

IN SEARCH OF THE ENTREMANAGER

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IN SEARCH OF THE ENTREMANAGER

ABSTRACT

Believing that there may be a misperception as to the true nature of the managerial entrepreneur (the 'entremanager') and that, as a result, entrepreneurs may be supported in inappropriate ways by enterprise support agencies, financial and academic institutions, policy-makers and business advisers, the current research was conducted to test whether the founders of businesses change from being entrepreneurs into managers as their businesses grow.

Successful entrepreneurs require significant management skills to enable them to grow their businesses, which represents a change from the entrepreneurial attributes required to start the business initially.

A survey questionnaire, based on key growth development models, was administered in February 2007 to 500-plus entrepreneurs who had completed specific start-up courses in the period 2004 to 2006, with a response rate of just over 20% (105 responses). A second virtually identical questionnaire was administered two years later, to respondents to the first survey, thus providing opportunity for a longitudinal study. There were 31 respondents (56%) to this second survey.

When the results of the two surveys were compared, growth clearly had taken place, although whether this resulted in a transition from entrepreneur to manager is less clear-cut. One possible reason is that the extent of growth recorded may

not have been sufficient to display the effects posited by the models underlying the survey questionnaire.

Although five areas of potential further research were identified as part of this research study, it is believed that the most useful direction for further research is a larger, and longer-term, longitudinal study, replicating and extending the current study.

DECLARATION

I hereby declare this thesis is entirely my own work and has not been submitted as an exercise or degree at this or any other higher education establishment.

The author alone has undertaken the work, except where otherwise acknowledged.

BRIAN O'KANE

12 October 2010

DEDICATION

To my wife, Rita,
and children:
Niamh, Conall, Kevin and Deirdre.

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I wish to acknowledge formally the immense contribution of my supervisor, Dr William O'Gorman, who started me on the search for the 'Entremanager' and was unfailingly patient and encouraging throughout the lengthy process.

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1: INTRODUCTION

This research study began in 2003, when, with Dr. William O’Gorman, Centre for Enterprise Development & Regional Economy (CEDRE) at the School of Business, Waterford IT, this researcher conducted a pilot study as the basis for a paper - *Transition from entrepreneurial to professional management style in SMEs: Why does it need to happen?* - for the EISB¹ conference, held in Milan in September 2003 (O’Gorman & O’Kane, 2003).

The pilot study aimed to:

- Examine whether, as businesses grow, their founders become more managerial and lose the entrepreneurial ethos that gave rise to the start-up.
- Establish, if the founders became more ‘managerial’, at what point and / or as a result of what triggers, this movement towards the managerial state, and away from the entrepreneurial state, occurred.

The pilot results showed that:

- Even at start-up, when it is normally assumed that the businesses will be managed on an *ad hoc* basis, the respondents’ businesses were managed professionally.
- From the start-up date, the quality of management of the business developed further - the respondents’ time usage showed a clear bias towards ‘managerial’ tasks.

¹ Entrepreneurship, Innovation & Small Business, a chapter of the European Foundation for Management Development.

- Respondents held simultaneously both entrepreneurial and managerial roles - although the bulk of their activity was clearly managerial in nature, nonetheless, on average, 19% of respondents' time was spent on tasks that were 'entrepreneurial' in nature.
- The respondents were neither wholly entrepreneurs nor wholly managers but appeared to have a foot in both camps, with their managerial activity beginning at start-up.
- Last, although some 80% of their time was spent in managerial activities, the respondents nonetheless considered themselves to be 'entrepreneurs'.

Although based on a sample of only six owner / managers, the pilot results did not fit with the classic academic distinction between entrepreneurs and managers, which sees the two groups at opposite ends of a divide and discusses each in a separate body of literature. Nonetheless, the pilot results fit well with venture capitalists' acknowledged focus on the quality of management as a key factor in investment decisions - even at the start-up stage (Rock, 1987).

The pilot study led this researcher to believe that there may be a misperception as to the true nature of the managerial entrepreneur - the 'entremanager'.² As a result, this researcher believes that entrepreneurs are misunderstood and may be supported in inappropriate ways by enterprise support agencies, financial and academic institutions, policy-makers and business advisers.

² A term coined by this researcher and Dr. William O'Gorman to describe an individual who combines the traits and activities of the entrepreneur with those of the manager - a role played by the owner / managers of most SMEs.

The purpose of the current research is to test, through a more in-depth study, whether the results of the pilot study are generalisable. Specifically, the research problem (Chapter 2) was recast as:

Whether - and, if so, how, when and why - the development of entrepreneurs is linked to the growth of their businesses and, specifically, whether - and, if so, how, when and why - the founders of businesses change from being entrepreneurs into managers as their businesses grow.

from which the following research objectives were developed:

- To identify a suitable population of entrepreneurs whose businesses are likely to experience growth.
- To identify whether growth occurred in the survey respondents' businesses in the period between two survey dates.
- To identify the survey respondents' managerial behaviour at the two survey dates.
- To establish whether any linkage can be drawn between the growth (if any) that has occurred in the survey respondents' businesses and the changes (if any) in their managerial behaviours.
- If such linkages can be identified, to examine why, how and when they lead to the transition of founders from being entrepreneurs to becoming managers.

An extensive literature review (Chapter 3) covered five topics:

- Entrepreneurs.
- Managers.
- The distinction between entrepreneurs and managers.
- Growth.
- The transition from entrepreneur to manager.

Despite the academic separation of the entrepreneurial and managerial literatures, this review found that entrepreneurs and managers share some common characteristics and skills and that successful entrepreneurs require - and possess - significant management skills, which enable them to grow their businesses, and represent a change from the entrepreneurial attributes required to start the business initially. Notwithstanding this, the review found that little research had been carried into how entrepreneurs make the transition to managers and how they combine the entrepreneurial and management domains simultaneously.

In terms of methodology (Chapter 4), the research approach was chosen "on instrumental and pragmatic grounds" (Baker and Foy, 2008, p.27). A survey questionnaire, the core of which was based on the development models identified in the literature review (Chapter 3), was administered in February 2007 to a sample population comprising 500-plus entrepreneurs who had completed specific start-up courses in the period 2004 to 2006. By dividing the sample population into year-based cohorts an internal longitudinal dimension was obtained within the sample. Further, a second virtually identical questionnaire was administered two years later (in 2009) to respondents who had completed the first questionnaire, thus providing opportunity for a longitudinal study.

A response rate of just over 20% (105 responses) was obtained in the first survey, although not all respondents completed all questions.

Survey 1 (2007) showed that respondents typically:

- Were aged between 26 and 50 (95.2% of respondents), with the 36 to 40 age group showing the highest concentration (24.3%) and mostly (71.9%) male.

- Had received some form of third-level education (80%) as part of their full-time education, with nearly one-in-five (17.5%) having some form of post-graduate education, and had undertaken some form of further study, either academic or industry / professional, after completing their full-time education (65.1%).
- Had started technology-based service businesses (45.0%), though one-third had started non-technology-based service businesses (33.0%), mostly in the year of, or the year before, undertaking their chosen course.
- Had businesses with modest turnover (75% below €100k, with none above €1m), employing only themselves (50.0%) and with three or fewer products (60.8%).
- Owned his / her business outright (59.4%), with only two cases of formal (non-founding team, employees or family) external shareholdings.
- Assumed multiple personal responsibilities for key business functions.
- Were evenly balanced (32 / 31) between those who had previous work experience at director / manager level and those who had not.
- Had left their previous employment because they had seen an opportunity in the same industry (33.3%) or in an unrelated area (39.7%).

Turning to the respondents' behaviour and skills, in the first survey respondents:

- Self-rated above the mid-point on management behaviour in only two aspects on the first assessment, while on a second self-assessment they self-rated above the mid-point on 7 (of 24) aspects.

- Self-rated their management skills above the mid-point on all aspects, and self-rated above the mid-point on all but one aspect of entrepreneurial skills.
- Spent the bulk of their time (53.8%) on 'entrepreneurial' activities.
- Clearly identified themselves as 'entrepreneurs' (47.2%).

The second survey was administered to the 55 respondents who had fully completed the first survey. From these 55, 31 (56%) responded to the second survey. Four respondents exited this second survey as their businesses were no longer operating or they were no longer the 'main driver' of their business.

In answer to background questions that sought to establish 'growth', respondents to Survey 2 (2009) answered that:

- Four-in-ten (41.7%) had sales of less than €100k, although 2 (8.3%) had grown sales above €1m; only one-third (33.3%) now employed only themselves; seven-in-ten (70.8%) offered three or fewer products / services.
- For most (83.3%), shareholdings in the business remained unchanged, while they continued to assume multiple personal responsibilities for key business functions.

On their behaviours and skills, respondents to Survey 2 (2009):

- Self-rated above the mid-point on two aspects of management behaviour and at the mid-point on two others in the first assessment, while self-rating above the mid-point on 7 (of 24) management behaviours in a second assessment.

- Self-rated themselves above the mid-point on all aspects of management skills and self-rated above the mid-point on 9 (of 10) entrepreneurial skills.
- Spent the bulk (55.9%) of their time on 'entrepreneurial' activities, and saw themselves largely as 'entrepreneurs' (47.7%).

When the results of the two surveys were compared (Chapter 7), growth took place within the respondents' businesses. Between the two survey dates, respondents' businesses more than doubled average sales, increased average staff numbers by 50% and reduced the number of respondents without staff by 35%, and attracted external shareholdings in four (16.7%) cases.

However, whether this resulted in a transition from entrepreneur to manager is less clear-cut:

- In the assessments of management behaviour, respondents showed increases in self-rating in respect of 7 (of 18) and 11 (of 24) topics, respectively, suggesting a tendency towards more 'managerial' behaviour.
- In relation to management skills, which, in both surveys, the respondents self-rated higher than their management behaviours, respondents recorded decreases in self-ratings on 11 (of 17) topics, suggesting a tendency away from more 'managerial' behaviour.
- In relation to entrepreneurial skills, which respondents in both surveys self-rated higher than their management skills, respondents recorded decreases in all topics.
- While respondents spent more time in Survey 2 (2009) on 'managerial' activities (41.3% against 39.4%) they did so at the expense of the unidentified 'Other'

activities, since they also spent more time on 'entrepreneurial' activities (55.9% against 53.8%).

- Last, the same proportion of respondents self-perceived themselves as 'entrepreneurs' (47.7% in Survey 2 (2009) against 47.2%), although fewer (23.8% against 29.1%) now saw themselves as 'managers', with the drift being towards 'neutral' status.

The results shown above clearly challenge the research question. While it has been established that growth has taken place, it is less clear-cut that change in management behaviours towards a more 'managerial' state has occurred also. For sure, there has been some movement towards more 'managerial' behaviour - but the movement is marginal at best and is balanced by decreases in self-ratings for both management and entrepreneurial skills. In addition, respondents appear to have increased the time spent on both 'entrepreneurial' and 'managerial' activities simultaneously (at the expense of the unidentified 'Other' activities), and fewer of them regard themselves as managers.

One possible reason for this challenging result is that the extent of growth recorded may not have been sufficient to display the effects posited by the models underlying the survey questionnaire. The models underlying the survey questionnaire are US or UK in origin, where growth may be different from the Irish context. Thus it is arguable that the lack of clarity in the results is due in part to the (relatively) limited extent of growth visible between the two survey dates and in part to a poor fit between the respondents' businesses in terms of size and stage of development and the models of growth used to assess them.

Five areas of potential further research were identified as part of this research study, including further analysis of the current research data-set, as well as into topics outside the current research problem. However, in summary, it is believed that the most useful direction for further research would be a larger, and longer-term, longitudinal study, replicating and extending the current study.

Thus despite only partial success in achieving its aims, this researcher believes that the current research is useful to enterprise support agencies, academics, business advisers, financiers and policy-makers, as well as to entrepreneurs and business owner / managers, in that it shows:

- Actual growth rates - in terms of sales, number of employees and number of products / services offered - for a sample of Irish start-ups and early-stage businesses.
- Actual management behaviours within these start-up and early-stage businesses at or close to the point of start-up and also at two years subsequently.
- Changes in these management behaviours in the two years between the survey dates.
- Irish start-up and early-stage entrepreneurs inhabit both the entrepreneurial and managerial domains simultaneously.

2: THE RESEARCH PROBLEM

Traditionally, research into how entrepreneurs and managers work has been categorised into two distinct fields of literature: entrepreneurship and management. Most existing research suggests that one cannot be an entrepreneur and manager at the same time, and that therefore one must make a complete transition from the entrepreneurial domain to the managerial domain (Holmquist, 2004). As a result, academics, policy-makers, financiers and business advisers generally view entrepreneurial activities as separate and mutually exclusive from managerial activities.

However, researchers such as Hisrich and Peters (2002) and Timmons and Spinelli (2003) recognised and supported the notion of the entrepreneurial and administrative domains coexisting as a necessity as organisations develop and grow.

Timmons and Spinelli (2003) stated that:

Organisations at different stages (of development) are characterised by differing degrees of change and uncertainty and are therefore more or less entrepreneurial or more or less administrative (managerial). Thus for example, a new venture in the seed/start-up stage, which is characterised by high change and uncertainty, is most entrepreneurial. These firms will be new, innovative, or backbone ventures; will be led by a team; will be driven by their founders' goals, values, commitment, and perceptions of the opportunities; and will minimize the use of resources. At the other extreme is a mature firm, one that is in the maturity stage and is characterised by low change and uncertainty, is stable or contracting, is led by an administrator or custodian, is driven by resource ownership and administrative efficiency, and is reactive. Other firms fall in between (p.274).

Timmons and Spinelli (2003) also stated that "successful entrepreneurs possess not only a creative and an innovative flair, but also solid general management skills, business know-how and sufficient contacts" (p.64). Further they argued

that "key to achieving sustained growth ... is an entrepreneur's ability to have or develop competencies as an entrepreneurial manager" (p.273, italics added) and went on to say that:

Increasingly, however, evidence suggests that new ventures that flourish beyond start-up and grow to become substantial successful ventures can be headed by entrepreneurs who are also effective managers (p.274).

The current research examines what happens to the entrepreneur's managerial style as the business begins to grow, and explores and questions the rate and time of transition - if any - from the entrepreneurial to the managerial domain.

This research is unique in that it explores the actual feelings and managerial style of owner-managers as opposed to categorising them into one traditional role or the other. The current research questions the accepted paradigm of the metamorphosis from entrepreneur to manager, and proposes a new paradigm in which both states can exist at the same time and that owner-managers can alternate between states.

The importance of the current research lies in the high failure rate of start-ups (generally accepted world-wide as being 50%+ within three years of start-up), which might be reduced if the post-start-up development of entrepreneurs was understood better. Venture capitalists whisper that most entrepreneurs are good at starting ventures but terrible at managing them (*Economist*, 1997).

Allen (1999) wrote:

Countless entrepreneurial companies are hindered in their growth strategy by the very entrepreneurs who founded them. These entrepreneurs often don't realize they lack the management skills necessary to grow the company to the next stage. They excelled at bringing together diverse resources to create the company and see it to survival, but entrepreneurs and managers are two different breeds, and rarely does one person possess the

distinct skills each role requires. If an entrepreneur doesn't recognise this inability to manage growth early on and delegate to someone who has the skills, the company will likely struggle and may even fail (p.233).

Can something be done about this? Yes, across the world, entrepreneurs are being encouraged and supported in their start-ups by a range of government-sponsored and private agencies, as well as by financial institutions. In Ireland, for example, the supports currently range from the Enterprise Start programme offered by Enterprise Ireland, to Start Your Own Business courses offered by the City and County Enterprise Boards, to the Enterprise Platform Programmes offered by some of the Institutes of Technology, to the START-UP BOOT CAMPS offered by this researcher's company, Oak Tree Press, to the Online Start-Up Course offered by Bank of Ireland. This incomplete listing shows the range of support available. However, virtually all this support is focused on the mechanics of 'how to start', with some small motivational / psychological element. Little attention is paid to the management skills (either pre-existing or to be developed) of would-be entrepreneurs until sometime after start-up, when management development programmes targeted at owner-managers (for example, from the Small Firms Association's National Centre for Excellence or from the Irish Management Institute) seek to up-skill these individuals.

The researcher of this current work argues that this post-start-up intervention in respect of management skills development may be too late and that a better understanding of the nature of entrepreneurial development, and the role of management skills within entrepreneurial development, offers the opportunity to develop more and better businesses from start-up, through the 'valley of death' to some degree of scale, for the benefit of the entrepreneur, their investors and Irish society as a whole. The key is understanding the

impact of growth in a business on the management behaviours of the founding entrepreneur(s).

The questions at the heart of this research are:

Whether the development of entrepreneurs is linked to the growth of their businesses and, specifically, whether the founders of businesses change from being entrepreneurs into managers as their businesses grow.

The answers to these questions have clear value for enterprise support agencies, financial and academic institutions, policy-makers and business advisers, as well as for entrepreneurs themselves.

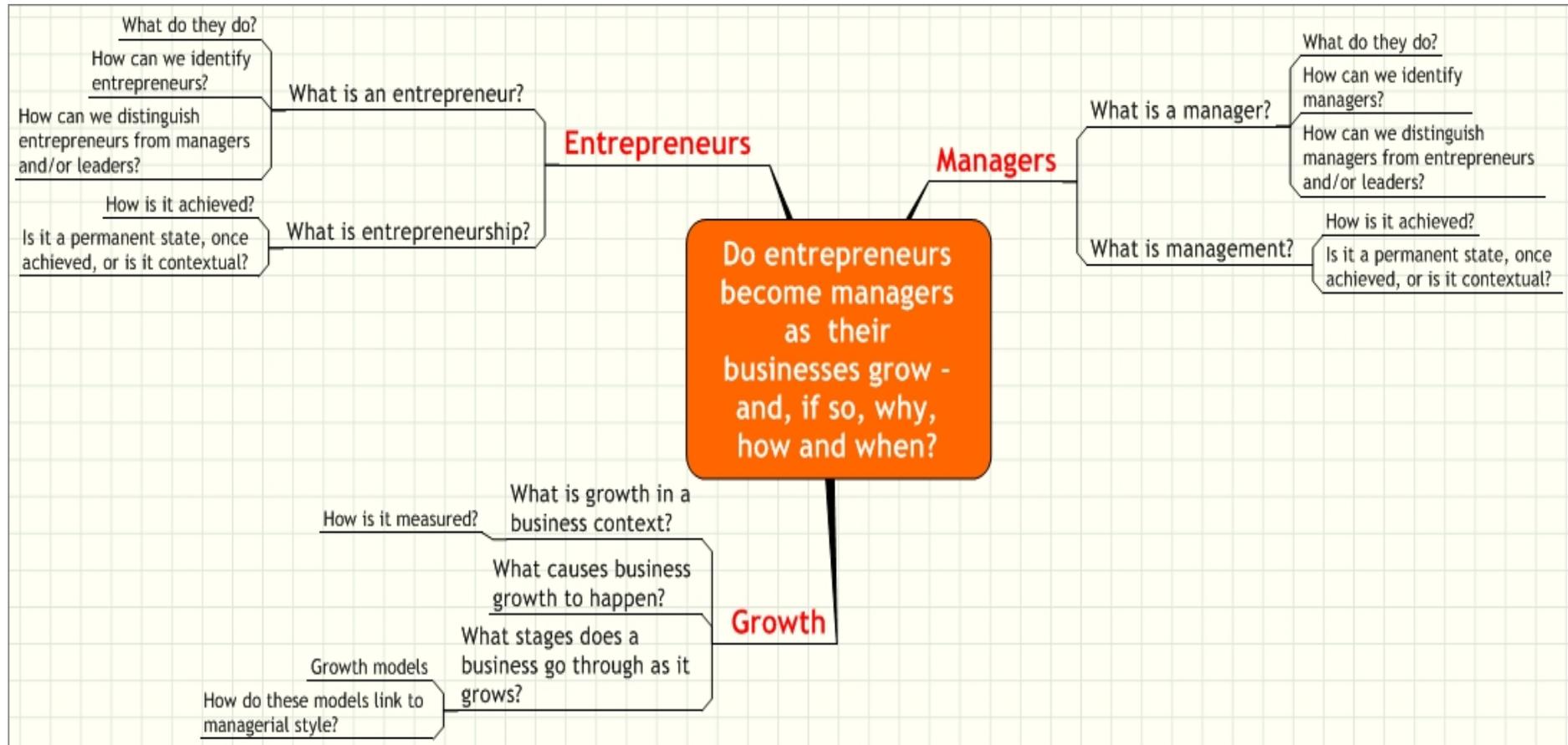
The conceptual framework underpinning this research project is set out in Figure 2.1.

At the core of the conceptual framework is the research question. The three key branches from this question relate to:

- Entrepreneurs.
- Managers.
- Growth.

Further branching questions seek to define each of these terms, to identify the nature of the entrepreneur / manager / growth respectively, to understand how entrepreneurs and managers can be distinguished and how growth links the two and, finally, to add to the researcher's understanding of the terms.

Figure 2.1: Conceptual Framework



Source: Current research

The overall research question is:

Whether the development of entrepreneurs is linked to the growth of their businesses and, specifically, whether the founders of businesses change from being entrepreneurs into managers as their businesses grow.

from which the following research objectives arise:

- To measure growth in start-up businesses.
- To establish the managerial behaviours of founders / owners of micro-enterprises at, and post, start-up.
- To identify whether changes in managerial behaviour are linked to the growth of the founders / owners' businesses.
- To establish whether founders / owners of micro-enterprises change from being entrepreneurs to being managers as the business grows.

The literature review (Chapter 3) provides a summary of the reading underpinning the conceptual framework and informing this research.

3: LITERATURE REVIEW

3.1: INTRODUCTION

Based on an earlier pilot study (O’Gorman and O’Kane, 2003), the current research seeks to establish as a more general principle that, contrary to the accepted position in the literature, as businesses grow, their founders, who are seen as entrepreneurs at the point of start-up, necessarily become managers and that they can inhabit both the entrepreneurial and administrative / managerial domains simultaneously.

To understand the issues, it was necessary to review the literatures in a number of different, although adjoining, areas.

First, as identified in the discussion around the conceptual framework underlying the current research (Chapter 2), in order to establish whether a founder changed from being an entrepreneur to being a manager as a result of the growth of his / her business, the researcher needed to be able to recognise three states, each of which has its own area of literature:

- Entrepreneurs.
- Managers.
- Growth.

A fourth area was quickly identified and explored also: the literature that crosses the boundaries of the first two and seeks to distinguish entrepreneurs and managers, since understanding the differences between the two groups is critical to identifying any transition between them.

Last, since the research is concerned with the transition of the founder from the entrepreneurial state to a managerial state, literature that identified and explained this transition was also included in the review.

Overall, a body of research literature was identified, although as pointed out in O’Gorman and O’Kane (2003), the vast bulk of the literature relates to the separate states of entrepreneur and of manager and the differences between them. For example, O’Gorman and O’Kane (2003) cited Malach-Pines *et al* (2002):

A large and steadily growing research literature attests to the interest in managers (over 6,000 publications in the last decade alone). Smaller research literature attests to the interest in entrepreneurs (over 200 publications in the last decade). Relatively little research compared the two (about 50 articles in the last 10 years). Of the studies that addressed both, some focused on managers (for example, Cromie, Callaghan and Jansen, 1992; Edwards, 1999; and Maurer, 1999), some focused on entrepreneurs (for example, Knutson, 1998; Miner, 1997 and 2000; and Nicholson, 1988) and some did not differentiate the two (for example, Anderson and Goldsmith, 1997; and Colinson and Hearn, 1996) (p.173).

Holmquist (2004) made the point that:

... the process of expanding a new and small firm to a large and established one transcends the two literatures [of entrepreneurship and strategic management] ... and has not been explicitly dealt with by either of [them] (p.2).

Based on her study, she argued that the businesspeople surveyed:

... seem to grow into a common integrated focus, regardless of whether they started from an entrepreneurial or a managerial position. The existence of such an integrated focus suggests that the dichotomisation of entrepreneurial and management focus is more of a theoretical division than an empirical one (p.11).

The two literatures - entrepreneurial and managerial - are examined in the following sections.

3.2: ENTREPRENEURS

Richard Cantillon (1730), an Irishman who is credited with coining the term 'entrepreneur', defined entrepreneurship as self-employment of any sort and pointed to the willingness to bear the personal financial risk of a business venture as the defining characteristic of an entrepreneur (Sobel, 2008).

Adam Smith, in *The Wealth of Nations* (1776), used the term 'enterpriser', while Say (1803) defined the entrepreneur as the agent "the person who takes upon himself the immediate responsibility, risk, and conduct of a concern of industry, whether upon his own or a borrowed capital" (p.128). Mill (1848) used the term 'entrepreneur' to refer to a person who assumes both the risk and the management of a business (Sobel, 2008).

Bucar and Hisrich (2001) cited Ginsberg and Buchholtz (1989), who found that the entrepreneur "was consistently characterised as someone who is founder, owner and manager of a business, and who creates a new and different venture" (pp.64-65).

Smilor (1996) defined an entrepreneur as "a person who pursues opportunity, acts with passion for a purpose, lives proactively, leverages resources and creates value" (p.3), while Luczkiw (2004) said that entrepreneurs show the following talents: "risk-taking propensity, determination and perseverance, taking initiative and personal responsibility, tolerance for ambiguity and uncertainty, vision, and the ability to inspire others" (p.28).

Malach-Pines et al (2002) identified the following traits as being most often mentioned in their review of the literature:

... high achievement motivation and need for control, internal locus of control, autonomy, distrust, independence,

assertiveness, self-confidence, initiative, optimism, imagination, persistence in problem-solving and single-mindedness, leadership, decisiveness, competitiveness, a desire for applause and risk-taking (p.174).

Sexton and Bowman (1985) suggested that entrepreneurs:

... tend to 1) be tolerant of ambiguous situations, 2) prefer autonomy (autonomy may be described as self-reliance, dominance and independence), 3) resist conformity, 4) be interpersonally aloof yet socially adroit, 5) enjoy risk-taking, 6) adapt readily to change, and 7) have a low need for support (p.1).

They noted, however, that "these factors can lead to serious problems in delegation and communication, two factors of paramount importance to a growing concern" (p.1).

Bachemin (1989) suggested that "entrepreneurs possess an uncanny knack for identifying and exploiting untapped opportunities, relentless drive to make the idea work, and vision and creativity to transform the solid idea into a profitable business" (p.1).

According to Van Daalen (1989), cited in Furnham (1994), "a review of the leading studies of entrepreneurial characteristics reveals that the following five attributes recur with regularity: the achievement motive (nAch), locus of control, risk-taking propensity, tolerance of ambiguity and, more recently, A-type behaviour" (p.189).

Begley and Boyd (1987), in examining what distinguishes entrepreneurs from non-entrepreneurs (see also section 3.4), made the point that, although there is widespread agreement that entrepreneurs are different from non-entrepreneurs, that is the only point of concurrence. After a brief review of some definitions of entrepreneurs, Begley and Boyd offered their own: "an entrepreneur is a person who has founded his or her own enterprise" (Begley and Boyd, 1987, p.100).

For the purposes of the current research, this distinction between founders and non-founders is seen to be critical. Unless an entrepreneur is the founder of the business that he or she manages, one cannot track completely a growth-induced transition from entrepreneur to manager - assuming, of course, that one exists, which is what this current research aims to establish.

Part of the difficulty in defining an entrepreneur is that 'entrepreneur' is today's "job description of choice" (Brodsky, 1996). True entrepreneurs, said Brodsky, are people who create companies from scratch:

They start with nothing except what they themselves bring to the party - a concept, a few contacts, maybe some capital, plus all of those intangible qualities that are important to success in any venture ... The entrepreneur's job is to put everything together, wearing 10 different hats, juggling 20 different balls, relying on their own knowledge and instincts and creativity to get them to positive cash flow (p.2).

Interestingly for the purposes of the current research, Brodsky went on to say:

And the best entrepreneurs are masters of the process, which is not to say that they're necessarily the greatest businesspeople in the world ... Many of them have a hard time managing the companies they create ... What they're good at is starting businesses (p.2).

Brodsky's dismissal of 'entrepreneurs by self-description' is echoed in Malach-Pines *et al* (2002). Malach-Pines *et al*'s study began by accepting participants' own self-definition, in answer to the question 'Are you an entrepreneur?', but had to delete 33 self-described entrepreneurs (from a total sample of 100) "because their accomplishments (as described in response to other questions) did not justify the label" (p.178).

Other definitions of entrepreneur include:

- An individual who is instrumental to the conception of the idea of an enterprise and its implementation (Kets de Vries, cited in Malach-Pines *et al*, 2002) – a broadly encompassing definition that not only includes members of a founding team but, arguably, others involved with the start-up process also.
- Innovator and catalyst for change, who continuously does things that have not been done before (Schumpeter, cited in Malach-Pines *et al*, 2002) – which focuses on the disruptive nature of entrepreneurship.

Hisrich *et al* (2005) defined entrepreneurship as “the process of creating something new with value by devoting the necessary time and effort, assuming the accompanying financial, psychic and social risks, and receiving the resulting rewards of monetary and personal satisfaction and independence” (p.1), while the European Commission’s (2003) *Green Paper on Entrepreneurship*, cited in OECD (2005), defined it as “the mindset and process to create and develop economic activity by building risk-taking, creativity and / or innovation with sound management, within a new or an existing organisation” (p.22). The inclusion of ‘sound management’ in this latter definition is interesting in the context of the current research and is supportive of the research question.

Timmons and Spinelli (2003) picked up the mindset point, stating that “entrepreneurship is a way of thinking, reasoning and acting that is opportunity obsessed, holistic in approach and leadership balanced” (p.47). They went on to say that entrepreneurs “inject imagination, motivation, commitment, passion, tenacity, integrity, teamwork and vision

into their companies" (p.47), with a start-up as the classic expression of entrepreneurship.

They then summarised the characteristics of entrepreneurs, as identified by other researchers from Mill ('risk-bearing', 1848), through Schumpeter ('innovation, initiative', 1934) and McClelland ('risk-taking, need for achievement', 1961) to Borland ('internal locus of power', 1974) (Timmons and Spinelli, 2003, p.248).

Longenecker and Schoen (1975) distilled from the many definitions of entrepreneurship three features that they believed captured its principal thrust:

- Innovation - based on Schumpeter (1961), who saw the entrepreneur's role as creating new combinations, including: (1) introduction of a new good or service; (2) introduction of a new method of production; (3) opening of a new market; (4) finding a new source of supply; and (5) carrying out of the new organisation of any industry.
- Risk-taking - which leads inexorably from innovation.
- Independence of action - the key distinction between entrepreneurs who act on their own account and managers who are answerable to others (p.27-29).

This requirement of managers to answer to others, as opposed to the entrepreneur's freedom of action (brought about by their assumption of personal responsibility for success or failure) is an additional qualifier that is taken into account in the construction of the survey questionnaire (see section 4.5).

In relation to small businesses, Longenecker and Schoen (1975) regarded innovation as the factor that distinguishes 'entrepreneurs' from 'shopkeepers' (p.31).

McClelland (1987), cited in Chell (2001), taking the view that 'entrepreneurs are what they do', identified nine competencies of successful entrepreneurs (see Table 3.1).

Table 3.1: The Nine Competencies of Successful Entrepreneurs

PRO-ACTIVITY	ACHIEVEMENT ORIENTATION	COMMITMENT TO OTHERS
Initiative	Ability to see and act on opportunities	Commitment to the work contract
Assertiveness	Efficiency orientation	Importance of business relationships
	High quality work	
	Systematic planning	
	Monitoring	

Source: Chell (2001, p.85).

From her earlier work, Chell (2001) identified the characteristics of a 'proto-typical' entrepreneur (Table 3.2).

Table 3.2: The Characteristics of a 'Proto-typical' Entrepreneur

CHARACTERISTICS
Alert to business opportunities
Pursues opportunities regardless of resources currently controlled
Adventurous
An 'ideas person'
Restless / easily bored
High-profile image-maker
Pro-active
Innovative
Thrives on change
Adopts a broad financial strategy

Source: Chell (2001, p.86).

To the apparently simple question, 'What is an entrepreneur?', it appears that there are myriads of answers, with much overlap but little agreement. Jackson et al (2001) admitted that current entrepreneurial literature lacks consensus regarding the definition (the identity) of the entrepreneur. Small wonder then that Machado et al (2002) were dismissive of entrepreneurial research, stating:

Almost four decades of investigation have produced, at most, incomplete lists of salient entrepreneurial qualities that a person requires to be successful ... however, in general, most of the essential characteristics ... can also be attributed to other professionals ... (pp.21-22).

However, what is agreed is that entrepreneurs are special (Houtz and Heasley, 2002). Perhaps Smilor (1996) identified that something special when he said:

... the only characteristic that applies to all entrepreneurs without exception [is that] every entrepreneur believes that his or her company will succeed ... this is why so many entrepreneurs seem to do the impossible (p.7).

For this research, the key to the definition of an entrepreneur lies in Begley and Boyd's (1987) requirement that he / she be a founder - see Section 5.2, responses to Question 11, Survey 1 (2007).

3.3: MANAGERS

One of the most prolific, and influential, writers on management in the past 50 years is Peter Drucker. Recently deceased, even his earlier works - many of them written in the 1970s - have clear resonance today. In a re-issue of a 1973 book, he says that managers are the basic resource of the business enterprise and that "one can define the work of a manager as planning, organising, integrating and measuring" (Drucker, 1993, p.393). He continued:

There are five basic operations in the work of a manager ... A manager, in the first place, sets objectives ... Second, a

manager organises ... Next, a manager motivates and communicates ... The fourth basic element in the work of a manager is measurement ... Finally, a manager develops people, including himself (p.400).

But Drucker (1993) also said, "most managers spend most of their time on things that are not 'managing'" (p.399).

Mintzberg (1989), the other equally prolific, and equally influential, management writer, looked at what managers really do, as opposed to what the textbooks say they should do. He found that:

- Managers' activities are characterised by brevity, variety and discontinuity (p.10).
- Managers are strongly oriented to action and dislike reflective activities (p.10).
- Managers are real-time responders to stimuli, conditioned by the job to prefer live to delayed action (p.11).

Mintzberg (1989) described managerial work as comprising of 10 roles: Figurehead; Leader; Liaison; Monitor; Disseminator; Spokesman; Entrepreneur; Disturbance handler; Resource allocator; and Negotiator. These roles are not easily separable: 'they form a gestalt, an integrated whole. No role can be pulled out of the framework and the job be left intact (p.21).

Mintzberg (1971) defined 'managers' as "people in charge of formal organizations or their sub-units" (p.B99).

Jones (1998) synthesised a definition of management, echoing Drucker:

Management is the process of effectively and efficiently using an organisation's resources to achieve objectives through the functions of planning, organising, leading and controlling (p.1).

He defined managers as "those who direct the work of others, although they may have some operative responsibilities" (p.1) and summarised managerial work as:

- Combining specialist and managerial work.
- Involving significant allocation of time to *ad hoc* trouble-shooting.
- Not being, as previously thought, a reflective activity.
- Involving spending significant amounts of time in persuading or asking to do things or provide information.
- Requiring that the manager spend little time on any one activity and much time in explaining what they do and in politicking.
- Involving managers in spending much time in reconciling conflict (p.4).

The previous section failed to identify an adequate agreed definition of the entrepreneur, reminding this researcher of Kilby's (1971) analogy of the "Heffalump":

The Heffalump ... has been hunted by many individuals ... but no one so far has succeeded in capturing him. All who claim to have caught sight of him report that he is enormous, but they disagree on his particularities. ... some hunters have ... tried to persuade people that what they caught was a Heffalump. However, very few are convinced, and the search goes on (p. 1).

In contrast, there is relative unanimity shown in the managerial literature about the nature of managers. On the basis of this unanimity, this researcher has restricted the length of this section of the literature review to the minimum required to allow for a distinction between entrepreneurs and managers in the next section.

3.4: DISTINGUISHING ENTREPRENEURS AND MANAGERS

The NDP³ Gender Equality Unit (2003) defined entrepreneurs and business managers:

- Entrepreneur: Owner, part-owner and / or the principal manager responsible for the expansion and strategic development of the business.
- Business manager: Person with day-to-day responsibility for staff working under their direction, who is in turn responsible to someone at a higher level in the organisation (excludes Chief Executives and Owner / Operators). (p.15)

Although these definitions take account of Longenecker and Schoen's (1975) notion of the answerability of managers to others, overall the definitions are not helpful, since chief executives, many of whom are hired-in managers, are excluded from the definition of 'manager' and are included instead in the definition of 'entrepreneur' above as "the principal manager responsible for the expansion and strategic development of the business" (p.15). In fact, the NDP definition appears to define 'managers' purely as middle management (with staff reporting to them, and they themselves reporting upwards) and, by grouping chief executives with entrepreneurs, appears to ignore the element of personal risk-taking usually associated with entrepreneurs and identified repeatedly in section 3.2. In contrast, in this current research, respondents were considered valid only if they were both a founder and a 'main driver' of their business - owner AND chief executive, rather than owner OR chief executive.

Nonetheless, the NDP report is one of the most comprehensive on entrepreneurs and business managers undertaken in Ireland

³ National Development Plan (Ireland).

and provides insights into the differences and similarities between women and men entrepreneurs and women and men business managers. Specific insights include:

- Enterprises led by women generally do not attain the equivalent size of enterprises run by men.
- There are lower levels of educational attainment among entrepreneurs compared to business managers.
- Women business managers are generally younger than women entrepreneurs.
- More enterprises led by women entrepreneurs had lower turnovers than those led by men.
- Of exporting enterprises, more were led by men.
- More men than women had set up a business prior to setting up their current enterprise. (NDP, 2003, p.89)

One of the classic works that sought to identify the distinction between entrepreneurs and managers is Malach-Pines *et al* (2002). Citing Czarniawaka and Wolff (1991), Malach-Pines *et al* saw entrepreneurship as 'the making of new worlds', while management was 'the activity of introducing order by co-ordinating flows of things and people toward collective action' (p.173).

Despite identifying over 6,000 publications in the previous decade focused on the study of managers and approximately 200 studying entrepreneurs, Malach-Pines *et al* were able to identify only a small number of studies that compared entrepreneurs and managers. Table 3.3 below shows these.

**Table 3.3: Studies Comparing Entrepreneurs and Managers
(per Malach-Pines et al, 2002)**

REFERENCE	FINDINGS
Kecharanata and Baker (1999)	Value orientation of entrepreneurs significantly different from that of professional managers.
Reynierse (1997)	Entrepreneurs and managers have different mindsets.
Buergin (1999)	
Busentiz (1999)	Entrepreneurs use biases and heuristics in decision-making more than managers do, leading them to perceive less risk in situations.
Stimpson, Narayanan and Shanthakumar (1993)	Entrepreneurs scored higher on innovation, achievement and personal control in their business attitudes than managers.
Buttner (1992)	When stressed, entrepreneurs report a higher role ambiguity, while managers are more concerned about role conflict.

Malach-Pines *et al*'s study sought to compare directly the personality traits of entrepreneurs and managers; to compare the childhood history and family dynamic, especially in relation to father, of entrepreneurs and managers, using a psychoanalytic framework, though outside the context of therapy; and to broaden a previous study to include Israeli entrepreneurs and managers ("Israel has an unusually high number of successful high technology entrepreneurs and companies", p.177). The results of their study showed that entrepreneurs and managers scored similarly on commitment, involvement, energy, confidence, need for control and love of management while entrepreneurs scored higher than managers on loving challenge, being risk-takers, showing initiative, independence, realism, creativity, optimism and dreaming.

