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**McKeever, E., Anderson, A., & Jack, S. (2014). Entrepreneurship and mutuality: social capital in processes and practices. *Entrepreneurship & Regional Development*, 26(5-6), 453-477.**

### **Entrepreneurship and mutuality:**

#### **Social capital in processes and practices**

Ed McKeever, Sarah Jack and Alistair Anderson

Social capital, which offers the broader theoretical construct to which networks and networking relate, is now recognised as an important influence in entrepreneurship. Broadly understood as resources embedded in networks and accessed through social connections, research has mainly focused on measuring structural, relational and cognitive dimensions of the concept. While useful, these measurements tell us little about how social capital, as a relational artefact and connecting mechanism, actually works in practice. As a social phenomenon which exists between individuals and contextualized through social networks and groups, we draw upon established social theory to offer an enhanced practical understanding of social capital – what it does and how it operates. Drawing on the work of Pierre Bourdieu and Robert Putnam, we contribute to understanding entrepreneurship as a socially situated and influenced practice. From this perspective, our unit of analysis is the context within which entrepreneurs are embedded. We explored the situated narratives and practices of a group of 15 entrepreneurs from ‘Inisgrianan’, a small town in the northwest of Ireland. We adopted a qualitative approach, utilising an interpretive naturalistic philosophy. Findings show how social capital can enable, and how the mutuality of shared interests allows, encourages and engages entrepreneurs in sharing entrepreneurial expertise.

**Introduction**The importance of social capital for entrepreneurship is generally accepted, but concerns have been raised about our understanding of how social capital actually works in practice (Light and Dana, 2013). Social capital processes of (re)production and (re)deployment in context too often becomes conflated with outcomes which may obfuscate the nature of the phenomena and what it does (Adler and Kwon, 2002; Gedajlovic et al, 2013; Quibria, 2003). This signals that questions remain about the nature of social capital, how it should be understood and how it actually “works” (Putnam, 2000; Solow, 2000; Lin, 2001; Westlund and Bolton, 2003; Anderson et al, 2007). Nonetheless, an appropriate starting point is the recognition that, we know entrepreneurial social capital is a social phenomenon, embedded in a network and that a social group is the milieu for social capital (Estrin et al, 2013; Stam and Elfring, 2008). Consequently, this study is motivated by recent calls for research to be driven towards understanding the workings of social capital in entrepreneurship (Gedajlovic et al, 2013). In paying attention to the social and cultural contexts (Bruton et al, 2010; Jennings et al, 2013; Welter and Smallbone, 2006; Zahra, 2007), we examine two critical areas 1) how does social capital work? and 2) how does it operate through the practice of entrepreneurship? Against this background, our research questions are broad but seek to extend knowledge and understanding about how social capital relates to entrepreneurship, the processes and applications and exploring its value for better or for worse (Batjargal, 2003; Gedajlovic et al, 2013; Zahra, 2007).

Our approach takes the view that the entrepreneur and the processes in which she is embedded are socially situated (Anderson and Starnawska, 2008; Baker, Gedajlovic and Lubatkin, 2005; De Carolis and Saporito, 2006; Zahra and Wright, 2011; Gedajlovic et al, 2013). Accordingly, we draw on social theory; specifically the work of Pierre Bourdieu (1990) and his concept of habitus (Light and Dana, 2013; Patel and Conklin, 2009) and Robert Putnam's (2000) ideas around engaging with community. We argue that combining these perspectives provides a conceptual framework to understand the shaping and conditioning of entrepreneurial social capital practices. Habitus provides us with an appreciation of the (local) cultural context whilst Putnam's ideas help us to socially and spatially locate social capital.

Our study is part of the "social turn" in entrepreneurial research that recognises that entrepreneurial processes take place, are formed and shaped through social and cultural processes (Polanyi, 1968; Johannisson, 1988; Kloosterman, 2000; Florida, 2002 ;Korsgaard and Anderson, 2011). Given this perspective and our research objectives, the unit of analysis is not an individual entrepreneur, but the social context in which entrepreneurs are embedded. Accordingly, we examine entrepreneurial practices and processes in a peninsular community in Ireland's County Donegal, 'Inisgrianan', employing an ethnographic approach. Our engagement with this defined social and geographic context helps address criticisms about the cavalier use of the social capital concept (Gedajlovic et al, 2013; Solow, 2000; Lin, 2001). Indeed, an emerging body of entrepreneurship qualitative research demonstrates the depth of understanding which can be achieved through this approach (Dana and Anderson, 2011; Light and Gold, 2000; Light and Dana, 2013; Marti et al, 2013; McKeever et al, 2015).

The paper contributes to the understanding of entrepreneurship as a socially situated, collective practice (Johannisson, 1989). It brings context back to the foreground but also reinforces the emergent understanding of entrepreneurship as a profoundly social practice (Ansari et al, 2012). We show the roles, function and operation of social capital in the practice of entrepreneurship. Our novel theoretical contribution demonstrates social capital to be an enabler and basis for building a wider community capital – the collective capacity and intention to engage in constructing a common future (Westlund and Bolton, 2003). At a practical level, we demonstrate how local boundaries exist and persist, and how even in depleted places like Inisgrianan a bounded sense of community and place often remains (Chesbrough, 2003; Florida, 2002; Johannisson, 1988; O'Leary, 2003). Even so, by means of entrepreneurial agency, social capital enables and sustains entrepreneurial careers within the particular cultural orbit of the communities from which individuals emerge and sustain themselves (Marti et al, 2013). Indeed, entrepreneurs might even be perceived as building the basis of communities - and since communities are the building blocks of society, the patterns of entrepreneurship in communities may become critical. Importantly we draw attention to community social capital as an outcome of shared values, concerns and a sense of place. Social capital is both means and end. In our study, economic processes are the outcomes of social capital formation and use.

We first present our literature review and the theoretical foundations of our research and then describe our research approach. Thereafter, the findings and analysis from our study are presented. Finally, conclusions and avenues for future research are offered.

## Theoretical Perspectives: Social Capital and Embedded Practices

### Entrepreneurship and Social Capital

Entrepreneurship – the recognition and exploitation of opportunities - has until recently been viewed as a predominantly economic pursuit (Baumol, 1990; Lee and Venkataraman, 2006). However as developments in the field have moved understanding forward, this has increasingly been complemented by the view that entrepreneurship takes place in real life, contextually based in local communities, and is therefore situated within a social context where entrepreneurs and organisations are embedded (Jack, 2005; Johannisson, 2000; Welter, 2011; York and Venkataraman, 2010; Zahra, 2007). Maurer and Ebers (2006) argued that because embeddedness entails collective participation and mutuality, the social context and community surrounding entrepreneurship exerts a critical impact on competitive behaviour and performance. From this socialised perspective, entrepreneurship is an expression of the interaction among individuals, social communities and the whole of society (Welter, 2011). Even Schumpeter (1934) felt compelled to talk about the *Socialökonomik* to recognize the social embeddedness of enterprise (McKeever et al, 2015). Indeed, Stam et al (2014) argue that entrepreneurship is the consequence of collective organizing and social interaction. Being socially situated, how entrepreneurs perceive and realize opportunities is influenced by their background, including the relations and circumstances which surrounded them (Dana, 1995; Anderson and Miller, 2003; Light and Dana, 2013; Dodd, Jack and Anderson, 2013). But Leitch, Hill and Harrison (2010) also point out how entrepreneurial venturing is reflected in the multiple social constructions where individual networks and collective forces interplay. The networks of relations in which entrepreneurs are embedded are seen to be important because they also provide the opportunity to create, use and maintain social capital (De Carolis and Saporito, 2006).

