

An Exploration of the Characteristics and Embeddedness of Entrepreneurs in a Rural Community

David Power

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Research Supervisors:

Dr. Mary T. Holden and Dr. Patrick Lynch

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Declaration

The author hereby declares that, except where duly acknowledged and referenced, this research study is entirely his own work and has not been submitted for any degree or other qualification in Waterford Institute of Technology or any other third level institution in Ireland or abroad.

David Power, Waterford Institute of Technology, 2011

Abstract

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A major objective of recent supranational and national policies has been the socio-economic equity and cohesion of all regions within the European Union (EU) and in the Irish state. Pezzini (2001) identifies that current policies reflect a shift in political thinking; policy makers now see sustainable development occurring through development strategies rather than fiscal ones. Rural entrepreneurship has been acknowledged in academic and government circles as a key driver in rural socio-economic development (Wortman, Jr., 1990; Irish Rural Development Programme 2007-2013; Common Agricultural Policy (CAP) Rural Development Plan 2007-2013). Despite its recognized importance, rural entrepreneurship has attracted little research attention, resulting in extensive knowledge gaps (Wortman, Jr. 1990; Statopoulou et al., 2004).

Emergent literature suggests that the utilization of Actors Network Theory and a qualitative methodology will provide insights into the entrepreneurial process and how the rural context and the entrepreneur's social embeddedness within the local community (identified as the major differentiators between rural and urban entrepreneurship) both inhibits and enhances the entrepreneurial process (Statopoulou et al., 2004; Jack and Anderson 2002). Based on the foregoing, the objective of this study is to substantially contribute to extant knowledge by determining those factors that inhibit and facilitate rural entrepreneurs.

In order to achieve the research objectives, a multi-case study approach is utilised, involving two rural destinations. Dunhill Enterprise Centre (DEC) and Dunhill, Fenor, Boatstrand and Annestown (DFBA) communities, as case examples.

Consistent with the findings of the European Commission (2003), this study indicates that demographic and psychological characteristics do impact on rural entrepreneurs. This research found that the characteristics most likely to impact on rural entrepreneurs were sex, age, and period of time spent in business in the rural community. Also included under the demographic umbrella were education, previous work experience and family influences. When investigating psychological characteristics, the study found that the characteristics that directly impacted on rural entrepreneurs were independence, need for achievement, locus of control, risk-taking and tolerance of ambiguity. The study also revealed the importance of rural community embeddedness, in the form of relational, structural and positional embeddedness, in addition to highlighting the importance of business networking. These findings have particular implications for practitioners and policy makers in an Irish entrepreneurial context.

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Dedication

TO MY LATE AUNT MARIA O' REGAN

1960 - 2009

I dedicate this thesis to the most wonderful aunt that anyone could ask for. The untimely and heartbreaking passing of my aunt Maria has left a deep open wound in my heart and in my life.

To me, she was the gentlest and most fun charismatic woman that I've ever known and she was always there for me through the many milestones in my life.

She showed an unfailing spirit, love, support and encouragement to me and it was her never ending ability to see the positive and to be there for me, to look after me, to never let me down or disappoint me in any way and for always believing in me that really stood to me throughout the years.

Maria, you will be forever young in my memories and in my heart.

*“The future belongs to those who believe in the
beauty of their dreams...”*

Eleanor Roosevelt

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List of Abbreviations

DEC	Dunhill Enterprise Centre
DFBA	Dunhill, Fenor, Boatstrand and Annestown
OECD	Organisation for Economic Co-operation and Development

Glossary of Terms

- Brokerage:** This is an individual or firm that acts as an intermediary between two or more parties (Burt, 2005).
- Community:** Community is a web of effect-laden relationships among a group of individuals (Etzioni, 1993).
- Culture:** Is a shared, collective understanding and interpretation of the world by a group of people, in which differences in understanding also exist (Trompenaars, 1994).
- Dyad:** Two individuals or units regarded as a pair (Oxford Dictionary).
- Embeddedness:** Embeddedness is considered a mechanism whereby an entrepreneur becomes part of a local structure (Granovetter, 1985).
- Human capital:** The stock of an individual's skills and knowledge (Baum and Devine, 2005).
- Information:** Includes facts and symbols, is the part of knowledge which can be easily transformed and transmitted (Lundvall, 1998; Kogut and Zander, 1992).
- Knowledge redundancy:** The degree of similarity in relation to information, capabilities, and skills among participants in a social structure (Burt 1992; Krackhardt 1992).
- Nature of ties:** The context of the nature of ties has been conceptualised by a variety of scholars using different terms namely: direct versus indirect (Kale et al., 2000; Cohen and

Prusak, 2001), strong versus weak (Granovetter, 1973) and arm's length versus embedded (Powell, 1990 and Baker, 1990). For the entirety of this dissertation the researcher has decided to adopt the term strong versus weak ties as conceptualised by Galaskiewicz and Wasserman (1993) following Granovetter (1973).

- Network closure:** Burt (2001) described network closure as a network of strongly interconnected actors – a densely connected network. Due to the interconnectedness, the actors have direct contact which promotes improved communication, and the development of normative sanctions influencing behaviour (Burt, 2001; Coleman, 1988, 1990). Essentially, network closure promotes trust and facilitates the development of social capital.
- Positional embeddedness:** Focuses on the actors' overall purpose within a single network and the advantage or disadvantage of the position held by the actor (Uzzi, 1997).
- Relational embeddedness:** Relational embeddedness focuses on the quality and depth of dyadic relations, for example, as displayed by cohesiveness (Uzzi, 1996).
- Rural entrepreneurship:** is the creation of a new organisation that introduces a new product, serves or creates a new market, or utilises a new technology in a rural environment (Wortman, 1990).
- Social capital:** “The set of resources, tangible or virtual, that accrue to a corporate player through the player's social relationships, facilitating the attainment of goals” (Leenders and Gabbay, 1999: 3).
- Social stigma:** A spoiled social identity (Goffman, 1963).

- Strong ties:** Tend to bond similar people to each other, and these similar people tend to cluster together such that they are all mutually connected (Granovetter, 1973).
- Structural embeddedness:** Refers to the overall architecture of the network and can be defined as the “extent to which a dyad’s mutual contacts are connected to one another” (Granovetter, 1992: 35).
- Structural equivalence:** Is the degree of interaction with the same players within a network (Friedkin, 1984).
- Structural hole:** A structural hole is “a separation between non-redundant contacts” (Burt, 1992: 6).
- The strength-of-weak ties:** described as when entrepreneurs are required to go beyond the knowledge of their own social network to obtain scarce resources (Uzzi, 1996, 1997; Baum et al., 2000; Granovetter, 1973, 1983).
- Tolerance of ambiguity:** Ambiguity occurs when there is “no clear interpretation of a phenomenon or set of events” (Hunter, 2006: 45).
- Weak ties:** A “local bridge” to parts of the social system that are otherwise unconnected, and therefore, a weak tie is likely to provide new information from disparate parts of the system (Granovetter, 1973).
- Internal locus of control:** “Individuals who are deemed to have an internal locus of control believe that they can positively determine their own destiny by their own behaviour and that fate or luck plays a relatively insignificant role” (Henry et al., 2003: 40).

External locus of control: “Individuals with an external locus of control, relate results to the difficulty of the particular task, to the actions of others and to a combination of luck and fate” (Henry et al., 2003: 40).

Chapter 1: Introduction

1.1 Introduction

The focus of this study involves rural entrepreneurship. As well as substantive literature, this study was informed by Irish and European government policies which perceive the growth of rural entrepreneurship as vital to the economic well-being of rural regions as well as contributing to the state's overall economic growth.

One of the major effects of Ireland's past, unprecedented economic growth is that national prosperity has occurred in major urban hubs at the expense of rural regions within the national economy (Irish Rural Development Programme 2007-2013). The movement towards urban hubs for industrialisation created a cycle in which areas of large populations grew, while areas of lower population declined and became more dependent on lower skilled jobs and lower levels of industrial activity (National Spatial Strategy 2002-2020). Indeed, as the Irish Rural Development Programme 2007-2013 has noted, the socio-economic characteristics of rural areas have changed rapidly in the last ten years, due to: (1) depopulation and an increasingly aging rural population and (2) the fact that the majority of rural dwellers are either farming or directly dependent on agriculture; agriculture was seen and is still seen as the major generator of economic activity in rural areas; indeed, the long-term trend is for the relative significance of conventional farming to decline, especially as a provider of employment and incomes.

In recognition of regional imbalances and in line with the European Union's objectives for regional equity and cohesion, in 2002, the Irish government launched 'The National Spatial Strategy 2002-2020', to ensure that a more balanced social, economic and physical environment exists across different regions, which would enable each region to contribute to the overall performance of the state. Subsequently, the Irish Rural Development Programme (2007-2013: 22) suggested that the answer to reducing regional imbalances is in, "supporting innovation in indigenous industry (both high-tech and traditional) and encouraging business set-ups in rural regions to enable them contribute to the knowledge economy". Further, considering the relatively small size of rural firms, a key objective of national policy is to create a system of entrepreneurship through collaborative linkages which engage all stakeholders in cooperative activities in a community (National Development Plan 2007-2013). Indeed, many European and

government initiatives aim to specifically encourage rural entrepreneurship¹ in Ireland, through collaboration with external partners in mutually beneficial community networks.

A review of substantive literature highlights that although much has been written about entrepreneurship, researchers in this field have failed to incorporate rural entrepreneurship and community embeddedness. The foregoing highlights that there is a gap in the literature concerning the role and functions of an entrepreneur's socio-economic network and the effect of the rural context on the development and sustainability of rural entrepreneurship. The aim of this research is to contribute to knowledge on rural entrepreneurship and community embeddedness. The study brings together rural entrepreneurship, the demographical and psychological characteristics of the entrepreneur, the factors affecting entry to entrepreneurship along with the entrepreneur's community embeddedness to try and gain a better understanding of rural entrepreneurs and make a substantial contribution to the gap in academic knowledge. For those entrepreneurs living in rural locations, this knowledge gap is of particular concern especially in the economic downturn and given the depopulation of rural locations in recent times. This research investigates both the individual entrepreneur and the entrepreneur's community embeddedness through interviews with entrepreneurs operating in rural locations.

The next sections of this chapter present a more detailed description of the study's contributions, followed by an outline of the study's objectives and research methodology. The chapter closes with a summary of the dissertation's structure.

1.2 Contribution of the Study

This study aims to respond to the research gap indicated in the previous section and make a contribution to knowledge and understanding of these issues from the perspective of the entrepreneurs operating in rural locations. The overall contribution of

¹ A rural entrepreneur is considered someone who is prepared to stay in the rural area and contribute to the creation of local wealth (Fendley and Christenson, 1989). To some degree, however, the economic goals of an entrepreneur and the social goals of rural development are more strongly interlinked than in urban areas. For this reason, entrepreneurship in rural areas is usually community based, has strong extended family links and has a relatively large impact on the local community (Pertin, 1992).

this study is discussed under three subsections namely: theoretical, practical and policy. Each is discussed in more detail below.

1.2.1 Theoretical Contribution

There have been a number of research calls to explore how rural under-development can be addressed through rural community entrepreneurship (Wortman, Jr. 1990; Jack and Anderson 2002; Stathopoulou et al., 2004), indeed, there exists a paucity of research on the evolution of rural entrepreneurial communities (Stathopoulou et al., 2004); however, few research agendas have addressed rural entrepreneurship. A plethora of research exists on the concept of entrepreneurship, yet a review of the literature highlights that the majority of the research focuses on the psychological and demographical characteristics of the entrepreneur in an urban context and does not examine entrepreneurship at a macro group level (Haugh and Pardy, 1999) nor in a rural context, especially in regards to entrepreneurial embeddedness in a rural community. This study's focus on embeddedness reflects the growing understanding that entrepreneurs are embedded socially within the rural community, and that this embeddedness is a major factor in the development and maintenance of his/her enterprise (Jack and Anderson 2002; Stathopoulou et al., 2004; Morrisson 2006). In other words, the entrepreneur's activities are enhanced and constrained by the rural community in which he/she is embedded – this perspective arises from Giddens' (1984) Structuration Theory, whereby entrepreneurship is seen “as an embedded socio-economic process, i.e. a process drawing from the social context which shapes and forms entrepreneurial outcomes” (Stathopoulou et al., 2004: 415). Additionally, drawing from the entrepreneurial literature, there is firm evidence that entrepreneurial networks are critical to the creation and development of an entrepreneur's new enterprise (cf. Jack et al., 2004).

Drawing from the work of Hugh and Pardy (1999) and Jack and Anderson (2002), this study's underlying theoretical framework integrates the Actors Network Theory theoretical approach and Giddens' Structuration Theory in relation to community embeddedness. This integration represents an innovative approach to the study of rural entrepreneurship, which although proposed by Stathopoulou et al. (2004), has not previously been applied in a rural research context (to the best of the writer's knowledge). Actors Network Theory is a useful theoretical framework for the understanding of entrepreneurial processes in rural regions as it addresses the most

relevant questions in entrepreneurial research such as who is able to promote entrepreneurial targets and achieve the best interest, what strategies or practices are used and what technologies are invented. Giddens's theory of Structuration has been used as a theoretical framework exploring and developing the concept of entrepreneurship as an embedded socio-economic process, i.e. a process drawing from the social context which shapes and forms entrepreneurial outcomes (Jack and Anderson 2002).

The section to follow addresses this study's practical contribution.

1.2.2 Practical Contribution

Malecki (1994) asserted that the new development approach that has emerged over the past decade is the development from 'bottom-up', meaning from a macro community level. According to Ateljevic (2009), an increasing number of countries have adopted this "bottom-up" strategy to attempt to close the gap between lagging rural regions and urban regions. This 'bottom-up' approach is largely associated with the concept of sustainability in which local communities are increasingly proactive in facilitating the regional development. In contrast, this 'bottom-up' approach opposes the predominant 'top-down' approach that Ateljevic (2009) stated occurs in a number of countries, meaning decisions are made by the national government without the consultation of local individuals in local communities. Indeed, this study examines the importance of community development based on local entrepreneurial initiatives – for new and existing entrepreneurs, successful entrepreneurship in a rural region involves becoming embedded in the local community and crafting networking strategies so that they can more easily realise opportunities, generate economic activity and expand their own business venture successfully. The main practical contribution of this study, therefore, is enhanced understanding of the importance of community embeddedness and social networking for successful entrepreneurial emergence and long-term sustainable success for rural entrepreneurs. This research extends previous findings which indicate that networking, in addition to relational, structural and positional embeddedness, along with demographical and psychological characteristics of the individual entrepreneur, all impact on the entrepreneurial process in rural communities. If enterprises are to survive in a rural community, then future entrepreneurs must realise the importance of the factors that affect entry to rural entrepreneurship.

In addition to the above, this study showcases the success stories of rural entrepreneurs, thereby providing an example to other entrepreneurs; indeed, to accelerate economic development in a rural area, it is necessary to increase the supply of entrepreneurs who will take risks and accept the uncertainties of new venture creation and who will, by their example, stimulate an independent entrepreneurial process thereby ensuring continuous rural development (Timmons et al., 1980) – the foregoing is particularly important in regards to stimulating entrepreneurship in young people, that is, that they see entrepreneurship in action from a young age. In the section to follow, the implications of this study for policy will be outlined.

1.2.3 Policy Contribution

Emanating from this research are several insights for government policy-makers concerned with rural development and encouraging entrepreneurial activities. In particular, Pertin (1992) contended that entrepreneurship demands an enabling environment in order to foster policies and programmes targeted at rural entrepreneurship to transform rural communities. However, entrepreneurial behaviour, specifically, the ability to spot unconventional market opportunities, would appear to be most lacking in those rural areas where it is most needed. In addition, the ease of access to initial finance to initiate a business venture represents a major challenge. This research will provide evidence to government bodies of the specific problems associated with gaining access to initial finance and the repercussions that this has on stimulating entrepreneurial emergence. Further, this study will provide further evidence to government bodies on a major problem concerning the initial stages of business start-up, that is, the burden of compliance costs and local authority charges (that are included in government policy) on entrepreneurship.

Based on the foregoing and the ‘bottom up’ strategy mentioned in the practical contribution above, this study will recommend that policy makers implement or put policies in place so that Ireland can move towards the ‘bottom-up’ strategy that is commonly in place in other European communities – this can lead to higher entrepreneurial activity in smaller, more rural communities. This study will examine these issues in light of potential policy facilitating future entrepreneurial activity.

1.3 Study Objectives and Research Method

As indicated in the preceding text of this chapter, the research area involves two levels of analysis: the individual level and the community level, and the overarching research question concerns the nature of rural entrepreneurship and the effects of entrepreneurial embeddedness in a rural setting. Based on the foregoing, the following are this study's objectives:

1. To explore the demographical and psychological characteristics among rural entrepreneurs for commonalities or differentiators that affect entry to entrepreneurship.
2. To explore the factors affecting entry to rural entrepreneurship.
3. To explore how community embeddedness can enhance or hinder rural entrepreneurship.
4. To explore the function and effectiveness of an entrepreneur's network in a rural community context.

The methodology focuses on content, context, processes and outcomes of rural entrepreneurs, hence the need for a methodology that allows a richer and more detailed analysis than quantitative research offers. Indeed, the exploratory nature of the research is evident in its objectives and would be less amenable to meaningful quantification. Little research investigating this phenomenon is available so the research methods will have to be flexible, unstructured, and qualitative because the researcher will begin without a firm preconception as to what will be found (Malmberg, 2002; Kumar et al., 2005). This study will use a case study methodology which is typical of exploratory research; the study draws on the actual experiences of existing rural entrepreneurs.

An outline of the dissertation's structure follows.

1.4 Dissertation Structure

This dissertation is divided into eight chapters, the first one being the introductory chapter, which presents the study's context and research problem. This chapter also introduces the objectives of the research and aspects pertinent to addressing the research objectives and the chosen methodology.

In Chapter Two, the literature surrounding the entrepreneur in terms of entrepreneurial profile, demographical and psychological characteristics, along with factors that affect entry to entrepreneurship, is discussed in detail.

Chapter Three investigates the three different embeddedness dimensions, namely: Relational, Structural and Positional Embeddedness. This chapter allows one to gain a better understanding of these embeddedness dimensions in relation to networking and the nature of ties.

Chapter Four takes an in-depth look at the embeddedness dimensions and their importance in a rural entrepreneurial community setting. The argument presented in this chapter provides a more holistic perspective on entrepreneurship, which is moving away from viewing entrepreneurship as only involving the individual to a perspective that also includes the entrepreneur's community. This chapter examines the individual entrepreneur in the context of their community embeddedness in a rural environ.

In Chapter Five, the philosophical stance and methodological approach of the study is discussed. A review of the philosophical paradigms in order to guide the selection of the most appropriate methodologies for the study is undertaken. This chapter discusses the subjectivist position adopted and the rationale underlying the choice of a dual case study approach.

Chapter Six presents the findings from both cases under investigation. This is followed in Chapter Seven by a discussion on the research findings in light of the literature reviewed.

Finally, the last chapter outlines the conclusions and implications of the study. It concludes with: the limitations of this study, directions for further research and a reflection on the research project.

Chapter 2: The Individual Entrepreneur

2.1 Introduction

Early entrepreneurial research characterises the entrepreneur's behaviour as involving psychological and demographic characteristics. The European Commission (2003) further emphasised this by stating that certain characteristics are more prominent among successful entrepreneurs. A plethora of research studies have attempted to establish an entrepreneurial profile, and, as Caird (1991) pointed out, entrepreneurs are now probably one of the most researched groups. Shane et al. (1991) argued that there are many reasons why an entrepreneur may start a new business, as the decisions people make are complex and unique. Zimmer and Scarborough (1998:7) defined the entrepreneur as: "One who creates a new business in the face of risk and uncertainty for the purpose of achieving profit and growth by identifying opportunities and assembling the necessary resources to capitalise on them". Entrepreneurs are often regarded as exceptional individuals (McCarthy and Leavy, 1999), who have unique values and attitudes towards work and life that differentiate them from non-entrepreneurs (Cunningham and Lischeron, 1991). This chapter will take an in-depth look at the entrepreneur's profile focusing on psychological, demographical characteristics and factors affecting entry to entrepreneurship. In order to understand entrepreneurship at a community level, it is perceived that it is necessary to consider the entrepreneur from a micro or individual level first, as this will provide a fuller understanding of the concept of entrepreneurship and what it entails.

2.2 The Profile of the Entrepreneur

Entrepreneurs develop from many sources: unemployed, private sector workers and corporate managers (Henry et al., 2003). Entrepreneurs own their own businesses, exert management control and have the right to contract business profit, but also assume the risk of losing their business (Low et al., 2005). The entrepreneur has an enthusiastic vision and is the driving force behind an enterprise. This vision is usually supported by an interconnected collection of specific ideas not available to the marketplace (McClelland, 1961). With persistence and determination, the entrepreneur develops strategies to change this vision into reality in the form of a business venture. Not all entrepreneurs start their own business for the same reasons and this, in turn, has an impact on local economies. For instance, if entrepreneurs initiate business ventures just

to become self-sufficient without a growth orientation in mind, they are less likely to stimulate the local economy due to the limited capabilities of a sole entrepreneur (Henderson, 2002 and Low et al., 2005).

According to Swell and Pool (2010), an entrepreneur's prerogative is to imitate a new business venture. However, the aforementioned authors believe that if an entrepreneur is to be successful in their quest, they need to possess a particular and distinctive set of characteristics. There is considerable divergence in the literature as to why someone might become an entrepreneur (Hisrich and Peters, 1998). This debate is fuelled by the argument as to whether entrepreneurs are born with entrepreneurial characteristics or whether these can be learned by an individual, for example, McCarthy (2000) stressed that entrepreneurs are born and not made. Indeed, Drucker (1970) argued that entrepreneurship is a function of stable or enduring characteristics which are possessed by some people and not by others. In contrast, Madsen et al. (2003) argued that believing entrepreneurs are born and not made does not allow for learning or nurturing to take place. Both Hisrich (1990) and Haynes (2003) asserted that the background, education, training and previous work experience of an individual can encourage entrepreneurial characteristics to emerge. Similarly, Chell and Allman (2003) have also argued that entrepreneurship can be taught and, in fact, they contended that education can actually enhance the entrepreneurial experience. Despite the divergence, there is, nevertheless, a general consensus that entrepreneurs possess certain characteristics that make them more likely to become an entrepreneur than those that do not possess these characteristics (Shapiro, 1975). Whatever the reason for the business start up, the most prominent demographical and psychological characteristics identified in the literature as contributors to potential entrepreneurship are illustrated in Table 2.1.

Table 2.1 Demographical and psychological characteristics common to entrepreneurs

<i>Demographics</i>	<i>Authors</i>	<i>Psychological</i>	<i>Authors</i>
<i>Gender</i>	Carter et al. 2001	<i>Need for independence</i>	Van Gelderen and Jasen, 2006
<i>Age</i>	Singh and Verma, 2001	<i>Need for achievement</i>	McClelland, 1961
<i>Education</i>	Donkels 1991b; Krueger and Brazeal, 1994	<i>Locus of control</i>	Begley and Boyd, 1987
<i>Previous work experience</i>	Donkels 1991a; Krueger and Brazeal, 1994	<i>Risk-taking propensity</i>	Brockhous and Horowitz, 1986; McClelland, 1961
<i>Family</i>	Grenholm et al. 2004	<i>Tolerance of ambiguity</i>	Begley and Boyd, 1987

Source: Adopted from Henry et al. (2003)

2.2.1 Demographic Characteristics

The demographic approach to the study of entrepreneurship aims to identify where commonalities lie when characterising the entrepreneur, taking into account the following criteria:

- *Gender*: Gender is an important demographic characteristic when it comes to entrepreneurship because this criterion illustrates varying tendency levels towards entrepreneurship. Specifically, “studies have concluded that there are some differences between men and women when it comes to characteristics and motivations in relation to entrepreneurship” (Tynan, 2008: 7). Similarly, the different types of entrepreneurs in a society and the nature of the business in which they operate can be influenced by one’s gender (OECD², 2004). Depending on the industrial gender make-up, women’s entrepreneurial activity levels are usually significantly lower than men’s levels and, furthermore, the industries that women commonly operate within differ significantly to that of men (Carter et al., 2001; Robihaud et al., 2010).

Although entrepreneurship tends to be a male dominant field, that trend is changing. The last decade has been one of the most successful for female entrepreneurship, which in itself has been recognised as an imperative, unexploited source of economic growth (OECD, 2004). Within the last five to six years, the number of women considering entrepreneurship as a valid career option has increased (Aylward et al., 2006). The reasons for beginning a business venture tend to be different for each sex, and previous studies have shown that women have a different outlook to the management of their business ventures than their male counterparts (Brush, 1992). For men, money is the second most cited reason for becoming an entrepreneur, after wanting to be one’s own boss. Whereas, job satisfaction, achievement, opportunity and money are the most frequent reasons (in rank order) for women, highlighting motivational reasons which may reflect the family situation (Watson et al., 1998).

² Organisation for Economic Co-operation and Development (OECD)

Many authors have argued that there are more differences than similarities between men and women when it comes to motivating factors for becoming an entrepreneur (Cromie, 1987a; Brush, 1992). Male and female entrepreneurs differ with respect to their personal and business goals and their tendency to start and run businesses in different sectors (Brush, 1992; Fischer et al., 1993; Carter et al., 1997; Verheul and Thurik, 2001). One of the reasons for women's low participation rate in entrepreneurship has been associated with their tendency to be concentrated in public sectors, such as health and education. However, Forfás (2007) have recommended that to counteract the scarcity of female entrepreneurship, greater emphasis needs to be placed on their visibility, specifically, by celebrating successes of female entrepreneurs and presenting them as role models. Providing easy access to micro-finance for females has also been identified as integral in encouraging entrepreneurship among women, as they often have access to "fewer resources, less knowledge and have in many countries a lower societal position than men" (OECD, 2004: 30).

- *Age*: According to Singh and Verma (2001) another important demographic characteristic that differentiates an entrepreneur from an ordinary individual is the age of the entrepreneur. The decision to become an entrepreneur is affected by the sequence of events that occur over the course of an entrepreneur's life. There is a decline in the likelihood of individuals becoming entrepreneurs as they become older (Shane, 2003). However, a more mature entrepreneur will have significantly more experience and thus may be more likely to succeed, in contrast to younger entrepreneurs who are more likely to take more risks in an attempt to grow their business (Henry et al., 2003). Entrepreneurial activity climaxes among individuals aged between thirty and forty years old (Katz, 1994). Often at this point, an individual feels that, after significant time spent in previous employment, they can enter into entrepreneurship and instigate a successful business venture (Katz, 1994). In addition, as people age, the opportunity costs associated with leaving paid-employment rises because their incomes tend to increase with age (Freeman, 1982). Moreover, younger entrepreneurs tend to have a greater need for achievement and feel that they have to prove themselves, which in turn leads to higher levels of ambition (Singh and Denoble, 2003).

- *Education:* Donkels (1991b) along with Krueger and Brazeal (1994) indicated that education is the key to successful entrepreneurship and can help individuals cope with their entrepreneurial problems more easily. Moreover, Jusoh (2011) argued that previous research has shown that the formation of potential entrepreneurs through education and entrepreneurial training can stimulate economic growth. The foregoing authors also believed that education may impact on an individual's attitudes in relation to starting their own business. Hisrich (1990) stressed that a good education is essential for entrepreneurship, as relevant formal educations can make the entrepreneur feel more competent in forming and managing a business. Nevertheless, individuals facing the constraints of low educational attainment often cite entrepreneurship as the only way to advance themselves socially and economically (Donkels, 1991b). However, if individuals see an opportunity in entrepreneurship as a way to advance themselves, economically and socially, they may find it more difficult to exploit the entrepreneurial opportunities due to their lower level of education attainment (Krueger, 1993). Moreover, previous studies by O'Farrell et al. (1986) and Hisrich and Peters (1988) have indicated that entrepreneurs tend to be better educated, holding primary university degrees or higher. In addition, education develops personal values such as very strong ethics and ethical behaviour (Forfás, 2007). Individuals with higher educational attainments tend to have skills that assist them not just in business start-up but also in greater employment opportunities, which results in greater levels of opportunity cost in relation to entrepreneurial activity (Johansson, 2000).

Indeed, for the past decade, educating entrepreneurs has been a strategic objective of government policy. Ireland's policy advisory board for enterprise and science, Forfás (2007), recognised that entrepreneurial education can be instilled in young people as a career choice by including entrepreneurial education in the third-level curriculum of non-business students. This, in turn, should improve entrepreneurial recognition in Ireland as young adults will be learning about entrepreneurship and what it entails early in life and this may encourage them to choose an entrepreneurial career. Ireland's National Policy Advisory Body for Enterprise and Science (2007) also recognised that linking new knowledge developed by the research community in third-level institutions

to entrepreneurs (who have the perception, skills and motivation to commercialize it) can hugely influence entrepreneurship as a viable career option.

- *Previous Work Experience:* Oakey (2003) argued that the industry in which the 'new' entrepreneur operates is strongly linked to previous experience. Previous work experience has been seen by some as an important factor in entrepreneurial success, particularly if the experience is in the same industry as the proposed business venture (Henry et al., 2003: 55). Furthermore, career experience facilitates the entrepreneur in exploiting entrepreneurial opportunities and can increase the entrepreneur's anticipated profit (Shane and Khurana, 2001). As a result, it is expected that people with more career experience will reap greater rewards through exploiting entrepreneurial opportunities than people with less career experience (Shane and Khurana, 2001). To date, the literature has suggested five types of career experience that encourage opportunity exploitation: general business experience, functional experience, industry experience, start-up experience and vicarious experience (Oakey, 2003).
- *Family:* There is a general consensus in the literature that family is one of the biggest influences on major life decisions, such as determination of a career path (Basu, 2004). Family influences are an important factor for potential entrepreneurs in their decision to start a new business and, furthermore, there is evidence, in some cases, that a tradition of entrepreneurship within the family can encourage potential entrepreneurs (Coffee and Scase, 1983). With regards to childhood and family background, Hisrich and Brush (1984) revealed that the occupation of parents has an influence on whether an individual is nurtured in an entrepreneurial direction. Indeed, entrepreneurs tend to have self-employed or entrepreneurial fathers (Hisrich and Brush, 1983); this provides a strong inspiration for a young, budding entrepreneur. Parents are the primary role models in the early socialisation of children; they affect both the personality development and career attitudes of their children (Grenholm et al., 2004). Indeed, factors such as parent's occupation, social status, birth-order, and the entrepreneur's relationship with their parents have been found to be determinants of entrepreneurship (Henry et al., 2003). A further relationship with entrepreneurship found to be highly significant and robust is having

entrepreneurs in the family and among friends (Henry et al., 2003). Moreover, studies conducted by Dyer and Handler (1994) identified three circumstances that reflect the different points in time when family and entrepreneurial dynamics intersect, as follows:

- 1. The early experiences in the entrepreneur's family of origin:** parents providing a supportive, yet challenging environment in the home, can develop children with high entrepreneurial drive (Dyer and Handler, 1994). Similarly, Henry et al.'s (2003) study of entrepreneurs, who had significant family responsibilities at a young age, found that the entrepreneur's early family experiences can impact on his/her success or failure later in life.
- 2. Family involvement in the entrepreneur's start-up activities:** Both Coffee and Scase (1983) and Dyer and Handler (1994) mentioned the family's willingness to support the venture, both financially and emotionally, the ability of the entrepreneur to 'use' family members in the business to reduce start-up costs, and the ability to manage the obligations of both the business and family, as important to the entrepreneur at this critical stage.
- 3. Employment of family members in the entrepreneurial firm:** Dyer and Handler (1994) noted that while family members are regularly employed in the entrepreneurial firm, little empirical work has been conducted to demonstrate the connection between, and influence of, family involvement and business performance.

From the foregoing, it is apparent that some entrepreneurs have the ability to perceive profitable opportunities even when very young. Shane (2003) proposed that the influence of an independent and flexible nature, ingrained from an early age, can nurture entrepreneurial tendencies. Indeed, the thought that the majority of entrepreneurs are first-born children has been cited in several research studies as one of the primary demographic characteristics of entrepreneurs (Henry et al., 2003). Literature indicates that a 'typical' female entrepreneur is: the first born in the family, with a self-employed, professional father, and highly educated (Hisrich and Brush, 1984). The effect of birth order on entrepreneurship has centred on the assumption that individuals

born first in their family inherit or develop a set of personality characteristics that predispose those individuals to entrepreneurial behaviours at some point during their lives (Henry et al., 2003). Indeed, Garavan (1997) suggested that the first born or only child in the family experience greater degrees of isolation than a later born child. This is claimed to result in higher levels of motivation to achieve recognition through manipulation of material objects rather than social skills and sociability (Garavan, 1997).

2.2.2 Psychological Characteristics

Henry et al. (2003) contended that the psychological or trait approach to the study of entrepreneurship is probably the most extensively represented area in the literature. Hence, a long list of psychological characteristics of the typical entrepreneur is in existence, which many believe contribute significantly to entrepreneurship (as previously highlighted in Table 2.1), including:

- *Need for Independence:* Entrepreneurial behaviour is often characterised by a “taste for independence” (European Commission, 2003). Van Gelderen and Jasen (2006) asserted that one of the most important drivers of entrepreneurship is the desire for independence and, furthermore, that it is this need for independence that influences the success of the enterprise. Similarly, research by Shapero (1975) found that entrepreneurs desire independence and the opportunity to be their own boss. This is consistent with more recent research which found that the strongest reason given by potential business owners for founding their own business was the desire to be one’s own boss (Fielden et al., 2000).
- *Need for Achievement:* In an early study, McClelland (1961) described the entrepreneur as primarily motivated by an overwhelming need for achievement and a strong urge to build, and that these characteristics made them more suited to creating new ventures. He further stressed the significance of family socialisation and parental influence in developing the need for achievement. Furthermore, he argued that people with a high desire for achievement would likely be found to take personal responsibility for decisions involving degrees of risk. In a later study, McClelland (1965) found that entrepreneurs with a high level of need for achievement demonstrated a strong desire to do well in

competitive situations. Indeed, the need for achievement seems to be entrepreneurs' primary motivating force; money is simply a symbol of achievement (McClelland, 1965). Following a study of 150 entrepreneurs, Collins and Moore (1970) concluded that entrepreneurs are tough, pragmatic people driven by needs for independence and achievement, and are seldom willing to submit to authority. However, both Roberts (1968) and Wain and Rubin, (1969) found that entrepreneurs need to have the right balance between the need for achievement, power and affiliation, in order to succeed. More recently, a strong desire to achieve has been linked to success by Littunen (2000), while Irwin (2000) has described entrepreneurs as, above all else, "achievers". Indeed, convergent evidence (provided by Hisrich and Brush, 1984; Cromie, 1987a; 1987b; Hisrich, 1990) has found that both men and women cite the need for achievement as one of the greatest motivators behind their move towards entrepreneurship. It is this need to achieve that drives entrepreneurs and which can ultimately lead them to leave 'safe' employment to start their own business (Cunningham and Lischeron, 1991).

- *Locus of Control*: Locus of control has been of great interest in the field of entrepreneurial research and has been identified as one of the most dominant entrepreneurial characteristics (Venkatapathy, 1984). Henry et al. (2003: 40) described two dimensions of locus of control and viewed it as having two polar opposites: at one end is internal and at the other is external; they explained it as follows:

Individuals who are deemed to have an internal locus of control believe that they can positively determine their own destiny by their own behaviour and that fate or luck plays a relatively insignificant role. In contrast, those with an external locus of control believe that external forces are the primary determinants of life's outcomes. Individuals with an internal locus of control take responsibility for their success and failures, attributing the positive results to ability and effort. In contrast, individuals with an external locus of control, relate results to the difficulty of the particular task, to the actions of others and to a combination of luck and fate.

Inherent in Henry et al.'s (2003) description is the notion that an internal locus of control is more strongly associated with entrepreneurship in terms of risk. Indeed, previous research identified that founders of new businesses have more internal locus of control than non-founders (Begley and Boyd, 1987). It is apparent from the literature that entrepreneurs prefer to be in control of their

resources and use those resources to achieve self-determined goals. In this manner, an individual with a high level of internal locus of control is more likely to strive for achievement than those with an external locus of control. Moreover, entrepreneurs, in general, have a high need for autonomy and a fear of external control (Sexton and Bowman, 1985).

- *Risk Taking Propensity:* According to Knight (1967) and Drucker (1985), entrepreneurship is all about taking risk. An individual's needs, values, attitudes and beliefs are what drive them to innovate, achieve and, ultimately, to take the risks needed to be successful in the field of entrepreneurship (Cunningham and Lischeron, 1991). Shapero (1975: 63) acknowledged that, "when one goes into business for themselves, one trades the safe and familiar for the unknown and risky and, thus, the entrepreneur is commonly referred to as a risk-taker". Entrepreneurs may perceive risk in different ways and may even alternate between being risk-prone and risk-adverse periods (McCarthy, 2000). The individual's propensity to exploit a gap in the market, along with their willingness to take a risk in respect of time and capital investments into an uncertain venture, is the source of considerable entrepreneurial activity. Cunningham and Lischeron (1991) proposed that the performance of the entrepreneur is reflected in the individual's willingness to gamble his or her career and financial security. This implies that the propensity to take risk is closely associated with the individual's orientation to taking chances in uncertain climates. Sexton and Bowman (1985) pointed out that risk taking can be dependent on the perception of the situation and the perception of decision-makers themselves as experts in that field. Entrepreneurs look at a venture in terms of some personal level of perceived risk. The goal may appear to be high – even impossible - to others, but entrepreneurs see the situation from a different perspective and believe that their goals are realistic and attainable (Hisrich, 1990). They usually spot opportunities in areas that reflect their knowledge, background and experiences, which increases their probability of success (Hansemark, 1998).

However, research has found little empirical evidence to support the idea that entrepreneurs take considerable risk (Naldi et al 2007). There is a view in the literature that too often entrepreneurs have been stereotyped as risk-takers,

ignoring the fact that some individuals start a business to take advantage of an opportunity, or as a result of previous experience or background factors (Stoner and Fry, 1982). Indeed, as far back as 1961, McClelland challenged this stereotype image of the entrepreneur, when he found that entrepreneurs prefer moderate risk situations and tried to avoid situations of extreme risk or uncertainty. Newer research by Gilmore et al. (2004) presented a picture of the entrepreneur as a person who minimises risky situations. The foregoing indicates that entrepreneurs prefer to take moderate risks in situations where they feel more competent and have some degree of control/ skill in realising profit. This suggests that entrepreneurs are not wild risk takers, but are instead, calculated risk-takers and it would appear that successful entrepreneurs are the ones that take a calculated risk, rather than risk everything without thinking (Irwin, 2000).

- *Tolerance of Ambiguity*: Ambiguity occurs when there is “no clear interpretation of a phenomenon or set of events” (Hunter, 2006: 45). Ambiguous situations are characterised by a lack of sufficient information, as illustrated in the following contexts: (1) in a completely new situation where there are no obvious answers, (2) a complex situation in which there are a great number of answers to be taken in to account, and (3) a contradictory situation in which different elements or answers suggest different courses of action (Budner, 1962: 30). Although most ambiguous situations may be characterised by a threat or a potential risk, those tolerant of ambiguity may demonstrate resilience to the situation (e.g. entrepreneurs), whereas those intolerant to an ambiguous situation may not react positively to a difficult situation (non-entrepreneurs) (Kets de Vries, 1977). Individuals who have a high tolerance of ambiguity, and those who can cope with the stress associated with working in such an uncertain environment, are the individuals that are most likely to be successful entrepreneurs (O’ Gorman and Cunningham, 1997). Further, according to Teoh and Foo (1997: 73), “An entrepreneur with high risk-taking propensity is more likely to succeed in coping with uncertainty and minimising role stress than one with a low risk-taking propensity.”

There are other influences which may impact on an individual’s entrepreneurial career, however, these represent the most dominant factors identified from the extant literature.

The next part of this chapter will consider the factors affecting entry to entrepreneurship.

2.3 Factors Affecting Entry to Entrepreneurship

As previously indicated, there are a number of factors that affect entry into entrepreneurship. These factors can be either positive or negative, and external forces appear to dominate. Given that barriers exist which can prevent an individual from starting their own business, it is important at this point to identify actual or perceived factors affecting entry to entrepreneurship (and furthermore specify whether they are positive or negative effects). Figure 2.1 illustrates the major entry barriers that challenge an entrepreneurial career, as highlighted by the literature, which are developed further in the paragraphs below.

