: 141). The majority of entrepreneurship scholars seem to support this through their research practice, but others have noted that this has led to a 'narrow focus on financial and economic measures of performance' (Brush et al. 2008: 262). I agree. There are lots of important and interesting things that happen in and around smaller and entrepreneurial firms that may have little to do with furthering economic progress. And anyway, how are we to define economic progress?

Progress as an exclusive purpose seems to place the study of entrepreneurship at a disadvantage compared to most other subjects. Engineers study the properties of bridges, geographers, coastal erosion, and historians, the French revolution. All do this for a wide range of reasons, some of which might be of direct relevance and utility to problems we have today (safer bridges, how to best build barriers, understanding contemporary revolutions). But utility is not the only purpose of the disciplines. Nor should it be in enterprise. What about the relationships between culture, **ideology** and entrepreneurial processes? Are these not important? Are these relationships only interesting insofar as they further economic progress? Ideas – about markets, value, equality, property, morality, and so on – not calculations about progress lie at the heart of how and why economies and societies function (Curran 2000b: 215). Research should be useful, but it needn't only be because it adds to our wallets.

Ideology refers to a set of ideas and beliefs that underpin particular approaches to a political, economic, religious (and so on) system.

It is therefore important that the purpose of research is explicitly articulated. The knowledge you are learning about enterprise has been created for a purpose. You need to understand what that purpose is. For many things you will read that purpose becomes apparent through the way that things are defined. As there are many purposes for research, there are many definitions of entrepreneurship. As a work of synthesis this textbook will not settle on one, nor will it list many. Definitional issues are important but are often overplayed (often to fix the purpose). They are framing devices, and as this text is intent on being inclusive – enterprise and entrepreneuring rather than entrepreneurship – we will simply accept that no single definition will suffice, and push on with competing descriptions and explanations. Your understanding of enterprise, entrepreneurship and small firms will build up over the course of the book and over the course you are studying. Even those such as Low and MacMillan (1988: 141) who want entrepreneurship scholars to share a 'common purpose' have acknowledged that it is unlikely that any one statement can capture all there is to say. There are just too many different angles to be incorporated and too many disciplines to view them from.

There has however been some progress towards a common purpose since Low and MacMillan's article (1988). Chief of these is the shift away from seeing entrepreneurship as situated exclusively in the acts of individual entrepreneurs, towards seeing it as a process within specific and general contexts. The purpose of entrepreneurship research is not to unveil the entrepreneurial person, but the entrepreneurial process. Thus Gartner (1985) defines entrepreneurship as the creation of new ventures in a process combining the influence of environment, individual(s) and organising. Shane and Venkataraman (2000: 218) reckon it's the 'study of *sources* of opportunities'; the processes by which opportunities are discovered and exploited. Chris Steyaert (2007) prefers the verb *entrepreneuring*, reflecting an emphasis on the emergent and creative process of being enterprising and the inherent relational, social and historical context in which it takes place. These definitions are inclusive, not just of individual entrepreneurs, but the environment or context in which entrepreneuring is done. These different process-oriented definitions have had a positive impact on our understanding of entrepreneurship. We look at the notion of opportunities in more detail in Chapter 3, and Gartner and Steyaert's approaches pervade the whole book, and specifically the discussion below, focused on the 'European' school of entrepreneurship.

Levels of analysis

According to Low and MacMillan entrepreneurship researchers 'may choose among five *levels of analysis*: individual, group, organization, industry, and societal levels' (1988: 151). Historically there has been too much emphasis on single level factors such as the attributes and personality of the entrepreneur, or at the level of the firm, and not on the different levels in which entrepreneurship takes place. Recent years have seen increasing recognition of the important of multi-level research (Brush et al. 2008: 259). This likely reflects significant effort pointing out the inherent problems in single level analysis (Davidsson and Wiklund 2001; Scott and Rosa 1996; Gartner 1985, 1988; Shane and Venkataraman 2000). In order to explain the behaviour of entrepreneurs it is simply not sufficient to look at the individual level. Human activity is inherently interconnected to other individuals and groups in different forms of interaction, and entrepreneurship is constrained and enabled by different organisations, industrial sectors and the cultures, laws and **norms** of different societies.

Norms and **Normative**: Norms are common expectations we share about proper, appropriate behaviour, but 'normative behaviour is not simply the most frequently occurring pattern', it also implies 'the presence of legitimacy, consent and prescription' (Abercrombie et al. 2000: 243).

Similarly, the firm is only one type of vehicle for enterprising behaviour, and the life and death of a firm may not be the best way to describe the emergence, success or failure of an entrepreneurial opportunity. Many ideas emerge whilst the wannabe entrepreneur is still employed. Many entrepreneurs have more than one firm and try to make their ideas work through successive ventures over time; multiple firms can contribute particular aspects to an overall enterprise.