The concept of social capital has clearly taken hold in the management arena and in the field of entrepreneurship (Prashantham and Dhanarj, 2010; Galunic, Ertug and Gargiulo, 2012; Rose et al, 2007; Gedajlovic et al, 2013). Originating in the fields of sociology and anthropology, it is now becoming accepted that social capital holds specific advantages for entrepreneurs and might even be critical to understanding the practice of entrepreneurship (Davidsson and Honig, 2003; Light and Dana, 2013; Stam, Arzlanian and Elfring, 2014). However, some researchers have been accused of using social capital as an explanatory peg on which to hang any informal engagements the entrepreneur might have (Dasgupta, 2002; Gedajlovic et al, 2013). This is problematic because while some rightly portray social capital as offering advantages (Nahapiet and Ghoshal, 1998; Adler and Kwon, 2002; Davidsson and Honig, 2003; Gedajlovic et al, 2013); others have found social capital suppressing entrepreneurship when a dominant group restricts outside access to information, influence and the benefits of the collective (Light and Dana, 2013, p.603). This has been further exasperated by perceptions which too often describe the manifestation of social capital rather than social capital itself (Anderson, Park and Jack, 2007)

As the broader theoretical construct to which networking and embeddedness relate, social capital is broadly perceived as an asset that exists in social relations and networks (Burt, 1992; Aarstad et al, 2010). It has been described as the *“sum of the actual and potential resources embedded within, available through and derived from the network of relationships possessed by individuals or social units”* (Nahapiet and Ghoshal, 1998, p.243) – an instrumental, enabling factor (DeClercq et al, 2013). The dominant view is that social capital represents resources embedded in interpersonal networks

and which are accessed through social connections (Bourdieu, 1990; Coleman, 2000; De Clercq et al, 2013; Kim and Aldrich, 2005). As such, social capital is not something an individual can own or possess. Instead it exists in and through “participation” in the structure of relations and shared circumstances between and among actors (Putnam, 2000), is accessed through social interaction, and ultimately relates to membership and affinity to particular groups (Bowles and Gintis, 2002; Davidsson and Honig, 2003; Dakhli and De Clercq, 2004; Dana, 2007). While social capital allows entrepreneurs to identify opportunities (Eckhardt and Shane, 2003), mobilize resources (Welter, 2011), and build legitimacy (Elfring and Hulsink, 2003) – it is not itself based on market transactions (Coleman, 2000; Khoury et al, 2013). Social capital is based on social interactions and is facilitated through links and associations with others, trust, associability, interdependencies, and, of course, networks that facilitate such interaction (Anderson et al, 2007).

Social capital then is a prominent feature of entrepreneurship, especially when viewed as a socio-economic process (Adler and Kwon, 2002; De Clercq et al, 2013;; Jaskiewicz et al, forthcoming). Anderson and Miller (2003) argued that entrepreneurs draw upon the social in two distinct ways. First, because they are a product of their community and conditioned by that community, social capital will influence how they see and perceive opportunities. Second, each business forms part of a social web or community within which the economic elements are carried out (Granovetter, 1985). In this view of entrepreneurship as connecting (Anderson, Dodd and Jack, 2012), social capital facilitates value creation by endowing better connected actors with privileged access to intellectual, financial and cultural resources (Bourdieu, 1986). Stam et al (2014) argue that the presence or absence of social capital is likely to influence both the aspirations and performance of the entrepreneur and the nature of the business.

So for entrepreneurs, social capital exists in a social domain which they identify and belong to, and manifests in social interaction and mutuality; it is only by being engaged in its practice that social capital is understood, realized and deployed (Jack, 2005; Sharma, 2008). Embeddedness in community leads to the generation of social capital and involves a process which relies on aspects that facilitate co-ordination and co-operation such as networks, norms and social trust (Putnam, 2000). So, while some economists might perceive social capital as an individual good or benefit (Becker, 1976), it is actually collective because it resides within a network collective or community which shares common purpose and characteristics (Westlund and Bolton, 2003). The nature of social capital lies in the way it operates to support and license entrepreneurial processes (Jack and Anderson, 2002). Being embedded within the social structure of the community enables engagement with that community in a way that unlocks resources can bring benefits. Nonetheless, there are limited detailed accounts of how the process of creating social capital operates, and the practices in which entrepreneurs engage in its creation (Kim and Aldrich, 2005).

### **Habitus, Community and Embedded Practice**

To address these issues we employ two theoretical frameworks that provide a conceptual lens to view the research problem. Bourdieu’s idea of habitus (1990) and Putnam’s (2000) views around engagement with community are drawn upon to explore the workings of social capital. Bourdieu’s (1990) notion of habitus incorporates the idea of inner strategic orientation, in which, instead of obeying rules, people have a practical sense, a feel for the wider game in which they are engaged. Bourdieu (1990) uses the term genetic structuralism to argue that the socio-economic context

provides conditions which make certain choices and practices appropriate and usual. Through routines of socialisation and homophily, communities create and recreate a shared understanding of how their shared context operates. For “locals” this should mean that they are more able to act naturally within the structure to which they belong than outsiders or newcomers (Marti et al, 2013). This is because practices are embedded in the structures and routines of social capital, and when practices are understood and acquired they can underlie and condition all subsequent learning and social experiences (Bourdieu, 1990). While Bourdieu (1990) emphasises the normal and taken for granted ways in which people’s practices and lifestyle choices are generated, Putnam (2000) shows how these individual practices and choices are situated in particular groups and communities. Yet despite the implicit tendency to reproduce patterns of practice, for Bourdieu there are no explicit rules that dictate behaviour, rather, “*the habitus goes hand in hand with vagueness and indeterminacy*” (Bourdieu, 1990, p.77; Reay, 2004). While the habitus allows for individual freedom, it also *predisposes* people in the same group towards certain ways of behaving, but these practices and conditions are fashioned historically through pressure from the social environment (Lukes, 1982; Light and Dana, 2013).

Habitus then represents the opportunity to explore current commonality and affinity as an outcome of shared past experiences and accumulated historical knowledge of the collective “yesterday” (Durkheim, 1933, p.223). So a habitus is socially created, co-created and recreated by its participants who provide the rules of engagement; it also operates with the actor’s understanding of what is going on (Anderson et al, 2010). Habitus provides a lens for looking at why people behave and act in the way they do, the processes in which they are immersed, the practices in which they engage and how these might impact on the shape and form of entrepreneurial outcomes. In effect it acts as a platform, where what people do and how they understand the context in which they operate is formed (Anderson et al, 2010).

