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**THE PROTEAN ENTREPRENEUR: THE ENTREPRENEURIAL
PROCESS AS FITTING SELF AND CIRCUMSTANCE**

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This paper is an ethnographic study of rural entrepreneurship. It explores the relationship between small business and the rural environment and is intended to contribute to the development of entrepreneurial theory. The major findings are that the entrepreneurial process is the creation and extraction of value from the environment, but that the background of the entrepreneur configures the idiosyncratic entrepreneurial process. The key to understanding this is argued to be the entrepreneur's perception of value, so that entrepreneurship is argued to be protean in that it takes its shape from the dynamics of the individual fitting themselves into their perception of the socio-economic context. Thus the entrepreneurs' approach to business can be understood in terms of their values and in this study, the entrepreneurial business is shaped and formed from these same values.

INTRODUCTION

This paper is a study of the entrepreneur in the rural context. Its purpose is to explore the relationship between the entrepreneur as an individual and the rural environment and in doing so to try to improve our conceptual understanding of the entrepreneurial process. The paper begins by reviewing current concepts of the entrepreneur and highlights the difficulty in defining or even in delimiting entrepreneurship. This is argued to be a result from the uniqueness of each entrepreneurial event and the idiosyncratic nature of entrepreneurship operating in conjunction with the variety of contexts within which entrepreneurship is created. The paper then attempts to synthesise these variable elements of entrepreneurship as a socio-economic process, where different elements combine to create an entrepreneurial event. This

model forms the basis, the conceptual pre-understanding, for the exploratory field work which attempts to ground the model in the real experiences of the rural entrepreneur. It is not a test, *per se*, of the model, but an attempt to enrich understanding by using established knowledge as a foundation to ethnographically explore the lived entrepreneurial experiences in a particular rural context.

The paper explains the qualitative methodology employed then turns to analyse the emerging themes of the data into an unfolding preconception of the entrepreneurial process. The initial round of interviews revealed an interesting dichotomy of local and cosmopolitan entrepreneurs, based upon previous experiences. This dichotomy is developed into a comparative frame to deepen the investigation. The findings indicate that the different backgrounds of the entrepreneurs shaped their perception of what was a business opportunity. At a conceptual level it was found that this background could be operationalised as the perception of value. Values were found to shape perception, but an interesting outcome of this value perception was that the different businesses capitalised upon these different values. Hence rural entrepreneurship was argued to be the creation and extraction of value from the environment. However value creation was not limited to the business process, but ran deeper and richer because the value extracted by the entrepreneurs was not just commercial value. It included self-value, whereby the enhancement of the self was created by the entrepreneurs fitting themselves, their skills, attributes, aspirations and perceptions, into the value extraction form of their businesses. The rural businesses were, it seemed, an enactment of self and the rural circumstance. Entrepreneurship was seen to be protean, taking its shape from the fitting of the entrepreneur into the circumstances.

LITERATURE REVIEW

A paradox arises in trying to define entrepreneurship. We can describe entrepreneurship in context; we can provide examples; we know whether and when even the mom and pop store is entrepreneurial; we know much about the elements involved, but so far, it has proved impossible to universally specify with precision and unanimity what precisely determines the concept of entrepreneurship. In Mark Casson's terms (1982) we can provide an "indicative" definition, one whereby the entrepreneurial content can be recognised. Nonetheless it has proved difficult to define out of context. We cannot, again in Casson's terminology, provide a functional definition which will embrace all aspects of entrepreneurship. Hoy and Verser (1994) point

out that definition in the behavioural sciences is always problematic. This is because of the complexity, diversity and evolution of human behaviour. As a concept, Bygrave and Hofer (1991) argue that entrepreneurship lacks a substantial theoretical foundation; Bygrave (1989: 13) puts it thus, “Entrepreneurship has no great theories”, whilst Filion (1998) suggests that entrepreneurship is still a developing paradigm. Certainly our understanding of entrepreneurship is fragmentary, often narrowly focused and discipline bound. Bartlett (1988) claims entrepreneurship is an intellectual onion; if you keep peeling off the layers you are left with nothing and come away in tears.

Conventionally we try to understand entrepreneurship by examining it within the focus of specific disciplines. Reynolds (1992) claimed that no one discipline can provide an adequate explanation of all aspects of entrepreneurship whilst Curran (1986) noted that breaking down the barriers between the human sciences is notoriously difficult. Amit *et al* (1993) conclude that a complete and robust theory is too ambitious given the interdisciplinary nature of entrepreneurship. Nevertheless, the problem is that this reductionism, looking at micro aspects of the phenomenon, does little to fill out the big picture. Bygrave (1989) noted that we cannot analyse the holistic process by reducing it to its individual parts. Schumpeter (1934: 3) suggested, “The social process is really only one indivisible whole. Out of its great stream the classifying hand of the investigator artificially extracts facts”. Conceptually (Low and Macmillan 1988, Morris *et al*, 1994) we can also see how fragmentation jars with Hofer and Bygrave’s (1992) point that the entrepreneurial process involves a change of state and discontinuity, and is holistic and dynamic. It is unique, involves numerous antecedent variables, and generates outcomes which are extremely sensitive to those variables. The sensitivity and uniqueness represent much of the definitional problem, but as Bouchikhi (1993) commented this uniqueness is a logical consequence of outcome unpredictability, itself a central part of entrepreneurship.

Despite these issues progress has been made in understanding entrepreneurship. By categorising the frames of enquiry, we may see how advances have been made, nonetheless we can also see how this may limit a holistic understanding. The earliest unit of analysis of entrepreneurship was, of course, the individual entrepreneur, the search for characteristics to “explain” entrepreneurial behaviour. However as Kets de Vries (1985) pointed out entrepreneurs are not a homogenous group and as Gartner (1988) noted, there are more differences between entrepreneurs than between entrepreneurs and non-entrepreneurs. Chell (1985) and Chell *et al* (1991) argued convincingly that the pursuit of the “entrepreneurial ghost” was a lost cause. Even if we can describe key characteristics, and this itself is a moot point,

we cannot demonstrate the causal links between the possession of characteristics and new venture creation. Nonetheless as Carland, Hoy and Carland (1988) note, the entrepreneur remains indistinguishable from the new venture and consequently must remain in centre stage of any entrepreneurial theory.

One alternative proposal is that we develop typologies of the entrepreneurs (Vesper, 1980; Goffee and Scase, 1985; Scase and Goffee, 1982; Hebert and Link, 1988; Fillion, 1998). However typologies are but clusters of descriptive characteristics, Victorian scientists used taxonomies to describe groups of things, to classify, categorise and sort. This was early science, descriptive science, which still requires theory to explain the relationships and to build the connections so that understanding is developed. So typologies generally remain largely descriptive and the problem persists of a descriptive rather than an analytical category, that is one which we might use for a more complete understanding of the entrepreneurial phenomenon. (One notable exception is Dana (1995) who uses analytical typologies based on theoretical models of entrepreneurial action)

Covin and Slevin (1991) take a wider approach and refer to an entrepreneurial posture, a description of entrepreneurial behaviour, thus shifting the focus to a more functional and wider explanation. However Zahra (1993) seeks clarification of the nature of this orientation. He too insists that by looking at any one dimension scholars only capture a “slice” of a firms’ entrepreneurial activities, detracting from the wholeness of entrepreneurship. Bygrave (1994) expands the picture; he fits the individual into a wider context, so that the entrepreneur is an individual who has the ability and desire to pursue opportunities and create an organisation to pursue that opportunity. For Gartner (1988: 26) entrepreneurship is the creation of new organisations, but he specifies that he is not offering a definition. Instead he insists that what we should be studying is the process by which new organisations are created. However, Lumpkin and Dess (1996), in agreement with Stevenson and Jarillo’s (1990) broader definition, propose that entrepreneurship may be the pursuit of opportunities, without necessarily forming new organisations.

