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CRISIS PLAN? WHAT CRISIS PLAN!
HOW MICRO ENTREPRENEURS MANAGE IN A CRISIS!

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ABSTRACT

This inductive research study seeks to answer the research questions – [1] Do owners of successful micro-businesses react to crises unknowingly; or [2] Do they proactively manage crises? Using naturalistic observation and in-depth interviews of business owners running established businesses in rural Angus, U.K., to establish their attitudes towards crisis planning and on-going crises this paper makes a contribution towards the literature of entrepreneurship by examining an under researched aspect of entrepreneurial behaviour – namely crises management in micro-businesses.

INTRODUCTION

This study examines real crises in rural settings in the Picturesque Scottish County of Angus [United Kingdom], which has been affected by numerous crises over the last 10 years. The principal author is embedded in the Angus Business Community and has experienced the effects of these crises first hand. This paper assesses the attitude of rural business owners and entrepreneurs towards managing real or perceived crisis. Such studies are rare, one exception being Davis-Brown and Salamon (1987) who examined the effect of agricultural crisis on different families who had lost their farm business. Different families had contrasting capabilities. It is difficult to envisage anything positive emerging from crises scenarios but from an entrepreneurship perspective opportunities may arise for those astute enough to read the signals.

The importance of crisis planning for large businesses is well documented, whereas similar research in micro-businesses is scant. Experts opine that the majority of businesses without a crisis plan will fail if they suffer a major crisis. The initial research study sought to establish whether members of the Angus small business community had a crisis plan; or conducted crisis planning unknowingly. The research project was inductive and used in-depth interviews and a naturalistic observation approach to answer the research objectives. We interviewed six micro-business owners located in the worst affected areas. This purposeful sample of respondents was chosen because they each operated in a different micro-business-sector e.g. Farmer, Grocer, Manufacturer, Cars sales, Shop-keeper and Bed and Breakfast owner. Interestingly, the findings demonstrated that none of the micro-business owners had a crisis management plan and only two demonstrated a reasonable level of crisis management.

None were even aware that they had exercised crisis management within their respective business. However, whilst they did not have a written plan there was tentative evidence of a more common sense approach as an innate '*Crisis Management Script*'. What was not immediately apparent was that three of the respondents who demonstrated higher levels of awareness fitted the profile (as agreed by the authors) of being an entrepreneur. The remaining respondents were less enterprising in every respect.

This paper has five sections dealing with (1) the literature review of articles dealing specifically with crisis management; (2) The Crises affecting the rural county of Angus; (3) the methodology; (4) the qualitative research; and (5) a synthesis and analysis of what this tells us about the attitude of rural entrepreneurs to crisis planning.

LITERATURE REVIEW

Crisis management is imperative to business success and sustainability. Crisis management in large companies and organisations is well researched. This is not so in relation to small business. However, according to Spillan and Crandall (2001) advocate that small businesses, like their larger counterparts, should adopt sophisticated crisis management plans. Nevertheless, the authors' uncovered scant research in relation to small businesses and none in relation to micro businesses. Raley and Moxey (2000) identified a distinct lack of research in relation to micro-businesses thus highlighting a gap in the literature. Recently, Runyan (2006: 14) proposed that research should be carried out to establish if small business owners learn from previous crises? The work of Budge (2006) built upon this gap.

Many writers make definitions and links between crisis and disaster (Urquhart, 1997, Faulkner, 2001, Faulkner and Vikulov, 2001, Faulkner, 2003, Miller and Ritchie, 2003, Irvine and Anderson, 2004, Ritchie, 2004). Selbst (1978) in Faulkner (2003: 246) and in Ritchie (2004: 670) define a crisis as '*any action or failure to act that interferes with an organisation's ongoing functions, the acceptable attainment of its objectives, its viability or survival, or that has a detrimental personal effect as perceived by the majority of its employees, clients or constituents.*' Ritchie (2004: 670) adds that '*Selbst's focus on perceptions implies that if an organisation's public*

or stakeholders perceive a crisis, a real crisis could evolve from this misconception, illustrating that perception management is an important consideration in managing crises'. Faulkner (2003: 246-7) describes a disaster, 'as situations where an enterprise is confronted with sudden unpredictable catastrophic changes over which it has little control'. Consequently, Spillan and Hough (2003) accept that crisis encompasses disaster. We consider that a crisis is such if so perceived by the media or anyone.