For Bourdieu (1990) habitus is a cognitive structure, a framework of collective perception that serves as a social platform constructed from shared values, objectives and meanings (Patel and Conklin, 2009). As an aspect of cultural capital – the idea of habitus emphasises the social reproduction of dispositions, lifestyles even, across generations - grounded in everyday life - with an emphasis on the orientation of group members towards occupations and livelihoods which are appropriate and usual (Anderson and Miller, 2003; Florida, 2002; Light and Gold, 2000, p.92; Light and Dana, 2013, p. 606). However while Bourdieu’s ideas are sufficient at one level, alone they are unlikely to provide a broad enough explanation of social capital’s context specificity and link to communities which host entrepreneurship (Jennings et al, 2013; Marti et al, 2013). Like Jennings et al (2013, p.2) we interpret communities as “enduring, but not explicitly instrumental, relationships among actors, often with geographic bounds”, but which can span from local and regional to transnational and global communities (Dejlic and Sahlin-Andersson, 2006). As a way of remaining focused on entrepreneurial practices in more local community processes (Hallet, 2010; Johannisson, 1990), Putnam’s (2000) views on civic participation are particularly useful because they emphasise the importance of engaging with community and place (Anderson, 2000; Florida, 2002; McKeever et al, 2015). As fields where entrepreneurs are located (Bourdieu, 1990), communities have been described as “fishbowls”, complex institutional arenas and working spaces where people live and make a living (Bourdieu, 1986; Hallet, 2010; Marti et al, 2013, p.10). Hence, Putnam’s (2000) focus on the moral dimensions of trust, identity and collective participation offers scope to appreciate how the usualness of social capital operates in situated context to influence and (re)produce patterns of entrepreneurial practices.

This, combining a Bourdieusian perspective with the ideas of Putnam presents a way of understanding how the interactions and practices of social capital are conditioned and shaped by the habitus of community in which social capital is produced and reproduced - and within which the practice of entrepreneurship takes place (Bruton et al, 2010; Jennings et al, 2013; Johannisson, 1989; Patel and Conklin, 2009). Accordingly, the entrepreneurial role becomes one of “agency in context” (Marti et al, 2013); through embedding and enacting community and the cultural capital that lies within, social capital is (re)produced and (re)deployed. At a local community level, social capital then can be conceived as a relatively bounded condition of mutuality that creates fertile conditions which help and allow things to happen in a particular way – within the prevailing “rules of the game” (Barth, 1969, p.15; DeCarolis and Saporito, 2006); a catalyst which through entrepreneurial agency facilitates change. Therefore, social capital, how it works out and is practiced, is influenced by the ways of community and context (Anderson and Miller, 2003; McKeever et al, 2014) – but for entrepreneurship this happens through entrepreneurial agency (Gedajlovic et al, 2013). It is this dialectic which is the focus of our interest. We ask, 1) how does social capital work? and 2) how does it engage with the practice of entrepreneurship?

## **Method**

To explore the workings of social capital, we located our study in the “fishbowl” of Inisgrianan, focusing on the social interactions of people living together and getting things done (Marti et al, 2013, p.10). Our qualitative approach was appropriate because our objectives were to understand social capital from the way people lived their lives “how and why” rather than measuring “how many” (Gartner and Birley, 2002; Oinas 1999; Pratt, 2009). We used the theory as the underpinning framework for both asking questions and to explore how the data informed the questions we were asking (Gartner and Birley, 2002). Thus, we do more than merely describe; we try to provide explanations about how social capital works in shaping and conditioning patterns of entrepreneurship.

## **Context**

In understanding situated social processes it is important to describe our context (Pratt, 2009). The specific location chosen to explore the workings of social capital is a small town and surrounding community in Ireland’s County Donegal which we call “Inisgrianan”. Situated on an Atlantic facing peninsula, it has a long history as a British garrison and in more recent times was the manufacturing base of an American clothing manufacturer. In 2011 the town had a population of 3,452 which formed the civic and business centre for the 30,000 inhabitants. This location was chosen because its size and location creates a natural and ideal social and geographic crucible for analyzing social interactions between entrepreneurs and their social context (Uzzi, 1996; York and Venkataraman, 2010). Koestler’s (1964) view is that the smallness of such an area should make social patterns easier to analyze, which in other places might appear confused by density and diluted by size (Jack and Anderson, 2002).

Leitch, Hill and Harrison (2010) argue that “social research requires that the questions asked and the designs employed are shaped by the researcher’s underlying ontological and epistemological assumptions” (p. 69). Thus our work was itself contextualized in an interpretive paradigm. Our framework for data collection and analysis was developed from the literature review. Phenomenological interviews were used (Thompson et al, 1989; Cope, 2005), and the long interview

technique outlined by McCracken (1988) produced a broad view of the topic under investigation. The content and form of the emerging data determined the direction and length of the interviews.

A thorough understanding was gained by drawing on additional ethnographical techniques. We gathered a rich body of contextual information from a wide range of sources which helped to support and guide the research but also broaden understanding about the situations respondents were immersed in. To achieve this, the field researcher immersed himself in the local area and culture of the community. Being born into a local family provided privileged access to a rich network of contacts and information about the history and background of each respondent (Denzin, 1979). Staying locally meant he could observe respondents in context, and in the collective in which they were immersed. Events like Sunday mass, going to watch the local football team, and cycling on the popular seaside path provided a natural way to watch and participate in community interactions. In Inisgrianan, as in most of peripheral Ireland, it is customary to briefly greet even strangers— this can often lead to an impromptu chat about the weather or something that might be happening in the area (Arensberg and Kimball, 1968). Understanding and engaging in these nuanced practices allowed a better appreciation of the respondents' world (Patton, 1990; Hoepfl, 1997). This also provided a resource for the comparison and verification of emerging research themes and helped address the broader theoretical issues (Eisenhardt, 1989). Field notes were a key aspect of the fieldwork, but writing up often meant escaping to any convenient private place immediately after the engagement - restroom, alleyway, garden or car - to carefully account for relevant elements of what was seen, said and the detail around these engagements, including mood, posture and appearance. Alongside patterns, links and photographs, field notes helped to determine how the local and business community fitted together (Granovetter, 1985).

Our main source of data was phenomenological interviews with local entrepreneurs Cope (2005). The key goal was to generate an inductive and emergent theory, reflecting the phenomenological desire to understand and describe entrepreneurs "living" in and through social capital. Johnstone (2007) explains this in terms of understanding things from the point of view of those involved rather than explaining things from an outsider's point of view (Geertz, 1973). For this purpose, conscious effort was made to omit the use of theoretical language from conversations. For our respondents the research was about "how they ended up in business" and "how business worked in Inisgrianan". A key aim was to discover how entrepreneurs understood the social aspects of their careers as opposed to seeing if emerging data fitted with the expectations of the literature. In line with phenomenological inquiry, no specific theories or hypotheses were developed prior to engagement with respondents. In line with academic protocol, an appreciation was developed of the wider literature of entrepreneurship, embeddedness and social capital (Clarke, 2011). This process helped develop meaningful research questions that could be connected back to the literature. In agreement with Cope (2005), maintaining a distinction between data and existing theory was a challenge. In the end a balance was struck between pre-understanding of theories in the literature and maintaining an unbiased openness towards the phenomenon.