To try to capture the “completeness” of the entrepreneurial holism some have moved away from considering aspects of entrepreneurship. Thus Gartner (1990) talks of entrepreneurial themes; individuals, with unique personality characteristics and abilities; innovation, doing something new. He relates these to entrepreneurial outcomes; organisation creation with the associated behaviours; profit, and non-profit; growth, uniqueness but owner managed. Morris *et al* (1994) agree with Gartner’s view but add “perspectives” which focus on creation. The creation of wealth; creation of enter-

prise; creation of innovation, creation of change; creation of employment; creation of value; and finally the creation of growth. Taken together we can see how these descriptions capture the functional and the descriptive, they combine action with entrepreneurial qualities. Interestingly Morris *et al* (1994) offer a definition, "Entrepreneurship is a process activity. It generally involves the following inputs: an opportunity; one or more proactive individuals; an organisational context; risk innovation and resources. It can produce the following outcomes: a new venture or enterprise; value; new products or processes; profit or personal benefit; and growth."

The notion of entrepreneurship as process has gained credence, indeed Morris *et al* (1994) argue that conceptualising entrepreneurship as a process has significantly advanced the field. Stevenson, Roberts and Grousebeck (1989), Stewart (1991) also conceptualise entrepreneurship as process. It allows the role of the individual to be seen as action, over time, towards some entrepreneurial end. It permits us to conceptually capture the duality of environmental structure and entrepreneurial agency.

Process thinking combines the endogenous entrepreneurial variables with exogenous factors. This is useful because as Bouchikhi (1993) concludes, endogenous explanations (those which centre upon the individual) tend to exaggerate the entrepreneur's role. Exogenous explanations, on the other hand, (those which focus upon the external) tend to exaggerate environmental determinism at the expense of the voluntaristic nature of human agency. Gartner (1985) argued that the entrepreneurial process is the interaction between the environment, the individual, the organisation and entrepreneurial behaviour. Thus he concludes (1988) that focusing on the process recognises that entrepreneurship is a multidimensional process. Similarly Greenberger and Sexton's (1988) model of new venture creation is an interactive process in which personal characteristics interact with the interpretation of salient events in the environment. Learned (1992) and Herron and Sapienza (1992) also model this interaction of variables leading to the new venture. The idea of an entrepreneurial process is especially valuable because it also captures the essence of creative change and change is a quintessential property of entrepreneurship.

Gartner *et al* (1992) propose that entrepreneurship is a process of "emergence". Furthermore the functional aspect of change is probably best understood within the context of creating, or perhaps modifying, an organisation with change as purpose. The idea of involvement with change usefully places the entrepreneurial actor back in the centre stage. Again this is helpful because entrepreneurship is primarily action. This is Schumpeter's "Creative Destructor" (1934), it is also Van de Ven and Pool's "purposeful enactment"

(1995); it is Frankenberg's (1969) "magnificent dynamics", so that as Hebert and Link (1988) summarise, change is the province of the entrepreneur. However the relationship with change is, however, more problematic. Schumpeter's change (1934) is an entrepreneurial function, the change which an entrepreneur produces but exogenous change is, perhaps crucially, the "circumstance" which provides the entrepreneurial opportunity. Thus we have the Kirznerian (1973) entrepreneur being alert to these exogenous changes. Morris *et al* (1994) conclude that change is a catalyst for entrepreneurial activity. They argue that stable environments offer few entrepreneurial opportunities. Certainly environmental turbulence has been demonstrated as a significant factor in product and technological innovation (Wright, 1947; Myers and Marguis, 1969). Moreover, as Arzeni (1997) notes even the manifestation of entrepreneurship changes continuously. So clearly change is the entrepreneurial milieu, either as an opportunity, or as an outcome of entrepreneurial action.

To develop this further Bygraves (1989) has properly emphasised that entrepreneurship is a process of becoming rather than a state of being. Not only does this signify a processual approach to understanding entrepreneurship but it allows us to see the potential of conceptualising the interactions between the elements identified earlier. Hence, for example, an entrepreneur may recognise an opportunity on the basis of a simultaneous cognition of their own ability and competence to start this new business in conjunction with a very personal interpretation of the business environment.

This review has highlighted two "defining" features of entrepreneurship, the individual entrepreneur and change within a process of creation. In addition we may also detect further dimensions or perhaps even configuring facets of the process. First that the context seems to be important, since entrepreneurship is drawn from the environment and secondly that the entrepreneur's perception of that environment may well condition their entrepreneurial actions.

Given that the entrepreneurial process is contextual, is drawn from and formed within the environment, we can see that entrepreneurs and entrepreneurship are embedded in their society, (Reynolds, 1992; Katz, 1993). Swedeberg (1991) argues that Schumpeter's notion of *Socialokonomik* was the recognition of the social embeddedness of enterprise. The components of the entrepreneurial process are not separate or distinct from society but are part of the society. In turn the entrepreneurial outcome also becomes part of the society. Therefore, social structure and entrepreneurial agency are in a dynamic relationship. Treating entrepreneurial process as a distinct "black box" limited to commercial actions may lead us to the economist's exclu-

sionary tactic, *ceteris paribus*. By declaring “all else being equal” we may miss out the factors which critically influence, shape and form the event. Clearly social factors as well as economic factors shape the entrepreneurial process, as Gunder (1969) and Gasse (1982) point out we also need to identify the social structures which determine individual choice.

However we cannot deal with these factors as an absolute or as “given”. It is how they are perceived which affects entrepreneurial action. For example, Starr and Fondas note (1992) the organisational socialisation perspective. This perspective takes into account that responses to socialization pressures are subject to individual interpretation. Moreover even judgement about such things as market prospects are essentially subjective, (Casson, 1996). He suggests that optimists will read symptoms differently from pessimists. A similar point is made by Greenberger and Sexton (1988); the entrepreneurs’ vision, their understanding or interpretation of the kind of business they intend to create, serves as a guide for their own actions. It seems unlikely then that “all else will be equal” is a viable interpretation of the entrepreneurial process; each individual’s perceptions may in fact create uniqueness.

Hence the subjectivist interpretations by the entrepreneur seem important elements of the entrepreneurial process. For example, Hornsby *et al* (1993) define new venture creation as, “the organizing of new organisations”, but they also note Weik’s definition that to organise, “is to assemble ongoing interdependent actions into sensible sequences that generate sensible outcomes”. But this raises the question of what do we mean by “sensible” - in what way and sensible for whom? Entrepreneurial action is often not sensible, it may for example, be risky, but how the entrepreneur sees this risk, their perception of the opportunity must be fundamental to the process. Huuskonen (1993) makes the important point that behaviour is influenced by their perception and interpretation of a situation. Johannison (1988) goes to far as to propose that the entrepreneurial organisation is basically an extension of personality. Yet the paradox which Johannison and Senneth, (1993) see is that entrepreneurship is dependent but also independent; entrepreneurship is both an organising process and a set of personal attributes; both evolution and revolution. This notion of subjectivity and of interpretation must be fitted into the model of entrepreneurial process. Johannison (1988: 83) puts this well, “being existentially motivated the entrepreneur operates his venture(s) as a complete human being, i.e. his cognitive and emotional resources combine with his will power to initiate action”. This helps to explain why each individual entrepreneurial event is idiosyncratic, the variables in the process we have described above combine in a unique way.