According to Penrose (2000: 156) crises are not inherently good or bad but are merely perceived by most as bad. Nevertheless, most authors perceive crises as being bad. Indeed, Regester and Larkin (2005: 7) suggest that the media is widely believed to sensationalise the news as a means to establish its own agenda. Furthermore, we argue that a crisis can create an opportunity. Indeed, an anonymous writer in the Harvard Business Review (2000: 4) suggests most crisis contains within itself the seeds of success as well as the roots of failure. Therefore 'the perception of a crisis as an opportunity should lead to an increased ability to consider various alternatives and thus....proactive planning' (Penrose, 2000: 156). The Chinese symbol for a crisis combines the words danger and opportunity (Fink, 2002).

Kash and Darling (1998: 185) suggest companies that prepare for crisis events are better able to handle them more efficiently and successfully. Unfortunately they cite one reason so many companies fail to take steps to proactively plan for crisis events, is that they fail to acknowledge the possibility of a disaster occurring. Irvine and Anderson (2004: 234) echoing North and Smallbone (1996) argue that small businesses may depend on their ability to identify and respond to trends and opportunities. Spillan and Hough (2003: 398) warn that businesses must not simply plan for positive events, but for adversity and advocate that every business should have a crisis management plan in order to cope with unexpected and unwelcome events. Fink (2002) claims a 50% fatality rate for businesses hit with a major crisis where no crisis management plan exists. Whereas, Penrose (2000) argues that the absence of a comprehensive crisis plan is fatal to 80% of businesses within 2 years of a disaster. Pedone (1997) suggests the figure is 90%. Alarmingly, Power (2006) claims only 8% survive long term. The literature emphasises that crisis management is essential for survival and competitiveness.

Spillan and Hough (2003: 404) carried out research into smaller companies in Pennsylvania and New York concluding that small businesses have little concern for potential crises that they have not actually experienced hence do little to plan for potential occurrences of that event. Oppenheim (2001) commented that there was a paucity of knowledge in relation to research of small businesses, whilst Raley and Moxey (2000) suggest that small businesses are inherently weak managerially and assume that crisis management is of little or no concern to them. Consequentially, this paper seeks to answer the research questions –

[1] *Do owners of successful micro-businesses react to crises unknowingly; or*

[2] *Do they proactively manage crises?*

We consider it necessary to differentiate between the terms crisis management and crisis planning. To us the former is a more generic activity which encompasses all aspects of acting to avert a crisis whilst the latter relates to planning before an event. A crisis plan is a very specific document and a tangible product of the former. We do not seek to suggest that by having a crisis plan one will necessarily be more effective in a crisis than acting upon a cognitive awareness of the need to manage a crisis. Both entail having given prior thought however, the utility of a crisis plan lies in the formalisation of procedures which absolves one from blame should the plan not work. Crisis management is therefore the act of putting awareness or plans into action.

ANGUS IN CRISES

This section deals with economically perceived crises affecting Angus over the past 10 years as reported in the media. Although these may not have necessarily occurred in the actual area, potentially they may well have had an effect. Angus is a predominantly rural County with an agrarian economy and a thriving small business community. It is by no means a marginal area.

In 1997 Angus suffered the closure of RAF Edzell a former US Airbase. The economies of the rural village of Edzell and nearby towns of Brechin and Montrose had benefited from its economic presence (Urquhart, 1997). At the millennium, Angus like many other communities was subjected to the Y2K hype, which did not lead to the meltdown scenario predicted. Angus was affected by 'Foot and Mouth Disease', a very real national epidemic for the duration of 2001. This

economic crisis was dramatically reported in the media by Brown (2001), who stated that 'Britain's tourist sector was said to be losing £500 million a week because of the epidemic'. It contributed to a rural economy in meltdown. Its effect on agriculture, hotels, restaurants, distribution and transport companies was documented by Brown and Clover (2001). Sharpley and Craven (2001) estimated losses to the British tourism industry ranging between £140million to £500 million per week claiming it would take years for the industry to recover. Blake *et al* (2004) report that Scotland's tourism receipts for 2002 and 2003 were up by 9% and 3.5% respectively. This makes Sharpley and Craven's (2001) estimated losses appear doubtful. Miller and Ritchie, (2003: 169) reported that although the rural tourism industry had suffered huge losses it benefited from growth as domestic tourism increased and diverted to the countryside although Kenyon and Gilbert (2005) suggest that business loss was merely displaced albeit rural areas suffered decline. Angus was also affected by the economic fallout from 9/11 the American crisis which had massive media coverage worldwide and impacted severely upon tourism in the UK (Miller and Ritchie, 2003: 150). International air traffic fell 40% in the three months following the September attacks. According to Cowgill and Cowgill (2004) this led to an increase in the strength in the pound, against the dollar. Another very real crises was the threatened closure of the GlaxoSmithKline factory in Montrose when GSK announced that they would sell their factory in Montrose employing 720 people (Wise, 2001). This led to predictions of financial catastrophe in Angus. At the time of writing the factory is still in production but 500 jobs were lost. Rural business was also affected by a decline in 'Grouse shooting' and by the 'Fuel Blockade' of 2000. Finally, in 2006 Angus was threatened with the Global Avian (Bird Flu) Influenza crises. The first case of the deadly H5N1 strain in wild birds in Great Britain was reported in nearby Fife, only seventeen miles away from the area this research focused on.