Thompson et al (1989) have argued that the phenomenological interview is perhaps the most powerful means of attaining an in-depth understanding of another person's experience. Due to the in-depth nature of the interviews, ethical concerns were addressed at the outset. Each respondent was told about the general topic of the research, why the researcher was undertaking it, that conversations would be audio-taped, and that respect for their confidentiality was of the highest



priority These first conversations laid the foundations and drew out key initial themes in the data – these included “childhood upbringing”, “family employment traditions”, “school experiences and attainment”, “career choices” and “access to entrepreneurship”. While a purely phenomenological approach advises letting respondents lead the interview process - experience, time and resources dictated that these types of broad topics were developed so that later interviews could mine and develop these in more fine grained detail (Clarke, 2011).

## Sample

Participants were “purposefully” sampled (Gartner and Birley, 2002; Pratt, 2009). “Purposeful” meant seeking out information rich cases for study. According to Patton (1990) this technique rests on allowing knowledgeable individuals with an intimate understanding of a particular context and phenomenon to choose interesting and informative individuals, capable of articulating their experiences in the most illuminating detail. With this in mind, respondents were chosen by drawing on the knowledge and guidance of family, friends and a well-respected local entrepreneur. As outlined in Table 1, 15 respondents were recruited. It is not claimed that this sample is representative of the diversity of individuals who can be labeled entrepreneurial (). It is felt however that enough variety was included to allow for an interrogation of the nature of social capital among entrepreneurs in Inisgrianan.

First interviews generally lasted between 1½ and 3 hours. These initial interviews were guided by those who advise getting to know and building rapport with each respondent by engaging them in a biographical discussion (Silverman, 2005; McCracken, 1988). Opening discussions usually took place over the ritual of a cup of tea or coffee on arrival. While first interviews were searching, roving and directed by respondents, a loose interview schedule was distilled to reflect and guide the core issues and themes to emerge (Charmaz, 2006). The interview schedule proved to be useful in two ways. Firstly, it provided a sense of confidence in having covered all parts of the developing theory with subsequent respondents; secondly it provided freedom from having to think ahead (and remember themes) (Silverman, 2005). This facilitated a focus on the respondent, and enabled attentive listening and note taking as answers unfolded. Coaxing comments like, “*That’s interesting, can you expand a little more on that?*” were used to develop more insightful descriptions of experiences (Bryman, 2005). Subsequent interviews with the same entrepreneur generally lasted between one and two hours. Recording the interviews allowed the research team to focus on the interview, the direction of the conversation and to think about the meaning in what respondents were actually saying (Easterby-Smith *et al.*, 1991; Hoepfl, 1997). This approach helped ensure that the information received reflected respondents perceptions. The interview schedule was updated regularly with refining questions intended to keep the overall interview process up to date with the emerging theory. Table 1 provides an overview of the respondents, the nature of their entrepreneurial activity and historical events that led to entrepreneurship.

**Insert Table 1 about Here**

## Data Analysis

Like previous interpretative work in entrepreneurship the constant comparative method was inductively used for data analysis. This technique is similar to the analytical element of grounded theory (Alvesson and Sköldbberg, 2000; Glaser and Strauss, 1967; Silverman, 2000). Eisenhardt's (1989) guide to data analysis is to first sift through all data, eliminating material which is less relevant and drawing together the most important elements. The next step consists of searching the remaining data for patterns (Halinen and Tornroos, 2005). Large amounts of data were generated. This was sorted before analysis took place.

The sorting process meant transcribed interviews along with collated field notes and of observations, were synthesized and then organized around themes which fitted our interests. Independently, the research team sorted raw data into categories (Eisenhardt, 1989) and potential themes were arrived at through discussion and comparison of notes about incidents and experiences, observations and responses. By continually reflecting upon and comparing with others within emerging categories, descriptive themes were then considered more conceptually and sorted into explanatory themes (Wolcott, 1990) by asking "what is really going on here" (Bruton and Ahlstrom, 2003; Halinen and Tornroos, 2005). These explanatory themes identified in the data and also present in the literature were embeddedness, engagement and outcomes. These themes emerged from data and reinforced the literature. So, throughout the analysis process, emergent ideas were constantly held up against the literature and so we were heavily reliant on the constant dance between theory and literature (Anderson, Dodd and Jack, 2012). This constant comparative approach to data analysis (Alvesson and Sköldbberg, 2000; Glaser and Strauss, 1967; Silverman, 2000) involves an iterative reviewing of the data with emerging categories and concepts. This is a typical analytical approach for understanding entrepreneurship in context (Hill et al, 1999; Human and Provan, 1996; Jack, 2010). For this study, this process helped to improve description, understanding and explanations. It also helped build confidence in our interpretations.

**Insert table 2 about here**

## **Findings**

In this section a discussion of the data and findings from the study are presented around three key themes in the data. The first contextualises the careers of respondents and shows how they arrived in their entrepreneurial role in the community. The second looks at how norms and obligations of community membership shaped entrepreneurial practices. The final theme looks at how local preferences and obligations can lead to outsider incongruence. Where is social capital?

### **Access to Entrepreneurship**

While respondents were successfully engaged in different types of business activities, what united them was that they were members of the same community and had all connected with their entrepreneurial careers at the intersection between personal circumstances and established sets of local relationships. Within this pattern two groups emerged, 1) those who had been born into and significantly grown family businesses (John, Brian, Des, Tony, James and Anthony), and 2) those born

to waged workers who had started new businesses (Paddy, Martin, Raymond, Eugene, Hugh, Joe, Dan and Jim).

As an example of the first group, Des explained how he had gone off to university, but spent his summers working in the family bakery. After graduation, he returned to Inisgrianan just as a long term employee retired; *“My father was sort of desperate, he didn’t even say, I seen he was stuck. I worked during the holidays so I knew what was what.”* Likewise John, whose family had manufactured leisurewear in the town for 70 years explained that; *“At the age of say 16 I had a strong interest in farming. It was tempered by some careers officer who said it’s unlikely that you are going to be a farmer as your family is in business.....and the three of us ended up in the business.”* This group had formative experience in established family businesses and “knew what was what” in those businesses. In a way which demonstrated how this worked, Brian, whose parents became ill when he was 15 told us; *“I came back [from boarding school] and just started to extend it a bit every year.”* Among this group who Hugh described as those *“whose daddies were there before them”*, family circumstances were clearly important in how they became connected to their respective opportunity contexts. In these instances, opportunities might be better understood as expectations to take over when appropriate. This was clear when James’s father became ill; *“for nine months he was bad with Jaundice, there was no income.”* This group used the words *“nostalgia”* and *“heritage”* to describe their feelings towards taking over what John called *“the family silver”*; *“It was expected that you would come in and that is what happened”* (Tony).