Moreover, which level we look at has a profound impact on how we view the success of an enterprising idea. What might be good for the entrepreneur might be very bad news for the society or other businesses in the locality. Different interests can gain and lose from entrepreneurial activity depending on where you are looking from. As Davidsson and Wiklund note 'it is fully conceivable that successful new enterprise at the micro level translates into economic regress at the societal level and that failed entrepreneurship at the micro level contributes to economic development' (2001: 90). Figure 2.1 illustrates the importance of level of analysis, showing how different types of enterprises can have both positive and negative outcomes. *Hero* enterprise reflects genuine and broad benefits to society through entrepreneurial activity (i.e. Google). *Robber* enterprise reflects

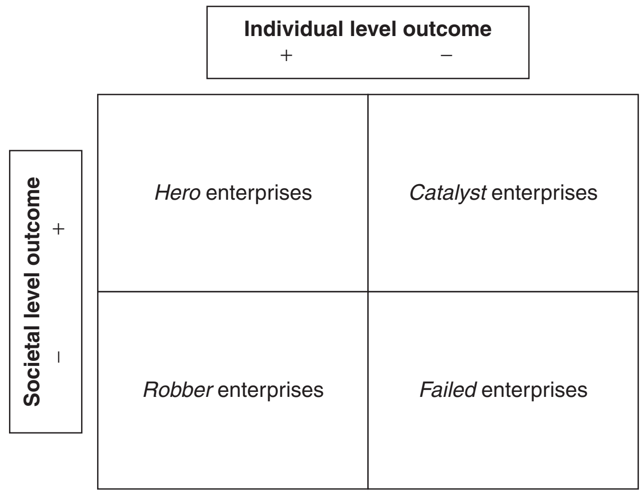

Figure 2.1 New enterprise outcomes on different levels (adapted from Davidsson and Wiklund 2001: 91)

activity that may be extremely entrepreneurial but of little broader value to society as a whole, economically or otherwise (Enron's disastrously criminal entrepreneurialism or illegal drugs businesses are examples). C*atalyst* enterprise reflects those genuine failed businesses, the ideas of which are picked up and made successful by others. And, of course there are *failed* businesses: 'enterprise attempts that fail and lack positive spillover effects on other actors' (Davidsson and Wiklund 2001: 90).

Time frame

Another aspect of understanding knowledge about entrepreneurship and how it is created is the time frame selected by researchers. Enterprise scholars need to be efficient and get value for money when conducting research. This means that research is often a simple snapshot of what is happening. Obviously, businesses change and develop over time and single snapshots cannot capture change. Depending on the sort of question you want to answer, knowledge about enterprise should illuminate what happens over time. Sometimes longitudinal research methods are needed. Oftentimes a series of snapshots will do the job. But time frame is not simply a methodological issue. Decisions also need to be made about when in the life of a business is it best to do research?

Entrepreneurship research is currently over-focused on business start-up. Is this the most important time in the formation of a business? 'Where can one draw the line between entrepreneurial activity and non-entrepreneurial activity? Does it end after the first year of an organization's existence? Or, perhaps it ends when a company sells its shares on the public markets?' (Sorenson and Stuart

2008: 524). When does entrepreneurship start? Are there identifiable stages that all enterprises go through? Or are stages too ridged and sequential a way of thinking about what can be an extremely non-linear process.

Others see our current knowledge about enterprise as lacking enough of a historical time frame. Whilst a great deal of effort is made in understanding real time everyday processes, the impression that can be given is that the issues being discussed are happening for the very first time. Much entrepreneurship research is ahistorical, bound up in the moment. Jones and Wadhwani suggest that there needs to be more historically literate enterprise knowledge: 'By embedding entrepreneurship within the broader process of historical change in industries and economies, historical research provides insights for other social scientists into how contemporary entrepreneurial activity may be better contextualised in time and place' (2006a: 32). What might look like significant increases in rates of entrepreneurialism over a short period might look like a small insignificant blip in a longer period of overall decline. Time frames matter.