One of the most difficult aspects of assessing the effect of crises is to obtain reliable data and financial figures because so much is open to conjecture and counter-claim. Also, the effects off individual crises are felt keenly in specific sectors of the economy. Economies recover and life goes on. Yet, how does one measure short-term financial distress and quality of life issues? These private issues remain hidden in closed communities. Moreover, how does one separate

the effects on the business community from the local community? We simply do not have the analytic capability to do this. There has been a consistent media bombardment of crises with the potential to seriously affect the economic viability of micro-businesses in Angus. The authors appreciate that the media contribute to the climate of crisis in the manner in which they report such phenomenon thereby influencing the perception of public and business communities. This is interesting from an entrepreneurial perspective because it sets up a dichotomy between crisis as portrayed and crisis as experienced as one views a crisis differently with the benefit of hindsight.

METHODOLOGY AND METHODOLOGICAL CONSIDERATIONS

According to Denzin and Lincoln (2005: 183), '*Methodology focuses on the best means of acquiring knowledge about the world*'. In seeking the best methodology we were drawn to social constructionism which '*focuses on the way that people make sense of the world especially through sharing their experiences with others via the medium of language*' (Easterby-Smith *et al.*, 2002: 28). Swetnam (2004) described Constructionism as a socially constructed view of reality - a way people perceive reality and the world around them through the use of qualitative methods to derive that understanding. For Creswell (2003) Constructivists rely heavily on participants views and understanding of participants situations and culture. They generate hypotheses and meaning through analysis and understanding of the rich data gathered, while simultaneously allowing their own culture to take account of the meaning. This mirrored the situation encountered in this study and initially we were drawn to towards grounded theory.

Embracing a grounded more naturalistic approach

For Polit *et al* (2001: 391) grounded theory is concerned with generation of categories, properties, and hypotheses rather than their testing. Like Grounded Theorists we were attempting to '*derive a general, abstract theory of a process, action, or interaction grounded in the views of participants in a study*' (Creswell, 2003: 14). Yet what we actually did was not grounded theory in the sense understood by Glaser and Strauss (1967) nor by Polit *et al* (2001) whereby one undertakes a process of collecting data synchronously, coding and analysing it. Granted we also adopted a

narrative based, interpretive phenomenological approach examining subject's perceptions of their own experiences. This is vital because crises are perceptual phenomenon. Instead, our methodology leaned towards unobtrusive, naturalistic observation (Robson, 2002; Adler and Adler, 1994). In keeping with this methodological practice we adopted a more naturalistic, instinctive approach capturing the words and actions of the respondents and the research experience. Themes emerge without tedious documentation of codes. The processes of saturation and immersion facilitated new and accurate meanings permitting the core of the research to develop with the research process (Charmaz, 2006) and allowed the initial research to expand into an examination of crisis management in relation to entrepreneurs. Given the first authors situation it is accepted that he shared some of the respondents' perceptions and was fascinated with the research scenario. This is significant because for Patton (1980: 279) to be successful an interviewer '*must be fascinated by their world*'. Researcher embedded-ness contributed to understanding because he was at one with the parlance and dialect of the respondents and the Angus business community. Our research was thus similar to that carried out by Fletcher and Watson (2006: 153) who also focused upon a rural community using a mixture of formal interviews, participant observation and researcher experience.

Conducting grounded interviews

To ensure that the interviews were grounded in the topic of crises management, theoretical sampling was used because of its purposeful nature (Charmaz, 2006). This enabled the identification of respondents for observation and interviewing purposes because, '*theoretical sampling is concerned with constructing a sample... which is meaningful theoretically, because it builds in certain characteristics or criteria which help to develop and test your theory and explanation*' (Mason, 1996 in Silverman, 2006: 131). The principal author's extensive working knowledge of the area enabled him to purposively select meaningful respondents who had experienced a crisis scenario in their 'day to day' business. Consequently, six micro-business owners with less than 10 fulltime employees were identified. These respondents had successfully managed their businesses for a minimum of 13 years. Because it was necessary to assess the

perception of Angus business owners towards crises in the past as well as the present; and because '*We cannot observe behaviours that took place at some previous point in time*' (Patton, 1980: 278) it was necessary to conduct semi-structured interviews (Robson, 1996) to allow us to enter into the other persons perspective (Patton, 1980: 278). An interview plan was piloted as advised by Oppenheim (2001: 47). The interviews were recorded and verbatim transcribed producing information rich data for analysis. Runyan (2006) used semi-structured interview, with an interview guide in his study of small businesses in crisis.