Brodsky (1993), in a survey of female corporate managers and entrepreneurs, found that, on the 16 personality dimensions of the Cattell 16PF test,⁴ managers and entrepreneurs

⁴ The Sixteen Personality Factor Questionnaire (or 16PF) is a multiple-choice personality questionnaire, scientifically developed over several decades of research by Raymond B. Cattell and his colleagues, beginning in the 1940s. The test is commonly used in schools and colleges, clinical and counselling settings, in career counselling and

differed only on 'trust' and 'level of control', entrepreneurs being less trusting and having higher control needs than managers.

Utsch *et al.* (1999), in a study of managers and small enterprise founders in post-socialist East Germany, found that entrepreneurs were significantly stronger in their orientation towards need for achievement, lower in control rejection, higher in self-efficacy, higher in readiness to change at work, higher in interest for innovation at work and higher in Machiavellianism than managers. The differences between entrepreneurs and managers were highest in the areas of need for achievement, self-efficacy and control rejection.

Tan (2001), in a study of managers of large state-owned enterprises and entrepreneurs in China, found significant differences between the two groups in relation to "reported environmental characteristics, strategic orientations, size and performance, indicating that managers are not as innovative and are less willing to make risky decisions than entrepreneurs ..." and that "being smaller than state-owned enterprises, speed, stealth and sound execution allow entrepreneurs to harvest first-mover advantages ..." (p.i).

Although Bucar and Hisrich (2001) found that, generally, entrepreneurs and managers differed only slightly in their views regarding the ethics of various activities, they also found that entrepreneurs demonstrated higher ethical attitudes in the internal dealings of the company, while it was more necessary for managers to sacrifice their personal values to those of the company more than it was for entrepreneurs.

employee selection and development, as well as in basic personality research, and is widely used internationally.

Smith and Miner (1983) found that entrepreneurs "are less favourably inclined towards authority figures, less competitive (especially in games) and less assertive than managers in large business firms" (p.337).

Cunningham and Lischeron (1991) explored the etiology of the word 'entrepreneur', which classically distinguishes between a 'manager' and an 'entrepreneur':

The word derives from the French verb 'entreprendre', meaning 'to undertake', and was translated from the German verb 'unternehmen', which also means 'to undertake'. In the early 16th century, entrepreneurs were thought of as Frenchmen who undertook to lead military expeditions. The term was broadened by 1700 to include contractors who undertook to build for the military: roads, bridges, harbours, fortifications, and the like. At the same time, French economists also used the word to describe people who bore risk and uncertainty to make innovations (de Farcy, 1973; Berthold, 1951). These definitions encompass the notion of undertaking (or founding) a venture (or adventure) which has an element of risk and requires some creativity or innovativeness (p.50).

De Fraja (1996) added to Begley and Boyd's (1987) distinction between founders and non-founders (see section 3.2) by distinguishing entrepreneurial and managerial firms. In an entrepreneurial firm, the individual organises production, borrows any funds that are needed, and retains exclusive right of control, as well as any residual returns from the project, while in a managerial firm, the individual sells the right to control and the right to residual returns to outside investors (p.89).

One founder quoted by McCarthy (2003) explained:

A manager has to be a very disciplined, analytical type of person, who can look at things and weigh them up very carefully. Managers are more careful people. An entrepreneur is not a careful person. Careful people write the history, they do not create it. Entrepreneurship is an enthusiasm. I can get very enthusiastic about something and bring people along with me, even customers. When I am in full flight, even customers get excited about it as well. That's part of being an entrepreneur (p.162).

And, in O'Connor (1999), the author, a practised consultant, opined that, in his experience, "almost every action that an entrepreneur takes is different from that taken by a salaried manager ... for example, decisions are taken at every turn ... higher targets are set ... instinctively, the entrepreneur focuses on the value-adding operations ... there is always change taking place" (p.1).

Bachemin (1989), forerunning Brodksy (1996), who was quoted earlier, stated:

A major reason that business start-ups fail is because some very good entrepreneurs turn out to be very poor managers ... starting a business and managing a business require different skills and ways of thinking (p.i).

The core of the distinction between entrepreneur and manager lies in the separation by academic researchers of the entrepreneurial domain from the administrative (or managerial) domain, on the basis that an individual can inhabit one or other domain but not both simultaneously.

Starting then with organisational culture, Chell (2001) identified differences between entrepreneurial and administrative cultural attributes (see Table 3.4) and cultural dimensions (Table 3.5).

Table 3.4: Organisational Culture Attributes

ENTREPRENEURIAL	vs.	ADMINISTRATIVE
External focus		Internal focus
Task		Social / status
Risk		Safety
Individuality		Conformity
Group		Individual rewards
Collective		Individual decision-making
Decentralised		Centralised decision-making
Adhocery		Planning
Innovation		Stability
Competition		Co-operation
Simple		Complex organisation
Informal		Formal procedures
Commitment to the mission		Commitment to the organisation
Knowledge valued		Procedures valued

Source: Chell (2001, p.17).

Table 3.5: Organisational Culture Dimensions

ENTREPRENEURIAL	vs.	ADMINISTRATIVE
Results		Process orientation
Job		Employee orientation
Parochial		Professional interest
Open		Closed system
Loose		Tight control
Pragmatic		Normative orientation

Source: Chell (2001, p.18), based on Hofstede *et al* (1990).

Since the entrepreneurial domain and the managerial domain define potential extremes, these organisational attributes and organisational cultural dimensions are included in the survey questionnaire for the current research, when examining management behaviour, to identify whether respondents lie in one or other - or both - domains, and at what point (see section 4.5).

Dunphy and Meyer (2002) used Mintzberg's (1973) 10 roles of a manager to test whether entrepreneurs could be distinguished from managers through the nature of the work they did. They found that:

Successful entrepreneurs engage in the roles of resource allocator, negotiator, disseminator and spokesperson more significantly than do managers. Successful managers engage in the roles of liaison, nerve centre and disturbance handler significantly more than do entrepreneurs ... The roles of leader and entrepreneur did not prove significant for discriminating between entrepreneurs and managers probably because both these roles may be of importance for both groups (p.9).

Contrary to Dunphy and Meyer (2002), McConkey and Short (2004) found that entrepreneurs spend considerable time performing all 10 of Mintzberg's managerial roles but that the most important to them were 'Entrepreneur' (unsurprisingly) and 'Liaison'.

The literature for this section, while distinguishing entrepreneurs and managers, still focused on the two groups as separate states and did not examine whether and / or how a transition occurred (or could occur) between these two states or whether the two states could or did co-exist, which is the core of the current research.

A key aspect of the current research involves understanding growth and how it is measured in an organisation. This topic, the third literature under review, is considered in the next section.

3.5: GROWTH

Dale (1991) made concrete the link between entrepreneurship and growth, saying:

Entrepreneurship is a dynamic concept which is fundamentally concerned with producing change. This suggests that a measure of successful entrepreneurship needs to be related to growth (either of market size, number of employees or increased diversity) and therefore should incorporate a temporal dimension (p.48).

A seminal paper on the way in which organisations grow is Greiner's (1998) work,⁵ which identified a series of developmental phases through which companies tend to pass as they grow, each phase beginning with a period of evolution, leading to steady growth and stability, and ending with a revolutionary period of substantial turmoil and change.

According to Grenier, the five phases of growth are:

- Creativity - the birth stage of an organisation, whose features lead to a 'crisis of leadership'.
- Direction - in which a 'capable business manager provides sustained growth under able, directive leadership, although this eventually leads to a 'crisis of autonomy'.
- Delegation - the organisation decentralises, allowing greater responsibility - and responsiveness - to managers on the ground but, in time, falls into a 'crisis of control'.
- Co-ordination - formal systems bring power back to the centre, providing more efficient allocation of resources, but leading to a 'red-tape crisis'.
- Collaboration - teams and a more flexible and behavioural approach to management mitigate the red-tape crisis - this last phase is representative of

⁵ This is an update of an earlier 1972 paper, the earlier paper no longer being available.

the most advanced organisations and so a revolutionary crisis leading to a further phase has yet to be identified (pp.60-62).

Greiner further identified organisational practices for each of these five phases (see Table 3.6), pointing out that:

History shows that the same organisational practices are not maintained throughout a long life span ... a company's problems and solutions tend to change markedly as the number of its employees and its sales volume increase (p.56).

Table 3.6: Organisational Practices

	PHASE 1	PHASE 2	PHASE 3	PHASE 4	PHASE 5
CATEGORY	Creativity	Direction	Delegation	Co-ordination	Collaboration
Management focus	Make and sell	Efficiency of operations	Expansion of market	Consolidation of organisation	Problem-solving and innovation
Organisational structure	Informal	Centralised and functional	Decentralised and geographical	Line staff and product groups	Matrix of teams
Top management style	Individualistic and entrepreneurial	Directive	Delegative	Watchdog	Participative
Control system	Market results	Standards and cost-centres	Reports and profit-centres	Plans and investment-centres	Mutual goal-setting
Management reward emphasis	Ownership	Salary and merit increases	Individual bonus	Profit-sharing and stock options	Team bonus

Source: Greiner (1998, p.66).

Greiner's phases and practices are used in the current research in the survey questionnaire to identify the current state of the survey respondents' growth and their concomitant management style (see section 4.5).

Churchill and Lewis (1983) then developed a further growth model, again based on five stages of small business growth, arguing that previous models were inappropriate for small businesses on three counts, in that they:

- Assume a company must pass through all stages of development or die.
- Fail to capture the important early stages in a company's origin and growth.
- Characterise company size largely in terms of sales (and sometimes, number of employees), ignoring other factors such as value added, number of locations, complexity of product line and rate of change in products / production technology.

Churchill and Lewis' stages are:

- Stage I: Existence; start-ups that go beyond this stage enter Stage II.
- Stage II: Survival; many businesses remain at this stage until their owners retire, only a few progress to Stage III.
- Stage III: Success; here, owners face a choice of using the company as a platform for growth or completely or partly disengaging from it; successful growth leads to Stage IV.
- Stage IV: Take-off; constraints that limit transition to Stage V include the 'omnipotence' and / or 'omniscience' syndromes, in which the owner does not recognise his or her limitations.
- Stage V: Resource Maturity; the company has now 'arrived' but, unless it can retain its entrepreneurial spirit, it will ossify (in an uncharted sixth stage).

In each stage, the characteristics of the business - management style, organisation, extent of formal systems, major strategy, business and the owner - are different. The factors that ensure success in each stage, and thus

transition to the next stage, vary and present challenges to owners' flexibility.

Churchill and Lewis' stages are used in the current research in the survey questionnaire to identify the current state of the survey respondents' growth and their concomitant management style (see section 4.5).

Burns' (2001) growth model considers four stages - Existence, Survival, Success and Take-off - and five characteristics in each - Orientation, Management, Marketing, Accounting and Finance - emphasising the "drift" from informal to more formal structures and describing changes in the functional disciplines.

Burns' (2001) growth model is used in the current research in the survey questionnaire to identify the current state of the survey respondents' growth and their concomitant management style (see section 4.5).

Finally, a key text in the growth literature is Penrose (1995), a re-issue of a work first published in 1959. Penrose suggested that 'growth' can be used both to denote increases in amount (for example, when one speaks of 'growth' in output, exports or sales) or to imply an increase in size or an improvement in quality as a result of a process of development. In the current research, it is the latter understanding of the term that is most relevant.

This section of the literature review provided an understanding of the term 'growth'. In addition, it identified a number of models that describe the growth pattern of businesses, and the organisational practices / management styles that typically accompany each growth stage.

These models are used in the development of the survey questionnaire for this research (see Chapter 5, Methodology).

3.6: TRANSITION FROM ENTREPRENEUR TO MANAGER

The current research argues that, as businesses grow, the founding entrepreneur becomes a manager. A good description of this transition is found in Rock (1987):

As I see it, a company's growth has three stages. During the start-up, the entrepreneur does everything himself: he or she is involved in engineering the product, making sales calls, and so on. After a while, the company grows and others are hired to do these things - a vice-president of sales, a vice president of engineering - but they report directly to him, and he or she still knows everything that is going on. The company reaches the third stage when it hits, say \$100 million to \$200 million in sales. At that point, it's just too large for the president to be involved in all the doings. More management layers are in place and a fleet of executive vice presidents, and it now calls for entirely different skills to run the company than it did during its infancy. The president has to get work done by delegating it to other people and get information through two or more organisational layers. The ideal would be a president who could manage a company at all three stages, starting the business from scratch and staying involved until retirement ... But not all entrepreneurs can manage a large company (p.65).

A long-time venture capitalist, Rock (1987) supported the anecdotal evidence that venture capitalists place a major degree of emphasis on managerial skills in entrepreneurs, when he said, "I generally pay more attention to the people who prepare a business plan than to the proposal itself" (p.63).

Drucker (1993) made the point that managers are required to replace entrepreneurs as businesses grow:

Management is needed not only because the job is too big for any one man to do himself, but because managing an enterprise is something essentially different from managing one's own property. ... Ford, Siemens and Iwasaki started small. But the growth brought more than a change in size. ... At one point, they [Ford, Siemens and Iwasaki] no longer ran 'their own business' but moved over into a *business enterprise*, that is, into an organisation requiring different structures and

different principles - an organisation requiring managers and management (p.384).

Drucker continued:

The change from a business which the owner-entrepreneur can run with 'helpers' to a business that requires a management is what the physicists call a 'change of phase' such as the change from fluid to solid. It is a leap from one state of matter, from one fundamental structure, to another. ... The line lies somewhere between 300 and 1,000 employees in size. More important, perhaps, is the increase in complexity; when a variety of tasks have all to be performed in co-operation, synchronation, and communication, a business needs managers and a management (p.387).

Timmons and Spinelli (2003) said that "managing and growing [a high potential venture] is a different managerial game" (p.561) and that "as the size of the firm increases, the core management mode likewise changes from *doing* to *managing* to *managing managers*" (p.562). They said that "successful entrepreneurs possess not only a creative and an innovative flair, but also solid general management skills, business know-how and sufficient contacts" (p.64). Further, they argued that "key to achieving sustained growth ... is an entrepreneur's ability to have or *develop* competencies as an entrepreneurial manager" (p.273, italics added).

Explaining the distinction between entrepreneurial and administrative domains, Timmons and Spinelli (2003) said "a good entrepreneur is usually not a good manager, since he or she lacks the necessary management skill and experience. Likewise it is assumed that a manager is not an entrepreneur, since he or she lacks some intense personal qualities and the orientation required to launch a business from ground zero" (p.273-274).

However, they went on to say that:

Increasingly, however, evidence suggests that new ventures that flourish beyond start-up and grow to become substantial successful ventures can be headed by entrepreneurs who are also effective managers (p.274).

And again, they recognised the co-existence of the two domains:

Entrepreneurs who build substantial companies that grow to more than \$10 million in sales and 75 to 100 employees are good entrepreneurs and good managers (p.281).

An early and influential paper in this niche of the literature is Smith and Miner (1983), who stated:

A number of theorists ... have posited organisational life cycle models ... that involve a transition from an initial entrepreneurial phase to a later phase in which the firm is dominated by a more bureaucratic type of managerial system (p.325).

They continued, citing Steinmetz (1969): "... the autocratic entrepreneur must change in style to become a professional manager if failure is to be avoided ..." (p.325). This transition occurs "around 30 employees and \$750,000 in assets" (p.325).

Smith and Miner also cited Thain (1969):

... stage 1 [is] a 'one man show' with the owner-manager tending to be autocratic in style, unilateral in decision-making, and short-term in orientation. At stage 2, a team-managerial approach is required with a consequent shift in style (p.325).

The shift, of course, may be more than one just of style. Smith and Miner (1983) suggested that the transition may be associated with changed personnel at the top of the company:

Greiner (1972) refers specifically to the installing of a capable business manager to replace the entrepreneur(s) who created the organisation in the first place. This does not mean an ownership change necessarily, but it does require a shift in control (p.325).

Steiner and Miner (1982), cited in Smith and Miner (1983), said:

... the key concept [is] that companies tend to elicit, or require, different managerial styles as they grow and that accordingly the entrepreneur must either undergo a style change to become a true manager or be replaced by someone more congenial to bureaucratic managerial systems (p.326).

The phrase above, 'the entrepreneur must ... undergo a style change' is key to the current research study, as it is concerned with the transition in the founder and in his / her skills and behaviour. Replacement of the founder, as suggested by Steiner and Miner (1982), to the benefit of the business perhaps, is not part of the current research, which focuses on the role of the founder entrepreneur as the business grows.

Smith and Miner's (1982) research looked at 38 individuals who had founded, and were still associated with, business enterprises in Oregon, USA. The firms were all at least five years old and ranged across a wide variety of industry sectors, employing from a handful of employees to several hundred. Based on earlier research by Miner (1965, 1977, 1978a), Smith and Miner investigated the bureaucratic orientation of these individuals - bureaucratic orientation being conceptualised in terms of Miner's (1965, 1977, 1978a) role-motivation theory of managerial effectiveness within hierarchical systems - the thesis being that the stronger the managerial motivation thus conceived, the more an entrepreneur should move toward firm expansion and growth.

Begley and Boyd (1987), as noted earlier, emphasised the founder / non-founder distinction, restricting their definition of an entrepreneur to "a person who has founded his or her own enterprise" (p.100). Their research found that firms run by founders grew faster than those run by non-founders (p.105).

A paper, one of a very few, that covers similar ground to the current research is Holmquist (2004). She summarised the conventional wisdom:

Traditionally, entrepreneurship and strategic management have been treated as mutually exclusive phenomena and concepts ... in

research The main logic has held that entrepreneurs and managers are very different - the entrepreneur's function was to start a business based on a perceived opportunity, while the manager's function was to build an organisation to further exploit this opportunity (p.1).

Then she went on to the core issue:

... entrepreneurship studies consider new, small and entrepreneurial companies (who need strategic thinking) while strategic management studies consider old, large and strategically-oriented companies (who need entrepreneurial thinking) Both literatures converge on the interest in growth, but the process of expanding from a new and small firm to a large and established one transcends the two literatures, and this process has not been explicitly dealt with by either of the literatures (pp.1-2).

Holmquist (2004) cited Brown *et al* (2001), who identified eight dimensions on which a firm's degree of entrepreneurial vs administrative management can be measured (see Table 3.7).

Table 3.7: Entrepreneurial and Administrative Focus Compared

ENTREPRENEURIAL FOCUS	CONCEPTUAL DIMENSION	ADMINISTRATIVE FOCUS
Driven by perceptions of opportunity	Strategic orientation	Driven by controlled resources
Revolutionary with short duration	Commitment to opportunity	Evolutionary with long duration
Many stages with minimal exposure at each stage	Commitment of resources	Single stage with complete commitment out of decision
Episodic use or rent of required resources	Control of resources	Ownership or employment of required resources
Flat, with multiple informal networks	Management structure	Hierarchy
Based on value creation	Reward philosophy	Based on responsibility and seniority
Rapid growth is top priority; risk is accepted to achieve growth	Growth orientation	Safe, slow and steady
Promoting broad search for opportunities	Entrepreneurial culture	Opportunity search restricted by resources controlled; failure punished

Source: Holmquist (2004, p.15) (based on Brown *et al* (2001).

To take one example from this table, Eliasson *et al* (2002), in relation to strategic orientation, suggested that:

... entrepreneurial firms base their strategies solely on opportunities that exist in the environment ... they tend to pursue new opportunities without regard to resources currently controlled ... administratively-managed companies, on the other hand, tend to look more at the resources they already control when developing strategies ... [they] tend to think in terms of how best to utilize and exploit the resources they already control as efficiently as possible ... (p.3).

In addition, as Table 3.7 above shows, entrepreneurial firms tend to have systems that allow for rapid decision-making on new opportunities, and for switching when further opportunities arise, while administrative firms conduct substantial analysis and planning before committing, so as to reduce risk (Holmquist, 2004).

Each of the dimensions in Table 3.7 provides a spectrum of alternatives, between the extremes of an entrepreneurial focus and that of an administrative focus, along which firms and their promoters / management may be placed. This placement aids understanding of the motivations of these promoters / managers and, therefore, these dimensions are used in the survey questionnaire for the current research to identify where on a spectrum between the entrepreneurial and managerial domains the respondent lies (see section 4.5).

Holmquist's study (2004), which was based on six companies that had demonstrated sustainable growth and profitability for at least the five preceding years,⁶ suggested that:

... successful entrepreneurs balance between an entrepreneurial focus and an administrative focus in their strategies, creating a sustainable combination and integration between these two forces ... this combination of entrepreneurial and administrative focus is viewed by the entrepreneurs themselves as natural ... they also describe themselves as 'entrepreneurs

⁶ Five of the companies chosen were finalists in the Swedish Ernst & Young *Entrepreneur of the Year 2001* competition, while the remaining company was one of the Sweden's leading global companies (Holmquist, 2004, p.7).

with a managerial touch' or as 'managers but with an entrepreneurial heart' (p.10).

Holmquist (2004) also said that:

... clear developmental patterns along the entrepreneurship-administrative spectrum seem to exist. Those who are very entrepreneurial in the beginning adapt ... and integrate administrative elements in their general outlook; those who start from a managerial perspective adapt to the entrepreneurial context and integrate an opportunity focus in their outlook (pp.10-11).

She went on to say that, in her study, "entrepreneurs have grown with their companies" and that thus:

.. entrepreneurial and administrative aspects can be combined in the same person ... growth seems to depend on the ability of the entrepreneur to develop a balance between entrepreneurship and administration as their firms grow (p.11-12).

The current research focuses on growth as the trigger for the transition between the entrepreneurial and managerial states. It is interesting that Holmquist sees growth as the consequence of achieving a balance between the two states.

The importance of this transition, and Holmquist's (2004) concept of balance, also can be seen in the context of Penrose's (1959) 'managerial capacity problem', in which a firm's ability to grow is directly linked to its ability to add managerial capacity to administer and accommodate its growth. While Barringer and Jones (2004) provided practical suggestions to assist firms in lessening the impact of the managerial capacity problem, it is indisputable that the problem needs to be addressed within the founder-entrepreneur before it can be addressed at a firm level. Thus the managerial capacity of the founder-entrepreneur arguably is the first example of the 'Penrose effect' and the first stumbling block on the path to growth. It makes the understanding of the entrepreneurial / managerial transition all the more important and adds further relevance to the current research.

3.7: CONCLUSIONS

It is clear from the review of the literature presented in this chapter that, despite the academic separation of entrepreneurial and managerial domains, researchers generally accept that:

- Entrepreneurs and managers, though different and distinguishable, share some common characteristics and skills.
- Successful entrepreneurs require - and possess - significant management skills.
- Growth requires the exercise of management skills.
- These management skills are what enable successful entrepreneurs to grow their businesses, distinguishing them from less successful entrepreneurs.
- These management skills represent a change from the entrepreneurial attributes required to start the business initially.

However, and this is the crux of the current research, little research has been done into how entrepreneurs actually make this change and how (or if) they combine both entrepreneurial and managerial domains in a single individual simultaneously.

4 : METHODOLOGY AND DATA COLLECTION

The literature review (Chapter 3) makes clear the separation of the entrepreneur and the manager in their respective domains and bodies of literature, the limited extent to which the growth literature connects the two and the virtual absence of a literature around the transition between entrepreneur and manager that is the focus of the current research.

This chapter explains the methodology used in the current research: the research problem (section 4.1), approach (section 4.2) and method (section 4.3); the sample population (section 4.4); the research questionnaire (section 4.5); and how data collection was implemented and what responses were received (section 4.6).

4.1: THE RESEARCH PROBLEM

Most existing research suggests that one cannot be an entrepreneur and manager at the same time, and that therefore one must make a complete transition from the entrepreneurial domain to the managerial domain. As a result, academics, policy-makers, financiers and business advisers generally view entrepreneurial activities as separate and mutually exclusive from managerial activities.

The current research questions the accepted paradigm of the metamorphosis from entrepreneur to manager, and proposes a

new paradigm in which both states can exist at the same time and owner-managers can alternate between states.

The question at the heart of this research is:

Whether - and, if so, how, when and why - the development of entrepreneurs is linked to the growth of their businesses and, specifically, whether - and, if so, how, when and why - the founders of businesses change from being entrepreneurs into managers as their businesses grow.

The current research examines what happens to the entrepreneur's managerial style as the business begins to grow, and explores and questions the rate and time of transition - if any - from the entrepreneurial to the managerial domain. This research is unique in that it explores the actual feelings and managerial style of owner-managers as opposed to categorising them into one traditional role or the other.

The importance of the current research lies in the high failure rate of start-ups (generally accepted world-wide as being 50%+ within three years of start-up), which might be reduced if the post-start-up development of entrepreneurs was understood better. This would have clear value for enterprise support agencies, financial and academic institutions, policy-makers and business advisers, as well as for entrepreneurs themselves.

The long-term objective of this research is the development of a range of models, instruments and tests that can be used by policy-makers, policy-implementers, business support agencies, academics, business advisers and consultants, venture capitalists and other institutional investment organisations world-wide to determine an entrepreneur's preparedness, ability and tendency towards business growth.

The research objectives are:

- To measure growth in start-up businesses.
- To establish the managerial behaviours of founders / owners of micro-enterprises at, and post, start-up.
- To identify whether changes in managerial behaviour are linked to the growth of the founders / owners' businesses.
- To establish whether founders / owners of micro-enterprises change from being entrepreneurs to being managers as the business grows.

4.2: THE RESEARCH APPROACH

Baker and Foy (2008) discussed the various research methodologies applicable to, and used in, business and management research.

Interpretivism, based on the interpretation of observation and experience, is one of the classic research paradigms. To be successful, interpretivism requires objectivity from the researcher, who must recognise (and screen) their biases or potential to bias as well as taking account of the inevitable subjectivity.

Another paradigm, frequently seen as being in opposition to interpretivism, is positivism. Attributed to August Comte, according to Murphy *et al* (1998), cited in Baker and Foy (2008), positivism assumes that:

Our observations have not passed through any filters before they reach us so we know it directly. Truth is a matter of correct description and ideas like justice and beauty have no referent in it (Baker and Foy, 2008, p.17).

Kumar (2005) explained that the research process is always undertaken within a framework of philosophies, using procedures and techniques that have been tested for validity and reliability and are designed to be unbiased and objective (p.6).

The two key opposing paradigms are positivism and interpretivism.

Positivism is 'any philosophical system that confines itself to the data of experience, excludes *a priori* or metaphysical speculations, and emphasizes the achievements of science' (Britannica, 2010: online) and thus that the only authentic knowledge is knowledge based on sensed experience and positive verification. The aim of positivist research is to explain and to predict. In contrast, the aim of interpretive research is to understand how members of a social community, through their participation in social processes, enact their particular realities and endow them with meaning, and to show how these meanings, beliefs and intentions of the members help to constitute their social action (Orlikowski & Baroudi (1991), cited in Weigand (2006)).

The positivist approach leads naturally, though not exclusively, to quantitative research methods, which provide absolute units of measure for comparison and analysis. The differences between quantitative and qualitative research methods are set out by Kumar (2005) in Table 4.1 overleaf.

Table 4.1: Differences between Quantitative and Qualitative Research

DIFFERENCE WITH RESPECT TO	QUANTITATIVE RESEARCH	QUALITATIVE RESEARCH
Underpinning philosophy	Rationalism: 'That human beings achieve knowledge because of their capacity to reason' (Bernard, 1994, p.2)	Empiricism: 'The only knowledge that human beings acquire is from sensory experiences' (Bernard, 1994, p.2)
Approach to inquiry	Structured / rigid / predetermined methodology	Unstructured / flexible / open methodology
Main purpose of investigation	To quantify extent of variation in a phenomenon, situation, issue, etc	To describe variation in a phenomenon, situation, issue, etc
Measurement of variables	Emphasis on some form of either measurement or classification of variables	Emphasis on description of a variable
Sample size	Emphasis on greater sample size	Fewer cases
Focus of inquiry	Narrows focus in terms of inquiry, but assembles required information from a greater number of respondents	Covers multiple issues but assembles required information from fewer respondents
Dominant research value	Reliability and objectivity (value-free)	Authenticity but does not claim to be value-free
Dominant research topic	Explains prevalence, incidence, extent, nature of issues, opinions and attitude; discovers regularities and formulates theories	Explores experiences, meanings, feelings and perceptions
Analysis of data	Subjects variables to frequency distributions, cross-tabulations or other statistical procedures	Subjects responses, narrative or observation data to identification of themes and describes these
Communication of findings	Organisation more analytical in nature, drawing inferences and conclusions, and testing magnitude and strength of a relationship	Organisation more descriptive and narrative in nature

Source: Kumar (2005, p.17-18).

Reflecting perhaps this researcher's own personality and background, but also and more importantly, the nature of the research problem, the current research can be categorised as positivist, as it "yields results that can be readily tested and validated" (Baker and Foy, 2008, p.111). This form of empirical research draws on experience or primary evidence in

order to understand a phenomenon and requires the evidence collected to be analysed and then synthesised (Remenyi and Money, 2005, p.20). However, although the current research is clearly deductive, in that it "begins with a theoretical system, operationalises the concepts of that system and then sets out to gather empirical data to test that system" (Williams and May, 1996, cited in Baker and Foy, 2008, p.23), arguably in the end the research approach adopted has been chosen "on instrumental and pragmatic grounds" (Baker and Foy, 2008, p.27).

The research approach planned for the current research combined both quantitative and qualitative aspects - quantitative to objectively measure status and changes therein, allowing conclusions to be drawn; qualitative to explore in more depth the nature of any transition identified. It was believed that this combination was best suited to achieving the research objectives.

That, for reasons explained in section 5.3, the qualitative aspects were not implemented is a limitation of the current research.

4.3: THE RESEARCH METHOD

Survey questionnaires provide broad understanding of a subject area, across a large number of survey participants, in contrast to qualitative interviews (also considered as a research method) which provide more in-depth understanding of a small number of interviewees.

Although both survey questionnaires and interviews were planned as methods to be used in the current research, in the end only the survey questionnaire was used (see below).

Thus the research method used was the survey questionnaire, the best-known source of primary data collection, which is defined by Tull and Albaum (1973) (cited in Baker and Foy, 2008, p.129) as "the systematic gathering of information from (a sample of) respondents for the purpose of understanding and / or predicting some aspect of the population of interest".

Since the current research is about understanding the nature of entrepreneurial / managerial development in the context of business growth, in the expectation that this understanding will lead to further research, this researcher decided that the survey questionnaire was an appropriate vehicle for an initial inquiry. It is expected that further research will lead, in time, to the development of a range of models, instruments and tests that can be used by policy-makers, policy-implementers, business support agencies, academics, business advisers and consultants, venture capitalists and other institutional investment organisations, and by entrepreneurs themselves, to determine an entrepreneur's preparedness, ability and tendency towards business growth.

The survey questionnaire used in the current research was administered online, using SurveyMonkey.com, an online provider of survey applications. This researcher had previous experience of using SurveyMonkey.com and was comfortable with its operation - hence its choice here. Further details of the questionnaire are provided below.

Given that the research problem concerns the transition of a founder from entrepreneur to manager as his / her company grows over time, a longitudinal study was considered appropriate in the current research. Longitudinal studies, according to Wancevich and Matteson (1978) (cited in Baker and Foy, 2008), consist "of using techniques and methodologies that permit the study, analysis and interpretation of changes that occur over a time period sufficiently long to assess meaningful change in the variables of interest, as well as to facilitate researcher and managerial understanding about causality" (p.138-139).

Thus, the first survey questionnaire was administered in February 2007, while a second virtually identical questionnaire was administered two years later to the respondents to the first survey.

In addition, as will be seen in the Sample Population section below, the inclusion of three time-based cohorts within the sample population provides an in-built, though limited, longitudinal element within each set of survey results.

Initially, follow-up interviews with a small number of participants were considered as part of the current research, to elucidate the findings and to explore the respondents' attitudes to entrepreneurship and management. However, in carrying out the research, time and resources for this very time-consuming and demanding activity were not available and so, reluctantly, the interviews were dropped from the research process. This is noted as a limitation of the current research.

4.4: THE SAMPLE POPULATION

Since the current research seeks to examine whether, why and how entrepreneurs become managers as their companies grow, the sample population to be surveyed needed to comprise (or, at least, include in large proportion):

- Entrepreneurs - defined as people who started, or were a member of the founding team, of the company in which they now work.
- Managers - defined as chief executives, responsible for the development of the company in which they work.
- Companies that have grown - which implies that these companies have been in existence for some number of years, since growth takes time.

There were some difficulties in identifying a suitable sample population.

An obvious starting point for a sample population was the 200,000 or so companies registered with the Companies Registration Office (CRO). However, disadvantages of using this list included:

- Accessibility - (1) to the companies listing; (2) to email addresses for the companies; and (3) to appropriate individuals within the companies.
- Not all companies listed are trading, many are dormant or merely 'shelf' companies.
- Not all companies listed would be still under the direction of their founders, an important point for the current research.
- Not all businesses in Ireland would be included on this list, as many substantial businesses are registered as limited companies, some being

partnerships or sole traders, and thus are not required to be registered other than for taxation purposes.

- The likely low response rates from surveying companies / owner-managers with which / whom this researcher had no previous contact, thus necessitating a larger sample size, with consequent cost implications.

In addition, the size of the list - even reduced by taking into account the concerns noted above - would require a random sample to be selected as the sample population, as the number of potential participants in the list would be too large for survey purposes otherwise. Mullen (2009) made the point that, for business / entrepreneurial researchers, despite the use of a random sample, limited control over final study participants and response rates may result in a biased sample due to self-selection.

Accordingly, this researcher turned to his own experience and network of contacts. As managing director of Oak Tree Press, over the past decade, the researcher has taught business planning, strategy and start-up techniques to a large number of would-be entrepreneurs at public courses offered by his company (START-UP BOOT CAMPS) and at courses organised by a number of the Institutes of Technology across Ireland (Enterprise Platform Programmes (EPP)). It was to these courses that the researcher looked for the sample population.⁷

⁷ Most of the START-UP BOOT CAMP participants had been advised in advance of the likelihood of a survey. In addition, the researcher was personally known to the rest of the survey population, having presented and / or mentored on the three EPPs throughout the period surveyed. Access to participants on the EPPs was obtained through the kind permission of the respective Programme Managers.

The first survey in this research study, which was based entirely in Ireland, was administered in February 2007 to just over 500 people, who were sourced from START-UP BOOT CAMP courses run by Oak Tree Press, as well as from the M50, NorthEast (NEEPP) and SouthEast (SEEPP) Enterprise Platform Programmes (EPPs).⁸ All the participants surveyed had completed one (or more)⁹ of these programmes in the three years from 2004 to 2006.

Twenty-five START-UP BOOT CAMPS were held in Dublin during the 2004 - 2006 period, with two further BOOT CAMPS in Limerick, although attendees came from all over the country. The M50 EPP was based at ITT Dublin (formerly the Institute of Technology Tallaght), and at the time was a joint programme of ITT Dublin, the Institute of Technology Blanchardstown, University College Dublin (through its incubation centre, NovaUCD) and Dublin City University (through its incubation centre, Invent), drawing participants from the greater Dublin region and the periphery of the M50 city ring-road. NEEPP and SEEPP were based at the Dundalk Institute of Technology and the Waterford Institute of Technology respectively, drawing participants from their surrounding regions. Dundalk is approximately 80km north of Dublin, while Waterford is approximately 160km south. Dublin, Dundalk and Waterford are all on the heavily-populated east coast of Ireland.

The M50, NEEPP and SEEPP programmes are focused on graduate entrepreneurs (although some exceptions to the graduate

⁸ EPPs are also offered at other Institutes of Technology across Ireland; however, the survey population was drawn only from the M50, NEEPP and SEEPP programmes as the other programmes either had not been running throughout the entirety of the 2004 - 2006 period or their Programme Managers declined to participate in the study.

⁹ In some cases, individuals within the survey population had participated in a START-UP BOOT CAMP, before going on to participate on an Enterprise Platform Programme in Dublin, Dundalk or Waterford.

requirement are made), and have a rigorous selection process,¹⁰ while the START-UP BOOT CAMPS have no educational pre-conditions for attendance.

The EPPs involved one year's full-time attendance by the participant, in return for which the participant received (during the period 2004 to 2006) a small monthly training grant (approximately €600 p.m.), while the START-UP BOOT CAMPS were of one day's duration only, for which participants paid a fee of up to €125.

By drawing the sample population from participants on the START-UP BOOT CAMPS and EPPs over three consecutive years, the researcher was able to identify three cohorts of entrepreneurs at the date when the first survey questionnaire was administered:

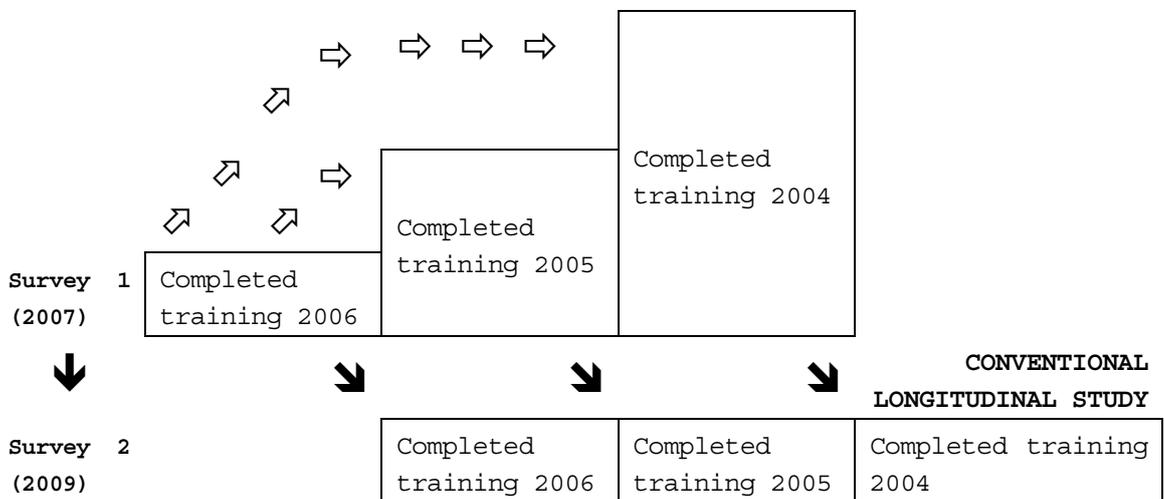
- Those who had just completed a start-up training programme (at the time of the first survey) (2006).
- Those who had completed such a programme one year earlier (2005).
- Those who had completed such a programme two years earlier (2004).

Using three cohorts in this way provides a similar insight to a longitudinal study, in that it may be assumed that the behaviours exhibited by the third cohort (two years post-completion of a start-up programme), insofar as the time-lapse is representative of growth (an assumption that underlies the longitudinal study also), represent those likely to be exhibited by the first and second cohorts also as they develop their businesses.

¹⁰ See OECD, 2005, p.252, for a description of the EPPs and their selection process.

Diagrammatically, this is shown in Figure 4.1. The solid black arrows show the progress of a conventional longitudinal survey - the results of Survey 1 (2007) can be mapped against the results for Survey 2 (2009). The outline arrows show how the results, within Survey 1 (2007) for individual cohorts can be mapped against each other, manifesting the time difference between the cohorts, thus creating an effective internal longitudinal study.

Figure 4.1: How Multiple Cohorts Provide an Internal Longitudinal Study



Source: Current research.