Methods

Back in the mid-1960s Bob Dylan was seen by many as a symbol of change and hope, a force for creative destruction if you like. At a press conference in Los Angeles in 1965 (as shown in the Martin Scorsese film *No Direction Home*, 2005) a reporter asked a question:

> ***Reporter*:** **How many people who labor in the same musical vineyard in which you toil – how many are protest singers? That is, people who use their music, and use the songs to protest the, uh, social state in which we live today: the matter of war, the matter of crime, or whatever it might be.**
> ***Bob Dylan*:** **Um ... how *many*?**
> ***Reporter*:** **Yes. How many?**
> ***Bob Dylan*:** **Uh, I think there's about, uh ... 136.**
> ***Reporter*:** **You say *about* 136, or you mean *exactly* 136?**
> ***Bob Dylan*:** **Uh, it's either 136 or 142.**

The reporter looked somewhat mystified by the howls of laughter that followed Dylan's quip. But the failure of his ridiculous question illustrates a critical limit of enumerating for enumeration sake. Within the study of entrepreneurship too, many work on arcane problems with the same mind set. This is not to suggest that enumeration is wrong. For many problems you need to have some idea of the proportion of which type of people do this or that. Numbers matter, but not for all possible problems.

Broadly put we see two traditions of doing entrepreneurship research that frame the methods decision. The first is what's called normal science. This apes natural science philosophy and procedures and seeks to build an 'accumulation of **empirically** tested hypotheses and well grounded generalisations, developed through quantitative data,

Empirical refers to knowledge about phenomena that is derived from experiment, experience and observation rather than from theory or logic.

rigorous design, and statistical techniques' (Brush et al. 2008: 250). This approach is currently more popular within the field, such that Brush and her colleagues found that less than 10 per cent of studies adopted the case study, a methodological technique typical of the alternative tradition (2008: 259). The majority of entrepreneurship scholars either use questionnaire surveys or readily available secondary data, such as the Global Entrepreneurship Monitor or government statistics. Brush et al. also explain that the trend in recent years has been towards secondary data which reflects ease of access on the internet, and survey fatigue from entrepreneurs and small business owners and managers.

The second tradition of doing research takes an eclectic, diverse and pragmatic approach to methods. Whilst the normal science approach has the advantage of producing very reliable knowledge, it can also be somewhat divorced from everyday reality. The second tradition draws on different scientific and philosophical assumptions which place particular events under the researcher's gaze, using observational, reported speech and textual methods to illuminate the practices of everyday life. Methods and approaches in this *interpretive* or *qualitative* tradition include **ethnography**, case study, and interviewing.

Ethnography is a research method that embeds the researcher in the 'world' or culture being studied and collects (commonly through interviews and observation) a thick description of practices and behaviour usually over a sustained period of time.

Welter and Lasch agree that both traditions have much to offer and are critical of the 'taken-for-granted assumptions that rigor is "only" achieved by using multivariate data techniques' (2008: 245). Unthinking adherence to quantitative methods as the only properly scientific approach can lead to myopia. What should simply be a tool can often become an objective in itself: methodology tends to shape all else. Kaplan's 'law of the instrument' describes this intellectual trap well: 'give a small child a hammer, and he will find that everything he encounters needs pounding. It comes as no particular surprise to discover that a scientist formulates problems in a way which requires for their solution just those techniques in which he himself is especially skilled' (1964: 28 cited in Weick 1996: 302; cited also in Brush et al. 2008: 261). The interpretive tradition produces insightful and contextualised knowledge about enterprise, and tends to include a greater range of behaviour. However, it doesn't easily build consistent, comparable and unified knowledge. The sociologist Howard Becker formulates the respective problems of these methodological approaches, which often centre on the merits of qualitative and quantitative research methodologies, in the following way:

> **Qualitative research – we might better say research that is designed in the doing, that therefore is not systematic in any impersonal way, that leaves room for, indeed insists on, individual judgment, that takes account of historical, situated detail, and context and all that – research of that kind is faulted for being exactly all of those things and therefore not able to produce 'scientific,' objective, reliable knowledge that will support prediction and control. Research which tries to be systematic and impersonal, arithmetic and precise, and thereby scientific, is faulted for leaving out too much that needs to be included, for failing to take account of crucial aspects of human behaviour and social life, for being unable to advance our understanding, for promising much more in the way of prediction and control than it ever delivers. (1993: 219)**

Research methods are only tools, and are never going to solve problems by themselves. Some research questions need quantitative tools, others qualitative. Many problems need both. The answers to questions come from the contributions of many different researchers, each taking a different methodological route to illuminate the problem.

Each of these dimensions of doing enterprise research – what Low and MacMillan (1988) call specification decisions – produce choices about which group to be part of; to place you somewhere – whether it's stuck in some technically important but dull bog, or exploring exciting new territory – on the enterprise map. In other words by making choices about how to do research and what tools to adopt, allegiances to different groups are made. Later we look at the choice of theoretical perspective. First we look at how these choices also influence the shape of academic disciplines.