THE INTERVIEWS

Narrative enables the compilation of an interesting and readable report which '*provides sufficient description to allow the reader to understand the basis for an interpretation, and sufficient interpretation to allow the reader to understand the description*' (Patton, 1980: 430). Such information validates data aiding the reader's understanding of the findings. Figure i, provides brief biographical data. The initial research viewed owners as managers – not entrepreneurs.

Please insert figure i here

Assessing the respondents' attitudes to crisis

The attitude of the respondents towards crisis ranged from apathy to acute awareness. None of the respondents had a formal crisis management plan.

Respondent 1: Proffered a definition of a crisis, having sought advice from his bank manager, accountant and from specialists during the foot and mouth crisis, indicating a degree of crisis management awareness. He relied on his instincts believing that specific crises affected certain sectors as opposed to entire business communities. He articulated various crisis scenarios his business had survived, naming Avian Flu as a potential crisis. He had visualised exit routes and had already implemented debt insurance against Avian Flu. When BSE crisis hit farming he took a gamble and bought more cattle hoping the price would rise, evidencing his proactive thinking and planning in a crisis. Yet, he considered himself reactive. He was able to envisage a crisis in

another country as an opportunity for his business and appears to learn from his experience of crisis. His advice is '*never panic... always have more than one exit route*'. Even though he did not perceive the need for a crisis management plan, he instinctively applied crisis management to the business in a proactive fashion envisaging positive outcomes of a crisis leading to a change of business methods.

Respondent 2: Was initially unable to proffer a definition of crisis. He was not a member of any professional organisation and claimed to never to have had, nor sought any business advice stating that he '*just plodded on*'. This is in line with the findings of Raley and Moxey (2000), whereby micro-business owners did not have the time and resources for anything other than limited management activities. He articulated the competition of super markets as a crisis but had no competitive strategy. At a basic level he evidenced producing more bread for the shop if it happened to be snowing because people panic buy whenever it snows. This is basic crisis management, albeit, he did not see it as such believing that you may come out the other side of a crisis '*better off*', by chance or by fortune. He displays no proactive management style and crisis planning occurs unknowingly. His routine provides an adequate living.

Respondent 3: Was comfortable with the notion of defining crisis and able to relate them to potentially harmful scenarios to his business. A member of the Federation of Small Businesses (FSB) he sought advice from his accountant, bank manager, Scottish Enterprise, his father and businessmen friends. His acute awareness of crises results from a recent event in his business. He became aware that, if his cutting table broke, all manufacturing would be halted until the table was repaired. He ordered the spare part and thus averted potential crises. This event and the action he took is a source of pride. He appreciated the importance of planning and preparation. Obviously not having a crisis management plan did not mean that crisis planning and appropriate action did not happen. He identified the closure of the GSK factory in Montrose as a crisis for the Angus community but not one affecting his business. It did because he received a grant from Scottish Enterprise for new employees. The aid was bankrolled by GSK. Ironically he used it to employ two people, one being a highly trained ex GSK worker. He now views any potential or

media portrayed crisis for the area in a different, more positive light, leading him to view the business from the outside in, rather than the inside out.

Respondent 4: Aably defined a crisis, related to a recent experience. He was a member of the FSB when he had employees; and only ever sought business advice from his father. In 2004, as a result of a road re-alignment customer access his business was severely restricted - devastating car sales. The car and van hire kept the business going. He provided an interesting analogy,

'I ca it the chip shop scenario, you've got to eat, it's an necessity, if you need to hire a van it's an necessity, but if you want to buy a car and you canna get access then its not a necessity cause you've got a car already, it's a convenience factor, we'll no bother cause we canny get in, we'll come back later, you'll no dae it'.

Consequently, he applied for planning permission for new premises. This took a year and he moved just prior to the new bridge being opened. He did not identify the removal and reconstruction of the bridge as a reason for downsizing, but adamantly described it as a business crisis. He manages the whole business in-house. Nevertheless, he had awareness that certain situations merited getting a solicitor, insurance companies and risk assessors involved. His paralanguage very clearly supported the following statement –

'cause if you don't manage the crisis then the fucking business will go doon the pan'.

He had managed a crisis, albeit, reactively. This illustrates the application of Mullins' (2002: 408) term '*perceptual defence*', or of subliminal response, as described by McGinnies *et al* (1949 in Hayes, 1998). He also carried out some general forms of crisis management, pertaining to legally enforceable issues like fire and accident regulations and procedures. He identified the closure of GSK as an Angus crisis although not a personal crisis for his business because GSK employees were not customers. He identified foot and mouth disease as an Angus crisis affecting his business and reacted by increasing business awareness through extra advertising in the local papers and giving out leaflets to ramblers hiring his cars. He identified bird flu as a possible Angus crisis but not for him. It is hard to see why it would not have the potential to cause harm

but his paralanguage definitely emphasised his belief that it would not affect him. He was unable to envisage a crisis as anything but a negative event but claimed to have learned from the experience citing awareness of surrounding events and resisting complacency as being vital to business survival.