Selection of a sample population in this way raises potential issues of bias. While there is no doubt that this method of sample construction was practically convenient for the researcher, it was not merely a 'sample of convenience' but was arrived at after considerable thought. Bias in the sample was reduced by the inclusion of participants from both public access courses with no educational pre-conditions (the BOOT CAMPs) and graduate-focused courses (the EPPs), with rigorous selection criteria outside the researcher's control or influence.

Further bias might exist in the use of web-based survey questionnaire. However, all the participants in the sample population were computer-literate; email addresses to which initial invitations to participate were sent were available for almost 90% of the sample population; and virtually all the START-UP BOOT CAMP participants had discovered the course online at Oak Tree Press' start-up-focused website, www.startingabusinessinireland.com, the company's primary marketing channel for the BOOT CAMPS.

Note, however, that although the sample population included participants from the various courses noted above, valid respondents were considered to be only those respondents who were both founders (or members of the founding team) of their business and the 'main driver' of the business. The former criterion is in line with Begley and Boyd's (1987) definition cited earlier, "an entrepreneur is a person who has founded his or her own enterprise" (p.100), while the latter relies on Mintzberg's (1971) definition of managers as "people in charge of formal organizations ..." (p.B99).

In Survey 1 (2007), survey Question 11 asked: "Are you the managing director, chief executive officer or "main driver" (by whatever title) of your business?". Respondents who answered 'No' exited the survey at this point. The next survey question, Question 12, then asked: "Were you the sole founder, or a member of the founding team, of your business?" and, again, 'No' respondents exited the survey. Thus, only founders AND 'main drivers' were able to complete the survey.

In Survey 2 (2009), administered only to those who had completed in full the first survey, asked two early questions:

- Question 3: Is your business still operating?

- Question 4: Are you the managing director, chief executive officer or 'main driver' (by whatever title) of your business?

Respondents who answered 'No' to either question exited the survey. It was not necessary to confirm whether Survey 2 (2009) respondents were founders, since this had been confirmed in Survey 1 (2007) and would not have changed.

Since the composition of the sample population was critical to the survey results and the overall research inquiry, these questions made certain that the population was comprised only of founders AND 'main drivers'.

4.5: THE RESEARCH QUESTIONNAIRE

The survey questionnaire for the current research, consisting of approximately 50 questions, started by gathering background on the respondent and his / her business, with regard to:

- Age.
- Gender.
- Educational attainment.
- Type of business.
- Date of starting the business.
- Turnover.
- Products and services provided.
- Number of employees.
- Previous employment.
- Ownership of the business.
- Previous founding experience.
- Role and responsibilities within the business.

In addition, early questions sought to establish that the respondents were both founders (or members of the founding team) of their business and the 'main driver' of the business (see discussion in section 4.4). Respondents who were unable to confirm either of these criteria exited the survey, as they were not considered valid respondents.

At the core of the survey questionnaire are a number of matrices that examine:

- How the respondent currently performs certain tasks in their current business environment - their management behaviour.
- The respondents' management skills.
- The respondents' entrepreneurial skills.

These matrices were developed from a number of models (discussed in the literature review, Chapter 3), including:

- Greiner's (1998) growth model, which looks at the revolutionary and evolutionary stages of organisation growth over time.
- Churchill and Lewis's (1983) growth model, which integrates marketing, people and financial management issues into five stages of organisation growth and development.
- Burns' (2001) growth model, which summarises the main business imperatives as a firm grows in terms of the orientation of the firm.
- McClelland's (1987, cited in Chell, 2001) nine competencies of successful entrepreneurs.
- Chell's (2001) characteristics of a 'proto-typical' entrepreneur.
- Chell's (2001) organisational culture attributes and dimensions.

- Brown *et al*'s (2001, cited in Holmquist, 2004) comparison of entrepreneurial and administrative focus.

By placing the questions in the respondents' current context, the survey provides an insight into actual managerial behaviours, by asking managers to record what they do.

Further, the balance of time spent by respondents between entrepreneurial and managerial activities was examined. The nature of the activities (whether entrepreneurial or managerial) was not disclosed in the survey, to avoid bias in responses.

In addition, a question that identifies to what extent the owner / manager is operating in the entrepreneurial or managerial domain is matched with a question on whether the owner / manager considers him / herself to be an entrepreneur or a manager. Last, the respondents were asked to explain this choice of self-rating.

The questionnaire for the second survey (Survey 2 (2009)) omitted the background information, except insofar as it was useful in establishing whether 'growth' has taken place in the business between the survey dates and, if so, the nature of such growth. It repeated the core matrices on management behaviour (again, asking for the respondents to record their current behaviours), as well as questions on the respondents' allocation of time and their self-perception as an entrepreneur or manager.

Again, valid respondents were considered to be only those respondents who were both founders (or members of the founding team) of their business (as established in the first

survey) and still remained in position as the 'main driver' of the business. Respondents who could not answer positively to an early question on this latter criterion exited the survey.

The former criterion is in line with Begley and Boyd's (1987) definition cited earlier, "an entrepreneur is a person who has founded his or her own enterprise" (p.100), while the latter relies on Mintzberg's (1971) definition of managers as "people in charge of formal organizations ..." (p.B99). See the discussion in section 4.4 on how these criteria were controlled for in the survey questionnaire.

Copies of the questionnaires used in Survey 1 (2007) and Survey 2 (2009) are included as Appendix 1 and 2 respectively.

Because the research questionnaire was based on a broadly similar questionnaire in an earlier study (O'Gorman and O'Kane, 2003), modified in the light of the results of that study, this researcher considered it unnecessary to run a separate pilot survey to test the current research questionnaire, given the similarities with the earlier work. However, the research findings suggest that some respondents found a lack of clarity in specific questions, which might have been avoided by pre-testing. Accordingly, this is noted as a limitation of the current research.

4.6: IMPLEMENTATION AND RESPONSES

To gain access to EPP participants, the Programme Managers of the various EPPs that had been active during the 2004 - 2006 period were approached to seek their co-operation and permission to email their participants with a request to complete the survey questionnaire.

Not all of the then-current EPPs were approached, as some of the programmes had not been operational throughout the entirety of the period examined.

In the case of the programmes where the researcher had taught / mentored, permission was granted readily; the other Programme Managers declined participation.

In respect of Survey 1 (2007), for each of the three participating EPPs (M50, NEEPP and SEEPP), the Programme Managers emailed (their usual form of communication with participants) their participants a standard letter drafted by the researcher (see Appendix 4), explaining the purposes of the research and requesting them to assist the researcher by completing the survey questionnaire.

For the START-UP BOOT CAMP participants, the researcher used email addresses held by Oak Tree Press to send a similar letter (see Appendix 4). In the case of some BOOT CAMP participants, it was necessary to send the letter by conventional post, as no email address was available.

The sample population for Survey 1 (2007), consisting of 500-plus individuals, is shown below in Table 4.2.

Table 4.2: Survey 1 (2007) Population

Date of course / How survey sent	Number of surveys sent				
	BOOT CAMPS	M50	NEEPP	SEPP	Totals
2004					
Email	53	8	14	17	92
Post	10	0	0	0	10
	63	8	14	17	102
2005					
Email	110	17	10	22	159
Post	36	1	0	0	37
	146	18	10	22	196
2006					
Email	148	22	11	20	201
Post	9	0	0	0	9
	157	22	11	22	210
Total					
Email	311	47	35	59	452
Post	55	1	0	0	56
TOTAL SURVEY POPULATION	366	48	35	59	508

Source: Current research.

The survey questionnaire was hosted online by SurveyMonkey.com, a commercial provider of survey applications, with which this researcher had previous experience. The questionnaire was held open for several months, to allow as complete a response rate as possible.

A total of 105 responses were received from the survey population to Survey 1 (2007) - a response rate of just over 20%.¹¹ However, one respondent duplicated their response and so only 104 valid responses were taken into account in the data analysis following.

¹¹ The researcher checked to ensure that none of the individuals within the survey population who had participated in more than one programme responded more than once to the survey.

Maronick (2009), in a survey of the role of the Internet in survey research, cites Hesser (2008) who reported average response rates to online surveys of between 5% and 10%, while Roster *et al* (2004) found in a specific study that the Internet response rate was 27.9%. Therefore the response rate to the current study is accepted as being valid.

The breakdown of responses is shown in Table 4.3.

Table 4.3: Survey 1 (2007) Responses

Course / Course date	Number of surveys sent / responses received							Skipped question	Total responses
	BOOT CAMPs	M50	NEEPP	SEEPP	None	Total			
2004									
Sent	63	8	14	17	0	102			102
Received	14	4	3	5	2	28			28
2005									
Sent	146	18	10	22	0	196			196
Received	11	3	0	4	3	21			21
2006									
Sent	157	22	11	20	0	210			210
Received	32	9	6	3	3	53			53
Total									
Sent	366	48	35	59	0	508			508
Received	57	16	9	12	8	102			104
Skipped question							2		2
TOTAL RESPONDENTS									104
Response as % of cohort	15.6%	33.3%	25.7%	22.0%					20.5%
Response as % of total respondents	54.8%	15.4%	8.7%	11.5%	7.7%	98.1%	1.9%		100%

Source: Current research.

More than one-quarter of the survey population responded from each of the 2004 and 2006 cohorts, while over 10% of the 2005 cohort responded. The best response rate (33.3%) came from the M50 EPP participants (with whom the researcher had most frequent and extensive contact), while the poorest response came from START-UP BOOT CAMP participants, although the sheer number in this cohort ensured that they accounted for over half the total respondents. Thus the respondents to the first survey are almost evenly distributed between START-UP BOOT CAMP and EPP participants, while grouping the 2004 and 2005 cohorts gives a similar distribution against the 2006 cohort.

It is curious that eight respondents answered 'None of the above' to survey question 6:¹² 'Which one of the following courses did you complete?', since the survey population comprised exclusively of participants of the START-UP BOOT CAMPS, M50, NEEPP and SEEPP programmes. It may be that respondents took the question literally and, because they did not actually complete the programme, believed that "None of the above" was the most appropriate answer. However, further analysis of the responses showed that these eight respondents comprised: BOOT CAMP 2004 - 1; BOOT CAMP 2005 - 2; BOOT CAMP 2006 - 3; M50 2004 - 1; and M50 2005 - 1. Given that the BOOT CAMPS were one-day courses, non-completion is not an issue (except perhaps for the over-scrupulous); in the case of the two M50 respondents, both are known to the researcher - one did complete the programme, the other left part-way through. Nonetheless, this second M50 participant is included, since later he exits the survey, given that his business did not actually start-up.

Table 4.4 overleaf takes this further analysis into account.

¹² A copy of the survey questionnaire is included as Appendix 1.

Table 4.4: Survey 1 (2007) Responses (adjusted)

Course / Course date	Number of surveys sent / responses received						
	BOOT CAMPS	M50	NEEPP	SEPP	Total	Skipped question	Total responses
2004							
Sent	63	8	14	17	102		102
Received	15	5	3	5	28		28
2005							
Sent	146	18	10	22	196		196
Received	13	4	0	4	21		21
2006							
Sent	157	22	11	20	210		210
Received	35	9	6	3	53		53
Total							
Sent	366	48	35	59	508		508
Received	63	18	9	12	102		102
Skipped question						2	2
TOTAL RESPONDENTS	63	18	9	12	102		104
Response as % of survey population	17.2%	37.5%	25.7%	20.3%			20%
Response as % of total respondents	60.6%	17.3%	8.7%	11.5%	98.1%	1.9%	100%

Source: Current research.

While the distribution by date cohort remains unchanged, adjusting the responses as shown in Table 4.4 brings respondents from the START-UP BOOT CAMPS up to 60% of the total respondents, with the M50 EPP respondents the next largest group at 17%.

Further analysis of the survey responses continues in Chapter 5.

The second survey was administered in February 2009 to the 55 respondents who fully completed the earlier 2007 survey.¹³

The survey was offered by email, since online completion was required, although postal invitations were sent to two respondents where email addresses were not available. As a courtesy, the M50, NEEPP and SEEPP Programme Managers were informed by email of the second survey before an email was sent to the relevant participants (in most cases, their email addresses had been captured as part of the Survey 1 (2007)).

In addition, those surveyed were encouraged to complete the survey by a second email, about two weeks after the initial circularisation, and a personal telephone call (where a phone number was available) about one week before the survey was closed.¹⁴

All survey cohorts - participants from the Oak Tree Press START-UP BOOT CAMPS, as well as from the M50, NorthEast (NEEPP) and SouthEast (SEEPP) Enterprise Platform Programmes - were represented, as shown in Table 4.5.

¹³ Throughout Chapter 5, responses from 70 respondents in relation to management behaviour are analysed. However, not all of the 70 answered all questions; only the 55 who fully completed the Survey 1 (2007) questionnaire were invited to participate in the Survey 2 (2009).

¹⁴ To avoid bias due to the personal connection with this researcher, the telephone calls were made by an employee of Oak Tree Press on behalf of the researcher.

Table 4.5: Survey 2 (2009) Population

Date of course	Second surveys sent					Totals
	BOOT CAMPs	M50	NEEPP	SEEPP	Skipped question	
2004	7	3	1	4		15
2005	9	3	0	2		14
2006	13	8	5	0		26
Total	29	14	6	6		55
Survey 1 (2007) Respondents	63	18	9	12	2	104
Survey 1 (2007) Population	366	48	35	59		508

Source: Current research.

Although 55 individuals is a small sample population, it does provide the basis for some longitudinal study, given the time-lapse between the two surveys and the inclusion of the same respondents in both surveys.

A total of 31 responses were received from the Survey 2 (2009) population - a response rate of 56%. This relatively high response rate is not surprising, given that participants had already shown an interest in the research by completing an earlier survey and this researcher was known personally to them. The best response rate (61.5%) came from respondents who had completed their chosen course in 2006, who were more likely to remember the researcher.

A breakdown of the responses received is shown in Table 4.6. In this second survey, the proportion of START-UP BOOT CAMP participants fell to under half the respondents (45.2% against 60.6% in the earlier Survey 1 (2007)), while NEEPP and SEEPP participants each account for 12.9% of the

respondents, leaving the balance of 29.0% being accounted for by M50 participants.

Table 4.6: Survey 2 (2009) Responses

Course / Course date	Number of surveys sent / responses received					Responses as % of those surveyed
	BOOT CAMPS	M50	NEEPP	SEEPP	Total	
2004						
Sent	7	3	1	4	15	
Received	4	3	0	1	8	53.3%
2005						
Sent	9	3	0	2	14	
Received	5	1	0	1	7	50.0%
2006						
Sent	13	8	5	0	26	
Received	5	5	4	2	16	61.5%
Total						
Sent	29	14	6	6	55	
Received	14	9	4	4	31	56.4%
Response as % of population	25.4%	16.4%	7.3%	7.3%	56.4%	
Response as % of total respondents	45.2%	29.0%	12.9%	12.9%	100.0%	

Source: Current research.

In both Survey 1 (2007) and Survey 2 (2009), respondents were provided with a gift - their choice of one of a small number of Oak Tree Press business titles. However, to avoid the bias potentially associated with the offering of gifts (Maronick (2009) reports that incentives result in higher survey response rates, with participants often driven to participate by the incentives offered), the offer of the gift was held back until the participant had completed the survey.

The detailed responses to the survey questionnaire are shown in Chapter 5 (Survey 1 (2007)) and Chapter 6 (Survey 2 (2009)), while Chapter 7 compares the results for the two surveys.

Analysis of the data provided by the survey questionnaires was carried out primarily using the analysis tools offered within the SurveyMonkey.com application - a further reason for its choice. In addition, Microsoft Excel spreadsheets and manual tabulation by the researcher were used, where necessary.

4.7: CONCLUSIONS

This research study used a positivist approach to conduct empirical research, aimed at confirming the research question. A longitudinal study, using a survey questionnaire, repeated at a two-year interval, garnered 105 responses to the first survey (20% response) and 31 responses to the second (56% response).

Chapters 5, 6 and 7 present the data analysis and findings for this current research.

5: SURVEY 1 (2007)

5.1: INTRODUCTION

This chapter presents the results of the Survey 1 (2007) conducted as part of the current research.

5.2: SURVEY RESPONSES

By age, respondents to Survey 1 (2007) break down as shown in Table 5.1 below. Almost two-thirds (60.2%) of respondents were in the 26 to 40 age-groups, with only two respondents under 25 and three over 50.

Table 5.1: Survey 1 (2007) Respondents' Ages

Age group	Responses	
	#	%
Under 25	2	1.9
26 to 30	17	16.5
31 to 35	20	19.4
36 to 40	25	24.3
41 to 45	19	18.5
46 to 50	17	16.5
51 to 55	2	1.9
56 to 60	0	0
Over 60	1	1.0
	103	100
Skipped question	1	
Total respondents	104	

Source: Current research.

As part of the background-setting, the survey questionnaire asked respondents to identify their gender, as shown in Table 5.2.

Table 5.2: Survey 1 (2007) Respondents' Gender

Gender	Responses	
	#	%
Female	29	28.1
Male	74	71.9
	103	100
Skipped question	1	
Total respondents	104	

Source: Current research.

Table 5.2 shows the female participation rate in start-ups among the survey respondents at close to 30%. While this participation rate is in line with entrepreneurial trends nationwide reported in the *Global Entrepreneurship Monitor Annual Report for Ireland 2008* (Fitzsimons and O’Gorman, 2009),¹⁵ it is well ahead of OECD figures for the proportion of women among the self-employed, recorded as 16% in Ireland in 2002 (OECD, 2005, p.28-29).

Table 5.3 further analyses the gender balance by cohort. The overall result for the respondents as a whole masks considerable differences in gender balance between the component cohorts: while the BOOT CAMP participants show a higher female participant rate than the *Global Entrepreneurship Monitor* figures, the EPPs are much more male-dominated, perhaps reflecting the technological nature of many of the EPP participants’ projects.

¹⁵ Fitzsimons and O’Gorman, 2009 shows a ratio of men to women early stage entrepreneurs in Ireland of 2.8 : 1 in 2008 (p.51), equivalent to 74% / 26%, although the ratio varied between 2004 and 2006 from 2.1:1 in 2004, to 2.6:1 in 2005 and 2.5:1 in 2006.

Table 5.3: Survey 1 (2007) Respondents' Gender - by Cohort

Gender	Total		BOOT CAMP		M50		NEEPP		SEEPP	
	#	%	#	%	#	%	#	%	#	%
Female	29	28.1	24	38.7	4	22.2	1	11.1	0	0
Male	74	71.9	38	61.3	14	77.7	8	88.9	14	100
	103	100	62	100	18	100	9	100	14	100
Skipped question	1									
Total respondents	104									

Source: Current research.

Fitzsimons and O’Gorman (2009) stated that “across the EU and OECD the proportion of individuals active as early stage entrepreneurs tends to increase as educational attainment levels increase” (p.19). In the current research, the survey questionnaire explored respondents’ educational attainment. First, the survey asked respondents when they completed their continuous full-time education (survey Question 4). These results are shown in Table 5.4.

Table 5.4: Survey 1 (2007) Respondents' Educational Attainment on Completion of Full-time Education

Educational attainment	#	%
Secondary school	18	17.5
University / Institute of Technology - did not graduate	1	1.0
University / Institute of Technology - certificate	7	6.8
University / Institute of Technology - diploma	13	12.6
University / Institute of Technology - pass degree	5	4.8
University / Institute of Technology - honours degree	38	36.9
University / Institute of Technology - post-graduate diploma/degree	4	3.9
University / Institute of Technology - Master’s degree	12	11.6
University / Institute of Technology - Ph.D.	1	1.0
Other	4	3.9
	103	100
Skipped question	1	
Total respondents	104	

Source: Current research.

The 'Other' category showed some misunderstanding of the question, as more detailed examination of the survey responses showed that two respondents of the four who chose this answer to survey Question 4 had completed their continuous full-time education at certificate level, one had completed secondary school (6th Form), and the last had obtained a professional accounting qualification. Adjusting for this information, the revised results are shown in Table 5.5.

Table 5.5: Survey 1 (2007) Respondents' Educational Attainment on Completion of Full-time Education (adjusted)

Educational attainment	#	%
Secondary school	19	18.5
University / Institute of Technology - did not graduate	1	1.0
University / Institute of Technology - certificate	9	8.7
University / Institute of Technology - diploma	13	12.6
University / Institute of Technology - pass degree	5	4.8
University / Institute of Technology - honours degree	38	36.9
University / Institute of Technology - post-graduate diploma/degree	4	3.9
University / Institute of Technology - Master's degree	12	11.6
University / Institute of Technology - Ph.D.	1	1.0
Other	1	1.0
	103	100
Skipped question	1	
Total respondents	104	

Source: Current research.

Thus, the survey results show a well-educated group of entrepreneurs, with over 80% having received some third-level education before completing their full-time education and almost 60% (59.2%) educated to degree level or above. All had finished secondary school, and nearly one-in-five (17.5%) had received some form of post-graduate education before completing their full-time education. This result is perhaps

not surprising, given that the M50, NEEPP and SEEPP programmes are targeted at graduate entrepreneurs and these programmes account for 39 (37.5%) respondents. However, the bulk of the survey respondents (63 / 60.6%) came from the open-access START-UP BOOT CAMPs, drawn from the general public with no educational pre-conditions, and so this result suggests a high level of educational attainment among potential entrepreneurs as well as in the Irish population at large, borne out by anecdotal commentary about Ireland's emphasis on education (especially higher education) in the past three decades or so. This result challenges the NDP Gender Equality Unit report (2003) cited in section 3.4, which argued that Irish entrepreneurs had lower educational attainment than managers (p.89).

However, continuous full-time education is not the whole story. Many people undertake further study at a later stage in their careers and so the survey also explored respondents' education attainment to date. These results are shown in Table 5.6.

A large minority of respondents (36 / 34.9%) had not undertaken any formal study since completing their full-time education, as shown in Table 5.6. However, most respondents had undertaken additional study, ranging from University / Institute of Technology certificate level qualifications through to one respondent with a Ph.D.

Table 5.6: Survey 1 (2007) Respondents' Educational Attainment to date

Educational attainment to date	#	%
University / Institute of Technology - certificate	7	6.8
University / Institute of Technology - diploma	15	14.6
University / Institute of Technology - pass degree	1	1.0
University / Institute of Technology - honours degree	3	2.9
University / Institute of Technology - post-graduate diploma/degree	7	6.8
University / Institute of Technology - Master's degree	15	14.6
University / Institute of Technology - Ph.D.	1	1.0
Other	18	17.4
None of the above	36	34.9
	103	100
Skipped question	1	
Total respondents	104	

Source: Current research.

Eighteen respondents (17.4%) answered 'Other'; their answers included: Certificate - 2; Diploma - 4; Post-graduate diploma - 1; Master's degree - 2 (M.B.A. and M.Div.); Professional qualification - 5 (actuarial, computing and accounting); Industry certification - 2; and Other - 1. In some cases, the apparent reason for choosing 'Other' was that the respondent had not yet completed their course - 'currently studying' was appended in several responses. Adjusting for this additional information (that is, assuming that the respondent had completed the course, where appropriate), the revised results of survey Question 5 are shown in Table 5.7.

Table 5.7: Survey 1 (2007) Respondents' Educational Attainment to date (adjusted)

Educational attainment to date	#	%
University / Institute of Technology - certificate	9	8.7
University / Institute of Technology - diploma	19	18.4
University / Institute of Technology - pass degree	1	1.0
University / Institute of Technology - honours degree	3	2.9
University / Institute of Technology - post-graduate diploma/degree	8	7.8
University / Institute of Technology - Master's degree	17	16.5
University / Institute of Technology - Ph.D.	1	1.0
Industry certification	2	1.9
Professional qualification	5	4.9
Other	1	1.0
None of the above	36	34.9
	103	100
Skipped question	1	
Total respondents	104	

Source: Current research.

Again, these results show that 26 respondents (25.3%) held academic qualifications above degree level while 7 respondents (6.8%) held industry certifications or professional qualifications. Again, in the context of the bulk of respondents coming from an open-access course, this is an interesting result.

Examining the type of businesses started by respondents (survey Question 9) gave the responses shown in Table 5.8.

Table 5.8: Survey 1 (2007) Types of Business Started

Type of business	#	%
Manufacturing	3	3.0
Technology-based services	40	40.0
Non-technology-based services	6	6.0
Retail	11	11.0
Other	40	40.0
	100	100
Skipped question	4	
Total responses	104	

Source: Current research.

Again, respondents appeared to have misunderstood the survey question, as responses in the 'Other' category included: Manufacturing - 1; Technology-based services - 5 (including software development, IP design and sale and internet-based businesses); Non-technology-based services - 27 (including 4 food and 7 consultancy); Retail - 1; and Not yet started / no business - 6. Adjusting for this information, the revised results for survey Question 9 are shown in Table 5.9.

Table 5.9: Survey 1 (2007) Types of Business Started (adjusted)

Type of business	#	%
Manufacturing	4	4.0
Technology-based services	45	45.0
Non-technology-based services	33	33.0
Retail	12	12.0
Not yet started / no business	6	6.0
	100	100
Skipped question	4	
Total responses	104	

Source: Current research.

Because of dissimilar analysis, these results cannot be compared directly with other data such as the *Global Entrepreneurship Monitor Report Ireland 2008* (Fitzsimons and O’Gorman, 2009), which shows ‘transformative sectors’ (construction, manufacturing, transport, wholesale and utilities) at 25% of all early stage businesses in 2008 or with anecdotal evidence of a high level of start-ups in the construction and construction-related sector in the period of the survey (2004 to 2006). Nonetheless, it is interesting that these results identify only two construction businesses in the ‘Other’ category.

This relative absence of construction-related businesses among the respondents may reflect the exclusion of such businesses from the EPPs and this researcher’s own experience of few such businesses among the broader START-UP BOOT CAMP population. Given economic conditions in the 2004 to 2006 period in which the survey is grounded, with the ‘Celtic Tiger’ and its construction boom in full swing, there may have been little perceived need for potential construction-related entrepreneurs, whether tradesmen or developers, to spend time on a start-up course, since the normal key challenges of start-ups (identifying customers and making sales) appeared not to apply at the time.

The preponderance of technology-based businesses in the results of this survey (45 / 45.0%) is not surprising, given the survey population – 39 respondents (37.5%) came from the M50, NEEPP and SEEPP programmes, which are specifically targeted at developing high-tech, knowledge-intensive, graduate-led businesses.

Last, 12 respondents (12.0%) started retail businesses – again, perhaps reflective of the Celtic Tiger boom days. Only

6 respondents (6.0%) had not started businesses at the date of the survey.¹⁶

Looking then at when respondents started their businesses (survey Question 10), the results are shown in Table 5.10.

Table 5.10: Survey 1 (2007) Respondents' Business Start Date

When business started	#	%
Not yet started	22	22.0
2006	34	34.0
2005	14	14.0
2004	12	12.0
2003	10	10.0
Earlier than 2003	4	4.0
Ceased trading	4	4.0
	100	100
Skipped question	4	
Total respondents	104	

Source: Current research.

The responses to this question show a glaring inconsistency when taken against the responses to the previous survey question, as shown in Table 5.9. In Table 5.9, under type of business, only 6 respondents indicated that they had 'not yet started / no business', while in Table 5.10, under date of business start, 22 respondents indicated that they had 'not yet started'. Without direct access to the individual respondents, it is not possible to clarify this inconsistency. This researcher assumes that Table 5.10 more correctly reflects the situation and that Table 5.9 was interpreted more in relation to the type of business started or *intended to be started*.

¹⁶ Of these, all but one respondent were participants on the Oak Tree Press START-UP BOOT CAMPS; this researcher recalls a significant minority of BOOT CAMP participants who were merely at the information-gathering stage and unlikely to progress quickly to actual start-up.

Four businesses (4.0%) had ceased trading between the time the respondent completed their start-up course and the date of the survey.

More interesting than the respondents' start date alone is the time-lag between the respondents' course completion and their date of business start-up. The survey results for this analysis are shown in Table 5.11.

Table 5.11: Survey 1 (2007) Respondents' Time-lag between Course Completion & Business Start Date

Date of programme	Start-up date								Skipped question	Total
	Ceased	Pre-2003	2003	2004	2005	2006	Not yet started	Total		
2004										
BOOT	-	-	1	2	2	3	4	12		
M50	-	-	2	2	-	-	1	5		
NEEPP	2	-	-	1	-	-	-	3		
SEEPP	1	1	2	1	-	-	-	5		
	3	1	5	6	2	3	5	25		
2005										
BOOT	-	-	-	1	3	6	2	12		
M50	-	-	2		1	-	1	4		
NEEPP	-	-	-	-	-	-	-	0		
SEEPP	-	1	1	-	-	1	-	3		
	0	1	3	1	4	7	3	19		
2006										
BOOT	1	2	2	-	2	14	14	35		
M50	-	-	1	1	2	5	-	9		
NEEPP	-	-	-	1	1	4	-	6		
SEEPP	-	-	-	2	-	1	-	3		
	1	2	3	4	5	24	14	53		
TOTAL	4	4	11	11	11	34	22	97	7	104

Source: Current research.

These results are shown in a consolidated format in Table 5.12.

Table 5.12: Survey 1 (2007) Respondents' Time-lag between Programme Completion & Business Start Date - Summary

Time-lag	Business Start Date						Total
	Ceased	Before programme	Year of programme	Year after programme	Two years after programme	Not yet started	
2004	3	6	6	2	3	5	25
2005	0	5	4	7	-	3	19
2006	1	14	24	-	-	14	53
Total responses	4	25	34	9	3	22	97
% of total responses	4.1%	25.8%	35.0%	9.3%	3.1%	22.7%	100

Source: Current research.

The analysis in Table 5.12 shows, unsurprisingly, that more businesses were started in the year that the respondent completed his / her chosen programme than in any other year. Nonetheless, these businesses only accounted for 35.0% of the total; one-quarter of respondents (25.8%) started their businesses in the year before taking part in their chosen programme. Overall, respondents were active in starting their business at or around the time of taking the programme. This is what one might expect - that undertaking a start-up programme is closely linked time-wise with the actual start date of the business.

However, one-in-eight (12.4%) of respondents did not start their businesses until a year or two following the programme, indicating perhaps that they saw the programme as a necessary stage in information-gathering before start-up.

And, notably, a good percentage of respondents (22.7%) did not get started at all. The non-starters were almost entirely (91%) START-UP BOOT CAMP participants (20 out of 22), suggesting that the commitment required for participation on a year-long EPP, as well as the programme's peer pressure and other forces, combine to ensure start-up. Out of 38 respondents who had participated on the M50, NEEPP or SEEPP programmes, only two had not yet started their business at the date of the survey.

These results imply that, if a potential entrepreneur has not started their business within a year or so of whatever formal start-up training they undertake, it is likely that they may not start at all. Thus, it suggests that, especially in the case of the year-long EPPs, there is an imperative on programme managers to ensure that participants are trading before the programme-end.

Of the 104 valid responses received to survey Question 11, 93 respondents (89.4%) were the 'managing director, chief executive or "main driver" (by whatever title)' of their business. It is with these respondents and their responses that this survey analysis is now concerned, since this descriptor is one part of the definition of an 'entrepreneur' adopted for this research study.¹⁷ Responses from those who answered 'No' to this question are not analysed further, since these respondents failed to qualify as an 'entrepreneur', as defined for the purposes of this research (the survey definition included the criterion that, to be an 'entrepreneur', the respondent must be able to determine, or at least have major influence over, the direction of their business.) As noted in the discussion on methodology (section

¹⁷ The other criterion is that the person is a 'founder' of the business.

4.4), respondents who answered 'No' to this question (Question 11) exited the survey at this point.

Therefore, only 72 respondents answered the next question (Question 12): 'Were you the sole founder, or a member of the founding team, of your business?'. Of these 72, 70 (97.2%) said 'Yes'. The responses from those who said 'No' are not analysed further, since they also fail to qualify as an 'entrepreneur', as defined for the purposes of this research (the survey definition included a second criterion that, to be an 'entrepreneur', the respondent must be the founder of the business or a member of the founding team). As noted in the discussion on methodology (section 4.4), respondents who answered 'No' to this question (survey Question 12) exited the survey at this point.

This is now the heart of the research survey, working with a reduced group of valid respondents - those who are both the 'main driver' of their business AND the founder (or member of the founding team) of it - consisting of 70 entrepreneurs (67% of total respondents), broken down by source as shown in Table 5.13.

Table 5.13: Survey 1 (2007) Respondents by Source Population

Source (all years)	#	%
BOOT CAMPs	38	54.3
M50	15	21.4
NEEPP	7	10.0
SEEPP	10	14.3
	70	100
Exited survey	34	
Total respondents	104	

Source: Current research.

Since the research question revolves around 'growth', one key measure of which is sales (Dale, 1991; Penrose, 1995; Grenier, 1998), this was the next question in the survey. Not unexpectedly, since many of the businesses surveyed are recent start-ups, their turnover was modest:

- Three-quarters (48 / 75.0%) of respondents to this question (Question 13) said their turnover was below €100k.
- One-in-eight (8 / 12.5%) said it was between €101k and €250k.
- Seven (11.0%) said it was between €251k and €500k.
- Just one respondent claimed turnover between €501k and €1m.
- No respondent claimed turnover above €1m.¹⁸

On second measure of growth (survey Question 14), the number of staff employed (including the respondent) (Dale, 1991; Grenier, 1998), the respondents showed equally modest results:

- Half (32 / 50.0%) the respondents employed only themselves.
- 11 (17.1%) employed two people.
- 13 (20.3%) employed three people.
- Four (6.2%) employed four people.
- Two (3.1%) employed five people.
- One each (1.5%) employed six and eight people.
- No respondent employed more than eight people (including themselves).¹⁹

To identify measurable growth, a third yardstick was chosen - the number of products / services offered by the business.

¹⁸ Six of the 70 core respondents skipped this question.

¹⁹ Six of the 70 core respondents skipped this question.

Although the number of products / services offered by a business more correctly reflects the complexity of the business rather than its size, nonetheless there is some intuitive correlation between complexity and size (Churchill and Lewis, 1983; Dale, 1991; Drucker, 1993). The results of this question (survey Question 15) are shown in Table 5.14.

Almost two-thirds (39 / 60.8%) of respondents' businesses had three or fewer products / services, with 13 (20.4%) having 10 or more products / services. The survey responses reflect early-stage start-ups - simple businesses, with low sales, few staff and a limited range of products / services on offer.

Table 5.14: Survey 1 (2007) Respondents' Products / Services Offered

Number of products/ services offered	#	%
1	12	18.7
2	17	26.5
3	10	15.6
4	6	9.4
5	2	3.2
6	3	4.7
7	1	1.5
8	0	0
9	0	0
10	2	3.2
11-25	3	4.7
25+	8	12.5
	64	100
Skipped question	6	
Total core respondents	70	

Source: Current research.

'Who owns the business?' (survey Question 16) is another question that also hints at the complexity, and thus the size, of the business (and its growth to date). A business with shareholders other than the founder is inherently a more complex business, due to the relationships between the founder and the other shareholder(s). Where the shareholders are external to the business, this complexity increases. In addition, where the founder has been able to attract equity funding, it implies that he / she has made a sufficiently strong business case to justify the investment by the new external shareholders - and, by implication, that the business is targeting growth (even if that growth has yet to be achieved).

The results of the survey show that:

- 38 entrepreneurs (59.4%) still owned 100% of the equity in their businesses.
- In 15 cases, other members of the founding team held equity - between 6% and 100%.²⁰
- In two cases, other senior managers held between 15% and 50% of the equity.
- In two cases, other employees held between 2% and 5% of the equity.
- In eight cases, family held between 25% and 60% of the equity.
- In one case each, an informal investor, financial institution and 'other' held 6%, 50% and 20% of the equity respectively.²¹

²⁰ In one case, the respondent indicated that other members of the founding team held 100% of the equity in the business, suggesting that the respondent personally held none. This respondent is known to the researcher to be running a social enterprise, where it is understandable that the respondent might not have any personal shareholding in the business while still qualifying for the purposes of this research as a 'founder' and 'main driver' - both of which the respondent is known to be.

Nonetheless, on the answers provided, the respondents' businesses appear still to be early-stage, with little by way of formal external investment.

This lack of formality was reflected in the answers to the next questions: 'How many people are on the Board of Directors of your business (including yourself)?' (survey Question 17) and 'How often does your Board of Directors meet formally?' (survey Question 18). Most respondents (58 / 90.6%) said that their business had only the minimum two directors required by law, while 37 (57.8%) said that the Board of Directors met formally only as required by law. None of the respondents' Boards had more than four members.

Again, the small size and relative informality of the structure of respondents' businesses were reflected in their responses to the question: 'Who is responsible for the following key functions in your business?' (survey Question 19), as shown in Table 5.15.

In most cases (47 out of 64), these key functions were the responsibility of a Board Director. However, while account must be taken of the small size of the businesses - mostly early-stage start-ups, as noted above - it is of concern that 22 respondents (33.8%) have no identifiable person responsible for health and safety (a legal requirement), while seven (10.9%) respectively have no identifiable person responsible for the critical functions of finance and marketing, while eight (12.5%) have no identifiable person responsible for the equally critical functions of innovation and sales. In the case of HR, the absence of an identifiable person responsible for this function most likely reflects the fact that half the respondents (50%) employed only

²¹ Again, six of the 70 core respondents skipped this question.

themselves. Interestingly, although in the context of the top 10 Irish companies by market value at the time, O'Toole (2006) found that neither HR nor marketing were represented at board level in any of the companies surveyed.

Table 5.15: Survey 1 (2007) Respondents' Allocation of Responsibility for Key Business Functions²²

Responsibility for function allocated to:	Board		Senior		No one	
	Director		Manager			
	#	%	#	%	#	%
Finance	55	85.9	2	3.1	7	11.0
Health & Safety	39	60.9	3	4.7	22	34.4
HR	41	64.0	2	3.1	23	35.9
Innovation	52	81.2	4	6.2	8	12.5
IT	47	73.5	4	6.2	13	20.3
Logistics	47	73.5	4	6.2	13	20.3
Production	39	61.0	2	3.1	23	35.9
Marketing	53	82.8	4	6.2	7	11.0
Sales	51	79.7	5	7.8	8	12.5
AVERAGE	47	74.4	3	4.7	14	21.9

Source: Current research.

Looking at respondents' own personal responsibility for key business functions (survey Question 20) as a 'main driver' of the business, Table 5.16 shows that Finance is the most popular allocation of personal responsibility within respondents' businesses (60 / 93.8%), with Innovation (59 / 92.2%), Marketing (58 / 90.6%) and Sales (55 / 85.9%) close behind. Whether unloved or irrelevant to respondents' businesses is not clear but Production (36 / 56.3%), Health & Safety (39 / 60.9%) and Logistics (40 / 62.5%) trail the respondent's choice of functions for which they take personal responsibility.

²² Six of the 70 core respondents skipped this question.

Table 5.16: Survey 1 (2007) Respondents' Own Responsibility for Key Business Functions²³

Respondent's own responsibility for function	#	%
Finance	60	93.8
Health & Safety	39	60.9
HR	42	65.6
Innovation	59	92.2
IT	47	73.4
Logistics	40	62.5
Production	36	56.3
Marketing	58	90.6
Sales	55	85.9

Source: Current research.