Figure 2.1 Factors affecting entry to entrepreneurship



Source: Author

- *Push Factors:* These are the aspects associated with exploiting a business opportunity out of necessity. They include negative forces such as redundancy, unemployment, frustration with previous employment, promotional prospects, boredom, the “glass ceiling effect”, the need to earn a reasonable living and failure to achieve a good work/life balance (Vaillant and Lafuente, 2007; Ferri et

al., 2010). Further, in their conceptual model of the venture initiation process, Powell and Bimmerle (1980) proposed that dissatisfaction with previous employment was a contributing push factor to new venture initiation. This is based on the underlying logic that an individual can overcome job dissatisfaction by becoming self-employed. Indeed, job dissatisfaction has been offered as a major reason for new venture creation and for choosing an entrepreneurial career (Powell and Bimmerle, 1980).

- *Pull Factors:* These are motivational effects associated with spotting an opportunity within the current working environment that could be exploited, often due to previous technical and industry experience. Experience in finance, product and service development, knowledge of distribution channels, along with the preparation of a business plan, perceived financial gain, job satisfaction and flexibility have all been identified as aspects that can pull individuals into an entrepreneurial career (Vaillant and Lafuente, 2007; Ferri et al., 2010). The resulting entrepreneurship gives freedom from the dependency on jobs offered by others (Vaillant and Lafuente, 2007; Ferri et al., 2010).
- *Fear of Failure:* There are distinctive differences between successful entrepreneurs and unsuccessful entrepreneurs concerning their backgrounds, experience, skills and knowledge that they bring to a new business venture which can impact on an entrepreneur's fear of failure (Watson et al., 1998). A fear of failure can be induced by: lack of market knowledge, management incompetence, lack of finance and an inability to make the entrepreneurial transition (McMillan, 1998). Entrepreneurs can learn from both their own and others' successes and failures, which enables them to improve their skills and adapt their attitudes as entrepreneurs (Carree et al., 2002). However, entrepreneurial failure is socially stigmatised in Europe, more so than other continents like the USA. The foregoing is evident in a communication from the European Commission (1998: 14), which stated that:

In Europe, a serious social stigma is attached to bankruptcy. In the USA bankruptcy laws allow entrepreneurs who fail to start again relatively quickly and failure is considered to be part of the learning process. In Europe those who go bankrupt tend to be considered as losers.

Landier (2004) asserted that in regions where there is a social stigma surrounding entrepreneurial failure, there tends to be a lower start-up rate than in those areas that have a higher tolerance towards entrepreneurial failure. This is due, in part, to the fact that entrepreneurs are discouraged from business venturing by negative environmental factors (Landier, 2004). The promotion of an entrepreneurial culture and positive attitudes towards entrepreneurship can be encouraged by “providing role models through the ‘showcasing’ of success stories” (European Commission 2003: 21), and in this manner counteract this ‘fear of failure’ to a certain extent.

- *Financing*: For potential entrepreneurs, raising adequate finance to meet the financial requirements of a business opportunity is frequently highlighted as one of the most prominent entrepreneurial inhibitors (Schoof, 2006; Zaleski, 2010). In addition, new entrepreneurs find the added burden of compliance costs and local authority charges (included in government policy) most difficult to manage when starting a business venture (O’Gorman and Fitzsimons, 2005). Furthermore, raising finance can be especially difficult for entrepreneurs who are less confident about the information they have regarding their financial needs and the nature of the competitive environment in which they wish to enter (Johnson et al., 2006). Indeed, Schoof (2006: 42) has outlined ten major constraints to achieving start-up finance:

1. Lack of personal savings and resources.
2. Lack of securities and credibility (for debt financing).
3. Lack of business experience and skills (for debt financing).
4. Strict credit scoring methodologies and regulations.
5. Complex documentation procedures.
6. Long waiting periods (time needed to decide on an application for funding).
7. Lack of knowledge, understanding, and awareness of start-up financing possibilities.
8. Unfavourable firm characteristics and industry.
9. Legal status/form of enterprise.
10. Lack of (successful) micro lending/-finance and seed funding.

Consequently, small businesses often combine a number of sources when trying to raise finance. The most commonly used sources of finance when starting up include: (1) personal investment, including personal savings and loans from family and friends or private external finance, including overdrafts, loans, asset financing (leasing and higher purchase); (2) equity finance; and (3) public investment, in the form of enterprise grants, subsidised loans and public equity finance (Marlow et al., 2003; Rouse, 2006). In the initial stages of business start-up, small businesses often struggle to secure finance regardless of the wide range of financing options and support agencies available (Hood, 2000; Carter et al., 2003). Moreover, business expenses most commonly exceed income in the first year of start-up, generating a need for finance that offers flexibility in its payback terms (Mason and Harrison, 2003).

Opportunity: “Entrepreneurship involves the study of sources of opportunities and is dependent on individuals taking action to discover, evaluate and exploit potential business venturing” (Shane and Venkataraman, 2000: 218). Early research in the field of entrepreneurship has suggested that opportunities exist because different people have varying beliefs about the resources available to them (Kirzner, 1997). Opportunities must be scarce and not available to everyone simultaneously at any point in time; only a small proportion of the population will discover an opportunity and transform it into a product or service that can then be commercialised (Kirzner, 1973). Following the discovery of an opportunity, a potential entrepreneur must decide to exploit the opportunity (Ahmad and Halim, 2010). This is contingent on the entrepreneur believing that the entrepreneurial profit will be large enough to compensate for the opportunity cost of all alternatives, the investment of time and money, and for bearing high levels of uncertainty (Schumpeter, 1934; Kirzner, 1973). In considering the exploitation of a market niche, the value of entrepreneurial skills to small firms and large organisations wishing to grow must also be taken into consideration. It is essential, therefore, that individuals, who are assessing the potential positive gains of pursuing the exploitation of a market niche, seriously consider all possible alternatives at their disposal (Bygrave, 1994).

Culture: is a shared, collective understanding and interpretation of the world by a group of people, in which differences in understanding also exist (Trompenaars, 1994). Hynes (1996: 12) stated that:

It is often argued that enterprise culture is developed naturally; however, due to the changing environment conditions this cannot be solely relied upon in the passing on of knowledge, resulting in the need to provide interventions to promote this culture.

Indeed, cultural values and norms have been found to either inhibit or enhance a country's ability to develop a strong entrepreneurial focus (Trompenaars, 1994). The importance of entrepreneurship lies not only in the economic and measurable monetary values, such as national economic growth and development, but also in the societal and cultural values provoked by an entrepreneurial spirit (Brush, 1992). As much as entrepreneurial culture is a national and supranational issue, it is also to a large extent an issue for the economic system (Carree et al., 2002). Entrepreneurial culture is, therefore, not only evident in values, attitudes and habits, as most often thought, but can be found in the existing social, legal and economic institutions, practices and processes (Potter and Proto, 2007). It has been suggested that members of any community and society learn shared characteristics throughout the different stages of the socialisation processes from such foundations as the family, friends, religion, education and society as a whole, which all influence entrepreneurs' cultural attitudes (or society's attitude towards entrepreneurship) in the early stage of business start-up (Tayeb, 1988).

In promoting culture as the starting point for entrepreneurial spirit and activities, it is important to remember that culture is a complex phenomenon (Trompenaars, 1994). Furthermore, the social, cultural and political context of culture creates different possibilities for established businesses and affects entrepreneurial opportunities and possibilities at national, regional and local levels (Cooper et al., 1988). Indeed, culture is a strong predictor of an individual's own attitudes towards entrepreneurship and also directs and influences the ways in which an individual perceives existing business opportunities (Potter and Proto, 2007). As previously indicated, an individual's assessment of the risk and rewards related to entrepreneurial activities occurs through social and cultural conditions. It is embedded in and is supported

through public policies at all levels of government. Therefore, policies that aim to influence culture are important (Potter and Proto, 2007), however, one of the most difficult areas to approach in the domain of entrepreneurship is social acceptance. Social acceptance not only influences the social standing of the entrepreneur but also society's willingness to co-operate and place trust in them (Cromie, 1994). These aspects are crucial to an individual's decision whether or not to become an entrepreneur and start-up a business – a view supported by Knack and Keefer (1997), who described a culture that celebrates entrepreneurship as one that is supportive of entrepreneurial endeavours.

- *Legislation:* Regulation surrounding entry conditions are inversely related to national entrepreneurial activity, as entrepreneurial regions tend to be associated with lower levels of entry regulation (Forfás, 2007). Legislation benefits existing enterprises already operating in an industry, as the general regulatory environment consists of legislation and formal regulations that control economic activities and actions, including administrative burdens (Forfás, 2007), thereby protecting an established business's revenues and profits from potential competitors. In addition, fiscal regimes are often indicated as key factors in either enhancing or inhibiting entrepreneurial activities. In Ireland, for example, a policy developed for lowering both capital gains and corporate taxation has increased the profitability of Irish businesses and increased the number of new business start-up (Potter and Proto, 2007). This suggests that policies aimed at providing financial support and guarantees, and also ensuring stability and consistency in the taxation regime, would be of benefit to potential entrepreneurs (Potter and Proto, 2007).

2.4 Chapter Conclusion

This chapter began by introducing the profile of the entrepreneur at an individual level. The profile of the entrepreneur was then outlined based on the major demographical and psychological characteristics as identified in the literature. In the sub sections that followed, the main demographical characteristics were identified as: gender, age, education, previous work experience and family. The key psychological characteristics were identified as: need for independence, need for achievement, locus of control, risk taking propensity and tolerance of ambiguity. Finally, the major factors affecting entry to entrepreneurship were presented: push/pull factors, fear of failure, financing,

opportunity, culture and legislation. However, from reviewing the literature it is apparent that little attention has been directed towards the impact of embeddedness from a macro level perspective on the individual entrepreneur. Therefore, the next chapter takes an in-depth look at the embeddedness dimensions at the community (group) level, in addition to explaining why these dimensions are considered paramount to building entrepreneurial communities.

Chapter 3: The Embeddedness Affect

3.1 Introduction

The objective of this chapter is to take an in-depth look at the dimensions of embeddedness and its importance in an entrepreneurial environment in the extant literature. The previous chapter examined the individual entrepreneur in isolation in relation to demographics and psychological contributors and also factors that affect entry to entrepreneurship. However, the aim of researching embeddedness and rural communities is to further general understanding of how it impacts upon rural entrepreneurship. Consequently, it is imperative that the emphasis needs to move away from examining merely the individual level and shift towards a micro community level, considering entrepreneurship from a small community perspective and how entrepreneurs behave in relation to other entrepreneurs in such an environment. This chapter begins with the embeddedness construct which subsequently leads to examining the component dimensions of Relational, Structural and Positional embeddedness.

3.2 Embeddedness

Sociological concepts such as social embeddedness, social capital and social networks have been acknowledged as a means of explaining human behaviour by social scientists. Granovetter (1985) argued that in modern societies, economic action is embedded into structures of social relations. Similarly, Jack and Anderson (2002) argued that the entrepreneur's social embeddedness within the local rural community and his/her network both inhibits and enhances the entrepreneurial process. According to Luczak et al. (2010), networking behaviours aid entrepreneurs in their acquisition of scarce resources needed to grow their business venture. Furthermore, Ferri et al. (2010) contended that a key facet of the entrepreneurial process at the start-up and development stages is the utilisation of social networks. Based on Granovetter's (1985) structural embeddedness theory, embeddedness is considered a mechanism whereby an entrepreneur becomes part of a local structure. This enables the entrepreneur to draw upon and use community resources (Jack and Anderson, 2002). Embeddedness literature is primarily concerned with the notion that economic actions are influenced by the social context in which they are embedded (Gulati, 1998). In essence, economic action does not take place in a social vacuum, but rather economic actors, to varying degrees, are embedded in social networks of relationships that affect and shape the

actions taken by the actors in the network (Marsden, 1981; Uzzi, 1996). Granovetter (1992: 33) argued that “embeddedness refers to the fact that economic action and outcomes...are affected by actors’ dyadic (pairwise) relations and by the structure of the overall network relations”.

The embeddedness perspective illustrates that actors participate in a variety of relations and the content and structure of their ties among network participants plays an important role in determining the entrepreneur’s social and economic behaviour (Gulati and Gargiulo, 1999). Simply said, actors are embedded in enduring strategic relationships that impact their actions and outcomes (Baum and Dutton, 1996; Dacin et al., 1999).

Based on the foregoing, an entrepreneur’s strategic choices can then be constrained by their network relationships, since distinct social structural patterns within markets can influence the opportunities and constraints for actors (Gulati et al., 2000). Social network theorists have further detailed this embeddedness phenomenon, for example, Uzzi (1997), identified three components of an embedded relationship: (1) trust, (2) fine-grained information and (3) joint-problem-solving. These relationship components are essential for entrepreneurs that are embedded in networks comprised of close, robust and multidimensional ties that blur business boundaries (Granovetter, 1985; Powell and Smith-Doer, 1994; Gulati and Gargiulo, 1999).

Jack and Anderson (2002) contended that each individual is embedded in social networks and has some specific form of social capital. Indeed, Zukin and DiMaggio (1990) argued that entrepreneurial success can easily be credited to the entrepreneur’s social capital (e.g., to networks made up of family, friends and acquaintances). Such networks may provide unpaid labour, facilitate the raising of financial capital, or be sources of information. However, the same network can also be used to explain entrepreneurial failure; for instance, friction between the network members can lead to loss of support (Shane and Cable, 2002). Within the local rural community, social capital and social embeddedness are utilised to explain everything from entrepreneurial successes to failures (Gulati et al., 2000). Studies on entrepreneurship increasingly recognise that entrepreneurs embed their business decisions in social structures (Starr and MacMillan, 1990; Reynolds, 1991; Larson and Starr, 1993; Borch, 1994; Hansen, 1995).

Furthermore, studies of entrepreneurial networks at an individual level focus on the relationships or ties of entrepreneurs with other actors within a network (Shane and Cable, 2002; Anderson and Miller, 2003; Batjargal, 2003). The social network ties of an emerging entrepreneur can provide the links, bridges and pathways through which the entrepreneur can find and access external opportunities and resources. Therefore, an emerging entrepreneur's network ties can facilitate successful business emergence, growth and performance, hence, the entrepreneur must ensure that these social network ties are managed correctly. Indeed, the relationship between actors can be characterised in terms of the nature of their ties³, their levels of trust and the extent to which they share common processes and values (Kale et al., 2000; Cohen and Prusak, 2001). More novel information flows to individuals through weak ties than through strong ties (Granovetter, 1973). As exemplified by Hirschman (1982: 1473), who explained that weak ties:

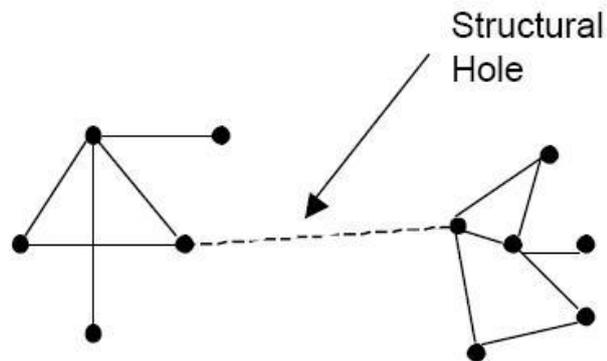
...“function without any prolonged human or social contact between parties that need not enter into recurrent or continuing relations as a result of which they would get to know each other well” nor do weak ties need to be governed by internalised principles of behaviour. Rather, transactions manage each other's conduct through contacts; “there are no obligations of brotherliness or reverence, and none of those spontaneous human relations that are sustained by personal unions” (Weber, 1922, 1968: 636).

Commercial exchanges among actors are embedded in social relationships, a process that injects expectations of trust and shared norms into the business exchange. Both Uzzi (1999) and Peterson and Rajan (1994; 2002) and have speculated on how weak ties, which are low in embeddedness, increase an actor's ability to access and transfer public information circulating in the market. Since close business associates tend to operate in the same circles, the information they contribute overlaps considerably with what is already known within the social network. Acquaintances, by contrast, know people outside of the immediate social network and thus are more likely to receive more novel information. As a result of moving in different circles, acquaintances connect the entrepreneurs in a social network to the wider social world (Uzzi, 1997). This outcome

³The context of the nature of ties has been conceptualised by a variety of scholars using different terms namely: Direct versus Indirect (Cohen and Prusak, 2001; Kale et al., 2000), Strong versus Weak (Granovetter, 1973) and Arm's Length versus Embedded (Powell, 1990 and Baker, 1990). For the entirety of this dissertation, the researcher has decided to adopt the term strong versus weak ties as conceptualised by Galaskiewicz and Wasserman (1993), following Granovetter (1973).

arises, in part, because the acquaintances of actors are typically less familiar to the social network than close business associates and operate in different social circles. Less familiar actors in a social network may, therefore, be a better source when entrepreneurs are required to go beyond the knowledge of their own social network to obtain scarce resources (Uzzi, 1996, 1997; Baum et al., 2000). This phenomenon is called ‘the strength-of-weak ties’ (Granovetter, 1973, 1983).

Theoretically, a totally closed network is one in which all actors are strongly tied to each other and have no ties to other actors ‘outside’ the network. Whereas, in an open network, there are many more weak ties in social networks than strong ones, and the majority of strong ties may carry information of little significance. Therefore, it is important to understand the strength of one’s ties. The strength-of-ties literature indicates that knowledge redundancy is typically higher among actors that occupy similar social positions (Burt 1987; Granovetter 1973). Knowledge redundancy can be defined as the degree of similarity in relation to information, capabilities, and skills among participants in a social structure (Burt 1992; Krackhardt 1992). What is important here is that weak ties are much more likely to communicate unique and non-redundant information across otherwise largely disconnected actors in social networks than strong ties (Uzzi, 1997). These differential contacts lead to lower levels of knowledge redundancy and are more likely to provide access to novel information (Hansen, 1999). The foregoing is supported by both Granovetter’s (1973) conceptualisation of the ‘strength-of-weak ties’ and Burt’s (1992) conceptualisation of ‘structural holes’. As illustrated in Figure 3.1 (Burt, 1992:6), a structural hole is “a separation between non-redundant contacts”. The holes between non-redundant contacts provide opportunities that can enhance both the control benefits and the information benefits of networks. Simply said, an actor’s behaviour should be enhanced in networks that are rich in ‘structural holes’ (Burt, 1992: 6).

Figure 3.1 Structural holes

Source: Burt (1992)

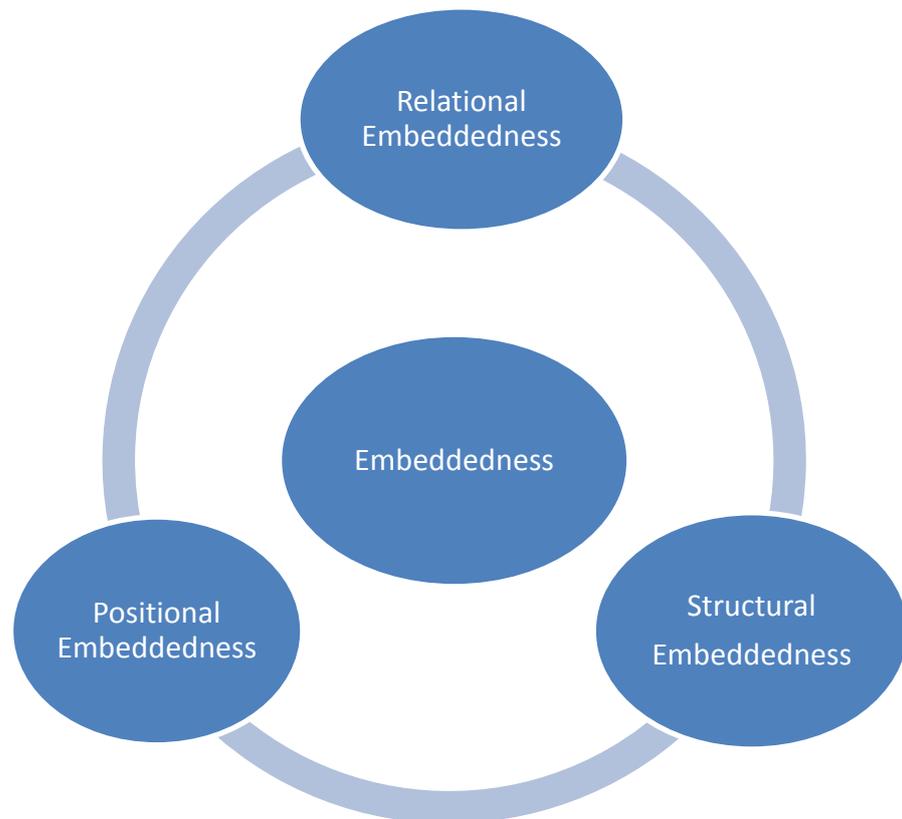
The importance of structural holes emerged from Burt's (1992) work and, specifically, extended and reformulated the 'weak ties' argument – he noted the strategic advantage that may be enjoyed by individuals with ties into multiple networks that are largely separated from one another. For instance, structural holes amount to the only route through which new information or other, new resources may flow from one network sector to another. Actors bridging these structural holes not only gain non-redundant information from their contacts, but also occupy a position to control the information flow between two actors/networks and play the two off against each other (Brass et al., 2004) (see section on positional embeddedness for discussion). Actors can reap control benefits by being the person who negotiates relationships between other actors within the network (or between networks), resulting in brokerage⁴ (Burt, 1992). Indeed, this brokerage can result in strong ties among network members, diminishing uncertainty and promoting trust among actors (Coleman, 1988); however, as previously indicated, the information in a network that is high in strong ties tends to be redundant and inflexible

Although strong ties may not generate novel information, they tend to be more useful than weak ties in helping network members to interpret external opportunities and threats and formulate potential reactions (Krackhardt, 1992; Uzzi, 1997). For these authors, the strength-of-weak ties is in finding new information, detecting environmental changes and discovering new entrepreneurial opportunities and the

⁴ This is an individual or firm that acts as an intermediary between two or more parties (Burt, 2005). Brokerage is discussed later in Section 8.4 as a direction for further research.

strength-of-strong ties is in facilitating exchanges of high quality information, knowledge, and resources between actors. The foregoing implies that actors should pay equal attention to their number of strong ties, as well as to their number of weak ties, so as to reap the maximum benefit and to ensure that the information gained is balanced (Ahuja, 2000). Both Granovetter (1973) and Burt (1992)'s conceptualisation of the 'strength-of-weak ties' emphasised that information is more likely to flow between actors that have a different circle of contacts, which stressed the importance of structural holes within a network to minimise knowledge redundancy.

In order to examine rural embeddedness, this study draws from previous work on the dimensions of embeddedness from Granovetter (1992), Uzzi (1996) and Gulati and Gargiulo (1999); these authors identified three dimensions for examining social networks: relational, structural and positional embeddedness. Others, such as Aldrich and Zimmer (1986), applied these concepts to entrepreneurship, or, like Portes and Sensenbrenner (1993), examined the embeddedness of various types of entrepreneurs. Figure 3.2 illustrates these three dimensions.

Figure 3.2 Dimensions of embeddedness

Source: Author

3.3 Relational Embeddedness

Uzzi (1996) argued that relational embeddedness focuses on the quality and depth of dyadic relations such as cohesiveness and acknowledges that a “dyad’s mutual contacts are connected to one another” (Granovetter, 1992:35). Further, Batjargal (2003) and others (Larson, 1992; Hite et al., 2001) asserted that relationally-embedded ties provide emerging business ventures with opportunities and resources that may not be available to other actors in the network, and that when a network tie is embedded within social relationships this, in turn, influences the actor’s economic decision-making (Uzzi, 1996; Granovetter, 1985;); indeed, initial opportunities and resources are found within the relationally-embedded ties, such as family and close friends (Jarillo, 1989; Larson and Starr, 1993; Hite and Hesterly, 2001).

Relational embeddedness involves direct or indirect linkages between networked actors as well as other actors from different networks. For Granovetter (1973), actors who are linked together by strong ties are likely to have higher levels of closeness, reciprocity

and indebtedness than weak ties. Furthermore, Gulati (1998) suggested that relational embeddedness should facilitate a shared understanding of expected and accepted behaviour, due to the increased likelihood that social actors will socialise, share sensitive information with each other, and discuss opinions which, in turn, will influence their actions. Indeed, for Uzzi and Lancaster (2004: 321), actors are embedded in social attachments and affiliations, that is, they are involved in:

a process that injects into the business exchange expectations of trust and shared norms of compliance...that become internalized through socialization, generating powerful principles of self-enforcement that go beyond 'good faith conformity' norms; they furnish shared expectations that govern conduct.

And, furthermore, they state that the stronger the social tie, the more probable it is that social actors will emulate each other's behaviour.

Relationally-embedded ties provide important bridges to other actors within the network and facilitate a two-way process of communication and information exchanges regarding opportunities (Hennart, 1993), and resources (Jarillo, 1989), and enhance access to human and social capital⁵ (Coleman, 1990; Nahapiet and Ghoshal, 1998; Anderson and Miller, 2003; Batjargal, 2003). For emerging entrepreneurs, this exchange through social networking is critical for accessing vital resources that might not otherwise be available, accessible or affordable to the business (Starr and MacMillan, 1990; Dubini and Aldrich, 1991; Sensenbrenner, 1993; Kodithuwakku and Rosa, 2002). Furthermore, McEvily and Zaheer (1999) suggested that relational embeddedness should be higher among channel members⁶ than competitors, as channel members are more likely to have a vested interest in the success of their partners. Indeed, the prospect of direct competition, by contrast, lowers an actor's incentive to engage in cooperative information-sharing activity and increases the incentive for hoarding valuable information (Achrol 1997; Vonortas 1997). This idea is directly supported by research by Park and Russo (1996) who found that joint ventures between competitors are more likely to fail than joint ventures between partners that do not compete. Furthermore, they argued that this higher rate of failure is due to the likelihood of competitors facing conflicting goals and objectives.

⁵ Social capital refers to connections within and between social networks as well as connections among individuals.

⁶ Channel members refer to the exclusive members of a specific network.

The theory of relational embeddedness implies that maintaining social relationships may gain priority even over economic concerns. Indeed, Staber and Aldrich (1995) proposed that economic action, including entrepreneurial behaviour, is embedded in interpersonal social networks. As a result, relationally-embedded ties have the potential to influence the economic decision-making of the emerging business venture (Williamson, 1979; Granovetter, 1985; Portes and Sensenbrenner, 1993; Uzzi, 1996, 1997). For example, a close friend or family member may have the power to influence an actor over someone who is unknown and, as a result, can influence their strategic choices. Therefore, emerging actors need to manage their relationally-embedded ties effectively to ensure growth and survival of their business network.

A key concept in managing relationally-embedded ties is the element of trust, as it is important in alliance and joint ventures because no contract can cover all the variations and conditions that may occur in any business dealings (Burt, 1992). Trust facilitates access to resources and a willingness to work things out through mutual problem-solving (Uzzi, 1997). Signifying a commitment by actors in the network, trust encourages participants not to take advantage of other actors' weaknesses (Steensma and Lyles, 2000); in fact, the development and pursuit of trust functions as an on-going social control and risk reduction strategy (Lane et al., 2001). In the context of relational embeddedness, commercial transactions are embedded in social attachments where relationships are relaxed, impersonal and discrete, and actors are motivated by active profit-seeking. The resulting cooperative behaviour creates a basis for knowledge transfer and learning across network boundaries, thereby creating behavioural expectations (Uzzi 1997; Arrow, 1998). Relational embeddedness is generally managed through informal communication and rely a great deal on the level of trust developed (Williamson, 1979; Granovetter, 1985; Zaheer and Venkataraman, 1995; Uzzi, 1996; 1997).

3.4 Structural Embeddedness

Structural embeddedness refers to the overall architecture of the network and can be defined as the "extent to which dyad's mutual contacts are connected to one another" (Granovetter, 1992: 35). The concept of structural embeddedness is important because it

demonstrates the presence or absence of ties between actors in a network, the boundaries of the network, and also encompasses the notion of network closure⁷ (Burt, 1992). Indeed, oftentimes structural embeddedness is related to the strength of ties within a network and this is critical to understanding how social mechanisms coordinate and safeguard exchanges in networks because “it diffuses values and norms that enhance coordination among independent units, and it diffuses information about actors’ behaviours and strategies that enhances safeguarding customized exchanges” (Jones et al., 1997: 924). In essence, it provides the basis for social actors to function effectively because it facilitates the fostering of a social order among the network actors (Jones et al., 1997). These social structures govern often unconscious decisions about how network actors behave in their exchanges with others (Senge, 1990). Moreover, social structure’s accompanying social rules govern network actions and shape dispositions towards the future while, at the same time, these rules are reaffirmed through being enforced by the actors in the network (Gulati, 1998). For example, the more structural embeddedness there is in a network, the more information each actor knows about all the other actors and the more constraints there are on each actor’s behaviour (Mayhew, 1968; Burt, 1992).

Actors use implicit and open-ended contracts for personalised, complex exchanges under varying conditions of uncertainty, and so enable social mechanisms, such as restricted access, macro culture, collective sanctions, and reputation, to coordinate and safeguard exchanges (Uzzi, 1997). Negative gossip by third parties about an actor’s uncooperative behaviour, significantly reduces the likelihood of direct relations, whereas positive gossip strengthens the likelihood of direct relations (Burt and Knez, 1995). In addition, Gulati’s (1995) work on alliances showed that actors also gather information regarding potential opportunities, synergies and exchange partners through weak ties facilitated by structural embeddedness.

The embeddedness literature highlights that structural embeddedness focuses on relationships such as those that result when actors bridge structural hole positions or

⁷ Burt (2001) described network closure as a network of strongly interconnected actors – a densely connected network. Due to the interconnectedness, the actors have direct contact which promotes improved communication, and the development of normative sanctions influencing behaviour (Coleman, 1988, 1990; Burt, 2001). Essentially, network closure promotes trust and facilitates the development of social capital.

gaps in the network. In networks with fewer gaps, high levels of awareness among network actors promote reputation concerns and limit opportunistic behaviour (Simsek et al., 2003). For example, fewer gaps in a collaborative network enhance innovation output, due to the fine-grained information transfer between network actors; however, one obstacle to innovation that can arise in such networks is that information can become redundant and have a negative impact on the overall creativity of the network (Ahuja, 2000).

Different levels of embeddedness exist; for example, low structural embeddedness (networks with rich structural holes) induces linkages that span the network divide. Those networks with low structural embeddedness have substantial weak ties to other networks, which act as information-processing mechanisms. Indeed, they allow significant developments in other networks to be brought into the focal network (Gulati 1995a). In contrast, although high-structural embeddedness (networks rich with high levels of strong ties and limited weak ties) can diminish uncertainty and promote trust among actors due to the closeness of links between actors (Gulati, 1999), it leads to a redundancy of information. Indeed, an established actor with a strong network position but low structural embeddedness has the ability to transfer their knowledge and expertise to other networks and act as a bridge to other networks (Gulati and Gargiulo, 1999). This network-related capability should further mobilise an established actor's rise to a central position in new, unfamiliar networks. In contrast, high structural embeddedness can create entry barriers as all network actors are strongly connected making it more difficult to join a network as new members will have to try and gain trust and acceptance and approval from existing established network members.

Burt (1992) noted the importance of the existence of structural holes and the benefits experienced by network actors with ties into multiple diverse networks, implying that structural holes amount to the strongest route through which new information or other, new resources may be achieved. The maximum level of structural embeddedness in terms of overall network optimisation is considered a moderate position, where actors are neither too tightly nor too loosely connected (Burt, 1992). The next section takes a look at Position Embeddedness.

3.5 Positional Embeddedness

Positional embeddedness differs from structural embeddedness as it focuses on an actor's location in a network; it centralises the actors' overall purpose within a single network and the advantage or disadvantage of the position held by the actor (Uzzi, 1997). According to Gulati and Gargiulo (1999), positional embeddedness focuses on the actor's information advantages from situations that arise within the network as a result of their network position or degree of centrality. Sorenson and Stuart (2000) pointed out that, the more central an actor's network position, the more likely they are to have better information about a larger assembly of potential actors in the network. Stuart (1998) explained that a more central point within a network leads to a greater absorption of capacity and an increased likelihood to search beyond the existing network for additional information. Arya and Lin (2007) argued that positional embeddedness aims to bridge the gap to other networks, influence existing networks and create new networks. Gulati and Gargiulo (1999) contended that central actors have a larger intelligence dimension through which they have access to superior information about other actors. In addition, these actors have greater access to external assets as they are considered to be more prestigious (Brass and Burkhardt, 1992), and can attract potential actors from other networks. For example, under conditions of high uncertainty, actors may be drawn to central actors with the preconception that they have greater knowledge, experience and capabilities (Arya and Lin, 2007).

Previous studies have shown that actors with high centrality are pursued by other network actors to form alliances instead of sourcing new actors from beyond the network (Stuart, 1998). It is also widely acknowledged that actors with alternating positions (actors who do not always hold the same position) within a network structure have an important role to play in the flow of resources, and, ultimately, in the entrepreneurial outcomes that follow (Hoang and Antoncic, 2003: 167). Established businesses often have weak ties that allow them to gain access to new networks and, once accepted in, the gaining of a central location in these new networks improves the accuracy of the information available to them (Coleman, 1988). Further, the high centrality of established actors in existing networks that occupy structural hole positions should increase the probability of access to radical innovations (Arya and Lin, 2007).

The position of an actor in a network impacts their ability to influence relational and structural embeddedness in two distinct ways. Firstly, actors do better when they develop complementary exchanges with actors who are positioned in the same structural position (Gulati, 1998). Alliance arrangements with structural equivalence facilitate a greater information flow because the similarly-positioned actor has a greater incentive to conduct cooperative-competitive interactions for capturing updated developments, and thereby, are likely to promote efficient and effective flow of information (Gulati, 1998). Secondly, actors positioned with structural equivalence perform better at understanding and evaluating complementary situations and resources, as well as facilitating the processes of bargaining and negotiation, than those actors without equivalent positions. Also, actors in dominant positions can influence the actions and decisions of other actors within a network (Stuart, 1998). For these reasons, resource combining and information exchange encounter fewer obstacles when positional embeddedness reinforces the effect of the relational and structural embeddedness. Central actors in a network are exposed to more sources of information than more peripheral actors (Davis, 1991; Haunschild and Backman, 1998). Furthermore, central actors are in a favourable position to see a more complete picture of all the alternatives available in the network than peripheral actors, and enjoy a broad spectrum of benefits and opportunities which are unavailable to those in the periphery of the network (Brass, 1992; Ibarra, 1993). It is argued that such distinct opportunities enjoyed by the central position affect actors' ethos in risk-taking, pro-activeness, and innovativeness (Gulati, 1999).

3.6 Chapter Conclusion

This chapter began by introducing the effects of embeddedness. Research into embeddedness can help to advance the understanding of how social structure affects economic life (Jack and Anderson, 2002). Social embeddedness is relevant to entrepreneurship because it helps the entrepreneur identify networking opportunities, identified as an essential step to creating new businesses. Furthermore, embeddedness can increase entrepreneurial activity by acting as a support network through which networking activity can specifically benefit the business operation. These social relationships can create value for the entrepreneur as they enable them to draw resources from the local environment and also contribute to the local network (Jack and Anderson, 2002). In this manner, social networks provide the mechanism for becoming embedded.

Three embeddedness dimensions were outlined in this chapter which included Relational, Structural and Positional embeddedness. However, from reviewing the literature it became apparent that little research attention has been directed towards the importance of embeddedness in relation to entrepreneurship and the impact it has on the entrepreneur's business venturing. Additionally, little research attention has been directed towards the impact this embeddedness has in a rural community in which the entrepreneur operates. Therefore, the next chapter takes an in-depth look at the embeddedness dimensions in relation to the rural community setting.

Chapter 4: The Community Affect

4.1 Introduction

Having detailed the embeddedness dimensions in the previous chapter, the purpose of this chapter is to take an in-depth look at these embeddedness dimensions in the context of a rural entrepreneurial community setting. In order to achieve this objective, each of the embeddedness dimensions from the previous chapter will be considered from a rural community perspective in light of the extant literature as presented herein.

4.2 Community Embedding

Etzioni (1993) defined a community as a web of effect-laden relationships among a group of individuals. Their relationships criss-cross and reinforce one another (as compared to one-on-one or chain-like individual relationships). This suggests that any community is founded on a set of shared values, norms, meanings, shared history and identity within a particular culture (Etzioni, 1993). In traditional society, communities are evoked by geographically-close villages, neighbourhoods and towns (Rheingold, 1993, Smith and Kollock; 1997; Croon, Erik and Agren, 2000). In addition, another aspect which characterises communities is the nature of social interaction among the members of the community (Nichani, 2001). In essence, communities are made up of individuals who form relationships and who have a sense of belonging and membership within the community.

As addressed in the last chapter, embeddedness is the means whereby an entrepreneur becomes part of a local structure (Jack and Anderson, 2002). As previously indicated, being embedded in the community allows the individual entrepreneur access to necessary resources and creates opportunities for the entrepreneur (Jack and Anderson, 2002). As a process, embeddedness entails developing credibility and acquiring knowledge of how business is conducted from other local sources. Jack and Anderson (2002) argued that it is this entrepreneurial embedding in a rural community, which influences the entrepreneurs' activities, and the way in which their business is established and managed. Uzzi (1997) explained that opportunities are unlikely to be available to those who are not embedded. Hence, embedding creates a link between economic and social spheres, as these social ties enable rural entrepreneurs to more effectively exploit economic opportunity (Uzzi, 1997). In essence, understanding social

embeddedness is relevant to entrepreneurship because it helps the rural entrepreneur identify social resources, an essential step in founding their business. Furthermore, this suggests that being embedded within the social context enhances the entrepreneur's business.

However, being embedded in a community means more than simply developing social networks. Although it is through networks that social backing and acceptance occurs, it is also about contribution and participation in community activities. Granovetter (1985) suggested that the level of embeddedness in the local environment is determined by the networks, ties and relationships of the individual in the community. Thus, social networks offer the opportunity or provide the means for becoming embedded. In terms of building up relations of trust, Jack and Anderson (2002) explained that embedding is a two-way process of gaining credibility, knowledge and experience. Hence, an element of reciprocity is needed if the entrepreneur is to gain knowledge, contacts and resources, but this is contingent upon the local community becoming familiar with the entrepreneur, as being socially embedded essentially enables access to latent resources which would otherwise not be available to the entrepreneur (Jack and Anderson, 2002).

From a generic community perspective, Johannisson (1987) stated that entrepreneurs are often restricted or inhibited from creating new business ventures in communities where they may not be a native by the local community residents. Similarly, and once again from a generic community perspective, Schumpeter's (1934) study discovered that there were also a number of external forces that inhibited entrepreneurial activity at a community level. Welsch (1988) later formulated a list of such inhibiting external factors:

- Conflicts between reformers and conservatives.
- Neglecting research and development.
- Poorly-developed university system.
- Uneven distribution of capital.
- Volatility of stock markets.
- Exporting of jobs.
- Viewing entrepreneurship as a prerogative of the lower classes.
- Inadequate accounting infrastructures and regulatory framework.

- Lack of rewards for individual improved performance.

Not alone do the entrepreneurs face these external inhibitors at a community level, but Johannisson (1987) argued that one-company communities are characterised by anti-entrepreneurship attitudes and enforcements. Indeed, Shapero (1975) reached similar conclusions regarding communities in which all resources, such as employees and networks, are clustered around a single industry. According to Friedman (1987), beyond the exploitation of entrepreneurial opportunities in the community, entrepreneurial business closures can also have a detrimental effect on the perceptions of entrepreneurs in the community. Moreover, in discussing enticing entrepreneurial activity into an entrepreneurially-depressed community, Lowe et al. (2005) found that lower educational levels, insufficient capital for investment, distance to markets, and networking problems associated with low population density, all have a negative impact on entrepreneurial activities. In addition, communities that are both small and remote create an environment where it is difficult for rural entrepreneurs to build economies of scale, especially when there are negative attitudes towards entrepreneurial injections from entrepreneurs from outside the community (Henderson, 2002).