Who? Academic tribes

The famous historian E.H. Carr advised students to 'Study the historian before you begin to study the facts' (1972: 23). This instruction counts for all academic disciplines including the student of enterprise. How so? His point is that in order to understand the knowledge that is being presented, you need to know *who* is doing the presenting and what assumptions he or she or they have made about the issue or problem at hand. Which group is the scholar part of ? Where on the map can you find them? A historian will be interested in the entrepreneurial process in different ways to an economist. Approaches to *what* is being studied and what is deemed interesting are the product of academic differences. These are shaped by the education, socialisation and institutional norms associated with different academic disciplines. Figure 2.2 explains the basic organisation of the sub-disciplinary field of entrepreneurship. Each knowledge domain and social science discipline by and large adheres to certain commonly understood norms. Business studies has its own set of norms – political and moral, as well as academic – but in some respects it is a mini-university of knowledge in itself, drawing on a wide range of academic disciplines, but chiefly the social sciences; economics, psychology and sociology. Each of these disciplines informs and shapes a range of sub-disciplines, topics and issues as depicted in Figure 2.2.

These institutionalised disciplinary and sub-disciplinary groupings find expression through academic departments or faculty groups, journals, conferences and workshops. But it's much messier than the table implies. There are many business and management academics that publish work in two or more sub-disciplines: I attend both entrepreneurship and organisational theory conferences.

There are also other differences that separate knowledge production into 'tribes' (Becher and Trowler 2001). There are the different topics that interest and excite scholars. These change slowly over time as their topicality and

Knowledge domain	Business Studies			
Relevant social science disciplines	Economics	Psychology	Sociology	Other social sciences: geography, politics, law, etc.
Sub-discipline	Economics Accountancy and finance Marketing Strategy/Logistics/Operations management Innovation/Entrepreneurship/Small business HRM/Personnel/Industrial relations Organisational Behaviour/Theory[1]			
Enterprise sub-disciplinary field; topics and issues	Entrepreneurship and Regional Development Entrepreneurship Education. The role of universities in fostering entrepreneurship. Spin off processes and knowledge transfer. Support infrastructure for entrepreneurial ventures and business incubation. Entrepreneurial Process: From Creation to Growth. Entrepreneurial Finance and Venture Capital. Innovation and Technological Entrepreneurship. Corporate entrepreneurship/intrapreneurship. Technology Commercialisation and its impact on entrepreneurial activities. Globalisation and SMEs. Family firms. International Entrepreneurship. Networks and Entrepreneurship. Social Entrepreneurship and Corporate Social Responsibility. Green Entrepreneurship. Historical and Cultural 'Milieu' and Entrepreneurial Culture. Entrepreneurship and Regional Open Innovation Systems. Entrepreneurship and special interest groups. Regulation and Entrepreneurship.[2]			

Figure 2.2 Organisation of entrepreneurship knowledge

[1]The horizontal position of these sub-disciplines more or less corresponds to the influence of the 'parent' social science discipline. The closer to the centre each sub-discipline lays the more eclectic the influences.

[2]Taken from RENT XXII – Research in Entrepreneurship and Small business Conference 2008. This particular conference was chosen as it happened to have the longest list of topics and issues. Conferences themes change slightly from year to year.

relevance for broader debates ebb and flow. In the case of entrepreneurship topics such as green and social entrepreneurship have emerged relatively recently. Topics also change, broaden or narrow. The study of gender and enterprise shows how a specific focus on female entrepreneurs can develop into a cross-cutting perspective on enterprise studies as a whole. Studies of enterprise from a gendered perspective have served to highlight and question the inherently male stereotypical assumptions within the field (Ahl 2006; de Bruin et al. 2006). Many of the topics however, finance and growth for instance, have hardened into what Gartner (2001: 35) has termed 'informal communities'. Entrepreneurship has become so large a sub-discipline of business studies that many scholars rarely stray out of their topic or interest group, and indeed in many cases will explore their topic in other disciplines and sub-disciplines.

There is also a distinction between those enterprise scholars that are interested in entrepreneurship who have no particular interest in smaller firms, and those small business scholars that have little interest in entrepreneurship. The former tend to be economically oriented and are generally concerned with growth and, obviously, corporate entrepreneurship. One of the reasons for this narrower focus is an aim of establishing a more or less agreed general integrated theory explaining the processes inherent and exclusively related to entrepreneurship (Low and Macmillan 1988; Casson 2005; Shane 2003; Davidsson 2003; Davidsson et al. 2001): we look at this in more detail in the section looking at theory. Those that focus on small firms are more likely to have sociological or geographical interests and often a policy orientation. A US (entrepreneurship) and European (small firm) split along these lines is also discernable, though the distinction is declining as the study of enterprise becomes internationalised. We deal with geographical differences in more detail in the next section.