There are some inconsistencies between the responses to survey Question 19 (Table 5.15) and those to survey Question 20 (Table 5.16), specifically:

- 60 entrepreneurs claim personal responsibility for finance, while only 55 say that it is a Board member's responsibility (suggesting that five respondents are not Board members).
- 58 entrepreneurs claim personal responsibility for marketing, while only 53 say that it is a Board member's responsibility (again suggesting that five respondents are not Board members).
- 55 entrepreneurs claim personal responsibility for sales, while only 52 say that it is a Board member's responsibility (again suggesting that three respondents are not Board members).
- 42 entrepreneurs claim personal responsibility for HR, while only 41 say that it is a Board member's

²³ Six of the 70 core respondents skipped this question.

responsibility (again suggesting that one respondent is not a Board member).

In this research survey, the respondents are presumed from previous answers to the survey to be Board members. The inconsistencies in responses are not explained by assuming that respondents understood 'a Board member' to be someone other than themselves. Nor is it likely that some of the respondents are not Board members, since all are both 'main drivers' and founders of their businesses. Nonetheless, whatever the cause of the misunderstanding, it is clear that respondents carry significant responsibility within their businesses.

These results accord with Chell's (2001) statement that:

"Owner-managers of small businesses tend to assume more than one role - they are, for example, both the production manager and the marketing director rolled into one. They may be involved in procurement and logistics. In effect, they may have to turn their hand to any job that needs to be done at the time in order to meet the exigencies of a particular situation." (p.178)

Most respondents (41 / 65.1%) had never been a founder, or a member of a founding team, of another business before founding their current business. This is not unexpected, as Ireland has not yet built a tradition of serial entrepreneurship. Indeed, it is unlikely that serial or repeat entrepreneurs would find it necessary to attend a start-up programme. Therefore, it is interesting that 21 respondents (30%) claim previous founding experience. This result is slightly ahead of the *Global Entrepreneurship Monitor Ireland 2008* results (Fitzsimons and O'Gorman, 2009), which show that 28% of new firm entrepreneurs²⁴ in Ireland had prior entrepreneurial experience (p.27). This result,

²⁴ 'New firm entrepreneurs' are defined as those who "at least part own and manage a new business that is between four and 42 months old" (Fitzsimons and O'Gorman, 2009, p.12).

however, is greater than the 8.0% previous start-up experience found by Machado *et al* (2002) in a study of female and male entrepreneurs in the northern province of Paraná, Brazil.

Asked about their previous position in employment, respondents answered as shown in Table 5.17.

Table 5.17: Survey 1 (2007) Respondents' Previous Position in Employment

Previous full-time position	#	%
Managing Director	3	4.7
Engineering Director	3	4.7
Finance Director	1	1.6
HR Director	0	0
IT Director	1	1.6
Logistics Director	1	1.6
Production Director	0	0
Marketing Director	1	1.6
Sales Director	0	0
Engineering Manager	4	6.3
Finance Manager	0	0
HR Manager	0	0
IT Manager	2	3.1
Logistics Manager	0	0
Production Manager	3	4.7
Marketing Manager	1	1.6
Sales Manager	3	4.7
Other	41	64.1
	64	100
Skipped question	6	
Total respondents	70	

Source: Current research.

Analysing the 'Other' category, a broad variety of roles, as shown in Table 5.18, was found.

Table 5.18: Survey 1 (2007) Respondents' Previous Position in Employment - Analysis of 'Other'

Job-title	#	Job-title	#	Job-title	#
Alumni officer	1	Database administrator	1	Project manager	1
Artist/craftsman	1	Designer	2	Quality assistant	1
Assistant bank manager	1	Engineer	3	Recruitment manager	1
Assistant	1	Environmental director/manager	1	Sales	1
Bank analyst	1	IT consultant	3	Software designer	1
Business teacher	1	IT programmer	1	Software engineer	2
Carpenter	1	Laboratory analyst	1	Technical manager	2
Chief information officer	1	Maintenance team leader	1	Technical	1
Chief technical officer	1	Network administrator	1	Technician	1
Compliance officer	1	Operations manager	1	Therapist	1
Consultant	1	Project engineer	1	Transaction specialist	1
Consulting manager	1				

Source: Current research.

It is perhaps more useful to analyse respondents' previous positions by both function and level of responsibility, as shown in Table 5.19.

Analysed in this way, it was found that:

- More managers than directors started their own businesses - 19 against 13 - although 20% of respondents had been at director level in their previous employment.
- IT (14) was the best source of entrepreneurs among those surveyed, with engineering (12) close behind.
- HR was the one discipline that was not a source of entrepreneurs, in this survey.

Table 5.19: Survey 1 (2007) Respondents' Previous Position in Employment - Analysis by Function & Level of Responsibility

Previous full-time position	Director	Manager	Other	Total
Managing director	3	0	0	3
Engineering	3	5	4	12
Finance	1	0	0	1
HR	0	0	0	0
IT	3	2	9	14
Logistics	1	0	0	1
Production	0	4	2	6
Marketing	1	1	0	2
Sales	0	3	1	4
Other	1	4	15	20
	13	19	31	63
Skipped question				7
Total respondents				70

Source: Current research.

The second of these results perhaps reflects the technology bias of the EPPs, from which a high proportion of respondents (37.5%) came.

Asked whether their last full-time position was with an Irish or foreign-owned business (survey Question 23), respondents' replies are summarised in Table 5.20.

Table 5.20: Survey 1 (2007) Respondents' Previous Position in Employment - Ownership & Size of Employing Business

Ownership of business in which last position held	100+ staff	51/100 staff	11/50 staff	Less than 10 staff	Total
Foreign-owned	17	2	5	5	29
Irish-owned	12	5	10	7	34
	29	7	15	12	63
Skipped question					7
Total respondents					70

Source: Current research.

From Table 5.20, it can be seen that:

- Irish-owned and foreign-owned businesses were almost equal sources of entrepreneurs in this survey, with a small bias towards Irish-owned (34 / 53.9% against 29 / 46.1%).
- Foreign-owned businesses with more than 100 staff were the single largest source of entrepreneurs (17 / 26.9%) in this survey.
- Businesses with more than 100 staff, regardless of ownership, were the best source of entrepreneurs (29 / 46.1%) in this survey, accounting for almost half of the respondents to this question.

Three-quarters (47 / 74.6%) of respondents had worked six years or less in their last full-time position, and half (32 / 50.7%) for three years or less, although nine (14.3%) had worked for more than 10 years with the same employer. The results for survey Question 24 are shown in Table 5.21.

Table 5.21: Survey 1 (2007) Respondents' Previous Position in Employment - Length of Service with Previous Employer

Number of years with previous employer	#	%
1	7	11.1
2	11	17.5
3	13	20.6
4	7	11.1
5	6	9.5
6	3	4.8
7	3	4.8
8	2	3.2
9	2	3.2
10	0	0
10+	9	14.3
	63	100
Skipped question	7	
Total respondents	70	

Source: Current research.

Asked for their reason for leaving their previous full-time position (survey Question 25), respondents answered as shown in Table 5.22.

Table 5.22: Survey 1 (2007) Respondents' Previous Position in Employment: Reason for Leaving Previous Employer

Reason for leaving previous employer	#	%
Retired	0	0
Made redundant	8	12.7
Took voluntary redundancy	5	7.9
Saw opportunity to outsource previous work	4	6.3
Saw opportunity in same industry	21	33.3
Saw opportunity in unrelated area	25	39.7
	63	100
Skipped question	7	
Total respondents	70	

Source: Current research.

The majority of the survey respondents started their businesses because they had spotted an opportunity and chose to follow it through - four (6.3%) by persuading their employer to outsource their previous work to them; 21 (33.3%) saw an opportunity in the same industry as their previous employment; and 26 (39.7%) saw an opportunity in an unrelated area. Only eight (12.7%) respondents to this question had been made redundant, while five (7.9%) had taken voluntary redundancy.

It is unsurprising that no respondents started their business due to retirement - their age groups (see Table 5.4) suggest that very few were at, or close to, retirement age (less than 3% were over 50). However, only 12.7% of respondents gave 'made redundant' as the reason for leaving their previous employer; despite the boom times of 2004 to 2006, this does not accord with other studies, notably O'Gorman (2007).

Respondents' previous work experience since the end of their full-time education was interesting, as shown in Table 5.23.

Table 5.23: Survey 1 (2007) Respondents' Previous Work Experience

Number of years' full-time work experience, since end of full-time education	0	1	2	3	4	5	6	7	8	9	10	10+	Total
In the same industry sector	12	2	5	4	5	2	3	3	2	1	2	23	63
In the same / similar position	23	4	3	2	4	5	3	0	1	0	2	17	63
As a Board Director	51	1	4	1	0	2	0	0	0	0	0	4	63
As a senior manager	42	2	3	5	0	2	2	0	0	1	0	7	63
Skipped question													7
Total respondents													70

Source: Current research.

This table shows the number of years' full-time work experience, since the end of their full-time education, that respondents have had. Note that the '0 years' column represents respondents with no experience in the specified industry sector / position.

Table 5.23 is summarised in Table 5.23a.

Table 5.23a: Survey 1 (2007) Respondents' Previous Work Experience - summarised

Full-time work experience, since end of full-time education	No experience	Some experience	Total
In the same industry sector	12	51	63
In the same / similar position	23	40	63
As a Board Director	51	12	63
As a senior manager	42	21	63
Skipped question			7
Total respondents			70

Source: Current research.

Table 5.23a shows that most respondents (51²⁵ / 80.9%) have previous experience in the same industry (in Table 5.25, 26 / 39.7% had left their previous employment because they had identified an opportunity in an unrelated area), while a good number (40²⁶ / 63.5%) have previous experience in the same or a similar position (according to Table 5.21, 21 / 33.3% had left their previous employment because they had identified an opportunity in a related area). At the other end of the scale, more than one-third of respondents (23 / 36.5%) had 10 or more year's experience in the same industry sector, while more than one-quarter (17 / 26.9%) had 10 or more years' experience in the same / similar position.

²⁵ The 51 is calculated as the 63 who answered the question, less the 12 with 0 years' experience.

²⁶ Calculated as 63 less 23 with 0 years' experience in a similar position.

The respondents are weaker, however, on Board and senior management experience, with only 12²⁷ (19.0%) having previous Board-level experience and 21²⁸ (33.3%) having previous senior management experience. Most respondents lacked experience at Board or senior management level, reflecting the fact that 60.2% were in the 26 to 40 age groups. Only 4 (6.3%) respondents had 10 or more years' experience as a Board director, while only 7 (11.1%) had the same length of service as a senior manager.

The next part of the survey explored how respondents managed their businesses. On a number of different management topics, respondents were asked to indicate their current management behaviour. As explained in Chapter 4, this part of the survey questionnaire was based on adapting a number of key models.

The survey responses for respondents' current management behaviour are shown in Table 5.24.

This table is based on Greiner's (1998) and Churchill and Lewis's (1983) models of growth. Each row represents an aspect of management behaviour; each column across the table from left to right represents behaviour associated with a stage of growth, with growth being represented by a movement from left to right. Respondents were asked to self-rate their current management behaviours. Since it was possible that respondents might infer from the presentation of the survey questions that 'better' responses were associated with the right-most answers, the answer choices were randomised horizontally, thus concealing any potential pattern (see Appendix 1).

²⁷ Calculated as 63 less 51 with 0 years' experience as a Board director.

²⁸ Calculated as 63 less 42 with 0 years' experience as a senior manager.

The results are shown as the percentage of respondents who, for each aspect of management, use a particular behaviour. Thus, the table not only identifies management behaviour; through the Greiner (1998) and Churchill and Lewis (1983) models, it is possible to link respondents' management behaviour to the stage of growth of their business.

The average rating for each aspect of management behaviour is calculated by assigning a weighting of 1 through to 5 to the columns, from left to right, and calculating the weighted average. This average allows comparison of different management behaviours. An average of 5 suggests a high and sophisticated level of management behaviour, while an average of 1 suggests more intuitive, less formal management behaviour. This researcher's expectation, in administering the survey, was that most respondents would score below the mid-point, since being at or close to start-up they would be at their most entrepreneurial and less likely to behaving in more formal managerial ways.

Table 5.24: Survey 1 (2007) Respondents' Current Management Behaviour Self-Rated I²⁹

Current management behaviour	Respondents' Use (%) of Management Behaviour across Growth Stages					Average rating
	Creativity	Direction	Delegation	Co-ordination	Collaboration	
Control systems	Sales results	Standards & costs centres	Reports & profit centres	Plans & investment centres	Mutual goal-setting	
	52.5	6.8	3.4	0	37.3	2.63
Extent of formal systems	None to minimal	Minimal	Basic to developing	Maturing	Extensive	
	16.9	20.3	44.1	15.3	3.4	2.68
Interaction with employees	Day-to-day interaction	Day-to-day interaction, with monthly meetings	Monthly or quarterly meetings only	Annual report	Annual report, plus team-level briefings	
	76.3	13.6	5.1	3.4	1.7	1.41
Job specifications	None	Job specs. for operatives only	Job specs. for all staff	Broad task outlines for all staff	Staff are self-directing	
	45.8	8.5	25.4	13.6	6.8	2.27
Long-term strategy	Little to none	When needed	Annual business plan	Regular review of business plan	Business developed by staff co-operatively	
	6.8	35.6	15.3	37.3	5.1	2.99
Major strategy	Existence	Survival	Maintaining status quo	Resourcing for growth	Return on investment	
	11.9	23.7	18.6	40.7	5.1	3.03
Management focus	Make and sell	Efficiency of operation	Expansion of market	Consolidation of organisation	Problem-solving & innovation	

³⁰ 59 core respondents answered these questions; 11 skipped the questions.

Current management behaviour	Respondents' Use (%) of Management Behaviour across Growth Stages					Average rating
	Creativity	Direction	Delegation	Co-ordination	Collaboration	
	25.4	13.6	32.2	3.4	25.4	2.90
Management reward emphasis	Informal sharing of risks & rewards	Salary & merit increase	Individual bonus	Profit-sharing & stock options	Team bonus	
	45.8	28.8	18.6	3.4	3.4	1.90
Management style	One-to-one	Supervision	Delegation	Reporting & control	Participative	
	40.7	3.4	11.9	1.7	42.4	3.02
Meetings with key staff	Day-to-day	When needed	Planned weekly / monthly meetings	Planned quarterly meetings	Team meetings t'out month / year	
	42.4	33.9	15.3	6.8	1.7	1.92
Organisation structure	Simple & informal	Centralised & functional	Decentralised & geographical	Line-staff & product groups	Matrix of teams	
	84.7	11.9	3.4	0	0	1.19
Policies & procedures	None to very few	Implementing policies & procedures	Dependant on policies & procedures	Adherence to policies & procedures	Policies & procedures act as guidelines	
	55.9	28.8	3.4	5.1	6.8	1.78
Product / service complexity	Single product /service	Few products / services	Many products / services	Focused products / services	Market seeks out products / services	
	15.3	35.6	16.9	25.4	6.8	2.73
Quality systems	None to little	Own internal standards	Meets recognised external standards	Meets world-class standards	Other companies benchmark vs us	
	16.9	59.3	22.0	1.7	0	2.08

Current management behaviour	Respondents' Use (%) of Management Behaviour across Growth Stages					Average rating
	Creativity	Direction	Delegation	Co-ordination	Collaboration	
Response to issues	Immediate	Corrective action process	Collect data from func. resources	Handled by Quality / Spec. department	Corrective action via relevant groups	
	72.9	20.3	6.8	0	0	1.34
Stability of market	Stable	Relatively stable	Some changes	Many changes	Constant changes	
	18.6	27.1	20.3	13.6	20.3	2.90
Stability of product / service	Stable	Relatively stable	Some changes	Many changes	Constant changes	
	18.6	32.2	30.5	6.8	11.9	2.61
Who identifies markets	Owner / manager	Owner / manager & other staff	Marketing department	Marketing dept & sales force	Pro-active from all staff	
	69.5	22.0	3.4	0	5.1	1.49

Source: Current research.

Table 5.24 shows that respondents self-rated above the mid-point in only two aspects of management behaviour: 'Major strategy' and 'Management style'. These results fit with the researcher's expectations and sit well with the early stage of development of the respondents' businesses.

The highest ratings (implying the most 'managerial' behaviour) (highlighted in blue) were found in relation to:

- Major strategy - 3.03 - where 40.7% respondents were 'resourcing for growth'.
- Management style - 3.02 - where respondents were almost equally divided between the extremes of 'one-to-one' (40.7%) and 'participative' (42.4%) styles.
- Long-term strategy - 2.99 - where the predominant management behaviour was 'regular review of business plan'.
- Management focus - 2.90 - where 'expansion of market' (32.2%) won out over 'make and sell' (25.4%) and 'problem-solving and innovation' (25.4%).
- Stability of market - 2.90 - where 'relatively stable' was the preferred response (27.1%), with 'some changes' and 'constant changes' at 20.3% and 'stable' at 18.6%.

The lowest ratings (implying the least 'managerial' behaviour) (highlighted in grey) were found in relation to:

- Organisation structure - 1.19 - where 84.7% of respondents opted for 'simple and informal', a very close fit with the early stage of the respondents' businesses.
- Response to issues - 1.34 - where 'immediate' attracted 72.9% of responses.

- Interaction with employees - 1.41 - where 76.3% of respondents answered 'day-to-day interaction'.
- Who identifies markets - 1.49 - here the owner / manager carried the responsibility in 69.5% of responses, perhaps reflecting the fact that 50% of respondents had no staff.
- Policies and procedures - 1.78 - most respondents (55.9%) answered 'none to very few', while a further 28.8% answered 'implementing policies and procedures'.

The responses in relation to interaction with employees, job specifications, meetings with key staff and other topics that imply the existence of employees need to be considered cautiously, as half (50.0%) the respondents only employ themselves. Thus it is arguable that these responses reflect *intentions* rather than actual management behaviour.

These results suggest less-than-average managerial behaviours on the part of the respondents, suggesting that at, or shortly after, start-up, they have yet to make the transition to manager that underpins this research study. Respondents appear to be still behaving entrepreneurially.

Exploring their current behaviour further, respondents were asked to rate their behaviour on a five-point scale between two extremes, the left-hand extreme representing entrepreneurial behaviour and the right-hand extreme representing managerial behaviour (and thus, where 1 = poor and 5 = good). The survey question was developed by combining and adapting Chell's (2001) organisational culture attributes (Table 3.4) and organisational culture dimensions (Table 3.5) with Brown *et al's* (2001) comparison of entrepreneurial and administrative focus (Table 3.6).

The results are shown as the percentage of respondents who, for each aspect of management, use a particular behaviour. The average rating for each aspect of management behaviour is calculated by assigning a weighting of 1 through to 5 to the columns, from left to right, and calculating the weighted average, thus allowing comparison of different management behaviours.³⁰ An average of 5 suggests a high and sophisticated level of management behaviour within the respondent's business, while an average of 1 suggests more intuitive, less formal management behaviour. Again, given that the sample population consisted entirely of start-ups or very early-stage businesses, whose founders were assumed to be more entrepreneurial than managerial, this researcher's expectations were that respondents would self-rate below the mid-point. The responses are shown in Table 5.25.

Table 5.25: Survey 1 (2007) Respondents' Current Management Behaviour Self-Rated II³¹

	1	2	3	4	5	Average rating	
	%	%	%	%	%		
External focus	29.8	14.0	31.6	14.0	10.5	2.61	Internal focus
Risk	15.8	17.5	43.9	8.8	14.0	2.88	Safety
Individuality	38.6	24.6	29.8	1.8	5.3	2.11	Conformity
Group rewards	8.8	7.0	28.1	7.0	49.1	3.81	Individual rewards
Collective decision-making	17.5	14.0	17.5	14.0	36.8	3.39	Individual decision-making
Decentralised decision-making	7.0	7.0	24.6	22.8	38.6	3.79	Centralised decision-making
Ad hoc	1.8	22.8	29.8	24.6	21.1	3.40	Planning
Innovation	36.8	28.1	22.8	7.0	5.3	2.16	Stability
Competition	8.8	10.5	29.8	24.6	26.3	3.49	Co-operation
Simple organisation	57.9	24.6	14.0	3.5	0	1.63	Complex organisation
Informal procedures	29.8	38.6	19.3	5.3	7.0	2.21	Formal procedures

³¹ In contrast to the weighted average calculated in Table 5.24, the weighted average in Table 5.25 was calculated automatically by the SurveyMonkey online software application used to administer and analyse the survey.

³² Only 57 core respondents answered these questions; 13 skipped the questions.

	1	2	3	4	5	Average rating	
	%	%	%	%	%		
Commitment to the mission	24.6	26.3	33.3	7.0	8.8	2.49	Commitment to the organisation
Knowledge is valued	49.1	21.1	21.1	3.5	5.3	1.95	Procedures are valued
Results orientation	36.8	29.8	19.3	7.0	7.0	2.19	Process orientation
Job orientation	26.3	28.1	29.8	8.8	7.0	2.42	Employee orientation
Open system	24.6	24.6	38.6	8.8	3.5	2.42	Closed system
Loose control	12.3	24.6	22.8	31.6	8.8	3.00	Tight control
Driven by perceptions of opportunity	31.6	29.8	21.1	8.8	8.8	2.34	Driven by controlled resources
Many stages, minimal exposure at each stage	1.8	26.3	35.1	15.8	21.1	3.28	Single stage, with complete commitment
Rent of required resources	19.3	15.8	19.3	19.3	26.3	3.18	Ownership of required resources
Flat, with multiple informal networks	43.9	26.3	24.6	3.5	1.8	1.93	Formal hierarchy
Based on value creation	31.6	31.6	29.8	7.0	0	2.12	Based on responsibility and seniority
Rapid growth is top priority; accept risk to achieve growth	10.5	24.6	31.6	26.3	7.0	2.95	Safe, slow and steady
Promoting broad search for opportunities	22.8	29.8	26.3	17.5	3.5	2.49	Opportunity search restricted by resources controlled

Source: Current research.

In Table 5.25, respondents self-rated above the mid-point (highlighted in blue) on only 7 aspects:

- Group vs Individual rewards – 3.81 – where 49.1% of respondents rated this as '5'.
- Decentralised vs Centralised decision-making – 3.79 – where 38.6% of respondents rated this as '5', with weight on '4' and '3' ratings also.

- Competition vs Co-operation - 3.49 - where the bulk of the ratings were for '3', '4' and '5'.
- Ad hoc vs Planning - 3.40 - again, the weight of ratings was placed between '2' and '5'.
- Collective vs Individual decision-making - 3.39 - where 38.6% of respondents rated this as '5'.
- Many stages / minimal exposure vs Single stage / complete commitment - 3.28 - where 35.1% of respondents rated this as '3'.
- Rent vs Ownership of required resources - 3.18 - where, although the highest concentration of ratings (26.3%) was at '5', the spread of ratings reduced the average to just about the mid-point.

In these aspects of management behaviour, clearly respondents were more managerial than entrepreneurial. However, in the other 17 aspects, respondents showed a clear bias towards entrepreneurial behaviour. The lowest self-ratings in Table 5.22 (highlighted in grey) were in relation to:

- Simple vs Complex organisation - 1.63 - where 57.9% of respondents rated this as '1' and 24.6% as '2', in line with the 84.7% of respondents who chose 'simple and informal' for their management behaviour in relation to organisation structure in Table 5.24.
- Flat, with multiple informal networks vs Formal hierarchy - 1.93 - the bulk of the ratings here were between '1' and '3', with 43.9% of respondents choosing '1'.
- Knowledge vs Procedures valued - 1.95 - where 49.1% of respondents rated this as '1'.
- Individuality vs Conformity - 2.11 - the bulk of the ratings here were between '1' and '3', with 38.6% of respondents choosing '1'.

- Based on value creation vs Responsibility and seniority - 2.12 - where both '1' and '2' were chosen by 31.6% of respondents.

Again, the implication of these results is that respondents display less-than-average management behaviour, with a noticeable pull (although not strong as shown in Table 5.24) towards the simpler, less formal behaviours, arguably reflecting the early stage of development of their businesses. Respondents appear to be still within the entrepreneurial rather than the managerial domain.

The survey then asked respondents to rate themselves on their management skills (survey Question 50), against a five-point scale (where 1 = poor and 5 = good), based on Burns' (2001) growth model. Again, a weighted average was calculated automatically by the SurveyMonkey software application used.

The results are shown in Table 5.26.

Clearly, respondents have a good opinion of their own management skills - arguably, better than their current management behaviour - with all aspects of management skills self-rated above the mid-point.

The highest self-ratings on management skills (highlighted in blue) were for:

- Decision-making - 3.95.
- Interpersonal skills - 3.91.
- Communication - 3.85.
- Team-building - 3.76.

Table 5.26: Survey 1 (2007) Respondents' Management Skills Self-Rated³²

	1 Poor	2 Below average	3 Average	4 Above average	5 Good	Average rating
	%	%	%	%	%	
Communication	0	3.6	27.3	49.1	20.0	3.85
Culture management	0	16.4	47.3	25.5	10.9	3.31
Day-to-day supervision / motivation	1.8	14.5	29.1	34.5	20.0	3.56
Decision-making	0	5.5	25.5	38.2	20.0	3.95
Delegation	3.6	25.5	45.5	14.5	10.9	3.04
Financial management	7.3	18.2	41.8	23.6	9.1	3.09
Interpersonal skills	0	3.6	30.9	36.4	29.1	3.91
Management development	1.8	20.0	52.7	14.5	10.9	3.12
Operational leadership	1.8	9.1	36.4	30.9	21.8	3.62
Organisation / Organisation planning	0	10.9	40.0	34.5	14.5	3.53
Performance management / control	1.8	21.8	40.0	23.6	12.7	3.24
Planning	0	9.1	32.7	34.5	23.6	3.73
Strategic leadership	1.8	9.1	34.5	30.9	23.6	3.65
Team-building	0	5.5	34.5	38.2	21.8	3.76
Time management	9.1	16.4	32.7	21.8	20.0	3.27
Training / Coaching	1.8	9.1	34.5	36.4	18.2	3.60
Transition / change management	0	9.1	30.9	40.0	20.0	3.71

Source: Current research.

The lowest self-ratings on management skills (highlighted in grey) were for:

- Delegation - 3.04.
- Financial management - 3.09 - which contrast with the fact that 60 respondents (93.8%) took personal responsibility for finance in their businesses,

³³ Only 55 core respondents answered this question; 15 skipped the question.

although one-in-four (25.4%) considered themselves 'poor' or 'below average' in financial management.

- Management development - 3.12 - which augurs poorly for the research question.

Areas with relatively high (in excess of 20% of respondents) 'poor' or 'below average' self-ratings included:

- Delegation - 29.1%.
- Financial management - 25.5%
- Time management - 25.5%
- Performance management / control - 23.6%.
- Management development - 21.8%.

Time management (9.1%) and financial management (7.3%) received the greatest proportion of 'poor' self-ratings.

In contrast to management behaviour (Tables 5.24 and 5.25), where respondents largely self-rated below the mid-point and thus can be seen to be more entrepreneurial than managerial, here in Table 5.26 respondents appear to be more confident about their management skills, despite poor showings in some aspects, as might be expected from early-stage start-ups.

Next, respondents were asked to rate themselves on their entrepreneurial skills (Question 51) - again, against a five-point scale (where 1 = poor and 5 = good). The survey question was based on Chell's (2001) identification of the characteristics of the 'prototypical' entrepreneur (Table 3.2). Table 5.27 shows the results, as the percentage of respondents choosing each of the rating options, with a weighted average rating for each aspect of entrepreneurial skills calculated automatically by the SurveyMonkey software application used.

Table 5.27: Survey 1 (2007) Respondents' Entrepreneurial Skills Self-Rated³³

	1 Poor	2 Below average	3 Average	4 Above average	5 Good	Average rating
	%	%	%	%	%	
Adopts a broad financial strategy	1.8	12.7	49.1	25.5	10.9	3.31
Adventurous	0	3.6	27.3	30.9	38.2	4.04
Alert to business opportunities	0	3.6	23.6	38.2	34.5	4.04
An 'ideas person'	0	3.6	20.0	27.3	49.1	4.22
A high-profile image-maker	9.1	29.1	36.4	16.4	9.1	2.87
Innovative	0	1.8	21.8	38.2	38.2	4.13
Pro-active	0	1.8	18.2	49.1	30.9	4.09
Pursues opportunities, regardless of resources currently controlled	0	16.4	30.9	32.7	20.0	3.56
Restless / easily bored	3.6	12.7	30.9	25.5	27.3	3.60
Thrives on change	0	12.7	34.5	23.6	29.1	3.69

Source: Current research.

Again, it is clear that respondents rate their own entrepreneurial skills highly, with all but one average rating above the mid-point and 5 above an average rating of '4'. These results are slightly higher than the results for respondents' own management skills (Table 5.26).

The highest self-ratings for entrepreneurial skills (highlighted in blue) were recorded for:

- An 'ideas person' - 4.22 - this had the highest '5 / Good' rating at 49.1%.

³⁴ Only 55 core respondents answered this question; 15 skipped the question.

- Innovative - 4.13 - three-quarters (77.4%) of respondents rated themselves as '4 / Above average' or '5 / Good'.
- Pro-active - 4.09 - this had the highest '4 / Above average' rating at 49.1%, with '5 / Good' chosen by 30.9%.

The lowest self-ratings for entrepreneurial skills (highlighted in grey) were recorded for:

- A high-profile image-maker - 2.87.
- Adopts a broad financial strategy - 3.31.
- Restless / easily bored - 3.60.
- Pursues opportunities, regardless of resources currently controlled - 3.56.

These results show that respondents self-rate themselves highly on many of the characteristics classically associated with entrepreneurs.

How businesspeople spend their time is a good indicator of the focus of their attention. Survey question 52 explored the balance of time spent by respondents across a range of activities, identified (but not disclosed to respondents) as either managerial or entrepreneurial activities. In presenting the survey question, not only was the nature of the activity concealed from respondents, in addition the order in which the activities were presented was randomised, in order to reduce bias. The results are shown in Table 5.28.

Table 5.28: Survey 1 (2007) Respondents' Balance of Time Spent between Managerial & Entrepreneurial Activities

	% time
MANAGERIAL ACTIVITIES	
Attending internal meetings	3.1
Managing conflict in the business	1.2
Managing the day-to-day operations of the business	26.7
Scheduling the business	5.4
Supervision of staff	3.0
Total managerial	39.4
ENTREPRENEURIAL ACTIVITIES	
Being creative	11.6
Identifying new ways of doing business	7.5
Looking for new markets	9.0
Meeting and negotiating with customers	16.7
Planning the next goal for the business	9.0
Total entrepreneurial	53.8
Other	6.8
Total	100

Source: Current research.

In contrast to the pilot study carried out in 2003 (O’Gorman and O’Kane, 2003), the current respondents appear to spend more time on activities that could be considered ‘entrepreneurial’ rather than on ‘managerial’ activities; more than half their time (53.8%) is spent on ‘entrepreneurial’ activities. Given that most of the respondents’ businesses are still early-stage, this result is perhaps not surprising; however, the research assumption is that this balance will change, in favour of more time spent on ‘managerial’ activities, as the businesses grow. In particular, time spent on ‘attending internal meetings’ and ‘supervision of staff’ is likely to increase with an increase

in the number of staff (50% of respondents had no staff at the date of the survey).

The highest percentage of time spent on a single activity by any individual respondent was 100% - on 'Managing the day-to-day operations of the business'; in contrast, the highest percentages of time spent on entrepreneurial activities by any of the respondents were on 'Meeting and negotiating with customers' (60%) and 'Being creative' (50%).

The lowest percentage of time spent by any individual respondent on a single activity was 1.2% - on 'Managing conflict in the organisation'. This is unsurprising, given that 50.7% of respondents have no staff but conflicts with Jones (1998), who said that managers spend a significant allocation of time on *ad hoc* trouble-shooting.

In contrast to Florén and Tell (2003), whose small business-owner³⁴ survey participants spent 10% of their time with clients, respondents to this survey spent on average 16.7% of their time 'meeting and negotiating with customers'. In addition, Florén and Tell's participants spent 51% of their time with subordinates, well in excess of the combined total time spent by respondents to this survey on all 'managerial' activities (39.4%).

Last, in survey Question 53, respondents were asked to rate themselves on a range between 'entrepreneur' (1) and 'manager' (5). Their responses are shown in Table 5.29.

³⁵ Although Florén and Tell describe their participants as 'small business owners' and contrast them to the large-firm managers studied by Chorán, Mintzberg and Kurke and Aldrich, these small businesses on average had turnover of USD 3m and employed 26 staff, making them significantly larger than the businesses managed by respondents to the current research study.

Table 5.29: Survey 1 (2007) Respondents' Self-Rating as Entrepreneur or Manager

	Entrepreneur		Neutral	Manager	
	1	2	3	4	5
Responses	8	18	13	13	3
% responses	14.5%	32.7%	23.6%	23.6%	5.5%
	47.2%			29.1%	

Source: Current research.

Table 5.29 shows that three-quarters (76.1%) of respondents have a good sense of their own position at one or other side of the scale; less than 25% rate themselves neutral.

More respondents see themselves as broadly entrepreneurial (47.2%) than broadly managerial (29.1%) and the entrepreneurial scores are stronger in each category than the managerial.

Respondents were also asked to explain why they placed themselves at the point they chose on the scale between 'entrepreneur' and 'manager'. Interesting responses included:

- "Although there are some managerial aspects to my role within the company, those tasks are not my main focus. My main focus at the moment is the exploitation of an opportunity and a need in the market which I see and which I feel I can satisfy. What is driving me to work long hours at a loss is the desire to create something, a service, a product, a reputation. I want people to recognise my brand as a solution to their problem. My thoughts are always on new ideas, different avenues to find customers, new applications for our product. The managerial functions I perform are, in my view, just coincidental to being an entrepreneur." (Rating: 1)

- "Because it's FUN!" (Rating: 1)
- "Because I would like to perceive myself more as an entrepreneur than a manager. I thought it was a loaded question, because it sets the thought process of an entrepreneur being at complete variance with a manager." (Rating: 2)
- "Constantly learning to manage better, but think the entrepreneur skills are 'born not made'." (Rating: 2)
- "Early stages of company, so entrepreneurial spirit is key now and always - but very much now." (Rating: 2)
- "Entrepreneurial perspective backed by solid managerial skills - combined for effect." (Rating: 2)
- "I have a tendency to put effort into researching the next opportunity rather than focusing effort on managing current operations." (Rating: 2)
- "I think I'm probably a pretty poor manager but I love chasing after opportunities and don't really mind the risks, hence I would rate myself as an entrepreneur more. However, I do have to manage clients and myself, so there is some element of this in my work." (Rating: 2)
- "I'm getting slowly into the role of managing more, as the company finds a more solid direction." (Rating: 2)
- "As an owner / manager, day-to-day work is mainly management, with bouts of entrepreneurial activity from time to time." (Rating: 3)
- "Business still in development stage, pre-sales and activities more entrepreneurial than management but will be more managerial going forward." (Rating: 3)

- "Because that's where the business is at the moment. It is becoming more stable and I am having to adapt to managing it to grow it." (Rating: 4)
- "I think of an entrepreneur as coming up with new ideas. In set-up, I would have placed myself at the entrepreneur end of the scale, but now my function is implementing those initial entrepreneurial ideas, and so I consider this to be more managerial." (Rating: 4)
- "The majority of my time is spent on managerial tasks and the daily running of the business. I find it hard to get time to work on developing new ideas." (Rating: 4)
- "Started off with the idea of being an entrepreneur, but ended up being compelled to be a manager." (Rating: 5)

It is interesting that some of the respondents intuitively understand the changing nature of their work as their business develops, which is the research assumption underlying this study - for example, from the quotes above:

- "Although there are some managerial aspects to my role within the company, those tasks are not my main focus. The managerial functions I perform are, in my view, just coincidental to being an entrepreneur."
- "... the business is ... is becoming more stable and I am having to adapt to managing it to grow it."

In addition, respondents intuitively accept that they must work in both entrepreneurial and managerial domains simultaneously. Reflecting Holmquist's (2004) notion of balance, two respondents said:

- "Entrepreneurial perspective backed by solid managerial skills - combined for effect."
- "As an owner / manager, day-to-day work is mainly management, with bouts of entrepreneurial activity from time to time."

5.3: SURVEY CROSS-ANALYSIS BY RESPONDENTS' DATE OF PROGRAMME COMPLETION

The aim of this research study was to identify whether as businesses grow, their founders change from being 'entrepreneurs' to being 'managers'. Although, as seen in the literature review (Chapter 3), there is some difficulty in defining 'growth', it is clear that growth has a time-related dimension in that there must be some passage of time for growth to occur. Time is a necessary, but not sufficient, condition for growth; growth cannot occur without time passing, but time passing alone does not result in growth.

So, since growth can be time-related, the original survey was repeated in 2009 (see Chapter 6) to identify:

- The changes that had taken place among respondents' businesses in the interim.
- Whether these changes constituted 'growth'.
- Whether this 'growth' had led to changes in the respondents' management behaviour in the interim.

This analysis of changes between the two survey dates represents the core of the current research.

However, within the first survey responses, there lies an opportunity to make a preliminary examination of the effects

of time / growth, by comparing the responses based on the course date of the respondents.

The survey population was compiled from participants on three Enterprise Platform Programmes (EPPs) and from Oak Tree Press' START-UP BOOT CAMP, over three years: 2004, 2005, and 2006. From conversations with the respective Programme Managers, this researcher has established that there was no change in the recruitment criteria for the three EPPs courses between 2004 and 2006. As the promoter and presenter of the Oak Tree Press START-UP BOOT CAMPS over the same period, this researcher can confirm also that there was no change in recruitment criteria for that course over the same period. Therefore, the participants can be considered to be broadly similar from one year to the next and so, by analysing the responses by course date, we can see whether there are any differences in management behaviour between the different cohorts and thus whether the underlying assumption of this research can be shown to have a time-based dimension.

The following tables analyse the survey responses based on the date of course completion of the respondents. In each case, the analysis by date of course completion is compared to the overall survey results from the core respondents.

Table 5.30 shows the respondents' management behaviour, building on the analysis in Table 5.24 and constructed in a similar manner. Since the models underlying the table assume 'better' management behaviour as lying to the right-hand side of the table and thus represented by higher average ratings, based on our research assumption that 'growth', represented here by the passage of time, this researcher's expectation is that the 2004 cohort in general will show higher average

ratings for management behaviour than the 2006 cohort, because of the longer time that they have been in business.

This expectation was not borne out by the results shown in Table 5.30. On the 18 aspects of management behaviour:

- Respondents as a whole self-rated (just barely) above the mid-point on two aspects: 'Major strategy' (3.03) and 'Management style' (3.02).
- The 2004 cohort self-rated above the mid-point on only one aspect: 'Major strategy' (3.12).
- The 2005 cohort self-rated above the mid-point on four aspects: 'Long-term strategy' (3.25); 'Management style' (3.50); 'Product / service complexity' (3.08); and 'Stability of market' (3.33).
- The 2006 cohort self-rated above the mid-point on three aspects: 'Major strategy' (3.07); 'Management focus' (3.18); and 'Management style' (3.03).

These above mid-point ratings are highlighted in blue in the table.

Looking more closely at these results, the 2005 cohort shows a greater number of aspects of management behaviour with above mid-point self-ratings, although it is not possible to compare these to either the 2004 or 2006 cohorts for lack of common aspects. In addition, on 8 of the 18 aspects of management behaviour examined, the 2005 cohort shows higher self-ratings than either the 2004 or 2006 cohorts. As the 2005 cohort results appear to be anomalous, for reasons that cannot be explained from the data available, the following analysis focuses on the 2004 and 2006 cohorts only.