In previous studies, rural community members described their community's success as resulting from "teamwork," "working together," "support for each other," "everybody pulls together," "co-operation between everyone," "all walks of life working together," "people pulling together...on a project," "spirit," "friendly," "grassroots community action" (Voss, 1997: 7) "pride" (Etzioni, 1993: 8) and: "what has been our strength is we've brought different lifestyles, different ideas and different views together and moulded them into this community outlook" (Voss, 1997: 7). From the foregoing, it is apparent that residents learn to share implicitly or explicitly certain values which are the foundations of social norms, and to trust one another in certain circumstances in order to achieve a common purpose. Moreover, embeddedness can encourage individuals to work together for a common purpose resulting in a more cohesive community.

A workable definition of embeddedness always implies a form of networking in a socioeconomic sense that goes beyond an individualistic, mechanistic, competitive theory of action (Lessem, 1980). A clear understanding of the phenomenon as being local in nature was formulated by Uzzi (1996), who particularly stressed that local networks exist in the local area. Notably, Lowe et al. (1995) contended that peripheral

regions and local communities, in particular, will not be able to generate development purely from within. The simple fact that the outside world is a recipient of the goods and services produced in the local area, also adds to the relevance of a wider understanding of embeddedness (Timmons et al., 1980). Moreover, different forms of embeddedness affect local development, and embeddedness may differ in geographical scope. On the basis of these properties of embeddedness, one should not treat embeddedness as purely local, but as a multi-scale phenomenon (Gronhaug, 1974).

As starting a small business means both social and economic risk-taking, building a robust community also involves taking social and economic risks (Becattini, 1990). A socially and economically robust community is the most vital context for entrepreneurship. Moreover, Crego (1985) contended that if the business was located in a remote area with a hostile business environment, this can only be overcome by stimulating relationships between entrepreneurs and other community groups. Indeed, these circumstances were echoed by Bruinsma et al. (1992), suggesting that the success of entrepreneurs is especially ascribed to personal and innovative ways of building support for local independent entrepreneurs. Johannisson (1987) distinguished that there are several practical arguments for making the “community” a proper unit of action, when strategies for economic development are to be designed; they are as follows: (1) restrictions on people’s time budgets make the community the natural base for daily personal and business exchange because it does not require people to go beyond their community for these exchanges, and (2) the community has relevance for symbolic reasons – the sense of place and local identity are basic motives for commitment and action in a local community. Such affiliation induces responsibility and reduces the uncertainty evoked where community boundaries are distinct (this is often the case in sparsely populated areas); and (3) the community is a natural focus for economic development in these peripheral areas where resources do not merge to initiate development (Johannisson, 1987).

In addition, the social and economic composition of rural communities can have a dampening effect on entrepreneurship. For instance, Bryant (1989: 336) discussed the factors and forces influencing individual decision-making in relation to locating their business in the Macro Level (international and national), the Mezzo Level (regional), and Micro-Level (local, individual firm, individual household, family, individual); he stated that one of the keys to entrepreneurial activity is “found in the political, social

and economic environment-the enabling environment, both macro and local-in which they function". Finally, when considering either the relocation of an existing business, or the development of a new enterprise, the rural setting often poses special challenges. Physical isolation, the availability of essential supplies and difficulty in obtaining basic business services, such as accounting and banking, are some of the economic difficulties highlighted in the literature (Osborne, 1987; Trucker et al., 1989; Fendley et al., 1989; Renski, 2009).

In order to provide consistency in this chapter, the same headings and order are utilised from the previous chapter on the embeddedness dimensions, in the sections to follow.

4.3 Community Relational Embedding

As discussed in the previous chapter, when a network tie is embedded within the social relationship and influences the entrepreneur's economic decision-making, the tie is called relationally-embedded (Granovetter, 1985; Uzzi, 1996). Initial opportunities and resources are often found within the relationally-embedded ties of the entrepreneur's social networks, such as family and close friends (Jarillo, 1989; Larson and Starr, 1993; Hite and Hesterly, 2001). An assumption that underpins research and policy-making is that economic activity is typically socially embedded, which is generally taken to imply local embeddedness (Jack and Anderson, 2002). This local embeddedness is important for rural entrepreneurship to flourish. Romanelli and Bird Shoonhoven (2001: 40) advanced the notion of "entrepreneurship as a fundamentally local process, born of individual, potential entrepreneurs taking advantage of local information and resources". It has been further argued that ideas for new products and services, and new sources of demand for existing ones, arise in the immediate environment where economic agents live and work, such as one's local community (Mason, 1991; Aldrich and Wiedenmayer, 1993). Therefore, distinguishing whether the entrepreneur is relationally embedded within the local community can be determined by the nature, depth, and extent of an entrepreneur's ties into the local environment (Jack and Anderson, 2002).

In a community context, it is generally accepted that relationally-embedded entrepreneurs rely on internal linkages that encourage the flow of goods, services, information and ideas. The intensity of family and personal relationships in rural communities can sometimes be helpful, but they may also present obstacles to effective

business relationships as inter-community rivalries may reduce the scope for full community cooperation (Morgan, 1997). For entrepreneurs that are relationally-embedded in a rural community, rurality often means relatively small-sized local markets. For instance, as far as the markets for factors of production are concerned, the supply of labour is expected to be relatively modest in rural areas (Keeble and Tyler, 1995). Moreover, entrepreneurs born into local communities, who aspire to acquire higher-education qualifications or specialist training, may have to move to urban areas (Lewis, 1998). Similarly, rural entrepreneurs are often confronted with a supply of labour whose levels of educational attainment are lower than the national average (Freshwater, 2000). As a result, the spread of information and relational embeddedness may be more difficult to foster among rural entrepreneurs. Indeed, a review of the literature highlights the expected benefits of relational embeddedness depend on two major characteristics, an appropriate degree of:

1. Thickness of networks, and
2. Cohesion between (and within) local factors.

Thickness refers to the possibility of a high proportion of relations self-included within the community of investors (the embedded actors) (Crego, 1985). Such thickness within a network decreases the likelihood of actors behaving in a manner detrimental to others within the network (e.g. free riding on public goods); on the other hand, a certain level of openness preserves a degree of flexibility against radical shocks (Drucker, 1985). Regarding the aforementioned cohesion, attitudes towards individual entrepreneurship should not be so strong that the space for trust and for collective entrepreneurship is inhibited, and vice versa (Drucker, 1985).

There are a number of arguments that highlight the significance of relational embeddedness within rural communities for the performance of economic agents and for local economic development. For example: shorter physical distance between participants makes interactive collaboration cheaper; moreover, it is easier for entrepreneurs to share knowledge and communicate face-to-face, and the independence between entrepreneurs and their community and regional environment is emphasised (Maskell et al., 1998). The foregoing suggests the need to take into account the importance of relational social ties, especially as it is in contrast to most economic viewpoints prevalent in the literature. This is all the more relevant as it can be argued

that an entrepreneur's identity is defined by their relations to other people (Drucker, 1985). Any (community) network ultimately consists of interrelated dyadic linkages between entrepreneurs who consider themselves equals (Keeble and Tyler, 1995). It is equally pertinent to highlight that the network is not limited to a formal structure, but varies with the issues that are in focus. Indeed, the relationally-embedded entrepreneur promotes the community and individual ventures, by either linking their own personal network to the collective network, or by expanding it through the creation of new arenas (Malecki, 1994). The literature further indicates that the ability to provide vision as well as concrete advice, and further, to develop and maintain networks on both the local/community and regional levels, actually reflect the definitive abilities of the community-relational entrepreneur (Ryan, 1992).

4.4 Community Structural Embedding

As previously discussed in Chapter 3, structural embeddedness refers to the overall architecture of the network; "structural embeddedness can, therefore be defined as the extent to which dyad's mutual contacts are connected to one another" (Granovetter, 1992: 35). The argument for community structural embeddedness falls within a broader paradigm, which is supported by a voluminous body of empirical research regarding the role of spatial externalities on economic activity (Fujita et al., 1999). This "new planning" perceives entrepreneurial ventures as structural elements of territorially-defined networks, whereby emphasis is placed on the interaction between entrepreneurs in the local community (Audretsch, 2003). Within this context, geographical, industrial, organisational and institutional proximities are perceived to be instrumental in facilitating the emergence of shared patterns of behaviour and cognitive rules, which in turn underpin collective learning processes (Kirat and Lung, 1999; Malmberg and Maskell, 2002). This shift in emphasis towards localised structural community interacting agents rather than entrepreneurial behaviour in isolation have become more common in "mainstream" economies (Anselin, 2003; Karlsson and Dahlberg, 2003).

A population of specialised entrepreneurs within a local community and few actors that cause friction and open competition, seems to be an environment for supporting structural embeddedness in terms of networks' thickness, along with cohesion and similarity (Smallbone et al., 2002). Structural social networking plays an important role in opportunity recognition (Singh, 1998). According to social network theory, and as previously highlighted in Chapter 3, entrepreneurs' social ties influence their

recognition of entrepreneurial opportunities and entrepreneurial pursuits. Hills et al. (1999) found that entrepreneurs, who used social network sources to get information on new venture ideas, identified significantly more opportunities than those who did not use social network sources. Social networking contacts allow individuals to gather information from a wide range of individuals and entrepreneurs, leading them to gather and evaluate many new ideas (Hills et al., 1999). Furthermore, networks play a key role in linking entrepreneurs with resources and recognition of opportunities (Sexton and Bowman-Upton, 1991). Specifically, social networking provides potential entrepreneurs with access to critical resources by enlarging their knowledge base that leads them to pursue a set of ideas (Sapienza et al., 1996; Floyd and Woolridge, 1999).

Moreover, developing structural partnerships includes the coordinated efforts of national government, local governments, regional governments, academies and non-governmental organisations to help spur on the entrepreneurial activity of that region (Kulawczuk, 1998). Indeed, partnerships with institutions, academies and various organisations encourage rural community development and strengthen institutional support structures. They also ensure robust relations between the government and the private sector for new enterprise development in rural communities (Forfás, 2007). Facilitating the growth of strategic development alliances, community partnerships and networking builds entrepreneurial capacity in a particular rural area more quickly. For instance, Dabson (2001) found evidence to suggest that such partnerships initiate various projects which centralise the development of businesses and rural communities. These projects help to identify the intrinsic characteristics of the area, and to assess local inefficiencies, capacity-building capabilities and potential for the region to establish the entrepreneurial vision (Bryant, 1989). Developing these types of partnerships increases outreach, economic development and are also beneficial to rural communities in adopting new business methods, and thereby increasing the likelihood of recognition of opportunities (Friedman, 1987).

4.5 Community Positional Embedding

As discussed in Chapter 3 and according to Gulati and Gargiulo (1999), positional embeddedness focuses on the actor's purpose and overall situation in the network and the consequent information advantages. For example, the more central an actor's network position, the more likely they are to have better information about a larger assembly of potential actors in the network (Sorenson and Stuart, 2000). Although

rurality is often associated with a sense of community that is the result of the small size of rural settlements, it is, more or less, by definition, deprived of many of the elements that make it conducive to entrepreneurship (Morgan, 1997). Indeed, the availability of resources, both tangible (in the sense of factors of production, including a critical mass of local organisers) and intangible (in terms of the existing knowledge infrastructure) in rural areas is often lower than that reported in urban areas (Morgan, 1997).

Research within this context suggests that the majority of founders of new enterprises set up their businesses in the locality in which they live, and may already hold a key position within the community (Mason, 1991). At the same time, they are equipped with distinct attributes, in terms of educational qualifications, employment history, and, subsequently, skills and networks of contacts (Keeble et al., 1992). Therefore, they are often well-positioned to tap into market opportunities and perform the entrepreneurial functions to become more embedded within the community. On the other hand, it was shown in a recent study, that entrepreneurs who move into rural areas or those as described by Morgan (1991) as “blow-ins” tend to be positioned, and concentrated in, industrial sectors, and that they are well-endowed in terms of informal business contacts outside the region (Centre for Rural Economy, 2000). In-migrants are often perceived to be more dynamic than their local counterparts in terms of the position they hold in a community network (DTZ Pidea Consulting, 1999; Smallbone et al., 2002; Kalantaridis and Bika, 2004).

Investments in embedded ties are easier for local entrepreneurs in as far as the same ties partly overlap with the experience of daily life within the local system (Becattini, 1990). In industrial districts, social and civic life is strongly related to business life, which is where the overlapping of ties tends to be extensive (Becattini, 1990). Therefore, local entrepreneurs in industrial districts, especially those connected to the principle cluster of activities, develop an embedded nature quite readily (Becattini, 1990). Entrepreneurs, that aim at both business venturing and community revitalisation, call for social as well as commercial networking in local communities (Johannisson and Nilsson, 1989). This seems to indicate that social and economic factors are strongly intermingled in both independent entrepreneurship and in local economic development. In most economies, the local community is the socioeconomic structure where the interdependencies between collective values, institutions, practices and individual entrepreneurs and their ventures are uncovered (Johannisson, 1988).

4.6 Chapter Conclusion

Research into rural entrepreneurial embeddedness is still in its infancy. This chapter examined the embeddedness dimensions as outlined in Chapter 3 in the context of a rural entrepreneurial setting under the headings of Community Embedding, Community Relational Embedding, Community Structural Embedding and Community Positional Embedding. Overall, it was found that there is little research in existence that links both entrepreneurial embeddedness and community embeddedness. It was found that opportunities are unlikely to be available to those entrepreneurs in their local rural community if they are not embedded in their community. Therefore, community embeddedness is important to rural entrepreneurship as it creates a link between economic and social spheres.

The next chapter examines the philosophical stance of this study and, in light of that stance, the study's methodology is outlined.

Chapter 5: Research Methodology

5.1 Introduction

This chapter describes the research philosophy and methodology, the assumptions which they are founded upon, in addition to the issues concerning the research methods utilised in this study. The chapter first presents the major issues and philosophies of research before reviewing the methodological alternatives presented by authors in the area. When explaining the methodology and research methods used in the study, it is important to make a distinction between the two. Bailey (1994) describes the research method as the actual process of collecting answers to the research question, whereas research methodology relates to the overall assumptions that form the foundation of the research and the standards that the researcher follows in the data collection and analysis stages of the study. Consequently, the research problems and objectives are stated before presenting the research design and approach adopted. Finally, the sampling, data collection and the strategy for data analysis are detailed.

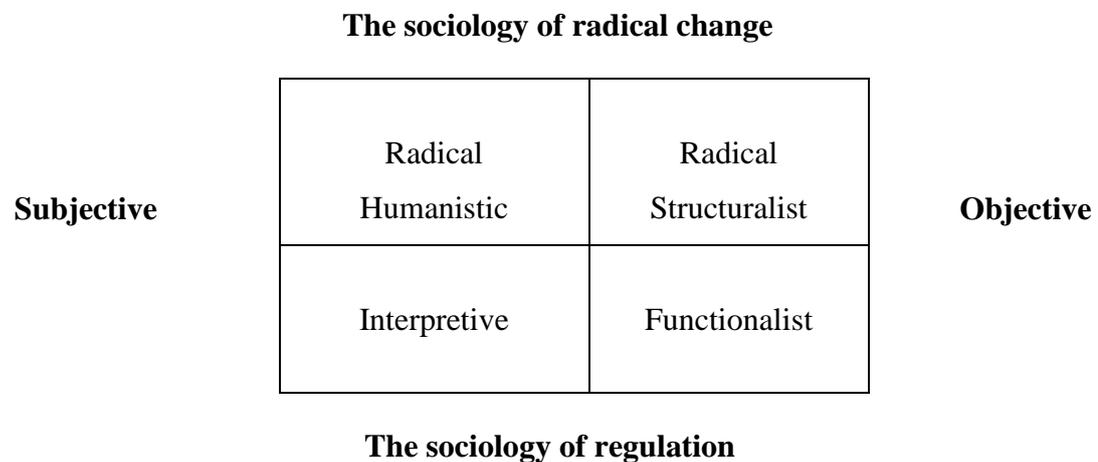
5.2 The Philosophical Debate

A philosophical perspective helps guide the researcher in making key decisions in the research process. In this context, two aspects should be identified as they pertain to assumptions concerning two dimensions: the nature of society and the nature of science (Burrell and Morgan, 1979). The society dimension involves two separate views of society: regulatory or radical change. The regulatory assumes that society evolves rationally and is considered as being unified and cohesive. However, the radical view perceives society as being in constant conflict as humans struggle to free themselves from the domination of social structures (Burrell and Morgan, 1979). The rational view of society forms the basis of modernism, whereas the radical change view underlies post-modernism.

The second dimension, the nature of science, involves either a subjective or objective approach to research. Both outlooks on the nature of science are defined by four key assumptions: ontology, epistemology, human nature and methodology. Regardless of their sociological point of view, the researcher will find that these assumptions are quite significant, that is, that their view of ontology affects their epistemological outlook, which in turn influences their view of human nature (Burrell and Morgan, 1979). According to Burrell and Morgan (1979), incorporating these dimensions together

defines the four philosophical paradigms, more explicitly: radical humanistic, radical structuralist, interpretive and functionalist as depicted in Figure 5.1.

Figure 5.1 Four paradigms for the analysis of social theory



Source: Burrell and Morgan (1979)

In essence, the four paradigms depict four views of the social world based on the different meta-theoretical assumptions concerning the nature of society and of science, and so can provide researchers with a useful “tool for mapping intellectual journeys in social theory” (Burrell and Morgan, 1979: 24). While a full discussion on contemporary research methodology should consider all four paradigms, for the purpose of this research, the discussion is limited to what Burrell and Morgan describe as the imperative functionalist paradigm; indeed, as argued by Morgan and Smircich (1980):

This line of reasoning is justifiable for organisational research because within the radical humanistic structuralist paradigms debates concerning research methods are regarded as an ideological debate of minor importance. In addition, much of radical humanist’s perspective concerns political sociology rather than its application to business research, while organisational research utilising a radical structuralist perspective is embryonic in nature.

To facilitate a philosophical discussion, it is first necessary to employ a consistent terminology. Indeed, in the literature on philosophy, various labels have been assigned by authors, for example, Easterby-Smith et al. (2002) identified them as positivism and phenomenology, while Hughes and Sharrock (1997) described them as positivism and interpretivism. For this study, the use of the subjectivist versus objectivist terminology is utilised as illustrated in Table. 5.1.

Table 5.1 Alternative philosophical paradigm names

<i>Subjectivist</i>		<i>Objectivist</i>
Qualitative		Quantitative
Anti-positivist		Positivist
Phenomenological		Scientific
Humanist		Experimentalist
Interpretivist		Traditionalist
Social Constructionist		Functionalist

Source: Hussey and Hussey, (1997)

In essence, a key distinction between these two polar opposites (subjectivist and objectivist) is that they each describe two different assumptions of social reality and the way in which this social reality may be investigated, suggesting how to approach a research topic as illustrated in Table 5.2. Objectivists claim that the world consists of phenomena, which are real and concrete and that knowledge exists solely as a result of observing the phenomena. Subjectivists, on the other hand, view the world as being socially constructed and biased in nature (Gill and Johnson, 1997).

Table 5.2 Nature of science analysis framework

<i>The Subjective Approach</i>		<i>The Objective Approach</i>
<i>Nominalism</i>	Ontology	Realism
<i>Anti-positivism</i>	Epistemology	Positivism
<i>Voluntarism</i>	Human Nature	Determinism
<i>Ideographic</i>	Methodology	Nomothetic

Source: Burrell and Morgan (1979)

5.2.1 The Ontological Debate

This debate relates to the very nature of reality, “whether ‘reality’ is of an objective nature or the product of an individual’s mind” (Burrell and Morgan, 1979: 1). The ontological debate is divided into two distinct contrasting categories (see Table 5.2). Nominalists do not admit to there being any ‘real’ structure to the world (Burrell and Morgan, 1979; De Burca, 1995). In contrast, realists maintain the idea that the social world is a real world, made up of hard, tangible and relatively unchangeable structures and, whether or not individuals label and perceive these structures, they still exist as practical entities (Burrell and Morgan 1979; Gill and Johnson, 1997). Therefore, realists believe that the world exists independently of human beings (De Burca, 1995:118; Burrell and Morgan, 1979: 4).

5.2.2 The Epistemology Debate

Epistemology concerns the study of nature, validity and limits of knowledge and how to communicate this knowledge to fellow human beings (Burrell and Morgan, 1979). “Most of the research that has been completed in organisational science has been based on the assumption that reality is an objective and ‘out there’ waiting to be discovered and that this knowledge can be identified and communicated to others” (Holden and Lynch, 2002: 5). The epistemological debate has two extreme positions concerning whether or not knowledge can be transmitted to others or must be gained from personal experience. These positions have been categorised as anti-positivism and positivism. Burrell and Morgan (1979: 5) use the phrase “positivism” “to characterise epistemologies which seek to explain and predict what happens in the social world by searching for regularities and casual relationships between its constituent elements”. The main features of positivism are the belief that the social world exists externally and can be measured by using objective methods (De Burca, 1995; Easterby-Smith, 2002), and also that the researcher is independent of the research phenomenon and so “neither affects nor is affected by the subject of the research” (Remenyi et al., 1998: 33). In contrast to this, anti-positivists claim that the world can only be understood from the point of view of the individuals who are directly involved in the activities which are to be studied, and that in order to “understand,” one must occupy the frame of reference of the participant in action. Anti-positivists view social science as being subjective rather than objective and reject the idea that science can generate objective knowledge of any kind (Burrell and Morgan, 1979).

5.2.3 The Human Nature Debate

This debate concerns itself with the issue of how humans interact with their environment. As with the previous assumptions, it also has two diverse views. At one end of the spectrum, objectivists believe that the relationship between man and society is deterministic and his activities are not free, but completely determined by external forces, that is, the “environment” in which he is located (Burrell and Morgan, 1979; Easterby-Smith et al., 1997). On the other hand, subjectivists maintain a voluntarist view that man simply responds to the circumstances encountered and that humans are ‘completely self-directed and free-willed’ (Burrell and Morgan, 1979).

5.2.4 The Methodological Debate

Methodology is the researcher's tool-kit; it represents all the tactics available to social scientists to investigate phenomena (Burrell and Morgan 1979). The choices made by the researcher, in relation to each of the assumptions outlined earlier, have direct implications on the routes chosen to investigate and obtain knowledge about the social world. Different views on ontology, epistemology and human nature influence social scientists towards a choice of methodologies. The methodological debate is divided into two separate approaches: the ideographic approach and nomothetic approach (Lee, 1991). If the subjective orientation as explained above is used, then an ideographic approach must be adopted. This approach contends that, in order to understand the social world, one must gain first-hand knowledge of the subject under investigation (Lee, 1999). The emphasis is placed on the analysis of subjective accounts which are generated by "getting inside" situations and allowing one's subject to unfold its nature and characteristics during the process of investigation (Burrell and Morgan 1979: 6). Researchers who follow this approach use qualitative techniques for data analysis, such as case studies and focus groups. Table 5.3 outlines the philosophical stance for each tactic.

Table 5.3 Research tactics and their philosophical bases

Research Tactic	Subjectivism	Objectivism
<i>Action Research</i>	Strictly Interpretivist	
<i>Case Studies</i>		Have scope to be either
<i>Field Experiments</i>		Have scope to be either
<i>Focus Groups</i>	Mostly Interpretivist	
<i>In-depth Surveys</i>	Mostly Interpretivist	
<i>Laboratory Experiments</i>		Strictly positivistic with some room for interpretation
<i>Scenario Research</i>	Mostly Interpretivist	
<i>Large-scale Surveys</i>		Strictly positivistic with some room for interpretation
<i>Observation</i>	Mostly Interpretivist	
<i>Interviews</i>	Mostly Interpretivist	

Source: Adapted from Remenyi et al. (1998)

On the other hand, an objective orientation follows a nomothetic approach. This approach emphasises the use of methodological tactics which are dominated by a sequence or structure of systematic techniques, for instance, the use of quantitative methods for data collection, such as surveys and questionnaires. However, Easterby-

Smith et al. (2002) claimed that a researcher does not have to choose one approach over the other and can, in fact, combine both methodologies in order to give individual methods a more credible weighting. Indeed, Lee (1999: 11) stated that: “the main focus of a researcher should be to ensure that the most appropriate method has been applied to the study rather than focusing on whether or not qualitative or quantitative designs are used”.

Drawing from the foregoing, the philosophical stance of this study is presented next.

5.2.5 Philosophical Position Adopted

Following Morgan and Smircich’s (1980) framework, this research adopts an anti-positivist philosophical position. In terms of ontology, the present study shares the view of social world information, that is, reality is embedded in a social world of subjective meanings of actions, reactions and appropriate adjustments that renders itself to others as appropriate behaviour. In applying Burrell and Morgan’s (1979) subjective-objective debate regarding social science research approaches, this study is subjective. It is perceived that subjectivity is prevalent in all social research: informants give only their own interpretations of different situations and researchers study these situations before further interpreting the informants’ interpretations. Regarding stance on epistemology, it is necessary to distinguish natural sciences from social sciences, while at the same time recognising the importance of human subjectivity in the quest to understand human action and behaviour. The present study shares the view that one cannot acquire knowledge through observing behaviour indirectly, but instead one must experience it to understand what is happening. In relation to human nature, this study subscribes to the voluntarism approach which conceives that the individual has the ability to control their social environment. Finally, in terms of methodology, as this study subscribes to anti-positivist assumptions on ontology, epistemology and human nature, a qualitative methodology is utilised; such a methodology (involving in-depth interviews specifically) allows the researcher to try and capture the individual’s own interpretation of the world. Furthermore, from a pragmatic perspective, little research exists to date on the assumption that entrepreneurs are embedded socially within the rural community and that this embeddedness is a major factor in the development and maintenance of his/her enterprise (Jack and Anderson 2002; Stathopoulou et al., 2004 Morrison 2006); in other words, the entrepreneur’s activities are enhanced and constrained by the rural community in which he/she is embedded. Based on the lack of knowledge in this area,

the research project needs to incorporate a methodology that allows a richer and more detailed analysis than quantitative research offer; indeed, it is perceived that qualitative inquiry enhances depth and insight far beyond that of quantitative techniques (Bryman, 2004) – in fact, a qualitative, subjectivist approach is required as the researcher will have no firm preconception as to what will be found (Malhorta, 2002; Kumar, 2005). Informed by the philosophical stance adopted, and in particular the exploratory nature of the study, sections 5.3 and 5.4 present the research problem, objectives and the implications in terms of research design.

5.3 Research Problem and Objectives

The research problem emanating from the literature centred on the rural context and the entrepreneur's social embeddedness within the local community (identified as the major differentiator between rural and urban entrepreneurship), which both inhibits and enhances the entrepreneurial process (Jack and Anderson 2002; Statopoulou et al., 2004). The overarching research question concerns the nature of rural entrepreneurship and the effects of entrepreneurial embeddedness in a rural setting. Based on the foregoing, the following objectives are presented:

1. To explore the demographic and psychological characteristics among rural entrepreneurs for commonalities or differentiators that affect entry to entrepreneurship.
2. To explore the factors affecting entry to rural entrepreneurship.
3. To explore how community embeddedness can enhance or hinder rural entrepreneurship.
4. To explore the function and effectiveness of an entrepreneur's network in a rural community context.

The next section presents the research design; the design facilitates the solving of the research problem through attaining the research objectives.

5.4 Research Design

Zikmund (1997: 48) referred to the research design as the “master plan specifying the methods and procedures for collecting and analysing the needed information”. This is essentially a framework for the research plan of action. The detailed research design should serve to answer the overall research question and assist in the attainment of the

research objectives. The significance of the research design is highlighted by Easterby-Smith et al. (2002: 43) who claimed that: "...research designs are about organising research activity, including the collection of data, in ways that are most likely to achieve the research aims," while Yin (2003b: 19) argued that "... a research design is the logic that links the data collected (and the conclusions to be drawn) to the initial questions of the study."

Based on the research phenomena and the philosophical position of the study, it is not only important to select and justify a particular design, but also to accept that no single design is inferior or superior to another. For Hakim (2000: 11-12), "No single type of study is inherently inferior or superior to others. Each does a particular job and should be selected according to the nature of the issues or questions to be addressed." Prior to adopting any one research design, consideration must be given to the nature of the actual research itself (reflected in the objectives above in sections 5.3 and 5.4) and the extent to which this encompasses an exploratory, descriptive or causal design (Domegan and Fleming, 2003). Table 5.4 outlines the principle features of each approach.

Table 5.4 Considerations in choosing a research design

	<i>Exploratory Research (What?)</i>	<i>Descriptive research (When, Where, Who?)</i>	<i>Casual/Explanatory Research (How, Why?)</i>
<i>Data Type</i>	Qualitative	Qualitative or Quantitative	Quantitative
<i>Aims</i>	To explore, chart, identify	To describe quantify	To establish cause and effect
<i>Nature of Variables</i>	Unknown, undocumented	Known associations and documented	Known exactly, clearly supported
<i>Degree of Formality Data</i>	Relatively little Literature review Expert surveys Focus groups In-depth interviews Projective techniques	Some to extensive Literature review Surveys Observation Panels	High mathematical Literature review Expert surveys Experiments Surveys Observation
<i>Sample Size</i>	Small	Small to large	Large
<i>Question Types</i>	Probing Response-driven	Some probing Interviewer-driven	No probing
<i>Hypothesis</i>	Generates, develops	Tests and/or generates, Develops	Tests

Source: Domegan and Fleming (2003)

The foregoing can be summarised as follows: descriptive research is about quantifying, causal is about testing, and exploratory research is about understanding – as previously

discussed in this chapter, the latter complements the underlying objectives of this research. The categorisation presented by Domegan and Fleming (2003), as depicted in Table 5.4, serves to highlight some of the key features of different research approaches. Where the research is considered to be of an exploratory nature, little is known about the central issues; the aim of this type of design is to uncover and reveal patterns, trends, attitudes and behaviours that were previously unknown and lacked understanding. This, in turn, may lead to more extensive research (Zikmund 2000; Kumar 2005). As outlined in Table 5.4, studies of this nature are likely to rely on qualitative data generated from small samples. From the choice of methods outlined in Table 5.3 for an exploratory research design, this study will utilise in-depth interviews as a means of exploring the key issues previously highlighted (this is further discussed in section 5.7).

5.5 Research Approach

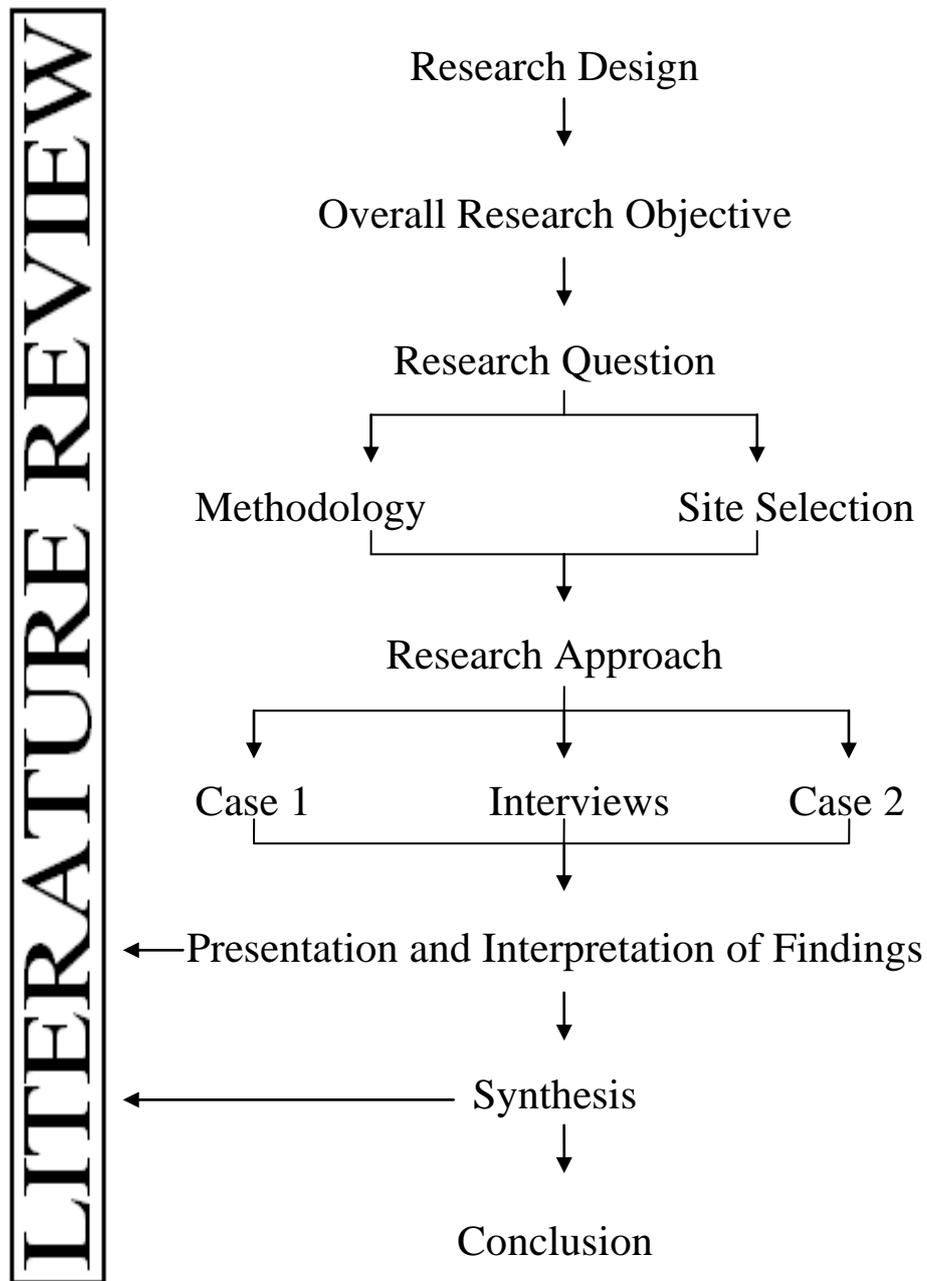
While there are many different types of subjective approaches, such as ethnography, action research, grounded theory and biography, it was decided that in order to understand the depths of embeddedness and how the entrepreneur managed their social networks within a local rural community, the present study should adopt a multi-case approach. The justification for adopting a multi-case research approach is grounded on a number of interconnected factors:

- First, the type of research problem that is being posed by this study is exploratory and requires a methodological approach that will allow the researcher to disentangle a complex set of factors and their inter-relationships in order to understand the possible drivers and inhibitors involved in rural entrepreneurship (Yin, 2003).
- Second, a multiple case study approach is preferred over other approaches when examining contemporary events over which the researcher has little or no control, as it allows multiple sources of evidence to be used (Yin, 2003).
- Third, the case study method permits the research objectives to be addressed in the context of the individual entrepreneurial setting. Yin (1994: 13), in defining what a case study is, highlighted the contextual superiority of this approach, as

“a case study is an empirical inquiry that investigates a contemporary phenomenon within a real-life context, especially when the boundaries between phenomenon and context are not clearly evident”.

- Fourth, the research objectives demand an in-depth enquiry and this is possible with the case study method. Remenji et al. (1998) noted that a much deeper level of enquiry is attainable through the case study method compared to other research methods.

Figure 5.2 Elements of the research process



Source: Byrne (2000)

5.6 Sampling

Once the general definition of the cases has been established, defining the sample is crucial. From the outset, it is important to realise that sampling is not a process that should be solely associated with the logic derived from statistical and mathematical probability (Mason, 1996). An interpretive case study demands the logic of purposeful sampling as opposed to random sampling. Purposeful sampling is concerned with selecting information-rich cases whose study will illuminate the question under enquiry (Miles and Huberman, 1994). This form of sampling consists of the “procedures used to identify, choose, and gain access to relevant units which will be used for data generation by any method” (Mason, 1996: 83). The selection of cases represents the first important element of the sampling process. Patton (1990: 181) points out that “the underlying principle that is common to all these strategies is selecting information-rich cases” that will allow the researcher to develop theory. Based on a review of the several types of purposeful sampling methods (cf. Patton 1990), the sampling method that best fits the purpose of the current study, the resources available, the questions being asked, and the constraints being faced, is criterion sampling. The justification for adopting such a sampling approach for this research is based on a number of interrelated rationales.

First, the social embedding of rural entrepreneurial communities has not been approached in this manner before, and so focusing on two cases with an exploratory objective should realise rich data and allow for comparisons to be made. Indeed, since this research is interpretive in nature, it has a focus on understanding rather than generalising (Hirschman, 1986).

Second, decisions regarding the selection of cases and the appropriate number of sample units needed are largely dependent on practical issues, such as the possibility of gaining access and case suitability. It was decided that two cases would be sufficient, as the research site naturally developed into two case studies⁸. It was envisaged that two case studies would allow comparisons to be drawn. Furthermore, due to the limited number of entrepreneurs in both rural cases, the researcher interviewed all those willing to participate.

Third, although numerous potential entrepreneurs were contacted, some refused to participate in the study and others did not fit the study's entrepreneurial criteria. The criterion required was that all businesses were located and operated within a rural community.

Fourth, that the individual was required to be an entrepreneur⁹ and had initiated the business venture. It was deemed critical for this study that the entrepreneurs operated outside of the farming industry.

Fifth, access was required, consequently access was granted for case one in the initial stages of the project. Access was subsequently granted for the second case after the first case had been completed.

Sixth, both of these case studies were considered to be operating in a successful rural entrepreneurial community, based on regional recognition, multiple long-lasting enterprises, multiple fields and growing numbers. As a result, from the outset the

⁸ Two cases naturally developed based on a "snowball effect". Specifically, when carrying out the interviews in case one, the case two site was highlighted by the entrepreneurs as directly comparable. In addition, the entrepreneurs in case one had contacts in case two and this granted the researcher access. The research was limited to two case studies as there were not enough easily identifiable businesses in operation to generate a third case. Each of the two case studies had high entrepreneurial activity and matched the researcher's requirements, deeming it unnecessary to acquire any further cases. The researcher carried out a total of 30 interviews across both case sites and this was considered sufficient. Furthermore, time and resource limitations also restricted the data collection process. Also as the researcher began to reach 30 interviews it became obvious that the interview saturation point had been reached.

⁹ For the purpose of this study an entrepreneur was considered to be any individual that initiated a business venture outside of the farming sector. To be considered for this study, these individuals could not have taken over an existing business or inherited a business.

researcher knew that there would be higher levels of entrepreneurial activity in these rural locations, over other rural locations, thereby enhancing the quality of the data.

5.7 Data Collection Methods

On reviewing the data collection literature, it became apparent to the researcher that two possible data collections methods could be utilised. Explicitly, these data collection methods are focus groups and in-depth interviews. Table 5.5 below compares both focus groups and in-depth interviews.

Table 5.5 Comparison of focus group and individual interviews

<i>Factors</i>	<i>Focus Groups</i>	<i>In-depth Interviews</i>
<i>Group Pressure</i>	Stimulate new ideas and respondent ideas challenged with potential of group influence.	New ideas come from interviewer and respondents' ideas are less likely to be challenged.
<i>Group Competition</i>	More respondents so less time to obtain in-depth details from individuals.	One-to-one situation, so more time to elicit detailed information.
<i>Subject Sensitivity</i>	Reluctance to talk.	More likely to respond.
<i>Topics/Agenda</i>	Limited number can be introduced.	A large number can be introduced.
<i>Recruitment</i>	Difficult to assemble 8-10 persons in one place at a time.	Easier to schedule, place can be convenient for respondent.
<i>Cost of Information</i>	Less time-consuming, offers large amount of data to be obtained from a single event. However, incentives may be necessary in order to construct a group discussion.	A large amount of information covering a large number of topics is possible from a small number of respondents. However, it is very time-consuming and arguably more costly (travel, resources etc.).

Source: Adapted from Brannick (1997: 21-22)

After examining both methods carefully, it became apparent that in-depth interviews were the most appropriate for the required data collection. This method was chosen over focus groups as it was perceived to be the method most likely to achieve the desired outcome, especially as Burgess (1984) indicated that interviews are: “*conversations with a purpose*”. Indeed, when dealing with sensitive information or individuals, such as entrepreneurs, who lead a busy lifestyle, it is often more convenient and undemanding to secure an in-depth interview over a focus group (Burgess 1984). This can possibly lead to a higher response rate as there is no group involved (Brannick, 1997). According to Mason (1996), qualitative interviews are a uniquely sensitive and powerful method for capturing experiences and lived meanings. As this is what the researcher was trying to capture in this study, interviews were deemed the most appropriate. Interviewees are allowed the opportunity to convey their state of affairs and opinions as they wish. The desirable quality of qualitative interviews is their openness

and flexibility, with no set standards rules or techniques, thereby leaving the interviewee at ease with the interviewer, in the hope of gathering higher-quality information. This, however, requires extensive advance preparation and interviewer capability. The interviewer must have the competence to ask good questions, as well as interpret the answers, be a good listener, not be trapped by preconceptions and be adaptable and flexible. According to Yin (1994), in order to see newly-encountered situations as opportunities and not threats, the interviewer must have a firm grasp of the issues being studied, and be unbiased by preconceived notions. Mason (1996) identified three objectives when carrying out interviews. These objectives include: discovering information being sought from participants accurately and efficiently, recording information gathered so that it may be easily used as input to the next step in the project and leaving the participants confident that their understanding of the topic has been explored, listened to and valued (Mason, 1996).