One of the more important but subtle things to look for when reading academic work is whether the author is doing the research *for* enterprise: does the research seek to promote the benefits of enterprise or to enhance firm performance? Or, is the research being reported simply *about* enterprise, with no direct intention to 'help' enterprise? This book, as I explained in Chapter 1, is *about* business, not *for* it. It's not a 'how to' book, nor do I promote enterprise. This is not the same as being against it, but it might imply being critical of what businesses, entrepreneurs or economic systems do.

Criticism is both inherent and unavoidable in good scholarship. Even those who wish to promote enterprise have to make critical judgements about how best to achieve their aims. Researchers are critical of the practices they study either for performative (**Enron** was managed badly and failed) or moral/political reasons (Enron's managers were bad people/the system that allowed Enron to operate that way is wrong). Or, they are critical of their own practices: of the different approaches taken to, or interpretations made of, research data, and of the theories offered to explain enterprise phenomena. As it happens criticism is also inherent to the practices of entrepreneurs. In identifying and acting on imbalances of supply and demand, identifying and exploiting opportunities,

The **Enron** Corporation was an energy conglomerate with a range of businesses in natural gas, electricity, communications, commodities trading and financial services. At the time of its collapse in December 2001 it was the seventh largest US corporation (Seeger and Ulmer 2003: 59). Following bankruptcy senior executive were convicted for fraud, insider trading, and other crimes. The Enron case is discussed in Chapter 7.

entrepreneurs are inevitably going to be critical of existing business practices. To destroy old routines, a notion of what's wrong with the existing situation is needed in order to create something better.

The distinction between being *for* or *about* enterprise is a real one, and it hints at a major fissure between what might be called a normative school (the school defines the common standards, norms or expectations about how to study and research enterprise) which tends to define its purpose in terms of being helpful, and of direct meaning, to businesses in terms of boosting their performance in some way (Brush et al. 2008). The 'European' school either claims neutrality of purpose, distancing itself from supporting business aims, or, alternatively criticises business practices for progressive social, moral or political reasons. Either way, entrepreneurship and small business is in my mind 'a subject to be studied rather than a phenomenon to be promoted' (Blackburn and Smallbone 2008: 279). However, it is important to stress that these distinctions are polar positions I am characterising. Most academics will adopt stances along a spectrum of possible positions, not just at the poles. The important thing to realise is that despite these divisions, conversations between even the most resolute and dogmatic can and do take place. It is however crucial to grasp that conflicts and debates *do* exist.

Where? Geographical differences

Academic conversations (literal ones as well as those that take place in journal articles and books) are like any other, subject to misunderstandings due to language and cultural differences (Welter and Lasch 2008: 242). Remember: study the scholar – and where they come from – before you study the research. Though I stress the differences between US and European scholarship in this section, the diversity of orientations amongst scholars in national contexts should be noted (Anderson et al. 2009). Bill Gartner is to many a scholar in the European tradition (Hjorth et al. 2008), but works in Clemson University, South Carolina, USA and publishes in both European and American journals. More unites enterprise scholars than separates them. Thus European should really be 'European', as it reflects more than which side of the Atlantic you happen to be. Rather, 'European' refers to a more or less consistent approach to theoretical perspective, purpose, focus, levels of analysis, time frame and methodology that is different to the predominantly US based normative school.

Paradigm is the set of assumptions, ideas, principles and practices that make up a particular view of reality for the group – for example an academic discipline – which shares them.

The study of enterprise, entrepreneurship and small business is no longer immature but it is diversified and fragmented (Blackburn and Smallbone 2008: 274). A weak **paradigm** operates with permeated and fluid boundaries. The US school is dominant and founded on an economic and individualist notion of entrepreneurship, and tends to be *for* entrepreneurship. In contrast the European school tends to be focused on enterprise as a creative and historically contextualised process, and to be *about* enterprise. These alignments are definitely too tidy though. But the distinctions do exist. For instance Brush et al. (2008: 261) emphasises the tendency for European journals to publish articles that see enterprise as a collective endeavour. As a consequence more multilevel analysis is conducted looking at the environment, the firm and the individual entrepreneur. US entrepreneurship journals tend to publish articles taking an individualistic view of the entrepreneurship process, and looking singly at individuals or firms. This distinction is also reproduced methodologically: 'the picture emerging is one of a variety of qualitative research methods and combinations used by European researchers and a more quantitative orientation of US researchers' (Welter and Lasch 2008: 244).