Table 5.30: Survey 1 (2007) Respondents' Current Management Behaviour - by Respondents' Date of Programme Completion

Current management behaviour	Respondents' Use (%) of Management Behaviour across Growth Stages						Average rating
		Creativity	Direction	Delegation	Co-ordination	Collaboration	
Control systems		Sales results	Standards & costs centres	Reports & profit centres	Plans & investment centres	Mutual goal-setting	
	TOTAL	52.5	6.8	3.4	0	37.3	2.63
	2004	58.8	0	5.9	0	35.5	2.54
	2005	58.3	8.3	0	0	33.3	2.41
	2006	44.4	11.1	3.7	0	40.7	2.81
Extent of formal systems		None to minimal	Minimal	Basic to developing	Maturing	Extensive	
	TOTAL	16.9	20.3	44.1	15.3	3.4	2.68
	2004	17.6	17.6	41.2	17.6	5.9	2.76
	2005	25.0	0	50.0	16.7	8.3	2.83
	2006	14.8	33.3	40.7	11.1	0	2.48
Interaction with employees		Day-to-day interaction	Day-to-day interaction, with monthly meetings	Monthly or quarterly meetings only	Annual report	Annual report, plus team-level briefings	
	TOTAL	76.3	13.6	5.1	3.4	1.7	1.41
	2004	82.4	11.8	0	5.9	0	1.30
	2005	66.7	25.0	8.3	0	0	1.42
	2006	77.8	11.1	3.7	3.7	3.7	1.44

Current management behaviour	Respondents' Use (%) of Management Behaviour across Growth Stages						Average rating
	Creativity	Direction	Delegation	Co-ordination	Collaboration		
Job specifications		None	Job specs. for operatives only	Job specs. for all staff	Broad task outlines for staff	Staff are self-directing	
	TOTAL	45.8	8.5	25.4	13.6	6.8	2.27
	2004	52.9	0	23.5	5.9	17.6	2.35
	2005	50.0	25.0	16.7	8.3	0	1.83
	2006	37.0	7.4	33.3	18.5	3.7	2.44
Long-term strategy		Little to none	When needed	Annual business plan	Regular review of business plan	Business developed by staff co-operatively	
	TOTAL	6.8	35.6	15.3	37.3	5.1	2.99
	2004	5.9	52.9	5.9	29.4	5.9	2.76
	2005	0	33.3	25.0	25.0	16.7	3.25
	2006	11.1	25.9	18.5	44.4	0	2.96
Major strategy		Existence	Survival	Maintaining status quo	Resourcing for growth	Return on investment	
	TOTAL	11.9	23.7	18.6	40.7	5.1	3.03
	2004	5.9	35.5	11.8	35.3	11.8	3.12
	2005	8.3	25.0	33.3	33.3	0	2.91
	2006	18.5	11.1	18.5	48.1	3.7	3.07
Management focus		Make and sell	Efficiency of operation	Expansion of market	Consolidation of organisation	Problem-solving & innovation	
	TOTAL	25.4	13.6	32.2	3.4	25.4	2.90
	2004	29.4	17.6	29.4	0	23.5	2.70
	2005	25.0	8.3	50.0	0	16.7	2.75
	2006	18.5	14.8	29.6	3.7	33.3	3.18

Current management behaviour		Respondents' Use (%) of Management Behaviour across Growth Stages					Average rating
		Creativity	Direction	Delegation	Co-ordination	Collaboration	
Management reward emphasis		Informal sharing of risks & rewards	Salary & merit increase	Individual bonus	Profit-sharing & stock options	Team bonus	
	TOTAL	45.8	28.8	18.6	3.4	3.4	1.90
	2004	35.3	17.6	35.3	11.8	0	2.24
	2005	58.3	8.3	16.7	0	16.7	2.08
	2006	40.7	48.1	11.1	0	0	1.70
Management style		One-to-one	Supervision	Delegation	Reporting & control	Participative	
	TOTAL	40.7	3.4	11.9	1.7	42.4	3.02
	2004	52.9	5.9	5.9	5.9	29.4	2.53
	2005	25.0	0	25.0	0	50.0	3.50
	2006	40.7	3.7	11.1	0	44.4	3.03
Meetings with key staff		Day-to-day	When needed	Planned weekly / monthly meetings	Planned quarterly meetings	Team meetings t'out month / year	
	TOTAL	42.4	33.9	15.3	6.8	1.7	1.92
	2004	47.1	47.1	5.9	0	0	1.59
	2005	33.3	25.0	25.0	16.7	0	2.25
	2006	44.4	25.9	18.5	7.4	3.7	2.00
Organisational structure		Simple & informal	Centralised & functional	Decentralised & geographical	Line-staff & product groups	Matrix of teams	
	TOTAL	84.7	11.9	3.4	0	0	1.19
	2004	88.2	11.8	0	0	0	1.12
	2005	91.7	8.3	0	0	0	1.08
	2006	85.2	11.1	3.7	0	0	1.18

Current management behaviour		Respondents' Use (%) of Management Behaviour across Growth Stages					Average rating
		Creativity	Direction	Delegation	Co-ordination	Collaboration	
Policies & procedures		None to very few	Implementing policies & procedures	Dependant on policies & procedures	Adherence to policies & procedures	Policies & procedures act as guidelines	
	TOTAL	55.9	28.8	3.4	5.1	6.8	1.78
	2004	64.7	17.6	5.9	0	11.8	1.77
	2005	41.7	33.3	0	16.7	8.3	2.17
	2006	59.3	29.6	3.7	3.7	3.7	1.63
Product / service complexity		Single prod /service	Few products / services	Many products / services	Focused prods / services	Market seeks out prods / services	
	TOTAL	15.3	35.6	16.9	25.4	6.8	2.73
	2004	23.5	35.3	11.8	17.6	11.8	2.59
	2005	0	41.7	16.7	33.3	8.3	3.08
	2006	18.5	33.3	18.5	25.9	3.7	2.63
Quality systems		None to little	Own internal standards	Meets recognised ext. standards	Meets world-class standards	Other companies benchmark vs us	
	TOTAL	16.9	59.3	22.0	1.7	0	2.08
	2004	11.8	64.7	23.5	0	0	2.12
	2005	16.7	50.0	33.3	0	0	2.17
	2006	22.2	55.6	18.5	3.7	0	2.04

Current management behaviour	Respondents' Use (%) of Management Behaviour across Growth Stages						Average rating
	Creativity	Direction	Delegation	Co-ordination	Collaboration		
Response to issues		Immediate	Corrective action process	Collect data from functional resources	Handled by Quality / Specialist dept	Corrective action via relevant groups	
	TOTAL	72.9	20.3	6.8	0	0	1.34
	2004	82.4	17.6	0	0	0	1.18
	2005	75.0	16.7	8.3	0	0	1.33
	2006	74.1	14.8	11.1	0	0	1.37
Stability of market		Stable	Relatively stable	Some changes	Many changes	Constant changes	
	TOTAL	18.6	27.1	20.3	13.6	20.3	2.90
	2004	17.6	29.4	29.4	11.8	11.8	2.71
	2005	16.7	8.3	25.0	25.0	25.0	3.33
	2006	18.5	37.0	11.1	11.1	22.2	2.81
Stability of product / service		Stable	Relatively stable	Some changes	Many changes	Constant changes	
	TOTAL	18.6	32.2	30.5	6.8	11.9	2.61
	2004	11.8	35.3	35.3	5.9	11.8	2.71
	2005	8.3	41.7	33.3	8.3	8.3	2.66
	2006	25.9	25.9	29.6	7.4	11.1	2.52
Who identifies markets		Owner / manager	Owner / manager & other staff	Marketing department	Marketing dept & sales force	Pro-active from all staff	
	TOTAL	69.5	22.0	3.4	0	5.1	1.49
	2004	58.8	23.5	5.9	0	11.8	1.82
	2005	66.7	25.0	0	0	8.3	1.58
	2006	77.8	22.2	0	0	0	1.22

Source: Current research.

In Table 5.24, the highest self-ratings, implying the most 'managerial' behaviour, were found in relation to 'Major strategy' (3.03), 'Management style' (3.02), 'Long-term strategy' (2.99), 'Management focus' (2.90) and 'Stability of market' (2.90). On these aspects of management behaviour, the 2004 / 2006 self-ratings, as shown in Table 5.30, were:

- Major strategy - 2004: 3.12 / 2006: 3.07 - both above the average for the aspect, and 2004 marginally above 2006, as expected.
- Management style - 2004: 2.53 / 2006: 3.03 - 2006 just above average for the aspect, with 2004 well below average, not what was expected.
- Long-term strategy - 2004: 2.76 / 2006: 2.96 - both below average for the aspect, with 2006 only marginally below and 2004 below average, not what was expected.
- Management focus - 2004: 2.70 / 2006: 3.18 - 2006 well above average, with 2004 well below average, not what was expected.
- Stability of market - 2004: 2.71 / 2006: 2.81 - again both below average, with 2004 below the 2006 rating.

Under the research assumption, Table 5.30 would have been expected to show that 2004 respondents self-rated more highly than 2006 respondents - on the basis that, since they were longer in business, they were more likely to have experienced growth and thus their management behaviours would be more developed than their 2006 counterparts. In some instances, as noted above, this was not the case.

On the poorest self-rated aspects of management behaviour per Table 5.24, Table 5.30 shows:

- Organisation structure - 1.19 overall - 2004: 1.12 / 2006: 1.18 - both below average, with 2004 lower than 2006, not what was expected.
- Response to issues - 1.34 overall - 2004: 1.18 / 2006: 1.37 - 2006 marginally above average, with 2004 below average, not what was expected.
- Interaction with employees - 1.41 overall - 2004: 1.30 / 2006: 1.44 - 2006 marginally above average, with 2004 below average, not what was expected.
- Who identifies markets - 1.49 overall - 2004: 1.82 / 2006: 1.22 - 2004 well above average (though still low, reflecting the early stage of development of the respondents' businesses) and above 2006, as expected.
- Policies and procedures - 1.78 overall - 2004: 1.77 / 2006: 1.63 - 2004 above 2006, although both below average, not what was expected.

Aspects of management behaviour that provided the expected increase in rating between 2006 and 2004 were:

- Extent of formal systems - 2004: 2.76 / 2006: 2.48 - although a higher proportion of the 2004 cohort answered 'none to minimal', a lower proportion answered 'minimal' and 2004 also had higher responses in the 'maturing' and 'extensive' categories.
- Major strategy - 2004: 3.12 / 2006: 3.07, as noted above - despite the fact that a higher proportion of the 2004 cohort were using a 'survival' strategy, while more of the 2006 cohort were using a 'resourcing for growth' strategy.
- Management reward emphasis - 2004: 2.24 / 2006: 1.70 - a higher proportion of the 2004 cohort were operating more sophisticated 'individual bonus' or 'profit-sharing and stock options' reward systems.

- Policies and procedures - 2004: 1.78 / 2006: 1.63, as noted above - although the 2004 cohort had a higher proportion with 'none to very few' policies and procedures, it also had a higher proportion of the more sophisticated 'policies and procedures act as guidelines'.
- Quality systems - 2004: 2.12 / 2006: 2.04 - although the 2004 cohort had a higher proportion using 'own internal standards', it also had a higher proportion 'meeting external standards; nonetheless, the 2006 cohort was able to claim an entry in the 'meets world-class standards' category.
- Stability of product or service - 2004: 2.71 / 2006: 2.52 - here the difference lay in the higher proportions claimed by the 2004 cohort for 'relatively stable' and 'some changes'.
- Who identifies markets - 2004: 1.82 / 2006: 1.22 - the difference here lies in the claim by the 2004 cohort that markets were identified in part by the marketing department or pro-actively by all staff, claims that the 2006 cohort did not make; this perhaps reflects the growing size of the older businesses, with more specialised staff, although this assertion requires further analysis of the survey data for confirmation.

Overall, this first time-based analysis provided surprising results, with very few results matching expectations. This researcher had expected that the 2004 cohort would show some move towards more managerial behaviour over the 2005 and 2006 cohorts, based on the fact that they had been in business longer (albeit only two or so years). This expectation was not generally borne out by the survey results. One possible reason might be that the period of time between 2004 and 2006

was insufficient to demonstrate the level of growth necessary to result in the expected changes in management behaviour. The result also might be different if the start date of the business was used for comparison purposes rather than the date of the course undertaken by the respondent - although Table 5.12 shows roughly similar pre-course business starts for all cohorts.

Exploring respondents' current management behaviour further, the survey questionnaire asked respondents to rate their behaviour on a five-point scale between two extremes, the left-hand extreme representing entrepreneurial behaviour and the right-hand extreme representing managerial behaviour (and thus, where 1 = poor and 5 = good). Their responses, cross-related for their date of course completion, are shown in Table 5.31, which extends the analysis of and is constructed in the same manner as Table 5.25.

Table 5.31: Survey 1 (2007) Respondents' Current Management Behaviour Self-Rated II - by Respondents' Date of Programme Completion

		1	2	3	4	5	Average rating	
		%	%	%	%	%		
External focus	TOTAL	29.8	14.0	31.6	14.0	10.5	2.61	Internal focus
	2004	35.3	11.8	23.5	5.9	23.5	2.71	
	2005	36.4	9.1	45.5	9.1	0	2.27	
	2006	26.9	19.2	34.6	19.2	0	2.46	
Risk	TOTAL	15.8	17.5	43.9	8.8	14.0	2.88	Safety
	2004	11.8	17.6	41.2	5.9	23.5	3.12	
	2005	18.2	27.3	36.4	9.1	9.1	2.64	
	2006	19.2	15.4	50.0	7.7	7.7	2.69	
Individuality	TOTAL	38.6	24.6	29.8	1.8	5.3	2.11	Conformity
	2004	29.4	23.5	35.3	0	11.8	2.41	
	2005	54.5	18.2	27.3	0	0	1.73	
	2006	38.5	30.8	30.8	0	0	1.92	
Group rewards	TOTAL	8.8	7.0	28.1	7.0	49.1	3.81	Individual rewards
	2004	11.8	0	35.3	0	52.9	3.82	
	2005	0	9.1	36.4	9.1	45.5	3.91	
	2006	7.7	11.5	19.2	7.7	53.8	3.88	

		1	2	3	4	5	Average rating	
		%	%	%	%	%		
Collective decision-making	TOTAL	17.5	14.0	17.5	14.0	36.8	3.39	Individual decision-making
	2004	11.8	5.9	17.6	17.6	47.1	3.82	
	2005	9.1	36.4	18.2	9.1	27.3	3.09	
	2006	26.9	11.5	19.2	11.5	30.8	3.08	
Decentralised decision-making	TOTAL	7.0	7.0	24.6	22.8	38.6	3.79	Centralised decision-making
	2004	5.9	11.8	17.6	23.5	41.2	3.82	
	2005	9.1	0	36.4	9.1	45.5	3.82	
	2006	7.7	3.8	23.1	30.8	34.6	3.81	
Ad hoc	TOTAL	1.8	22.8	29.8	24.6	21.1	3.40	Planning
	2004	0	29.4	35.3	17.6	17.6	3.24	
	2005	9.1	18.2	18.2	27.3	27.3	3.45	
	2006	0	19.2	34.6	30.8	15.4	3.42	
Innovation	TOTAL	36.8	28.1	22.8	7.0	5.3	2.16	Stability
	2004	35.3	29.4	23.5	5.9	5.9	2.18	
	2005	54.5	18.2	18.2	9.1	0	1.82	
	2006	30.8	30.8	26.9	7.7	3.8	2.23	
Competition	TOTAL	8.8	10.5	29.8	24.6	26.3	3.49	Co-operation
	2004	0	5.9	52.9	17.6	23.5	3.59	
	2005	9.1	9.1	18.2	18.2	45.5	3.82	
	2006	15.4	11.5	23.1	34.6	15.4	3.23	
Simple organisation	TOTAL	57.9	24.6	14.0	3.5	0	1.63	Complex organisation
	2004	58.8	17.6	23.5	0	0	1.65	
	2005	81.8	18.2	0	0	0	1.18	
	2006	50.0	30.8	15.4	3.8	0	1.73	
Informal procedures	TOTAL	29.8	38.6	19.3	5.3	7.0	2.21	Formal procedures
	2004	35.3	35.3	23.5	5.9	0	2.00	
	2005	9.1	54.5	27.3	0	9.1	2.45	
	2006	30.8	38.5	15.4	3.8	11.5	2.27	
Commitment to the mission	TOTAL	24.6	26.3	33.3	7.0	8.8	2.49	Commitment to the organisation
	2004	29.4	23.5	29.4	5.9	11.8	2.47	
	2005	45.5	18.2	27.3	9.1	0	2.00	
	2006	7.7	34.6	42.3	3.8	11.5	2.77	
Knowledge is valued	TOTAL	49.1	21.1	21.1	3.5	5.3	1.95	Procedures are valued
	2004	47.1	5.9	35.3	5.9	5.9	2.18	
	2005	63.6	27.3	9.1	0	0	1.45	
	2006	42.3	30.8	19.2	3.8	3.8	1.96	
Results orientation	TOTAL	36.8	29.8	19.3	7.0	7.0	2.19	Process orientation
	2004	47.1	11.8	23.5	11.8	5.9	2.18	
	2005	36.4	27.3	18.2	9.1	9.1	2.27	
	2006	30.8	42.3	15.4	3.8	7.7	2.15	
Job orientation	TOTAL	26.3	28.1	29.8	8.8	7.0	2.42	Employee orientation
	2004	35.3	11.8	35.3	17.6	0	2.35	
	2005	18.2	45.5	18.2	0	18.2	2.55	
	2006	23.1	30.8	34.6	3.8	7.7	2.42	

		1	2	3	4	5	Average rating	
		%	%	%	%	%		
Open system	TOTAL	24.6	24.6	38.6	8.8	3.5	2.42	Closed system
	2004	29.4	17.6	35.3	5.9	11.8	2.53	
	2005	36.4	27.3	27.3	9.1	0	2.09	
	2006	15.4	26.9	46.2	11.5	0	2.54	
Loose control	TOTAL	12.3	24.6	22.8	31.6	8.8	3.00	Tight control
	2004	17.6	11.8	17.6	47.1	5.9	3.12	
	2005	18.2	27.3	18.2	36.4	0	2.73	
	2006	3.8	30.8	30.8	19.2	15.4	3.12	
Driven by perceptions of opportunity	TOTAL	31.6	29.8	21.1	8.8	8.8	2.34	Driven by controlled resources
	2004	29.4	17.6	35.3	11.8	5.9	2.47	
	2005	36.4	27.3	27.3	0	9.1	2.18	
	2006	34.6	38.5	11.5	11.5	3.8	2.12	
Many stages, minimal exposure at each stage	TOTAL	1.8	26.3	35.1	15.8	21.1	3.28	Single stage, with complete commitment
	2004	0	11.8	47.1	11.8	29.4	3.59	
	2005	0	27.3	27.3	27.3	18.2	3.36	
	2006	3.8	34.6	34.6	15.4	11.5	2.96	
Rent of required resources	TOTAL	19.3	15.8	19.3	19.3	26.3	3.18	Ownership of required resources
	2004	17.6	17.6	17.6	17.6	29.4	3.24	
	2005	9.1	0	27.3	18.2	45.5	3.91	
	2006	23.1	19.2	19.2	19.2	19.2	2.92	
Flat, with multiple informal networks	TOTAL	43.9	26.3	24.6	3.5	1.8	1.93	Formal hierarchy
	2004	52.9	11.8	23.5	5.9	5.9	2.00	
	2005	54.5	45.5	0	0	0	1.45	
	2006	34.6	23.1	38.5	3.8	0	2.12	
Based on value creation	TOTAL	31.6	31.6	29.8	7.0	0	2.12	Based on responsibility and seniority
	2004	35.3	35.3	29.4	0	0	1.94	
	2005	27.3	27.3	45.5	0	0	2.18	
	2006	30.8	30.8	23.1	15.4	0	2.23	
Growth is top priority; accept risk to achieve growth	TOTAL	10.5	24.6	31.6	26.3	7.0	2.95	Safe, slow and steady
	2004	11.8	23.5	35.3	23.5	5.9	2.88	
	2005	9.1	27.3	27.3	27.3	9.1	3.00	
	2006	11.5	26.9	26.9	30.8	3.8	2.88	
Promoting broad search for opportunities	TOTAL	22.8	29.8	26.3	17.5	3.5	2.49	Opportunity search restricted by resources controlled
	2004	35.3	17.6	17.6	23.5	5.9	2.47	
	2005	27.3	27.3	27.3	18.2	0	2.36	
	2006	15.4	34.6	30.8	15.4	3.8	2.58	

Source: Current research.

This analysis of respondents' management behaviour – based on combining and adapting Chell's (2001) organisational culture attributes (Figure 3.3) and organisational culture dimensions (Figure 3.4) with Holmquist's (2004) comparison of

entrepreneurial and administrative focus (Figure 3.6) - meets the research expectation that the 2004 cohort, who have on average been in business longer than the 2006 cohort, will show 'better' management behaviour.

In Table 5.25: Survey 1 (2007) Respondents' Current Management Behaviour Self-Rated II earlier, respondents as a whole self-rated above the mid-point on only 7 aspects: 'Group vs Individual rewards' (3.81); 'Decentralised vs Centralised decision-making' (3.79); 'Competition vs Co-operation' (3.49); 'Ad hoc vs Planning' (3.40); 'Collective vs Individual decision-making' (3.39); 'Many stages / minimal exposure vs Single stage / complete commitment' (3.28); and 'Rent vs Ownership of required resources' (3.18). In these aspects of management behaviour, clearly respondents as a whole were more managerial than entrepreneurial; however, in the other 17 aspects, respondents as a whole, showed a clear bias towards entrepreneurial behaviour.

However, Table 5.31, where the cohorts are disaggregated, shows the following results across the 24 aspects of management behaviour measured:

- The 2004 cohort self-rated above the mid-point on 9 aspects: 'Risk vs Safety' (3.12); 'Group vs Individual rewards' (3.82); 'Collective vs Individual decision-making' (3.82); 'Decentralised vs Centralised decision-making' (3.82); 'Ad hoc vs Planning' (3.24); 'Competition vs Co-operation' (3.59); 'Loose vs Tight control' (3.12); 'Many stages vs Single stage' (3.59); and 'Rent vs Own required resources' (3.24).
- The 2005 cohort self-rated above the mid-point on 7 aspects: 'Group vs Individual rewards' (3.91); 'Collective vs Individual decision-making' (3.09);

'Decentralised vs Centralised decision-making' (3.82); 'Ad hoc vs Planning' (3.45); 'Competition vs Co-operation' (3.82); 'Many stages vs Single stage' (3.36); and 'Rent vs Own required resources' (3.91).

- The 2006 cohort self-rated above the mid-point on 6 aspects: 'Group vs Individual rewards' (3.88); 'Collective vs Individual decision-making' (3.08); 'Decentralised vs Centralised decision-making' (3.81); 'Ad hoc vs Planning' (3.42); 'Competition vs Co-operation' (3.23); and 'Loose vs Tight control' (3.12).

These above mid-point ratings are highlighted in blue in the table.

On the basis of the underlying models, it is clear from these results that the 2004 cohort is more managerial - however marginally - than the 2005 or 2006 cohorts, which on the basis of the models this researcher attributes to the time-dimension of growth.

The topics with the highest self-ratings in Table 5.25: Survey 1 (2007) Respondents' Current Management Behaviour Self-Rated II were 'Group vs Individual rewards' (3.81); 'Decentralised vs Centralised decision-making' (3.79); 'Competition vs Co-operation' (3.49); 'Ad hoc vs planning' (3.40); and 'Collective vs Individual decision-making' (3.39).

The results in Table 5.31 for these aspects of management behaviour were:

- Group vs Individual rewards - 2004: 3.82 / 2006: 3.88, not what was expected - the 2004 cohort rated

this as '1' or '3' in higher proportions than the 2006 cohort.

- Decentralised vs Centralised decision-making - 2004: 3.82 / 2006: 3.81, as expected (but only just!) - due to the higher proportion of '5' ratings among the 2004 cohort.
- Competition vs Co-operation - 2004: 3.59 / 2006: 3.23, as expected - only 5.9% of the 2004 cohort gave this topic a '2' rating (no '1' ratings) against 26.9% of the 2006 cohort.
- Ad hoc vs planning - 2004: 3.24 / 2006: 3.42, not what was expected - due to different proportions between the cohorts on '2' and '4' ratings.
- Collective vs Individual decision-making - 2004: 3.82 / 2006: 3.08, as expected - the 2004 cohort gave lower ratings in the lower categories, with a higher '5' rating.

The lowest self-ratings in Table 5.25: Survey 1 (2007) Respondents' Current Management Behaviour Self-Rated II were in relation to 'Simple vs Complex organisations' (1.63); 'Flat, with multiple informal networks vs Formal hierarchy' (1.93); 'Knowledge vs procedures valued' (1.95); 'Individuality vs Conformity' (2.11); and 'Based on value creation vs Responsibility and seniority' (2.12).

The results in Table 5.31 for these aspects of management behaviour were:

- Simple vs Complex organisations - 2004: 1.65 / 2006: 1.73, not what was expected - the 2006 cohort had a lower proportion in the '1' category and a small entry in the '4' category.
- Flat, with multiple informal networks vs Formal hierarchy - 2004: 2.00 / 2006: 2.12, not what was

expected - the 2006 cohort had a lower proportion of its ratings in the '1' category and more in the '2' and '3' categories.

- Knowledge vs procedures valued - 2004: 2.18 / 2006: 1.96, as expected - the 2004 cohort had a higher proportion of its ratings in the '3' category.
- Individuality vs Conformity - 2004: 2.41 / 2006: 1.92, as expected - the 2004 cohort had an entry in the '5' category, while the 2006 cohort had no entries in the '4' or '5' categories.
- Based on value creation vs Responsibility and seniority - 2004: 1.94 / 2006: 2.33, not what was expected - the 2006 cohort had an entry in the '4' category.

In Table 5.30: Survey 1 (2007) Respondents' Current Management Behaviour - by Respondents' Date of Course Completion, the management behaviours that did hold true to the research question were:

- External vs Internal focus - 2004: 2.71 / 2006: 2.46 - overall 2.61.
- Risk vs Safety - 2004: 3.12 / 2006: 2.69 - overall 2.88.
- Individuality vs Conformity - 2004: 2.41 / 2006: 1.92 - overall 2.11.
- Collective vs Individual decision-making - 2004: 3.82 / 2006: 3.08 - overall 3.39.
- Decentralised vs Centralised decision-making - 2004: 3.82 / 2006: 3.81 - overall 3.79.
- Competition vs Co-operation - 2004: 3.59 / 2006: 3.23 - overall 3.49.
- Knowledge vs Procedures valued - 2004: 2.18 / 2006: 1.96 - overall 1.95.

- Results vs Process orientation - 2004: 2.18 / 2006: 2.15 - overall 2.19.
- Driven by perceptions of opportunity vs Driven by controlled resources - 2004: 2.47 / 2006: 2.12 - overall 2.34.
- Many stages, minimal exposure at each stage vs Single stage, with complete commitment - 2004: 3.59 / 2006: 2.96 - overall 3.28.
- Rent vs Ownership of required resources - 2004: 3.24 / 2006: 2.92 - overall 3.18.

So, across the 10 highest self-rated of the 24 aspects of management behaviour covered in Table 5.31, the survey returned unexpected results for five aspects and, overall, unexpected results for 11 of the 24 aspects. Nonetheless, the increases in self-rating, however marginal, between the 2004 and 2006 cohorts are an indication that there is some basis for the assumption that founders of businesses adopt more 'managerial' behaviour as their businesses grow.

The survey then asked respondents to rate themselves on their management skills (survey Question 50), against a five-point scale (where 1 = poor and 5 = good). The results are shown in Table 5.32, which is constructed on the same basis as Table 5.26.

Earlier, Table 5.26 showed that respondents self-rated their own management skills better than their current management behaviour. The results in this table (Table 5.32) show that, across the 17 management skills, on virtually every skills, respondents have self-rated themselves above the mid-point - the only exception is the 2006 cohort on 'Delegation' (2.92).

The highest self-ratings on management skills in Table 5.26 were for: 'Decision-making' (3.95), 'Interpersonal skills' (3.91), 'Communication' (3.85) and 'Team-building' (3.76).

The same topics in Table 5.32 (highlighted in blue) showed:

- Decision-making - 2004: 4.13 / 2006: 3.72 - the 2004 cohort has a higher proportion of '5' ratings.
- Interpersonal skills - 2004: 4.00 / 2006: 3.88 - the 2004 cohort has higher proportions in the '4' and '5' categories and no entry in the '2' category.
- Communication - 2004: 3.94 / 2006: 3.76 - the 2004 cohort has a higher proportion in the '5' category and no entry in the '2' category.
- Team-building - 2004: 3.81 / 2006: 3.72 - the 2004 cohort has a higher proportion in the '5' categories and a lower proportion in the '2' category.

Table 5.32: Survey 1 (2007) Respondents' Management Skills Self-Rated - by Respondents' Date of Programme Completion

		1 Poor	2 Below average	3 Average	4 Above average	5 Good	Average rating
		%	%	%	%	%	
Communication	TOTAL	0	3.6	27.3	49.1	20.0	3.85
	2004	0	0	31.3	43.8	25.0	3.94
	2005	0	0	18.2	63.6	18.2	4.00
	2006	0	4.0	32.0	48.0	16.0	3.76
Culture management	TOTAL	0	16.4	47.3	25.5	10.9	3.31
	2004	0	12.5	68.8	12.5	6.3	3.13
	2005	0	0	36.4	27.3	36.4	4.00
	2006	0	28.0	40.0	28.0	4.0	3.08
Day-to-day supervision / motivation	TOTAL	1.8	14.5	29.1	34.5	20.0	3.56
	2004	0	12.5	31.3	37.5	18.8	3.63
	2005	0	0	18.2	36.4	45.5	4.27
	2006	4.0	16.0	32.0	36.0	12.0	3.36

		1	2	3	4	5	Average rating
		Poor	Below average	Average	Above average	Good	
		%	%	%	%	%	
Decision-making	TOTAL	0	5.5	25.5	38.2	20.0	3.95
	2004	0	6.3	18.8	31.3	43.8	4.13
	2005	0	0	18.2	36.4	45.5	4.27
	2006	0	8.0	32.0	40.0	20.0	3.72
Delegation	TOTAL	3.6	25.5	45.5	14.5	10.9	3.04
	2004	6.3	12.5	50.0	18.8	12.5	3.19
	2005	0	18.2	45.5	27.3	9.1	3.27
	2006	4.0	32.0	44.0	8.0	12.0	2.92
Financial management	TOTAL	7.3	18.2	41.8	23.6	9.1	3.09
	2004	12.5	12.5	43.8	18.8	12.5	3.06
	2005	0	18.2	54.5	18.2	9.1	3.18
	2006	4.0	24.0	36.0	28.0	8.0	3.12
Interpersonal skills	TOTAL	0	3.6	30.9	36.4	29.1	3.91
	2004	0	0	31.3	37.5	31.3	4.00
	2005	0	0	27.3	45.5	27.3	4.00
	2006	0	4.0	32.0	36.0	28.0	3.88
Management development	TOTAL	1.8	20.0	52.7	14.5	10.9	3.12
	2004	0	18.8	56.3	6.3	18.8	3.25
	2005	0	27.3	45.5	9.1	18.2	3.18
	2006	4.0	20.0	48.0	24.0	4.0	3.04
Operational leadership	TOTAL	1.8	9.1	36.4	30.9	21.8	3.62
	2004	0	0	43.8	25.0	31.3	3.88
	2005	0	0	36.4	36.4	27.3	3.91
	2006	4.0	16.0	32.0	32.0	16.0	3.40
Organisation / Organisation planning	TOTAL	0	10.9	40.0	34.5	14.5	3.53
	2004	0	6.3	43.8	31.3	18.8	3.63
	2005	0	9.1	36.4	36.4	18.2	3.64
	2006	0	12.0	44.0	32.0	12.0	3.44
Performance management / control	TOTAL	1.8	21.8	40.0	23.6	12.7	3.24
	2004	0	25.0	37.5	25.0	12.5	3.25
	2005	0	0	81.8	9.1	9.1	3.27
	2006	4.0	24.0	24.0	32.0	16.0	3.32
Planning	TOTAL	0	9.1	32.7	34.5	23.6	3.73
	2004	0	0	43.8	31.3	25.0	3.81
	2005	0	0	45.5	9.1	45.5	4.00
	2006	0	16.0	24.0	44.0	16.0	3.60

		1	2	3	4	5	Average rating
		Poor	Below average	Average	Above average	Good	
		%	%	%	%	%	
Strategic leadership	TOTAL	1.8	9.1	34.5	30.9	23.6	3.65
	2004	0	12.5	37.5	25.0	25.0	3.63
	2005	0	0	36.4	45.5	18.2	3.82
	2006	4.0	8.0	36.0	24.0	28.0	3.64
Team-building	TOTAL	0	5.5	34.5	38.2	21.8	3.76
	2004	0	6.3	31.3	37.5	25.0	3.81
	2005	0	0	36.4	27.3	36.4	4.00
	2006	0	8.0	28.0	48.0	16.0	3.72
Time management	TOTAL	9.1	16.4	32.7	21.8	20.0	3.27
	2004	0	12.5	37.5	25.0	25.0	3.63
	2005	9.1	9.1	27.3	36.4	18.2	3.45
	2006	12.0	20.0	32.0	16.0	20.0	3.12
Training / Coaching	TOTAL	1.8	9.1	34.5	36.4	18.2	3.60
	2004	0	0	25.0	37.5	37.5	4.13
	2005	0	18.2	27.3	36.4	18.2	3.55
	2006	4.0	12.0	40.0	36.0	8.0	3.32
Transition/change management	TOTAL	0	9.1	30.9	40.0	20.0	3.71
	2004	0	0	43.8	25.0	31.3	3.88
	2005	0	0	45.5	36.4	18.2	3.73
	2006	0	16.0	20.0	48.0	16.0	3.64

Source: Current research.

Each of these four cases above supports the research assumption that founders become more managerial as their business grows.

The lowest self-ratings on management skills in Table 5.25 were for 'Delegation' (3.04), 'Financial management' (3.09) and 'Management development' (3.12). The ratings for these topics in Table 5.31 (highlighted in grey) were:

- Delegation - 2004: 3.19 / 2006: 2.92, as expected - the 2006 cohort has a high proportion (32/0%) in the '2' category.

- Financial management - 2004: 3.06 / 2006: 3.12, not what was expected - the 2004 cohort has a higher proportion of its ratings in the lower three categories.
- Management development - 2004: 3.25 / 2006: 3.04, as expected - the 2004 cohort has a higher proportion in the '5' category and no entry in the '2' category.

Areas with relatively high (in excess of 20% of respondents) 'poor' or 'below average' self-ratings in Table 5.31 included:

- Delegation - 29.1% overall - 2004: 18.8% / 2006: 36.0%.
- Financial management - 25.5% overall - 2004: 25.0% / 2006: 28.0%.
- Time management - 25.5% overall - 2004: 12.5% / 2006: 32.0%.
- Performance management / control - 23.6% overall - 2004: 25.0% / 2006: 28.0%.
- Management development - 21.8% overall - 2004: 18.8% / 2006: 24.0%.

However, the 2004 cohort self-rated themselves most poorly ('poor' and 'below average') on 'Financial management' (25.0%) and 'Performance management / control' (25.0%), while the 2006 cohort self-rated themselves poorly on 'Delegation' (36.0%), 'Time management' (32.0%), 'Financial management' (25.0%) and 'Performance management / control' (25.0%).

The greatest positive differences between the average self-ratings for the 2004 and 2006 cohorts were found in:

- Training / Coaching - 2004: 4.13 / 2006: 3.32 - difference 0.81.

- Time management - 2004: 3.63 / 2006: 3.12 - difference 0.51
- Operational leadership - 2004: 3.88 / 2006: 3.40 - difference 0.48.
- Decision-making - 2004: 4.13 / 2006: 3.72 - difference 0.41.

Ignoring the anomalous results from the 2005 cohort, for which no explanation is available, the increases in self-rating between the 2004 and 2006 cohorts are an indication that there is a basis for the research assumption that founders of businesses adopt more 'managerial' behaviour as their businesses grow.

Next, respondents were asked to rate themselves on their entrepreneurial skills (survey Question 51) - again, against a five-point scale (where 1 = poor and 5 = good). Table 5.33 shows the results, cross-related against respondents' date of course completion, building on the analysis in Table 5.27 and constructed on the same basis.

Table 5.33: Survey 1 (2007) Respondents' Entrepreneurial Skills Self-Rated - by Respondents' Date of Programme Completion

		1 Poor	2 Below average	3 Average	4 Above average	5 Good	Average rating
		%	%	%	%	%	
Adopts a broad financial strategy	TOTAL	1.8	12.7	49.1	25.5	10.9	3.31
	2004	6.3	0	50.0	18.8	25.0	3.56
	2005	0	27.3	45.5	18.2	9.1	3.09
	2006	0	16.0	48.0	32.0	4.0	3.24
Adventurous	TOTAL	0	3.6	27.3	30.9	38.2	4.04
	2004	0	6.3	37.5	12.5	43.8	3.94
	2005	0	0	36.4	27.3	36.4	4.00
	2006	0	4.0	20.0	44.0	32.0	4.04

		1	2	3	4	5	Average rating
		Poor	Below average	Average	Above average	Good	
		%	%	%	%	%	
Alert to business opportunities	TOTAL	0	3.6	23.6	38.2	34.5	4.04
	2004	0	6.3	31.3	18.8	43.8	4.00
	2005	0	0	27.3	45.5	27.3	4.00
	2006	0	4.0	12.0	48.0	36.0	4.16
An 'ideas person'	TOTAL	0	3.6	20.0	27.3	49.1	4.22
	2004	0	12.5	6.3	12.5	68.8	4.38
	2005	0	0	18.2	36.4	45.5	4.27
	2006	0	0	28.0	36.0	36.0	4.08
A high-profile image-maker	TOTAL	9.1	29.1	36.4	16.4	9.1	2.87
	2004	18.8	25.0	31.3	18.8	6.3	2.69
	2005	0	54.5	36.4	9.1	0	2.55
	2006	8.0	24.0	40.0	16.0	12.0	3.00
Innovative	TOTAL	0	1.8	21.8	38.2	38.2	4.13
	2004	0	6.3	18.8	25.0	50.0	4.19
	2005	0	0	27.3	54.5	18.2	3.91
	2006	0	0	24.0	40.0	36.0	4.12
Pro-active	TOTAL	0	1.8	18.2	49.1	30.9	4.09
	2004	0	0	12.5	62.5	25.0	4.13
	2005	0	0	18.2	54.5	27.3	4.09
	2006	0	4.0	24.0	44.0	28.0	3.96
Pursues opportunities, regardless of resources currently controlled	TOTAL	0	16.4	30.9	32.7	20.0	3.56
	2004	0	25.0	18.8	37.5	18.8	3.50
	2005	0	18.2	27.3	36.4	18.2	3.55
	2006	0	12.0	40.0	28.0	20.0	3.56
Restless / easily bored	TOTAL	3.6	12.7	30.9	25.5	27.3	3.60
	2004	6.3	6.3	43.8	12.5	31.3	3.56
	2005	0	27.3	27.3	9.1	36.4	3.55
	2006	0	12.0	28.0	44.0	16.0	3.64
Thrives on change	TOTAL	0	12.7	34.5	23.6	29.1	3.69
	2004	0	6.3	31.3	25.0	37.5	3.94
	2005	0	9.1	36.4	27.3	27.3	3.73
	2006	0	20.0	36.0	16.0	28.0	3.52

Source: Current research.