With no history of family business, the second group also described being introduced to their career paths and fields of business, but through alternative avenues. An interesting case was Martin whose father worked as an oil delivery driver; *“I served my [joinery] apprenticeship with Eugene who went to school with my dad...I then went self-employed [during his apprenticeship]. I built a house for a client while I was working there. The last 6 months there were boys gathering up in Eugene’s yard to go to my job.”* While Martin was trying to establish his own venture by borrowing tradesmen from the site, Eugene (who was now in his 60’s) told us; *“That was me at that age! I wouldn’t tell him to stop”*. When asked to elaborate on his own career Eugene told us; *“I went into the joinery through the Tech because my family was all in the building trade. I wasn’t interested in the academic route. My father was a store man with a builder....I was always jobbing or moonlighting. I had a small workshop at home. Then I went into partnership [with a fellow apprentice] doing subcontract joinery work.”* While the family members of this group might not have been particularly skilled business people – they provided contacts, support, and an understanding of how particular fields like construction, transport, retailing and engineering operated. As sons of a docker, driver, store man and factory worker, these supporting activities demonstrated how families could help despite not possessing any great assets or wealth (Davidsson and Honig, 2003).

### **Insert Table 3 about here**

As outlined in table 3, respondents were of apprenticeship and ongoing socialisation into a social web or platform of interaction within which business was being conducted and entrepreneurs operated. Each had been linked onto career or opportunity paths in ways which seemed natural and even

ordinary to them; *"I knew I could do it"* (Des). Paddy, Anthony and Martin used the phrase *"it's what everybody did"* to describe their introduction to and progression within construction. The habitus was structuring actions by generating local frames of reference – shared understanding of which practices were usual and orthodox, based on commonly held inclinations and dispositions (Lounsbury, 2007). In this sense they demonstrated examples of the seemingly normal and taken for granted ways in which opportunities and choices were generated and framed in Inisgrianan. This vagueness continued when Des told us he *"wasn't forced...but didn't want to... [but had acted because his father] was stuck."* Eugene, Adam and Anthony described their families having *"a tradition"*, *"a history"* and a *"background"* of employment in the construction and farming industries; *"I followed my brother into it"* (Anthony). Not all that clear what is being presented here Even those respondents who were the first of their families to go to university described emerging in cohorts of peers as explained by Joe: *"You would know a particular wave; I would know a particular wave. But you will see them around the town. So there is solidarity there....they grew up, went through school, maybe university together and they made their mark on their own town together. So why wouldn't they be seen to stick together."* Collectively, respondents could be understood accumulating individual and shared histories and track records as they were oriented towards appropriate careers and livelihoods. In doing so they were developing an appreciation and taste for business, and accumulating an ability to understand and participate in situations and circumstances that initiated their decision to follow an entrepreneurial career. However, these decisions were clearly linked to factors related to the social context – they were not random choices.

These patterns and probabilities of situational influence between the social context and individuals came across as manifestations of the social context generating expectations of the types of practices which were appropriate and inappropriate, orthodox and prohibited within the prevailing conditions of the community (Bourdieu, 1990). John described these tacit understandings as *"the things that textbooks can't teach you."* Like Anderson and Miller (2003), we found that the nature, depth and extent of these social and historical ties were an influencing and configuring element in how opportunities were contextually skewed, framed and understood by each entrepreneur. This was based on advantageous individual positions within local families and attending local schools which influenced the ways in which opportunities were perceived and resources secured within ongoing, even institutionalised networks (Jennings et al, 2013). Eugene did not stop Martin inviting his tradesmen to moonlight because he knew his dad; likewise John's career teacher influenced him away from a degree in farming to marketing because his family owned a factory. So social practices, or more precisely the embeddedness of actions and choices, could be seen to subtly shape and condition what was and was not possible. In this way we see the local habitus at work. The rules of the game became more transparent for our respondents through participation, but entrepreneurial possibilities were also informed and shaped by existing practices and actors. John described his approach as *"an imperfect copy"* of how his father used to do things, while Martin told us that he did things *"a bit like Eugene, he made it [running a business] look easy"*. So we see the habitus informing without necessarily dictating the appropriateness of behaviour and choices in the local context (Harker, 1984; Ozbilgin and Tatli, 2005). This influence was set in what Putnam (2000) sees as a general taste for association among peers which is enacted through participation in the social and economic aspects of community.

From the experiences described so far it would seem that social context and ongoing sets of circumstances provides the milieu in which this process of social capital exists and operates. What

seems consistent in the narratives of all entrepreneurs was what James referred to as *“a mixture of factors coming together”* which led to connection with their particular opportunity nexus (Shane and Venkataraman, 2000). This idea of sense making, operating within and influencing a mixture of social and economic factors led us to identify a second theme of how respondents were making ongoing use of, and engaging with a business context and community to make their enterprises work on a very practical level. This theme provided the opportunity to begin deriving a deeper understanding of the types of reciprocated actions and interpersonal understandings which led to the creation, recreation and maintenance of a relatively bounded condition of productive mutuality (Light and Dana, 2013). What the narratives of respondents show is that the social shapes and influences economic possibilities and perhaps even bounds the economic realities of individuals.

### **Norms, obligations and practices**

In all cases, respondents were able to describe a variety of practices involved in operating among what they saw as their local entrepreneurial *“counterparts”* and *“peers.”* The following statements illustrate some of the ways in which respondents were joining in with the local business community to facilitate and sustain entrepreneurship. The language and tone of the comments provide an appreciation of the types of opportunities and resources which were embedded in these relationships. It also demonstrated the boundedness of their world view and preference for maintaining what came across as a modest local-centric status quo.

In all of our cases, entrepreneurs were able to describe some of the co-operative practices involved in running a local business. In response to a question of how location affected his business, Eugene explained that he and another builder had an *“arrangement”*, *“Kevin’s son was up this morning looking for plastic bends. We happened to have it and it’s great if it works like that. When you go above six inch sewers you can’t get them locally without ordering. It can be holding up a lot of work.”* In response to the same question Brian told us that *“if the other hotels are short of something, a barrel of Guinness, they get it off us and we get it off them. We have a great working relationship. That is what keeps business [alive] in the area.”* When quizzed about this very close local co-operation John explained; *“While we may be competitors we would be using similar machines. We would share technology if they were stuck for mechanics. You are both manufacturers who share a lot of similar problems. There would be a lot of favours and good harmony locally.”* This good harmony even extended to the informal recruitment practices; *“You would look to see where they came from. You would say before I do something here I’ll check. You might ring your counterpart and say will this leave you in the lurch?”* When asked for an example of how these relationships worked at a practical level Martin explained that; *“We would turn down jobs. We have to be seen to be on the side of the insurance company. A perfect example is when we went to a cracker job, a leak into a swimming pool. When we arrived Steve [the loss adjustor] said to me I hate this boy. We helped the loss adjustor turn the claim down even though we got no work out of it.”* These types of actions and practices led to an appreciation that our entrepreneurs were demonstrating the existence of a locally bounded business community, and their membership of this.