The researcher identified and interviewed key entrepreneurs that were involved in the development of the entrepreneurial communities under investigation. A total of 30 interviews¹⁰ were carried out, 18 in case one and 12 in case two. The use of in-depth interviews facilitated the researcher in achieving a number of different aims. Interviews allowed for the participants to be used as “*meaning makers*” rather than “*passive conducts*” in the process of answer retrieval (Gubrium and Holstein, 2002: 83). There is also the assumption that the data is generated through interaction (Kaule, 1996), therefore the interviews allowed for detailed information to be “*obtained about complex topics*” (Leary, 2004: 101). Furthermore, interviews permit participants to explain trends and analyse their own experiences (Silverman, 2001: 43), allowing for the opportunity to capture the essence of the participants’ real world by delving from the past into the future (Gubrium and Holstein, 2002). In addition, interviews allow for a thematic, topic-centred, biographical and narrative approach (Kaule, 1996).

¹⁰Interview questions are available in Appendix A. The interviews took, on average, 70 minutes to complete. The entrepreneurs were cross-examined on the major findings in the literature review in relation to them as an individual entrepreneur and their networks, along with their embeddedness level in the community in which they operate. The interviews were carried out on-site in each of the entrepreneur’s business premises. An interview request letter was mailed by post to the entrepreneurs, requesting an interview and detailing what the research entailed. The letter was subsequently followed by a telephone call to secure a response, and determine a time and location for the interview.

However, the use of interviews also has its drawbacks, as Denscombe (2003) has recognised, some disadvantages of interviews are that they may be the subject of bias due to poorly-constructed questions and that response bias may be high. Further, inaccuracies can arise due to poor recall and interviews may also be prone to interviewees responding to questions in a manner believed to be desired by the interviewer. The researcher overcame these recognised disadvantages by advanced preparation, specifically, careful planning and structuring of the interview questions so as to ensure accuracy and efficiency. Table 5.6 is a display of the interview schedule.

Table 5.6 Interview schedule

<i>Interviews</i>	<i>Case 1</i>	<i>Case 2</i>
<i>Date</i>	December 2008	January 2009
<i>Number</i>	18	12
<i>Average Length</i>	67 minutes	62 minutes
<i>Total Time</i>	20 hours	12 hours 42 minutes

Interviews spanned the months of December 2008 and January 2009. The researcher often carried out a number of interviews on the same day, while at other times there were significant gaps between interviews. These gaps enabled the researcher to transcribe previous interviews, while waiting for other potential interviewees to respond to the interview request letter (see Appendix B). After all 30 interviews were transcribed, the researcher returned to all the interviewees to thank them for their participation. This was also an opportunity for the interviewees to view the transcriptions, date them, and confirm that all information provided was accurate. In a small number of cases, interviewees added more information on viewing the transcription, as it had triggered some additional useful information that was not included first time around. When this was completed, the analysis of the findings began.

5.8 Strategy for Data Analysis

The data was analysed using the data package NVivo 7. This data analysis package was used as a research management tool to accumulate the qualitative data collected from the interviews in both cases. All gathered data was recorded, transcribed and inputted into the qualitative program. Qualitative research uses unstructured information like field notes, videos, transcriptions and audio recordings instead of numbers to arrive at

conclusions. The use of this software package allowed the researcher to structure the collected data early on, through the process of keeping text in organised database files; having an efficient filing system allowed the researcher easy access and retrieval. In essence, this software package made it possible for the researcher to synthesise massive volumes of text through editing, coding, retrieving, memoing, and linking data into categories so emergent themes could surface. Two basic processes are used when analysing qualitative data, as outlined by Mason (1996); these two processes usually run concurrently rather than consecutively as described in Table 5.7.

Table 5.7 Qualitative analysis process

<i>Process</i>	<i>Explanation</i>
<i>A systematic analysis</i>	Involves the breakdown of the conversations including transcriptions, note-taking and organising the data.
<i>A conceptual analysis</i>	Occurs throughout the process, primarily when one is conducting the work, transcribing the conversations and when drawing together material in order to explain the data. ¹¹

Source: Adapted from Mason (1996)

NVivo 7 enabled the researcher to manage, shape and make sense of this information quickly and easily, while also having the advantage of a data audit trail to track changes. Although using NVivo 7 was essential in managing the collected data, it was no substitute for the interpretive skills of the researcher when it came to analysing the data and breaking the volumes of information down (Easterby-Smith, 2002). NVivo 7 is only a tool, and it was up to the researcher to “reduce the volume of the information, identify significant patterns and construct a framework for communicating the essence of what the data reveals” (Patton, 1990: 371-72). Table 5.8 details how NVivo was applied in the study.

¹¹ Both of these processes were utilized in this research.

Table 5.8 How NVivo 7 was applied in the study

<i>How NVivo was applied in the study</i>
<ul style="list-style-type: none"> • <i>To assist in analyzing the open-ended qualitative data</i> • <i>To code data collected</i> • <i>To compare patterns across nodes</i>

The data inputted into NVivo 7 combined both the interview transcripts and notes that were taken, before being arranged into documents and nodes. Nodes are physical locations where one stores the groups of ideas that can be coded. Nodes can be further segmented into free and tree nodes. Free nodes were initially used to openly code the transcriptions. These free nodes were then assigned into the hierarchical structure of a tree node. The coding process used in NVivo 7 for the present study incorporated three phases as follows (see Appendix C):

A) Structuring of responses by question (guided by the literature review)

Initially, the interviews that took place were recorded using a dictaphone and also through note-taking. Once recorded and transcribed, the findings were edited into a Microsoft Word document before being transferred into NVivo 7, under the framework of two separate fields distinguished by the area name of both cases. All interviewees' responses were grouped under each question chronologically in NVivo 7.

B) Analysis of responses into sub themes

Free nodes were created from the interviewees' responses which were centred on the key themes of the study: demographics, psychological issues, entry barriers, embeddedness and the community.

C) Thematic analysis

Following the creation of these free nodes, the responses were coded and tree nodes were created. Coding the data in such a way enabled the researcher to detect patterns, thus highlighting similarities and differences between responses, and allowing for the detection of relationship links. This aided the identification, analysis and matching of the findings.

Finally, throughout the process of analysing and interpreting the data, the researcher verified the accuracy of the findings with the interviewees to ensure the legitimisation of the research, in terms of credibility, transferability, dependability and conformability.

5.9 Legitimation

Research legitimisation refers to how the research can be evaluated against the criteria of validity, reliability and generalizability (Easterby-Smith et al., 1991). However, as noted by numerous authors (Lincoln and Guba, 1985; Hirschman, 1986; Stake 1994), these evaluative criteria are not suitable for research that falls outside the positivistic domain. For Lincoln and Guba (1985), steering away from using conventional criteria, such as, internal and external validity, reliability and objectivity, was important for evaluating research generated by an interpretive design. Therefore, based on the recommendations of Morgan (1983), four evaluative criteria are proposed for interpretive based research, explicitly: credibility, transferability, dependability and conformability. These four concepts mirror that of the positivistic concepts of internal validity, external validity, reliability and objectivity, respectively. Table 5.9 demonstrates the differences in evaluative criteria in relation to qualitative and quantitative research.

Table 5.9 Evaluative criteria suitable for qualitative versus quantitative research

<i>Quantitative</i>	↔	<i>Qualitative</i>
Internal Validity		Credibility
External Validity		Transferability
Reliability		Dependability
Objectivity		Conformability

Source Adapted from: Bryman (2004)

5.9.1 Credibility

Lincoln and Guba (1985) state that a researcher must do everything necessary to ensure that their interpretation of collected research data is credible and understood. Through benchmarking the work of Hirschman (1986) and Lincoln and Guba (1985), the credibility of research findings is achieved in a number of ways.

Firstly, the researcher ensured that sufficient time was spent in the field, in order to detect any distortions that might occur in the data over time (Lincoln and Guba, 1985). By allocating adequate field time to the study, the researcher was able to observe the influences of contextual factors on the phenomenon under study.

Secondly, while carrying out the field research, a number of interviewees were asked for their recommendations of potential interviewees to generate a second case for the study. The researcher also liaised with both the manager and the board of directors in case one, to build up a contact list of potential interviewees.

Finally, all transcriptions were reviewed by the interviewees for any discrepancies. This allowed the interviewee to spot any discrepancies in the data transcribed and also to correct any errors in the data provided. It also gave the interviewee the chance to add anything they felt was left out the first time around (Hirishman, 1986).

5.9.2 Transferability

As qualitative research is generally concerned with the intensive study of a small group, or of individuals sharing certain characteristics, qualitative findings tend to be orientated to the contextual uniqueness and significance of the social world being studied (Bryman, 2004: 275). However, from the outset it is important to realise that, for this research, generalizability of findings to the whole external social world is not a concern, nor is it possible, and “whether findings hold in some other context, or even in the same context at some other time, is an empirical issue” (Lincoln and Guba, 1985: 316). Geertz (1973a) stated that, in contrast to a positivistic study where it is expected that the researcher will make statistical generalisations to a wider population, a qualitative study calls for a thick description that gives rich accounts in detail and may provide other researchers with the necessary information to make transferability possible to other milieus. The question of whether one case will hold or is transferable to another case will depend on the similarity between contexts (Hillebrand et al., 2001). Hirschman (1986: 245) argued that to:

...assess the transferability of an interpretation one must know not only the specifics of the context in which the interpretation was generated, but also the specifics of the context to which the interpretation is to be applied. However, to comprehend the specifics of the second context, one must first construct an interpretation of it.

Therefore, transferability to a second setting is only possible when interpretations from both contexts are compared and deemed suitable for comparison (Lincoln and Guba, 1985).

5.9.3 Dependability

In theory, dependability in qualitative research is equated with reliability in quantitative research, which is an assessment of the consistency and stability of findings, interpretations and the justification of methods used for data collection (Johnston et al., 1999). Guba and Lincoln (1985) argued that, to establish a merit of trustworthiness, researchers should adopt an “auditing” approach. This requires the researcher to ensure that complete records are kept of all phases of the research process: formulation and selection of the research process, selection of participants, fieldwork notes, interview transcripts and data analysis decision; and all in an accessible manner. Peers may then act as authors to oversee the dependability of the researcher’s work. Detailed interviews were carried out which lasted approximately one hour, during which the interviewee was probed considerably to ensure that as much data as possible was collected. This information was then analysed with NVivo 7 to increase the dependability of the findings. The research project was also presented to peers and academics at the Postgraduate Review Board in the Business School at Waterford Institute of Technology, in addition to the Irish Academy of Management Conference to gain constructive feedback on the issues being covered and the methodological approach employed. Continuous consultation with the research supervisors throughout the duration of the study, along with an “open door policy”, allowed the researcher to increase the dependability of the research project.

5.9.4 Conformability

Conformability concerns itself with ethical issues such as keeping a balanced viewpoint, objectivity and the researcher remaining impartial and un-biased (Hirschman, 1986). The researcher had numerous meetings with his supervisors regarding ethical approval, as well as, the number of cases that should be undertaken and how many interviews would be sufficient for this study. The researcher attended a Research Symposium on methodological approaches with Dr. Michael J. Baker titled “Getting Started on the Research Project”. This highly-informative training class allowed the researcher to remain objective and choose the best possible approach. The research project was also passed by the Ethics Committee at Waterford Institute of Technology.

5.10 Chapter Conclusion

This chapter described the researcher's philosophical stance to the study. As a result of this stance and the study's objectives, the most suitable methodology was chosen. An overview of the research process was presented, including the researcher's justification for using case-study research. In order to garner information suitable for this exploratory study, a qualitative research approach was utilised. The data collection method adopted to meet the aims and objectives of the present study, was subsequently described. A description of the case study process was outlined, detailing the sampling design, interview preparation and on-site data collection used in the study. Finally, the data analysis tools and evaluative criteria were identified. The next chapter will present the findings from the interviews with the entrepreneurs in each case study.

Chapter 6: Research Findings

6.1 Introduction

As discussed in the previous chapter, a case study approach was deemed the most appropriate instrument for data collection. This chapter presents the results of both the Dunhill Enterprise Centre (DEC) and Dunhill, Fenor, Boatstrand and Anestown (DFBA) area. The findings from both communities are outlined under each research heading, which allows immediate comparisons to be made. The chapter opens with a brief overview of the case study profiles and a map of the DFBA area. This chapter then presents the demographical characteristics of the entrepreneur (gender, age, education, family background and previous experience). The psychological characteristics of the entrepreneur are subsequently presented (need for independence, need for achievement, locus of control, risk-taking and tolerance of ambiguity). Continuing with the individual affect, the factors affecting entry to entrepreneurship are then presented (push and pull factors, fear of failure, financing, opportunity, cultural attitudes and legislation). This is followed by a review of the three embeddedness dimensions in turn, relational, structural and positional embeddedness along with network involvement¹². Finally, the findings in relation to the community affect are presented.

6.2 Case Study Profiles

The Dunhill Enterprise Centre (DEC) is located in Dunhill Business Park in Dunhill, Co. Waterford. DEC has 29,000 sq. ft. of enterprise space. It is comprised of 25 enterprises which operate a wide range of businesses and services. According to the AA Route Planner (Figure 6.1), the distance is 15km from Waterford city centre to Dunhill village. In addition to providing enterprise space and facilities for start-up businesses, the enterprise centre is involved with other programmes including economic, cultural,

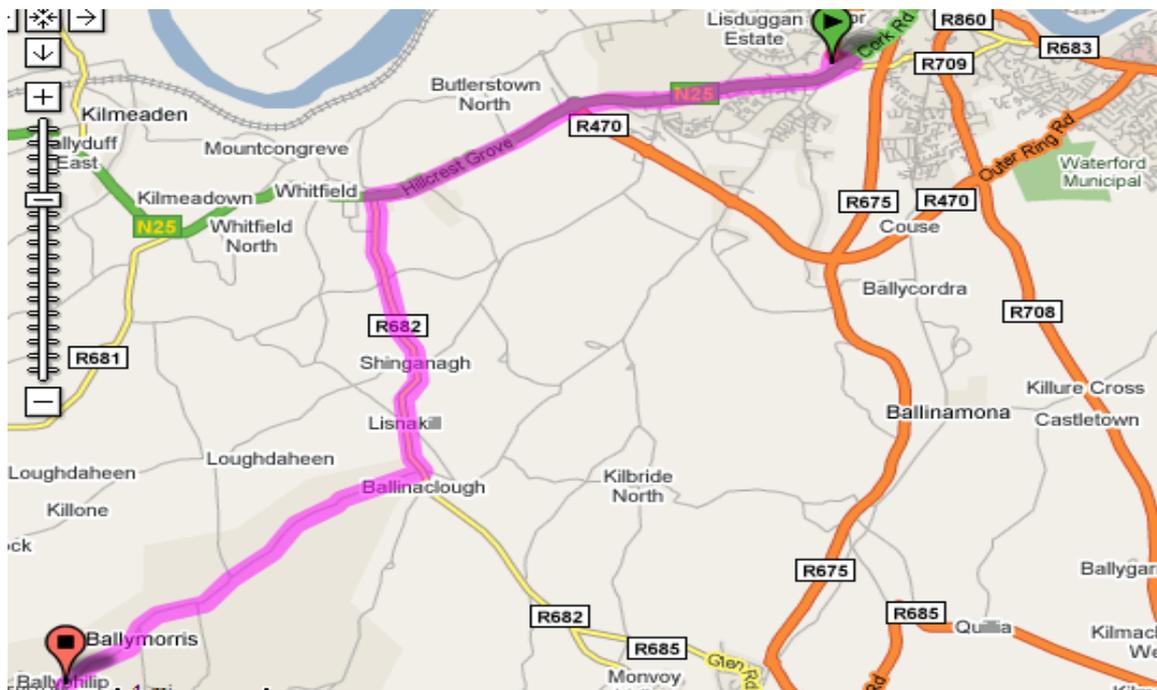
¹² It was considered necessary in this chapter to insert a sub-section titled “network involvement” to explain the network activity of the entrepreneurs before dealing with their embeddedness. This heading did not appear in the previous chapters and will not appear in any of the subsequent chapters. Furthermore, there is no sub-section for gender and age. This is because only one question was asked in relation to age and what was ‘How old were you when you started operating your first business?’ and the sub-section in the Discussion Chapter is based on the average age. The gender of the entrepreneurs was observed by the researcher and the and the average was used in the sub-section in the Discussion Chapter

heritage, environmental and social elements of community development. A total of 18 interviews were carried out in the DEC.

The second case site under investigation was the Dunhill, Fenor, Boatstrand and Annewstown (DFBA) Community Enterprises Limited. It was founded in 1992 by a group of socially committed people in the community, driven by a mission to foster a spirit of enterprise and community cooperation within the DFBA area. The researcher carried out a total of 12 interviews with entrepreneurs in DFBA. According to the AA Route Planner (Figure 6.1), the distance is 15km from Waterford city centre to Dunhill village at the heart of the rural DFBA area (approximately a 27 minute drive-time). Waterford city is the closest urban centre to the rural cluster of the DFBA area.

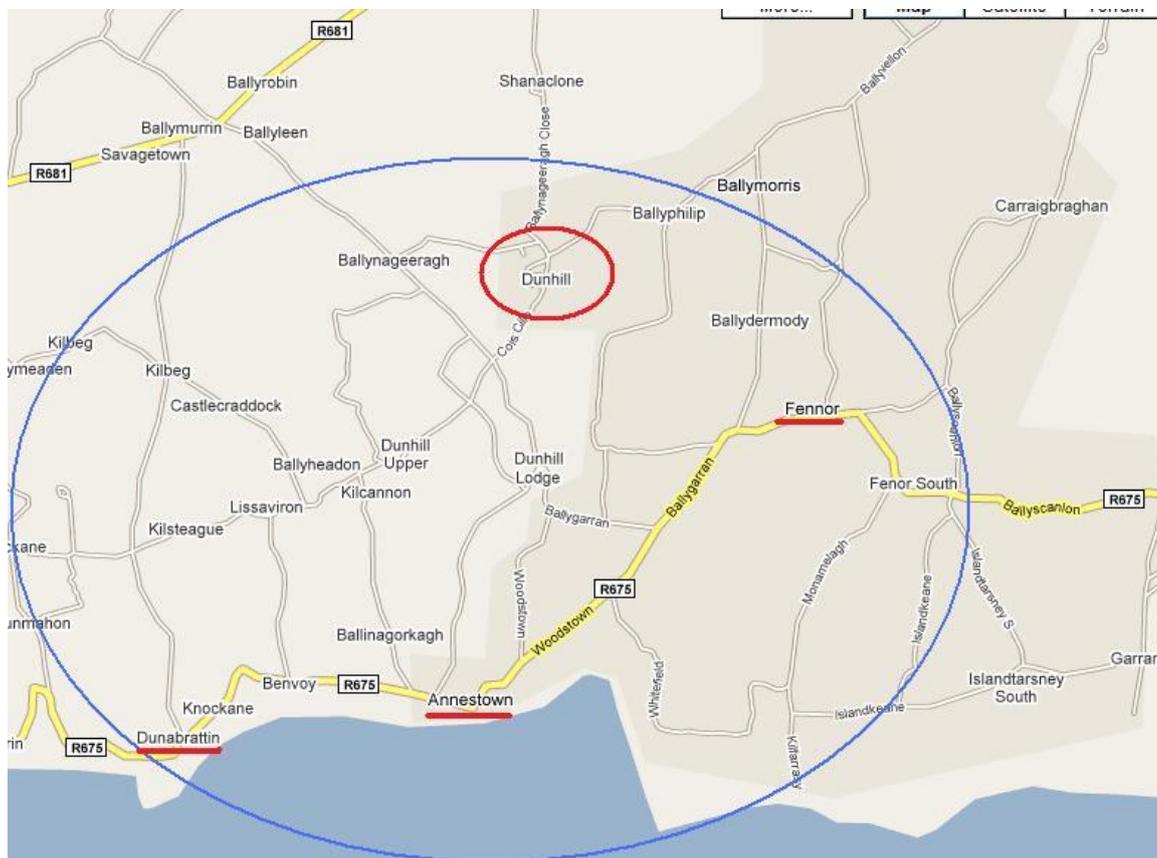
Although both cases incorporate Dunhill village, both the DEC and the DFBA are separate compounds. The DFBA has no head office; it has a meeting of the local entrepreneurs and community residents once a month. Figure 6.2 is the map view of the DFBA area adopted from Google Maps and illustrates the location of Dunhill in relation to the DFBA area.

Figure 6.1 Waterford Institute of Technology to the DFBA area, map view



Source: AA routeplanner/map.com.

Figure 6.2 The DFBA area, map view



Source: maps.google.com

6.3 Demographical Characteristics¹³

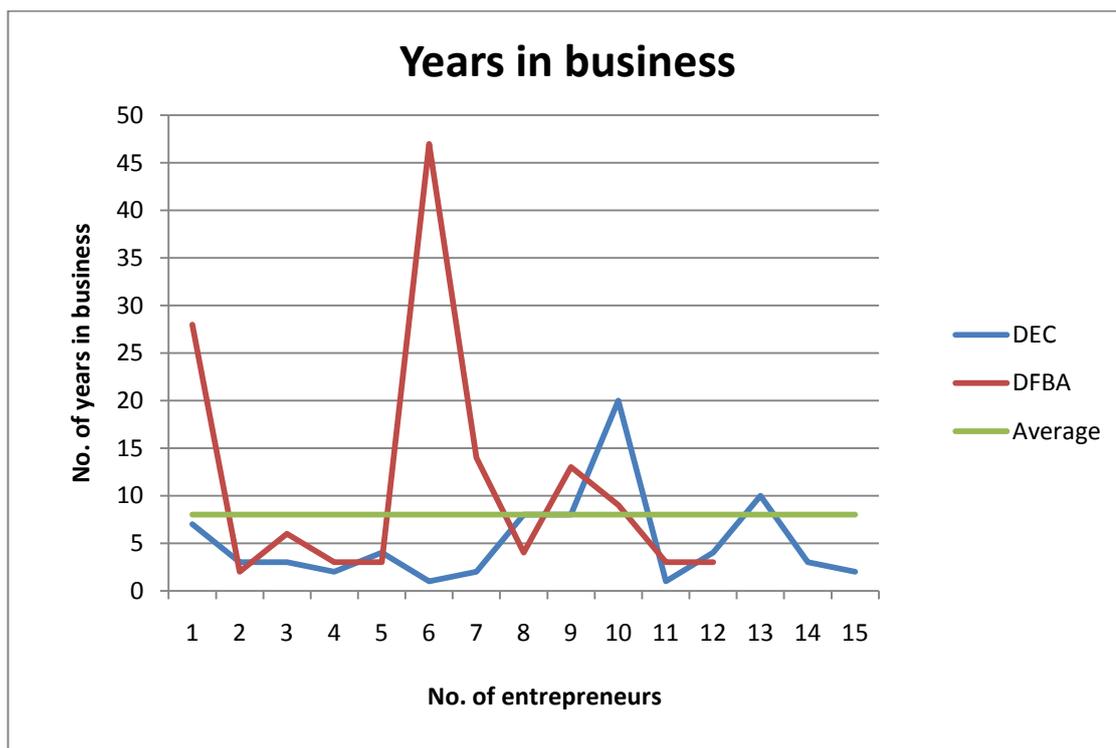
For each rural entrepreneurial community, the researcher identified and interviewed key informants that were involved in the development of the community. These in-depth interviews facilitated an understanding of the dynamics and complexities involved in building rural entrepreneurial communities. Therefore, it is important to establish how many years each of the entrepreneurs was in business and additionally how many years these entrepreneurs were operating from their community. The entrepreneurs in DEC had an average of 5 years in business compared to 11 years in the DFBA, giving an overall average of 8 years in business across the two studies¹⁴. The number of years in business is summarised in Table 6.1 below and graphically illustrated in Figure 6.3 overleaf.

Table 6.1 Case site demographics

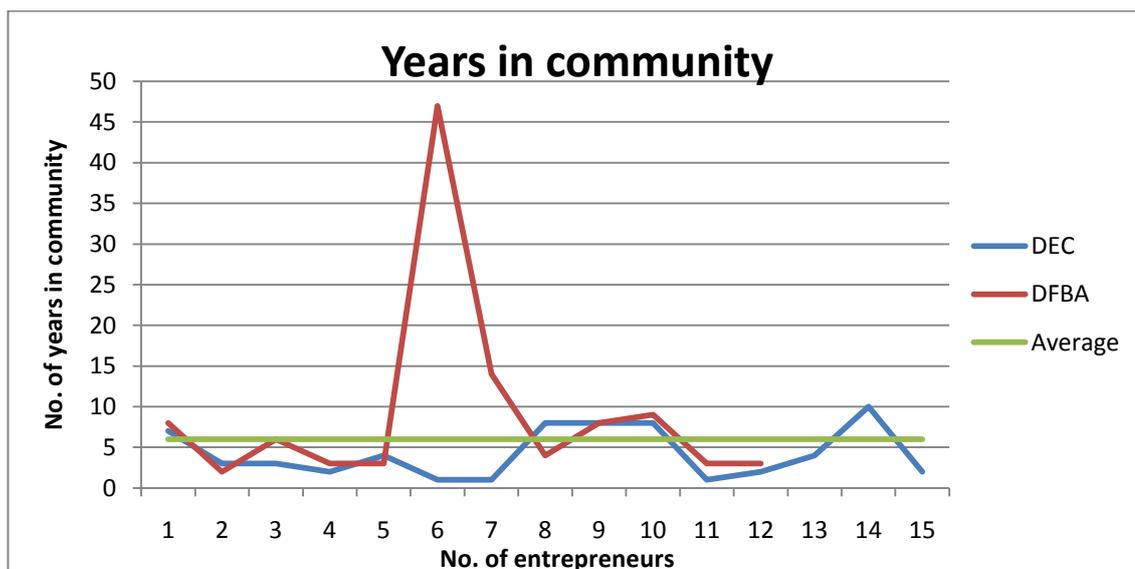
<i>Variables</i>	<i>DEC</i>	<i>DFBA</i>	<i>Overall Average</i>
<i>Average years in business</i>	5	11	8
<i>Average years in community</i>	4	9	7

¹³ Three entrepreneurs from DEC refused to respond to the demographical questions during the interviewing process. These three entrepreneurs are not included in the overall average calculations in Table 6.1 or in Figure 6.1.

¹⁴ All figures in the Demographical Characteristics section are rounded up to the nearest whole number.

Figure 6.3 Years in business

In terms of how many years were spent in business in their community, the entrepreneurs in DEC had an average of four years in business, and the entrepreneurs in DFBA had an average of nine years in business, giving an overall average of 7 years across the two cases. The number of years that the entrepreneurs spent in business in their community is summarised in Table 6.1 above and graphically displayed in Figure 6.4 below.

Figure 6.4 Number of years in the community

The demographics in this study involve: gender, age, education, previous work experience and family and are presented in more to follow.

6.3.1 Gender

Entrepreneurial males were more prominent than female entrepreneurs across both case studies. Male entrepreneurs represented 78 per cent of the entrepreneurial population in DEC and 58 per cent in DFBA. Less than half of the entrepreneurs interviewed in the DFBA were female while approximately 22 per cent were female in the DEC. Table 6.2 summaries the gender balance at DEC and DFBA.

Table 6.2 Case site gender balance

<i>Gender</i>	<i>DEC</i>	<i>DFBA</i>
<i>Males</i>	14	7
<i>Females</i>	4	5

In this study female entrepreneurs did not cite family or personal reasons for becoming an entrepreneur. In both cases female aspirations were the same as males when it came to choosing an entrepreneurial career - all entrepreneurs regardless of their gender wanted to be their own boss. Female entrepreneurs believed that they equalled male entrepreneurs when it came to entrepreneurial recognition and entrepreneurial drive.

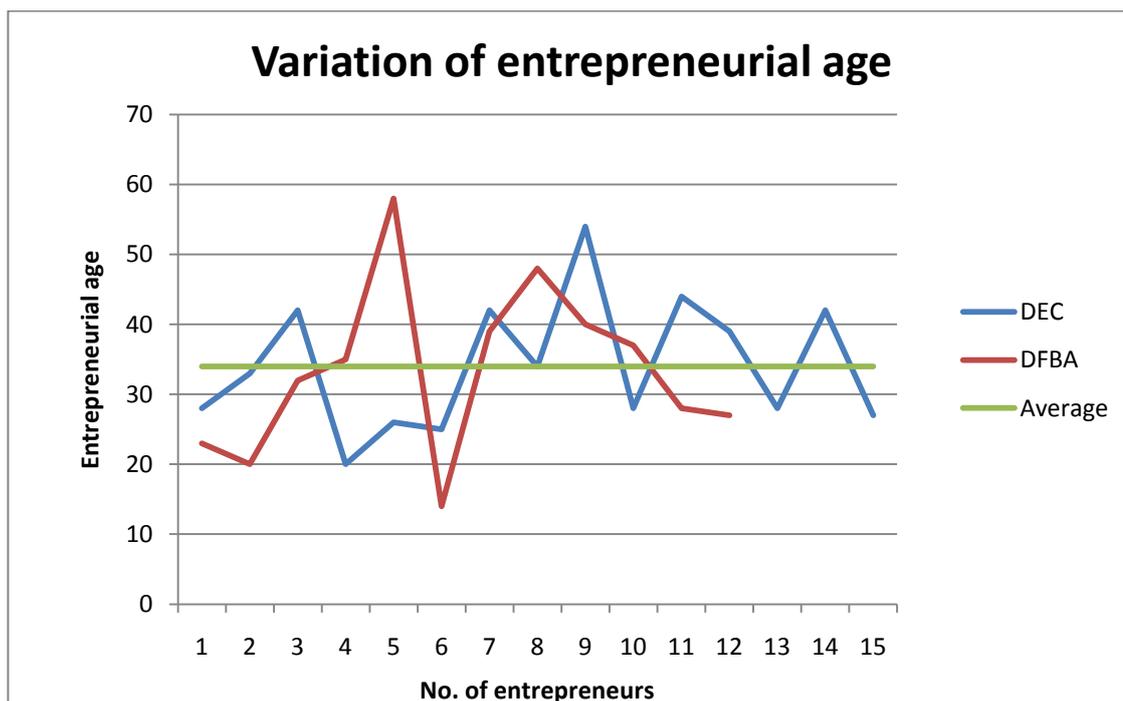
6.3.2 Age

Across both cases, the entrepreneurs had an average age of 34 years old at the time of starting their business. For this research, a young entrepreneur was considered to be younger than the average age of 34 years old and an older entrepreneur was considered to be above the average age of 34 years old. Just under half of the total entrepreneurs interviewed (14 respondents) were below the average age of 34 years old, while 12 entrepreneurs were above the average age of 34 years old. One entrepreneur was on the average age of 34 years old. The foregoing age variation is summarised on Table 6.3 and graphically displayed in Figure 6.5 overleaf. In this research, only five entrepreneurs in DEC and two in DFBA were over 40 years of age.

Table 6.3 Average age of the entrepreneurs

<i>Entrepreneurial age</i>	<i>DEC</i>	<i>DFBA</i>	<i>Overall Average</i>
<i>Average age in years</i>	34	33	34

Older entrepreneurs stated that they needed to spend a significant number of years in previous employment before they believed that they would be competent to start an entrepreneurial venture by themselves. These entrepreneurs believed that the more time they spent in previous employment the more wealth they could accumulate to inject in to their entrepreneurial venture in the early stages.

Figure 6.5 Entrepreneurial age

6.3.3 Education

Fifteen of the entrepreneurs interviewed stated that their educational specialism was related to the field/business they are currently operating in. Furthermore, they indicated that their education specialism had benefited them to date. The majority of entrepreneurs (19 respondents) in both case sites believed that their education, in general, had prepared them for their business venturing. In both case sites, only two of the entrepreneurs' education was limited to primary school level. Notably, four of the entrepreneurs had a Junior Certificate and an additional four had a Leaving Certificate qualification. One entrepreneur in each case site had reached diploma level. A third-level degree qualification ranked highest across both cases, with nine entrepreneurs citing it as their highest level of formal education. However, when it came to a postgraduate qualification, only five entrepreneurs had achieved this level (a Masters by Research was the highest postgraduate qualification attained). Only seven of the entrepreneurs had undertaken a business course prior to starting up their business. Table 6.4 shows the educational background for the entrepreneurs in DEC and DFBA.

Table 6.4 Entrepreneurs' educational background

<i>Educational Background</i>	<i>DEC</i>	<i>DFBA</i>	<i>Total</i>
<i>Specialism related to business</i>	7	8	15
<i>Business course prior to start-up</i>	4	3	7
<i>Education preparedness</i>	11	8	19
<i>Postgraduate level</i>	2	3	5

In addition, the entrepreneurs' parents seemed to have lower levels of educational attainment. In both case sites, just under half of the entrepreneurs' (14 respondents) parents' education was limited to primary school level. Nine of the entrepreneurs stated that their parents' highest educational level was Junior Certificate level. When it came to a Leaving Certificate qualification, nine entrepreneurs stated that their parents were educated to this level. The number of entrepreneurs stating that their parents had undertaken a degree was quite low, with only three stating this to be the case. Further, only one entrepreneur stated that he believed his parents were educated to postgraduate level. Table 6.5 illustrates the educational background of the entrepreneurs' parents.

Table 6.5 Educational background of the entrepreneurs' parents

<i>Parents' Educational Background</i>	<i>DEC</i>	<i>DFBA</i>	<i>Total</i>
<i>Primary school</i>	8	6	14
<i>Junior Certificate</i>	4	5	9
<i>Leaving Certificate</i>	4	5	9
<i>Diploma</i>	0	0	0
<i>Degree</i>	2	1	3
<i>Postgraduate</i>	1	0	1

6.3.4 Previous Work Experience

In this study, all of the entrepreneurs stated they had work experience previous to starting their own business venture. When asked about full-time employment before starting their own current business, all of the entrepreneurs stated that at some stage in the past they had been in full-time employment. However, in the weeks leading up to their business start-up, 24 entrepreneurs had left full-time employment to start their own business (while the remaining six either left part-time employment or unemployment).

As illustrated in Table 6.6, the majority of entrepreneurs believed that they had acquired a number of skills throughout their previous work experience that enhanced their current business. Thirteen of the entrepreneurs acknowledged acquiring management skills and believed that this has been beneficial to them since beginning their own business.

Across both case sites, five of the entrepreneurs had gained financial skills, and a further seven identified that they had gained skills in networking and connections, prior to starting their own business. Only one of the entrepreneurs interviewed believed that they had acquired professional administration skills through previous work experience. Five of the entrepreneurs believed that they had gained “other” skills, such as glass-cutting and production training, from previous work experience specific to that employment, and acknowledged the fact that they may never use those particular skills again.

Table 6.6 Number of entrepreneurs that acquired skills through experience

<i>Acquired skill through experience</i>	<i>DEC</i>	<i>DFBA</i>	<i>Total</i>
<i>Managerial</i>	7	6	13
<i>Financial</i>	4	1	5
<i>Networking</i>	3	4	7
<i>Technical</i>	5	4	9
<i>Marketing</i>	4	2	6
<i>Professional administrative</i>	1	0	1
<i>Other</i>	2	3	5

Further, out of all 30 entrepreneurs interviewed, 11 had undertaken work placement or worked during their school/college holidays. The majority of entrepreneurs believed that this experience influenced their decision to become self-employed and their decision as to the sector in which they would set up a business. These 11 entrepreneurs (who had undertaken work placement/work experience) believed that the discontent, lack of motivation and lack of fulfilment they experienced in their work placement/work experience and in some cases their previous employment, gave them the extra drive to initiate their own business in a different sector. They implicitly believed that they would enjoy their role more in a different field, thereby giving them a better quality of life. These entrepreneurs were grateful for their previous work experience, as they believed it showed them that being employed by someone else was not for them, and that being an entrepreneur was their destiny.

6.3.5 Family Background

Table 6.7 displays the marital status (at time of start-up) and birth order of the entrepreneurs in both cases. It also shows how many of the entrepreneurs have fewer than two children and how many have more than two children.

Table 6.7 Family background

<i>Case</i>	<i>Marital Status</i>		<i>Birth Order</i>			<i>No. Of Children</i>	
	<i>Single</i>	<i>Married</i>	<i>Eldest</i>	<i>Middle</i>	<i>Youngest</i>	<i><2</i>	<i>2></i>
<i>DEC</i>	5	10	4	5	5	8	7
<i>DFBA</i>	4	8	4	5	3	3	9

From Table 6.7 it is apparent that the entrepreneurs in both case studies tended not to be the eldest in their family. Indeed, the entrepreneurs tended to be the middle child. In both cases, the majority of entrepreneurs were married at the time of business start-up, while only nine in total were single. Eleven of the entrepreneurs had fewer than two children, while 16 had more than two children. The next aspect examined the number of entrepreneurs that had active entrepreneurial activity in their family, as presented in Table 6.8 below.

Table 6.8 Entrepreneurship in the family

<i>Family Background</i>	<i>DEC</i>	<i>DFBA</i>	<i>Total</i>
<i>Entrepreneurial tradition</i>	6	3	9
<i>Family encouragement/influence</i>	7	9	16
<i>Entrepreneurial family members</i>	6	6	12

For nine of the entrepreneurs interviewed, there was a tradition of entrepreneurship in their family. These nine entrepreneurs did not recognise any benefits of having this tradition in their families and did not believe that it set them apart from other entrepreneurs that did not have such a tradition. Furthermore, while these nine entrepreneurs believed that an entrepreneurial tradition in the family can be of value for others, they did not ultimately associate a tradition of family entrepreneurship with any merit. Further, in regards to any influence or assistance that the family gave to these particular nine entrepreneurs, they perceived that this was not of significant value to them personally.

The remaining entrepreneurs (21 respondents) believed that they did not have a tradition of entrepreneurship within the family and, furthermore, believed they needed to obtain

sufficient work experience and financial security before they embarked upon entrepreneurial endeavours. A majority of entrepreneurs (16 respondents) in both cases believed, regardless of whether or not they had a tradition of entrepreneurship in their family, that they had received encouragement from or were influenced by other entrepreneurial family members throughout their entrepreneurial endeavours to date. However, this same number of entrepreneurs acknowledged that their families believed them to be taking a considerable gamble by leaving secure full-time employment to begin their own business venture.

6.4 Psychological Characteristics¹⁵

Table 6.9 outlines the results of the most dominant psychological characteristics ranked by the entrepreneurs, together with the number of entrepreneurs that attributed that characteristic to their success.

Table 6.9 The most dominant psychological characteristics ranked by the entrepreneurs

<i>Psychological Characteristics</i>	<i>DEC</i>	<i>DFBA</i>	<i>Total</i>
<i>Need for independence</i>	18	7	25
<i>Need for achievement</i>	10	9	19
<i>Locus of control</i>	12	8	20
<i>Inclination towards risk-taking</i>	7	5	12
<i>Tolerance of Ambiguity</i>	9	4	13

The characteristic that was most frequently mentioned in the DEC case was ‘independence’ (18 respondents), whereas ‘a need for achievement’ was most frequently cited in DFBA (9 respondents). Locus of control is the second most quoted characteristics, with 20 entrepreneurs mentioning this across the two cases. A total of 13 entrepreneurs stated that they had a high tolerance for ambiguity, while a further 12 entrepreneurs voluntarily described themselves as risk-takers. Each characteristic will now be discussed in more detail.

¹⁵ Throughout the interview process, three of the entrepreneurs in DEC refused to respond to the questions in relation to psychological characteristics, as they deemed these questions to be irrelevant and that these characteristics had nothing to do with being an entrepreneur. These are the same three entrepreneurs that refused to respond to the questions on the demographical characteristics.

6.4.1 Need for Independence

Throughout the interviews at DEC and DFBA, the entrepreneurs continuously referred to how important it was that they had their own sense of independence:

“You always desire independence and with it came success for me.”