Hjorth et al. (2008) have identified three distinctive attributes of the European school. First, explicit attention is paid to socio-economic, historical and cultural context. This means a connection with real life practices of enterprise is achieved. The loss of realism that one sees in much statistical analyses is avoided. Second, ideas and theories, often from outside business and management, are drawn from a broad social science base including, but not dominated by, economics. Third, innovative concepts can be accommodated including the novel demands prompted by the spread and penetration of enterprise and entrepreneurialism in society and (popular) culture, which normative business entrepreneurship, with its narrow focus on performance, growth and new venture creation, generally ignores.

What about the rest of the world? By and large scholars in other parts of the world associate with *for*/normative or *about*/European traditions. Enterprise studies has become more international over the last decade or so (Blackburn and Smallbone 2008: 279), and as a result, along with diversity, a greater degree of commonality between the two broad camps has emerged. Particular nations will of course have their own traditions. In the UK for instance, historically the emphasis has been on small firm research (Blackburn and Smallbone 2008; Welter and Lasch include 'Nordic' countries here, 2008: 243). But UK scholarship has gradually become less distinctive as it has become more international, with most scholars now sharing broad interests in enterprise and entrepreneurship, whilst also sharing a predominant European orientation. Australia is more mixed, and India and China tend to adopt positions aligned to US norms. However, given the growth of China, India and other newer economies and their growing influence, we can expect to see even more diversity, or indeed the growth of alternative scholarly traditions applied to thinking about enterprise.

How (again)? What is theory for?

Gartner implies that a sixth specification decision – theoretical perspective – 'hinges on assumptions' (2001: 27) made about the other five, seemingly more technical decisions that we discussed above. He is implying that theoretical perspective is the most important of these decisions. He's right. But this section will not seek to explain the key theoretical approaches to enterprise. The proper place for discussing how scholars have been theorising enterprise, entrepreneurship and small business is over the course of the book alongside the 'specific set of problems and issues' (Gartner 2001: 34) that excite and engage different communities of enterprise scholars. What is more useful here is to describe what theories are and what they are for.

'Theory is a dangerous, greedy animal, and we need to be alert to keep it in its cage' (Becker 1993: 221). Becker is warning us that just as methods can become heavy tools that get in the way of finding stuff out, so too can theory. But just what is a theory? A theory is a set of statements or principles that aim to help explain real life events, facts or phenomena in a generalised and consistent manner. Theories are abstractions. They attempt to take away all the stuff that is particular and idiosyncratic, and get to the nub of the matter, so that when other similar but puzzling events, facts or phenomena emerge, the theory can help explain what is going on. Without these ways of reducing the clutter of real life it would be very difficult to have meaningful – that is, easily 'translatable' to a wide range of people – conversations about problems. We would simply rely on telling stories – which are themselves a form of theory or abstraction; very useful for many purposes – or worse, randomly listing and describing facts, about what we have seen and heard. Both stories and theories order and structure and select information and present it for specific purposes: stories to charm and amuse; theories to simplify and aid understanding.

One of the problems with theory, why it can become a 'dangerous, greedy animal', consuming energy, is that people can spend too much time on trying to devise the perfect house of cards; perfect structures and models that attempt to answer too much. They get trapped in a boggy marsh. Theories are supposed to be useful, not as complicated as the world itself. Theories like cards can never stand up for long however, because life moves on and wriggles around continuously. People change their behaviours. Societies and economies restructure themselves. Perfect theories don't exist in the social sciences, unless you can stop people and organisations doing stuff. At best, the best theories help us even though they are incomplete. At worse, the worse theories do nothing. Theories succeed because people think they are useful and interesting: a bit like stories really.

The search for grand, meta- or universal theories infects the language of the social sciences despite the obvious flaw in reasoning. Some that study entrepreneurship support a natural science approach, and treat entrepreneurship as if it were an atom or molecule. They want to stop the world and seek perfection. In the view of the European school, a manifestation of this thinking can be seen in the language used in journal articles. Authors will often talk about the purpose of research in terms of our knowledge being incomplete. The implication is that we could have complete knowledge of entrepreneurship if only we had better methods, more facts and better theories. To imagine that a theory of entrepreneurship might be devised and that all entrepreneurship scholars would then be able to predict behaviour without fail or perhaps simply pack up their laptops and find others things to think about is naïve. The notion of 'developing an integrated, theoretical approach' is to many European scholars 'unachievable' (Blackburn and