These normative practices show entrepreneurs were benefiting from mutual co-operation which led to increases in operating efficiency (Arrow, 2000), leaner inventory, and a reduced need to support and finance these through more formal financial means (Honig, 1998). What is also interesting is how

the benefits described are at once individual and collective in nature within these clusters of activity based relationships. These views and activities demonstrate relatively bounded business practices, and a particularly local view of the world (Bourdieu, 1990). Martin's story in particular shows him demonstrating his structural integrity and interpersonal mutuality based on his actions in context. This supports Putnam's (2000) outlook on social capital as relating to what people actually do for and with each other rather than what they own individually. In terms of the returns generated by this mutuality, Anthony explained, *"By doing some of these things [thinking more socially about situations] I will get more in the long run."* Reading these statements with Bourdieu (1990), the entrepreneurs in Inisgrianan were interested in investing in useful relationships to a point of social institutionalisation, where mutuality and the long run outweighed any explicit focus on short term economic maximisation. As members of the same community they seemed to be constructing and maintaining social barriers or boundaries which insulated their *"local arrangements"* from outsiders. When quizzed about how he would benefit from helping Steve the loss adjustor refuse the insurance claim, Martin's answer alluded to both the nature of the relationship and the benefits it provided over a newcomer or outsider: *"It takes a long time to build those types of relationships up. Somebody coming in brand new couldn't just build it up, because it could take two lifetimes on the learning curve to understand it. So it's respect, that's what it is."* Martin and Steve were standing on the edge of the insurance claimant's swimming pool and viewing the situation through a mutually cultivated matrix of principles which organised their practices – yet it also provided insight into how these social investments were locking them into the structure of *"local arrangements"* (Bourdieu, 1990; Maurer and Ebers, 2006; Putnam, 2000).

Comments also signaled that this condition of shared mutuality and membership of the structural context required an understanding of a variety of implicit etiquettes and protocols. When quizzed on this topic Des explained a need for consistency of practice – which he called *"policy"*. He explained in detail that; *"Every customer gets a bottle at Christmas. You don't give any one more than the other...it's a small place and the other might hear about it. So it's policy that you always give the same irrespective of size."* Des was also able to give a negative example, one which demonstrated a lack of understanding of local ways. He explained that; *"Normally every year when it would come to Christmas time the suppliers would have given you a bottle. One year a rep came in and said we are doing away with the bottles. He gave us ... instead. I just turned around and said you know what you can do with.... It wasn't about the bottle I'm not saying I'm a mad dog Christian, but for somebody to hand you that and say thank you."* So *"it wasn't about the bottle"*, the bottle was merely an artifact, a token of in the social process.

This clash of values again served to reinforce a perception of the boundaries surrounding Inisgrianan and where unique sets of practices were enshrined in unspoken *"policies"*, sets of mores, values and obligations which largely went without saying because they mainly came without saying (Bourdieu, 1990). This links to our final theme, *'outsider incongruence'* which captures in more depth the moral hazards perceived in relationships and situations characterized by the absence of social capital.

### **Outsider incongruence**

During conversations respondents described what came across as weaker, less congruent and distant interactions which were characterized as less trusting and almost suspicious. In many ways the tone of these conversations seemed to change, reinforcing an appreciation of the boundary where

community membership ended (Putnam, 2000). When asked about this, Anthony explained that on one occasion a large manufacturer had approached them to build a new local factory on a “turnkey basis”, whereby they would pay on completion. He felt annoyed and perplexed by being asked to do such a thing and explained; *“Just because it’s x , they aren’t God. They are a customer who has a requirement, there’s a contract. We understand what they want; this is what they are going to get per the contract”*. This was in stark contrast with his feelings toward a locally based company of similar scale, where he had a good working relationship and understanding of what he called his “counterpart”, a word also used by John, Brian and Paddy. Anthony explained; *“Now there is a contract in place, and to be honest with you it’s a fairly, unprofessional type of arrangement... he knows we will deliver and we are content with that. If there are problems along the way we deal with them”*. These comments highlighted the perception of an asymmetry between insiders and outsiders to the Inisgrianan business community. In the language of Putnam (2000) entrepreneurs were demonstrating their allegiance and trust in the local. On the subject of the dangers of operating outside the area, Des commented; *“They [supermarkets] give you a contract and tie you to the contract. Then a couple of years down the line they want a better price from you. If you can’t match that price you are out on your ear. Friends of mine lost everything...left high and dry”*. This strength of feeling was also highlighted by John who had been adversely affected by similar dealings; *“They would come along and give you these beautiful orders. You would be seeing this as great business and you’re whacking away and then a quality problem. Now maybe there was a quality problem, maybe there wasn’t. You had done nothing wrong but stuff didn’t sell so they were looking for a way to get out of it or the price down”*.

These examples further demonstrated a perception of moral hazards and provided an illustration of situations where an appreciation of what social capital is, is provided by virtue of the types of practices and incidents which can occur in its absence. Ryan concluded that the entrepreneurs he “preferred to deal with” shared an understanding and trust which involved giving each other “a reasonable margin, a reasonable living.” This led to an appreciation that a key facet of social capital is the mutual perception and expectation that individuals will participate in and be part of each other’s future dealings. In Inisgrianan, outsider incongruence represented respondents describing the outer boundary or periphery of their local network pool. References made to family, friends, employees and entrepreneurial counterparts provided a glimpse of the mutual relationships surrounding each entrepreneur. Within these local contexts, social capital can be understood as contained and contextually grounded by the extent and depth of associations, and so in the case of the majority of respondents was linked closely to place (Florida, 2002). Because outsiders found it difficult to fully comprehend what was going on within the behavioural protocols that respondents “were steeped in” (Ryan). If seen as an attempt to test or nullify the findings as extreme cases, the findings also describe the extent of the habitus; the expected rules of the game and the importance of reciprocity in habitus. They also point to what happens when social capital is absent.

### **Interpretation and Analysis**

Analysis of the findings shows entrepreneurship to be a social process whereby opportunities are understood in context through social interactions and shared practices. In Inisgrianan, it can be seen how the choices and practices of entrepreneurs are heavily influenced by shared values, norms and socialised understandings. The narratives of respondents capture the nature of social capital and show how, through process and practice entrepreneurs recognize values and norms.

Social capital is demonstrated in the meanings entrepreneurs attach to their choices and practices; why they do what they do – and why they do not always pursue the ideal of profit maximisation. The data shows that social capital is generated and maintained between individuals when shared mutuality occurs (Putnam, 2000). Through ongoing interaction and dealings, social capital can be seen to operate as a mechanism for maintaining shared access to the privileged benefits and resources of community. This impacts on the actions of entrepreneurs, the practices and processes in which they engage and the situations in which they are embedded. But, what is also evident is that the richness and depth of this condition influences, as well as limits, the choices and practices of individuals. Hence, the presence of social capital is both an enabler and a retardant – it appropriates and conditions practices (Gedajlovic et al, 2013). Nonetheless, when mutuality is absent, the entrepreneurial process is seen differently. This is evident in the case of the big corporation asking Anthony to assume the risk of financing the building of their factory, and his retreat demonstrates absence of mutuality and shared understanding about doing business. This supports the view of Jennings et al (2013) who describe how a shared set of local cultures, values and institutions can positively enhance opportunities for entrepreneurial interaction based on a framework of trust and mutuality. However, it also demonstrates how the “fishbowl” effect can limit individual and collective ambitions and impact on the scale of entrepreneurship in a community (Marti et al, 2013). In small isolated communities like Inisgrianan, entrepreneurs might be understood participating and engaging with all aspects of community, simultaneously using and maintaining all of the community’s capital, but nonetheless influenced by this participation. Individuals may have a high or low propensity to develop social capital, but they can only do so within social interaction – in the business, at the football or over a beer in the local pub (Putnam, 2000). However, to engage in the practice the entrepreneur has to be immersed in the context and community to understand and recognize the practice of engaging (Jack and Anderson, 2002; Welter, 2011). Engaging allows the entrepreneur to appreciate the often unarticulated rules, norms and procedures that are associated with that role and practice. Social capital must be instantiated in an actual human relationship, it is the norm which influences social interaction and the norm of reciprocity may exist in potential in dealings with all people, but is actualized only in dealings with friends (Fukuyama, 1999).