(DEC Entrepreneur 1)

“I wanted my own independence, I had been teaching for eight years before I decided to set up my own school of dance. I just decided that it was time to be my own boss.”

(DEC Entrepreneur 7)

Indeed, being one's own boss was most often cited as the stimulus in the decision to become an entrepreneur. However, not all of the entrepreneurs had a desire for independence or wanted to be their own boss at the time of initial start-up. Some entrepreneurs indicated their initial motivation as wanting to improve their standard of living; they believed that the only way they could achieve this was to start up their own business:

“I didn't have a desire to be my own boss; I didn't desire the independence that came with it either. It was more out of necessity that I became my own boss. I made a promise to myself that I would never be on the dole again and the only way that I could keep that promise was to start working for myself.”

(DFBA Entrepreneur 1)

6.4.2 Need for Achievement

The entrepreneurs agreed that a high need for achievement was one of the main personal motivators necessary for entrepreneurship. All of the entrepreneurs had goals that they wanted to achieve for their business in the future. In addition, they believed that achievement of these goals would lead them to their desired success:

“I am achieving in my business at the moment even with the current economic climate. I have goals I want to achieve for my business in the future, but I would be very competitive and I keep my plans close to my chest. I believe that these goals will have a huge pay off for and will be hugely successful for me and my business. I think that every businessman has to have goals and ambition in order to achieve in your business. Without it how can you survive in business? And how do you expect to progress and grow? I do not want to be in the same position in ten years' time. I have so much that I want to achieve in that time.”

(DFBA Entrepreneur 2)

Some of the entrepreneurs had concerns over the current economic climate. A recurrent theme was the acknowledgement that keeping their business afloat through these difficult times will be challenging and that, in these circumstances, survival was more

important than making money. Although money was important to the entrepreneurs, it was not the most important motivating factor. For some entrepreneurs the desire for success always exists, and the pursuit of long-term goals keeps them motivated. Indeed, achieving their goals allows more goals and targets to be created. The entrepreneurs indicated that they saw a link between achieving goals and business growth:

“Of course I want to achieve, achievement is success. You cannot stand still in any aspect of life and certainly not in business. You always have to set new boundaries and set your achievement goals higher and try to reach them.”

(DEC Entrepreneur 12)

A majority of the entrepreneurs believed that they would not have the same overall need for achievement in their life, if they were working for someone else. Indeed, most of the entrepreneurs felt that their businesses were close to them personally. Being closely intertwined with the operation of their business led them to believe that this was what made their need for achievement so great. The entrepreneurs indicated that reflecting on their successes was very rewarding and motivated them to continue. Furthermore, this constant need for achievement was reinforced by success and the attainment of business goals.

6.4.3 Locus of Control

The majority of entrepreneurs were undecided when it came their position on the ‘locus of control’ aspect, that is, they could not decide if they belonged to either of the internal and external extremes, believing themselves to be a mixture of both an internal and external locus of control. Indeed, there was quite a degree of variance in the locus of control response across the groups.

When starting their businesses, some entrepreneurs believed that after recognising the initial opportunity, success was down to fate, luck, timing and a strong Irish economy (external attributes) – all of which are associated with opportunity recognition:

“I believe the success of our business comes down to the fact that the great opportunity was there. The location also played a huge role and the funding that we got from LEADER.”

(DFBA Entrepreneur 3)

However, once the entrepreneurs became successful, their feelings on locus of control began to shift. They then had a tendency to put this success down to hard work,

forward-thinking and perseverance on their part (internal attributes). One particular entrepreneur demonstrated very high levels of internal locus of control when he described the success of his business:

“It was definitely down to sheer hard work and at the start I did not take wages. I tried to build up the business and get it off the ground. I worked days, nights and weekends. It was long hours for very little rewards.”

(DEC Entrepreneur 6)

Nevertheless, there were a number of entrepreneurs that stated that their success was down to both internal and external forces, such as luck, fate, hard-work and ambition:

“It was a combination of luck and hard work. I think because of where I am located I survived on word of mouth. The different villages around all helped - from Dunhill, Fenor, Dungarvan, Tramore, Kill and Bunmahon. Where I am situated was a huge benefit as I am adding to the local area.”

(DEC Entrepreneur 7)

6.4.4 Risk-Taking Propensity

As illustrated in Table 6.10, 12 of the entrepreneurs across both case sites admitted to being risk-takers. The degrees of risk illustrated in Table 6.8 were informed by the literature review and are explained in more detail below.

Table 6.10 Degrees of risk

<i>Degrees of Risk</i>	<i>DEC</i>	<i>DFBA</i>	<i>Total</i>
<i>Risk taker</i>	7	5	12
<i>Calculated risk taker</i>	6	4	10
<i>Smart mover</i>	2	3	5
<i>Refused to respond</i>	3	0	3

Specifically, they indicated that they often made risky decisions without thinking them through completely, but stated that such a strategy had proven successful in the past:

“I am without doubt a big risk taker. There were many times when I really doubted things that I was doing, but I still did it anyway. I took a lot of risk, I never evaluated anything. I always went with my gut feeling down through the years. I never did any sort of market research. All I can say is that I was always in touch with what was going on.”

(DEC Entrepreneur 9)

In relation to the second category - calculated risk-takers (the middle of the continuum), 10 of the entrepreneurs believed that they belonged to this category, that is, they

believed that they were both smart-movers and risk takers in relation to the daily operation of their business. These entrepreneurs perceived that they still took risks (but not to the same extent as a risk taker, but they were not like a smart mover who took minimal amounts of risk). In essence, they believed themselves to be smart in relation to the risks that they took:

“I would consider myself to be a bit of both. I suppose I am a smart mover and a risk taker. I would never jump into something without knowing what I am doing. You still have to take a certain amount of risk though.”

(DEC Entrepreneur 18)

On the other hand, five entrepreneurs stated that they could not tolerate situations of high risk, and categorised themselves as smart movers who took the least amount of risk out of all the entrepreneurs interviewed. All five indicated that, in addition to considering themselves to be smart-movers, they must also have the capacity to predict the consequences of their actions, or at least have an inkling as to what the consequences of their actions might be. Furthermore, they contended that they started their businesses on a part-time basis and continued in their full-time employment until they were certain that the business opportunity that they were exploiting was sustainable in the long-term. This was considered a smart move by these entrepreneurs:

“I am a smart mover. I avoid situations with high risk and I have to say that I believe taking high risks in business is a bad idea.”

(DFBA Entrepreneur 9)

6.4.5 Tolerance of Ambiguity

Tolerance of ambiguity was high among entrepreneurs in DEC, but not in DFBA. In the DFBA case site, the entrepreneurs believed that they were less likely to handle day-to-day business situations that involved high levels of ambiguity. One of the entrepreneurs in DEC believed that if she had a high tolerance for ambiguity that she would be somewhat careless:

“No, I have no tolerance for ambiguity. I have to be absolutely certain all the time. I cannot take the chance.”

(DEC Entrepreneur 8)

The majority of the entrepreneurs associated a high tolerance for ambiguity with risk-taking. Interestingly, those entrepreneurs that had a high tolerance for ambiguity were

the same entrepreneurs that considered themselves to be high risk-takers. They believed that their impulsive decisions resulted in unfamiliar circumstances but, in their view, these had resulted in favourable outcomes for their businesses in the past. For example, some of the entrepreneurs stated that if they had not been impulsive at that moment in time, they would have had to forego a lucrative opportunity. However, in hindsight, the entrepreneurs that believed they made impulsive decisions stated that if they had been more thorough in their decision making process, it would have been clear that they were being impulsive and that the opportunity was too risky, and therefore would have not exploited it. The entrepreneurs that associated a high tolerance for ambiguity with risk taking believed that a high tolerance for ambiguity is essential for surviving in business. The following quote aptly captures this association:

“I like to think that I avoid situations with high uncertainty, but I don’t. I did avoid putting money into this business until I knew that it would work, but since I am up and running I am always trying to make things better, come up with new ideas and spending money on things in the hope that it will work and generate more business. You learn from your risks in all aspects of life and risk is healthy for every business.”

(DFBA Entrepreneur 2)

The entrepreneurs that were completely intolerant of ambiguity believed that they were that way inclined because of restrictions put in place by the industry in which they operated, this was particularly true in DFBA.¹⁶ A further concern they highlighted was that being uncertain of future circumstances could jeopardise the reputation of their business. Whereas, for certain entrepreneurs there was a belief in a need for flexibility in their business approach and a role for chance in their chosen field:

“Situations you find yourself in must be flexible and bend with the times. Keeping it simple, I don’t want to be a millionaire. I want to make good money working in a field that I love and have time for my family. I don’t want to really grow my business either so I often jump into situations that I believe can make me a lot of money quickly.”

(DFBA Entrepreneur 4)

Table 6.11 shows the number of entrepreneurs who considered themselves to have a high tolerance of ambiguity and those that did not.

¹⁶ Note: in regards to this finding that some of the respondents believed that they had a complete intolerance for ambiguity, the researcher pressed the respondents during the interviews with them concerning their reply, as it was perceived by the researcher that they had to face a certain amount of ambiguity, but they remained firm to their initial replies (supported by quote from DEC Entrepreneur 8 on the previous page.)

Table 6.11 Entrepreneurs with a high tolerance of ambiguity

<i>Tolerance of Ambiguity</i>	<i>DEC</i>	<i>DFBA</i>	<i>Total</i>
<i>High</i>	9	4	13
<i>Low</i>	3	8	11
<i>Refused to respond</i>	3	0	3

6.5 Factors Affecting Entry to Entrepreneurship

From the interviews, a number of factors affecting entry to entrepreneurship mated those already outlined in the literature review. These factors include: push and pull factors, fear of failure, finance, cultural attitudes, legislation and opportunity. Each factor will be discussed in more detail below.

6.5.1 Push and Pull Factors

In terms of being either pushed or pulled into entrepreneurship, the entrepreneurs gave varying reasons. The majority of entrepreneurs (20 respondents) stated that they were pulled into entrepreneurship, while seven stated that they were pushed. The most common reason cited for being pulled into entrepreneurship was recognising a great business opportunity. The main reason cited for being pushed into entrepreneurship was becoming unemployed and having no other viable employment options. The entrepreneurs that were pulled felt that the opportunity that they had discovered was strong enough to transform their career and build a strong, successful business, with the benefit of a flexible lifestyle. Indeed, the rural community itself often offered a unique opportunity and this often led to being pulled into entrepreneurship. This viewpoint is accurately captured by the following two entrepreneurs:

“I was pulled into owning my own business because I saw a great opportunity and I could see how I could make it work.”

(DEC Entrepreneur 2)

“I was pulled because I saw a great opportunity. This is not my first rural business. I had one in Tipperary before I went to Australia. It was a huge success and I employed seven people. When I was starting in the rural area everyone thought I was mad and that it was destined to fail, but it didn't. A rural market is a unique one that needs to be tapped into and there is plenty of money to be made there. I was definitely pulled.”

(DFBA Entrepreneur 2)

Conversely, when an entrepreneur was pushed into entrepreneurship they had a tendency to believe that it was out of necessity. They believed that the alternative to entrepreneurship was unemployment. The entrepreneurs that fell into this category

believed that if circumstances had been different when in employment, they would have never started their own business:

“I would say that I was definitely pushed into entrepreneurship out of necessity, for example, if I didn’t start my own business I faced unemployment.”

(DEC Entrepreneur 11)

“I was pushed into starting up my own business. Back in the early eighties I was on the dole, getting £70 a week with a wife and three kids, living in a council estate. I wanted to have my own house and I wanted me and my family to be out of the situation that we were in. The only option for me was to start my own business.”

(DFBA Entrepreneur 1)

Table 6.12 outlines those entrepreneurs in DEC and DFBA that were pushed into entrepreneurship and those that were pulled.

Table 6.12 Entrepreneurs that were pushed or pulled

<i>Pushed or Pulled</i>	<i>DEC</i>	<i>DFBA</i>	<i>Total</i>
<i>Pushed</i>	5	2	7
<i>Pulled</i>	10	10	20
<i>Refused to respond</i>	3	0	3

6.5.2 Fear of Failure

When it came to this aspect, the majority of entrepreneurs questioned did not consider fear of failure to be an issue and, more importantly, it was not an issue when they began their current business. They provided reasons such as working hard, keeping customers satisfied and being price-competitive as explanations for them not failing, and consistently expressed the belief that if they practiced these concepts that they would not fail. The majority of entrepreneurs focussed on their activities to avoid failure, and maintained that their fear of failure was minimal. Moreover, they contended that a fear of failure to some degree is healthy, to keep an entrepreneur grounded:

“I believe we will not fail because we have a product that no other business has. We promote it and sell it well. We watch out for new opportunities and we did not enter a saturated market to begin with. You have to take risks and grab opportunities while you can.”

(DEC Entrepreneur 10)

“I do fear that the business will fail, everyone in business does. No one business is immune to failure. To prevent it from happening to me I have furthered my education, I am involved hugely in networking, I have broadened my customer base and I have limited the risks that I take.”

(DFBA Entrepreneur 10)

However, some of the entrepreneurs in both cases put the fear of failure down to external factors, such as, economic climate, market saturation and increased costs, explaining:

“I always have the fear that the business will fail. There are no steps that you can take at this point in time. You can only live in hope with the state of the economy. You are depending on your customers every day of the week. There are a lot of businesses out there that have gone to the wall in such a short space of time.”

(DFBA Entrepreneur 11)

Thirteen of the entrepreneurs had taken active steps to prevent their business from failing including: keeping a vigilant eye out for competitors, reinvestment, being creative and working hard. Notwithstanding the current economic climate, the entrepreneurs all believed that failure could be avoided if they continuously improved both their own ability and the business in general. The entrepreneurs stated that a positive and ambitious outlook on the business venture prior to start up is crucial. Further, that if a fear of failure had a negative impact on one’s intentions to start a business, then there would be no point continuing to try and pursue an entrepreneurial career.

The entrepreneurs argued that should an entrepreneur initiate a business venture, and it failed a short time after, this would be associated with serious social stigma. In particular, they argued that this harm to entrepreneurial reputation or association with failure in social circles was more often the case in smaller communities. However, the entrepreneurs believed that this social stigma was not influential enough to prevent entrepreneurs from assuming the risks involved and thereby preventing them from entering an entrepreneurial career.

6.5.3 Financing

Table 6.13 illustrates both the number of entrepreneurs who had difficulties gaining access to initial finance to begin their business venture, and those entrepreneurs that currently still have difficulties gaining access to finance. It also shows the number of entrepreneurs that never had any finance issues in relation to their business.

Table 6.13 Access to finance

<i>Finance</i>	<i>DEC</i>	<i>DFBA</i>	<i>Total</i>
<i>Raising initial finance</i>	10	5	15
<i>Raising finance currently</i>	5	4	9
<i>No finance issues</i>	0	3	3
<i>Refused to respond</i>	3	0	3

As apparent from Table 6.13 above, half of the entrepreneurs (15 respondents) cited raising initial finance to start their business as a major difficulty. They implied that this may be a major contributor to business failure as start-up costs are once-off, but very high for a small rural business to manage. The majority of the entrepreneurs found both the burden of compliance costs and local authority charges (included in government policy) the most difficult to finance. They also were angered at these charges, as they were viewed as “money for nothing”.

There were a variety of reasons provided for the difficulties in raising finance; these depended on the nature of the entrepreneur’s business, and included such issues as a lack of collateral, unrealistic forecasts for the future, and unwillingness on the part of bank managers to take a risk based on the entrepreneur’s business venture:

“Raising the initial capital was a problem for me because you will never have enough money to start a business the way you want to.”

(DEC Entrepreneur 9)

“I think raising initial finance is an issue for all businesses.”

(DFBA Entrepreneur 3)

When asked if raising finance was still a problem, the number of entrepreneurs impacted dropped significantly to under half (9 respondents)¹⁷. However, these entrepreneurs explained such difficulties in raising finance, as due to the current economic climate, difficulties with debt collecting and the broader aspect of an uncertain business future:

“Raising finance is still a problem, especially when the economy is in the state that it is in now.”

(DEC Entrepreneur 11)

“Financing in terms of cash flow can be an issue as it is often difficult to get paid by your clients.”

(DFBA Entrepreneur 11)

Only three of the entrepreneurs stated that they never had any finance difficulties throughout their entrepreneurial career.

¹⁷ Although the economic downturn had start in 2008, the full extent of the problems facing the Irish banking sector was unknown when the interviews were carried out.

6.5.4 Opportunity

Table 6.14 illustrates those entrepreneurs that believed they had recognised a viable business opportunity. Table 6.14 also outlines the number of entrepreneurs that believed that they experienced high opportunity costs in relation to their career, when starting their own business. These entrepreneurs believed that by choosing an entrepreneurial career that they had been forced to forego highly secure jobs, with regular and reliable incomes, and promotional opportunities in paid employment, including possible management positions with other organisations.

Table 6.14 Opportunity

<i>Opportunity Variable</i>	<i>DEC</i>	<i>DFBA</i>	<i>Total</i>
<i>Opportunity cost</i>	10	10	20
<i>Opportunity recognition</i>	15	12	27
<i>Refused to respond</i>	3	0	3

The overwhelming majority of entrepreneurs, across both cases sites, believed that they had experienced high opportunity cost (20 respondents):

“I gave up my cushy teaching job to start this business. I had a good salary, predictable hours, plenty of time off and peace of mind. I gave all of that up because I saw this opportunity to be at home with my kids and do something I love. I was making more money as a teacher, but I would never go back.”

(DFBA Entrepreneur 1)

It is notable that, excluding the three entrepreneurs that refused to respond, all of the entrepreneurs in both case sites believed that they had recognised a viable business opportunity and believed that by exploiting this business opportunity that they could follow a dream at the same time:

“I just realised an opportunity and went for it.”

(DFBA Entrepreneur 12)

6.5.5 Cultural Attitudes

The majority of entrepreneurs in both cases believed that not enough was being done to encourage an entrepreneurial culture in Ireland (26 respondents), with just four believing that what was currently being done by government agencies is sustainable for the future of Ireland, in terms of entrepreneurial culture. These perceptions were captured succinctly by the comments of the following entrepreneurs:

“No, there isn’t enough being done in Ireland to encourage entrepreneurship. There should be a lot more done to encourage it. We need to help people as a country and encourage them with incentives to go out there and start-up businesses.”

(DEC Entrepreneur 10)

“There is not enough being done in Ireland to encourage entrepreneurship. There isn’t enough being done in secondary schools to promote it. There are too many penalties for people trying to start a small business in the form of rates. I could do a lot more if I had more support from the enterprise boards, but they just want to concentrate on the larger businesses; there are too many conditions.”

(DFBA Entrepreneur 3)

The interviewees stated that entrepreneurs will develop naturally in society, but that society needs to facilitate and encourage entrepreneurship as a viable career option through its culture. They indicated that this culture could be accommodated by offering support to struggling entrepreneurs at the beginning of their careers. They also suggested that this could be done by embracing failure and not penalising those entrepreneurs that fail with taxes, fines, and social stigma; rather, efforts should be made to create a culture that facilitates entrepreneurs to try again.

The entrepreneurs generally communicated that what the government is currently doing is not sufficient to enhance an entrepreneurial culture in Ireland. Indeed, they contended that the policies that were implemented in the past had actually inhibited entrepreneurship. They also acknowledged a feeling that they were completely on their own once they started their business, and received very little, if any, support from the government agencies that are in place to assist start-up businesses. Furthermore, they contended that their future was considerably more turbulent in respect of pension schemes, social welfare payments and taxes, when compared with those who were employed by others. Those from smaller enterprises maintained that larger businesses were absorbing all the possible funding, indicating their impression that the relevant government bodies only wanted to support the bigger businesses that were not necessarily entrepreneurial.

Critically, the interviewees believed that entrepreneurs, in general, were good role models for the young people of Ireland, and further highlighted that being an entrepreneur often led to a high social standing (17 respondents). They argued that their influence needs to filter down to young people, thereby encouraging them to choose to become entrepreneurs. They specifically wished to demonstrate that this choice can lead to a highly successful and rewarding career, with few of the limitations associated with

being employed by others. One entrepreneur stressed that an entrepreneurial culture could be created through secondary school programmes – highlighting that by introducing students to entrepreneurial activities from an early age, that this effort would instil young people with the creative flare to facilitate the expansion of the entrepreneurial population in Ireland.

The entrepreneurs in DEC believed that there was a strong entrepreneurial culture within the community and that this, in itself, had led to the initiative to develop the enterprise centre. The entrepreneurs from DFBA shared this same belief, but believed that they still had a long way to go as captured in the comment below. Table 6.15 summarises the foregoing findings.

“There was always a good entrepreneurship presence around here and it’s good for people to see it in action and be seen as an entrepreneurial area. That being said, I think we have a long way to go to get to be where we would like to be.”

(DFBA Entrepreneur 3)

Table 6.15 Cultural perception of entrepreneurs

<i>Entrepreneurship Culture</i>	<i>DEC</i>	<i>DFBA</i>	<i>Total</i>
<i>Encouragement of an entrepreneurial culture in Ireland</i>	15	11	26
<i>Good role models</i>	14	10	24
<i>High social standing</i>	11	6	17

6.5.6 Legislation

From the entrepreneurs interviewed, some experienced legislative difficulties and these difficulties varied greatly, depending on the type of business and the industry in which that particular business operated. All of the entrepreneurs stated that more legislation is needed to help smaller businesses in the early stages, as they all believed that current legislation only favours larger organisations. All of the entrepreneurs believed that a change in legislation in favour of entrepreneurs starting out could boost start-ups in the future:

“Yes, legislation was a massive problem. It was a joke to be honest. The government and the Department of Agriculture, they just have regulation after regulation.”

(DEC Entrepreneur 11)

On the other hand, a number of entrepreneurs stated that they had proceeded to start-up their business without the concern of red tape. However, the entrepreneurs insisted that it would not be that easy now, and believed that the changing economic climate and EU standards had brought more legislative administration that would hinder the start-up process:

“No, it was pretty simple. It is a limited company. It is basically getting over the pettiness of dealing with accountants and solicitors. It was very simple after that.”

(DEC Entrepreneur 15)

The findings show that other entrepreneurs indicated that despite experiencing great difficulty in the past with legislation when starting their business, in hindsight, they were glad that they had come through the process and believed it to be a “necessary evil”. They further acknowledged that the legislation protects both the entrepreneur and consumer. Table 6.16 shows, overall, how many of the entrepreneurs interviewed had encountered legislative difficulties.

Table 6.16 Legislative difficulties for the entrepreneurs

<i>Legislative Difficulties</i>	<i>DEC</i>	<i>DFBA</i>	<i>Total</i>
<i>Yes</i>	6	6	12
<i>No</i>	9	6	15
<i>Refused to respond</i>	3	0	3

6.6 Embeddedness

The findings from the interviews indicate that the sense of community embeddedness was perceived by the entrepreneurs as quite high. Furthermore, out of all 30 entrepreneurs interviewed, a majority (21 respondents) believed that being a part of their community had enhanced their business to date:

“The DFBA area has enhanced my business so far. I have always been a community person. I am involved with the ladies football team and I am the chairperson of ladies sport in the area. I am also the chairperson of the Waterford County ladies football. I am involved in the Civil Defence and I meet a lot of people through that. I have made a lot of friends and generated a lot of business by actively being involved in these communities.”

(DFBA Entrepreneur 1)

Only two entrepreneurs believed that being part of the local rural community had hindered their business. In particular, they highlighted that promises, which had been

made to make the community more conducive to entrepreneurship, had not been delivered upon:

“It has hindered our business because so much was promised and that’s why we set up here and Dunhill Enterprise centre has frequently failed to deliver.”

(DEC Entrepreneur18)

However, three of the entrepreneurs admitted that they had such minimal contact time with the community around them that the community had neither enhanced nor hindered their business to date. The reason for this was that these entrepreneurs just wanted to get on with their own business. They were also of the belief that other businesses could never be of any assistance to them, so contact with them was considered pointless.

6.6.1 Network Involvement

In terms of their social ties, the entrepreneurs’ business networks were investigated to try to understand their embeddedness in the local community and their relationships, if any, outside of the community that they believe might have enhanced or hindered their business. The entrepreneurs frequently stated that not everything in business is entirely focussed on profit, indicating that networking often allowed them the opportunity to see what other entrepreneurs are doing. On the other hand, it was noted that networking also allows one to exploit more resources and this, in turn, could help one to earn more money. Table 6.17 outlines the entrepreneurs’ networking perceptions, whether or not they networked with businesses inside or outside of the community, and whether or not these networks were valuable in any way.

Table 6.17 The entrepreneurs’ networking perceptions

	<i>DEC</i>	<i>DFBA</i>	<i>Total</i>
<i>Network with others in the community</i>	10	8	18
<i>Network with others outside the community</i>	11	11	22
<i>See value in networking</i>	15	11	26

Across both case studies, there seemed to be slightly more network involvement for the entrepreneurs outside¹⁸ of the local community than inside the local community.

¹⁸ Outside the community refers the entrepreneurs that networked beyond the local community of DEC or DFBA. Inside the community refers to the entrepreneurs that only networked with the DEC or DFBA.

However, this difference in involvement was minimal, and in some situations the entrepreneurs utilised both the community network and other networks outside of the community. In both case studies, the majority of entrepreneurs believed that the networks they were involved in were both valuable and robust. Each entrepreneur interacted with different networks; the most common are detailed in Table 6.18 below.

Table 6.18 Most useful network

<i>Sources</i>	<i>DEC</i>	<i>DFBA</i>	<i>Total</i>
<i>Family</i>	6	1	7
<i>Friends</i>	2	0	2
<i>Other entrepreneurs</i>	6	7	13
<i>Other</i>	8	4	12

The most useful networks cited by the entrepreneurs in DEC, were ‘other sources’ such as specific business networks (e.g., Waterford Women’s Network), enterprise boards or financial and business advice agencies. For the DFBA entrepreneurs, the most useful networks were those that involved ‘other entrepreneurs’. In addition, only two of the entrepreneurs cited ‘friends’, with a further seven citing ‘family’ as a useful network.

It was important to establish why exactly the entrepreneurs got involved with these networks in the first place. In terms of the perceived benefits of networking (as illustrated in Table 6.18), the entrepreneurs most frequently cited networking as a way of gathering novel or useful information that could benefit them in the future, with half of the total interviewees stating that this was the reason for their networking. Only six respondents cited contacts as their reason for networking. The ‘other’ reasons cited for networking ranged from sharing equipment, keeping a close eye on business developments in the area, to tips on saving money. This ‘other’ category demonstrated no consistent themes.

Table 6.19 Reason for networking

<i>Reason</i>	<i>DEC</i>	<i>DFBA</i>	<i>Total</i>
<i>Information</i>	10	5	15
<i>Contacts</i>	2	4	6
<i>Other</i>	6	3	9

Each of the findings regarding the embeddedness dimensions (relational, structural and positional) will now be discussed.

6.6.2 Relational Embeddedness

Out of the 30 entrepreneurs interviewed, a majority (26 respondents) believed that there was a moderate level of trust within their entrepreneurial network. Further, 21 of them believed that the actors in the network had consideration for others in the network. It was only a small number of entrepreneurs (9 respondents) who argued that all actors within the network acted in their own self-interest. Table 6.20 summarises the expectations that the entrepreneurs have of the networks that they are involved in.

Table 6.20 Expectations of the network

<i>Networks</i>	<i>DEC</i>	<i>DFBA</i>	<i>Total</i>
<i>Information sharing</i>	7	8	15
<i>Response to needs</i>	8	6	14
<i>Socialise</i>	2	7	9
<i>Entrepreneurs' limit information</i>	7	8	15

Half of the total entrepreneurs interviewed (15 respondents) stated that in some instances they would limit personal information about their business with other entrepreneurs in their community network, stating that trust was limited in certain circumstances. For example, when protecting future business plans:

"Sometimes you have to limit information with other business people. At the end of the day business is business and I'm not stupid. I don't want any new ideas that I might have to be stolen by those around me."

(DFBA Entrepreneur 3)

A minority of entrepreneurs in DEC believed that other entrepreneurs limited the information they shared with the community network (7 respondents). Whereas, in DFBA, a majority of the entrepreneurs (8 respondents) believed that other entrepreneurs limited the information that they shared with the community network. These results give an overall majority (15 respondents) that believed other entrepreneurs in the network limited the information that they were willing to share within the network.

When it came to negotiating between two or more businesses for contacts or information, seven entrepreneurs revealed that they do this brokering role on a regular basis, while a majority (21 respondents) of entrepreneurs never found themselves in this situation.

The other half of the entrepreneurs (15 respondents), willingly shared information across their community network believing it not to be a problem and often used relaxed and informal methods of communication to share this information. In addition, these entrepreneurs maintained that for the most part, they did not compete with other businesses in their community network. These entrepreneurs indicated that if they shared information with other businesses in their community network that they, in turn, would reciprocate in the future. Four entrepreneurs stated that they had to compete with other businesses in their network, and therefore, did not share information with those that they had to compete with in their network. Furthermore, a majority (26 respondents) of those interviewed stated that they never had to compete with other businesses in their network, due to their line of business, and therefore, shared information with everyone in their network.

Just under half of the total entrepreneurs interviewed (14 respondents) found that the community network when approached, responded to their business needs. Moreover, if the community network could not respond to their needs, then the entrepreneurs utilised their other network sources outside of the community.

Very few of the entrepreneurs in DEC socialised with the other entrepreneurs in their community network. In other words, for the majority, the only relations they had with the other entrepreneurs were strictly business. Socialising with other entrepreneurs in the community network was much higher in DFBA, with over half of the entrepreneurs (7 respondents) stating that they socialised with other entrepreneurs within their community network.

A majority (17 respondents) of the interviewed entrepreneurs could recall a person whom they called upon when they had a specific problem. Further, that this contact was facilitated by open communication and the friendliness of the other entrepreneurs. On the other hand, the other 13 entrepreneurs believed that they didn't have one particular person to call on in these situations.

The majority of entrepreneurs in both case studies (24 respondents) stated that, in the past, being involved in the community network had allowed them to exploit external resources (indicating that this would not have been available to them if they were not involved in any networks). For example, the entrepreneurs in DEC stated that the use of

the conference room and the free use of the DEC secretary were resources that they used frequently. They further acknowledged that these services would have cost them a lot of money to have internally, but were able to use them free of charge due to their membership of the DEC network. Similarly, the entrepreneurs in DFBA cited the Copper Coast tourist trail meetings as a valuable resource, as it allowed them to share information and interact with other entrepreneurs in their area. These are resources that became available as a result of the entrepreneurs' relational ties.

The majority of entrepreneurs perceived that networking was often more important than certain economic concerns. These same entrepreneurs also believed that being in business often involved networking whether they liked it or not. Furthermore, the entrepreneurs were able to recognise that networking was an important and helpful part of being in business, even if it was a hindrance at times:

“Yes networking can often be more important than making money. For some people it's all about making money, but for others it's about all about the socialising and networking and knowing that you have a connection with the people in the local community.”

(DEC Entrepreneur 7)

“By widening your network you will eventually generate business by talking to people and getting your name out by word of mouth.”

(DFBA Entrepreneur 11)

The entrepreneurs, in general, seemed to have moderate levels of relational embeddedness. For example, each of the entrepreneurs stated that if another entrepreneur in the network helped them in some way that they would do the same in return, illustrating reciprocity. Each of the entrepreneurs stated that the relationships in which they were involved in within their network were helpful, meaningful and worthwhile.

6.6.3 Structural Embeddedness

Structural embeddedness was examined by asking the entrepreneurs specific questions about the structure of the network and any brokerage that may have been taking place. This involved examining the entrepreneur's overall network behaviour, familiarity with the boundaries of the network, the useful network actors, contributions made by other network actors and any restrictions in place on the network actors. Table 6.21 summarises these structural brokerage characteristics.

Table 6.21 Brokering characteristics

<i>Structure</i>	<i>DEC</i>	<i>DFBA</i>	<i>Total</i>
<i>Familiar with boundaries</i>	11	12	23
<i>Useful actors</i>	13	11	24
<i>Equal contribution</i>	9	3	12
<i>Network restrictions</i>	3	2	5

As illustrated in Table 6.21, 11 of the entrepreneurs in DEC and all of the entrepreneurs in DFBA knew the boundaries of their network (i.e., behaviour that would result in them being excluded from the network). These entrepreneurs also stated that when making decisions for the future that the network had to be considered or what the consequences of their actions would have on the network. Examples provided by the entrepreneurs were poaching of staff from other businesses in the network, revealing restricted information to rival sources or having general disregard for other network actors' well-being:

“You have to be professional, polite and loyal to the Enterprise Centre at all times. I cannot go around undercutting other businesses in the centre or steal their staff. If I had total disregard for the other businesses here I would be asked to leave.”

(DEC Entrepreneur 1)

The entrepreneurs were also able to pinpoint the physical boundaries of the network. These 23 entrepreneurs stated that the exclusive network involved just the entrepreneurs that operated in DEC or DFBA that willingly chose to be part of the network¹⁹. The entrepreneurs that were interviewed stated that other sources such as family, friends and other network connections or contributors, were not exclusively part of the DEC or the DFBA networks, but often contributed to the networks; for example, by providing advice and sharing information.

A high number of entrepreneurs in both case studies believed that the other network actors were of use to them and their business. They further indicated that they saw this as a two-way process, believing that, if they could help a network actor by sharing information or in another way, then the network actor would reciprocate. However, not all of the entrepreneurs believed that each network actor contributed equally to the

¹⁹ There were other entrepreneurs that operated in the DFBA that chose not to be part of the DFBA network, but these entrepreneurs were not interviewed. These entrepreneurs refused to be interviewed. One of these entrepreneurs stated that he just wanted to keep to himself and get on with his own business and be left alone.

network and, significantly, that it was not always a two-way process, amounting to half in DEC (9 respondents) and only three in DFBA. One example of the comments in this area sums up the entrepreneurs' impressions as follows:

“Yes there are a number of the food related businesses here that I would consider very useful to me and I deal with them on a continuous basis, but I don't think that everyone here contributes equally as all of the businesses are very diverse and the smaller businesses would not contribute that much.”

(DEC Entrepreneur 5)

Half of the entrepreneurs in DEC and a minority of 3 entrepreneurs in DFBA believed that everyone in the network contributed equally to their network. The entrepreneurs had a tendency to believe that sometimes they contributed more to their network and more regularly than the other entrepreneurs in the network.

“You have a lot of people here that just float around and do not always contribute to the Enterprise Centre, but are always happy to take from the Enterprise Centre.”

(DEC Entrepreneur 4)

Very few entrepreneurs across both case sites believed that the network restricted them in any way. Only a total of five entrepreneurs believed they being a part of their network restricted them in anyway.

“Sometimes I feel that there are certain things that I cannot do because I am a part of the DFBA. If I was to do what I wanted I would feel that I was stepping on the toes of others in the network. Often to keep the network happy I just confirm to the behaviour of everyone else.”

(DFBA Entrepreneur 6)

Structural holes were more obvious in the DFBA network than in the DEC, with the entrepreneurs in DFBA stating that they often networked with others outside of their particular community network and that the absence of a formal management structure within the community network made this necessary. Entrepreneurs in the DFBA case site stressed that it was solely up to them to bridge to other networks, particularly to generate lasting relationships for information exchange and engender reciprocal relationships of benefit to their business.

In relation to the overall findings, the entrepreneurs appeared to have a good grasp of the shared expectations within their network (what was expected of them and others in the network) and they also understood what the overall purpose of their network was. The entrepreneurs all agreed on the same things, such as acceptable social order and

what was good business practice. Entrepreneurs in both cases emphasised the importance of a robust community network management structure that would make operations more professional and lend assistance to the micro businesses in the area. The DEC already had an existing management structure in place, whereas the DFBA did not.

However, information sharing had a tendency to be mentioned more frequently in DFBA than in DEC, suggesting that having a management structure in place or a formal centre from which to operate, did not always encourage or facilitate information sharing. Nevertheless, the management at DEC (who were also entrepreneurs and had their own businesses in DEC) stated that they always encouraged information sharing. Indeed, the management maintained that they have tried to make it more convenient for the entrepreneurs in the DEC to share information, facilitated by everyone in the community operating from an enterprise centre offering a common ground on which to do so. Finally, all but three of the entrepreneurs believed that they dealt directly with everyone in relation to their business, stating that they had no indirect relationships with any third parties.

As indicated previously, the majority of entrepreneurs stated that they networked with other sources outside of their community network, and in the next section the positional embeddedness is reviewed.

6.6.4 Positional Embeddedness

The examination of positional embeddedness involved asking the entrepreneurs what they believed their position was within the network and what position they believed other entrepreneurs/actors held within the network. The majority of entrepreneurs in both cases believed that they held a central position within their network. These entrepreneurs were able to pinpoint other entrepreneurs' network positions, in terms of centrality, periphery and also the number of entrepreneurs that believed their network was missing a central actor. Table 6.22 outlines the perceptions of the entrepreneurs in relation to their network positions.

Table 6.22 Network positions

<i>Positions</i>	<i>DEC</i>	<i>DFBA</i>	<i>Total</i>
<i>Central position</i>	9	7	16
<i>Periphery position</i>	3	0	3
<i>Structurally equivalent</i>	6	5	11
<i>Missing a central actor</i>	5	4	9

A number of entrepreneurs believed that the management in DEC were central network players, and that this position benefited most of the entrepreneurs within the network:

“I think there are a few driving forces behind Dunhill Enterprise Centre, like some members of the management team. If he left I believe we would be at a serious disadvantage in terms of the future and going forward, he is excellent in what he has done so far.”

(DEC Entrepreneur 3)

The interviewed entrepreneurs stated that the management in DEC had assisted them greatly in the start-up of their business, and had continued to support them since. This assistance came in the form of good business start-up advice, based on years of experience, physical assistance at business premises and also leniency in the early stages in respect of the payment of rent and other bills. Indeed, the entrepreneurs stated that the network could not have survived without the assistance of these central network actors, and believed them to be dominant network actors. However, the entrepreneurs in DEC, in particular, mentioned alliances that they had formed over the period of time spent in that community network. These alliances appeared to be with long standing, successful and centrally located entrepreneurs within the network. In this context, it was believed by the actors “new” to the community network, that if they formed relationships with these existing actors, that these long-term actors would impart their knowledge of their success.

In contrast to the DFBA, central actors were more obvious in the DEC case, with the entrepreneurs more frequently reporting that they could easily recognise these central actors within the network. The explanation provided by the interviewees in DFBA for the difficulty in recognising central actors within the network was that, in the absence of a defined management structure, no members had taken on a senior role or acted as central brokering figures, taking charge or responsibility for the network.

Across both case studies, those that believed themselves to be positioned on the periphery of the network were in a minority. These particular entrepreneurs: (1) did not believe that the network enhanced or hindered their business, and (2) acted independently and had minimal contact with the network, community and environs in which their business was located.

The majority of the entrepreneurs from both sites believed that the central network actors had attracted external interest in the network by generating new business membership and brokering with other existing networks. For instance, some of the entrepreneurs, that were central actors in their network, shared their experience of being involved in the DFBA or DEC network, and thereby convinced other entrepreneurs to join their network. A number of the entrepreneurs in DEC had gained significant media coverage on programmes such as, “Nationwide”, “The Dragons Den” and “The Mentor”; which encouraged potential entrepreneurs to contact DEC to enquire about starting a business there. However, the entrepreneurs suggested that if central entrepreneurs were to leave the network, that they would be greatly missed, but that business would go on without them:

“If a central person left the DFBA network their departure would be truly missed. It takes a lot of man hours to build a cohesive community. I would like to think that I have done a lot for the community and that if I left my presence would be missed.”

(DFBA Entrepreneur 1)

The remainder of the entrepreneurs, six in DEC and five in DFBA held structurally equivalent positions, totalling 11 entrepreneurs across both case sites. These are the entrepreneurs that held similar positions to other entrepreneurs in the network. The entrepreneurs networked with these entrepreneurs in similar positions in order to simply share their business experiences. This is the second highest position held by the entrepreneurs after a central position.

A small number of entrepreneurs stated that their network was missing a central network actor, nine in total. Yet, they stated that if they had a network actor that could connect them to other entrepreneurs for information and resources, their business would benefit greatly from this. As a result, this central actor would allow the entrepreneurs to maximise the benefits of being involved in a network. There were instances, in both case sites, of entrepreneurs perceiving that membership of their particular community in

a rural location restricted them both financially and geographically in relation to carrying out their business, but nonetheless wanted to be part of their current network:

“I do sometimes think that if I was operating in Waterford City networks that I would do more business as most of my clients are from the city or county. I am in Dunhill at the moment because my business is only starting and is still small so I can afford to be in Dunhill. The city would be too expensive.”