Smallbone 2008: 279; Steyaert 2007). Gartner puts it just as emphatically and suggests that 'entrepreneurship research espouses a diverse range of theories applied to various kind of phenomena. There is no theory of entrepreneurship that can account for the diversity of topics that are currently pursued by entrepreneurship scholars' (2001: 34). Jones and Wadhwani also argue that entrepreneurship scholars such as Shane and Casson have gone too far in their attempts to identify 'the *essential* and *universal* elements of entrepreneurial behaviour and cognition' in that their general theories become so abstract that they 'explain relatively little when they are held up against specific, grounded entrepreneurial cases' (2006b: 10, emphasis in the original). They are not suggesting that theoretical generalisations aren't possible, but that they cannot transcend history and place. Context matters and 'general theory explains very little of the most interesting and important variation in entrepreneurial behaviour' (ibid.). Hence according to Sorenson and Stuart, Shane and Venkataraman's (2000) call for a focus on the 'novelty of the entrepreneurial act' would exclude 'all but a small (maybe even minuscule) fraction of the many millions of firms founded' (Sorenson and Stuart 2008: 525). When one is intent on distilling down to the purest elements of what entrepreneurship is or might be, inevitably only the rarest examples fit the model. This is a problem because there are always new behaviours and new contexts in which entrepreneurial creativity will emerge. Hence theories are always contingent and transient, something that the European school accepts and embraces.

As with the boy with the method's hammer, theories can also become ends in themselves. Academics work very hard at creating new theories, and there does need to be conversation about how best to explain phenomena. But as Karl Weick notes of some academics there is a tendency 'to pursue either abstractions [theories] or particulars [facts] by themselves, independently, as if they had a life of their own and self-contained meaning' (1996: 309). Whether you place too much energy into producing abstract theories, or indeed, produce particular stories with little means of connecting to understanding of other similar stories, both fail the test of building useful knowledge.

The desire to construct narrowly defined slices of life – or high consensus research paradigms where all agree with the problems and how to go about answering them – in order to more easily theorise them is contagious and other fields periodically undergo such anxieties. A particularly famous exchange between Jeffrey Pfeffer, who was in favour of a normal/natural science strong paradigm approach to organisation studies, and John Van Maanen (1995), who wasn't, show us the problems. At its heart Van Maanen's critique of the strong paradigm view of social scientific theorising is that theory making is constructing reality, not simply reflecting it (1995: 135). For Van Maanen '[t]heory is a matter of words, not worlds; of maps, not territories; of representations, not realities' (1995: 134). His view is analogous to a European school version of the study of enterprise, and suspicious of those who argue for a narrowly bounded, high-consensus paradigm, and a universal theory of entrepreneurship.

Perhaps a good way to think of this is to imagine the difference between a debating competition and a conversation at a dinner party. Those that like to debate are keen to win it. In the winning ideas and contributions of the loser are made redundant. Only the winner's knowledge counts. Those that like conversing are keen to share different possibilities, build knowledge and genuine consensus on the topic. What are you, a lover of debate or conversation?

Theory means different things to different people. To purveyors of the normal science approach a theory is an abstract attempt to explain phenomena that can be tested by research. The European perspective sees theory slightly differently in that it can be based on middle range theories; those that attempt 'to understand and explain a limited aspect of social life' (Bryman and Bell 2003: 8, cited in Blackburn and Smallbone 2008: 281). These two traditions – the normative and the European – constitute separate 'communit[ies] of scholars in dialogue about a specific set of problems and issues, and who hold similar beliefs about the relevance of certain methods for solving these problems' (Gartner 2001: 34). Entrepreneurship as a whole is not a single disciplinary community in this sense. Rather there are 'informal homogenous communities' (Brush et al. 2008: 261; Gartner 2001: 35) that congregate around specific topics and subjects detailed in Table 1. Hence, whilst entrepreneurship as a field of study cannot agree on a single theoretical perspective, there are both conversations and debates, and theories, not a single agreed theory.

Fenderco case study

Case Study

The ethnographic researcher/author (Simon Down) on how he approached the six specification decisions in researching Fenderco.

The Fenderco case study was based on a three-year ethnographic research project. At the time – the project began in 1998 – there had been very little ethnographic research into small firms. Books by Dick Hobbs (1988), Monder Ram (1994), and Ruth Holliday (1995) all showed how effective the method could be at illuminating the detailed, real life aspects of, respectively, petty criminal enterprise, immigrant small business, and employee relations in small firms, and I was determined to use the *method* to address the behaviour of entrepreneur/owner-managers. The *purpose* of the research was thus to add and build to detailed, descriptive knowledge of what entrepreneurs/owner managers actually do, something that according to the literature on entrepreneurship was needed to progress knowledge about entrepreneurship and small firms.