In Table 5.27, respondents rated their own entrepreneurial skills slightly higher than their own management skills (Table 5.26). Here, Table 5.33 looks at the self-ratings of the 2004 and 2006 cohorts (again, the anomalous 2005 cohort results are ignored).

In Table 5.27, the highest self-ratings were for 'An "ideas person"' (4.22), 'Innovative' (4.13), 'Pro-active' (4.09), while the lowest were for 'A high-profile image-maker' (2.87), 'Adopts a broad financial strategy' (3.31), 'Restless / easily bored' (3.60) and 'Pursues opportunities, regardless of resources currently controlled' (3.56).

The results in Table 5.33 for these entrepreneurial skills (highlighted in blue) were:

- An 'ideas person' - overall 4.22 - 2004: 4.38 / 2006: 4.08.
- Innovative - overall 4.13 - 2004: 4.19 / 2006: 4.12.
- Pro-active - overall 4.09 - 2004: 4.13 / 2006: 3.96.
- A high-profile image-maker - overall 2.87 - 2004: 2.69 / 2006: 3.00.
- Adopts a broad financial strategy - overall 3.31 - 2004: 3.56 / 2006: 3.24.
- Restless / easily bored - overall 3.60 - 2004: 3.56 / 2006: 3.64.
- Pursues opportunities, regardless of resources currently controlled - overall 3.56 - 2004: 3.50 / 2006: 3.56.

In relation to management behaviour and management skills (Tables 5.30, 5.31 and 5.32), the research assumption argues that growth (represented in these tables by the passage of time) is linked to 'better' management behaviour / skills

(represented by higher average ratings). Here, in relation to entrepreneurial skills, the connection between growth / time and skills development is less clear-cut, since there is no argument being made that entrepreneurial skills decrease either over time or as management skills develop. So, it is interesting here to see whether entrepreneurial skills increase or decrease between the 2004 and 2006 cohorts.

Accordingly to Table 5.32, the change in entrepreneurial skills between the two cohorts is evenly split between increases and decreases. The respondents' self-ratings for following skills increased between the 2004 and 2006 cohorts:

- Adopts a broad financial strategy - 2004: 3.56 / 2006: 3.24.
- An 'ideas person' - 2004: 4.38 / 2006: 4.08.
- Innovative - 2004: 4.19 / 2006: 4.12.
- Pro-active - 2004: 4.13 / 2006: 3.96.
- Thrives on change - 2004: 3.94 / 2006: 3.52.

In contrast, as expected, since the respondents' businesses are becoming more 'mature' and thus perhaps they themselves are becoming less adventurous, the respondents' self-ratings for the following entrepreneurial skills decreased between the two cohorts:

- Adventurous - 2004: 3.94 / 2006: 4.04.
- Alert to business opportunities - 2004: 4.00 / 2006: 4.16.
- A high-profile image-maker - 2004: 2.69 / 2006: 3.00.
- Pursues opportunities, regardless of resources currently controlled - 2004: 3.50 / 2006: 3.56.
- Restless / easily bored - 2004: 3.56 / 2006: 3.64.

Without further analysis, it is not possible to give reasons for these changes. However, one suggestion for the decreases in self-ratings is that, as the entrepreneur becomes more engaged in his / her venture, they become less interested in being 'adventurous' or 'alert to other business opportunities', since they have their hands full with their fledgling venture - these results would be expected. Equally, the increases in self-rating may have to do with practical experience of entrepreneurial behaviour reinforcing key characteristics. However, since the increases / decreases in self-ratings, in most cases, are marginal, it is not considered necessary to investigate further as part of the current research.

Survey question 52 explored the balance of time spent by respondents between managerial and entrepreneurial activities, on the basis that how businesspeople spend their time is a good indication of their focus of attention. The results, cross-related for the respondents' date of course completion, are shown in Table 5.34, which is constructed on the same basis as the earlier Table 5.30.

Here, ignoring the anomalous 2005 cohort, both the 2004 and 2006 cohorts spend the same proportion of their time (39.0% and 38.6%) on 'managerial' activities. The difference between the cohorts lies in the proportion of time spent on 'entrepreneurial' activities, where the 2004 cohort spend only three-quarters (42.5%) of the time that the 2006 cohort spends (58.8%) on the same activities; this difference is explained by the greater proportion of time spent by the 2004 cohort on 'other' activities (18.5% against 2.6%), which are not explained. Thus, the time-based view of behaviours is not conclusive here.

**Table 5.34: Survey 1 (2007) Respondents' Balance of Time Spent
between Managerial & Entrepreneurial Activities - by
Respondents' Date of Programme Completion**

	% time spent			
	TOTAL	2004	2005	2006
MANAGERIAL				
Attending internal meetings	3.1	1.2	2.7	4.4
Managing conflict in the business	1.2	0.8	0.3	1.7
Managing the day-to-day operations of the business	26.7	28.7	34.1	24.2
Scheduling the business	5.4	5.3	6.5	4.9
Supervision of staff	3.0	3.0	2.3	3.4
Total managerial	39.4	39.0	45.9	38.6
ENTREPRENEURIAL				
Being creative	11.6	11.8	12.7	9.9
Identifying new ways of doing business	7.5	3.6	6.4	9.6
Looking for new markets	9.0	6.0	10.0	9.9
Meeting and negotiating with customers	16.7	11.3	15.9	21.2
Planning the next goal for the business	9.0	9.8	9.1	8.2
Total entrepreneurial	53.8	42.5	54.1	58.8
Other	6.8	18.5	0	2.6
TOTAL	100	100	100	100

Source: Current research.

Last, in survey question 53, respondents were asked to rate themselves on a range between 'entrepreneur' (1) and 'manager' (5). Their responses, cross-related to their date of course completion, are shown in Table 5.35.

Table 5.35: Survey 1 (2007) Respondents' Self-Rating as Entrepreneur or Manager - by Respondents' Date of Programme Completion

	Entrepreneur		Neutral	Manager	
	1	2	3	4	5
TOTAL	8	18	14	13	3
% responses	14.3%	32.1%	25%	23.2%	5.5%
	46.4%			28.7%	
2004	4	3	4	4	1
% 2004 responses	43.8%		25%	31.3%	
2005	1	4	4	1	1
% 2005 responses	45.5%		36.4%	18.2%	
2006	3	11	4	6	1
% 2006 responses	56.0%		16.0%	28.0%	

Source: Current research.

Here, the difference between the cohorts is clear:

- The 2004 cohort is slightly less 'entrepreneurial' and slightly more 'managerial' than the overall average of core respondents.
- The 2004 cohort is less 'entrepreneurial', and slightly more 'managerial' than the 2006 cohort.
- The 2006 cohort is more 'entrepreneurial', though similarly 'managerial', than the overall average of core respondents.

These results again support the research assumption.

However, reflecting on the analysis above, which was based on the date of respondents' course completion, it is arguable that the results might have been different had the actual date of business start, rather than the date of course completion, been used to generate the cohorts for analysis.

Table 5.11 shows the time-lag between respondents' course completion and business start date - it suggests that there would have been a large pre-2004 cohort, comprising 4 pre-2003 business starts and 11 2003 business starts), which might have had some impact on results - although Table 5.12 shows roughly similar pre-course business starts for all cohorts. Further research and analysis is required here relative to this scenario.

5.4: CONCLUSIONS

Survey 1 (2007) showed that respondents typically:

- Were aged between 26 and 50 (95.2% of respondents), with the 36 to 40 age group showing the highest concentration (24.3%) (Table 5.1).
- Were mostly (71.9%) male (Table 5.2).
- Had received some form of third-level education (80%) as part of their full-time education, with nearly one-in-five (17.5%) having some form of post-graduate education (Table 5.5).
- Had undertaken some form of further study, either academic or industry / professional, after completing their full-time education (65.1%) (Table 5.7).
- Had started technology-based service businesses (45.0%), though one-third had started non-technology-based service businesses (33.0%) (Table 5.9).
- Most (60.8%) had started their businesses in the year of, or the year before, undertaking their chosen programme, from which they were selected as a survey participant (Table 5.12).
- Had businesses with modest turnover, reflecting the recency of start-up - three-quarters (75%) had

turnover below €100k, while none claimed turnover above €1m.

- Employed only themselves (50.0%).
- Had three or fewer products (60.8%) (Table 5.14).
- Owned his / her business outright (59.4%), with only two cases of formal (non-founding team, employees or family) external shareholdings.
- Assumed multiple personal responsibilities for key business functions (as per Chell, 2001, cited earlier) (Table 5.16).
- Were evenly balanced (32 / 31) between those who had previous work experience at director / manager level and those who had not (Table 5.19).
- Had left their previous employment because they had seen an opportunity in the same industry (33.3%) or in an unrelated area (39.7%) (Table 5.22).

Turning to the matrices that examined respondents' behaviour and skills, respondents:

- Self-rated above the mid-point on management behaviour (Table 5.24) in only two aspects: 'Major strategy' and 'Management style', reflecting the early stage of development of their businesses, and showing a clear bias towards the entrepreneurial state.
- On a second self-assessment of their management behaviour (Table 5.25), self-rated above the mid-point on 7 (of 24) aspects, again displaying less-than-average management behaviour, with a noticeable pull towards the simpler, less formal behaviours.
- Self-rated their management skills above the mid-point on all aspects (Table 5.26).

- Self-rated above the mid-point on all but one aspect, and above '4' for 5 aspects, of entrepreneurial skills (Table 5.27).
- Spent the bulk of their time (53.8%) on 'entrepreneurial' activities, the most important of which was 'Meeting and negotiating with customers' (Table 5.28).
- Clearly identified themselves as 'entrepreneurs' (47.2%), with only 29.1% as 'managers' and 23.6% neutral. In addition, some had intuitively understood Holmquist's (2004) notion of 'balance'.

An attempt to use the three-cohort structure of the sample population to conduct an internal longitudinal study gave some surprising results. Although the 2004 cohort appeared to be less 'entrepreneurial' and more 'managerial' than the 2006 cohort (who had started their businesses on average two years later), the differences arguably were marginal and were overshadowed by anomalous responses from the 2005 cohort.

Survey 1 (2007) thus provided a great deal of information about the respondents, their management behaviours and skills, their entrepreneurial skills, their use of time and their self-perception.

6: SURVEY 2 (2009)

6.1: INTRODUCTION

This chapter presents the results of the Survey 2 (2009) conducted as part of the current research. Comparison between these results and those of the earlier Survey 1 (2007) is made in the next chapter.

6.2: SURVEY RESPONSES

An initial survey was administered to 508 potential respondents in February 2007, with a 20.6% response rate (105 respondents). However, of the 105 respondents, only 55 survived the initial section procedure built into the survey questionnaire (see discussion in section 4.4) and completed the questionnaire fully, so the second questionnaire, in February 2009, was administered only to these 55 respondents. Of the 55, 31 (56.3%) responded.

Since all the respondents to Survey 2 (2009) had already completed the earlier Survey 1 (2007), it was decided that there was no point in repeating the background questions included in the earlier survey - for example, those establishing the respondents' age, gender, educational attainment, type of business and its start date - as this information would not have changed and could be accessed, if required, from the earlier Survey 1 (2007) results.

Instead, Survey 2 (2009) went straight to confirming that the respondents were still qualified to complete the survey, as discussed in section 4.4.

Therefore, survey Question 3 asked whether the respondents' business was still operating. Table 6.1 shows their responses.

Table 6.1: Survey 2 (2009) Respondents' Businesses Still in Operation

	#	%
Business still operating	26	89.6
Business no longer operating	3	10.4
	29	100
Skipped question	2	
TOTAL	31	

Source: Current research.

Where respondents answered that their business had ceased operating since the date of the last survey, they exited the survey at that point.

Survey Question 4 then asked whether the respondents were still 'the managing director, chief executive officer or "main driver" (by whatever title)' of their business. The responses to this question are shown in Table 6.2.

Table 6.2: Survey 2 (2009) Respondents Still 'Main Driver'

	#	%
Still MD / CEO / 'main driver'	26	96.3
No longer MD / CEO / 'main driver'	1	3.7
	27	100
Skipped question	4	
TOTAL	31	

Source: Current research.

Respondents who were no longer the 'main driver' of their business exited the survey at this stage.

The reason for excluding these respondents lies in the definition of 'entrepreneur' adopted for this research: a person who is both the 'main driver' of their business and a founder. The earlier Survey 1 (2007) had established that all the respondents were the founder, or a member of the founding team, of their business - had they not been, they would have exited Survey 1 (2007) and not been included among those to whom the second Survey 2 (2009) was administered. Confirming now the respondents' continuing position as the 'main driver' of their business ensures that the respondents going forward from this point to the remainder of the research survey questionnaire meet the definition of 'entrepreneur' adopted for this research, since they meet both criteria.

Among the businesses still in operation, whose MDs / CEOs or 'main drivers' responded to Survey 2 (2009), sales results for 2008 are shown in Table 6.3. Two respondents now claim sales for their businesses in excess of €1m - none were able to do so in Survey 1 (2007).

Table 6.3: Survey 2 (2009) Respondents' Sales 2008

Sales	#	%
Less than €100k	10	41.7
Between €101k and €250k	8	33.3
Between €251k and €500k	3	12.5
Between €501k and €1m	1	4.2
Above €1m	2	8.3
	24	100
Skipped question	7	
TOTAL	31	

Source: Current research.

Moving on to numbers of staff employed, Table 6.4 shows the responses to survey Question 6.

Table 6.4: Survey 2 (2009) Respondents' Staff Numbers

Staff Numbers (including respondent)	#	%
1	8	33.3
2	6	25.0
3	6	25.0
4	0	0
5	1	4.2
6	2	8.3
7	0	0
8	0	0
9	0	0
10	0	0
11 to 25	1	4.2
25+	0	0
	24	100
Skipped question	7	
TOTAL	31	

Source: Current research.

The proportion of respondents who only employed themselves has dropped from 50.0% to 33.3%, although Table 6.4 shows that many of the business surveyed are still very early-stage.

Continuing the search to understand what growth, if any, had taken place within the respondents' businesses since the date of Survey 1 (2007), Question 7 asked about the number of products / services now offered by the respondents' businesses. Table 6.5 shows the results.

Table 6.5: Survey 2 (2009) Respondents' Products / Services Offered

Number of products/ services offered	#	%
1	5	20.8
2	8	33.3
3	4	16.7
4	1	4.2
5	0	0
6	0	0
7	1	4.2
8	1	4.2
9	0	0
10	1	4.2
11-25	0	0
25+	3	12.5
	24	100
Skipped question	7	
Total respondents	31	

Source: Current research.

Although not a perfect analogy for growth, the range of products / services offered is likely to grow from the initial product / service offered available at start-up and thus the complexity represented by a broader product / service range is at last suggestive of growth. In Survey 2 (2009), the vast bulk of respondents' businesses (17 / 70.8%) still offer fewer than three discrete products / services.

Table 6.6: Survey 2 (2009) Shareholdings in Respondents' Businesses

% holding	Respondent	Other Founders	Other Senior Management	Other Employees	Family	Informal Investors	BES Investors	Financial Inst'ns (inc VC)	Other
100	8								1
99	1								
80	2								
75	2								
70	1								
60	1								
56		1							
50	6	4			1			1	
44	1								
40			1						
38		1							
30		1							
25		1							
24				1					
20					1			1	
10					1	1			
5							1		
1						1			
TOTAL	21	8	1	1	3	2	2	2	1

Source: Current research.

Another sign of growth suggested by the literature review was whether shareholdings in the business had diversified - see Drucker's (1993) remark that "managing an enterprise is something essentially different from managing one's own property" (p.384). In Survey 2 (2009), only four respondents (16.7%) answered that shareholdings had changed in their business since the date of the earlier survey; for 20 respondents (83.3%), shareholdings had remained the same. Again, one respondent of the 24 who answered survey Question 9 claimed not to have a shareholding in their business.³⁵ The spread of shareholdings in the respondents' businesses is shown in Table 6.6.

In almost all cases (23 / 95.8%), the number of people on the Board of Directors in respondents' businesses has not changed since the earlier Survey 1 (2007). Of the 24 responses to survey Question 11, 20 (83.3%) respondents had only the two directors required by law, while four (16.7%) had three directors.

In answer to survey Question 12, regarding how often the respondents' Board of Directors met formally, Table 6.7 shows the results. Half (50.0%) of the respondents' Boards meet only as required by law.

³⁵ This respondent is known to the researcher to be running a social enterprise, where it is understandable that the respondent might not have any personal shareholding in the business, while still qualifying for this research as a 'founder' and 'main driver' - both of which the respondent is.

Table 6.7: Survey 2 (2009) Respondents' Frequency of Board Meetings

Frequency	#	%
Weekly	2	8.3
Fortnightly	0	0
Monthly	1	4.2
Bi-monthly	1	4.2
Quarterly	3	12.5
Annually	5	20.8
As required by law	12	50.0
	24	100
Skipped question	7	
TOTAL	31	

Source: Current research.

Survey Question 13 asked how responsibility for key business functions was allocated within the respondents' businesses. Table 6.8 shows the results.

Table 6.8: Survey 2 (2009) Respondents' Responsibility for Key Business Functions

Responsibility for function	Board Director	Senior Manager	No one	Total responses
Finance	21	3	0	24
Health & Safety	18	4	2	24
HR	18	3	3	24
Innovation	20	3	1	24
IT	17	7	0	24
Logistics	19	2	3	24
Production	16	6	2	24
Marketing	19	4	1	24
Sales	20	3	1	24
AVERAGE	19 / 79.2%	4 / 16.7%	1 / 4.1%	

Source: Current research.

Again, reflecting perhaps the nature / size of the respondents' businesses, three respondents had no identifiable person responsible for HR (Table 6.4 shows that 33.3% of respondents had no employees other than themselves) or Logistics; two each had no identifiable person responsible for Health & Safety (a legal requirement) or Production; one each had no identifiable person responsible for the critical functions of Innovation, Marketing and Sales.

Only a small number (3 / 12.5%) of respondents' own responsibility had changed since the earlier Survey 1 (2007). The reasons given were:

- "Have taken on a Sales Director."
- "Less focus on logistics, infrastructure and production. More emphasis on marketing, sales and growth."

As a consequence, respondents' personal responsibility for key business functions within their businesses is as shown by Table 6.9.

Table 6.9: Survey 2 (2009) Respondents' Personal Responsibility for Key Business Functions

Respondent's personal responsibility for function	#	%
Finance	22	91.7
Health & Safety	12	50.0
HR	14	58.3
Innovation	22	91.7
IT	16	66.7
Logistics	15	62.5
Production	13	54.2
Marketing	19	79.2
Sales	20	83.3

Source: Current research.

There is an inconsistency between the respondents' answers to survey Question 13 and those to survey Question 15: specifically, 22 respondents claim personal responsibility for finance and for innovation, while only 21 and 20 respectively show these functions as the responsibility of a Board member (suggesting that one or two, depending on the function, of the respondents is not a Board member). Nonetheless, there is less confusion on the responses here than in the earlier Survey 1 (2007).

Again, questions in the earlier Survey 1 (2007) regarding respondents' involvement as a founder or member of a founding team and / or previous employment were not included in this survey, as the answers were unlikely to have changed and could be identified from the earlier results, if necessary.

Survey Questions 16 to 33 examine the respondents' current management behaviour, as shown in Table 6.10. This table is constructed on the same basis as Table 5.24.

However, respondents self-rated above the mid-point on only two aspects of their management behaviour (highlighted in blue): 'Long-term strategy' (3.16) and 'Stability of market' (3.38); they also self-rated at the mid-point on two other aspects: 'Extent of formal systems' (3.00) and 'Major strategy' (3.00). Table 6.10 suggests that, in these aspects of management behaviour, respondents were tending towards more managerial behaviour.

Table 6.10: Survey 2 (2009) Respondents' Current Management Behaviour Self-Rated I

Current management behaviour	Respondents' Use (%) of Management Behaviour across Growth Stages					Average rating
	Creativity	Direction	Delegation	Co-ordination	Collaboration	
Control systems	Sales results	Standards & costs centres	Reports & profit centres	Plans & investment centres	Mutual goal-setting	
	54.2	8.3	8.3	4.2	25.0	2.38
Extent of formal systems	None to minimal	Minimal	Basic to developing	Maturing	Extensive	
	8.3	8.3	58.3	25.0	0	3.00
Interaction with employees	Day-to-day interaction	Day-to-day interaction, with monthly meetings	Monthly or quarterly meetings only	Annual report	Annual report, plus team-level briefings	
	83.3	8.3	0	8.3	0	1.33
Job specifications	None	Job specs. for operatives only	Job specs. for all staff	Broad task outlines for all staff	Staff are self-directing	
	45.8	16.7	16.7	16.7	4.2	2.17
Long-term strategy	Little to none	When needed	Annual business plan	Regular review of business plan	Business developed by staff co-operatively	
	4.2	29.2	20.8	37.5	8.3	3.16
Major strategy	Existence	Survival	Maintaining status quo	Resourcing for growth	Return on investment	
	8.3	33.3	20.8	29.2	8.3	3.00
Management focus	Make and sell	Efficiency of operation	Expansion of market	Consolidation of organisation	Problem-solving & innovation	
	41.7	8.3	20.8	8.3	20.8	2.58

Current management behaviour	Respondents' Use (%) of Management Behaviour across Growth Stages					Average rating
	Creativity	Direction	Delegation	Co-ordination	Collaboration	
Management reward emphasis	Informal sharing of risks & rewards	Salary & merit increase	Individual bonus	Profit-sharing & stock options	Team bonus	
	66.7	12.5	16.7	0	4.2	1.63
Management style	One-to-one	Supervision	Delegation	Reporting & control	Participative	
	62.5	0	8.3	0	29.2	2.33
Meetings with key staff	Day-to-day	When needed	Planned weekly / monthly meetings	Planned quarterly meetings	Team meetings throughout month / year	
	58.3	20.8	16.7	0	4.2	1.71
Organisation structure	Simple & informal	Centralised & functional	Decentralised & geographical	Line-staff & product groups	Matrix of teams	
	87.5	12.5	0	0	0	1.12
Policies & procedures	None to very few	Implementing policies & procedures	Dependant on policies & procedures	Adherence to policies & procedures	Policies & procedures act as guidelines	
	50.0	20.8	0	12.5	16.7	2.25
Product / service complexity	Single product /service	Few products / services	Many products / services	Focused products / services	Market seeks out your products / services	
	12.5	37.5	12.5	33.3	4.2	2.79
Quality systems	None to little	Own internal standards	Meets recognised external standards	Meets world-class standards	Other companies benchmark against us	
	16.7	62.5	20.8	0	0	2.04

Current management behaviour	Respondents' Use (%) of Management Behaviour across Growth Stages					Average rating
	Creativity	Direction	Delegation	Co-ordination	Collaboration	
Response to issues	Immediate	Corrective action process	Collect data from various functional resources	Handled by Quality / Specialist department	Corrective action via relevant groups	
	75.0	25.0	0	0	0	1.25
Stability of market	Stable	Relatively stable	Some changes	Many changes	Constant changes	
	4.2	25.0	16.7	37.5	16.7	3.38
Stability of product / service	Stable	Relatively stable	Some changes	Many changes	Constant changes	
	4.2	41.7	29.2	8.3	16.7	2.92
Who identifies markets	Owner / manager	Owner / manager & other staff	Marketing department	Marketing dept & sales force	Pro-active from all staff	
	70.8	20.8	0	4.2	4.2	1.50

Source: Current research.

In other aspects, respondents self-rated lower, implying more entrepreneurial behaviour, notably in (highlighted in grey): 'Interaction with employees' (1.33); 'Management reward emphasis' (1.63); 'Organisation structure' (1.12); 'Response to issues' (1.25); and 'Who identifies markets' (1.50). However, a caveat must apply to a number of these, as 33.3% of respondents employ no staff, and so in those cases these results may reflect *intentions* rather than actual behaviour.

It is clear that respondents to Survey 2 (2009) overall are still behaving entrepreneurially rather than managerially, based on Greiner's (1998) and Churchill and Lewis's (1983) models of growth, on which this table has been constructed.

Exploring their current management behaviour further, respondents were asked (in survey Questions 34 to 38) to rate their behaviour on a five-point scale between two extremes, the left-hand extreme representing entrepreneurial behaviour and the right-hand extreme representing managerial behaviour (and thus, where 1 = poor and 5 = good). The survey Questions (34 to 38) were developed by combining and adapting Chell's (2001) organisational culture attributes (Table 3.4) and organisational culture dimensions (Table 3.5) with Brown *et al's* (2001) comparison of entrepreneurial and administrative focus (Table 3.6). The results are shown as the percentage of respondents who, for each aspect of management, use a particular behaviour. The average rating for each aspect of management behaviour is calculated by assigning a weighting of 1 through to 5 to the columns, from left to right, and calculating the weighted average, thus allowing comparison of different management behaviours. The responses are shown in Table 6.11, which is constructed on the same basis as Table 5.25.

Table 6.11: Survey 2 (2009) Respondents' Current Management Behaviour Self-Rated II

	1	2	3	4	5	Average rating	
	%	%	%	%	%		
External focus	20.8	29.2	29.2	8.3	12.5	2.63	Internal focus
Risk	16.7	20.8	41.7	16.7	4.2	2.71	Safety
Individuality	37.5	29.2	25.0	4.2	4.2	2.08	Conformity
Group rewards	12.5	4.2	41.7	12.5	29.2	3.42	Individual rewards
Collective decision-making	16.7	12.5	16.7	16.7	37.5	3.46	Individual decision-making
Decentralised decision-making	4.2	8.3	12.5	16.7	58.3	4.17	Centralised decision-making
Ad hoc	4.2	12.5	37.5	33.3	12.5	3.38	Planning
Innovation	29.2	33.3	20.8	12.5	4.2	2.29	Stability
Competition	20.8	4.2	33.3	20.8	20.8	3.17	Co-operation
Simple organisation	79.2	20.8	0	0	0	1.21	Complex organisation
Informal procedures	45.8	25.0	20.8	0	8.3	2.00	Formal procedures
Commitment to the mission	33.3	33.3	16.7	12.5	4.2	2.21	Commitment to the organisation
Knowledge is valued	50.0	25.0	20.8	4.2	0	1.79	Procedures are valued
Results orientation	62.5	16.7	16.7	0	4.2	1.67	Process orientation
Job orientation	37.5	8.3	29.2	16.7	8.3	2.50	Employee orientation
Open system	25.0	25.0	20.8	16.7	12.5	2.67	Closed system
Loose control	8.3	33.3	12.5	16.7	29.2	3.25	Tight control
Driven by perceptions of opportunity	29.2	37.5	29.2	4.2	0	2.08	Driven by controlled resources
Many stages, minimal exposure at each stage	4.2	16.7	37.5	25.0	16.7	3.33	Single stage, with complete commitment
Rent of required resources	20.8	4.2	20.8	25.0	29.2	3.38	Ownership of required resources
Flat, with multiple informal networks	37.5	29.2	25.0	0	8.3	2.13	Formal hierarchy
Based on value creation	50.0	33.3	8.3	4.2	4.2	1.79	Based on responsibility and seniority
Rapid growth is top priority; accept risk to achieve growth	12.5	16.7	29.2	20.8	20.8	3.21	Safe, slow and steady

	1	2	3	4	5	Average rating	
	%	%	%	%	%		
Promoting broad search for opportunities	29.2	25.0	20.8	12.5	12.5	2.54	Opportunity search restricted by resources controlled

Source: Current research.

Table 6.10 shows that respondents self-rated above the mid-point in 9 of the 24 management behaviours (highlighted in blue):

- Group vs Individual rewards - 3.42.
- Collective vs Individual decision-making - 3.46.
- Decentralised vs Centralised decision-making - 4.17.
- Ad hoc vs Planning - 3.38.
- Competition vs Co-operation - 3.17.
- Loose vs Tight control - 3.25.
- Many stages / minimal exposure vs Single stage / complete commitment - 3.33.
- Rent vs Ownership of required resources - 3.38.
- Rapid growth vs Safe, slow and steady - 3.21.

It appears that, in these aspects, respondents are tending towards more managerial behaviour, strongly in some cases (see Decentralised vs Centralised decision-making).

In other aspects, respondents are behaving entrepreneurially - most notably in (highlighted in grey): 'Simple vs Complex organisation' (1.21); 'Knowledge vs Procedures is valued' (1.79); 'Results vs Process orientation' (1.67); and 'Based on value creation vs Based on responsibility and hierarchy' (1.79).

The survey then asked respondents to rate themselves on their management skills (Question 39), against a five-point scale (where 1 = poor and 5 = good). The results are shown in Table 6.12, which is constructed on the same basis as Table 5.26, adapting Burns' (2001) growth model.

Table 6.12: Survey 2 (2009) Respondents' Management Skills Self-Rated

	1 Poor %	2 Below average %	3 Average %	4 Above average %	5 Good %	Average rating
Communication	0	9.5	38.1	33.3	19.0	3.62
Culture management	0	23.8	42.9	14.3	19.0	3.29
Day-to-day supervision / motivation	0	4.8	33.3	38.1	23.8	3.81
Decision-making	0	0	42.9	38.1	19.0	3.76
Delegation	0	28.6	38.1	19.0	14.3	3.19
Financial management	0	19.0	52.4	19.0	9.5	3.19
Interpersonal skills	0	4.8	42.9	23.8	28.6	3.76
Management development	0	19.0	52.4	23.8	4.8	3.14
Operational leadership	0	14.3	33.3	19.0	33.3	3.71
Organisation / Organisation planning	0	23.8	33.3	33.3	9.5	3.29
Performance management / control	0	19.0	47.8	23.8	9.5	3.24
Planning	0	14.3	23.8	47.6	14.3	3.62
Strategic leadership	0	9.5	33.3	47.6	9.5	3.57
Team-building	0	9.5	47.6	19.0	23.8	3.57
Time management	0	42.9	19.0	23.8	14.3	3.10
Training / Coaching	0	19.0	42.9	28.6	9.5	3.29
Transition / change management	0	4.8	42.9	38.1	14.3	3.62

Source: Current research.

Clearly, respondents have a good opinion of their own management skills - arguably, better than their current management behaviour - by self-rating themselves above the

mid-point on all aspects of management skills (in contrast to Table 6.9, 2 aspects above the mid-point, and Table 6.10, 9 aspects above the mid-point). Particularly strong areas (highlighted in blue) are 'Day-to-day supervision / motivation' (3.81) and 'Decision-making' (3.76), while weaker areas (highlighted in grey) include 'Delegation' (3.19); 'Financial management' (3.19); 'Management development' (3.14); and 'Time management' (3.10). Nonetheless, despite these weaker areas, respondents did not self-rate themselves as 'poor' on any of the management skills examined.

Next, respondents were asked to rate themselves on their entrepreneurial skills (survey Question 40) - again, against a five-point scale (where 1 = poor and 5 = good) - see Table 6.13, which is constructed similarly to Table 5.27.

Again, it is clear that respondents rate their own entrepreneurial skills highly - although not quite as high as than their own management skills, since in 1 out of the 10 entrepreneurial skills examined ('A high-profile image-maker' - 2.81), respondents self-rated themselves below the mid-point. Respondents self-rated themselves strongest on (highlighted in blue): 'An "ideas person"' (4.05); 'Innovative' (3.95); and 'Pro-active' (3.86) - all skills that are associated with entrepreneurs.

Table 6.13: Survey 2 (2009) Respondents' Entrepreneurial Skills Self-Rated

	1 Poor	2 Below average	3 Average	4 Above average	5 Good	Average rating
	%	%	%	%	%	
Adopts a broad financial strategy	0	14.3	61.9	23.8	0	3.10
Adventurous	0	14.3	33.3	42.9	9.5	3.48
Alert to business opportunities	0	9.5	23.8	47.6	19.0	3.76
An 'ideas person'	0	4.8	19.0	42.9	33.3	4.05
A high-profile image-maker	4.8	38.1	28.6	28.6	0	2.81
Innovative	0	0	23.8	57.1	19.0	3.95
Pro-active	0	4.8	28.6	42.9	23.8	3.86
Pursues opportunities, regardless of resources currently controlled	4.8	9.5	33.3	38.1	14.3	3.48
Restless / easily bored	0	19.0	23.8	42.9	14.3	3.52
Thrives on change	0	14.3	33.3	38.1	14.3	3.52

Source: Current research.

Survey Question 41 explored the balance of time spent by respondents between managerial and entrepreneurial activities, as indicating the focus of their attention. The results are shown in Table 6.14. As with Table 5.28, in the survey questionnaire, the activities were not identified as being either 'entrepreneurial' or 'managerial' and were randomised in their presentation, to reduce bias.

Respondents on average spend 41.3% of their time on 'managerial' activities, with 55.9% of their time being spent on 'entrepreneurial' activities. 'Managing the day-to-day operations of the business' is the single largest use of

respondents' time. Respondents also scored 2.80% for 'Other', but did not specify what 'Other' included.

Table 6.14: Survey 2 (2009) Respondents' Balance of Time Spent between Managerial & Entrepreneurial Activities

	% time
MANAGERIAL	
Attending internal meetings	4.5
Managing conflict in the business	5.2
Managing the day-to-day operations of the business	24.2
Scheduling the business	4.7
Supervision of staff	2.7
Total managerial	41.3
ENTREPRENEURIAL	
Being creative	13.8
Identifying new ways of doing business	7.2
Looking for new markets	8.3
Meeting and negotiating with customers	10.4
Planning the next goal for the business	16.2
Total entrepreneurial	55.9
Other	2.8
Total	100

Source: Current research.

Last, in survey Question 42, respondents were asked to rate themselves on a range between 'entrepreneur' (1) and 'manager' (5). Their responses are shown in Table 6.15.

Table 6.15: Survey 2 (2009) Respondents' Self-Rating as Entrepreneur or Manager

	Entrepreneur		Neutral	Manager	
	1	2	3	4	5
Responses	1	9	6	5	0
% responses	4.8%	42.9%	28.5%	23.8%	0
	47.7%			23.8%	

Source: Current research.

Table 6.15 shows that most respondents (71.5%) have a good sense of their own position at one or other side of the scale, but that 28.5% are neutral.

More respondents see themselves as broadly entrepreneurial (47.7%) than broadly managerial (23.8%) and the entrepreneurial scores are stronger than the managerial.

It is not possible to contrast the extremes - entrepreneurs (1) and managers (5) - as no respondents to this second survey self-rated themselves in the 'manager' (5) category.

Respondents' explanations for their placing on the entrepreneur / manager scale include:

- "Definitely more an entrepreneur than manager. Never liked managing, and not very good at it either."
(Score: 2)
- "I project-manage tasks, etc. I personally do not see myself as an entrepreneur. I'm just a person with an idea for a product / service that I think can work in the market place." (Score: 2)
- "Most time spent managing change instead of managing stability." (Score: 2)
- "Owners by their very nature are entrepreneurs."
(Score: 2)

- "I consider an entrepreneur to be someone with quite an early concept or idea, I have moved on a long way from that, my management skills leave a lot to be desired, but I am moving towards that." (Score: 3)
- "I think role is 50 /50 between being innovative and entrepreneurial and being practical - keeping things going smoothly, i.e., a manager." (Score: 3)
- "My management role is more time consuming, but my entrepreneurial role is still vital to the business." (Score: 3)
- "The business is maturing, and more of my time is spent outside of the initial core areas that built the business, e.g. more time building a team to deliver products rather than being directly part of the team delivering the products." (Score: 3)
- "As the business and product range I sell mature, my role will increasingly be more managerial than entrepreneurial." (Score: 4)
- "As the business has developed, I spend more time managing the business." (Score: 4)
- "I need to dip into both camps when needed." (Score: 4)
- "The daily tasks required to run a small business lean heavily towards the management side of business. As a small business, spare time for entrepreneurial tasks is limited." (Score: 4)

In relation to the second quote above, it is not clear how the respondent reconciles a score of '2' (entrepreneur) with their statement: "I personally do not see myself as an entrepreneur".

The only respondent to score himself as an 'entrepreneur' (1) explained his reason for doing so as:

- "Business still not in operational mode, due mostly to our Public Service."

Nonetheless, several respondents intuited the transition from entrepreneur to manager, alluding to it thus:

- "My management role is more time consuming, but my entrepreneurial role is still vital to the business."
- "The business is maturing, and more of my time is spent outside of the initial core areas that built the business, e.g. more time building a team to deliver products rather than being directly part of the team delivering the products."
- "As the business and product range I sell mature, my role will increasingly be more managerial than entrepreneurial."
- "As the business has developed, I spend more time managing the business."

These results from Survey 2 (2009) show that, at this point in time, respondents clearly occupy both the entrepreneurial and the managerial domain simultaneously and are engaged in some transition from being an entrepreneur towards becoming a manager - and, in some cases, that they are self-aware of that transition. Nonetheless, a leaning towards more 'managerial' behaviour is evident.

6.3: CONCLUSIONS

Starting from a small base of 31 respondents, the survey questionnaire quickly eliminated some of these:

- Three (10.4%), whose businesses were no longer operating (Table 6.1).
- One (3.7%), who was no longer the 'main driver' of his / her business (Table 6.2).

These respondents exited the survey.

In answer to background questions that sought to establish 'growth', respondents answered that:

- Four-in-ten (41.7%) had sales of less than €100k, although 2 (8.3%) had grown sales above €1m (Table 6.3).
- Only one-third (33.3%) now employed only themselves (Table 6.4).
- Seven-in-ten (70.8%) offered three or fewer products / services (Table 6.5).
- For most (83.3%), shareholdings in the business remained unchanged.
- They continued to assume multiple personal responsibilities for key business functions (Table 6.9).

On their behaviours and skills, respondents to Survey 2 (2009):

- Self-rated above the mid-point on only two aspects of management behaviour: 'Long-term strategy' and 'Stability of market' (different aspects from Survey 1 (2007)) and at the mid-point on 'Extent of formal systems' and 'Major strategy' (Table 6.10).

- Self-rated above the mid-point on 9 (of 24) management behaviours (Table 6.11).
- Self-rated themselves above the mid-point on all aspects of management skills (Table 6.12).
- Self-rated themselves above the mid-point on 9 (of 10) entrepreneurial skills (Table 6.13), the exception being 'A high-profile image-maker'.
- Spent the bulk (55.9%) of their time on 'entrepreneurial' activities, with most time (16.2%) now going on 'Planning the next goal for the business' (Table 6.14).
- Saw themselves largely as 'entrepreneurs' (47.7%), as against 'managers' (23.8%) or neutral (28.5%), with a number of respondents intuiting the transition from entrepreneur to manager (Table 6.15).

Again, Survey 2 (2009) provided useful insights into the development of the respondents and their businesses. The next chapter compares the results of Survey 1 (2007) and Survey 2 (2009).

7: SURVEY 1 (2007) AND SURVEY 2 (2009) COMPARED

7.1: INTRODUCTION

According to Smith and Miner (1983):

A number of theorists ... have posited organisational life cycle models ... that involve a transition from an initial entrepreneurial phase to a later phase in which the firm is dominated by a more bureaucratic type of managerial system (p.325).

They continue:

... the key concept [is] that companies tend to elicit, or require, different managerial styles as they grow and that accordingly the entrepreneur must either undergo a style change to become a true manager or be replaced by someone more congenial to bureaucratic managerial systems (p.325).

The current research is focused on founders who continue as 'main drivers' of their business and thus the question of replacement, as suggested by Smith and Miner above, is not examined.