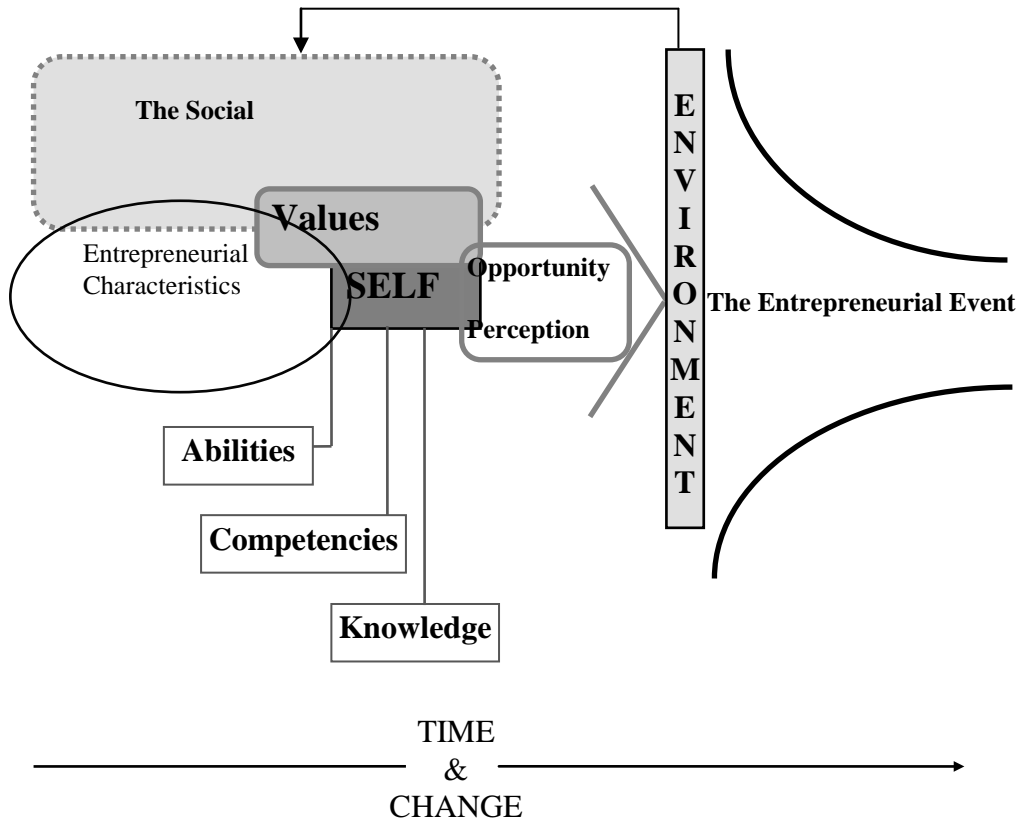
More generally we can also recognise that the “self”; the entrepreneur; the actor and creator of the entrepreneurial event is herself a product of their social environment, with cultural shaping combining with the harder aspects of her skills, abilities and knowledge (Johannison, 1987; Weiss, 1988). Hence each individual is different, but nonetheless, we can also see that the softer aspects can be characterised as the individuals’ “values”. Seen in this way we can generalise that any individuals’ perception is premised upon prior experience; but more interestingly we can also reduce the outcome of these experiences such as socialisation, enculturation and specific experience as the individual’s values. “Values”, or at least “value recognition” (Chell, 1997) may be the crystallisation of these components.

This is because the outcome of general social and cultural process upon the individual is the production of a set of values; those things which they see as important or not; those actions which are appropriate and those which are not. Values, in this sense, are the crystallisation of the intangible antecedents to enterprise. It therefore is these values which shape entrepreneurial action. They guide and form the way that an entrepreneur sees the environment, they mould opportunity perception. From a conceptual perspective the use of values allows a theoretical parsimony, values become a surrogate for a range of antecedent variables.

Figure 1 is an attempt to synthesise the elements and facets of entrepreneurship. It depicts a process which combines the elements described thus far in the overview of the literature. The key points appear to be that the entrepreneurial event is the crystallisation of the entrepreneurial process. The antecedents are the combining of the individual and the environment, operationalised through opportunity recognition. This opportunity recognition is conditioned the entrepreneur, the self in the figure, who is themselves a product of a number and variety of preceding variables. The figure suggests how the values held by the entrepreneur may represent the conjunction or combination of the softer personal variables. (This point is similar to Schumpeter’s notion of recombinations. However rather than dealing with recombinations of the factors of production, it is suggested that entrepreneurial process is a new combination of personal and environmental factors) For example, McClellands (1961) n-achieve is not only a personal characteristic or trait, as McClelland argued it is also a social factor since some societies are more entrepreneurial than others. Yet, as Gasse (1982) points out it does identify how social structures determine individual choice. Consequently whilst it may function as a favourable disposition towards enterprise it must operate as an attitude which is seen to have personal benefit or value. Hence

n-achieve is *both* social and personal but operates by some sort of value appreciation.

Figure 1. A General Model of the Entrepreneurial Process.



Towards a Theory of Entrepreneurship

So we are almost back to where we started, the entrepreneur's actions as idiosyncratic explanation of enterprise. However some headway has been made in understanding the complexity, the review has picked out threads, which can be woven into a fabric of meaning. First, the functional aspect-that entrepreneurship is a creative process, over time, involving change towards some envisaged end. Secondly, the indicative aspect- that the process is itself a product of a number of inter-related variables. How these variables interact appears to centre upon the entrepreneurs' subjective interpretation of their circumstances. Nonetheless the entrepreneurs' values appear to be a way of operationalizing the antecedent variables of social embeddedness, the traits,

or predispositions, associated with entrepreneurship and the competence and ability to act. Therefore, a viable theory of entrepreneurship must combine the aspects of endogenous variables and the exogenous of the environment. Value perception appears to be a useful tool to examine this dynamic relationship.

To summarise, entrepreneurship can be conceptualised as a socio-economic process of creation formed within the amalgam of “hard” business skills (such as competency, ability and knowledge) and “soft” personal characteristics (such as independence and internal locus of control). These antecedents to enterprise can be crystallised as a set of personal; values which shape the approach to recognising opportunity in the environment and which produce the entrepreneurial event.

The issues raised in this review provide the focus of the fieldwork. If we accept that entrepreneurship seems to be about how individuals combine their abilities and their ideas into a structured business role that we call the new venture, it follows that this is the entrepreneurial process. Thus if we can understand how this process works we will advance our theoretical understanding of entrepreneurship. Looking only at the entrepreneurial event, the creation of the new venture, is too limited. New venture creation seems to operate in a relatively short time frame whilst the entrepreneurial process works over a much longer time frame. Accordingly the questions raised centre around the entrepreneurial process over time and context, since context shapes and conditions subjective interpretations. Context is both the milieu and the material from which entrepreneurship is formed. These issues can be framed within the classic ethnographic question of, “what is going on here.” In detail the research question addresses issues about rural entrepreneurship:

1. What is it these entrepreneurs are doing?
2. Does their background affect their action?
3. Do values matter?
4. How can we explain and understand it?

This study therefore endeavours to investigate the actions of the entrepreneur in one context, rurality. Consequently this study is an examination of the interrelationships of the rural environment and entrepreneurs. Its purpose is to try to establish the nature of these relationships.