Bounded practices were discussed by all respondents in terms of shared understandings and ways of doing things within the parameters of Inisgrianan, their particular context. This reflects what Bourdieu (1990) terms ‘doxa’, that which goes without saying because it comes without saying, and by which the structure apportions and recognises credibility and legitimacy. In this sense entrepreneurial social capital represents access to resources through mutuality, embeddedness and shared understanding of both the explicit and implied rules of the social and cultural game (Bourdieu, 1990). So mutuality could be viewed as the medium through which opportunities and value are constructed, pursued and generated, and habitus could be seen to facilitate an insider’s perspective of the appropriate practices within a particular game. If individual maximisation is not in the rules of the “local game” – then it is unlikely to manifest in the entrepreneurial outcomes witnessed. So the shared practices outlined here are part of and bounded by a habitus which generates a repertoire of possible choices, actions and reactions, enabling individuals to draw on a range of courses of action. Martin’s example of helping a loss adjustor in turning down an insurance claim, and Des’s awareness of giving gifts consistently at Christmas led to an appreciation that these actions were not carried out based on adherence to laws but social practice. The findings here are consistent with the views of Bourdieu (1990) that similarity and mutuality will not always produce a perfect fit between actual actions and what is expected or



normal within the structure. However, they will be significantly more likely to be normal than for outsiders or newcomers (Kreiser et al, 2013).

The habitus and the way it is developed through engagement and social interaction in the context of community provide structure and content. In this way habitus twinned with participation in community represents a conceptual framework for tracking and analysing how and why entrepreneurs ended up in their present situation; who they have drawn upon along the way, the influence of this on entrepreneurial outcomes and, critically, the process of creating entrepreneurial social capital and a way to understand its practice. Respondents were engaged in navigating within a habitus, using and maintaining actors and organisations. Yet, to those who are engaged with the practice of social capital and who are embedded in the process of social capital this takes place in a manner which is natural, unforced and in most cases unquestioned. This demonstrates the instrumental role that social capital plays in entrepreneurship but also enables us to explain why it is an enabler and the sort of circumstances in which it can work. Our findings show that it portrays both inclusion but also exclusion and that shared values and meanings encourages certain practices while inhibiting others. We explain this as the condition of social capital.

Historically embedded associations and development of an appreciation of dominant and appropriate practices, we see as manifestations of habitus being acquired through socialisation, “from structuring to restructuring” as understood by Bourdieu and Wacquant (1992, p.134). Appreciating that habitus is both created by power, expresses power relations, and is the basis of how much or how little power a person has at their disposal, entrepreneurs are aware of their place in the structure, and “use” mutuality and credibility to extract and manipulate value for entrepreneurial objectives. But in our case this could only be achieved in situated context – in Inisgrianan, the community where our entrepreneurs live and have committed. Habitus therefore provides a way of comprehending how social capital and embedded resources can combine within the bounds of a community.

While it would seem that social capital is generally a useful thing, in the sense that it may create a richly interactive environment, it is not a resource as such. The condition of social capital enables interactions which, in turn, may provide the mechanism that allows the entrepreneur to tap into resources that enable entrepreneurship to take place. Norms and values do not constitute social capital, but are characteristics of the mechanisms of the processes of social capital. Cultural values provide an introductory platform and a guide to the expectations of behavior and practice within social capital. Respondents here show that social capital may be an asset, but it cannot be owned or borrowed. It can only be produced and shared within the conjunction of social interactions (Leitch et al, 2010).

## **Conclusion**

This research was concerned with the questions *how does social capital work? And, how does it operate through the practice of entrepreneurship?* From what we have found, social capital exists in a social domain and manifests in social interaction, but it is only through engaging in its practices that social capital is understood and can be realized (Nahapiet and Ghoshal, 1997). The insights from the entrepreneurs of Inisgrianan demonstrate that in such places social capital is an emergent and ongoing process based on participation, belonging and mutual understanding. This work demonstrates that at a community level social capital is a bounded medium and condition of mutuality, the extent and depth of which impacts on the way resources are articulated, given value, obtained and exchanged

(Granovetter, 1985). However, it is only developed through a process of building upon a stock of structural connections by engaging with others in the structure (bridging) and embedding oneself in the structure (bonding). While it is a socio-relational artifact produced in interactions, it resides within a network of connections to the social context. Social capital provides a platform that conditions or mediates social interaction. Conforming to the properly understood ways for carrying out business, that is by “adhering to” the dominant etiquettes and protocols of the habitus, entrepreneurs are “allowed” to develop and maintain mutuality, credibility and legitimacy.

Our theoretical contribution is in showing social capital to be an enabler and basis for building a wider community capital – the collective capacity and intention to engage in constructing a common future (Westlund and Bolton, 2003). We recognise how local boundaries exist and persist, and how in places like Inisgrianan the bounded sense of community and place often remains despite the ideal of openness aspired to by policy makers (Chesbrough, 2003; Florida, 2002; Johannisson, 1988; O’Leary, 2003).

In communities, social capital is a critical part of the entrepreneurial process. By looking at the process aspect of social capital as practices, this work shows that social capital operates by creating a platform, a common matrix of perception and a shared basis for interaction that impacts on entrepreneurial outcomes. Hence, the function of social capital is both structure and process, or bridging and bonding. According to De Clercq et al (2013) social capital always involves social belonging and that being embedded in a collective is core. So membership and social position within a community substantially affects access to resources. This study supports these views but also extends them as it shows that the habitus can promote and produce benefits, but as a bounded entity it can also restrict interaction outside of the habitus as well as structure, even restrain the activities within.

By applying Bourdieu’s idea of habitus and Putnam’s notion of community it is clear that the nature of social capital is about the outcomes of social interaction and engagement in a social process. Within the norms and modus operandi of their habitus, entrepreneurs invoke trusting responses from others that allow them to co-create and enact visions of future realities, thereby changing the habitus itself (Anderson et al, 2010). Habitus and community are appropriate lenses to use when looking at social capital and entrepreneurship in context because it allows for an appreciation of history, past dealings, routines, rituals and possibilities for entrepreneurial events (Johannisson, 1989). In Inisgrianan it helps explain why the pace of change is slow, and why outside developers find it hard to operate in the town and surrounding area.