Respondent 5: Is not a member of any professional organisation, nor did she claim to seek business advice. She provided a reasonable crisis definition but believed that a crisis would not affect her shop. She identified the competition from Supermarkets as a potential crisis but was unable to identify any past crises for the Angus business community, despite mentioning RAF Edzell having a knock-on effect on businesses. She classifies herself as being '*too easy-going to class anything as a crisis*'. She did not perceive the closure of RAF Edzell as a crisis, but appreciated it affected her business. When asked if her business had suffered a crisis within the last 10 years, she said it had not - despite a Council housing estate of 100 flats opposite her shop being closed five years ago and demolished 2 years ago. The site remains undeveloped. She speaks of surviving, getting on with it and riding it out, taking everything in her stride giving off an aura of reactive fatalism. She speaks of continuing to thrive. The demolition of the housing estate probably created a positive climate by removing a stigmatized clientele. The Post-Office franchise revitalised the shop and she has an assurance that the franchise is a long-term contract. She has assurances from the Council that the former housing estate, zoned for 35 houses, will not be sold for retail development. Hence and contradicting herself, it appears that she has acknowledged and responded to informal business advice and displayed evidence of crisis management - acting upon advice.

Respondent 6: Was unable to define what a crisis was. She was a member of the Scottish Tourist Board but claimed not to take nor seek business advice. However, questioning revealed that she took informal advice from a friend (an ex proprietor in the trade) and from other B&B proprietors. She mentioned problems with fire alarms and generators but considers planning for crisis stupid. She relied on routines and installing fire alarms and smoke detectors. This is rudimentary evidence of industry specific crisis management. She could not envisage crisis as having a

positive effect but identified the closure of RAF Edzell as crises for the Angus area. Although its closure affected her business she did not read it as a crisis, nor did she do anything to avert the resultant loss of business. She relies on repeat trade and does not appear to have learned anything from the experience. She displayed a reactive form of crisis management addressing events as they happened. In line with Spillan and Hough's (2003) findings, she had little time for potential crises.

It is significant that respondents' numbers 2, 5 and 6 displayed a laid back attitude to their business. The authors regard this as a manifestation of their 'Bucolic lifestyle' [1]. The term bucolic is an adjective relating to rural or pastoral life and refers to people who operate in a stable culture and just let things happen. They are not proactive and live life in the slow lane, appearing old-fashioned therefore stereotypically slow, rural people. This resonates with the work of Nicol (2004) who regarded many small rural business owners as being '*Prosaic*' providers of services to local communities on a 'day to day basis'. A bucolic lifestyle orients one towards a reactive response to everyday crises. An assortment of management literature indicates that organizations are just naturally reactive concerning potential future crises (Kash and Darling, 1998, Penrose, 2000, Spillan and Crandall, 2002, Spillan and Hough, 2003). '*The crisis event may be the only incentive for a business to initiate the planning process to prevent another occurrence of the same or similar events*' (Spillan and Crandall, 2002). Respondent 4 fits those findings having recently experienced and reacted to a serious crisis. Despite claiming to have learned from that experience, becoming less complacent he contradicted this claim by asserting that should bird flu occur it would not affect his business. Yet, he is a canny [3] entrepreneur.

It is hard to even claim that respondents 2, 5 and 6 reacted, as they could not identify any crisis to their businesses despite considerable managerial experience. Hence crisis passed by without notice or action. Their management style is reactive and it is significant that crisis management decisions are narrated through anecdotal evidence as '*common sense*' measures. Therefore, respondents 1 and 3 are ahead of the game in relation to proactive crisis management. Yet, respondents 2, 4, 5 and 6 have all, to some extent, carried out crisis management. It is telling that even the most proactive managers did not recognise what they

were exercising crisis management tactics. It was only during or post interview that they became familiar and inspired by the term and understanding of 'crisis management'. Conversely, respondents 2, 4, 5 and 6 were not inspired and will no doubt continue operating in a bucolic vein.