THE CONTEXT FOR THIS RESEARCH - THE RURAL

To discuss process implies change over time and entrepreneurship is about change. Entrepreneurial action appears to harness change and fit it into an economic relationship. Yet economic explanation is only a limited abstraction, it is a tightly bounded cross section of aspects of change. Therefore to reach a fuller understanding of entrepreneurship we need to observe and analyse the wider context of the enterprising individual within a changing society. The rural environment provides a lucid example of changing context and consequently the opportunity to chart the connections to rural enterprise. Contemporary British rural change is both economic and social and hence provides an interesting context for studying entrepreneurship. Rurality, the bundle of concepts and ideologies which make up the popular conception of the countryside has gained increasing prominence within post-modern society. What Marcuse describes as the post-necessity society has opened possibilities of pursuing attractive Arcadian life styles within the countryside. Yet within these changes there is paradox (Anderson, 1999). The traditional countryside is often seen as a context of limited economic opportunity, the rural idyll is not industrial. Hence the very attractions of the countryside create a lean environment which may be hostile, and inhibit enterprise. Rural enterprise in these conditions may therefore be a particularly fruitful context for study. So rurality is viewed not just a passive background to enterprise, but is an active component, an explanatory variable in the entrepreneurial process. As Burrows (1991: 21) explains, “entrepreneurship is thus clearly a function of individual, situational and social variables.” The rural context provides both the situational and the social variables.

METHODOLOGICAL APPROACH

The subject of this study raises interesting methodological issues. Values are intangible, and are difficult to count or measure, however we can judge at second hand their impact. This is because human action is so different from natural phenomena and because it is not “given” to the investigator. Value A in circumstances B may, but only may, produce result C. In order to deal with this we need to “understand” how circumstance B is understood or interpreted by the respondent. If actor A has a different perception of the con-

text, or a different value system from actor Z, different consequences could be anticipated. To understand the process we need to understand the actors' values and their motivations. As Stanworth and Curran (1986: 82) note, "The assumption that natural and social phenomena belong to the same category of entities for purposes of theorising and explanation is fundamentally flawed". Fortunately there is a well developed approach, *verstehen*, to deal with this problem. *Verstehen*, or interpretative understanding, is based on Germanic hostility to the positivism of theorist such as Comte and Mill. It rejects the idea that our methodology should be the same as the physical sciences. It argues that the subject matter of social science, people, is too different. People do not follow "rules" naturally, so that we need to understand the process of action in context. Understanding, as Outhwaite (1986) points out, is complex. He proposes that the difficulty lies in linking what people are doing with the judgement about the real important of what they say they are doing, and why they are doing it.

Verstehen can only be achieved by qualitative data gathering and analytical techniques. It needs dirty hands; you have to get close to the respondent to develop a picture of their meanings and values. Consequently the data collection techniques of unstructured interviews and participant observation are time consuming and demanding. Nonetheless qualitative techniques, a non mathematical process of interpretation, are carried out for the purpose of discovering concepts and relationships and their organisation into a theoretical explanation scheme (Strauss and Corbin, 1998). Rigorously applied, they do this well. Significantly they involve the researcher. Hence one disadvantage is the subjectivity, indeed the potential for double subjectivity, that of the respondent and that of the researcher as data collection instrument, which can influence both the collection and analysis of data. Notwithstanding this caveat, qualitative collection techniques provide detail, depth and range of data which cannot be otherwise achieved. Qualitative methodology, Greenfield and Strickon propose (1986: 14), has superior qualities when dealing with entrepreneurship since it can, "recognise existing diversity of behaviour within specific populations".

The appropriate methodology appears to be an interpretative approach. Rosen (1991: 5) argues a case for ethnographic research techniques claiming, (following Berger and Luckmann, 1967 and Geertz, 1973), "The interpretative social constructionist approach presupposes that members of any social system... enact their particular worlds through social interaction. Reality is a social product, which cannot be understood apart from the intersubjectivist meanings of the social actors involved". Bengt Johannisson (1992)

takes a similar approach, he proposes that the nature of entrepreneurial research demands a subjectivist interpretation.

Johannisson (1992) claims that the subjectivist approach is inductive, its aim is to make the world intelligible. This can only be achieved by the personal involvement of the researcher. Accordingly he insists the only appropriate methodology for entrepreneurship research is subjectivist because entrepreneurs are true creators, in spite of taken-for-granted structures apparently impeding business. Thus such research should look first at reality using qualitative methodology through case study, in-depth interviews and participant observation. Accordingly there seems little room for doubt that such methods are the most appropriate for this study. Paraphrasing Cooke (1983: 25), "it offers the best epistemological basis for the present study, which is itself concerned to ground theory in material content and to synthesise conjectural processes with deeper structures than those immediately accessible to empirical observation". Or Rosen (1991: 8) "Social process is not captured by hypothetical deductions, co-variances and degrees of freedom. Instead understanding social process involves getting inside the world of those generating it."

METHODOLOGY

The study area was the Highlands of Scotland, which matched the requirements of a rural area undergoing structural change. A number of qualitative techniques were used to gather the primary data, including participant observation and unstructured interviews. The participant observation was conducted by the researcher in his role as a rural entrepreneur in the study area. This role allowed a closeness to the area and the opportunity to observe, record and triangulate the emerging data from the interviews. The unstructured interviews were designed to develop "mini-ethnographies" of the respondents; their background, their experiences and their stories. Some respondents were interviewed twice and others several times. The interviews varied in duration from a couple of hours to many long hours. The direction of interviews was determined by the form of the emerging data. This was the principal reason for repeat interviews, as contradictory elements of themes arose these required to be "tested" or the theme reviewed.

The total sample consisted of 54 rural owner-managers drawn from the universe of small business owners in the West Highlands of Scotland. Several rounds of respondents were purposefully selected as samples of rural entrepreneurs; the first group to provide range and width of entrepreneurial

activities; the second group to refine the emerging theory and final respondents were selected as “extreme” examples to validate theory after theoretical saturation was reached. In defining “entrepreneurs”, a broad categorical approach was adopted which meant that small business owners who created some sort of value were assumed to be entrepreneurs. The data collection was conducted over an eighteen month period. Whilst the sample cannot be claimed to be representative of the universe, the snowballing technique, in conjunction with theoretical sampling, allows some confidence that few “types” of activity were overlooked.

Round 1, 12 respondents selected for diversity in the sample.

Round 2, 38 respondents selected to develop the emerging themes by constant comparative analysis.

Round 3, 4 respondents selected to validate the model.

All the respondents owned their businesses. The businesses were small, none employed more than ten others and most employed less than four. All respondents were based in the study area.

The approach was not that of the extremely “naive” researcher. Whilst this *tabula rasa* attitude may have produced valuable data, the author’s own local role, of local entrepreneur and academic was already established and made this impossible both practically and theoretically. The “informed” approach is justified theoretically by arguing that in this type of work complete objectivity is impossible, (Berger and Luckman, 1967). Subjectivity must intrude at the level of the respondent and of the measuring instrument, the researcher. The potential problem of bias, and challenge to reliability, can be countered by a reflexive account, thus allowing the reader to evaluate reliability in context.

The data were analysed using grounded theorising techniques, (Glaser and Strauss, 1967). The raw data were first written up as cases or ethnographic accounts; these were then analysed to determine categories and general patterns of activities, [the constant comparison method, (Glaser, 1978)]; the patterns were refined using new respondents to establish theoretical saturation. Finally the emerging explanations were tested against “extreme” samples for validity and reliability. Secondary research, preceding and during the field work, was concerned to establish the background rural context and to investigate appropriate theory. This developed pre-understanding, (Strauss, 1987).

Obviously qualitative techniques cannot “prove”, or deduce, cause and effect. Whilst we can link the practices with the background of the respondents, this must be done inductively, and demonstrated by telling a convincing story. It is always possible that alternative explanations might account for the links we postulate. However the techniques of theoretical saturation, that is testing and refining of the categories allows us some confidence that our interpretation is correct. The paper provides some samples from the ethnographic accounts. These are intended to depict the perspectives of the respondents and to show how our theoretical ordering is constructed. They are planned to give “voice” to the respondents and to allow the reader to judge the reliability of the study for themselves.