All projects need a *focus*, even ethnographic ones, which tend to start with a broad, fairly hazy idea and then narrow down as patterns of behaviour emerge, and the researcher gets to know the people and the environment better. At the outset the focus of the project was to investigate how entrepreneurs learnt (Down 1999). This eventually shifted to a focus on self-identity construction when I realised that how they learnt from their environment, depended on how they constructed a sense of self. Conceptually therefore a shift in a level of analysis had taken place: learning became a subset of self-identity.

The ethnographic method implies a broad engagement with different *levels of analysis*, and though empirically the setting is at the individual and group/firm levels, the general approach calls for a significant engagement with contextual factors at the broader organisational and socio-economic levels. Similarly, part of the raison d'être of ethnography is to spend a significant length of time in the environment being research. Traditionally when ethnographers study tribal societies (the method came from anthropology) this would mean permanent emersion. In my case the research was conducted in a series of regular, punctuated visits over three years. This elongated *time frame* of engagement and observation provides a means to see how behaviours, lives and activities develop: over time confidence and rapport between researcher and research grows. Finally, a commitment to ethnography as a methodology has certain implication for which *theoretical perspectives* are adopted. The commitment to particular, rather than universal, aspects of human behaviour – an interest in thick descriptions, rather than generalised ones – obviously favours middle range theorising and concept building about the processes researched, rather than grand general theorising.

In-class activity

In small groups discuss the questions below. They are aimed at getting you to think about specification decision choices – purpose, theoretical perspective, focus, level of analysis, time frame, and methodology – and their impact on the sort of knowledge that is produced.

What sort of knowledge would emerge from a project on small firms adopting quantitative, questionnaire-based, methods?

What would a researcher do to examine the broader socio-economic environment (industrial sector and societal levels of analysis) surrounding a small firm? Who would the researcher talk too? What might the researcher read? What secondary statistical data would be useful?

What methods other than ethnography could provide data about small firms over longer periods of time?

What sorts of research problems/questions about small firms or entrepreneurs would not benefit from the ethnographic methodological approach?

Conclusion: integration without losing diversity

The message of this chapter is that diversity is strength. Ultimately the notion of enterprise is the more appropriate framing concept for studying entrepreneurship and small business in all of its many varieties. The book accepts Allan Gibb's (2002) view that small business and entrepreneurship should move away from heroic, individualised notions of the entrepreneur and towards a wider notion of enterprise. Accepting diversity means of course that a science of entrepreneurship

	US normative school	European school
Theory	Opportunity discovery	Creative process
Time frame	Snapshot, static	Multiple, historical, dynamic
Purpose	Furthering economic progress, *for*	Multiple, critical, *about*
Method	Quantitative	Qualitative, mixed
Level of analysis	Individual Group Firm/Organisation Industry Society	
Focus	Entrepreneurs, growth, start-up, performance	Enterprise, entrepreneuring, diverse

Figure 2.3 A rough map of enterprise

cannot be achieved, but this is an impossible goal anyway. Social scientific knowledge can be achieved through many forms of enquiry. Both the normative and the European traditions add to our knowledge, in spite of the limits and imperfections of theory and method. Theory and method both need to be kept in a cage. They are tools to solve problems, not ends themselves. Pragmatism is the order of the day. Moreover, too close a fascination with furthering economic progress runs the risk of being blind to that diversity, and of course, of failing to be independent and critical of the phenomena being researched and studied. A crucial aspect of any research is that it is reliable. I don't just mean in the sense of statistical reliability, but more in the sense of does the analysis, interpretations and conclusions being drawn from research by whatever tradition, theory or method, sound plausible? Does it chime with and connect us to our everyday sense of the world? It is important therefore that whilst enterprise research should be relevant to businesses and policy makers, it should also be independent. If enterprise academics are saying the same things as those that practice what is being studied then it is likely that the academics are dispensable (Weick 1996: 310).

The chapter has also provided a map to the study of enterprise (see Figure 2.3). It's very much my map, or rather one that sides with the European school of enterprise. It is not neutral. But this is the same even with real maps. There are different ways of projecting the surface of the earth onto the pages of atlases which have implications for the size of particular countries and their relationship to each other. There are different ways to fit curved realities onto flat surfaces. It's the same with spheres of knowledge. But having any map is better than being lost.

Summary

Overall the chapter has provided a guide to studying enterprise, entrepreneurship and small business studies. The disciplinary structure of enterprise was explained. Specifically two major approaches – a predominantly US based 'normative', and a 'European' school – were identified. Researchers following these traditions tend to make different specification decisions regarding the sort of research undertaken and why. The implications of the six specification decisions – purpose, theoretical perspective, focus, level of analysis, time frame, and methodology – for understanding knowledge claims about enterprise was discussed. It was argued that a pragmatic and inclusive approach to studying, theorising and researching enterprise was the most appropriate.

Further reading

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