(DEC Entrepreneur 3)

The final section of this chapter presents the findings in relation to rural entrepreneurship in the community.

6.7 The Community

The examination of the community aspect of this research involved asking entrepreneurs to describe their community in terms of advantages and disadvantages and why they chose to locate their business in their current community. The entrepreneurs were also asked whether the community has enhanced or hindered their business to date.

6.7.1 Locating in a Community

Very few of the entrepreneurs believed that an existing business would re-locate to a rural community, however they believed that a new business would choose a rural community at initial start-up. The explanation forthcoming from the interviewees for this view was due to the rural community’s cheap rent, its community spirit and its easy way of life:

“A business would locate here because it is a community base here and apparent community spirit. I think it would be the people out there. The friendly air, having the office and being able to talk to other people out here and having the office separate from your house and you are in a business environment out here and the rent. There are a lot of things going on out here at the moment that people can tap into.”

(DEC Entrepreneur 9)

“I think with the downturn in the economy some of us rural businesses will actually benefit from it because we are reasonably priced. We can be affordable because we do not have the high cost of city rents that need to be passed on to our customer, unlike our city rivals.”

(DFBA Entrepreneur 1)

They also believed that new entrepreneurs would choose to locate in a rural community if geographical location for their business was not an issue. Their argument was based

on their perception that rural communities do not have the same problems as those located in an urban setting, both in terms of traffic and parking:

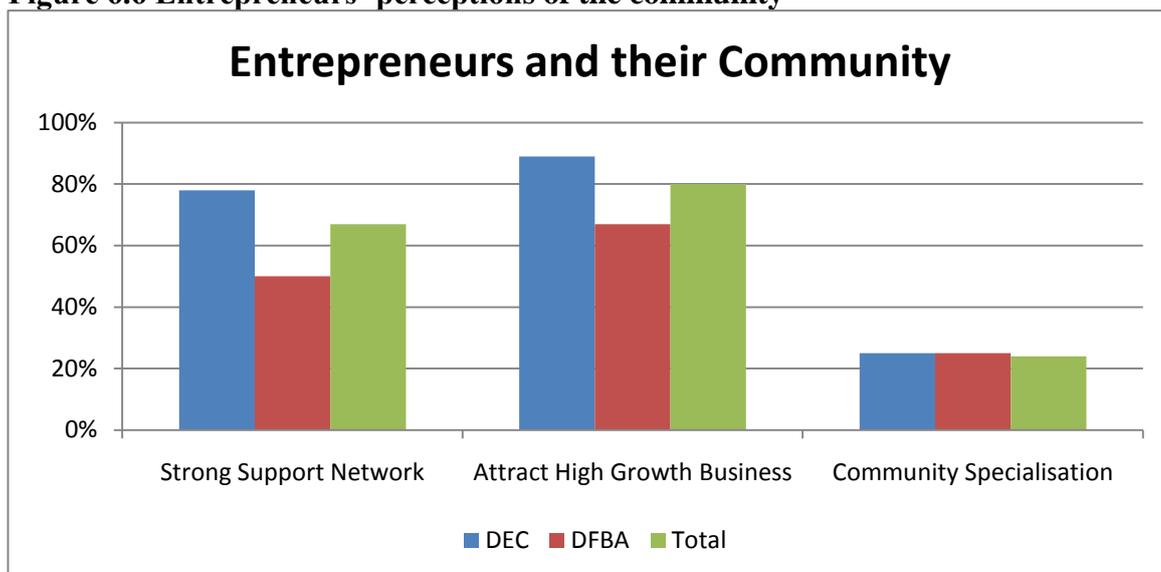
“There is no traffic, there is parking, facilities such as a conference room, cafe and obviously depending on the nature of your business you have got the education side of things here as well. You can do courses to assist you in your business.”

(DEC Entrepreneur 1)

The entrepreneurs understood how to do business in a rural context. This understanding came as a result of the entrepreneurs being contextually aware through their embeddedness in their local network. Some of the entrepreneurs had grown up in these rural communities, while others had close connections with the entrepreneurs in these communities. However, several of the entrepreneurs believed that not many people living or operating outside of the area knew what was going on in their community. They emphasised the point that more marketing to increase visibility would dramatically improve the community’s viability and attract more entrepreneurs. They felt that, if the community positioned itself as an entrepreneurial destination, then it would be more beneficial to the individual entrepreneur than its current stance. The entrepreneurs believed that if the community was marketed as having a strong support network for start up businesses, the ability to attract and support high growth businesses and a community that is not specialised in a particular sector and can support a plethora of industries, then more entrepreneurs would choose their community to locate. Table 6.23 illustrates the entrepreneurs’ perceptions in relation to their community and this is graphically illustrated in Figure 6.6.

Table 6.23 Entrepreneurs’ perceptions of the community

	<i>DEC</i>	<i>DFBA</i>	<i>Total</i>
<i>Strong support network in place for start-ups</i>	78%	50%	67%
<i>Attract high growth businesses</i>	89%	67%	80%
<i>Community specialisation</i>	25%	25%	24%

Figure 6.6 Entrepreneurs' perceptions of the community

In terms of the network focus, only one quarter of the entrepreneurs (25 per cent) across both case sites, believed that the community should specialise in a certain business sector. For example, some of these entrepreneurs suggested that the DEC specialise in the confectionary sector, while in the DFBA some suggested that the DFBA exploit the Copper Coast tourism trail and specialise in the tourism sector. Furthermore, 67 per cent of the entrepreneurs believed that there was a strong support network in place for existing entrepreneurs in their community and also to facilitate new entrepreneurs starting business ventures in the community. The entrepreneurs (80 per cent) believed that the rural community in which they were currently operating had the ability to attract high growth businesses.

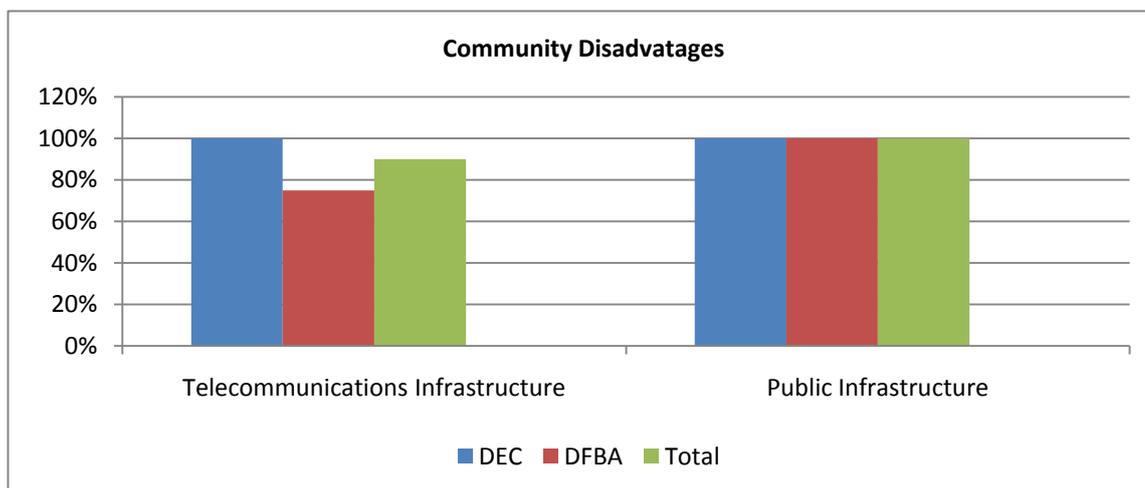
This next section discusses what the entrepreneurs believed were the disadvantages of their community.

6.7.2 Community Disadvantages

The entrepreneurs were anxious to talk about the disadvantages in their local community and surrounding region. The entrepreneurs stated that the biggest disadvantages of their rural community were the telecommunications infrastructure and public infrastructure. These disadvantages are displayed in Table 6.24, and graphically illustrated in Figure 6.7.

Table 6.24 Biggest disadvantage of the rural location of the community

<i>Disadvantage</i>	<i>DEC</i>	<i>DFBA</i>	<i>Total</i>
<i>Telecommunications infrastructure</i>	100%	75%	90%
<i>Public infrastructure</i>	100%	100%	100%

Figure 6.7 Community disadvantages

All of the entrepreneurs in DEC stated that the current telecommunications infrastructure (such as broadband connections, mobile telephone coverage and postal services) is inadequate for the efficient running of a business and, in particular, competing with their urban counterparts. The majority of entrepreneurs in DFBA (75 per cent) also shared this opinion. The entrepreneurs maintained that, in some locations in the community, broadband was still unavailable and that a number of businesses were still relying heavily on a dial-up Internet connection. They stated that getting a broadband provider to install broadband connections in rural areas was an impossible task. Moreover, those businesses that did have a broadband connection were considered very fortunate, and it was recognised that it had cost them a considerable amount of money.

The majority of entrepreneurs stated that the current mobile telephone coverage in their area was unacceptable, and totally insufficient for normal operation of a business. They specifically highlighted that mobile telephone network coverage was not possible with either Meteor's or Vodafone's network, and that only in a few locations throughout the rural DFBA area could one get any mobile telephone coverage. These entrepreneurs stated that they relied heavily on landline telephones in their base office, at a time when mobile telephones are ubiquitous. Critically, they contended that this resulted in a loss

of business, due to being either not in attendance of their office landline telephone, or in an area with no mobile signal.

Postal services were also deemed unreliable. Not only that, but entrepreneurs were frustrated by the fact that there is only one postal collection and one deposit at 10am each working day. The entrepreneurs stated that if they have any postal requirements after this time, that they must travel to the nearest urban area.

The issues raised by the entrepreneurs across both case studies, included: the quality of public infrastructure such as roads, signage, the absence of a regional university and an under-developed regional airport. The entrepreneurs accepted that roads in a rural location would be of a significantly lower quality than those in urban areas, but stated that if one wanted to be an entrepreneur operating from a rural location, accepting such a disadvantage was necessary.

The lack of signposts was an issue which frustrated many entrepreneurs, as they believed it to be an issue which could be addressed cheaply and promptly, yet nothing was being done. The entrepreneurs did not consider this to be their responsibility, but rather the responsibility of the local county council. The entrepreneurs contended that they had often challenged the county council on this issue, believing that increasing the number and quality of signposts around the region would increase awareness of the community and, in turn, generate more business.

Several entrepreneurs stated that both their business and other businesses in the region could perform better if the regional airport was developed further. They maintained that the expansion of the airport would connect their communities to mainland Europe for trading. This issue was mainly cited by the entrepreneurs in DFBA, many of whom are dependent on the Copper Coast tourist trail. It was their perception that the restrictions placed on the development of Waterford Regional Airport limited the number of tourists that could potentially visit their community.

The absence of a university in the southeast region was also frequently highlighted in the interviews. The viewpoint was that this lack of provision of university facilities significantly reduced their ability to employ individuals with relevant third-level qualifications. The entrepreneurs stated that often young people move to urban areas to

get a more internationally recognised university qualification and tend to never return. In addition, the entrepreneurs believed that a university in the southeast would assist them in improving their own capabilities and the capabilities of their employees. The interviewees also recognised that it would help retain the young population in the region, and encourage them to live, work and spend their earnings in their local communities and, in turn, enhance the overall economy of the region.

The next section presents the findings on the advantages of the rural community.

6.7.3 Community Advantages

The majority of entrepreneurs believed that their community had a strong support network in place for start-up businesses and for existing businesses. They also believed that their community had the ability to attract high-growth businesses as a result of this support network. Not only was there a belief in the ability of the community, but the majority of participants, in both case sites, believed that their communities had the potential to attract more high growth industry. However, a number of entrepreneurs believed improvements would need to be made before this could happen, as presented in further detail later in this section.

The interviewees stated that the entrepreneurial activity within their local communities benefited the young people, as they get to see business in action from a young age. Furthermore, it was recognised that a community spirit needs to be instilled in the young people of the community. The entrepreneurs in both case sites continuously referred to the strong community spirit as a reason for locating in a rural community. This was captured aptly by entrepreneur eight in the DEC:

“If the community comes together and works together they can achieve anything and that is how this enterprise centre started. It now needs some fresh blood and some new ideas. We need younger people to get involved and some new faces.”

(DEC Entrepreneur 8)

The majority of entrepreneurs believed that it takes the people of the community to come together, to have the drive to build and grow their area, to be ambitious and to attract businesses in the hopes of providing a better economic climate for their local community. Common goals and financial support from local and national authorities were also cited as critical:

“They have a strong community out here even from the GAA. I say a lot of it would be generated from within it. It needs people that are not afraid to show initiative. The location is important too. Dunhill has the Copper Coast Trail. Other communities are not as lucky as that. Dunhill has made the most of what they have.”

(DEC Entrepreneur 15)

The next section presents the findings on how the entrepreneurs are perceived by others in the community and the impact this has on rural entrepreneurs.

6.7.4 Entrepreneurs Perceived by Others

Finally, each entrepreneur outlined how they believed entrepreneurs to be perceived in general. This allowed the researcher to discover whether or not the entrepreneurs believed that perceptions of entrepreneurs in their communities could enhance or hinder entrepreneurship, and whether or not they believed it to be an entrepreneurial community. In general, the entrepreneurs highlighted that there was a positive perception towards them and their business. The entrepreneurs recognised that they had gained considerable support from the local people. Nevertheless, the entrepreneurs realised over time, that sometimes when one becomes very successful, resentment can manifest itself within a closely knit community. They indicated that this may hinder the expansion of an entrepreneurial community:

“You can be sure that entrepreneurs are begrudged. There are very few that will say, ‘Fair play to you’. If you had any experience yourself as being a self-employed person your attitude will be very different and you would think, ‘Fair play to that person’. If you have never been self-employed then you could possibly begrudge other business owners. I have had employees that worked for us and then set up in the same line of business as us. I wouldn’t hold that against him. People always see the work you do but never the background work, the bills and the overheads. So, unless you were self-employed yourself you would never understand that yourself.”

(DEC Entrepreneur 5)

One entrepreneur believed that this resentment was significantly high in County Waterford and that it was triggered by personal and professional jealousy:

“Some people would rather deal with people that aren’t from the area. Waterford is shocking for it. There is huge element of begrudgery because they have done well for themselves. I call it a Waterford thing. People would rather bitch about someone who has done well rather than actually have a go at doing anything themselves. I have had businesses in other counties in Ireland and Waterford has, by far, been the hardest on me when it comes to being resented for being successful.”

(DEC Entrepreneur 15)

6.8 Chapter Conclusion

This chapter presented the findings of the interviews carried out in both the DEC and DFBA case studies. The chapter opened with a brief overview of the case studies undertaken and a map of the case sites' area. The chapter then presented the demographical characteristics of the entrepreneur, followed by the major psychological characteristics of the entrepreneur and factors affecting entry to entrepreneurship.

Findings in relation to the entrepreneurs' network involvement, their embeddedness (relational, structural and positional) and their community embeddedness in a rural environment were explored and analysed. A number of significant findings have been uncovered in this study. Firstly, in terms of motivating factors, the need for independence followed by the need for achievement, were ranked highest for the interviewed entrepreneurs. Secondly, there was evidence to suggest that the entrepreneurs had reasonable embeddedness levels with strong robust relationships. Indeed, the findings of this study suggest that the entrepreneurs are not exclusively restricted to their community network. Thirdly, the majority of entrepreneurs believe that there is room for improvement in their local communities. Furthermore, in general, they contended that their community had need for further development in terms of infrastructure, in order to continue to support an entrepreneurial culture in these rural areas. The next chapter will discuss the findings of both case studies in relation to the literature.

Chapter 7: Discussion

7.1 Introduction

In response to the lack of systematic information available on the chosen subject matter, the research sought to explore the characteristics and embeddedness of entrepreneurs in a rural community. Few research agendas have addressed this issue and, subsequently, there is a considerable knowledge gap in substantive literature. Having presented the research findings with respect to both case studies that were undertaken, this chapter aims to explore the implications of these results within the context of the reviewed literature and the overarching research question. Furthermore, this chapter will integrate the analysis of the findings in line with the research objectives, and address any unexpected results. As previously indicated, this study has the following objectives:

1. To explore the demographical and psychological characteristics among rural entrepreneurs for commonalities or differentiators that affect entry to entrepreneurship.
2. To explore the factors affecting entry to entrepreneurship.
3. To explore how community embeddedness can enhance or hinder rural entrepreneurship.
4. To explore the function and effectiveness of an entrepreneur's network in a rural community context.

This chapter presents key findings in light of the extant literature and concludes with a review of the evidence supporting the overall embeddedness aspects and the rural context. The following section outlines the demographical and psychological characteristics of rural entrepreneurs, beginning with the demographical characteristics.

7.2 Demographical Characteristics

A number of interesting findings materialised across both case studies in relation to the entrepreneurial demographics encountered. These findings are discussed following the sequence employed in previous chapters.

- *Gender*: The female entrepreneurs did not cite family or personal reasons for becoming an entrepreneur, but rather that they would like to be their own boss. This is contrary to Watson et al.'s (1998) work, which finds that women are

more likely to start a business for more personal reasons, for example, a flexible family life, rather, findings are similar to Aylward (2006) who determined that the majority of women held the same aspirations as men and wanted to become their own boss. Indeed, this research discovered that, among the female entrepreneurs in both cases, their aspirations and drive equalled males in terms of opportunity recognition and entrepreneurial drive. This could be due to the high educational levels among the women in the case studies undertaken, as women in modern society tend to have higher educational levels when compared with women in the past (O' Farrell et al., 1986; Hisrich and Peters, 1988).

Carter et al. (2001) stated that entrepreneurial activity among women tends to be significantly lower than that of men's and that entrepreneurship tends to be a male dominated field. Similarly, in this current study, it was found that there were more male entrepreneurs than female entrepreneurs in both cases, with 78 per cent of the entrepreneurs in DEC being male and 58 per cent in DFBA. However, Aylward et al. (2006) stated that the number of women that are considering an entrepreneurial career as a valid career option is increasing and, furthermore, the OECD (2004) found that the last decade has been one of the most successful for female entrepreneurs.

- *Age:* Katz (1994) stated that entrepreneurial activity climaxes among individuals aged between 30 and 40 years old. Similarly, this research found that the entrepreneurs were an average age of 34 years old and that entrepreneurship in these cases climaxed in the 30's, as only five entrepreneurs in DEC and two in DFBA were over 40 years old. Just under half of the entrepreneurs (14 respondents) were below the average age of 34 years old, while 12 of the entrepreneurs were 34 years old or above.

However, the entrepreneurs who were above the average age of 34 years old, believed that they needed sufficient time in previous employment before they felt competent enough to start a business by themselves. This was the reason given for spending more time in previous employment – a line of reasoning that was previously suggested by Freeman (1982). These same entrepreneurs also needed time to accumulate the necessary finances to get the business up and running, which meant spending more time in previous employment. These

reasons given by the entrepreneurs corresponded with those previously suggested by Freeman (1982).

- *Education:* In this research, the entrepreneurs contended that their education provided them with background knowledge and the basic confidence to prepare them for the business world. Simply stated, education is paramount to successful entrepreneurship (Hisrich, 1990) because it impacts on the individual's attitudes in relation to starting their own business. This finding is consistent with the previous findings of both Donkels (1991b) and Krueger and Brazeal (1994), who indicated that education can assist successful entrepreneurial emergence, as it helps entrepreneurs to cope more easily with any problems that may arise in the future. Furthermore, the entrepreneurs in both case sites believed that, regardless of their levels of education, it had assisted them in their entrepreneurial endeavours. This was the case regardless of whether they had received formal, informal or self-taught education. Further, although O'Farrell (1986) and Hisrich (1990) have indicated that entrepreneurs now have a tendency to be better educated than those entrepreneurs in the past, often holding third-level qualifications, this study determined that only half (15 respondents) of the entrepreneurs held a third-level qualification (1 diploma, 9 degrees and 5 postgraduate qualifications), thereby offering only limited support for O'Farrell (1986) and Hisrich's (1990) works.

Hisrich and Brush (1984) have argued that those individuals whose parents received little educational attainments had a high tendency to be entrepreneurial. Consistent with their work, this research found that the majority of the entrepreneurs' parents had a low educational attainment, with just nine of them having completed the Leaving Certificate (Leaving Certificate is a level 4 qualification out of a possible level 10 qualification - Doctoral level). Therefore, results support the finding by Hisrich and Brush (1984) that the impact of lower educational attainment in the parents of entrepreneurs often results in a drive for entrepreneurship among individuals.

A low educational attainment is not a barrier to entrepreneurship, as Donkels (1991b) argued that individuals with low educational attainments often cite entrepreneurship as the only way to advance themselves both economically and

socially. Therefore, the findings of this research support Donkels' (1991b) results as half of the entrepreneurs did not have a third-level qualification, but were entrepreneurs nonetheless, demonstrating that education was not a barrier to entrepreneurship for these entrepreneurs.

- *Previous Work Experience:* Although Storey (1994) suggested that entrepreneurs tend to start-up businesses in the same industry in which they had previous work experience, this research found that for 11 entrepreneurs across both cases, previous employment was not necessarily related to their own business venture. These 11 entrepreneurs believed that the discontent, lack of motivation and overall lack of fulfilment experienced in previous employment, gave them the extra motivation to initiate their own business in an alternative sector; also, they believed that changing the sector in which they worked gave them a better quality of life. Nevertheless, similar to the findings of Shane and Khurana (2001), this study found confirmatory evidence that previous employment provided the majority of entrepreneurs with the benefits of background knowledge, experience of working in a business and initial contacts, as all of the entrepreneurs had previous work experience prior to starting their business venture.

In addition, previous work by Oakey (2003) suggested that entrepreneurial opportunities are more likely to be exploited among entrepreneurs that have previous work experience. As previously indicated, all of the entrepreneurs interviewed in both cases had been in previous employment prior to starting up their own business and they believed that this had worked to their advantage. Previous work experience such as general business experience, functional experience and industry experience - even if unrelated to the business that entrepreneurs operated in - provided them with the skills necessary for running their own business. The skills cited by the entrepreneurs included: managerial, financial, network, technical, and marketing. In particular, a considerable number of the entrepreneurs indicated that they had learned either managerial or financial skills from their previous work experience. This implies that previous work experience was of value to entrepreneurs, suggesting that potential entrepreneurs should be encouraged to take up opportunities in a workplace prior to initiating their start-up venture. However, only a small number of

entrepreneurs cited networking skills. This highlights a lack of recognition among the entrepreneurs of the value of becoming more proficient at building and maintaining networks, and suggests the need for further research in this area.

- *Family:* The premise that the majority of entrepreneurs are first-born children has been cited in several research studies as one of the primary demographical factors of entrepreneurs (cf. Henry et al., 2003; Grenholm et al., 2004). It has been explained in the past by Henry et al. (2003) that those individuals born first in their family inherit or develop a set of personality characteristics that predispose them to entrepreneurial behaviours. Conversely, in this study it was found, across both cases, that most entrepreneurs were either the middle (10 respondents) or the youngest (8 respondents) child in their family. In this rural setting, there is potential for further research to try and establish why the middle and the youngest child in the family had a higher tendency to become an entrepreneur over the eldest child in the family, which opposes current literature.

The second family aspect addressed in this study concerned the tradition of entrepreneurship, as Basu (2004) found that family influences are an important factor for potential entrepreneurs in their decision to start a new business. Indeed, Coffee and Scase (1983) argued that there is evidence to suggest that a tradition of entrepreneurship in the family can encourage entrepreneurship. In contrast, this study's findings revealed that only a minority (9 respondents) of entrepreneurs stated that there was a tradition of entrepreneurship in their family. These nine entrepreneurs believed that, although this tradition of entrepreneurship was present, it had not encouraged them in any way to initiate a business venture. An interesting finding is that they also did not believe that it set them apart from other entrepreneurs that did not have such a tradition.

Notably, Coffee and Scase (1983) argued that family influences are an important stimulus for potential entrepreneurs. However, in this study, the aforementioned nine entrepreneurs had a tendency to understate the value of an entrepreneurial tradition or any influences or assistance that their family had provided. A reason for this could be that the entrepreneurs did not view themselves as

entrepreneurial or their families as entrepreneurial, but rather that they were “small time” business people or that it was just a job.

Interestingly, although the majority of entrepreneurs stated that they did not have a tradition of entrepreneurship in their direct family, many (16 respondents) stated that they had entrepreneurial family members that had encouraged or influenced them in relation to their entrepreneurial endeavours to date. However, they did not believe that this indicated a ‘tradition’ of family entrepreneurship. Furthermore, the reasons for not recognising any influences or assistance from other entrepreneurial family members as a tradition of entrepreneurship within the family were not fully captured in this study, nor what constituted a tradition of entrepreneurship in the minds of the entrepreneurs; the foregoing represents areas for future research in rural entrepreneurship.

Singh and Denoble (2003) found that, in comparison to entrepreneurs who had a tradition of family entrepreneurship, those entrepreneurs who lacked such a tradition started their entrepreneurial venture later in life. Indeed, in contrast to Singh and Denoble’s (2003) findings, this study found that the ages of the 21 entrepreneurs with no tradition of family entrepreneurship varied considerably. It also did *not* find that the entrepreneurs that lacked a tradition of family entrepreneurship were generally older than those who had a previous tradition of entrepreneurship in the family.

Both Coffee and Scase (1983) and Dyer and Handler (1994) mentioned a family’s willingness to support the entrepreneur as essential in the assistance of the business’ start-up. Similar to their works, and the findings of Basu (2004) in particular, this study found that this support was considered important, with the majority of entrepreneurs stating that their family had encouraged them in some way and that their assistance was crucial in the start-up stages. A further finding of academic interest was that the interviewees indicated that the entrepreneurs’ family members still assisted them, even though they often believed that their entrepreneurial relatives were taking a huge risk, if not making a considerable error in their career. This finding implies that potential entrepreneurs should be prepared for family opposition when assuming the risk of starting a business.

However, opposition from the family may encourage the entrepreneur to re-assess their business initiative to ensure that, to the best of their knowledge, it is the best it can be so as not to disappoint their family and, if the business still fails, it may be perceived that it was out of the entrepreneur's control.

In summary, there are a number of interesting findings in relation to the demographical characteristics and their impact on potential entrepreneurs.

First, it was found that, similar to the findings of Aylward (2006), female entrepreneurs in this study had the same entrepreneurial aspirations as male entrepreneurs (to be one's own boss). This is contrary to the findings of Watson et al. (1998) who found that female entrepreneurs tend to start a business in order to enjoy a more flexible family life. This implies that Aylward (2006) may have captured a change in entrepreneurial aspirations in her more recent study, which is confirmed by this current research study.

Secondly, this study's findings support certain aspects of the entrepreneurship literature, in particular, Katz's (1994) research which found that entrepreneurship climaxes among entrepreneurs in their 30's. The average age of the entrepreneurs across both cases was 34 years old and only seven entrepreneurs interviewed were over 40 years old.

Thirdly, this study confirmed findings reported in the literature as regards the entrepreneurs' belief that the education they received had assisted them in starting their own business. The findings here also supported previous findings from Hisrich and Brush (1984), in that the majority of the entrepreneurs' parents had a low educational attainment.

Fourthly, in this study it was found that previous work experience was valued by the entrepreneurs and that all the entrepreneurs had previous work experience prior to starting their business, and furthermore, that all of these entrepreneurs believed that having previous work experience had worked in their favour. The findings support the argument made by Shane and Khurana (2003) that previous work experience provides entrepreneurs with background knowledge, experience of working in a business and initial contacts. This confirmatory finding suggests that supports should be put in place where possible to provide opportunities for young people to gain experience in the work place in order to facilitate entrepreneurship in the future.

Finally, the findings in relation to the demographical characteristic of the entrepreneur's family were unexpected. It was found that contrary to past research, entrepreneurs in this study were either the middle or youngest child in the family. It was also found that a minority of entrepreneurs had a tradition of entrepreneurship in their family and that they believed that this tradition did not assist them in any way or set them apart from other entrepreneurs. Not in keeping with previous studies (e.g. Coffee and Scase, 1983; Basu, 2004), this particular group did not see any value in having a tradition of entrepreneurship in the family. Furthermore, in contrast to the widely accepted view of entrepreneurship as a worthy career, this study also found that the entrepreneurs had a difficult time convincing their families that an entrepreneurial career was a smart career choice. These unexpected results represent areas requiring further study in the future in order to add to our understanding of the impact of a family tradition in entrepreneurship on potential entrepreneurs and, perhaps, those who chose not to take the risk of an entrepreneurial career.

The next section is titled 'Psychological Characteristics' and the relevant findings are discussed in relation to the literature reviewed; it follows the sequence employed in previous chapters.

7.3 Psychological Characteristics

This study's first objective was: to explore the demographical and psychological characteristics among rural entrepreneurs for commonalities or differences that affect entry to entrepreneurship. The exploratory nature of the study allowed the entrepreneur the opportunity to express what psychological characteristics they believed to be associated with entrepreneurship. The evidence collected supported prior research that found that psychological characteristics are an important factor in the emergence of potential entrepreneurs. However, it is important to point out, as stated in the previous chapter, three of the entrepreneurs refused to respond to the interview questions relating to psychological characteristics, as they deemed these questions to be irrelevant and that these characteristics had nothing to do with being an entrepreneur.

The most common psychological characteristics forthcoming from this study are discussed below:

- *Need for Independence:* Similar to the findings of both Van Gelderen and Jasen (2006) and Shapero (1975), who contended that an innate need for independence is one of the most common motivations to become an entrepreneur, this research found that, in both case studies, the entrepreneurs continuously referred to how important it was to have their own independence; actually, it was cited as the most prominent reason for becoming an entrepreneur. Indeed, as found by Fielden et al. (2000) and Shapero (2006) and having one's own independence and being one's own boss were also common reasons for leaving full-time employment – a finding that is also evident in this current research. This result is also in line with The European Commission's (2003) characterisation of entrepreneurial behaviour as a “taste for independence”.

In the future, entrepreneurial independence should be nurtured in young people, especially through their schooling from a young age. Hypothetically, this could usher young people in an entrepreneurial direction which may lead to increasing the number of future entrepreneurs (combined with encouragement in their family life and by government initiatives). If emphasis was placed on having your own independence through entrepreneurship, as well as the value of entrepreneurship, it could also increase employment in depopulated/depopulating communities all over Ireland in the long run. If becoming independent through entrepreneurship is sensationalised, incentivised, facilitated and encouraged as a way forward for the Irish economy, it could potentially create a level of prestige in relation to entrepreneurs and demonstrate it as a viable career option.

- *Need for Achievement:* The current study's results suggest that the entrepreneurs had a high need for achievement. Fulfilling this need in their own business was one of their main, personal motivators. Indeed, all of the entrepreneurs had goals that they wanted to achieve for their business in the near future. Furthermore, it was determined from comments made by the entrepreneurs that they all desired success and wanted to achieve this personal success in the form of running their own business. This finding is comparable with the seminal work of McClelland

(1961), who found that entrepreneurs are primarily motivated by an overwhelming need for achievement and a strong urge to build. McClelland's (1961) contention was that these characteristics make individuals more suited to creating new ventures through entrepreneurship. This was evident when the entrepreneurs stated that they expected their business to progress and grow over the coming 10 years and that their ambition was to build their businesses successfully. This study's findings also support the more recent work of Cunningham and Lischeron (1991), who argued that it is this need to achieve that drives entrepreneurs, which can ultimately lead them to leave 'safe' employment to start their own business. In light of these findings, it can be reasoned that a high need for achievement is still one of the main motivators for potential entrepreneurs starting their own business ventures and that this need for achievement needs to be facilitated in order to encourage potential entrepreneurs to leave 'safe' employment and assume the risk of starting their own business venture.

Based on the foregoing, the need for achievement could be facilitated through government policy by: (1) incentivising individuals to start their own business through tax incentives for the first five years of the business venture; (2) if an entrepreneur fails, then have policies in place to encourage entrepreneurs to try again; and (3) social welfare and benefit schemes for entrepreneurs who try, fail and find themselves unemployed and for those who make a loss or low earnings in the early stages while the business is still in its infancy. This would limit the risk and financial burdens associated with entrepreneurship. If these supports are put in place, it is perceived that this would encourage those that want to achieve to keep trying until they do achieve their entrepreneurial goals. This would help ensure that entrepreneurial skills are not wasted with entrepreneurs choosing 'safe' employment.

Locus of Control: In this research there was a shift in the entrepreneurs' locus of control. That shift was from an external locus of control (e.g., luck or fate) at the initial stages of their business' start up to an internal locus of control (e.g., ambition or hard work) when more established. According to the entrepreneurs in both cases, the success of their businesses to date was due to their own hard work and determination. However, these entrepreneurs also cited predominantly

external influences when starting their business, but this shifted to internal attributes as they became more established. The entrepreneurs had a tendency, in hindsight, to credit themselves for the successful establishment of their business. This suggests that, when entrepreneurs are finally established, locus of control shifts from being external at the beginning to internal when well established. This shift seemed to occur to the entrepreneurs with the benefit of hindsight. The overall result on locus of control was that the majority of entrepreneurs could then not decide if they had an internal or an external locus of control and, therefore, claimed to be a mixture of both. Indeed, past literature by Henry et al. (2003) tended to focus on entrepreneurs belonging to either an internal or external locus of control and that this remains fixed throughout time. This past literature does not consider a shift taking place over time from one end of the spectrum to another or an entrepreneur being capable of having a combination of internal and external locus of control attributes. This finding gives a direction for further research to discover if an entrepreneur's locus of control can shift from one extreme to another and whether or not entrepreneurs keep the same locus of control throughout their lives. However, this study's overall findings in terms of locus of control do provide some support for Henry et al.'s (2003) determination that an internal locus of control is more strongly associated with entrepreneurship, as most of the study's entrepreneurs, in hindsight, had a tendency to cite internal locus of control attributes.

Locus of control has been of great interest in the field of entrepreneurial research and has been identified as one of the most dominating entrepreneurial characteristics (see Venkatapathy, 1984). This is exemplified by the entrepreneurs' belief in their "ability to determine their own fate through their own behaviour" (Low and McMillan, 1998:147), rather than due to a belief that external forces are the primary determinants of life's outcomes (external locus of control – e.g. economic climate). While the entrepreneurs had many criticisms of the external supports in place by local and national government, and in particular, the lack of an adequate infrastructure, the evidence of this study confirms that entrepreneurs felt a personal responsibility for the success of their ventures and they, themselves, were the primary influence rather than external forces. Indeed, based on the foregoing, it is perceived that if entrepreneurs in rural locations believe that their shortcomings are as a result of their own actions

rather than a result of the rural environment in which they operate, then these entrepreneurs would be in a better position to improve their circumstances in the future and learn from previous mistakes. Further, entrepreneurs may be more likely to survive in more rural locations and in an economic downturn as they believe that any improvements in business circumstances will be down to them.

In addition, whether an entrepreneur has an internal or external locus of control may impact on an entrepreneur's degree of risk taking propensity, as discussed in the section to follow.

- *Risk-Taking Propensity:* Knight (1967) and Drucker (1985) stated that entrepreneurship is all about taking risk and the findings of this research illustrate this, as all of the entrepreneurs who agreed to respond, stated that they took some degree of risk (27 respondents).

In this study, just under half of the entrepreneurs admitted to being risk-takers (they believed that they often made risky decisions without thinking them through completely), but they also stated that such a strategy had proven successful in the past. This finding concurs with Shapero (1975: 63) who pointed out that, "when one goes into business for themselves, one trades the safe and familiar for the unknown and risky and, thus, the entrepreneur is commonly referred to as a risk-taker". This research found that all of the self-acknowledged risk-takers perceived the situations as being risky, but believed that this high-risk gamble would prove lucrative in the future.

The findings of this research also demonstrate that a minority of five entrepreneurs stated that they were smart movers (minimal risk-takers). These same five entrepreneurs admitted that, when starting their business, they began it on a part-time basis and still kept on their full-time employment, indicating that they had risk-averse tendencies. These entrepreneurs indicated that they could not tolerate situations with high uncertainty; they felt that they must be able to predict the consequences of their actions. Further, ten of the entrepreneurs felt that they were a combination of a smart-mover and a risk-taker (Calculated Risk Taker). This is similar to the findings made by McClelland, as far back as 1961, when he challenged the risk-taking stereotype image of the entrepreneur –

McClelland (1961) found that entrepreneurs prefer moderate risk situations and try to avoid situations of extreme risk or uncertainty. In support, and more recently, Gilmore et al. (2004) and Naldi et al. (2007) presented a similar picture of the entrepreneur as a person who minimises risky situations. Specifically, Naldi et al. (2007) has argued that there is little empirical evidence to support the idea that entrepreneurs take considerable risk. The evidence from this study provides support for Gilmore et al. (2004) and Naldi et al.'s (2007) works as, ultimately, the majority of the entrepreneurs preferred to take moderate to little risk in business situations.

Based on the above, it is perceived that efforts should be made by the Irish government to encourage potential entrepreneurs to take the initial risk associated with business start-up. The government's support could follow the recommendations made by the Certified Public Accountants' Entrepreneurship Report (2010), which have not yet been implemented. The foregoing report recommended that the government should encourage entrepreneurs to take the initial risks associated with starting a business, by increasing the supports available to the entrepreneur. These supports include: (1) the Department of Enterprise, Trade and Innovation examining the application process for state assistance to enterprise, with a view to rationalising and simplifying it, and (2) the scope of state enterprise support bodies should be broadened to support all entrepreneurs engaged in job creation activity and not only those engaged in manufacturing or export-led enterprises. The intention behind the foregoing recommendations is that, by making entrepreneurial more accessible, this might ease the burdens placed on entrepreneurs and it might encourage potential entrepreneurs to take the initial risks associated with starting a business.

From the findings of this research, it is apparent that taking this initial risk is the biggest step and the most critical in the early stages. With only five of the entrepreneurs claiming to be a smart-mover and other evidence of an inability to tolerate highly uncertain situations, the findings of this research suggest a tentative link between the degrees of risk entrepreneurs take and whether or not they can tolerate ambiguity, which is discussed next.

Tolerance of Ambiguity: Ambiguity occurs when there is “no clear interpretation of a phenomenon or set of events” (Hunter, 2006: 45). Nearly half of the entrepreneurs indicated they could tolerate high levels of ambiguity – they were also the same entrepreneurs who believed they were risk-takers, excluding one. This finding concurs with previous empirical findings by Teoh and Foo (1997), which discovered a link between risk-taking and tolerating high levels of ambiguity. It seems that in order to take a risk an entrepreneur must also be able to tolerate future uncertainty. Notably, this research found that there were varying degrees of acceptance of ambiguity between the two case studies in relation to tolerance of ambiguity; the DEC entrepreneurs had a higher tolerance of ambiguity than the DFBA entrepreneurs.

One possible reason for the variation in ambiguity between the DEC and the DFBA networks is that the entrepreneurs in DFBA, because of the industry in which they operated, were more heavily regulated (health and safety authority imposed restrictions). For example, the entrepreneurs’ businesses in DFBA worked with vulnerable people, such as children, while others operated in the preparation of food and similar business activities that are heavily regulated. As a result, safe predictable outcomes with marginal levels of ambiguity were required. The entrepreneurs who could not tolerate high levels of ambiguity indicated that being uncertain of future circumstances could jeopardise the reputation of their businesses and cause errors from which recovery would almost be impossible. If these entrepreneurs wanted to be successful in their field, they needed to avoid high levels of ambiguity. A second explanation for this variance between the case sites could be because the entrepreneurs in DEC had the safety net of the enterprise centre behind them, whereas the entrepreneurs in DFBA were more independent.

Further investigation needs to be carried out in connection with the entrepreneur’s level of tolerance of ambiguity and the environment and sector in which their business operates. Depending on the outcomes of such future research, what support structures are necessary in order to encourage entrepreneurship?