Analytic induction, using grounded theorising techniques, Glaser and Strauss (1967), revealed that the sample from the first round of interviews could be dichotomised into two readily distinguishable groups, the Locals and the Cosmopolitans, based on different backgrounds. This dichotomy provided the basis for the investigation of the values held by the respondents, it also provided the basis for the comparison of their activities. The constant comparison method, in addition to providing a basis for the analysis, guided the research. It provided the direction of explanatory themes by indicating the next type of respondent to confirm, refute or enhance the emerging theme.

THE FINDINGS

The First Round of Interviews

The purpose of the first round of sampling was to achieve diversity to provide the means of developing a descriptive frame of the respondents. The first pattern to emerge was a descriptive dichotomy within the respondents, so that they could be categorised as the Locals and the Cosmopolitans. The fundamental distinctive characteristic of these groups was that the Locals had always lived locally in a rural area; in contrast, the Cosmopolitans had moved into rurality from a more urban area. Given this division within the data a number of other features of the businesses were found to be associated with these categories. These provided the link to explanatory patterns, in particular the different ways of recognising value, the way of using this value were all clustered around this dichotomy. Table 1 below provides detail of selected respondents from both rounds one and two. This selection was

Alistair R. Anderson

made simply to reduce the amount of data presented, but the sample displayed represents a cross section of the respondents.

Table 1. The Respondents and Their Origins.

| The Entrepreneur | Their Business | Established (years) | Background and Experience | Opportunity Perception | Origin |
|-------------------------|----------------------------|----------------------------|----------------------------------|-------------------------------|----------------------------------|
| Cyril | Photographer | 3 | Variety of jobs | Local scenery | Cosmopolitan |
| Irene | Artist | 14 | Originally an art teacher | Tourists as customers | Cosmopolitan |
| Fred | Plant hire | 12 | Carpenter | Local need for service | Local |
| Gordon | Fishing hotel | Him 15 Father 18 | Always worked for father | Inherited Not known | Local cosmopolitan (returned) |
| Stanley | Civil engineering | Him 9 Father 30 | Worked for father | New demand Not known | Local Local (quarry master) |
| Dick | Motor repairs | 5 | Employed as a mechanic | Personal ambition | Local |
| Naill | Fish farmer | 4 | Developed from hobby business | Business opportunity | Local |
| William | Fish farmer | 7 | Variety of city jobs | Value of local environment | Cosmopolitan |
| Ralph | Excavator hire | 4 | Self employed | Development of own skills | Local |
| Ted | Tent manufacture and sales | 3 | Early retired senior executive | Lifestyle choice | Cosmopolitan |
| Sarah | Home for handicapped | 2 | Social worker | Benefits of rural environment | Cosmopolitan |
| Joe | Craft goods manufacture | 4 | Cabinet maker | Tourist market | Cosmopolitan |
| Don | Puffer cruising | 5 | Teacher | Tourists | Cosmopolitan |
| Wendy | Museum | 2 | Archaeologist | Local place promotion | Cosmopolitan |

The Second Round

The second round was planned to explore the dichotomy of locals and cosmopolitans, to investigate any other patterns of similarities and differences. This provided a preliminary explanatory analysis, that the background, the experiences of the different groups, provided the value frames which were the essences of their businesses. The cosmopolitans saw values in “rural” things, so that working with these aesthetic qualities provided the raison

d'être of their businesses. The core of their businesses was the commodification of the countryside, the extraction of aesthetic value from the cultural aspects of the social construction of rurality. It appears that their background, coming from a different environment, allowed them to "see" things differently. They perceived value in the "rural" and consequent opportunity recognition.

Let us explore some of the comments from the cosmopolitans to justify the explanation. The cosmopolitans were attracted to the aesthetic and physical rural properties. Cyril, the photographer put it simply, "*This is a beautiful place to live out my life*" Joe, who makes crafts goods, said that, "*It was a logical move, I had always enjoyed visiting the countryside, I like the greenness, the open spaces and the freedoms. I could do without the "benefits" of the city easily, so it really was the only intelligent thing to do.*" Irene, who paints for a living, referred to the magnificence of the scenery as stimulation and as material, but also noted the practical benefits of owning a rural gallery. "*Customers have much more time to look at paintings when they are in the countryside, they are also attuned to the scenery. So I think it contributes to my success here and even when I exhibit elsewhere. Anyway its much cheaper, I couldn't maintain a permanent exhibition anywhere in the city.*" From this analysis it can be seen that the "values", established prior to the move to rurality do shape perceptions. Not only were "rural things" seen as inherently valuable, but some of the comments show that the "rural" can be used to advantage. This perception was based, in part, on prior urban experience, so that the "value" of the rural was appreciated.

The locals perceived things quite differently and used a different framework of evaluation. They were concerned about the local market, seeing opportunity in servicing local needs. Consequently their business forms were much more prosaic, dealing with mundane, though essential, material commodities. They seemed more parochial, much more locally focused. I conversationally asked one respondent, whose haulage business involved him in trips to England, how he had got on. Did he get a back load? He replied, "*no way, I don't want to hang around down there. I'm better off back here*". When pressed to explain why he chose to forego the extra revenue it eventually transpired that he really was only comfortable in his home surroundings. Fred is not a simple-minded rustic, he often deals with large firms as a sub-contractor. He has a local reputation for being able to get hold of difficult spare parts, often quicker and cheaper than from specialists, because he has such a comprehensive knowledge of national suppliers. Indeed his familiarity with technical and legal matters concerning road haulage meant that he was the local information point. Yet this seemed to be

inconsistent with his apparent insularity. It seemed that Fred's value orientation was very local.

Gordon seemed to share these attitudes, but he is a more home-spun sort of character. Although he runs the hotel which he inherited from his father, it is a fisherman's hotel, old fashioned and rather dowdy. Gordon knows the local fishing very well, and is able to advise on the best flies to use and the best spots to use depending upon the weather. The hotel's catering is wholesome rather than elaborate and one would feel more at home in the bar wearing waders than designer jeans. Gordon is kept busy about the place and this seems to restrict his interests. When I asked him if he had plans for an exotic holiday in the Bahamas during the off-season he laughed, "*I've got enough to do here to keep me going for the rest of my life, never mind your fancy holidays*". He added thoughtfully, "*Anyway the world keeps going on without me interfering*". Again, this view appears to reiterate the local perspective, suggesting that locals perceive opportunity differently. Gordon obviously sees the local fishing "value", but does not seem to recognise that the hotel might attract a wider range of customers beyond fishing parties.

The local-cosmopolitan difference in attitudes is a matter of broad world view, based upon their previous experiences. Locals see things in "local" terms, whilst the cosmopolitans perceive a wider view. However the differentiating property of non-rural experience provided a frame from which to check for other distinctions related to their businesses. These terms are, of course, borrowed from Gouldner (1957), who used them to describe particular social roles. As Gouldner noted individuals have a variety of roles and we need conceptual tools to facilitate analysis. These terms thus imply an orientation towards a cultural location, rather than a prescribed function. Gouldner, describes his corporate types as follows,

Cosmopolitans: those low on loyalty to the employing organisation, low on commitment to specialised role skills, and likely to use an outer reference group orientation.

Locals: those high on loyalty to the employing organisation, low on commitment to specialised role skills, and likely to use an inner reference group.