Contradicting the current literature which assigns businesspeople exclusively either to an entrepreneurial domain or to a managerial domain, Holmquist (2004) says:

... successful entrepreneurs balance between an entrepreneurial focus and an administrative focus ... (p.10).

She goes on to say:

... clear developmental patterns along the entrepreneurship-administrative spectrum seem to exist. Those who are very entrepreneurial in the beginning adapt ... and integrate administrative elements in their general outlook; those who start from a managerial perspective adapt to the entrepreneurial context and integrate an opportunity focus in their outlook ... (pp.10-11).

And further:

... entrepreneurial and administrative aspects can be combined in the same person ... growth seems to depend on the ability of the entrepreneur to develop a balance between entrepreneurship and administration as their firms grow (pp.11-12).

The current research is based on the assumption that founders of businesses undergo a transition from entrepreneur to manager as their businesses grow and that, as a consequence, contradicting the current literature which assigns businesspeople exclusively either to an entrepreneurial domain or to a managerial domain, founders inhabit both domains simultaneously during the growth phase of their business.

Thus, the key purposes of this chapter, which link back to the research objectives are two-fold:

- To establish whether 'growth' took place among the respondents' businesses between the first (2007) and second (2009) surveys, growth being a pre-condition for a transition, if any, from entrepreneur to manager.
- If so, to establish whether any changes in management behaviour are identifiable, since these changes, if identified, would be indications of the transition from entrepreneur to manager.

7.2: ESTABLISHING 'GROWTH'

Dale (1991) says:

... successful entrepreneurship needs to be related to growth (either of market size, number of employees or increased diversity) and therefore should incorporate a temporal dimension (p.48).

Thus, to establish whether 'growth' has occurred in the respondents' businesses between the dates of the two surveys, consider first the sales recorded by respondents' business at the two survey dates (Table 7.1).

Table 7.1: Survey 1 (2007) & Survey 2 (2009) Compared - Respondents' Sales 2006 & 2008

Sales	Survey 1 (2007)		Survey 2 (2009)	
	#	%	#	%
Less than €100k	49	75.4	10	41.7
Between €101k and €250k	8	12.3	8	33.3
Between €251k and €500k	7	10.8	3	12.5
Between €501k and €1m	1	1.5	1	4.2
Above €1m	0	0	2	8.3
	65		24	100

Source: Current research.

Averaging the sales figures for each set of survey results shows that average sales per business have more than doubled between the survey dates, from an average of €111k in 2006 to €240k in 2008,³⁶ showing growth. In addition, the Survey 2 (2009) responses show two businesses with sales in excess of €1m (none in Survey 1 (2007)) and an increase in the proportion of businesses in each sales band with the exception of the lowest (below €100k) band, showing that respondents' businesses have been moving up the sales curve in the intervening two years. Thus this table demonstrates clear growth, albeit early-stage.

The second measure of growth suggested by Dale (1991) was the number of employees. Table 7.2 shows the numbers of staff employed by respondents' businesses at the two survey dates.

³⁶ Average sales were calculated by taking the mid-point of each of the bands (€100k and €1m for the first and last bands), multiplying by the numbers of respondents in each band and dividing by the total number of respondents.

Table 7.2: Survey 1 (2007) & Survey 2 (2009) Compared - Respondents' Staff Numbers

Staff Numbers (including respondent)	Survey 1 (2007)		Survey 2 (2009)	
	#	%	#	%
1	33	50.7	8	33.3
2	11	16.9	6	25.0
3	13	20.0	6	25.0
4	4	6.1	0	0
5	2	3.1	1	4.2
6	1	1.6	2	8.3
7	0	0	0	0
8	1	1.6	0	0
9	0	0	0	0
10	0	0	0	0
11 to 25	0	0	1	4.2
25+	0	0	0	0
	65	100	24	100

Source: Current research.

Average staff numbers employed by respondents' businesses have increased by 50% between the survey dates, from an average of 2 staff in 2006 to 3 staff in 2008,³⁷ showing growth. In addition, the Survey 2 (2009) responses show a lower proportion (33.3% against 50.7%) of businesses employing only the respondent. At each staff category above this, the Survey 2 (2009) responses show an increase in the proportion of businesses, with the exception of businesses employing 8 staff, which appears now to be employing in excess of 11 staff.

The third measure of growth suggested by Dale (1991) is 'increased diversity'. Taking this to mean the number of

³⁷ Average staff numbers were calculated by multiplying the number of respondents in each band by the number of staff in that band, using the mid-point for the '11 to 25' band and 25 for the '25+' band, and dividing by the total number of respondents. The resulting figure was then rounded to a whole number.

products / services offered by a business, Table 7.3 shows the number of products / services offered by the respondents' businesses at the two survey dates.

Table 7.3: Survey 1 (2007) & Survey 2 (2009) Compared - Respondents' Products / Services Offered

Number of products/ services offered	Survey 1 (2007)		Survey 2 (2009)	
	#	%	#	%
1	12	18.7	5	20.8
2	17	26.5	8	33.3
3	10	15.6	4	16.7
4	6	9.4	1	4.2
5	2	3.2	0	0
6	3	4.7	0	0
7	1	1.5	1	4.2
8	0	0	1	4.2
9	0	0	0	0
10	2	3.2	1	4.2
11-25	3	4.7	0	0
25+	8	12.5	3	12.5
	64	100	24	100

Source: Current research.

The average number of products / services offered by respondent business has fallen by 11%, from an average of 6.4 in Survey 1 (2007) to an average of 5.7 in Survey 2 (2009).³⁸ In each of the lower categories - 1, 2 and 3 products / services - the proportion of responses has increased between the two surveys. To the extent that the number of product / services offered reflected 'growth' this suggests that respondents' businesses have not grown in the period between the two surveys.

³⁸ The average number of products / services offered was calculated by multiplying the number of respondents in each band by the number of products / services in that band, using the mid-point for the '11 to 25' band and 25 for the '25+' band, and dividing by the total number of respondents. The resulting figure was then rounded to a whole number.

Another sign of growth suggested by the literature was whether shareholdings in the business had diversified. In Survey 2 (2009), only four respondents (16.7%) answered that shareholdings had changed in their business since the date of the earlier survey; for 20 respondents (83.3%), shareholdings had remained the same.

Comparing the results of the two surveys shows that sales and staff numbers have increased, a clear display of growth, despite the lack of increases in product / service numbers or in external shareholdings, both of which could be more properly considered as displays of complexity rather than growth *per se*. Overall, the results shown in the preceding tables establish that 'growth' of some order has occurred in the respondents' businesses between the dates of the two surveys.

7.3: ESTABLISHING CHANGES IN MANAGEMENT BEHAVIOUR

The research assumption is that, as businesses grow, their founders change from being 'entrepreneurs' and become 'managers'; the assumption is that this change can be identified in the founders' management behaviour, which should become more 'managerial' as the businesses grow.

This next section of this Chapter seeks to establish whether, on the basis of growth in respondents' businesses, there are any identifiable changes in how respondents manage their business. The following tables show the respondents' then current management behaviour at the different survey dates.

Table 7.4: Survey 1 (2007) & Survey 2 (2009) Compared - Respondents' Current Management Behaviour Self-Rated I

Current management behaviour	Survey	% responses					Average rating
Control systems		Sales results	Standards & costs centres	Reports & profit centres	Plans & investment centres	Mutual goal-setting	
	2007	52.5	6.8	3.4	0	37.3	2.63
	2009	54.2	8.3	8.3	4.2	25.0	2.38
Extent of formal systems		None to minimal	Minimal	Basic to developing	Maturing	Extensive	
	2007	16.9	20.3	44.1	15.3	3.4	2.68
	2009	8.3	8.3	58.3	25.0	0	3.00
Interaction with employees		Day-to-day interaction	Day-to-day interaction, with monthly meetings	Monthly or quarterly meetings only	Annual report	Annual report, plus team-level briefings	
	2007	76.3	13.6	5.1	3.4	1.7	1.41
	2009	83.3	8.3	0	8.3	0	1.33
Job specifications		None	Job specs. for operatives only	Job specs. for all staff	Broad task outlines for all staff	Staff are self-directing	
	2007	45.8	8.5	25.4	13.6	6.8	2.27
	2009	45.8	16.7	16.7	16.7	4.2	2.17
Long-term strategy		Little to none	When needed	Annual business plan	Regular review of business plan	Business developed by staff co-op'ly	
	2007	6.8	35.6	15.3	37.3	5.1	2.99
	2009	4.2	29.2	20.8	37.5	8.3	3.16

Current management behaviour	Survey	% responses					Average rating
Major strategy		Existence	Survival	Maintaining status quo	Resourcing for growth	Return on investment	
	2007	11.9	23.7	18.6	40.7	5.1	3.03
	2009	8.3	33.3	20.8	29.2	8.3	3.00
Management focus		Make and sell	Efficiency of operation	Expansion of market	Consolidation of organisation	Problem-solving & innovation	
	2007	25.4	13.6	32.2	3.4	25.4	2.90
	2009	41.7	8.3	20.8	8.3	20.8	2.58
Management reward emphasis		Informal sharing of risks & rewards	Salary & merit increase	Individual bonus	Profit-sharing & stock options	Team bonus	
	2007	45.8	28.8	18.6	3.4	3.4	1.90
	2009	66.7	12.5	16.7	0	4.2	1.63
Management style		One-to-one	Supervision	Delegation	Reporting & control	Participative	
	2007	40.7	3.4	11.9	1.7	42.4	3.02
	2009	62.5	0	8.3	0	29.2	2.33
Meetings with key staff		Day-to-day	When needed	Planned weekly / monthly meetings	Planned quarterly meetings	Team meetings throughout month / year	
	2007	42.4	33.9	15.3	6.8	1.7	1.92
	2009	58.3	20.8	16.7	0	4.2	1.71
Organisation structure		Simple & informal	Centralised & functional	Decentralised & geographical	Line-staff & product groups	Matrix of teams	
	2007	84.7	11.9	3.4	0	0	1.19
	2009	87.5	12.5	0	0	0	1.12

Current management behaviour	Survey	% responses					Average rating
Policies & procedures		None to very few	Implementing policies & procedures	Dependant on policies & procedures	Adherence to policies & procedures	Policies & procedures act as guidelines	
	2007	55.9	28.8	3.4	5.1	6.8	1.78
	2009	50.0	20.8	0	12.5	16.7	2.25
Product / service complexity		Single product /service	Few products / services	Many products / services	Focused products / services	Market seeks out your products / services	
	2007	15.3	35.6	16.9	25.4	6.8	2.73
	2009	12.5	37.5	12.5	33.3	4.2	2.79
Quality systems		None to little	Own internal standards	Meets recognised external standards	Meets world-class standards	Other companies benchmark against us	
	2007	16.9	59.3	22.0	1.7	0	2.08
	2009	16.7	62.5	20.8	0	0	2.04
Response to issues		Immediate	Corrective action process	Collect data from various functional resources	Handled by Quality / Specialist department	Corrective action via relevant groups	
	2007	72.9	20.3	6.8	0	0	1.34
	2009	75.0	25.0	0	0	0	1.25
Stability of market		Stable	Relatively stable	Some changes	Many changes	Constant changes	
	2007	18.6	27.1	20.3	13.6	20.3	2.90
	2009	4.2	25.0	16.7	37.5	16.7	3.38
Stability of product /		Stable	Relatively stable	Some changes	Many changes	Constant changes	

Current management behaviour	Survey	% responses					Average rating
service	2007	18.6	32.2	30.5	6.8	11.9	2.61
	2009	4.2	41.7	29.2	8.3	16.7	2.92
Who identifies markets		Owner / manager	Owner / manager & other staff	Marketing department	Marketing dept & sales force	Pro-active from all staff	
	2007	69.5	22.0	3.4	0	5.1	1.49
	2009	70.8	20.8	0	4.2	4.2	1.50

Source: Current research.

In Table 7.4, therefore, higher average ratings in relation to the respondents' management behaviour in the later (2009) survey show that respondents are behaving more managerially.

The table shows that the assumption is borne out - of 18 topics, increases in average ratings were found in seven aspects of management behaviour (highlighted in blue):

- Extent of formal systems - S1 2007: 2.68 / S2 2009: 3.00 - where 2009 respondents had clearly advanced through the various categories, with 25.0% choosing 'maturing'.
- Long-term strategy - S1 2007: 2.99 / S2 2009: 3.16 - where more 2009 respondents selected 'annual business plan' or 'business developed by staff co-operatively'.
- Policies and procedures - S1 2007: 1.78 / S2 2009: 2.25 - where more of the 2009 respondents selected 'adherence to policies and procedures' or 'policies and procedures act as guidelines'.
- Product / service complexity - S1 2007: 2.73 / S2 2009: 2.79 - where more 2009 respondents selected 'focused products / services'.
- Stability of market - S1 2007: 2.90 / S2 2009: 3.38 - where more 2009 respondents selected 'many changes'.
- Stability of product / service - S1 2007: 2.61 / S2 2009: 2.92 - where, in the lower categories, there was a move towards 'relatively stable' among 2009 respondents, as well as greater selection of 'many changes' and 'constant changes'.
- Who identifies market - S1 2007: 1.49 / S2 2009: 1.50 - where there was a slight movement towards 'marketing department and sales force'.

The largest decreases in average rating were found in the following aspects of management behaviour (highlighted in grey):

- Management style - S1 2007: 3.02 / S2 2009: 2.33 - the shift here is back to 'one-to-one' and away from 'participative'.
- Management focus - S1 2007: 2.90 / S2 2009: 2.58 - a shift here back to 'make and sell' and away from other categories, with the exception of 'consolidation of organisation' which saw an increase.
- Management reward emphasis - S1 2007: 1.90 / S2 2009: 1.63 - a shift back to 'informal sharing of risks and rewards', with a slight increase in 'team bonus'.
- Control systems - S1 2007: 2.63 / S2 2009: 2.38 - a large drop here in 'mutual goal-setting'.

So, while the results of this table overall bear out the research assumption - that growth within the respondents' businesses between the two survey dates would lead to more 'managerial' behaviour - there are many inconsistencies within these results, which warrant further investigation.

Exploring their current management behaviour further, respondents were asked to rate their behaviour on a five-point scale between two extremes. Their responses from the two surveys are shown in Table 7.5.

Table 7.5: Survey 1 (2007) & Survey 2 (2009) Compared - Respondents' Current Management Behaviour Self-Rated II

	Survey	% responses					Average rating	
		1 %	2 %	3 %	4 %	5 %		
External focus	2007	29.8	14.0	31.6	14.0	10.5	2.61	Internal focus
	2009	20.8	29.2	29.2	8.3	12.5	2.63	
Risk	2007	15.8	17.5	43.9	8.8	14.0	2.88	Safety
	2009	16.7	20.8	41.7	16.7	4.2	2.71	
Individuality	2007	38.6	24.6	29.8	1.8	5.3	2.11	Conformity
	2009	37.5	29.2	25.0	4.2	4.2	2.08	
Group rewards	2007	8.8	7.0	28.1	7.0	49.1	3.81	Individual rewards
	2009	12.5	4.2	41.7	12.5	29.2	3.42	
Collective decision-making	2007	17.5	14.0	17.5	14.0	36.8	3.39	Individual decision-making
	2009	16.7	12.5	16.7	16.7	37.5	3.46	
Decentralised decision-making	2007	7.0	7.0	24.6	22.8	38.6	3.79	Centralised decision-making
	2009	4.2	8.3	12.5	16.7	58.3	4.17	
Ad hoc	2007	1.8	22.8	29.8	24.6	21.1	3.40	Planning
	2009	4.2	12.5	37.5	33.3	12.5	3.38	
Innovation	2007	36.8	28.1	22.8	7.0	5.3	2.16	Stability
	2009	29.2	33.3	20.8	12.5	4.2	2.29	
Competition	2007	8.8	10.5	29.8	24.6	26.3	3.49	Co-operation
	2009	20.8	4.2	33.3	20.8	20.8	3.17	
Simple organisation	2007	57.9	24.6	14.0	3.5	0	1.63	Complex organisation
	2009	79.2	20.8	0	0	0	1.21	
Informal procedures	2007	29.8	38.6	19.3	5.3	7.0	2.21	Formal procedures
	2009	45.8	25.0	20.8	0	8.3	2.00	
Commitment to the mission	2007	24.6	26.3	33.3	7.0	8.8	2.49	Commitment to the organisation
	2009	33.3	33.3	16.7	12.5	4.2	2.21	
Knowledge is valued	2007	49.1	21.1	21.1	3.5	5.3	1.95	Procedures are valued
	2009	50.0	25.0	20.8	4.2	0	1.79	
Results orientation	2007	36.8	29.8	19.3	7.0	7.0	2.19	Process orientation
	2009	62.5	16.7	16.7	0	4.2	1.67	
Job orientation	2007	26.3	28.1	29.8	8.8	7.0	2.42	Employee orientation
	2009	37.5	8.3	29.2	16.7	8.3	2.50	
Open system	2007	24.6	24.6	38.6	8.8	3.5	2.42	Closed system
	2009	25.0	25.0	20.8	16.7	12.5	2.67	
Loose control	2007	12.3	24.6	22.8	31.6	8.8	3.00	Tight control
	2009	8.3	33.3	12.5	16.7	29.2	3.25	
Driven by perceptions of opportunity	2007	31.6	29.8	21.1	8.8	8.8	2.34	Driven by controlled resources
	2009	29.2	37.5	29.2	4.2	0	2.08	
Many stages, min. exposure at each stage	2007	1.8	26.3	35.1	15.8	21.1	3.28	Single stage, with complete commitment
	2009	4.2	16.7	37.5	25.0	16.7	3.33	

	Survey	% responses					Average rating	
		1 %	2 %	3 %	4 %	5 %		
Rent of required resources	2007	19.3	15.8	19.3	19.3	26.3	3.18	Ownership of required resources
	2009	20.8	4.2	20.8	25.0	29.2	3.38	
Flat, multiple informal networks	2007	43.9	26.3	24.6	3.5	1.8	1.93	Formal hierarchy
	2009	37.5	29.2	25.0	0	8.3	2.13	
Based on value creation	2007	31.6	31.6	29.8	7.0	0	2.12	Based on responsibility and seniority
	2009	50.0	33.3	8.3	4.2	4.2	1.79	
Rapid growth top priority; accept risk to achieve growth	2007	10.5	24.6	31.6	26.3	7.0	2.95	Safe, slow and steady
	2009	12.5	16.7	29.2	20.8	20.8	3.21	
Promoting broad search for opportunities	2007	22.8	29.8	26.3	17.5	3.5	2.49	Opportunity search restricted by resources controlled
	2009	28.7	21.0	23.6	12.5	14.2	2.63	

Source: Current research.

Table 7.5 continues Table 7.4's marginal support for the research assumption - of 24 aspects on which respondents' management behaviour is rated in this table, increases in average ratings were recorded in 11, the highest of which were (highlighted in blue):

- Decentralised vs Centralised decision-making - S1 2007: 3.79 / S2 2009: 4.17.
- Rapid growth top priority vs Safe, slow and steady - S1 2007: 2.95 / S2 2009: 3.21.
- Open vs Closed system - S1 2007: 2.42 / S2 2009: 2.67.
- Loose vs Tight control - S1 2007: 3.00 / S2 2009: 3.25.

However, decreases were recorded in the other aspects, the highest of which were (highlighted in grey):

- Results vs Process orientation - S1 2007: 2.19 / S2 2009: 1.67.

- Simple vs Complex organisation - S1 2007: 1.63 / S2 2009: 1.21.
- Group vs Individual rewards - S1 2007: 3.81 / S2 2009: 3.42.

In the first two decreases, the big swing that caused the drop in average rating, was back to '1' ratings for the topic. In Group vs Individual rewards, the downwards shift was most noticeable in the drop in '5' ratings.

The surveys then asked respondents to rate themselves on their management skills, against a five-point scale (where 1 = poor and 5 = good). The results for the two surveys compared are shown in Table 7.6.

Table 7.6: Survey 1 (2007) & Survey 2 (2009) Compared - Respondents' Management Skills Self-Rated

	Survey	1	2	3	4	5	Average rating
		Poor	Below average	Average	Above average	Good	
		%	%	%	%	%	
Communication	2007	0	3.6	27.3	49.1	20.0	3.85
	2009	0	9.5	38.1	33.3	19.0	3.62
Culture management	2007	0	16.4	47.3	25.5	10.9	3.31
	2009	0	23.8	42.9	14.3	19.0	3.29
Day-to-day supervision / motivation	2007	1.8	14.5	29.1	34.5	20.0	3.56
	2009	0	4.8	33.3	38.1	23.8	3.81
Decision-making	2007	0	5.5	25.5	38.2	20.0	3.95
	2009	0	0	42.9	38.1	19.0	3.76
Delegation	2007	3.6	25.5	45.5	14.5	10.9	3.04
	2009	0	28.6	38.1	19.0	14.3	3.19
Financial management	2007	7.3	18.2	41.8	23.6	9.1	3.09
	2009	0	19.0	52.4	19.0	9.5	3.19
Interpersonal skills	2007	0	3.6	30.9	36.4	29.1	3.91
	2009	0	4.8	42.9	23.8	28.6	3.76
Management development	2007	1.8	20.0	52.7	14.5	10.9	3.12
	2009	0	19.0	52.4	23.8	4.8	3.14

	Survey	1 Poor %	2 Below average %	3 Average %	4 Above average %	5 Good %	Average rating
Operational leadership	2007	1.8	9.1	36.4	30.9	21.8	3.62
	2009	0	14.3	33.3	19.0	33.3	3.71
Organisation / Organisation planning	2007	0	10.9	40.0	34.5	14.5	3.53
	2009	0	23.8	33.3	33.3	9.5	3.29
Performance management / control	2007	1.8	21.8	40.0	23.6	12.7	3.24
	2009	0	19.0	47.8	23.8	9.5	3.24
Planning	2007	0	9.1	32.7	34.5	23.6	3.73
	2009	0	14.3	23.8	47.6	14.3	3.62
Strategic leadership	2007	1.8	9.1	34.5	30.9	23.6	3.65
	2009	0	9.5	33.3	47.6	9.5	3.57
Team-building	2007	0	5.5	34.5	38.2	21.8	3.76
	2009	0	9.5	47.6	19.0	23.8	3.57
Time management	2007	9.1	16.4	32.7	21.8	20.0	3.27
	2009	0	42.9	19.0	23.8	14.3	3.10
Training / Coaching	2007	1.8	9.1	34.5	36.4	18.2	3.60
	2009	0	19.0	42.9	28.6	9.5	3.29
Transition / change management	2007	0	9.1	30.9	40.0	20.0	3.71
	2009	0	4.8	42.9	38.1	14.3	3.62

Source: Current research.

Again, here, although respondents in both surveys self-rated their management skills higher than their management behaviour, out of 17 topics on which respondents were asked to self-rate their management skills, decreases on average ratings were recorded for 11, with one topic's average rating remaining the same.

Only five aspects of management skills showed increases (highlighted in blue):

- Day-to-day supervision / motivation - S1 2007: 3.56 / S2 2009: 3.81.

- Delegation - S1 2007: 3.04 / S2 2009: 3.19.
- Financial management - S1 2007: 3.09 / S2 2009: 3.19.
- Management development - S1 2007: 3.12 / S2 2009: 3.14.
- Operational leadership - S1 2007: 3.62 / S2 2009: 3.71.

The highest of the decreases in average ratings recorded were found in (highlighted in grey):

- Training / Coaching - S1 2007: 3.60 / S2 2009: 3.29.
- Organisation / Organisation planning - S1 2007: 3.53 / S2 2009: 3.29.
- Decision-making - S1 2007: 3.95 / S2 2009: 3.76.

Next, respondents were asked to rate themselves on their entrepreneurial skills - again, against a five-point scale (where 1 = poor and 5 = good). Table 7.7 shows the results for the two surveys compared.

Again, although respondents rate their own entrepreneurial skills slightly higher than their own management skills, as seen in earlier tables, between the two surveys, they have down-rated these same entrepreneurial skills.

Table 7.7: Survey 1 (2007) & Survey 2 (2009) Compared - Respondents' Entrepreneurial Skills Self-Rated

	Survey	1 Poor %	2 Below average %	3 Average %	4 Above average %	5 Good %	Average rating
Adopts a broad financial strategy	2007	1.8	12.7	49.1	25.5	10.9	3.31
	2009	0	14.3	61.9	23.8	0	3.10
Adventurous	2007	0	3.6	27.3	30.9	38.2	4.04
	2009	0	14.3	33.3	42.9	9.5	3.48

	Survey	1 Poor %	2 Below average %	3 Average %	4 Above average %	5 Good %	Average rating
Alert to business opportunities	2007	0	3.6	23.6	38.2	34.5	4.04
	2009	0	9.5	23.8	47.6	19.0	3.76
An 'ideas person'	2007	0	3.6	20.0	27.3	49.1	4.22
	2009	0	4.8	19.0	42.9	33.3	4.05
A high-profile image-maker	2007	9.1	29.1	36.4	16.4	9.1	2.87
	2009	4.8	38.1	28.6	28.6	0	2.81
Innovative	2007	0	1.8	21.8	38.2	38.2	4.13
	2009	0	0	23.8	57.1	19.0	3.95
Pro-active	2007	0	1.8	18.2	49.1	30.9	4.09
	2009	0	4.8	28.6	42.9	23.8	3.86
Pursues opportunities, regardless of resources currently controlled	2007	0	16.4	30.9	32.7	20.0	3.56
	2009	4.8	9.5	33.3	38.1	14.3	3.48
Restless / easily bored	2007	3.6	12.7	30.9	25.5	27.3	3.60
	2009	0	19.0	23.8	42.9	14.3	3.52
Thrives on change	2007	0	12.7	34.5	23.6	29.1	3.69
	2009	0	14.3	33.3	38.1	14.3	3.52

Source: Current research.

Of the 10 aspects included in the table, respondents rated decreases in all aspects between the two surveys. The largest down-ratings were found in (highlighted in blue):

- Adventurous - S1 2007: 4.04 / S2 2009: 3.48.
- Alert to business opportunities - S1 2007: 4.04 / S2 2009: 3.76.
- Innovative - S1 2007: 4.13 / S2 2009: 3.95.
- An 'ideas person' - S1 2007: 4.22 / S2 2009: 4.05.

While Table 7.7's down-rating by respondents in their own perceptions of their entrepreneurial skills between the dates

of the two surveys does not confirm the research assumption directly, it does not contradict it either.

The two surveys next explored the balance of time spent by respondents between managerial and entrepreneurial activities. The results are shown in Table 7.8.

Table 7.8: Survey 1 (2007) & Survey 2 (2009) Compared - Respondents' Balance of Time Spent between Managerial & Entrepreneurial Activities

	% time	
	Survey 1 (2007)	Survey 2 (2009)
MANAGERIAL		
Attending internal meetings	3.1	4.5
Managing conflict in the business	1.2	5.2
Managing the day-to-day operations	26.7	24.2
Scheduling the business	5.4	4.7
Supervision of staff	3.0	2.7
Total managerial	39.4	41.3
ENTREPRENEURIAL		
Being creative	11.6	13.8
Identifying new ways to do business	7.5	7.2
Looking for new markets	9.0	8.3
Meeting / negotiating with customers	16.7	10.4
Planning the next goal	9.0	16.2
Total entrepreneurial	53.8	55.9
Other	6.8	2.8
TOTAL	100	100

Source: Current research.

Here, it must be said that the results of comparing the two surveys is inconclusive. Certainly, respondents to Survey 2 (2009) spent a greater proportion of their time (41.3% against 39.4%) on activities considered 'managerial'; however, the same respondents also increased the time they spent on activities considered 'entrepreneurial' (from 53.8%

to 55.9%), achieved by reducing the proportion of time spent on 'other' unspecified activities.

It is interesting to note that, between the two surveys, respondents increased the proportion of time spent on 'attending internal meetings' (3.1% to 4.5%) and on 'managing conflict in the business' (1.2% to 5.2%), while reducing the proportion of time spent on other managerial activities.

Between the two surveys, respondents also spent more time on 'being creative' (11.6% to 13.8%) and on 'planning the next goal for the business' (9.0% to 16.2%), while reducing time on other entrepreneurial activities, in particular time spent on 'meeting and negotiating with customers' (16.7% down to 10.4%).

Last, respondents were asked to rate themselves on a range between 'entrepreneur' (1) and 'manager' (5). Their responses in the two surveys are shown in Table 7.9.

Table 7.9: Survey 1 (2007) & Survey 2 (2009) Compared - Respondents' Self-Rating as Entrepreneur or Manager

	Entrepreneur		Neutral	Manager	
	1	2	3	4	5
Survey 1 (2007)					
Responses	8	18	13	13	3
% responses	14.5%	32.7%	23.6%	23.6%	5.5%
	47.2%			29.1%	
Survey 2 (2009)					
Responses	1	9	6	5	0
% responses	4.8%	42.9%	28.5%	23.8%	0
	47.7%			23.8%	

Source: Current research.

Again, this final result challenges the research assumption. Although broadly the same proportion of respondents in each survey self-rate themselves as 'entrepreneurs' (S1 (2007) 47.2% / S2 (2009) 47.7%), fewer respondents in Survey 2 (2009) self-rate themselves as 'managers' (23.8%, down from 29.1%), preferring instead to rate themselves as neutral.

While respondents' self-rating of their own position on a scale between 'entrepreneur' and 'manager' may not be conclusive in the context of the research assumption (the original pilot study showed that, while respondents clearly enacted stronger management than entrepreneurial behaviour, they saw themselves still as 'entrepreneurs'), it nonetheless poses a challenge to the assumption.

7.4: CONCLUSIONS

The aims of this chapter were two-fold:

- To establish whether 'growth' took place among the respondent businesses between the first (2007) and second (2009) surveys.
- If so, to establish whether any changes in management behaviour are identifiable.

The first of these aims was clearly achieved. Between the two survey dates, respondents' businesses more than doubled average sales (Table 7.1), increased average staff numbers by 50% and reduced the number of respondents without staff by 35% (Table 7.2), and attracted external shareholdings in four (16.7%) cases. So, it has been established that growth took place within the respondents' businesses.

Achievement of the second aim is less clear-cut:

- In Table 7.4, respondents showed increases in self-rating in respect of 7 (of 18) topics, including 'Extent of formal systems' and 'Policies and procedures', suggesting a tendency towards more 'managerial' behaviour.
- In Table 7.5, respondents recorded increases in self-rating in 11 (of 24) topics, including 'Centralised decision-making', 'Safe, slow and steady [growth]', 'Closed system' and 'Tight control', again suggesting a tendency towards more 'managerial' behaviour.
- In Table 7.6, in relation to management skills, which, in both surveys, the respondents self-rated higher than their management behaviours, respondents recorded decreases in self-ratings on 11 (of 17) topics, including 'managerial' topics such as 'Day-to-day supervision', 'Delegation', 'Financial management', 'Management development' and 'Operational leadership', this time suggesting a tendency away from more 'managerial' behaviour.
- In Table 7.7, in relation to entrepreneurial skills, which, in both surveys, the respondents self-rated higher than their management skills, respondents recorded decreases in all topics, again suggesting a tendency away from more 'managerial' behaviour.
- In Table 7.8, while respondents spent more time in Survey 2 (2009) on 'managerial' activities (41.3% against 39.4%) they did so at the expense of the unidentified 'Other' activities, since they also spent more time on 'entrepreneurial' activities (55.9% against 53.8%).
- Last, in Table 7.9, the same proportion of respondents self-perceived themselves as 'entrepreneurs' (47.7% in Survey 2 (2009) against

47.2%), although fewer (23.8% against 29.1%) now saw themselves as 'managers', with the drift being towards 'neutral' status.

The discussion in the next chapter (Chapter 8) looks at the meaning of these results.

8: DISCUSSION

The current research examines what happens to the entrepreneur's managerial style as the business begins to grow, and explores and questions the rate and time of transition - if any - from the entrepreneurial to the managerial domain. In the literature, and in the actions of academics, business advisers, financiers and policy-makers, these two domains are seen as separate and mutually exclusive.

However, some researchers such as Hisrich and Peters (2002) and Timmons and Spinelli (2003) recognised and supported the notion of the entrepreneurial domain and administrative domain coexisting as a necessity as organisations develop and grow.

The importance of the current research lies in the high failure rate of start-ups (generally accepted world-wide as being 50%+ within three years of start-up), which might be reduced if the post-start-up development of entrepreneurs was understood better.

The researcher of this current work argues that this post-start-up intervention in respect of management skills development may be too late. There is a need for a better understanding of the nature of entrepreneurial development, and the role of management skills within this process. This would offer the opportunity to develop more and better businesses from start-up, through the 'valley of death' to some degree of scale, to the benefit of the entrepreneurs, their investors and the economy as a whole. The key is

understanding the impact of growth in a business on the management behaviours of the founding entrepreneur(s).

The questions at the heart of this research are:

Whether the development of entrepreneurs is linked to the growth of their businesses and, specifically, whether the founders of businesses change from being entrepreneurs into managers as their businesses grow.

The answers to these questions have clear value for enterprise support agencies, financial and academic institutions, policy-makers and business advisers, as well as for entrepreneurs themselves.

As indicated in Chapter 4: Methodology and Data Collection, the current research was carried out by means of two identical surveys, administered two years apart, with the second survey being administered only to respondents to the first survey.

The findings of the two surveys, as summarised in Chapter 7: Survey 1 (2007) and Survey 2 (2009) Compared, clearly shows that growth took place (see Tables 7.1, 7.2 and 7.3).

In addition, Chapter 7 shows that changes in the management behaviour of respondents had taken place between the two survey dates, although the results were less clear-cut. While there has been some movement towards more 'managerial' behaviour (see Tables 7.4 and 7.5), the movement is marginal and is balanced by decreases in self-ratings for both management and entrepreneurial skills (Tables 7.6 and 7.7). In addition, respondents appear to have increased the time spent on both 'entrepreneurial' and 'managerial' activities simultaneously (at the expense of the unidentified 'Other' activities), and in Survey 2 (2009) fewer of them regard themselves as managers.

One possible reason for this challenging result is that the extent of growth recorded may not have been sufficient in absolute terms to display the effects posited by the models underlying the survey questionnaire (see Chapter 3: Literature Review and Chapter 4: Methodology and Data Collection). So, although respondents' businesses more than doubled their sales, increased staff numbers by 50% and attracted some external shareholdings (all signs of 'growth' per the literature), they achieved these from a very low (effectively zero) base. Thus, despite an average doubling of sales, for example, 41.7% of respondents' businesses still recorded sales of less than €100k in 2008 (Survey 2 (2009)), while only 2 (8.3%) achieved sales in excess of €1m. While in an Irish context, these may be creditable achievements for start-ups of early-stage businesses, the models underlying the survey questionnaire are US or UK in origin, where €1m in sales is generally considered 'small beer'.

Thus, a cautionary note must be sounded regarding 'growth', particularly in the context of the current research. Most of the growth research in the literature is US in origin, with the concomitant size implications of that larger market. For example, Timmons and Spinelli (2003) argue that "the odds for survival ... change dramatically if the venture reaches a critical mass of at least 10 to 20 people with \$2 to \$3 million in revenues and *is currently pursuing opportunities with growth potential*" (p.54, italics added). But, in the responses to Survey 2 (2009), only two respondents to the current research could claim sales in excess of €1 million, and none could do so in the earlier Survey 1 (2007). Thus, in reviewing the results of the current research, the scale of growth of the respondents' businesses must be taken into account in deciding whether it is the scale of the respondents' businesses that do not match the models used or

whether the models themselves are inappropriate for use in an Irish context.

Again, while Drucker's identification of a transition (1993, p.387) is helpful to the current research, his positioning of the transition at "somewhere between 300 and 1,000 employees" again is problematic. In the current research, only one respondent in Survey 2 (2009) could claim more than 11 employees, none could do so in the earlier Survey 1 (2007), and one-third (33.3%) of respondents remain the sole employee of their business.

Further, the point at which Smith and Miner (1983, p.325) recognise transition again is problematic for this current research. Citing Steinmetz (1969), Smith and Miner (1983) argued: "... the autocratic entrepreneur must change in style to become a professional manager ... around 30 employees and \$750,000 in assets" (p.325).

Whichever of these 'transition points' one accepts, all are a long way from the businesses owned and managed by the respondents to the current research. Thus it is argued that the lack of clarity in the results is due in part to the (relatively) limited extent of growth visible between the two survey dates and in part to a poor fit between the respondents' businesses in terms of size and stage of development and the models of growth used to assess them.

A second issue to be considered, as noted in the literature review (Chapter 3), is whether being a founder is critical to being an entrepreneur. For example, in popular discussion, Michael O'Leary of Ryanair would be widely regarded in Ireland as an 'entrepreneur' although he was not the airline's founder. Nonetheless, the more restrictive

definition was necessary for the purposes of this research, based on Ginsberg and Buchholtz (1989), cited in Bucar and Hisrich (2001), as well as Begley and Boyd (1987), since the research aim was to track the development of the entrepreneur from foundation of the business to a later status of being a successful, professionally-managed enterprise.

Notwithstanding the discussion above, the research findings from the two surveys show that growth does lead to changes in management behaviour and to a transition from entrepreneur *towards* (rather than *to*) manager. Respondents clearly inhabited both the entrepreneurial and managerial domains simultaneously - the balance of time spent on various activities shows this clearly (see Table 5.27 (Entrepreneurial 53.8%; Managerial 39.4%; Other 6.8%) and Table 6.14 (Entrepreneurial 55.9%; Managerial 41.3%; Other 2.8%)). And respondents themselves intuited the transition from entrepreneur to manager, independent of the research.

Thus despite only partial success in achieving its aims, this researcher believes that the current research is useful to academics, business advisers, financiers and policy-makers, in that it shows:

- Actual growth rates - in terms of sales, number of employees and number of products / services offered - for a sample of Irish start-ups and early-stage businesses.
- Actual management behaviours within these start-up and early-stage businesses at or close to the point of start-up and also at two years subsequently.
- Changes in these management behaviours in the two years between the survey dates.

- Irish start-up and early-stage entrepreneurs inhabit both the entrepreneurial and managerial domains simultaneously.

Further, the research highlights the importance of management development at start-up. This accords well with the report of the Management Development Council³⁹ (2010), which concludes that improving management capability within SMEs through management development can lead to valuable returns to the State in terms of increased gross value added, increased employment, better business survival rates, and a more skilled workforce.

³⁹ Arising from the work of the Small Business Forum, The Management Development Council (MDC) was established in May 2007 to advise Government on the adequacy and relevance of management development provision in Ireland and to promote a coordinated approach to building awareness and appreciation in small and medium-sized businesses for the value of and need for upgrading leadership and management skills.

9: LIMITATIONS AND RECOMMENDATIONS

A number of limitations were identified in the current research.

The issue of the definition of the entrepreneur - for example, whether Michael O'Leary of Ryanair can be regarded as an entrepreneur - was avoided by the adoption of the Begley and Boyd definition that: "an entrepreneur is a person who has founded his or her own enterprise" (Begley and Boyd, 1987, p.100).

This also helped to avoid the confusion in distinguishing between entrepreneurs and managers - core to the current research - exemplified by the NDP⁴⁰ Equality Gender Unit (2003).

However, the definition of growth and the transition points at which it can be expected to occur proved to be a limitation for the current research. As outlined in Chapter 8: Discussion, the underlying concept of growth and its transition points operates at a higher level in value terms - whether in relation to sales, employee numbers or the number of products / services offered - in the US and UK, where the primary growth research and models originate, than in Ireland.