In summary, this research has uncovered some interesting findings with regards to the psychological aspects of the study. First, it was found that a need for independence was the most cited reason for becoming an entrepreneur similar to Shapero (1975) and Van Gelderen and Jasen (2006) and also one of the most cited reasons for leaving full-time employment, confirming the previous findings of Feilden et al. (2000). Secondly, fulfilling a need for achievement was a major entrepreneurial motivator and also influenced potential entrepreneurs to leave full-time employment to fulfil this need, supporting the previous work of Cunningham and Lischeron (1991). Thirdly, similar to Henry et al. (2003), the evidence suggests that the entrepreneurs had a strong internal locus of control (note: with the benefit of hindsight). These entrepreneurs wanted to be their own boss and reiterated their contention that staying in full-time employment would ultimately lead to career dissatisfaction. Finally, all of the entrepreneurs (excluding those three who refused to respond) admitted to taking some degree of risk, proving that taking risk is part of being an entrepreneur, comparable to the previous findings in the literature Knight (1967) and Drucker (1985). These were the same entrepreneurs that claimed to have a high tolerance for ambiguity, suggesting that these characteristics go hand in hand, supporting the previous work of Teoh and Foo (1997). The next section discusses the factors affecting entry to entrepreneurship.

7.4 Factors Affecting Entry to Entrepreneurship

In line with objective number two, this study provides evidence that there are a number of factors affecting entry to entrepreneurship, namely: push and pull factors, fear of failure, finance, cultural attitudes and legislation. Each of these factors is discussed in turn below.

- *Push and Pull:* Valliant and Lafuente (2007) found that the option of flexibility can pull individuals into an entrepreneurial career, as it offers freedom from the dependency on the jobs offered by others and, furthermore, offers an opportunity to be one's own boss. This current research supported the findings of Valliant and Lafuente (2007), as it found that 20 entrepreneurs were pulled into entrepreneurship because of opportunity recognition, as well as believing that entrepreneurship gave them an opportunity to be their own boss and job satisfaction. On the other hand, Valliant and Lafuente (2007) argued that when entrepreneurs are pushed into entrepreneurship, it tends to be out of necessity, as they perceive it to be the only way to improve their circumstances. The findings

here support their work, as this research found that entrepreneurship allowed unemployed individuals the opportunity to take control of their lives, and furthermore, to improve their personal situation by working for themselves and not depending on jobs offered by others. These individuals stated that if they had been given a choice at the time, that they would not have chosen entrepreneurship as a career.

A possible reason to why only seven entrepreneurs were pushed into entrepreneurship, compared with the 20 who were pulled, could be due to the economic climate at the time that the entrepreneurs started their businesses. Findings indicate that these entrepreneurs were already operating in business long before the decline in the Irish economy was officially announced by the Irish government (June, 2008). In the pre-recession economy, business opportunities were rife, consumer spending and confidence was at an all-time high, and banks were more willing to lend to small businesses compared to today. It is perceived that, in this type of economic climate, the 20 entrepreneurs who were pulled into entrepreneurship anticipated a future environment more conducive to their career choice and, as a result, took the initial steps to pursue entrepreneurship; further, the resultant small number of 'pushed' entrepreneurs (seven) may be due to the working conditions, promotional prospects, and salaries of PAYE employees at that time – they were quite favourable and, as a result, less PAYE employees felt the need to enter an entrepreneurial career.

- *Fear of Failure:* Entrepreneurs can learn from both their own and others' success and failures, which enables them to improve their skills and adapt their attitudes as entrepreneurs (Carree et al., 2002). It was discovered that the majority of entrepreneurs in this study did not fear failure per se; they believed that it was something that was within their control and that working hard to keep customers happy and being price-competitive were activities that would prevent them from failing (in keeping with the previously mentioned predominance of a perception of internal locus of control).

Entrepreneurial failure is socially stigmatised in Europe, more so than anywhere else (European Commission, 1998) and the entrepreneurs in both case sites also believed this to be true. These entrepreneurs also felt that the social stigma

surrounding entrepreneurial failure was more prominent in smaller communities. This is consistent with the communication from the European Commission (1998) in this regard.

Landier (1994) contended that social stigma associated with failure can prevent entrepreneurs from initiating a business. However, the entrepreneurs in this research indicated that although this social stigma existed, it was not influential enough to prevent them from starting a business, and that there was a minimal level of social stigma attached to failure in DEC and DFBA. This study is, however, limited in that it only considers existing entrepreneurs and does not consider potential entrepreneurs.

- *Financing:* Difficulties in raising adequate finance was a prominent finding in both cases, with the overwhelming majority of entrepreneurs stating that they had difficulties with finance at some stage of their business life-cycle. In particular, the entrepreneurs in this study indicated that in the initial stages of business start-up, the burdens of compliance costs and local authority charges were genuine concerns. This finding is consistent with the research of O’Gorman and Fitzsimons (2005) who distinguished that these financial costs burden entrepreneurs in the initial stages of start-up. The entrepreneurs also stated that if the compliance costs were lower or did not exist, more businesses would start-up and survive longer into the future.

Overall, the interviewed entrepreneurs stated that raising initial finance to start their business was a major difficulty and implied that this may be one of the reasons why businesses fail in the early stages. They stated that these costs were simply too high for a small rural start-up business to manage. This finding is similar to the argument made by Schoof (2006), who stated that raising adequate finance to meet financial requirements to execute and exploit a business opportunity is one of the most prominent inhibitors in relation to entrepreneurship. An implication of the foregoing is that finance needs to be made more accessible to potential entrepreneurs. Furthermore, in order to increase the levels of entrepreneurship, compliance costs need to be reduced or abolished in the early stages, as the evidence here suggests that it inhibits

entrepreneurship. In future, these charges, if necessary, could be gradually introduced when entrepreneurs' business levels become more stable.

- *Opportunity:* This research study considered two types of opportunity: opportunity cost and opportunity recognition. In the literature, in relation to opportunity cost, Bygrave (1994) stated that opportunity costs are present when considering any entrepreneurial venture. Consistent with Bygrave's (1994) argument, the majority of entrepreneurs (20 respondents) stated that they experienced a high opportunity cost in relation to starting their own business. These entrepreneurs believed that, as a result of choosing an entrepreneurial career, they had had to forgo other opportunities that may have been offered to them had they stayed in or chosen paid employment offered by others. The opportunities that the entrepreneurs had to forgo included: secure employment, regular and reliable incomes, promotional opportunities in employment, and possible management positions with other organisations. Similarly, this research study found that the same entrepreneurs that believed they experienced high opportunity costs when starting their business were also the same entrepreneurs that were pulled into entrepreneurship. Both opportunity cost and being pulled into entrepreneurship were experienced by a majority (20 respondents) of entrepreneurs. Further research is required to establish the threshold levels whereby the opportunity cost faced by the entrepreneur acts as an inhibitor to investment in entrepreneurship.

In relation to opportunity recognition, all of the entrepreneurs interviewed²⁰ believed that they had a good opportunity available to them and felt that they could exploit it and follow a dream at the same time. This finding is consistent with early research conducted by Schumpeter (1934) and Kirzner (1973), which determined that the entrepreneur must believe that an entrepreneurial opportunity is available to them and, furthermore, that this opportunity is capable of being exploited in return for profit. The foregoing demonstrates that opportunity recognition is still at the heart of entrepreneurship.

²⁰ Note: excludes three of the entrepreneurs who refused to respond.

- *Culture:* Entrepreneurial culture is evident in values, attitudes and habits (Trompenaars, 1994). In this context, support was found for all three aspects across both case studies, and is consistent with Potter and Proto's (2007) work (this is discussed later in this section). In DEC, the entrepreneurs indicated that there was a strong entrepreneurial culture in the community, and that triggered the development of the enterprise centre. Furthermore, the entrepreneurs, without prompting, highlighted that the culture of entrepreneurship in the community was good for the young people living in the area. In the DFBA, the interviewees also argued that their community had a good entrepreneurial culture compared to other rural communities, but recognised that it was still in its infancy. This finding suggests that these entrepreneurs were aware of the importance of a supportive culture. It also provided insight into the intentions of these entrepreneurs. They seemed to imply that they would encourage this entrepreneurial culture as the DFBA progresses in the future. Furthermore, it suggests that an entrepreneurial culture needs time to develop, but this requires further research for confirmation.

Tayeb (1988) suggested that foundations such as family, friends, religion and society as a whole, can influence cultural attitudes towards entrepreneurship and, overall, can encourage such activity in others. Similarly, a high number (24 respondents) of entrepreneurs in this research maintained that entrepreneurs were good role models, and suggested further that this, in turn, gave entrepreneurs a high social standing.

In line with the European Commission's recommendation²¹, a number of entrepreneurs suggested that showcasing success stories of successful entrepreneurs in secondary schools in Ireland would boost start-ups in the future and show entrepreneurship as a viable career option.

The European Commission (1998) revealed that entrepreneurial failure is socially stigmatised in Europe and this concern was evident across both cases, as

²¹ The European Commission report (2003: 21) stated that the promotion of an entrepreneurial culture and positive attitudes towards entrepreneurship can be encouraged by "providing role models through the 'showcasing' of success stories".

previously mentioned in the section *Fear of Failure*. The majority of entrepreneurs interviewed believed that failure carries a high social stigma in Irish society. In the USA, entrepreneurial culture and bankruptcy laws are significantly different as they encourage entrepreneurs that have failed in the past to start again relatively quickly. As a result, Potter and Proto (2007) and the OECD (2004) recommended that nurturing this cultural attitude to entrepreneurship and acceptance of entrepreneurial failure alike will boost a positive entrepreneurial culture and instigate more entrepreneurial start-ups in Europe. This study's findings confirm the importance of developing a culture that is supportive of entrepreneurship, especially as the majority of entrepreneurs interviewed argued that not enough was currently being done in this country in this regard. Furthermore, the implications are that Ireland needs to follow the example of the USA, and introduce policies that encourage this entrepreneurial culture (policy is discussed further in the next chapter) and also address legislation surrounding entrepreneurship (see next section).

- *Legislation:* Not all entrepreneurs interviewed believed that legislation was a significant obstacle in the early start-up stages, but this varied greatly depending on the type of business and the industry in which they operated. For example, there were distinct differences between the businesses that dealt with the preparation of food and those businesses that bought goods and then sold them to the public. From the interviews, the entrepreneurs that were dealing in the food market seemed to be very heavily restricted and legislated, in comparison to the non-food businesses. All of the entrepreneurs stated that more legislation in favour of smaller enterprises is needed and that this legislation could boost start-ups. This finding is in agreement with Potter and Proto's (2007) contention that by placing an emphasis on the lowering of capital gains taxation and corporate taxation that a boost in business start-up would follow. Furthermore, there was a general consensus that current tax incentives are more commonly aimed at the larger businesses. In light of these findings, it is apparent a more progressive and supportive tax regime and business-friendly legislature are seen as conducive to increased levels of entrepreneurship.

In summary, in response to the second objective, a number of interesting findings have emerged. Firstly, the majority of the entrepreneurs in this research were pulled into

entrepreneurship rather than pushed, which shows that these entrepreneurs freely chose this career and suggests they are happy with this choice. The reasons for being pushed or pulled into entrepreneurship match those reasons given by Valliant and Lafuente (2007). Secondly, the majority of entrepreneurs believed that social stigmas in relation to failure are more prominent in small rural communities, which is consistent with the findings of Landier (1994). Thirdly, consistent with the findings of Schoof (2006), the majority of entrepreneurs experienced difficulties gaining access to finance. Fourthly, the majority of entrepreneurs experienced opportunities costs when starting their entrepreneurial career, as found in previous studies by Bygrave (1994). Interestingly, these were the same entrepreneurs that were pulled into entrepreneurship. Furthermore, when it came to opportunity recognition, all of the entrepreneurs believed that they had good opportunities available to them when starting their business. Fifthly, the majority of entrepreneurs believed that a strong, supportive and entrepreneurial culture was in existence in their small rural community. Finally, the entrepreneurs believed that legislation and incentives by the government favour larger businesses and that more needs to be done for entrepreneurs and smaller businesses.

A review of the literature indicates that the majority of research carried out into the most common demographical and psychological characteristics of the entrepreneur, along with the factors that affect entry to entrepreneurship, have been carried out predominantly in an urban context. In addressing this gap in academic knowledge, this empirical study found a number of similarities and differences between previous urban studies with this present rural study's findings. In relation to the demographical characteristics (gender, age, education, previous work experience and family), there was a general consensus between the rural context and the urban literature. Two of these demographical characteristics were different in the rural setting, namely, gender and family. The reason for the difference in the two could be that in the family the first born child often acquires the family farm and this could be the reason why the entrepreneurs that were interviewed in this study were not the first born child in the family. In relation to gender, the reason for the lower participation rate of women in entrepreneurship could be that the findings of this study concur with the previous findings of Carter et al. (2001) in that women have a tendency to be concentrated in secure public sector employment, such as health and education and, therefore, did not choose entrepreneurship as a career option. The psychological characteristics (need for independence, need for achievement, locus of control, risk-taking propensity and

tolerance of ambiguity) in this rural context all corresponded with the urban literature. The factors that affect entry to entrepreneurship (push and pull factors, fear of failure, financing, opportunity, culture and legislation) also all corresponded in this rural context with the urban literature. In conclusion, there was little variation when it came to these characteristics between the urban and rural entrepreneurs.

The section to follow discusses the literature and findings of this research in relation to the third objective - to explore how community embeddedness can enhance or constrain rural entrepreneurship²².

7.5 Embeddedness

The findings of this study indicate that, for the most part, the entrepreneurs were very involved with their networks. Indeed, all of the entrepreneurs were integrated or embedded in the local context of each of the case study sites of DEC and DFBA, whether they consciously believed themselves to be embedded or not²³. The entrepreneurs networked with both their community network and other sources outside of their community network (as will be discussed in the three embeddedness dimensions that follow).

Consistent with the findings of Jarillo (1989) and Larson and Starr (1993), Hite and Hesterly (2001), the findings of this study found that many of the entrepreneurs were of the belief that social relationships were often more important than economic concerns. They often believed that social relationships were worth entertaining as they could potentially lead to economic benefits. This would imply that when an actor is embedded within social relationships that this, in turn, influences the actor's economic decision making. Similar to Granovetter, (1985), Larson (1992), Uzzi (1996), Hite et al. (2001) and Batjargal (2003), the entrepreneurs that were involved in networks were able to

²² Unlike previous chapters, network involvement has been incorporated into the embeddedness section and the community section.

²³ The entrepreneurs were asked about the three embeddedness dimensions and their network involvement indirectly. It was decided that this approach would allow the entrepreneurs to unconsciously reveal these dimensions, thereby obtaining the most accurate answers. It was envisaged that, if the technical embeddedness and network terminology was used, the entrepreneurs would get confused, believe that they did not participate in such activities or simply deny these embeddedness dimensions out of a lack of understanding.

exploit more external resources than other entrepreneurs that were not involved in any networks. The aforementioned authors claim that relationally-embedded ties facilitate successful entrepreneurial emergence. This implies that entrepreneurs should try to entertain relationally-embedded ties and prioritise in consciously building these ties in the early stage of their entrepreneurial emergence to ensure that it is successful.

The overall result from the investigation into embeddedness in both case sites reveals that the majority of entrepreneurs believed that being part of the local community had enhanced their business activities to date, confirming similar findings by Jack and Anderson (2002). By being embedded in the local rural community, the entrepreneurs were able to further enhance their business activity through norms of trust, reciprocity and knowledge sharing. In light of the foregoing, the present study found that half of the entrepreneurs shared information with their networks and believed that this had benefited them or expected to benefit them in the future.

For emerging entrepreneurs, many academics and researchers have argued that exchanges through social networking are critical for accessing vital resources that might not otherwise be available or affordable to the business (Starr and MacMillan, 1990; Dubini and Aldrich, 1991; and Sensenbrenner 1993). Similarly, this research found that social networking (through relationally-embedded ties) was recognised as allowing the entrepreneurs to gain access to resources, most specifically, access to information, that would not have otherwise been available to them.

Each of the embeddedness dimensions - relational, structural and positional - will now be discussed in turn, beginning with the importance of relational embeddedness.

7.5.1 Relational Embeddedness

As Hennart (1993) determined, evidence of high levels of relational embeddedness can be identified by displays of: trust, open communication, and reciprocity. Many of these aspects were mentioned by participants from both case-studies. Similar to the work conducted by Granovetter and others (Granovetter, 1985; Zaheer and Venkataraman, 1995 and Uzzi, 1996; 1997), this study found that relationally-embedded ties are dependent on the development of trust. Indeed, the predominant moderate levels trust described by the entrepreneurs facilitated them within the community network to access resources. It is evident from the interviewees' comments that this trust promoted a

willingness to work things out through mutual problem-solving via information sharing. The foregoing finding concurs with the previous argument made by Uzzi (1997) that trust facilitates access to resources along with a willingness to work things out through mutual problem solving. Nevertheless, a minority of entrepreneurs in this study (9 respondents) indicated that trust was limited within their network, because it was felt that some entrepreneurs acted in their own self-interest. Contrary to the general consensus across the two case studies, this minority indicated that trust had to be limited in order to safeguard their business practices, for example, not revealing potentially lucrative business opportunities for fear of being copied. As mentioned earlier, trust encourages entrepreneurs not to take advantage of other actors' weaknesses and to be considerate of other entrepreneurs in the network. This research found that the majority of entrepreneurs indicated that trust at a moderate level was present within their network dealings and this signified a commitment by actors to the network. This finding is an outcome on the presence of trust within a network that was previously advocated by Steensma and Lyles (2000), when they suggested that the presence of trust within a network signifies a commitment to the network by the actors and discourages taking advantage of other actors within the network.

This research study further found that half of the entrepreneurs (15 respondents) indicated that in some instances they would limit the information they share about their own business activities with other businesses in their network. This finding suggests that the levels of trust within a network are subjective and open to interpretation and that this can have an impact on the level of open communication with a network. The findings indicate that relational embeddedness did not appear to be high as 26 of the entrepreneurs stated that there was a moderate level of trust with their network and only half of the entrepreneurs (15 respondents) willingly shared information. The findings also provide evidence that there is a perception that other entrepreneurs hoarded information which is contrary the previous argument made by Hennart (1993).

In relation to open communication, this study found that the entrepreneurs did not always believe that it was a two-way process and they perceived that open communication was not always beneficial to them. As previously indicated, entrepreneurs, in some instances, suggested that they hoarded information and that this was sometimes necessary (for fear of being copied), which is similar to the previous findings of Achrol (1997) and Vonortas (1997) who found that actors in a network may

avoid open communication and hoard information for fear of negative outcomes. Furthermore, an implication of this finding could be that entrepreneurs in the future may question the levels of trust that they bestow in their relationally-embedded ties within their network as this clearly affects the level of open communication within a network. As a result, these entrepreneurs may un-necessarily hoard information based on the belief that other entrepreneurs may also be hoarding valuable information.

In relation to reciprocity, Gulati (1998) and Uzzi and Lancaster (2004) noted that relational embeddedness should facilitate a shared understanding of expected and accepted behaviour due to the increased likelihood that social actors will socialise, share sensitive information with each other, and discuss opinions which, in turn, will influence their actions. Moreover, when it came to reciprocation among relationally-embedded ties, this research found that entrepreneurs shared information on the grounds that reciprocation would take place in the future, as per previous arguments made by Granovetter (1973) and Gulati (1998). The foregoing finding is exemplary of the awareness of norms in the literature on relational embeddedness, as set out by Gulati (1998) and Uzzi and Lancaster (2004). For example, this was particularly evident when individual entrepreneurs mentioned their loyalty to DEC and not poaching staff from other members. It also highlights how the entrepreneurs were considerate of other network members. In the context of relationally-embedded reciprocation, all of the entrepreneurs interviewed were aware of the sanctions forthcoming if their behaviour was not in keeping with the network norms or if they revealed restricted valuable information to other actors outside the network. Each entrepreneur knew what information they were likely to share with other entrepreneurs and what information they would keep to themselves. Overall, the main benefits for entrepreneurs being relationally-embedded was the long-lasting, trustworthy and reciprocal relationships that resulted in a change of behaviour and the economic benefit that followed on from information sharing with relational ties. This is similar to the benefits of relational embeddedness previously suggested by Granovetter (1985) and Uzzi (1996) and it also suggests that entrepreneurs that gain from the network must also contribute to the network.

The implications of the relational embeddedness findings confirm that trust is paramount to building relationally-embedded ties, as per previous work by Granovetter (1985); Williamson (1979); Zaheer and Venkataraman (1995) and Uzzi (1996; 1997).

The findings suggest that business operations run more smoothly when trust is in existence among relationally-embedded ties similar to previous work by Uzzi (1997). For entrepreneurs, being aware of their relationally-embedded ties and the levels of trust in existence will enable them to share information more freely and exploit additional resources at a minimal cost. Therefore, it is vital for entrepreneurs in the early stages of business start-up to be able to manage their relationally-embedded ties and understand that if trust exists then information sharing can take place more freely and easily. Therefore, it is necessary for entrepreneurs starting out in a small community to gain the trust of other business people – the higher the trust levels, the more proprietary the information shared will be Burt (1992).

The next section discusses the aspects of the presence or absence of ties between actors in a network, the boundaries of the network, and the overall architecture of the network in relation to structural embeddedness.

7.5.2 Structural Embeddedness

As previously indicated, structural embeddedness demonstrates the presence or absence of ties between actors in a network, between networks and the boundaries of the network; it also represents the overall architecture of the network (Burt 1992). In this research, it was found that a high number of the entrepreneurs took advantage of brokerage opportunities and had no difficulties recognising these brokerage opportunities.²⁴ A key finding presented in the previous chapter in relation to structural embeddedness was that the majority of entrepreneurs networked with other sources outside of their community network. This implies that these rural entrepreneurs regularly seek novel information and that the entrepreneurs often received redundant information in their community network that made it necessary for them to seek new information beyond the community network.

Similar to the literature on structural holes by Burt (1992) and Uzzi (1997), this research found that entrepreneurs often indicated that they accessed information beyond their own network from other networks. Bridging these structural holes or brokering allows

²⁴ Brokerage is described as an individual or firm that acts as an intermediary between two or more parties.

the entrepreneurs in the network to connect with novel information from other unique sources and information transfer, which was one of the main findings in relation to structural embeddedness in this study. As argued by Ahuja (2000), structural embeddedness focuses on brokerage opportunities, such as those that result when actors bridge structural hole positions or gaps in the network. The findings of this research convey that the entrepreneurs connected with other networks to gain access to new information that their community network could not provide, which reinforces Ahuja's (2000) viewpoint. The entrepreneurs indicated that they believed that the strategy of connecting to new, unfamiliar networks would help them to help others within their community network; a strategy that supports Brass et al.'s (2004) work.

Burt (1992) argued in his work on structural holes that, if actors were involved in other networks as well as their own, they would have more information at their disposal to help both themselves and others within the network. This, in turn, would allow actors operate at an optimal level, a point that the entrepreneurs in this research fully supported as they indicated throughout the interviews that being informed was paramount to being an entrepreneur. This also concurred with Gulati's (1998) work on alliances, reinforcing the notion that these entrepreneurs gathered information regarding potential opportunities and information exchanges through brokerage facilitated by structural embeddedness.

Similar to Burt (1992), who stated that structural embeddedness is important because it demonstrates the presence or absence of ties between actors in a network, while also demonstrating network boundaries and whether the network is closed or not, this research found that the entrepreneurs knew the physical boundaries of their network. The majority of the entrepreneurs in this instance, stated that the exclusive network just involved the entrepreneurs operating in DFBA and DEC who willingly chose to be part of the network.

Burt (1992) and Mayhew (1968) found that the more structural embeddedness there is in a network, the more information each actor knows about all the other actors and the more constraints there are on each actors' behaviour. This research found that 23 of the entrepreneurs knew what behaviour would see them excluded from the network, such as the poaching of staff from other entrepreneurs in the network. The entrepreneurs stated that membership of the network required their behaviour to be altered and that, as a

result of being a part of a network, they could no longer do as they pleased and, when making decisions, the network had to be considered.

There are a number of implications in relation to the findings on structural embeddedness. Firstly, the majority of entrepreneurs networked beyond their community network for novel information, suggesting that weak ties within their community network were predominant, this finding is similar to that of the previous finding by Uzzi (1997). However, measuring how many strong or weak ties that the entrepreneurs had or the depth of the relationships with other network ties was beyond the remit of this study and is an opportunity for future research in this area. Secondly, the entrepreneurs often took advantage of brokerage opportunities or bridged to other networks and believed that this brokering would allow them to help others within their community network. These findings imply that brokering is an important aspect of structural embeddedness (previous work by Burt, 1992) and furthermore, suggests that entrepreneurs need to develop communication skills, networking skills and actively pursue opportunities to meet other actors from different networks. The findings indicate that bridging to other networks for information seems to be of value to the entrepreneurs and supports Gulati and Gargiulo's (1999) who found that actors who bridge to other networks have the ability to transfer their knowledge and expertise to other networks and act as a bridge to these other networks.

The section to follow discusses the benefit for the rural entrepreneurs of alternative positions in the network, that is, their positional embeddedness.

7.5.3 Positional Embeddedness

Similar to the extant literature, this research found that the variety of positions held by the different actors in the network had different consequences. Based on the findings from the previous chapter, it is evident that the entrepreneurs could pinpoint the positions of the other actors in the network and whether or not these entrepreneurs were important or contributed to the network. For example, three of the entrepreneurs that were on the periphery of the network, had minimal contact with the network and did not involve themselves in any networking activity or contribute to the network in anyway.

Brass (1992) and Ibarra (1993) found that central actors are in a favourable position to see a more complete picture of all alternatives available in the network than peripheral

actors. In addition, they enjoy a broad spectrum of benefits and opportunities which are unavailable to those in the periphery of the network. It was argued by Gulati (1999) that such distinct opportunities enjoyed by the central position, affect actors' ethos in risk-taking, pro-activeness and innovativeness. Uzzi (1997) contended that the fundamental function of positional embeddedness is to understand the purpose, advantage and disadvantages of the individual's position within the network. The overall result from the investigation into positional embeddedness was that half (9 respondents) of the entrepreneurs interviewed in DEC and seven of the entrepreneurs in DFBA believed that they held central positions within their network. These entrepreneurs believed that they made considerable contributions to the overall health of the network, had larger intelligence dimensions and superior information about the other actors in the network, which is the description of a central network actor, as previously contended by Gulati and Gargiulo (1999). This study further reinforces previous work by Brass and Burkhardt (1992) which revealed that advantageous positions within a business network allow actors greater exploitation of external resources as these advantageous positions are considered to be more prestigious, are extensively connected and, as a result, are in a position to inform others in the network, for example, this research found that entrepreneurs believed that they had greater access to external assets as a result of their position within the network.

This study extends the argument made by Brass and Burkhardt (1992) as it was found that the management in DEC held a central position within the network and, additionally, the entrepreneurs often referred to times when this management team had assisted them. As indicated in the previous chapter, this assistance came in the form of good business advice at the start-up stage, physical assistance at the premises and also leniency when it came to the payment of bills. This assistance granted by these central actors in the network assisted the entrepreneurs greatly as the leniency with the payment of bills allowed the entrepreneurs to gain more time in organising their finances at the early stages. This was an advantage of being part of the DEC network that the entrepreneurs regularly cited and came as a direct result of the DEC management being a central actor in this network. Additionally, any other assistance given by these central actors was done so free of charge. Specifically, in this context, the management team were considered particularly helpful because they could see a more complete picture of all the alternatives available than non-dominant, non-central or more peripheral actors, allowing them the opportunity to be of particular support to the entrepreneurs in the

network which concurs with the previous findings on the role of a central actor by Brass (1992) and Ibarra (1993). Therefore, it was obvious that the management in DEC held the most central position within the network in spite of nine of the entrepreneurs believing that they held central positions.

In the literature, Stuart (1998) indicates that actors with high centrality are pursued by actors to form alliances. The findings of this research are consistent with the findings of Stuart (1998), as the majority of entrepreneurs interviewed stated that they often tried to form alliances with centrally positioned actors, as they knew that the alliances would benefit them in the future. Entrepreneurs in DEC suggested that “new” entrepreneurs in DEC were initially attracted to the network by the entrepreneurs that held central positions within the network, as they had the preconception that they have greater knowledge, experience and capabilities to guide them through the start-up stages. Furthermore, the evidence from this study indicates that entrepreneurs with central positions attracted external interest in their network, particularly by generating publicity about their network which, in turn, showed the network in a positive light and encouraged entrepreneurs to join. According to Arya and Lin (2007), it is these actors with central positions that allow other actors in the network to widen their network sphere, gaining access to greater information through new connections.

Those that believed themselves to be positioned on the periphery of the network were the minority of entrepreneurs; these entrepreneurs: (1) did not believe that the network enhanced or hindered their business, and (2) acted independently and had minimal contact with the network, community and environs in which their business was located. This finding is consistent with the findings of Stuart (2000), who found that entrepreneurs on the periphery of the network should have less valuable information and would not have the same valuable information or access to the external resources that the more centrally positioned actors would be receiving and, therefore, are at a disadvantage as a result of being on the periphery of the network.

In the literature, Gulati (1998) indicates that alliance arrangements with structurally equivalent actors can generate a greater incentive to conduct cooperative-competitive interactions for capturing updated developments within a network and, as a result, can promote efficient and effective flow of information. Similarly this research found that the entrepreneurs in both cases who considered themselves to be in structurally

equivalent positions shared information with these other similarly-positioned actors simply to just share their experiences and exchange information. This was the second highest ranked position that the entrepreneurs mention in this study with 11 respondents claiming to be structurally equivalent.

An unexpected finding in relation to positional embeddedness was that the entrepreneurs in this research equated centrality within the community network with the actual size of the entrepreneurs' business. For example, the entrepreneur that had the biggest business, that employed the most staff, was seen by the other entrepreneurs as a central actor. However, a central actor is more commonly cited as the actor that exchanges the most useful information, that contributes to the network the most and the one that is most crucial to the operation of the network (Stuart, 1998). For example, this is the actor that if they were to depart from the network would be the biggest loss to the network as a whole; these were not the attributes that the entrepreneurs in this study associated with central actors. In relation to this finding, there is scope for further research to try and establish why exactly the entrepreneurs associated different characteristics with centrally positioned actors in a network than with those in previous academics studies (Davis 1991; Brass, 1992 and Ibarra, 1993; Uzzi, 1997; Stuart, 1998; Haunschild and Beckman, 1998; Arya and Lin, 2007). It may be that academics need to re-think the characteristics that they bestow on centrally positioned actors with a network.

Additionally, another unexpected finding in relation to positional embeddedness is the majority of entrepreneurs considered themselves to be central network actors (16 respondents). It is highly unlikely that such a high number of the entrepreneurs were actually central network actors. A reason for this finding could be that the entrepreneurs considered themselves and their business to be playing an important role within their network and were blinded by a self-perception. The only obvious central actor that emerges from the data collected is the management in DEC. The remaining 15 self-perceived central actors are debatable.

In the final section of this chapter the impact of the community on rural entrepreneurship is discussed.

7.6 The Community

In this section of the chapter, the findings are examined in light of the extant literature, with implications drawn concerning enhancing and inhibiting entrepreneurship in the context of a rural community. This section of the chapter responds to the fourth objective in this study which was to explore the function and effectiveness of an entrepreneur's network in a rural community context. The first section discussed is locating in the community.

7.6.1 Locating in a Community

Similar to previous findings by Townroe and Mallalieu (1993) and O'Farrell and Hitchens (1988), for the entrepreneurs in this research, the rural community setting was the attraction, in spite of structural limitations associated with rural business locations. Moreover, Jack and Anderson (2002) argued that outsiders had to get to know an area through building social relationships - the entrepreneurs in this research were already established in the rural community prior to business start-up, and the social relationships that they had accumulated over this time, had an influence on the way in which they operated their business. For example, some of the businesses in DEC shared or exchanged their services with other businesses to cut costs.

The attraction of the local environment was not just about local living, but also about adding to the local community. Analysis of the findings suggests that these businesses were embedded in the local community and embeddedness influenced the way in which their businesses operated, made evident by decision-making which encompassed more than merely economic factors but also social factors. This is consistent with Jack and Anderson's (2002) argument that the community in which the entrepreneur is embedded can influence an individual's actions. It is clear that all the interviewees had chosen to develop strong relationships with the local community. Consistent with Jack and Anderson (2002), these relationships had influenced the entrepreneur's decision to establish a business. The entrepreneurs could have chosen to live and work elsewhere, but personal experiences influenced their business location decisions. Additionally, if the entrepreneurs decided to relocate in a different environment they would not have this insight or previous experience and they recognised that they would have to start building these valuable relationships once again. Keeble (1993) referred to the quality of life as being of importance to people living in rural areas; a finding that is evident in

this current research. For example, not having to deal with traffic congestion and parking problems on a regular basis. Furthermore, it can be suggested that the entrepreneurs had recognised that there was an opportunity within the local area and used the local environment. This is consistent with the views of Smallbone et al. (1993) who pointed out that opportunity recognition arises from within rural areas rather than from outside.

The next section discusses the disadvantages of the community from the prospective of the entrepreneurs.

7.6.2 Community Disadvantages

Similar to the work of Osborne (1987) and Trucker et al. (1989), this study indicated that the availability of essential supplies was a major economic issue for businesses operating in rural locations which also concurs with the findings of Fendley et al. (1989). In particular, infrastructure was seen as a major inhibitor to business activity and rural regional development as the entrepreneurs believed that an under-developed airport and the connection of their region to major cities and ports around Ireland inhibited business. Specifically, the entrepreneurs mentioned that their environment was hostile towards running a business efficiently, highlighting, for example, a lack of mobile telephone coverage and broadband services. Furthermore, the entrepreneurs drew attention to the inability to get a regular postal service in the area. The results further support Fendley et al.'s (1989) work as entrepreneurs indicated that not having resources, such as high quality human resources, due to the lack of a university in the south-east, left the region lagging behind other Irish regions.

Most notably, the entrepreneurs pointed to the increased emigration this lack of resources caused, and argued that this demonstrated a lack of commitment by the government to support the south-east. This finding is similar to the Irish Rural Development Programme (2007-2013), which noted that the characteristics of rural regions have changed rapidly in the last ten years due to increased emigration from rural regions. Moreover, the general consensus throughout the interviews indicated that the entrepreneurs believed that there was no reason why the south-east could not improve on infrastructural needs, including the development of a university as these were seen as very basic resources in other regions. This finding suggested that the entrepreneurs believed that the regional imbalances they face could be reduced or limited quite easily

which follows the recommendations of The National Spatial Strategy (2002-2020), ensuring a more balanced social, economic and physical environment between different regions, thereby increasing the nation's productivity as a whole. These findings add to extant literature on the barriers to rural entrepreneurship and demonstrate areas that need more attention in the future by both academia and policy-makers alike.

The next section discusses the advantages of the rural community.

7.6.3 Community Advantages

It is notable that a considerable number of the entrepreneurs mentioned community spirit and their perception that the hard-working people around them were an advantage of locating in a rural community. This finding concurs with the findings of (Etzioni, 1993) and Voss (1997) in that community residents would often come together to work for a common purpose. Specifically, the entrepreneurs believed that the strengths of their community lie in the people within it and the 'pulling together' attitude. The entrepreneurs' awareness of the value of their social relationships to their business goes beyond the economic reasons. These findings add to previous work carried out by Jack and Anderson (2002) on the value of being embedded in a local community.

The entrepreneurs also mentioned the need to inject 'young blood' into the community if it is to remain entrepreneurial into the future. This suggests that these entrepreneurs felt that their communities are in the declining stage of the entrepreneurial community lifecycle and they perceived that there was a requirement for younger entrepreneurs to assume entrepreneurship as a career in order to continue the entrepreneurial spirit into the future. This finding is similar to the findings of Mason (1991) who found that creating local opportunities, before young people seek better possibilities elsewhere, could change the future of rural communities. Furthermore, the entrepreneurs believed that their entrepreneurial activities also provided something of real benefit to the local community, thereby supporting Jack and Anderson's (2002) study on community embeddedness, for example, the entrepreneurs mentioned that it was important that young people growing up in these communities were exposed to entrepreneurship in action from a young age. There was a consensus that that this exposure would assist the rural community in continuing to be entrepreneurial long in to the future.

The next section discusses how the entrepreneurs believed they were perceived by others in the community and the impact this has on rural entrepreneurs.

7.6.4 Entrepreneurs Perceived by Others

An unexpected finding of this research was that some entrepreneurs believed that there was resentment towards successful entrepreneurs. One entrepreneur highlighted that this resentment was particularly strong in the Waterford region. As mentioned in the previous chapter, some of the entrepreneurs believed that it is a “them against us” scenario stating that “they haven’t been self-employed so they don’t understand”. What was unexpected about this finding was that the entrepreneurs believed they were in battle with non-entrepreneurs. Moreover, they expressed a viewpoint that Irish culture promotes a resentment of those who are visibly successful. A possible reason for this resentment could be that the findings of this research concur with the previous argument made by Johannisson (1987) that entrepreneurs are often restricted or inhibited by local community residents from creating new business ventures in communities where they may not be a native. However, further research needs to be carried out to find out the reasons behind this resentment that entrepreneurs face. This finding also highlights the value of community embeddedness and that being embedded in a local community when in business may reduce any resentment as the entrepreneurs will already have established robust relationships in existence. The next section provides a brief summary to this chapter’s content.

The next section concludes this discussion chapter.

7.7 Chapter Conclusion

This discussion chapter has presented a review of the findings in line with the literature in the area. Many of the findings are in close agreement with the literature, although literature on the different embeddedness dimensions in relation to the rural community is quite scarce (Jack and Anderson, 2002). It is perceived that the comparative analysis between the literature and the empirical findings presents significant insights into the phenomenon of interest, in particular, insights into the characteristics, factors affecting entry to entrepreneurship and embeddedness of entrepreneurs in a rural community setting. The next and final chapter of this thesis concludes on the results in light of the

theoretical, practical and policy contributions, in addition to offering possible suggestions for future research and presenting the limitations of the current study.

Chapter 8: Conclusion

8.1 Introduction

Based on the literature, findings and discussion presented in the previous chapters, the aim of this chapter is to draw conclusions and to emphasise the major outcomes of the research in relation to the objectives of the research project. Thereafter, the key contributions of this research project to theory, practice and policy are presented, followed by a presentation of the limitations inherent in a research study of this nature. The chapter concludes with directions for further research and a reflection on the work undertaken by the researcher.

8.2 The Outcome of the Project as Related to the Research Objectives

A major objective of this study was to explore the demographical and psychological characteristics of the entrepreneur for commonalities or differentiators that affect entry to entrepreneurship. On reviewing the extant literature, it was discovered that most entrepreneurship research centralized the individual entrepreneur, such as his/her traits and characteristics, as opposed to entrepreneurship at a macro group level (Haugh and Pardy, 1999). In order to yield a more comprehensive understanding of both the individual entrepreneur, as well as their embeddedness within the local rural community, it was necessary for this research study to focus on entrepreneurship within a macro level context. With the majority of past research focusing on entrepreneurs from an urban perspective, this research turned the research lens to entrepreneurs in a rural setting, thereby giving the dissertation a rural focus.

As previously indicated, literature on entrepreneurship at a macro community level is extremely scarce. Moreover, examining the entrepreneur within the context of a rural setting was crucial in order to illustrate that embeddedness is an important factor in the entrepreneurial process. The results showed that a majority of entrepreneurs were embedded in their local community and this influenced the way in which their businesses were established and managed. The entrepreneurial process is about value gathering, but this research highlights that it cannot be treated in a purely economic sense. It needs to be sustained by, and anchored in, a social context, particularly the local community. Jack and Anderson (2002) stated that embeddedness is a process of becoming part of a local structure and this means more than just simply developing

social networks, as it is through embeddedness that social acceptance occurs. The entrepreneur's embeddedness in the local community was determined by the networks, ties and relationships that they held in their community. Thus, social networks provide the mechanism for becoming embedded. This was exemplified by the entrepreneurs stating that they often believed that their social relationships were worth entertaining as they could potentially lead to economic benefits. This research also found that the majority of the entrepreneurs believed that being part of the local community had enhanced their business activities to date, confirming similar findings by Jack and Anderson (2002). This was articulated previously in section 7.5 with the entrepreneurs stating that by being embedded in the local rural community, they were able to further enhance their business activity.

This study was also successful in establishing the different roles of the embeddedness dimensions in relation to rural entrepreneurship. For relational embeddedness, it was discovered that, for the most part, trust was present among the entrepreneurs, open communication was not always viewed either in a positive light or considered a two-way process, nor was it always considered valuable. When it came to reciprocation under the relational embeddedness heading, most of the entrepreneurs believed that other entrepreneurs would reciprocate a good deed in the future. For structural embeddedness, it was found that brokerage or bridging structural holes to other networks was common, and furthermore, that entrepreneurs found these activities necessary to capture novel information. For positional embeddedness, it was found that the entrepreneurs equated the size of the entrepreneur's business with holding a central position in the network – believing the bigger the business, the more central the entrepreneur is. The following sections reflect on the individual research objectives and conclude with the overall aim of the project.