Social capital represents an ability and means to engage with others, yet it also ensures that interactions are structured. But whether social capital is productive or detrimental to enterprises depends on the context, upon the social milieu rather than upon the medium.

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**Table 1: Entrepreneurs in Context**

| <b>Name</b> | <b>Industry Sector</b> | <b>Age</b> | <b>Background</b>             | <b>Education</b>         |
|-------------|------------------------|------------|-------------------------------|--------------------------|
| Adam        | Manufacturing          | 55         | Family were tenant farmers    | Left school at 15        |
| John        | Manufacturing          | 62         | Family owned a factory        | Degree in agri-marketing |
| Colin       | Property               | 57         | Father was a manager          | Degree in economics      |
| Chris       | Construction           | 49         | Family owned a small farm     | Apprentice carpenter     |
| Andrew      | Transport              | 55         | Parents were teachers         | Degree in economics      |
| Bill        | Construction           | 55         | Family worked in construction | Degree in business       |
| Paddy       | Property               | 79         | Father was a docker           | Apprentice carpenter     |
| Brian       | Hospitality            | 64         | Family had a small hotel      | Junior boarding school   |
| Martin      | Construction           | 39         | Father was a truck driver     | Apprentice Joiner        |
| Des         | Manufacturing          | 58         | Business owning family        | Degree in religion       |
| Raymond     | Health Services        | 78         | Family owned a business       | Degree in medicine       |
| Eugene      | Property               | 68         | Family worked in construction | Apprentice carpenter     |
| Hugh        | Hospitality            | 63         | Parents died very young       | Left school at age 15    |
| Tony        | Broadcasting           | 48         | Business owning family        | Left school at age 17    |
| James       | Construction           | 55         | Family were small farmers     | Left school at age 15    |
| Shannon     | Education              | 38         | Parents were both teachers    | Degree in psychology     |
| Jim         | Retail                 | 52         | Family were small farmers     | Catering college diploma |
| Joe         | Business Services      | 56         | Father worked in a factory    | Degree in business       |
| Anthony     | Construction           | 72         | Family were mountain farmers  | Left school at age 15    |
| Danny       | Fabrication            | 49         | Family ran a hill farm        | Left school at age 16    |

**Table 2: Process and Levels of Analysis Employed**

|                |   |   |
|----------------|---|---|
| Level analysis | 1 | Getting to know participants and their context. Mini descriptive profiles were generated. Each transcript was read several times with detailed notes taken and early themes highlighted.  |
| Level analysis | 2 | Developed a narrative synopsis for each respondent which captured their career paths, the context surrounding their business development, and key themes that had emerged. A time to reflect on each participant as a unique example. Additional refining questions generated.  |
| Level analysis | 3 | Was concerned with cross-case comparison. The purpose was to seek out both what was common and what was particular about each case. The importance of this phase is in the generation of unique phenomenological themes for all the interviews. This was the beginning of more detailed analysis.   |
| Level analysis | 4 | Involved clustering evidence which confirmed emergent relationships. Emergent theoretical propositions were written up from the data, without the use of any theoretical literature. This allowed the data to speak for itself. The next step involved enfolding literature, which enables the development of theory with stronger credibility and deeper conceptual insight. |

**Table 3: Entrepreneurship in Context**

| <b>Name</b> | <b>Entrepreneurial Activity</b> | <b>Emp-loyees</b> | <b>Context for Entrepreneurship</b>   |
|-------------|---------------------------------|-------------------|---|
| Adam        | Dairy Production                | 3100              | Family evicted from tenant farm; Went into processing; Made 52 acquisitions and floated                         |
| John        | Textile Manufacture             | 2200              | Father retired; Joined the business; Merged with an American Corporation  |
| Colin       | Asset Management                | 740               | Housing demand post North Sea oil; Worked in a variety of management roles; Became an owner CEO                 |
| Chris       | House Building                  | 300               | The discovery of North Sea oil; Started supplying carpenters in building the docks; moved into housing          |
| Andrew      | Oil / Logistics                 | 250               | Joined the oil industry from university; Worked as a senior manager; Took over a failing logistics firm         |
| Bill        | Timber Frame                    | 210               | Joined a North Sea engineering firm as a project manager; Became a partner and later majority CEO               |
| Paddy       | Construction/ Hotel             | 110               | Damaged property in Northern Ireland; Was working in London; Returned to establish development firm             |
| Brian       | Hotel and Night Club            | 85                | Parents became ill; Took over family hotel; Built a night club, restaurant and regional golf centre             |
| Martin      | Home Insurance Repair           | 27                | Went self-employed during apprenticeship; Bought a second hand van and tools; Got an insurance contract         |
| Des         | Baked Goods                     | 20                | Took over the family business after stepping in to help his father. Expanded through delivery outlets           |
| Raymond     | General Practice                | 18                | Was chief medical officer for DuPont; Left following an argument to establish own practice and facilities       |
| Eugene      | Retirement Village              | 15                | Started doing small jobs during apprenticeship; Invested in marginal land which was later rezoned for housing   |
| Hugh        | Restaurant                      | 15                | Was left to care for siblings; Bought a pub in a rundown area which was redeveloped and gentrified              |
| Tony        | Television Production           | 12                | When his father died his uncle took back businesses; Used capital inherited to bid for a TV franchise           |
| James       | Excavation                      | 10                | When his father got sick he took over the farm and bought a digger; Got contracts through local people          |
| Shannon     | Home Tuition                    | 8                 | Left her enterprise company job after an argument; Took up a home tuition franchise                             |
| Jim         | Antiques Dealer                 | 5                 | Felt stressed as a chef; Started selling 'bric-a-brac at car boot sales; Moved into a small shop and then a 2nd |
| Joe         | Management Consultant           | 5                 | Worked for an enterprise company; Was sacked; Establish own firm from established contacts                      |
| Anthony     | Plant Hire/Bed and Breakfast    | 3                 | Went to London with his brother; Established business on return; Added B&B through government grant             |
| Danny       | Welding and Fabrication         | 2                 | Became a welder; Later worked as a sewing machine mechanic; Formed his own firm after redundancy                |

Table 5

|      |   |
|------|---|
| John | <i>"They would come along and give you these beautiful orders. You would be seeing this as great business and you're whacking away and then a quality problem. Now maybe there was a quality problem, maybe there wasn't. You had done nothing wrong but stuff didn't sell so they were looking for a way to get out of it or the price down"</i> |
| Des  | <i>"They [supermarkets] give you a contract and tie you to the contract. Then a couple of years down the line they want a better price from you. If you can't match that price somebody else comes in. You are out on your ear. Friends of mine lost everything...left high and dry"</i>  |
| Ryan | <i>"In those types of [purely market] settings, it makes me much, much more risk averse. I've had conversations with people and said take it away. I have told them I'm not going to invest in a contract when you can up sticks because you don't like the colour of my shirt"</i>   |
| John | <i>If they come out of the phone book or because they saw your name on the side of a machine I would be wary about it generally. I would be happier if I was referred by somebody that I had previously done work for. That person could be out just to get anybody and you never see them again, no payment or nothing."</i>                     |