If we substitute "local community" for "employing organisation" these characterisations represent a fair description of the orientation of the two groups of rural entrepreneurs. Lash and Urry, 1987: 91 capture the essence of "local", "where social relations are based on the local community rather

than commodity relations". They also usefully note that multiplex relationships are structured into a local and delimited system, both of which gave some further direction to the data collection. We can also see how these orientations can be viewed as "values".

A return to the literature showed that Stanworth and Curran (1973) and Johannisson (1988) had already used the terms in entrepreneurial contexts, ones which fitted generally the qualities emerging and identifiable in the data. This therefore suggested avenues of exploration based upon these different perceptions of the context, the rural environment. The perceptions of the environment seemed to be linked to the ways the entrepreneurs perceived value and appeared to have a strong relationship to their businesses. In essence locals saw "local" opportunity whilst cosmopolitans drew upon a much wider perception of value.

Having established the different orientations, the study turned to explore how the businesses were operated. The differences provided an exploratory tool with which to analyse the emerging data and to develop explanatory themes. The crucial theme appeared to be in the way that that different groups created or extracted value from the environment. Value is, of course, not limited to commercial profit. In the small firms value creation extended backwards, into the entrepreneurs' own ideas of what was important and forwards into creating new exploitable value. "Profit" was achieved from satisfaction, from the delight of doing what one aspires to do. Fred the haulier, for example, achieved satisfaction from being an important local figure, an individual to whom others turned for advice and information. Irene the painter expressed her exhilaration at being able to capture the rural on canvas. These aspects of value creation, though very different, were both intrinsic to the operation of their businesses. So that this personalised form of value creation played an important part in the actions of the rural entrepreneurs. Unsurprisingly the very nature of the entrepreneurial process reflected the accumulation of these different forms of value. In essence the cosmopolitans commodified their environment, they created new forms of business which were based upon their perceptions of rural values. Locals simply used local space as an insulation against competition.

The Different Entrepreneurial Strategies

Abstracting from these differences, two quite different business processes can be traced. It is unlikely that these were conscious intentional strategies by the entrepreneurs, but they are an outcome of the different perceptions of value which result in particular products and particular markets. They add up

to the *raison d'être* of these rural firms and explain how they achieve the most basic business requirement of being able to sell their product at a price which is higher than their costs. These strategies explain how they extract value from their environment. Both groups use rural space to market their products but in remarkably different ways.

Cosmopolitans

Cosmopolitans commodify rurality, they make available for consumption the qualities which were described earlier as the social context of rurality. They do this by building into their production a close association with these tangible and intangible qualities. As we saw in the literature review these notions are often held in great esteem, so that the consumers of these products draw extra values from them. So cosmopolitans produce palpably “rural” products which contain these higher values. In consequence these rurally enhanced products are not in competition with non-rural supplies.

Country house hotels for instance are manifestations of the past. They depend on representing, even recreating, old aristocratic and exclusive images of the privileges of the rural idyll. Graham runs a luxurious hotel which emphasises the quality of its first class seafood, “*all local produce*”. It has a magnificent position commanding outstanding views, which helps to justify its high-priced tariff. These are the unsubtle pageants of rurality which can only be enjoyed in situ. These rural aspects are the competitive advantage which Graham markets, they add value to his product and command a premium. Graham’s behaviour reflects these values, he encourages wealthy customers but treats them as equals. He acts as a sort of gatekeeper to these higher rural values by performing an introductory role. Customers through spending time in his company and his hotel are shown how to appreciate these rural values. In principle the expensive fare is available for all to enjoy, but the reality is that one needs to become part of the cognoscenti to fully appreciate the experience and Graham’s role is to introduce and influence this appreciation. Interestingly in doing so, Graham adds value to his own position.

Although cosmopolitans use the enhanced values of rurality in their products, they do so in different ways and with varying intensity. At the lowest end of the scale of rural associations two brief examples show how this happens. Ted used to be a senior executive with a large international company but took early retirement during company restructuring. He decided that he wanted to be his own boss and to have more control over his life. He now makes tents which he sells by mail order. In fact, he

subcontracts all the manufacturing to English firms, but sells the tents from his highland address. Ted's advertisements suggest that if the tent is fit for Highland weather, it's fit for anything. The point of this is that Ted has captured an essence of rurality which he has turned to add value to his product. Ted uses his rural address as competitive advantage, yet simultaneously has the added value of being able to live comfortably in his chosen pleasant environment.

Sarah, who used to be a social worker before she became disenchanted with bureaucracy, runs a private home for mentally handicapped adults in a large old house in a rather remote village. She accounted for the unusual location, "*we needed to get away from the politics of local government and saw this place for sale, it's perfect, so peaceful and calm. So we thought that if it made us feel so good, it ought to work for others.*" Like Ted she now enjoys living in the rural environment and has also turned a rural quality to commercial advantage.

Higher up this scale of implemented rurality is Wendy, who is opening a museum. Wendy trained abroad as an archaeologist but married a local man. She saw the opportunity to capitalise on the richness of the local archaeology. She becomes excited when she talks about the wealth of the local heritage; she explains its importance but becomes concerned about its exclusivity, "everyone should know about this place, it is their past". Clearly she "values" this heritage and wants to share the value with others. It is planned to display items of local archaeological importance and to "interpret" them because the area is so rich in ancient artefacts which only attract some tourists. Wendy has been actively encouraged by grant awarding bodies, since the project is seen as a very "appropriate" for the rural area. This is because the rural values which are being commodified could appeal to a wide audience. The values reflect not only Wendy's perceptions, but that of the sponsors who anticipate the appreciation of these values by outsiders who will visit the area. Nonetheless we can see how Wendy's perception has shaped the enterprise.

It seems reasonable therefore to argue that these cosmopolitans, in general, do commodify the countryside. The unique rural qualities incorporated in their production add a specific value which differentiates the production. In consequence their products are somewhat removed from general competition, thus the "inefficiencies" of their operations, such as hand crafting, personal service and remoteness, are actually turned to business advantage.

Locals

Where cosmopolitans use the cultural differentiation of rural space, locals use space quite differently. They passively utilise space and the friction of distance to protect their business from competition. This insulation of isolation means that the viability of their businesses depend upon a spatial monopoly. The scarcity of customers in remote rurality severely restricts demand, so that in many instances there is room for only one supplier. Furthermore the cost for outside suppliers to overcome distance reduces competition.

It is significant that almost all the locals cater for a local market. Stanley's contracting business is a good example. Stanley's father had once owned the local quarry but this had been taken over by a large outside company. Stanley did not want to work for anyone else, so he set up a contracting business. He specialises in road re-surfacing so most of his work arises from competitive tenders. He pointed out that every job had to have three prices quoted so he was acutely aware of costs, but he added that he got most of the jobs he tendered for, "*Hardly anyone can beat my prices, I think most of them go over the top with prices, few of the jobs are big enough to justify the hassle of them setting up. Then by the time they add in subsistence costs and travelling they don't have a chance.*" He added that supervision was a also big problem. "*Somehow when a squad arrives here they all want to go on the batter, even if they send a foreman he gets stuck in too, it's as if they are on holiday. Don't you remember the yellow lines?*" This was a classic local tale of a road lining team who had arrived to replace double yellow lines. They had enjoyed a visit to the pub at lunch time and the consequences were hilarious. The lines snaked and wove all along the side of the road and were just the thing for a drunk to follow. It took weeks of work to burn off the offending lines, to the delight of all the locals. Stanley's example showed how being local imparted competitive advantage in the local market.