When the above scenarios are analysed and scrutinised from the perspective of entrepreneurship theory a very different reading of the story emerges. The concept of crisis management as it is related to the entrepreneurship literature is also under researched. Studies include those of Gerke *et al* (1999), Katz and Peters (2001), O'Dwyer and Ryan (2000), McCarthy (2000) and Warren (2006). Katz and Peters (2001) examine the complex links between risk, uncertainty and growth among entrepreneurs and thus crisis. McCarthy (2000) examined how entrepreneurs think about risk and deal with it in the strategy formation process using a longitudinal-process approach. McCarthy suggests risk-taking is related to innate personality traits; learning; experience of crisis; as well as business-related factors, type of venture founded and the nature of the industry. McCarthy highlighted that an entrepreneurs perceptions of risk, and capacity to bear risk, evolved over time. Thus risk-taking is not just a static personality trait forged by nature or nurture but reflects learning in a business context, of which crisis awareness is but a part.

Considering the respondents as entrepreneurs

It is possible to establish the methods used by Angus micro business owners in dealing with crisis situations and determine whether or not they actually understood how they themselves, dealt with crises. The six respondents can be categorised as either Proactive Entrepreneurs; or Reactive Bucolic Managers. From an analysis of their actions and stories respondents 1, 3 and 4 are 'Entrepreneurs'. It is probably no coincidence that respondents 1 and 3 sought the most business advice, were the most proactive managers, and gave the questions great thought before answering [3]. Many of their customers live out-with Angus, making networking a variable.

Spillan and Hough (2003) argued that small businesses do learn from previous crises providing they experience it themselves, albeit their learning experiences did not expand to view crisis management holistically. There is clear evidence that respondent 1 proactively managed

crisis. Although respondents 2, 5 and 6 all claim that they had never suffered a crisis and were poor at identifying crises that does not exclude them from having been affected by crises as identified in the literature review. Although they did not adopt an academic approach they did not resign themselves to self-sacrifice or total abandonment, having successfully managed their businesses for a combined total of 72 years. However, it is only when one takes a holistic view and examines the life stories of respondents 1, 3 and 4 that one appreciates their entrepreneurial nature. This aspect of their personalities and management styles was initially missed because of the concentration upon crisis management. Their entrepreneur stories are narrated below.

Please insert Story boxes 1-3 here!

The defining characteristic of these three very different respondents' as entrepreneurs is their willingness to seek council and embrace change. They proudly stand shoulder to shoulder with their fathers, who were entrepreneurs before them. All have faced and survived crises and carried out planned natural progression. Conversely, the other respondents are obviously more bucolic in their approach to business. Respondent 2's late father would find very little has changed since his son took over twenty years ago. There is no evidence of marketing, upgrading equipment or premises. Respondent 5 has made small-scale changes but one small reactive innovation does not qualify her as an entrepreneur. Respondent 6 shows no signs of innovation or marketing relying upon passing trade and word of mouth. She is happy in her own business world, reacting to events rather than proactively managing situations. We are confident that if we visited these respondents in a few years time their story will be unchanged. Not so, Respondents 1, 3 and 4 who will undoubtedly author many more chapters to their business narratives and will proudly tell entrepreneur stories to their grandchildren.

Nevertheless, we acknowledge the inherent weakness of this research in that one would expect the three entrepreneurs, by dint of their entrepreneurial nature to possess higher levels of awareness of their business surroundings and thus an awareness of potential crises. However, it is not as simplistic as that because although the three individuals had a higher level of crisis awareness none had a crisis plan *per se*. Thus expectations can be misleading. There is clearly a need for further research which compares entrepreneurs with an awareness of crisis with (failed?)

entrepreneurs who have none. Nor do we discount the view that it is possible that entrepreneurs are less likely to engage in crisis planning due to their forward-directed or future orientated and optimistic approach to business where the focus is on opportunities rather than threats?

CONCLUSIONS AND IMPLICATIONS

This paper extends the concept of risk-taking into that of crisis management and considers issues such as culture and community, positing the issue of bucolic management style. Hence, future research could explore the correlation between bucolic business owners and management styles. Indeed, Spillan and Crandall (2001) blamed - culture, socio-economic conditions and the business environment for the lack of crisis management plans. Although confined to one area in rural Scotland the study may be applicable to other areas and cultures across the globe.

Perhaps the bucolic culture of respondents 2, 5 and 6 shape their management decisions. Is it relevant that respondents 5 and 6 were female? Do they face a 'double jeopardy' from gender and cultural by operating in a bucolic environment where they lack a robust mentoring network as suggested by Warren (2006) who argues that women in micro-enterprises may benefit from mentoring strategies that reflect evolving learning needs to enable women to become more proactive in managing their learning networks. O'Dwyer and Ryan (2000) argue that Management development has traditionally been perceived as being the domain of large rather than micro-enterprises, with developmental issues normally being addressed by means of educational interventions but stress that the challenges differ significantly from those of larger organisations. They point to a lack of training and argue for a new approach towards the design of management development programmes for micro-entrepreneurs.