Research Objective One: To explore the demographic and psychological characteristics among rural entrepreneurs for commonalities or differentiators that affect entry to entrepreneurship.

A plethora of research already exists on the characteristics of the entrepreneur (Caird, 1991), but this abundance of research only exists in an urban context and fails to consider entrepreneurs in a rural environment. These existing research studies have tried to examine what characteristics are more likely to be found among established

entrepreneurs. Uniquely, this current study has shown that there are a number of both demographical and psychological characteristics which can be determined among currently operating rural entrepreneurs. For the most part, the findings on the demographical characteristics of this research corresponded with the literature reviewed for this study. However, some of the demographical characteristics have challenged the extant literature. In particular, it was found that female entrepreneurs had the same aspirations as men (wanting to be one's own boss). It was also found that those entrepreneurs in this study that had a tradition of entrepreneurship in the family, did not see it as having any value. Notably, the entrepreneur's family background did not appear to reflect previous findings which suggested a link between being the eldest child in the family and becoming an entrepreneur later in life.

In terms of the psychological findings, the results that stand out are the differences in the tolerance of ambiguity between the groups, in addition to claiming to be risk-takers. This study found an association between those who can accept high levels of ambiguity and those who take high risk, which was also found by Teoh and Foo (1997). The foregoing finding was suggested as an area for further research in the previous chapter to try and establish the reasoning behind this association. This finding implies that in order to take risk an entrepreneur must be able to tolerate high levels of ambiguity. There was varying degrees of risk between the two case studies in this research with DEC having a higher tolerance for ambiguity. In relation to the other findings on the psychological characteristics of the entrepreneur, they all corresponded closely with the urban entrepreneurship literature. In relation to the factors affecting entry to entrepreneurship, one of the most unexpected findings was that the majority of entrepreneurs did not fear failure and believed that it was something that they could control.

This study demonstrated that there is little difference between rural and urban entrepreneurs when it comes to entrepreneurial characteristics. For instance, the most prominent psychological characteristics cited by the entrepreneurs were the need for both independence and achievement. In addition, the predominant demographical characteristics that emerged in this study were that the majority of entrepreneurs were male, and that the majority of entrepreneurs tended to be the middle or the youngest child in their family. The finding on this latter demographical characteristic is contrary to common belief that entrepreneurs are the first-born within their families, a belief that

was supported by Henry et al. (2003) and Grenholm et al. (2004). Moving on from the first objective, but still considering the individual entrepreneurs, it was necessary to explore the most common factors affecting entry into an entrepreneurial career, especially in light of the rural context – which is the second objective that follows.

Research Objective Two: To explore the factors affecting entry to rural entrepreneurship.

For the most part, the findings on the factors affecting entry to entrepreneurship of this research corresponded with the literature reviewed for this study. These results demonstrated that there is little difference between rural and urban entrepreneurs in respect to the factors that affect entry into an entrepreneurial career. However, although there is correspondence with the literature reviewed, there is some variation in the findings of this research. For instance, the entrepreneurs in this study did not fear failure per se; they believed that it was something within their control, which makes for an interesting finding. However, an unexpected finding of this research is that rural entrepreneurs believed that social stigma in relation to entrepreneurial failure is still a major concern for entrepreneurs, yet it did not stop them from becoming rural entrepreneurs. The foregoing contradicts the findings of Landier (1994) who found that social stigmas can prevent business start-ups. This finding could relate to the size of rural communities or to how ‘closely knit’ the rural community in which the entrepreneur operates are.

Similar to their urban counterparts the majority of entrepreneurs stated that they had, at some point, difficulties in accessing finance – thereby demonstrating that financing is still a major issue which faces entrepreneurs across a broad spectrum, regardless of whether they are rural or urban entrepreneurs. A positive finding from this research in relation to the factors that affect entry into entrepreneurship is that the majority of entrepreneurs were pulled towards an entrepreneurial career demonstrating that, even in rural areas where social stigmas may be high, entrepreneurs still choose this as their number one career choice. It was also interesting to discover that entrepreneurs were sometimes willing to forgo often better career choices in order to pursue an entrepreneurial career, as they believed they had a viable opportunity to exploit. One of the most interesting findings in relation to this particular research objective was that, despite the entrepreneurs believing that social stigma was high, they also believed that

their rural communities had a strong entrepreneurial culture and that their communities were conducive to entrepreneurship.

A major point made by the entrepreneurs in relation to this research objective was that more needs to be done by the government to assist smaller businesses. After this objective had been investigated extensively, it was then necessary to consider the embeddedness of the entrepreneur within a rural community in order to establish whether or not community embeddedness enhanced or hindered rural entrepreneurship, which is the third objective of this research.

Research Objective Three: To explore how community embeddedness can enhance or hinder rural entrepreneurship.

As previously indicated, with the exception of Granovetter's (1985) conceptual paper and further work by Uzzi (1997), little research exists, and none in a rural context, to the best of the researcher's knowledge, which examines community embeddedness from a rural perspective. The results derived from this research study show that relational, structural and positional embeddedness would appear to be significant for entrepreneurship taking place in rural communities. The findings of this research show that entrepreneurs in the rural communities examined utilised direct and indirect ties, participated in brokerage opportunities and showed signs of networks entertaining structural holes. Extending previous work by Burt (1992), this research found that entrepreneurs often took advantage of brokerage opportunities to gain more novel information, and often utilised this resource over their current network. However, it is important to note that brokerage has been recommended as a direction for further research, as the remit of this study did not offer the opportunity to explore the consequences of exploiting brokerage opportunities.

Consistent with previous findings in the entrepreneurial field, this study has revealed that networking and social relationships are paramount when starting an entrepreneurial venture in a rural setting. Furthermore, trust was sometimes limited when entrepreneurs believed that other actors in the network hoarded information. Furthermore, the rural entrepreneurs' network involvement was explored to try and determine the depth of their community embeddedness and the importance of information sharing. Additionally, it sought to reveal any barriers or supports that emerged as a result of

community embeddedness. The entrepreneurs interviewed appeared to have moderate levels of embeddedness, but seem to be unaware of the extent of their embeddedness. This finding has illustrated that the entrepreneurs did not pay much attention to their embeddedness dimension and show that there is a gap between academic knowledge and practice. If the entrepreneurs were fully aware of the advantages of being embedded then they could try and control it more, and actively take steps to become more embedded in local structure in the hope that the benefits will follow.

After this objective had been investigated extensively, it was then necessary to consider the function and effectiveness of an entrepreneur's network in a rural community context, which is the fourth objective of this research.

Research Objective Four: To explore the function and effectiveness of an entrepreneur's network in a rural community context.

The findings regarding the rural context and the role played by the community in the day-to-day operation of the entrepreneurs' businesses is worthy of particular mention. It was apparent that entrepreneurs had close relationships with the local communities. In particular, these relationships had influenced the entrepreneur's decision making and had helped to shape their business to date. These relationships encouraged a strong entrepreneurial spirit in both DEC and DFBA, with the entrepreneurs believing that there are many entrepreneurial opportunities in their community.

In line with the existing literature, the results of the interviews with entrepreneurs in the community networks revealed that nearly all of the entrepreneurs believed that being part of their local rural community had benefited them in one way or another. They believed that it was more of an enhancement to their business rather than an inhibitor, in terms of the relationships and networks that they had built. This finding was common to both case studies and indicated that embeddedness in a local rural community can be of assistance to rural entrepreneurs and concurs with the previous study of Jack and Anderson (2002). The current study clearly illustrated that the entrepreneurs had chosen to develop what they call strong relationships within the local community. Furthermore, the evidence suggests that a good community spirit and the hard-working people around them made locating in a rural community worthwhile for the entrepreneurs. Similar to O'Farrell and Hitchens (1988) and Townroe and Mallalieu (1993), for the entrepreneurs

in this research, the rural community setting was the attraction despite the associated infrastructural limitations.

As mentioned in the previous chapter, concerns were raised by the entrepreneurs in relation to the disadvantages of being located in a rural community – mostly infrastructural disadvantages. However, the findings imply that the entrepreneurs believed that it was still worthwhile starting a business in a rural community, as they believed that the advantages they experienced by being located in a rural area far outweighed the disadvantages. This finding is indicative of the value placed on the community, networks and their associated relationships that arise from being embedded in a local community; this is in keeping with previous research by Jack and Anderson (2002) who argued that becoming embedded involves becoming part of a local structure. The entrepreneurs also mentioned that it was important for the young people growing up in the communities to see entrepreneurship in action from a young age; they saw this as benefiting these communities long into the future, especially in regard to growing and sustaining rural entrepreneurship. The next section outlines the theoretical contribution and the implications for both policy and practice of the study.

8.3 Contribution of the Study

The overall contribution of this research can be divided into three subsections, namely: theoretical, practical and policy. Each is discussed in more detail below.

8.3.1 Theoretical Contribution

This research utilised Actors Network Theory and Structuration Theory as a theoretical background to the research of entrepreneurial embeddedness, as it provided a fully comprehensive description of the social processes inherent in the entrepreneurial context. This has resulted in a more in-depth understanding of rural entrepreneurial social relations and their implications. The findings here also provided a clear and insightful view of the local rural community at a macro group level in an entrepreneurial context. Furthermore, this study has reported on two separate communities in relation to the research phenomenon, allowing comparisons to be drawn to see the difference or commonalities in two different rural settings.

This research has attempted to in some way address the scarcity of literature on rural entrepreneurial communities. The major contribution of this work is to the entrepreneurial research stream, and to research on sustainable rural development, as the latter has attracted little research attention (Wortman, Jr. 1990; Statopoulou et al., 2004). This study advances research not only in the area of rural entrepreneurship, where a number of gaps exist in practical, theoretical and policy knowledge, but also in relation to community embeddedness research. This study has identified the importance of entrepreneurial characteristics from a rural perspective. It considers research that has been carried out in an urban context on the entrepreneur's demographical and psychological characteristics and turns this perspective to consider these entrepreneurial characteristics in a rural context. This view-shift adds to the literature available on rural entrepreneurs.

To the best of the researcher's knowledge, this is the first research study that has considered the embeddedness dimensions in a rural entrepreneurial setting. The results from the interviews carried out in both case sites reveal the importance of being embedded within a local rural community if a business is to survive in a rural location. For example, evidence of this was illustrated when the entrepreneurs stated that the relationships that they were involved in had influenced the way in which they operated their business, and also that the relationships they were involved in gave more than just economic benefits. This study has also further reinforced the importance of business networks, as this research shows that many rural entrepreneurs depend upon the networks that they accumulate over time, as a result of being embedded. One instance of this was when the entrepreneurs stated that, as a result of their network involvement, they were able to exploit more external resources (as discussed previously in section 7.5.). This represents a major insight for academics and researchers, as the importance of these variables, embeddedness and networking, specifically in relation to rural entrepreneurship, was clearly demonstrated.

Moreover, this research found that entrepreneurial demographical and psychological characteristics along with factors affecting entry to rural entrepreneurship do not differ extensively from urban to rural entrepreneurs. It also found, in relation to embeddedness, that entrepreneurs had both direct and indirect ties and entertained structural holes and brokerage opportunities – which are discussed further in directions for further research (Section 8.5 below).

8.3.2 Practical Contribution

This research represents a major contribution to practice in terms of its recommendations for entrepreneurs. For entrepreneurs, specifically rural entrepreneurs, a key recommendation is the importance of community embeddedness and social networking for successful entrepreneurial emergence and long-term sustainable success. In this research, results indicate that networks, relational, structural and positional embeddedness, along with demographical and psychological characteristics of the individual entrepreneur and factors affecting business entry, all impact on the entrepreneurial process. If the primary objective is to survive in a rural location, then future entrepreneurs can benefit from this research as it has highlighted the influence of embeddedness and significantly the benefit to be gained from social ties in a rural community setting. This may assist the entrepreneurs in realising long-term success in rural communities.

As previously indicated, this research informs practitioners of the value of community embeddedness, and explicitly its effects on entrepreneurship in rural areas. This is all the more critical given the current lack of awareness among entrepreneurs of their own levels of community embeddedness, exemplified in this study. Furthermore, the benefits of embeddedness for some entrepreneurs were not obvious, this was compounded by the fact that the boundaries between social and business interactions often tended to be quite blurred. This study also indicates that a predominant ‘top-down’ government strategy can hinder entrepreneurship as often government departments can be unfamiliar with varying local communities and that this may lead to entrepreneurially depressed regions. In summary, this research represents a major contribution to entrepreneurial practice, and also in its recommendations formulated in the section to follow as policy.

8.3.3 Policy Contribution

The findings of this research in the identification of some of the major barriers to entrepreneurship and business development in a rural setting offer evidence to support changes to present government policy. For instance, O’ Gorman and Fitzsimons (2005), previously found that financial costs burden entrepreneurs in the initial stages of start up. This research found that this implication still holds true and that government policy in relation to raising finances in the initial stages of entrepreneurial ventures needs to favour the entrepreneur, which is currently not the case. In particular, the evidence here

suggests that government policy needs to assist entrepreneurs in the initial stages and make access to finance much easier at all stages of the business life-cycle, especially in rural areas. As discussed in the last chapter, government policy can assist entrepreneurs by: (1) motivating start-ups by entrepreneurs through an initial five year tax break; (2) have policies in place to encourage entrepreneurs who fail to try again; and (3) providing social welfare and benefit schemes for failed entrepreneurs who find themselves unemployed and for those who make a loss or have low earnings in the early, emergent stages of their business. This would limit the risk and financial burdens associated with entrepreneurship. It is perceived that, if the foregoing supports were put in place, these would motivate those individuals that want to own their own business to keep trying until they do achieve their entrepreneurial goals. This would help ensure that entrepreneurial skills are not wasted with entrepreneurs choosing 'safe' employment.

This study also found that the burden of compliance costs and local authority charges are considered the most difficult aspect to manage when starting a business venture. Policy makers need to pay close attention to the development of policies that encourage rather than deter entrepreneurship. Indeed, policies that favour entrepreneurship and showcase entrepreneurship as a viable career option have been highlighted as essential by the rural entrepreneurs in this study. If these implications are taken on board by government, this could result in an increase in the number of individuals that would assume the risk associated with entrepreneurship. Specifically, these measures should focus on lightening some of the financial and administrative burdens associated with business start-up.

In addition, Ireland could follow the example of the USA, where entrepreneurs who fail are encouraged to try again, and efforts have been made to minimise the stigma attached to entrepreneurial failure. Specifically, the notion of not punishing or stigmatising those that suffer business failure or significant financial loss, but rather encouraging them to try again in the future must also be supported by whatever means available, especially in rural Ireland. Furthermore, this research demonstrates that policies should be implemented to foster entrepreneurship in the early stages through educating the younger generation, so that there is a greater appreciation of the advantages of entrepreneurship, not alone to the individual, but also to the community as a whole.

As previously indicated, this research highlighted the need for further development of infrastructure to support an entrepreneurial culture in rural communities. This could be facilitated by developing universities in un-served regions, and ensuring that rural locations have the same telecommunication and transport advantages as urban areas. Moreover, regional funding for investment in business support from the EU could be distributed more evenly to promote equal opportunities for all rural regions and fair access to resources regardless of geographical location.

Finally, in relation to the ‘bottom-up’ strategy, this study recommends that the Irish government adopt this approach. This will allow local government bodies to develop stimuli and facilitators for entrepreneurship that are conducive to their local community. Indeed, all of the above (gaining access to finance, the burden of local authority charges and compliance costs, encouraging entrepreneurs that fail to try again, entrepreneurial education for young people and developing infrastructural needs) could be more easily developed and achieved through a ‘bottom-up’ government strategy as local knowledge about each of these issues could help develop policies that suit these local communities and create more entrepreneurial activity. The entrepreneurs in this study also mentioned that the government tends to be more focused on larger organisations than small entrepreneurs, a ‘bottom-up’ strategy could limit the occurrence of this as local governments would have more input into the national government’s entrepreneurship strategy. The foregoing supports Ateljevic (2009) and assists in closing the gap between lagging rural regions and urban regions, increase sustainability in which local communities are increasingly proactive in facilitating regional development. The next section details the limitations encountered in the implementation of this research.

8.4 Limitations of the Research

Although this research furthers academic understanding of rural entrepreneurial communities, the following limitations must be considered:

- This research was carried out by one researcher. The research was conducted in two cases referred to as DEC (Dunhill Enterprise Centre) and DFBA (Dunhill, Fenor, Boatstrand and Annestown). Had there been a team of researchers, more information may have been collected from many rural locations, consequently, this research was limited to just two case studies. It is perceived that a more

comprehensive study of other rural entrepreneurial communities would provide a greater contribution to academic knowledge on rural entrepreneurship, yet this limitation offers an opportunity for further research.

- There were a number of businesses within the DEC and DFBA cases whose businesses had failed. This study did not take into account entrepreneurial businesses that may have failed within these case study areas. It is perceived that including such businesses could have further added to academic understanding, particularly as to whether or not the rural setting of the community or the entrepreneur's level of embeddedness contributed to their failure.
- This research was completely qualitative in nature; the remit of the study did not allow for a quantitative assessment of the quantity, depth, quality and reliability of the entrepreneurs ties and relationships. Due to the nature of qualitative research and the utilisation of a non-probability sampling method, results cannot be held as representative of all rural entrepreneurs. The use of a mixed methods approach as well as a probability sampling method represents a further prospect for future research, with the opportunity to triangulate the results for further rigour and reliability.

Having presented the limitations of the study, the section to follow outlines areas for future research.

8.5 Directions for Further Research

As the research addresses a number of areas, several opportunities for further research have emerged.

- One direction that further research could address is to investigate whether or not the findings of this study apply beyond this research project. Specifically, further research could be conducted to refine, modify or confirm the research findings by replicating it in differing rural contexts in other Irish regions.
- This study was a first attempt at examining the role of community embeddedness in rural entrepreneurship, specifically, relational, structural and

positional embeddedness in relation to rural entrepreneurship. Therefore, it is perceived that this study offers a fresh perspective on the study of entrepreneurship. However, it is hoped by the researcher that, in the future, other researchers might use this study as a basis for their own contribution to the advancement of substantive knowledge-building in relation to community embeddedness in rural entrepreneurship. In addition, under structural embeddedness, signs of brokerage began to emerge; this variable requires further investigation and analysis in order to gain a better understanding as to what the consequences of brokerage are in relation to rural entrepreneurship and, furthermore, whether this brokerage has an impact on the operation of networks, and specifically, the depths of embeddedness. Furthermore, there is potential to try and measure in a future study, how many strong or weak ties that the entrepreneurs had or the depth of the relationship with other network ties to try and establish the impact the number of ties has on rural entrepreneurs.

- In this study only a small number of entrepreneurs cited gaining network skills from previous employment. This highlights a lack of recognition among entrepreneurs of the value of becoming more proficient at building and maintaining networks, and suggests the need for further research in this area to try and ascertain why these entrepreneurs placed little recognition on the value of building and maintaining networks.
- In this rural setting, there is potential for further research to try and establish why the middle and the youngest child in the family had a higher tendency to become an entrepreneur over the eldest child in the family, which opposes current literature.
- The reason for not recognising any influences or assistance from other entrepreneurial family members as a tradition of entrepreneurship within the family were not fully captured in this study, nor what constituted a tradition of entrepreneurship in the minds of the entrepreneurs; the foregoing represents areas for future research in rural entrepreneurship.

- Further research could be conducted to try and establish the reasons for a shift in locus of control or if a shift in locus of control is common among entrepreneurs. It would also be worthwhile to investigate if an entrepreneur's locus of control remains constant throughout their entire lives.
- Further investigation needs to be carried out in connection with the entrepreneur's level of tolerance of ambiguity and the environment and sector in which their business operates. Depending on the outcomes of such structures are necessary in order to encourage entrepreneurship.
- In this study, entrepreneurs were aware of the importance of a supportive culture. The entrepreneurs implied that they would encourage this entrepreneurial culture as the DFBA progresses in the future. Furthermore, it suggests that an entrepreneurial culture needs time to develop, but this requires further research for confirmation to establish what this requires.
- Further research in order to gain a better understanding of the financial constraints faced by an entrepreneur would be advantageous. This study raises the question as to whether or not rural entrepreneurs have more difficulty gaining access to finance than their urban counterparts. In addition, in the current economic climate, it raises the question of whether financial institutions are only willing to lend to urban businesses. Are they considered less risky than rural businesses? Indeed, from a financial risk perspective, do rural entrepreneurs have a higher failure rate than urban entrepreneurs? Further research may confirm this.
- There is scope for further research to try and establish why exactly the entrepreneurs associated different characteristics with centrally positioned actors in a network than those in previous academic studies (Davis, 1991; Brass, 1992 and Ibarra, 1993; Arya and Lin, 2007). It may be that academics need to re-think the characteristics that they bestow on centrally positioned actors within a network.

- The findings suggest that the entrepreneurs believed that the regional imbalances they face could be reduced or limited quite easily which follows the recommendation of The National Spatial Strategy (2002-2020), ensuring a more balanced social, economic and physical environment between different regions, thereby increasing the nation's productivity as a whole. These findings add to extent literature on the barriers to rural entrepreneurship and demonstrate areas that need more attention in the future by both academia and policy-makers alike.
- Further research needs to be carried out to try and establish the reasons behind the resentment that entrepreneurs face. This further research could investigate the value of community embeddedness and whether or not being embedded in a local community, when in business, reduces the resentment that entrepreneurs face as entrepreneurs may already have established robust relationships in existence.

In the following section the major findings and implications for theory and practice will be summarised.

8.6 Conclusion

This study originated from the need to assess the imbalances, if any, between urban and rural regions by exploring rural entrepreneurship in more detail and focusing on this rural entrepreneurship at a community level. In response to the research objectives, this study has established that the local community, embeddedness and networking play an important role in the development of rural entrepreneurship. However, while this study has explored these particular aspects, further research is needed.

This evaluation has made several theoretical, practical and policy contributions and adds to the growing body of literature regarding the individual entrepreneur, specifically, in the embedded, rural context. The most fundamental outcome of this research is the relevance of community embeddedness in a rural entrepreneurial context. The present research established that embedded entrepreneurs had more opportunities and resources available to them by being embedded and this made the start-up period of their business easier. Furthermore, the research identified some important findings relating to the individual characteristics of the rural entrepreneur. Specifically, the rural entrepreneurs cited the same personal characteristics as urban entrepreneurs in other studies. However,

they had different demographical characteristics, with their place in the order of their siblings highlighted as being contrary to previous findings.

The current research has also indicated specific recommendations to support the future of rural entrepreneurial initiatives. This study responded to a recognised gap in the literature and an industry need, in addition to providing a basis for future research.

8.7 A Research Reflection

Due to the reflective nature of this section, I am going to drop the usual third person language and conclude this thesis in the first person pronoun. The purpose of this section is to try and capture in just a few short paragraphs the research journey undertaken by the researcher of this dissertation; from the understanding to the unfolding of events, actions and encounters that have all contributed to the completion of this research. The past three years have without doubt been a journey of self-discovery and the greatest learning curve embarked upon so far. The journey involved self-doubt, fear, and challenges, along with pride and achievement. It has to be stressed that it is hard to be critical of one's own work since I've taken every effort to conduct this research in a professional and honest manner. Nevertheless, I realise that there is always room for improvement and there are things, on reflection, which I could have done differently.

In relation to this research Masters, I set out on this journey with a very limited knowledge or experience of what academic research actually entailed. The only previous experience I had, was based on my undergraduate dissertation which could not have prepared me for the challenging and critical journey ahead. Therefore I began this journey like a "blank canvas"; with an open mind and filled with hope. The discussion contained henceforth is a continuation of the sense-making account of the first major objective which was *to explore the demographic and psychological characteristics among rural entrepreneurs* contained in chapter 2, as previous research has never really determined what these characteristics were among rural entrepreneurs. This has, in the past, made it difficult to determine what characteristics rural entrepreneurs possess that set them apart from ordinary individuals or urban entrepreneurs that we hear about all the time. In relation to chapter 3, I have to admit that I found the literature on embeddedness confusing and frustrating, mainly due to authors using varying

terminology to describe similar, but very technical, relationships among actors within a network. This made it even more difficult to compile a literature review in this subject area. Indeed, it was burdened with painful memories of blind alleys, harsh reviews, and self-doubt that I could actually examine embeddedness in a rural context. Chapter 4 examined entrepreneurs in their rural community. Only on beginning to carry out this research, did it come to my attention that very little literature exists on entrepreneurship within a rural community, demonstrating that there was a major gap in both academic and practitioner knowledge.

Once the literature on the individual entrepreneur, embeddedness and the community had been extensively investigated and compiled, I could then prepare for the methodology. For me, the number of interviews is irrelevant. I conducted interviews with numerous respondents and getting any business person to commit voluntarily to an unsolicited interview is a difficult task at the best of times. However, I spent sufficient amounts of time with these entrepreneurs to ensure that, at some point during the data collection process, their story began to stabilise and that there was a sense that no new information was being unearthed. It was only then that I stopped the interviewing process.

Furthermore, in relation to the methodology, I feel this research demonstrates the level of knowledge and experience that I have acquired - from making cold calls, chasing entrepreneurs, and conducting and analysing case research. In conducting this research, I felt extremely comfortable interviewing people and believe that the experience that I've gained in this area is second to none. In addition, I had the opportunity to learn how to use qualitative data analysis software, adding to my research capability.

Finally, I would like to conclude by saying that, knowing what I know now, if I were starting this research project over, the outcomes would be different, as I now possess ample research skills that will guide me in the future and assist me in any challenging research endeavour. However, I don't believe that it would have been as much fun, as you learn by doing and each mistake made is a lesson learned. Instead, I've made friends for life on this journey with my fellow postgraduates. Without doubt, we've endured a lot over the past three years and have all worked extremely hard. Without these people by my side, I'm not sure if I could have reached the end. I have met some fascinating people through carrying out my field research and I've listened to their

successes and failures, their trials and tribulations, all of which I hope will benefit me more than anything else when I set up my own business in the future. It is only now that I fully understand the true meaning of qualitative research and how much you can learn from being an explorer. That said, I now have more questions to ask...

We never stop investigating. We are never satisfied that we know enough to get by. Every question we answer leads to another question. This has become the greatest survival trick of our species.

Desmond Morris

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Appendices

Appendix A: Interview Questions - Dunhill Enterprise Centre

Demographics:

What sector does your business operate in?

What year was your business established?

How long you are in business and were all these years spent in Dunhill?

What made you choose Dunhill to locate?

How old were you when you started operating your first business?

Did you have any other businesses before this one?

Do you have any other businesses at the moment?

Do you want to start any other businesses in the future?

What was your marital status when you started the business?

When you started your business did you have children?

How did you spot this business opportunity or what instigated your line of business?

Do you like being self-employed? Please explain.

What would you identify as being the key reason that influenced your decision to become an entrepreneur?

Do you think entrepreneurs are born or made? E.g. do you think you were always supposed to be an entrepreneur?

What are the most challenging aspects of establishing your own business?

Education:

What is your highest level of formal education?

If he/she has been to college, do you think there is a high opportunity cost to owning your own business? For example, do you feel you have turned down a professional secure job in order to be your own boss?

What was your area of specialism (qualification) at higher level?

Did you take any business or enterprise subjects during the course of your post primary or higher level studies?

Is your specialist area (qualification) related to the business you have started?

Did your specialist area (qualification) influence the type of business you started?

Do you feel that your education prepared for your career in industry you are operating in?

Did you view setting up your own business as a way of advancing yourself financially and socially?

Family Background:

What was the highest level of education your parents received?

What was your parents' occupation/ do/did they have their own business?

Did your parents encourage you to start your own business?

Did your spouse encourage you to start your own business?

Were any of your family self-employed prior to you starting your own business? If yes, in what industry sectors did they operate?

Was your spouse self-employed prior to you starting your business?

Did the presence of entrepreneurial family members influence your career or industry sector?

Where do you come in your family e.g. are you the first born?

Is there a tradition of entrepreneurship in the family?

Did your family assist you in any way in the start-up of your business?

Have you ever been in conflict with a family member in relation to your business?

Previous Experience:

Did you undertake any summer work on school or college holidays or any work placement in college?

Did your work experience/placement influence the type of business you started?

Did you have a full time job prior to starting your own business? If yes, what was the nature of work?

Did this experience influence you to start your own business in the current business sector that you operate in?

Do you think your previous work experience equipped you for starting your own business?

What skills did this experience provide you with? (see Appendix 1)

Were these skills a factor in you starting your own business in this industry sector?

Psychological:

Independence:

Did you have a desire to be your own boss?

Need for achievement:

Did you desire the sense of prestige/achievement that is associated with owning your own business?

Do you have goals you want to achieve in the future in relation to your business?

Is your need to achieve in your business your main motivator?

Was this need to succeed at your own business your reason for leaving full-time employment?

What five factors were most important to you when starting your business?

Locus of control:

What would you say is the initial reason for the success of your business to date? For example, economic climate, luck; was it making the right move at the right time or was it perseverance and handwork?

Risk-taking propensity:

Would you call yourself a risk taker or a smart mover?

If yes to risk taker, would you say you take calculated risks?

If yes to smart mover, do you avoid situations that involve risk?

Tolerance of ambiguity:

Would you be a person who has a high tolerance for uncertain situations and still act in uncertain situations or would you plan everything and be almost certain of the outcome before you act?

Factors Affecting Entry:

Push/Pull factors:

Would you say that you were pushed into entrepreneurship out of necessity, for example, if you didn't start your own business you faced unemployment or would you say you were pulled into entrepreneurship because you had a great businesses idea that could earn you a good living?

Fear of failure:

Do you worry that your business could still fail?

What steps have you taken to ensure that your business doesn't fail? For example, have you undertaken any professional business training or advice?

Have you employed people to work in the areas of business that you may not be strong in? For example, marketing, in order to minimise the risk of failure?

Do you fear the social stigma associated with business failure?

Financing:

In the initial stages of starting your business would you say that raising capital was a major inhibitor?

Is raising finance still an issue and? If yes, why do you think this is?

Culture/Attitudes:

Which three traits best describe you? (see Appendix 2)

Do you think there is enough being done in Ireland to encourage entrepreneurship?

Do you think there is a stigma still attached to people who start a business and then fail in Ireland?

Do you believe that entrepreneurs have a high social standing?

Do you think entrepreneurs are good role models?

Legislation:

Was legislation an inhibitor/enhancer when starting a business, how so?

Embeddedness:

Do you believe that your interaction with the Dunhill community has enhanced or hindered your business to date, how so?

Has operating from Dunhill Enterprise Centre allowed your business to avail of resources that wouldn't have been available to you if you were operating from somewhere else?

Do you believe that a lot of your business decisions are influenced (good/bad) by the community of Dunhill or the Dunhill Enterprise Centre?

Do you believe that other businesses operating in the area or in Dunhill Enterprise Centre influence (good/bad) your business decisions?

Networks:

Do you network with other businesses in Dunhill Enterprise Centre?

Do you network with any other businesses outside of Dunhill Enterprise Centre?

Are there any other sources that you network with e.g. these can include family?

Which one of the above networks is the most useful, if any, and why?

Which of the above networks is the most reliable and why?

What do you network with these sources for e.g. information, to gain more contacts?

Would you describe these networks a valuable to the operation of your business?

Is it a two-way process?

Relational Embeddedness:

Is there one source that a number of businesses in Dunhill Enterprise Centre network with?

Do you openly discuss your plans and business information with other network members?

Does this network respond to you and advise you on what actions to take in business?

Do you socialise with these network members when you meet them or is it strictly business?

How do you manage this relationship? For example, do you limit the information you share with other members?

Do you feel that other members in the network limit the information that they share with you?

Do you believe that the networks that you are involved in allow you to tap into external sources and information that would not be available outside of the network?

Do you think that these relationships with others in the network can sometimes be more important than economic concerns?

Who are you more inclined to accept information from; a close friend/relative or someone unknown?

Trust:

Is there a high level of trust within your network?

Do you believe that everyone in your network only acts in their self interest or do you everyone acts in consideration for others?

Nature of Ties:

Do you believe you share the same values with other businesses in your network?

Do you feel sometimes that you may get better information from a strict business associate over a friend/family member?

Have you developed more key business contacts through family/friends or other business associates?

Is there one particular entrepreneur that you only contact when you have a specific business need and that you have no other contact with outside of business issues?

How important/useful do you think this relationship is?

Do you have any contacts that you are linked to by a third party? I.e. you do not directly contact this individual, you liaise with them through a business associate or through email etc?

Structural Embeddedness:

Are there certain rules or expected behaviour with other members of your business network here in Dunhill?

Do you discuss or liaise with other businesses outside of the Dunhill network?

Do you know the boundaries of the Dunhill network? For example, do you know what actions would be favoured or frowned upon by the network?

Do you know which members are useful to you in the network and those that are not?

Would you say that everyone in the network contributes equally?

Do you think that the network you are involved in here in Dunhill is missing a key business member or advisor that could significantly contribute to the network?

If yes, how could this person close/contribute to the network?

Do you think sometimes if you were not involved in Dunhill that you could liaise with other businesses that are more closely related to your line of business?

Do you believe that if you help other businesses in your network that they will do the same in return?

Structural Holes:

Are you involved in any other networks and would you bring any of the information that you get from this network back to the one you are operating in here in Dunhill?

Do you ever find yourself negotiating between two businesses here for information?

Do you ever have to compete with any other businesses here in Dunhill for any reason?

Positional Embeddedness:

Would you say you hold a key position in any network, how so?

How would the network fare if a key business/person was to cease all involvement?

Is there one person/business that dominates the networks activities?

Has this central business attracted external interest or information?

The Community:

Do you think that there is a strong support network in place for entrepreneurs in Dunhill?

What can the community do to attract more industry?

Do you think Dunhill has the ability to attract potentially successful businesses?

Why do you think they would choose Dunhill as a location to locate or to re-locate?

What in your opinion is required to develop an entrepreneurial community and how can it be achieved?

Do you think the community should specialise in a particular sector?

Has the region got a viable market for your business? What would you base this on?

What do you think requires the most attention to meet future industry needs here in Dunhill? And why is that?

Do you think that the telecommunications infrastructure in this community is currently sufficient to facilitate international trade? Why?

What do you think of the level of infrastructure in Dunhill?

Would you say that access to Dunhill is a problem?

What is the single biggest drawback of infrastructure in the southeast?

How do you think entrepreneurs are perceived in the southeast? Why do you think that is?

Would you say that the southeast has got a consensus to grow on a regional basis?

What would you say is the most critical requirement needed in the southeast to stimulate growth in the region?

Do you think a university would make a difference to the southeast?

Do you have anything else you want to add?

Interviewee:

Date:

Appendix 1:

My previous experience provided me with...

Technical skills

Marketing skills

Financial skills

Connections/networks

Managerial skills

Other _____

Appendix 2:

Which of the following three traits best describes you?

Risk-taker

Innovative

Independent

Achiever

Successful

Risk-averse

Creative

Self-fulfilled

Customer-focused

Quality-orientated

Sympathetic

Confident

Control

Desire to be one's own boss

Growth-orientated

Profit-orientated

Technical

Flexible

Satisfied with job

Desire challenge

Frustrated

Motivated

Other _____

Appendix B: Interview Request Letters - Dunhill Enterprise Centre

Re: Interview Request

Dear Sir/Madam,

My name is David Power; I'm completing my Masters dissertation at Waterford Institute of Technology. My research area is 'Rural Entrepreneurial Communities'.

I am writing to you in the hope that you might be able to offer me your expertise and be of assistance to me in relation to my data collection. In order for me to complete my thesis successfully, I will need to interview most businesses operating in the Dunhill Enterprise Centre, as well as any associated businesses.

I would be very grateful if you would agree to meet with me at a time convenient to you on the Dunhill site in order to conduct an interview. The interview questions will be in relation to your experience as an entrepreneur to date, from setting up your own business, to how you formulated contacts and your experience with the Dunhill community. I will also be asking you about how the Dunhill Enterprise Centre has facilitated you in your business mission to date. For your convenience, each interview will be as short as possible. I will contact you in the coming week to arrange a time to conduct an interview with you, should you agree.

You can be assured that all of your responses will be treated in the strictest of confidence and that no individual/company names will be issued in the research findings. I will be in touch on Monday 1st December to arrange an interview time convenient to you.

Should you require any further information or clarification regarding my research, please do not hesitate to contact me on 086-3021701 or by e-mail: dzpower@wit.ie.

Yours sincerely,

David Power

Postgraduate Research MBS Student,
Rikon Research Group,
Department of Management and Organisation,
School of Business,
Waterford Institute of Technology.
Tel: 086 3021701
Email: dzpower@wit.ie

Name: David Power

Tel: 086-3021701

Email: dzpower@wit.ie

2007 to Present: Business Studies Master's by Research at Waterford Institute of Technology

Research Title: *Toward a Model of Developing and Sustaining Successful Rural Entrepreneurial Communities*

Research Supervisors: Dr. Patrick Lynch Email: plynch@wit.ie

Dr. Mary Holden Email: mtholden@wit.ie

Synopsis of the Research²⁵

While the relationship between entrepreneurship and economic development has a long history, the idea of developing rural entrepreneurial communities to mobilise local resources in order to support a competitive advantage has received very scarce attention in terms of entrepreneurial research. Therefore, this research explores the opportunity for rural communities to become more innovative by uncovering the constituent variables that enable them to develop their entrepreneurial capacity and capability. This should facilitate the basis for the development of a best practice model for rural entrepreneurial communities and thus make a significant contribution to both theory and practice.

²⁵ On meeting the management at Dunhill Enterprise Centre it was requested by the management that the researcher include a mini profile and a synopsis of the research project. This was also done for the second case in the DFBA area.

Dunhill, Fenor, Boatstrand and Annestown

Re: Interview Request

Dear Sir/Madam,

My name is David Power; I'm completing my Masters dissertation at Waterford Institute of Technology. My research area is 'Rural Entrepreneurial Communities'.

I am writing to you in the hope that you might be able to offer me your expertise and be of assistance to me in relation to my data collection. In order for me to complete my thesis successfully, I will need to interview most businesses operating in the Dunhill, Fenor, Boatstrand and Annestown area.

I would be very grateful if you would agree to meet with me at a time convenient to you in order to conduct an interview. The interview questions will be in relation to your experience as an entrepreneur to date, from setting up your own business, to how you formulated contacts and your experience with the local community. I will also be asking you about how the local community in which you operate has facilitated you in your business mission to date. For your convenience, each interview will be as short as possible. I will contact you in the coming week to arrange a time to conduct an interview with you, should you agree.

You can be assured that all of your responses will be treated in the strictest of confidence and that no individual/company names will be issued in the research findings. I will be in touch on Monday 1st December, to arrange an interview time convenient to you.

Should you require any further information or clarification regarding my research, please do not hesitate to contact me on 086-3021701 or by e-mail: dzpower@wit.ie.

Yours Sincerely,

David Power

Postgraduate Research MBS Student,
Rikon Research Group,
Department of Management and Organisation,
School of Business,
Waterford Institute of Technology.
Tel: 086 3021701
Email: dzpower@wit.ie

Name: David Power

Tel: 086-3021701

Email: dzpower@wit.ie

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Appendix C: Use of NVivo 7

This is how the findings were coded in NVivo 7

NVivo 7 Nodes and Tree Nodes Case 1 and Case 2

<i>DEC (Case 1)</i>	<i>DFBA (Case 2)</i>
Community	Community
Demographics	Demographics
Education	Education
Family Background	Family Background
Previous Experience	Previous Experience
Embeddedness	Embeddedness
Networks	Networks
Positional Embeddedness	Positional Embeddedness
Relational Embeddedness	Relational Embeddedness
Nature of Ties	Nature of Ties
Trust	Trust
Structural Embeddedness	Structural Embeddedness
Structural Holes	Structural Holes
Entry Barriers and/or Challenges	Entry Barriers and/or Challenges
Culture-Attitudes	Culture- Attitudes
Fear of Failure	Fear of failure
Financing	Financing
Legislation	Legislation
Push-Pull Factors	Push-Pull Factors
Psychological	Psychological
Independence	Independence
Locus of Control	Locus of Control
Need for Achievement	Need for Achievement
Risk-Taking Propensity	Risk-Taking Propensity
Tolerance of Ambiguity	Tolerance of Ambiguity