Dick's small car repair business is another good example of spatial monopoly. He works alone because he considers that it's "*too much bother employing staff for the extra return.*" When he is very busy and customers become impatient, he works late into the night and at week-ends. His is the only garage in the immediate area so he caters conveniently for local needs. "*I think I have a good reputation since most people keep bringing me their cars. My prices are fair too, so its only the ones who buy new cars in the city who don't come here. I even get the ones who fix their own cars because I've got lots of spares, or get them quickly.*" These examples seem to clarify

how space is employed to protect the viability of the businesses. They show how a spatial monopoly is developed and maintained but also show the restrictions of the rural environment.

Table 2. Business Differentiation by Entrepreneurial Origin.

| Designation and Origins of Respondents | Markets & Customers | Strategy | How the Business Operated |
|---|--------------------------------|-------------------------------|----------------------------------|
| Locals | Local markets, local customers | Satisfying local needs | A spatial monopoly |
| Cosmopolitans | Tourists and external markets | Adding value from the “rural” | Commodifying the countryside |

Table 2 summarises the differences in the businesses. In conjunction with Table 1 it shows how the prior values of the entrepreneurs have shaped the businesses as outcomes of the entrepreneurial events.

The Third Round of Interviews - Exceptions

The production of viable theory by constant comparative method demands that exceptions are consciously sought out to refine the theory. There were cases which at first did not seem to comply with the emerging theory. The farmers in the sample did not have a local market, but farmers deal with a totally artificial and uncompetitive market, effectively, because of EC price support they sell to the government. They also have little control over fixing the prices for their products. However a detailed consideration of the cases reveals that, after all they may conform to the emerging model.

Three of the farmers, including fish farmers, had supplementary businesses. The first of these, the only cosmopolitan land farmer is a Dutchman who moved here for quality of life reasons, before it became fashionable some twenty five years ago. He delights in recounting a tale about a merchant banker visiting his farm. This banker from London told him how he hoped to retire early and use his “lump sum” to buy a place like Gerry’s. Gerry recited, *“I told him, isn’t this a little crazy, you work all your life at a job you say you dislike, just so you can spend a few years here. Look at me, I didn’t work for fifty years in your city, I’ve got it all now.”* Despite Gerry’s assertions, his farm income is small. He only nets about £12,000 a year, but still lives well with a very comfortable home. However his children

were about to enter university and as he put it, “*Nice ways of life won’t keep them there.*” His farm is extensive with low inputs and low outputs and he was reluctant to change this comfortable system to earn more income. He became the UK farming correspondent for Dutch newspapers. Although unusual, this is a typically cosmopolitan production and market. Interestingly it also reflects Gerry’s background, not least in the perception of this as a viable additional business.

The other farming respondents were fish farmers, who don’t enjoy much government support. The local, Naill, did sell most of his trout production locally, whilst the cosmopolitan, William sold his fattened salmon stock to a large national consortium. However it is in their supplementary business which is most enlightening. Naill had begun to encounter difficulties with the new EC food processing regulations. He added value to his fish by preparing them for the table, but the hygiene requirements meant that his premises no longer complied with these stringent conditions. To overcome this problem he built new premises to share with other local fish farmers who faced the same predicament. This seems to highlight a “local” solution to a national problem. In contrast William was a pioneer of salmon farming, his early selling efforts were directed towards selling salmon parr, baby fish to grow on, to the national Scottish market. As this market became saturated, he turned his innovations to deep-sea cages for fattening fish. These overcome many of the environmental problems associated with sheltered water cages. So although they were ostensibly in the same trade, their approaches were markedly different. William the cosmopolitan seems much innovative, pro-actively seeking new opportunities, whilst Naill’s activities were much more reactive, a response rather than an initiative.

Given the strength of this theme of local and cosmopolitan orientation an extreme example was sought to test the theme. A local small time cannabis dealer was interviewed and it was found that even he served the local market, eschewing tourists for security reasons, but was well known to the locals!

ANALYSIS

The data showed a distinct patterning of local-cosmopolitan differences around change. Locals were less involved with change, they respond to change and blend and adapt their businesses in response. Mabel for example, merely took over an existing shop. Although she affected changes such as

adding a Post Office and hairdressing to the services offered, these were relatively minor. We can see how all these enterprises were created by the actions of the entrepreneurs to modify an existing situation to one suited to their aspirations and values. What was remarkable about all these entrepreneurial creations was the way in which they were shaped to encompass the entrepreneurs' own unique aspirations and personal talents. Mabel's modest adaptation of the shop business which she took over obviously reflected her hairdressing and bookkeeping skills, but at a broader level it reflected her aspirations for a relaxed, controlled and independent life style. She, like many of the respondents, had seen no tension between the burden of responsibilities in owning and running the business and a "relaxed" lifestyle. The key factor appears to be the independence and control which business ownership offers. As she said, "*Of course I've got a lot to do, but I don't have a boss telling me to do it.*" The significant point about these entrepreneurial creations is the way that they mould an existing situation to one closely suited to the individual.

A remarkable feature of local entrepreneurship was its facility as a process to integrate the individual and his environment. This was illustrated by an unusual respondent who enjoyed the recognisable status of an aristocratic title. Although Ralph is the son of a Viscount, and entitled to be addressed as "The Honourable", he worked as a building site labourer, clearly an example of status discontinuity. Oddly enough he didn't mind working on building sites, and was never subjected to ragging. "*I suppose everybody knows about my background, but nobody ever mentions it. It's not important here.*" What he did experience however, was a growing sense of loss of his autonomy. "*I used to do jobbing around the farms, field drains and fencing, but I found that I prefer drainage work. You feel that you are getting somewhere.*" He worked for a large contractor for a number of years and during this period learned to operate a JCB digger. "*I really enjoyed that, so when I found that I was being given other work I decided to buy my own machine and start up a contracting business.*" This example again illustrates how entrepreneurship is used as a means of achieving particular but diverse ends. These contrasting examples of identity and local roles may also illustrate the difference between established and ascribed status, and identity and the aspirations of achieved status and identity in the rural social environment.

The cosmopolitans were much more involved with creating change. They formed new businesses, particularly new types of business which reflected a shifting social evaluation of the value inherent in the rural context. The museum example cited earlier is a good example. Many of the cosmopolitan

businesses were related to tourism, this of course is a reflection of the “value” discussed earlier. What is important is that they present new ways of consuming rurality, they are the commodification of the countryside. They fix wider social change and give it a new concrete reality in their businesses. Crucially cosmopolitans saw opportunity where many locals saw constraint. Change worked for the cosmopolitans.

Figure 2. Outcomes of the Entrepreneurial Process: Differentiation of Business Style by Value Perception and Extraction.