As none of the business owners had crisis management plans, educating them about crisis management could develop their understanding of the positive aspects of crises. Raising awareness of crisis management may encourage them to be proactive and entrepreneurial in implementing positive crisis management plans. It is significant that none of the respondents were fully cognisant with the practice of crisis management and considered it (1) to be only practiced by large businesses and (2) was not applicable to them. This was most apparent when

they were asked '*do you have a crisis management plan*'. It was not possible to convey in writing, the accompanying paralinguistics as they replied '*no*' in amazement to the question asked. Obviously crisis management can be applied without a written plan as a cognitive '*Script*' or culturally mediated and industry specific narrative of how to survive in a given context. However, we acknowledge that there is likely to be an issue in terms of getting access to and a commitment from the less entrepreneurial business owners.

Barton (1993, in Spillan and Crandall, 2001) suggested that small organisations believed they lack the resource for crisis management. Raley and Moxey (2000: V) when talking about micro businesses added, '*limited time for management activities and a lack of capital are also likely to constrain business potential*'. Hence it can be argued that micro businesses do not have the time or resources to implement a crisis management plan, although that need not exclude them from thinking about crisis management. By encouraging and educating micro-business owners to expand on that thinking and proactively manage their businesses we would be going a long way towards the creation of culture of micro business owners who think about crisis management. Proactive crisis management may result. Although every crisis may contain the seeds of success and the roots of failure it may take an entrepreneurial attitude to exploit it!

FOOTNOTES

[1] Although bucolic lifestyle is important it does not account for all the differences because even respondents 1 and 3 display elements of a bucolic lifestyle affecting their personality and management styles. Nor does it explain the differences between rural micro-business owners and urban ones many of whom appear to display laid back attitudes.

[2] A Scots word denoting that although one is slow and deliberate one is calculating and shrewd.

[3] The others were distanced from the interview and their answers were more random perhaps because they were not used to thinking strategically, unlike entrepreneurs running similar sized micro-businesses. The Bucolic managers simply waited for customers to approach them whereas the entrepreneurs had to actively seek customers. This may be an artefact of the types of business they operated than personal characteristics.

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| FIGURE i – BIOGRAPHICAL DATA ON RESPONDENTS | |
|--|---|
| Farmer (male) | Owens and manages a farm directly opposite RAF Edzell. His primary business concerns are intensive livestock but he rents housing. He had been affected by foot and mouth, BSE and by the closure of RAF Edzell. |
| Grocer (male) | Supplies shooting estates with groceries and was the closest grocer to RAF Edzell. He has owned and managed a bakery / grocers for 20 years employing five part-time members of staff but omitted to mention his wife worked there full-time. |
| Manufacturer (male) | Recently employed a GSK worker. He started in business 20 years ago when his father owned and ran the business. He has managed it himself for 15 years and currently employs a staff of 9 including himself and his wife. |
| Car Sales (male) | He owns and manages the car sales and van hire business and has done so for 13 years. Car sales accounted for 60% of the turnover. He has no employees, although he had 2 until August 2005 and 1 until November 2005. He blames a predicted UK recession. |
| Shopkeeper (female) | Her shop was directly opposite a Council Estate demolished 2 years ago. She has managed this general store (formally owned by her parents) for 21 years. She added a Post Office outlet 2 years ago and employs 6 part-time staff over and above herself and husband. |
| B&B Owner (female) | Has run B&B's for many years and some of her cliental were from Edzell / GSK. Her establishment has 3 letting rooms. Previously she ran a B&B for 20 Guests and sold it as a going concern. |

STORYBOX 1 – AN ENTREPRENEURIAL FARMER

Respondent 1 looks like a stereotypical farmer, but is not. He took control of the farm business from his father in 1989. At this time, it consisted of a farm with dairy cattle, intensive livestock farming, namely cattle, weaning pigs, and a milk bottling plant. This plant serviced various farms in the area supplying packaged milk distributed under a brand name owned by his father, servicing retail and home deliveries. At its peak, the distribution company owned 24 vehicles and various distribution yards in neighbouring towns. There was also a quarry on a long-term lease on the farm. He inherited a portfolio of approximately 10 houses which he rented out to American servicemen from RAF Edzell. He owns numerous commercial buildings in neighbouring towns inherited from a previous business his father owned and closed. Respondent 1 has now sold the majority of houses/flats and is involved in the refurbishment of an Old Mill to let. He sold off the milk bottling plant and distribution business but retained some buildings to rent out to local businesses. Respondent 1 has had stables built at this location. In 1999, he diversified into rearing chickens and this part of the business continues to grow. Not content with this entrepreneurial diversification he has bought two additional farms, one specifically for pigs. Respondent 1 has also purchased various parcels of ad-hoc agricultural land as and when it becomes available. Some of the commercial land belonging to the farm has been zoned for housing development. The face of the whole business has changed since respondent 1 took control - it is certainly diversified and less labour intensive, but nonetheless, his commitment is still 100%. As a Farmer-Entrepreneur he sets and implements short and long term strategies as well as getting involved in the every day running of the business. He is still a very active farmer and still monitors the cattle 24/7 at calving time and covers for absent staff. He is a very astute entrepreneur and is reaping the rewards of success, as evidenced by his recent purchase of an Austin Martin DB7 and his annual month long holidays abroad.