For example, only two of the respondents from the sample population in the current research had achieved sales of €1 million by the date of the second survey, Survey 2 (2009) - a

⁴⁰ National Development Plan (Ireland).

creditable achievement by Irish standards, although growth in the models appears to be measured further up the scale.

It is questionable whether many Irish businesses ever reach the point of transition to growth suggested by the models and thus arguable whether the models are appropriate for use in an Irish context.

This issue of size can be seen again in the choice of subject companies for Holmquist's (2004) research study, the closest identified to the current research, in which five of the six companies were finalists in Sweden's Ernst & Young Entrepreneur of Year competition, and the sixth was one of Sweden's leading global companies. In contrast, the sample population for the current research consisted of would-be entrepreneurs attending a public course with no educational or experience pre-requirements and graduate entrepreneurs attending a 12-month incubation programme aimed at assisting them develop a high-technology, high-potential product / service business.

The transition from entrepreneur to manager, which assumes growth as per the models, also proved a limitation in that it also assumed a level of staffing not found among the sample companies, one-third (33.3%) of which only employed their promoter at the date of the second survey, Survey 2: 2009.

A further limitation was the self-rating by participants of their management behaviours and skills and their entrepreneurial skills. Given that the survey questionnaires were administered online, without the opportunity to explain terms used, or the context within which they were to be interpreted, it is possible that there was some mis-interpretation of terminology, both between participants and

by the same participants over time. While it is difficult to conceive of an economical method of independently assessing respondents' behaviours and skills so as to remove subjectivity, doing so might well have benefits in terms of clarifying the results.

Although time constraints and the difficulty of micro-analysing data mitigated against comparing Survey 1 (2007) and Survey 2 (2009) responses only for those respondents whose businesses had shown visible growth - 41.7% of respondents still had sales of under €100k and 33.3% of respondents still only employed themselves by the date of the second survey - such a focus on the 'growth' businesses within the survey sample might well present clearer results.

These same time constraints prevented the use of follow-up interviews as originally planned by the researcher. It is believed that these would have added to the understanding of the development of the entrepreneur, had they been carried out.

In addition, because of previous work in a similar research direction using a broadly similar questionnaire, this researcher took the decision not to pre-test the current research questionnaire prior to administering it. The research findings suggest that some respondents had difficulty in understanding some of the questions leading to confusion in the responses, which might have been avoided by pre-testing.

A final limitation is that only limited, Excel-based manipulation of the research data was carried out. A more rigorous statistical analysis might have provided greater

insight and understanding. However, this may provide an opportunity for further research as noted below.

From these limitations, five areas of potential further research were identified as part of this research study.

The first is more detailed work on the current analysis, to provide a better insight. Three examples come to mind:

- In section 5.3, where the results of Survey 1 (2007) were analysed by the respondents' date of course completion, this analysis could be re-worked on the basis of the actual start-date of the respondents' business, since this information is available (see Table 5.10). This would give a more accurate time-spread and perhaps identify more clearly differences that have occurred due to the passage of time within the same group of respondents.
- Given the availability of data that allows the researcher to establish whether 'growth' has occurred between the survey dates, on the basis of sales (Table 7.1), staff numbers (Table 7.2) and product / services offered (Table 7.3), respondents whose businesses had demonstrated growth could be identified and their management behaviour, management skills and entrepreneurial skills could be compared to other respondents whose businesses had not enjoyed growth or had declined.
- The individual respondents to Survey 2 (2009) could be identified and comparisons made on an individual basis against their responses to the earlier Survey 1 (2007) to identify, for each individual respondent, whether 'growth' occurred in their business between the survey dates, and whether there was any change between the survey dates in their management

behaviour, management skills and entrepreneurial skills.

The second area for research lies within the very rich dataset collected as part of the current research study. Despite the relatively small numbers involved, a great wealth of data was collected, much of it not analysed or presented in this thesis and thus still available for further analysis and study.

In particular, detailed analyses of the two sets of survey results and comparisons between them could be made on respondents':

- Age.
- Gender.
- Educational attainment to date.
- Type of business.
- Previous founding experience.
- Ownership / size of previous employer.
- Previous level of responsibility.
- Self-rated entrepreneur / manager distinction.

Although the current research supports, albeit in a less than clear-cut fashion, the research assumption that founders change from being 'entrepreneurs' to being 'managers' as their businesses grow, nonetheless it is widely accepted that there is some 'entrepreneurial spark' that provides certain people with the mental and emotional resources to start a business. It is this 'spark', allied with the combination of resources and opportunity, which creates new ventures and thus entrepreneurs. But this 'spark' is required only at or around the time of start-up. It is this 'spark' or occasion that classifies a person as an entrepreneur. However it would

e worth investigating to what extent the spark continues, to explore the question: 'once somebody is classified as an entrepreneur, is she / he always an entrepreneur?'. For example, Brodsky (1996) dismisses 'one-ers', people who start one company but cannot start a second company.

Another topic for further research, again connected to this researcher's study, is whether the transition argued in the current research assumption is towards leadership, rather than towards management as examined in the current research study. For example, Burns (2001) says, in relation to managing growth, that "the entrepreneur superhero needs to metamorphosise into a leader" (p.239).

Last, further research ought to extend the limited longitudinal study undertaken in the current research. Dale (1991), in analysing the distinction between self-employment and entrepreneurship, makes the point:

The most successful businesses will very quickly move through the small business stage, either continuing to expand over time or reaching a steady state ... This highlights the importance, not just of measuring change over time, but also of being able to chart the 'life-course' of a business. Such a longitudinal perspective would provide a picture of periods of growth and innovation and allow them to be related to external factors such as recession or changing product markets ... Perhaps what is needed is a longitudinal cohort study which follows the life of all business starts within a certain time period.

As proposed above, this would represent a major research project, which would require resources over an extended period, but which would result in deep insights into the nature of entrepreneurship, entrepreneurial and business growth, and what Dale describes as the 'life-course' of a business.

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**APPENDIX 1: SURVEY 1 (2007)
QUESTIONNAIRE**

1. INTRODUCTION

Thank you for choosing to take part in this survey.

I am undertaking a Masters in Entrepreneurship at Waterford Institute of Technology.

My research aim is to understand how the managerial behaviour of entrepreneurs develops over time.

Specifically, I am trying to establish whether a transition from entrepreneur to manager takes place and, if so, when, how and why.

This survey is designed to gather information about you, your business and the way you manage it, as a basis for my research.

It should take you about 15 to 20 minutes to complete.

Your information will be kept in the strictest confidence.

Only aggregated information will be reported from this survey. No information will be reported in a form that would allow you and/or your business to be identified.

Thank you most sincerely
Brian O'Kane

2. ABOUT YOU PERSONALLY

This section of the survey collects background information about you personally, which will allow me to analyse the response data more usefully.

1. What is your name?

2. How old are you?

Under 25 26 to 30 31 to 35 36 to 40 41 to 45 46 to 50 51 to 55 56 to 60 Over 60

3. What sex are you?

Female

Male

4. At what stage did you finish your CONTINUOUS FULL-TIME education?

5. Since you finished your CONTINUOUS FULL-TIME education, have you completed any of the following?

6. Which one of the following courses did you complete?

7. Which year did you COMPLETE the course?

2004

2005

2006

3. ABOUT YOU & YOUR BUSINESS

This section of the survey collects about you and your business, which will allow me to analyse the response data more usefully.

8. What is the name of your business?

9. What type of business is it?

Manufacturing

Technology-based services

Non-technology based services

Retail

Other (please specify)

10. When did your business start?

Not yet started

2006 - AFTER completing course

2006 - BEFORE starting course

2005

2004

2003

Earlier than 2003

Ceased trading

11. Are you the managing director, chief executive officer or "main driver" (by whatever title) of your business?

Yes

No

4. ABOUT YOU & YOUR BUSINESS 2

12. Were you the sole founder, or a member of the founding team, of your business?

Yes

No

5. ABOUT YOU & YOUR BUSINESS 3

13. What sales did your business achieve in the year ending 31 December 2006?

Less than €100k €101k to €250k €251k to €500k €501k to €1m More than €1m

14. How many people does your business employ now (including yourself)?

1 2 3 4 5 6 7 8 9 10 11 to 25 More than 25

15. How many different products / services does your business offer now?

1 2 3 4 5 6 7 8 9 10 11 to 25 More than 25

16. In percentage terms, who owns the business now? (Your total must sum to 100%)

Yourself	<input type="text"/>
Other members of the founding team	<input type="text"/>
Other senior management, not members of the founding team	<input type="text"/>
Other employees, not members of the founding team	<input type="text"/>
Family members and close friends of yourself or other members of the founding team	<input type="text"/>
Informal investors / business angels	<input type="text"/>
BES investors	<input type="text"/>
Financial institutions, including venture capitalist	<input type="text"/>
Other	<input type="text"/>

17. How many people are on the Board of Directors of your business now (including yourself)?

2 (legal minimum) 3 4 5 6 More than 6

18. How often does your Board of Directors meet formally?

Weekly Fortnightly Monthly Bi-monthly Quarterly Annually No formal meetings, except as required by law

19. Who is responsible for the following key functions in your business? (Tick one answer on each row)

	Board Director	Senior Manager (reporting to a Board Director)	No one
Marketing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Logistics	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Finance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Production	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Innovation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Sales	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Health & Safety	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
IT	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Human Resources	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

20. As an owner / manager, how many of the following key functions are you personally responsible for in your business? (Tick all that apply)

- Finance
 Health & Safety
 Human Resources
 Innovation
 IT
 Logistics
 Production
 Marketing
 Sales

6. ABOUT YOU & YOUR BUSINESS 4

21. Had you ever started, or been a member of the founding team of, another business before starting your present business?

Yes

No

22. What was your last full-time position before starting your present business? (Pick the answer closest to your previous job title - or "Other" if not listed)

Managing Director

Engineering Director

Finance Director

Human Resources Director

IT Director

Logistics Director

Production Director

Marketing Director

Sales Director

Engineering Manager

Finance Manager

Human Resources Manager

IT Manager

Logistics Manager

Production Manager

Marketing Manager

Sales Manager

Other

23. Was this full-time position in ...?

Foreign-owned company, 100+ staff in Ireland

Foreign-owned company, 51 to 100 staff in Ireland

Foreign-owned company, 11 to 50 staff in Ireland

Foreign-owned company, less than 10 staff in Ireland

Irish-owned company, 100+ staff in Ireland

Irish-owned company, 51 to 100 staff in Ireland

Irish-owned company, 11 to 50 staff in Ireland

Irish-owned company, less than 10 staff in Ireland

24. How many years had you worked full-time for this last business before leaving?

1

2

3

4

5

6

7

8

9

10

More than 10 years

25. Why did you leave this last position?

I retired

I was made
redundant

I took
voluntary
redundancy

I saw an
opportunity to
outsource the work
I was doing for my
employer

I saw an
opportunity in the
same industry as
my employer

I saw an
opportunity in an
unrelated area

26. How many years' full-time work experience IN TOTAL did you have from the time you finished your continuous full-time education before starting, or being a member of the founding team of, your current business ...?

	0	1	2	3	4	5	6	7	8	9	10	10+
In the same industry sector	<input type="checkbox"/>											
In the same / similar position	<input type="checkbox"/>											
As a Board Director	<input type="checkbox"/>											
As a senior manager (reporting to a Board Director)	<input type="checkbox"/>											

7. ABOUT THE MANAGEMENT OF YOUR BUSINESS

This, and the next, section are the core of the survey. This section collects data about the way your business is managed.

27. Which of the following most closely describes the CONTROL SYSTEMS you use in your business now?

- Sales results Standards & cost centres Reports & profit centres Plans & investment centres Mutual goal-setting

28. Which of the following most closely describes the EXTENT OF CONTROL SYSTEMS in your business now?

- None to minimal Minimal Basic to developing Maturing Extensive

29. Which of the following most closely describes the level of INTERACTION WITH EMPLOYEES you have in your business now?

- Day-to-day interaction Day-to-day interaction, with monthly meetings Monthly or quarterly meetings only Annual report Annual report, plus team-level briefings

30. Which of the following most closely describes the JOB SPECIFICATIONS you use in your business now?

- None Job specs. for operatives only Job specs. for all staff Broad task outlines for all staff Staff are self-directing

31. Which of the following most closely describes how your business is managed now in relation to LONG-TERM STRATEGY?

- Little to none When needed Annual business plan Regular review of business plan Business developed by staff co-operatively

32. Which of the following most closely describes your MAJOR STRATEGY for your business now?

- Existence Survival Maintaining profitable status quo Resourcing for growth Return on investment

33. Which of the following most closely describes MANAGEMENT FOCUS for your business now?

- Make and sell Efficiency of operation Expansion of market Consolidation of organisation Problem-solving & innovation

34. Which of the following most closely describes the MANAGEMENT REWARD EMPHASIS in your business now?

- Informal sharing of risks & rewards Salary & merit increase Individual bonus Profit-sharing & stock options Team bonus

35. Which of the following most closely describes the MANAGEMENT STYLE in your business now?

- One-to-one Supervision Delegation Reporting & control Participative

36. Which of the following most closely describes your MEETINGS WITH KEY STAFF in your business now?

- Day-to-day When needed Planned weekly / monthly meetings Planned quarterly meetings Team meetings throughout month / year

37. Which of the following most closely describes the ORGANISATIONAL STRUCTURE of your business now?

- Simple & informal Centralised & functional Decentralised & geographical Line-staff & product groups Matrix of teams

38. Which of the following most closely describes the approach to POLICIES & PROCEDURES of your business now?

- None to very few Implementing policies & procedures Dependant on policies & procedures Adherence to policies & procedures Policies & procedures act as guidelines

39. Which of the following most closely describes the PRODUCT / SERVICE COMPLEXITY of your business now?

- Single product / service Few products / services Many products / services Focused products / services Market seeks out your products / services

40. Which of the following most closely describes the QUALITY SYSTEMS in use in your business now?

- None to little Own internal standards Meets recognised external standards Meets world-class standards Other companies benchmark against us

41. Which of the following most closely describes your RESPONSE TO ISSUES in your business now?

- Immediate Corrective action process Collect data from various functional resources Handled by Quality / Specialist department Corrective action via relevant groups

42. Which of the following most closely describes the STABILITY OF MARKET for your business now?

- Stable Relatively stable Some changes Many changes Constant changes

43. Which of the following most closely describes the STABILITY OF PRODUCT /SERVICE for your business now?

- Stable Relatively stable Some changes Many changes Constant change

44. Which of the following most closely describes WHO IDENTIFIES MARKETS for your business now?

Owner / manager

Owner / manager &
other staff

Marketing
department

Marketing
department & sales
force

Pro-active from all
staff

8. ABOUT THE MANAGEMENT OF YOUR BUSINESS 2

This section continues to collect data about the way your business is managed.

45. Using the contrasting elements below, use the range from 1 to 5 to rate the way in which your business is managed now. (Tick one on on each row.)

	1	2	3	4	5
Collective decision-making (1) / (5)	j0	j0	j0	j0	j0
Individual decision-making					
Risk (1) / (5) Safety	j0	j0	j0	j0	j0
External focus (1) / (5)	j0	j0	j0	j0	j0
Internal focus					
Individuality (1) / (5)	j0	j0	j0	j0	j0
Conformity					
Group rewards (1) / (5)	j0	j0	j0	j0	j0
Individual rewards					

46. Using the contrasting elements below, use the range from 1 to 5 to rate the way in which your business is managed now. (Tick one on on each row.)

	1	2	3	4	5
Competition (1) / (5)	j0	j0	j0	j0	j0
Co-operation					
Decentralised decision-making (1) / (5)	j0	j0	j0	j0	j0
Centralised decision-making					
Ad hoc (1) / (5) Planning	j0	j0	j0	j0	j0
Innovation (1) / (5)	j0	j0	j0	j0	j0
Stability					
Simple organisation (1) / (5) Complex organisation	j0	j0	j0	j0	j0

47. Using the contrasting elements below, use the range from 1 to 5 to rate the way in which your business is managed now. (Tick one on on each row.)

	1	2	3	4	5
Job orientation (1) / (5)	j0	j0	j0	j0	j0
Employee orientation					
Commitment to the mission (1) / (5)	j0	j0	j0	j0	j0
Commitment to the organisation					
Informal procedures (1) / (5) Formal procedures	j0	j0	j0	j0	j0
Results orientation (1) / (5) Process orientation	j0	j0	j0	j0	j0
Knowledge is valued (1) / (5) Procedures are valued	j0	j0	j0	j0	j0

48. Using the contrasting elements below, use the range from 1 to 5 to rate the way in which your business is managed now. (Tick one on on each row.)

	1	2	3	4	5
Loose control (1) / (5) Tight control	<input type="checkbox"/>				
Rent of required resources (1) / (5) Ownership of required resources	<input type="checkbox"/>				
Open system (1) / (5) Closed system	<input type="checkbox"/>				
Many stages, with minimal exposure at each (1) / (5) Single stage, with complete commitment	<input type="checkbox"/>				
Driven by perceptions of opportunity (1) / (5) Driven by controlled resources	<input type="checkbox"/>				

49. Using the contrasting elements below, use the range from 1 to 5 to rate the way in which your business is managed now. (Tick one on on each row.)

	1	2	3	4	5
Promoting broad search for opportunities (1) / (5) opportunity search restricted by resources controlled	<input type="checkbox"/>				
Rapid growth is top priority; risk is accepted (1) / (5) Safe, slow and steady	<input type="checkbox"/>				
Based on value creation (1) / (5) Based on responsibility and seniority	<input type="checkbox"/>				
Flat, with multiple informal networks (1) / (5) Formal hierarchy	<input type="checkbox"/>				

9. ABOUT YOUR OWN SKILLS

This is the last, and second core, section of the survey. It collects data about your own management style and skills.

50. Rate yourself on your management skills.

	1 Poor	2 Below average	3 Average	4 Above average	5 Good
Performance management / control	jñ	jñ	jñ	jñ	jñ
Management development	jñ	jñ	jñ	jñ	jñ
Decision-making	jñ	jñ	jñ	jñ	jñ
Strategic leadership	jñ	jñ	jñ	jñ	jñ
Operational leadership	jñ	jñ	jñ	jñ	jñ
Culture management	jñ	jñ	jñ	jñ	jñ
Planning	jñ	jñ	jñ	jñ	jñ
Communication	jñ	jñ	jñ	jñ	jñ
Day-to-day supervision / motivation	jñ	jñ	jñ	jñ	jñ
Delegation	jñ	jñ	jñ	jñ	jñ
Interpersonal skills	jñ	jñ	jñ	jñ	jñ
Time management	jñ	jñ	jñ	jñ	jñ
Transition / change management	jñ	jñ	jñ	jñ	jñ
Organisation / organisational planning	jñ	jñ	jñ	jñ	jñ
Team-building	jñ	jñ	jñ	jñ	jñ
Financial management	jñ	jñ	jñ	jñ	jñ
Training / coaching	jñ	jñ	jñ	jñ	jñ

51. Rate yourself on your entrepreneurial skills.

	1 Poor	2 Below average	3 Average	4 Above average	5 Good
Adopts a broad financial strategy	jñ	jñ	jñ	jñ	jñ
Adventurous	jñ	jñ	jñ	jñ	jñ
Pro-active	jñ	jñ	jñ	jñ	jñ
Restless / easily bored	jñ	jñ	jñ	jñ	jñ
Thrives on change	jñ	jñ	jñ	jñ	jñ
Alert to business opportunities	jñ	jñ	jñ	jñ	jñ
Innovative	jñ	jñ	jñ	jñ	jñ
An "ideas" person	jñ	jñ	jñ	jñ	jñ
Pursues opportunities, regardless of resources currently controlled	jñ	jñ	jñ	jñ	jñ
A high-profile image-maker	jñ	jñ	jñ	jñ	jñ

52. What percentage of your working time do you spend on each of the following tasks? (Your total must sum to 100%)

Managing conflict in the business	<input type="text"/>
Meeting and negotiating with customers	<input type="text"/>
Scheduling the business	<input type="text"/>
Planning the next goal for the business	<input type="text"/>
Supervision of staff	<input type="text"/>
Attending internal meetings	<input type="text"/>
Identifying new ways of doing business	<input type="text"/>
Looking for new markets	<input type="text"/>
Other	<input type="text"/>
Being creative	<input type="text"/>
Managing the day-to-day operations of the business	<input type="text"/>

53. Where do you consider yourself to be on the range between ENTREPRENEUR (1) and MANAGER (5)

jñ 1

jñ 2

jñ 3

jñ 4

jñ 5

54. Why did you place yourself at that point in the range between ENTREPRENEUR and MANAGER?

10. END OF QUESTIONNAIRE

Thank you for taking the time to complete this survey and for helping me with my research. Please be assured that your answers will be kept in the strictest confidence. Only aggregated information will be reported from this survey. No information will be reported in a form that would allow you and/or your business to be identified.

55. It would add considerably to the depth of my research if I could interview you, to understand your answers to this survey better.

If you would be willing to take part in a follow-up face-to-face interview (30 to 60 minutes), please give your contact details below. If not, thank you anyway for your time and patience in completing this survey questionnaire.

Name

Email

Phone

11. JUST TO SAY THANK YOU

56. Now that you have completed this survey questionnaire, I would like to thank you again for your time and co-operation.

Please select one of the Oak Tree Press titles below – a small token of my appreciation of your valuable contribution to my research.

Your chosen book will be sent to you in the next few days.

Growing Your Own Business: A Workbook - Ron Immink & Brian O'Kane

Tomorrow's Business - Jeff Pert

Can You Manage? - Ivor Kenny

Success Skills for Managers - Samuel A Malone

Learning Skills for Managers - Samuel A Malone

57. To send you your chosen book, I need your address - please complete below.

Name	<input type="text"/>
Address 1	<input type="text"/>
Address 2	<input type="text"/>
Address 3	<input type="text"/>
City	<input type="text"/>
County / Country	<input type="text"/>

12. End of Questionnaire A

If you did not complete one of the listed courses in 2006, you have received this survey questionnaire in error, for which I apologise.

Since you are not within the target population for the survey, I cannot include your responses, since my research is based specifically on entrepreneurs who have completed the listed courses.

Thank you nonetheless for your interest.

13. End of Questionnaire B

Since your business has not yet started, I cannot include your responses, since my research is directly specifically at businesses that are currently trading.

Thank you nonetheless for your interest.

14. End of Questionnaire C

Since your business has ceased trading, I cannot include your responses, since my research is directly specifically at businesses that are currently trading.

Thank you nonetheless for your interest.

15. End of Questionnaire D

Since you are not the "main driver" of your business, I cannot include your responses, since my research is directly specifically at those who manage and control their own businesses.

Thank you nonetheless for your interest.

16. End of Questionnaire E

Since you are not the sole founder or a member of the founding team of your business, I cannot include your responses, since my research is directly specifically at founders.

Thank you nonetheless for your interest.

17. END OF Entremanager SURVEY

Thank you.

**APPENDIX 2: SURVEY 2 (2009)
QUESTIONNAIRE**

1. INTRODUCTION

Thank you for choosing to take part in this survey.

As you may recall, I am undertaking a Masters in Entrepreneurship at Waterford Institute of Technology. My research aim is to understand how the managerial behaviour of entrepreneurs develops over time. Specifically, I am trying to establish whether a transition from entrepreneur to manager takes place and, if so, when, how and why.

Two years ago, you kindly completed a survey questionnaire for me and indicated that you would be willing to take part in a further survey at a later date. The aim of this second survey is to establish whether - and in what ways - your business has changed since the previous survey and to what extent this is reflected in the way that you now manage your business.

This survey is quite short - it should take you less than 10 minutes to complete.

Your information will be kept in the strictest confidence. Only aggregated information will be reported from this survey. No information will be reported in a form that would allow you and/or your business to be identified.

Thank you most sincerely
Brian O'Kane

1. What is your name?

2. ABOUT YOU & YOUR BUSINESS

This section of the survey collects about you and your business, which will allow me to analyse the response data more usefully.

2. What is the name of your business?

3. Is your business still operating?

Yes

No, it ceased trading since the previous survey

4. Are you still the managing director, chief executive officer or "main driver" (by whatever title) of your business?

Yes

No

3. ABOUT YOU & YOUR BUSINESS 2

5. What sales did your business achieve in the year ending 31 December 2008?

Less than €100k €101k to €250k €251k to €500k €501k to €1m More than €1m

6. How many people does your business employ now (including yourself)?

1 2 3 4 5 6 7 8 9 10 11 to 25 More than 25

7. How many different products / services does your business offer now?

1 2 3 4 5 6 7 8 9 10 11 to 25 More than 25

8. Have the shareholdings in your business changed in the past two years?

Yes No

If "Yes", please explain why.

9. In percentage terms, who owns the business now? (Your total must sum to 100%)

Yourself	<input type="text"/>
Other members of the founding team	<input type="text"/>
Other senior management, not members of the founding team	<input type="text"/>
Other employees, not members of the founding team	<input type="text"/>
Family members and close friends of yourself or other members of the founding team	<input type="text"/>
Informal investors / business angels	<input type="text"/>
BES investors	<input type="text"/>
Financial institutions, including venture capitalist	<input type="text"/>
Other	<input type="text"/>

10. Has the number of people on the Board of Directors of your business changed in the past two years?

Yes

No

If "Yes", please explain why.

11. How many people are on the Board of Directors of your business now (including yourself)?

2 (legal minimum)

3

4

5

6

More than 6

12. How often does your Board of Directors meet formally?

Weekly

Fortnightly

Monthly

Bi-monthly

Quarterly

Annually

No formal meetings, except as required by law

13. Who is responsible now for the following key functions in your business? (Tick one answer on each row)

	Board Director	Senior Manager (reporting to a Board Director)	No one
Marketing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
IT	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Human Resources	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Innovation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sales	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Finance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Production	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Logistics	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Health & Safety	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

14. As an owner / manager, has your personal responsibility for key functions in your business changed in the past two years?

Yes

No

If "Yes", please explain why.

15. As an owner / manager, how many of the following key functions are you now personally responsible for in your business? (Tick all that apply)

Finance
 Health & Safety
 Human Resources
 Innovation
 IT
 Logistics
 Production
 Marketing
 Sales

4. ABOUT THE MANAGEMENT OF YOUR BUSINESS

This, and the next, section are the core of the survey. This section collects data about the way your business is managed.

16. Which of the following most closely describes the CONTROL SYSTEMS you use in your business now?

- Sales results Standards & cost centres Reports & profit centres Plans & investment centres Mutual goal-setting

17. Which of the following most closely describes the EXTENT OF CONTROL SYSTEMS in your business now?

- None to minimal Minimal Basic to developing Maturing Extensive

18. Which of the following most closely describes the level of INTERACTION WITH EMPLOYEES you have in your business now?

- Day-to-day interaction Day-to-day interaction, with monthly meetings Monthly or quarterly meetings only Annual report Annual report, plus team-level briefings

19. Which of the following most closely describes the JOB SPECIFICATIONS you use in your business now?

- None Job specs. for operatives only Job specs. for all staff Broad task outlines for all staff Staff are self-directing

20. Which of the following most closely describes how your business is managed now in relation to LONG-TERM STRATEGY?

- Little to none When needed Annual business plan Regular review of business plan Business developed by staff co-operatively

21. Which of the following most closely describes your MAJOR STRATEGY for your business now?

- Existence Survival Maintaining profitable status quo Resourcing for growth Return on investment

22. Which of the following most closely describes MANAGEMENT FOCUS for your business now?

- Make and sell Efficiency of operation Expansion of market Consolidation of organisation Problem-solving & innovation

23. Which of the following most closely describes the MANAGEMENT REWARD EMPHASIS in your business now?

- Informal sharing of risks & rewards Salary & merit increase Individual bonus Profit-sharing & stock options Team bonus

24. Which of the following most closely describes the MANAGEMENT STYLE in your business now?

- One-to-one Supervision Delegation Reporting & control Participative

25. Which of the following most closely describes your MEETINGS WITH KEY STAFF in your business now?

- Day-to-day When needed Planned weekly / monthly meetings Planned quarterly meetings Team meetings throughout month / year

26. Which of the following most closely describes the ORGANISATIONAL STRUCTURE of your business now?

- Simple & informal Centralised & functional Decentralised & geographical Line-staff & product groups Matrix of teams

27. Which of the following most closely describes the approach to POLICIES & PROCEDURES of your business now?

- None to very few Implementing policies & procedures Dependant on policies & procedures Adherence to policies & procedures Policies & procedures act as guidelines

28. Which of the following most closely describes the PRODUCT / SERVICE COMPLEXITY of your business now?

- Single product / service Few products / services Many products / services Focused products / services Market seeks out your products / services

29. Which of the following most closely describes the QUALITY SYSTEMS in use in your business now?

- None to little Own internal standards Meets recognised external standards Meets world-class standards Other companies benchmark against us

30. Which of the following most closely describes your RESPONSE TO ISSUES in your business now?

- Immediate Corrective action process Collect data from various functional resources Handled by Quality / Specialist department Corrective action via relevant groups

31. Which of the following most closely describes the STABILITY OF MARKET for your business now?

- Stable Relatively stable Some changes Many changes Constant changes

32. Which of the following most closely describes the STABILITY OF PRODUCT /SERVICE for your business now?

- Stable Relatively stable Some changes Many changes Constant change

33. Which of the following most closely describes WHO IDENTIFIES MARKETS for your business now?

Owner / manager

Owner / manager &
other staff

Marketing
department

Marketing
department & sales
force

Pro-active from all
staff

5. ABOUT THE MANAGEMENT OF YOUR BUSINESS 2

This section continues to collect data about the way your business is managed.

34. Using the contrasting elements below, use the range from 1 to 5 to rate the way in which your business is managed now. (Tick one on on each row.)

	1	2	3	4	5
Group rewards (1) / (5) Individual rewards	jn	jn	jn	jn	jn
Collective decision-making (1) / (5) Individual decision-making	jn	jn	jn	jn	jn
Individuality (1) / (5) Conformity	jn	jn	jn	jn	jn
Risk (1) / (5) Safety	jn	jn	jn	jn	jn
External focus (1) / (5) Internal focus	jn	jn	jn	jn	jn

35. Using the contrasting elements below, use the range from 1 to 5 to rate the way in which your business is managed now. (Tick one on on each row.)

	1	2	3	4	5
Simple organisation (1) / (5) Complex organisation	jn	jn	jn	jn	jn
Ad hoc (1) / (5) Planning	jn	jn	jn	jn	jn
Decentralised decision-making (1) / (5) Centralised decision-making	jn	jn	jn	jn	jn
Innovation (1) / (5) Stability	jn	jn	jn	jn	jn
Competition (1) / (5) Co-operation	jn	jn	jn	jn	jn

36. Using the contrasting elements below, use the range from 1 to 5 to rate the way in which your business is managed now. (Tick one on on each row.)

	1	2	3	4	5
Results orientation (1) / (5) Process orientation	jn	jn	jn	jn	jn
Job orientation (1) / (5) Employee orientation	jn	jn	jn	jn	jn
Informal procedures (1) / (5) Formal procedures	jn	jn	jn	jn	jn
Knowledge is valued (1) / (5) Procedures are valued	jn	jn	jn	jn	jn
Commitment to the mission (1) / (5) Commitment to the organisation	jn	jn	jn	jn	jn

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37. Using the contrasting elements below, use the range from 1 to 5 to rate the way in which your business is managed now. (Tick one on on each row.)

	1	2	3	4	5
Open system (1) / (5) Closed system	jn	jn	jn	jn	jn
Driven by perceptions of opportunity (1) / (5) Driven by controlled resources	jn	jn	jn	jn	jn
Loose control (1) / (5) Tight control	jn	jn	jn	jn	jn
Many stages, with minimal exposure at each (1) / (5) Single stage, with complete commitment	jn	jn	jn	jn	jn
Rent of required resources (1) / (5) Ownership of required resources	jn	jn	jn	jn	jn

38. Using the contrasting elements below, use the range from 1 to 5 to rate the way in which your business is managed now. (Tick one on on each row.)

	1	2	3	4	5
Rapid growth is top priority; risk is accepted (1) / (5) Safe, slow and steady	jn	jn	jn	jn	jn
Promoting broad search for opportunities (1) / (5) opportunity search restricted by resources controlled	jn	jn	jn	jn	jn
Based on value creation (1) / (5) Based on responsibility and seniority	jn	jn	jn	jn	jn
Flat, with multiple informal networks (1) / (5) Formal hierarchy	jn	jn	jn	jn	jn

6. ABOUT YOUR OWN SKILLS

This is the last, and second core, section of the survey. It collects data about your own management style and skills.

39. Rate yourself on your management skills now.

	1 Poor	2 Below average	3 Average	4 Above average	5 Good
Planning	jn	jn	jn	jn	jn
Operational leadership	jn	jn	jn	jn	jn
Performance management / control	jn	jn	jn	jn	jn
Training / coaching	jn	jn	jn	jn	jn
Communication	jn	jn	jn	jn	jn
Time management	jn	jn	jn	jn	jn
Financial management	jn	jn	jn	jn	jn
Decision-making	jn	jn	jn	jn	jn
Day-to-day supervision / motivation	jn	jn	jn	jn	jn
Organisation / organisational planning	jn	jn	jn	jn	jn
Interpersonal skills	jn	jn	jn	jn	jn
Delegation	jn	jn	jn	jn	jn
Management development	jn	jn	jn	jn	jn
Team-building	jn	jn	jn	jn	jn
Culture management	jn	jn	jn	jn	jn
Transition / change management	jn	jn	jn	jn	jn
Strategic leadership	jn	jn	jn	jn	jn

40. Rate yourself on your entrepreneurial skills now.

	1 Poor	2 Below average	3 Average	4 Above average	5 Good
An "ideas" person	jn	jn	jn	jn	jn
Pro-active	jn	jn	jn	jn	jn
A high-profile image-maker	jn	jn	jn	jn	jn
Restless / easily bored	jn	jn	jn	jn	jn
Pursues opportunities, regardless of resources currently controlled	jn	jn	jn	jn	jn
Alert to business opportunities	jn	jn	jn	jn	jn
Thrives on change	jn	jn	jn	jn	jn
Adventurous	jn	jn	jn	jn	jn
Adopts a broad financial strategy	jn	jn	jn	jn	jn
Innovative	jn	jn	jn	jn	jn

41. What percentage of your working time do you spend now on each of the following tasks? (Your total must sum to 100 - but just enter values, don't use "% " sign)

Meeting and negotiating with customers	<input type="text"/>
Managing conflict in the business	<input type="text"/>
Supervision of staff	<input type="text"/>
Attending internal meetings	<input type="text"/>
Being creative	<input type="text"/>
Planning the next goal for the business	<input type="text"/>
Looking for new markets	<input type="text"/>
Other	<input type="text"/>
Managing the day-to-day operations of the business	<input type="text"/>
Identifying new ways of doing business	<input type="text"/>
Scheduling the business	<input type="text"/>

42. Where do you consider yourself to be now on the range between ENTREPRENEUR (1) and MANAGER (5)

jn 1

jn 2

jn 3

jn 4

jn 5

43. Why did you place yourself at that point in the range between ENTREPRENEUR and MANAGER?

7. END OF QUESTIONNAIRE

Thank you for taking the time to complete this survey and for helping me with my research. Please be assured that your answers will be kept in the strictest confidence. Only aggregated information will be reported from this survey. No information will be reported in a form that would allow you and/or your business to be identified.

44. It would add considerably to the depth of my research if I could interview a small number of survey of participants, to understand their answers to this survey better.

If you would be willing to take part in a follow-up face-to-face interview (30 to 60 minutes), please give your contact details below. If not, thank you anyway for your time and patience in completing this survey questionnaire.

Name

Email

Phone

8. JUST TO SAY THANK YOU

45. Now that you have completed this survey questionnaire, I would like to thank you again for your time and co-operation.

Please select one of the Oak Tree Press titles below – you'll find more information about them on www.oaktreepress.com - as a small token of my appreciation of your valuable contribution to my research. Your chosen book will be sent to you in the next few days.

 Achievers: Visionary Irish Leaders Who Achieved their Dream - Ivor Kenny

 Human Resource Management: A Guide for Employers - Pat Sheridan

 Grabbing the Oyster! Anecdotes & Advice from Icons of Irish Business - Pearce Flannery

 STAR: Leadership Behaviours for Stellar SME Growth - Will & John McKee

 Growing Your Own Business: A Workbook - Ron Immink & Brian O'Kane

46. To send you your chosen book, I need your address - please complete below.

Name	<input type="text"/>
Address 1	<input type="text"/>
Address 2	<input type="text"/>
Address 3	<input type="text"/>
City	<input type="text"/>
County	<input type="text"/>

9. End of Questionnaire C

Since your business has ceased trading, I cannot include your responses, since my research is directly specifically at businesses that are currently trading.

Thank you nonetheless for your interest.

10. End of Questionnaire D

Since you are no longer the "main driver" of your business, I cannot include your responses, since my research is directly specifically at those who manage and control their own businesses.

Thank you nonetheless for your interest.

11. END OF Entremanager SURVEY

Thank you.

**APPENDIX 3: SURVEY 1 (2007)
STANDARD LETTER TO ENTERPRISE
PLATFORM PROGRAMME PARTICIPANTS**

Dear (name)

You completed the Create / M50 EPP / NEEPP / SEEPP in (year). You may remember me as one of the programme tutors. I hope you found the programme useful and that you are now running a successful business.

I am writing to ask for your help with some research that I am undertaking for a Masters degree in Entrepreneurship at Waterford Institute of Technology. My research aim is to examine whether (and, if so, when, why and how) entrepreneurs become managers as their companies grow.

This survey is designed to gather information about you, your business and the way you manage it, as a basis for my research. You can take the survey online at <http://www.surveymonkey.com/s.asp?u=863703293157> or, if you prefer to complete a hard copy questionnaire, please let me know and I'll send it to you. Either way, completing the survey should take you no more than about 15 or 20 minutes.

Your information will be kept in the strictest confidence. Only aggregated information will be reported from this survey. No information will be reported in a form that would allow you and/or your business to be identified.

To thank you for contributing to my research, I'll send you free of charge your choice of a book from a selection of Oak Tree Press titles - you'll find details at the end of the survey questionnaire.

Thank you for your co-operation and time.

Yours sincerely
BRIAN O'KANE

**APPENDIX 4: SURVEY 1 (2007)
STANDARD LETTER TO START-UP BOOT
CAMP PARTICIPANTS**

Dear (name)

You attended an Oak Tree START-UP BOOT CAMP in (year), for which I was the presenter. I hope you found the course useful and that you are now running a successful business.

I am writing to ask for your help with some research that I am undertaking for a Masters degree in Entrepreneurship at Waterford Institute of Technology. My research aim is to examine whether (and, if so, when, why and how) entrepreneurs become managers as their companies grow.

This survey is designed to gather information about you, your business and the way you manage it, as a basis for my research. You can take the survey online at <http://www.surveymonkey.com/s.asp?u=863703293157> or, if you prefer to complete a hard copy questionnaire, please let me know and I'll send it to you. Either way, completing the survey should take you no more than about 15 or 20 minutes.

Your information will be kept in the strictest confidence. Only aggregated information will be reported from this survey. No information will be reported in a form that would allow you and/or your business to be identified.

To thank you for contributing to my research, I'll send you free of charge your choice of a book from a selection of Oak Tree Press titles - you'll find details at the end of the survey questionnaire.

Thank you for your co-operation and time.

Yours sincerely

BRIAN O'KANE