STORYBOX 2 – AN ENTREPRENEURIAL MANUFACTURER

Respondent 3 started working in the family business twenty years ago and took control fifteen years ago. The site upon which the business is situated is difficult to access by vehicle, being situated in a narrow lane passable only to an average sized car. To exacerbate matters it is a one-way street. The business has little hope of surviving from passing trade amounting to nothing more than a few pedestrians and cars per day. The property comprises of a very old rudimentary sandstone building with rustic charm. Respondent 3 has moved with the times and states on the companies website '*a traditional family run company adapted to today's market... throughout the last century the company has grown and diversified to meet the demands of an ever changing industry*'. Once inside, it is evident that one is in a busy thriving small factory, albeit, one with little possibility of modernisation. Nonetheless, the office area was refurbished in late 2006. The success of the business rests not upon fancy all singing and dancing premises, but in the innovation of the product range and modern production techniques. This has been helped by the fact that he updated the manufacturing machines and listening to the needs of the customers. He is market / customer orientated and never turns down a job until he has exhausted all variables. As a result he constantly works extremely hard with the customer to understand how the products are used, so as to better understand customer needs and therefore, manufacturing requirements.

Although Respondent 3 expected a severe local economic downturn when GSK announced the closure of their Montrose factory, he never lost faith in his own company. Admittedly his market does not rely on the local trade. He has expanded taking on a couple of skilled employees who had opted for redundancy from GSK. Over the last decade, he has proactively sought business advice and gained knowledge through the Business Gateway, i.e. learning about marketing, and building his own website, then progressing to selling via the website. When he recruits a new employee, he accurately assesses the requirements of the business and matches them to the potential employee. This is problematic when operating in a niche market making it unlikely that he will be able to recruit someone with identical experience. Therefore, he matches the new employee's skills to ensure that they can contribute to his expansion plans. This plan appears to be working very well resulting in the development of product portfolio. He also reaps the benefits of the business - he is a keen golfer, owns a share of a speedboat, has a company Mercedes car and has recently built a new open plan house which

stands proudly on a hillside with a magnificent view. Controversially his wife believes that this benefit could have come much earlier as her husband's canniness prevented it happening earlier.

STORY BOX 3 – AN ENTREPRENEURIAL CAR SALESMAN

Respondent 4's father started the car sales and servicing business in 1966 and respondent 4 was raised in the family business developing a close bond with his father. As a result, he gives the impression that he aspires to be '*his fathers son*'. His father subsequently added car and van hire, then the first 24hr taxi service in the area which operated from same premises. Within a few years of respondent 4 joining the business, his father relocated the business to smaller premises facing an A class road. This increased passing trade. The original premises were on a council housing estate. His father (a shrewd entrepreneur) turned the old premises into a private housing development. This led to his father expanding into the property market as a house developer, which takes up the majority of his time.

This entrepreneurial diversification led to an opportunity for respondent 4 to take control of the business. As Taxi's were in abundance in the town they closed the taxi operations. To further rationalise they relocated to more prominent, smaller premises. When his father left the business, respondent 4 became manager. In keeping with the recession in the car trade he actively markets his business. As a result of foot and mouth and other crises he distributed guidance relating to the countryside protocol during that time. When respondent 4 suffered the crises in 2004, he sought out new premises and eventually relocated. This was a very stressful time and it is assumed that many people would have given up at this time. However, he determined not to loose his lively hood and believed in the business brand that had been built up over the years. Once again, he took the financial risk of relocating and downsizing. His new purpose built premises are located in a street backing onto the same 'A' class road as his previous premises. There is another car sales facility on the same street producing healthy competition. Respondent 4 does not rely solely on car sales as 60% of his turnover is derived from car and van hire. Also, the cars in the other outlet generally fall in to a more prestigious category. It can be argued that his business complements the other car outlet. Hence the decision to relocate to these premises may in fact be a very clever business decision. Respondent 4 despite being raised in the shadow of his father's successes is very much his own entrepreneur, taking great pride in providing for his family. He like his father before him is involved in motor sport. He uses his business connections very well, buying cars to turn them into track cars, proving them, and selling them on for a profit as an entrepreneurial sideline.