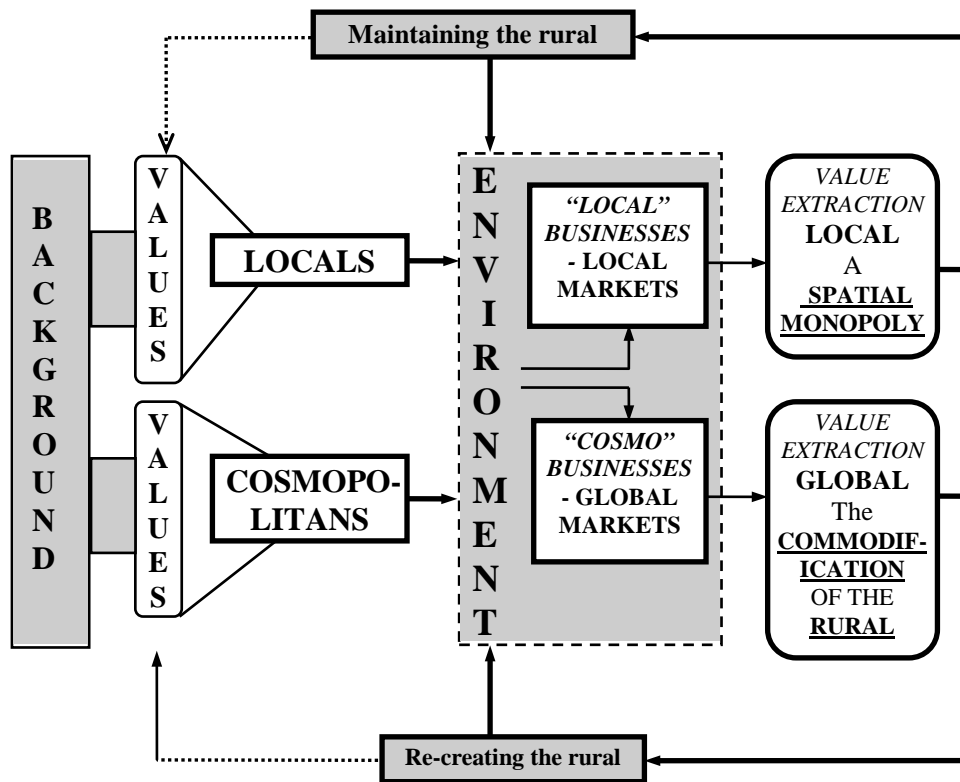


Figure 2 attempts to demonstrate the interactions of the different elements discussed above. The values held by the entrepreneurs were a function of their individual backgrounds, but at a general level we can readily distinguish locals from cosmopolitans by their actions as well as their origins. Hence values represent, or crystallise, background effects. In turn these values shape the type of business; they configure which products or services are seen as appropriate. The effect is that locals service local markets; cosmopolitans service wider markets. The outcome is that locals “maintain”

rurality with basic needs, but that cosmopolitans “recreate” the rural by promoting those rural qualities that they value.

There are two elements which can be synthesised from the analysis, first the general nature of entrepreneurial work and secondly how individuals “fit” into this model of entrepreneurship. The nature of entrepreneurial work is the creation and extraction of value, often a shift from an existing use value to a new higher value.

The extraction of value is seen to be the essence of rural entrepreneurship. This is how entrepreneurs earn their living. Entrepreneurship can be seen as the process surrounding the shift from an existing use value to a higher market value. In the findings, entrepreneurial “value” perception was the difference between the two groups, but the use of that value also provided the entrepreneurial income. Whilst the data demonstrated this to be accurate at a general level, the field work also revealed two further aspects of rural enterprise. First that in the operation of the enterprises, market values are only one aspect, albeit a major aspect of entrepreneurial work. The new values generated within the process were not limited to the realisation of marketable values but also included significant elements of personal value enhancement which were not “marketable” values. Secondly, that the entrepreneurial strategies involved in the process of value creation could be related to the origins and socialisation of the entrepreneurs. In particular, the areas from which value was chosen to be extracted were related to the entrepreneurs’ interpretation of their social world.

The mechanisms of shift from an existing use value to a higher market value was most visible within the cosmopolitan group. The re-ordering of the means of production tended towards the production of newer areas of value, this involved more change and could be described as more enterprising. Status was not the only personal non-economic value produced. The respondents appreciated and enjoyed a number of other values engendered from the business. They included different forms of satisfaction; fulfilment from the work involved in the business, gratification from carrying out the business successfully and of course, the satisfaction of independence, being their own boss. Some respondents delighted in the excitement of the enterprise whilst others saw an opposite value, security. It is significant that the importance the entrepreneurs paid to any particular value reflected their choice and orientation. This selection often directed the business and was a basic motivation so that the stream of benefits from the business was a mirror of their aspirations. This is why the businesses were so idiosyncratic, value orientation was both cause and effect. The businesses were facilitators of value realisation, a means to individual ends.

Entrepreneurship is clearly action orientated but a key element in this action is shaping the business towards some envisaged end. Surprisingly, was this rarely expressed as a purely economic end, more often it was a purpose which reflected the tastes and aspirations of the entrepreneur. Accordingly it is argued that the rural businesses were protean, that the entrepreneurial process is infinitely malleable. This protean adaptability accounts, on one hand for the variety of businesses, as entrepreneurs shape their businesses to suit their personality. On the other hand it explains why prediction of entrepreneurship is so difficult.

The theme of independence runs through the data, not only in terms of autonomy and the self empowerment of the respondents, but is also reflected in the creation of their businesses and the way they were tailored to fit the requirements of the entrepreneurs. This independence of action may serve to distinguish entrepreneurship from other forms of business action. Each of the entrepreneurs studied had deliberately set out on a course of action which was relatively autonomous, self determined and self determining. The purpose of this independent action was, as discussed earlier, to create a business form which was self-expressive or was directed towards the realisation of values, which themselves were individualised.

It is also worth noting the unstructured nature of entrepreneurship, a reflection of its protean nature. Entrepreneurs, especially during the creative phase of their businesses, face a relatively formless context, a blank canvas to develop their businesses. The analogy of entrepreneurship as an art form seems apt. New entrepreneurs are confronted with a extraordinarily wide range of choices of action; there are few set plans or restrictions which govern these choices. Taking this into account it is unsurprising that entrepreneurial action should reflect their own tastes and personalities. So rural entrepreneurship is an individualistic form of business which centres on independent action. Entrepreneurship was also seen to be contingent on a variety of factors which influence the operation of the process. Furthermore, this realm of contingency has raised the question of entrepreneurial exceptionalism. This is the point that entrepreneurship is inherently fluid and therefore cannot be predictable. This fluidity is related to the very nature of entrepreneurship. The thesis is therefore that entrepreneurship is protean, changing its shape to suit the particular environment.

Entrepreneurship is a process of combining a number of endogenous and exogenous variables. The endogenous variables are a reflection of each entrepreneur's perceptions. These perceptions are a personal construct but could be related to the perception of value. The crucial point here seems to be that perception is both a motivator and a configurator of how the business

will be operated. This perception creates the value frame around which the business is constructed. These variables do not provide deterministic “rules” for entrepreneurial activity. Because of the contingency discussed earlier, these are best seen as conditioning, rather than conditions, in turn they produce the entrepreneurial exceptionalism discussed earlier. They are, as Foucault suggests, quoted in Harvey (1989: 7), “polymorphous correlations in place of simple or complex causality” We may expect entrepreneurship to flow into a shape which can accommodate all the situational variables and yet to reflect the individual entrepreneur.

REFLECTIONS ON THE FINDINGS

Rural entrepreneurship is a socio-economic phenomena. The different approaches to business, characterised by the clusters of similarities within the two groups, of markets, products and entrepreneurial strategies were explicable by their different experiences of society and what they valued as significant and important. Furthermore the objectives incorporated within their businesses also reflected the different interpretations of their social worlds. Locals were largely concerned about their recognition within a local society whilst the cosmopolitans orientation was a broad reflection of wider cultural values.

The extraction or realisation of values was seen as contingent upon the perception of the context. The findings refer to the way that the variations in the enterprises reflected the context in which the entrepreneur operated. We saw how the orientation of the entrepreneurs had shaped their ideas of an appropriate value frames; we saw how the ensuing enterprises were influenced by how the entrepreneurs conceived their situation and how the emerging businesses were shaped by diverse goals. A key finding has been the fluidity of enterprise and how it builds the individual into their environment. The findings describe the nature of rural enterprise encountered, emphasise the fluidity of enterprise and reflect the chameleon-like quality of small businesses as entrepreneurs blend their assets into a chosen environ. The approaches to business, the composition of enterprise and the components of small rural business were potentially infinitely variable, yet they were bound by and to the entrepreneur’s perceptions. The value of the research lies in recognising the breadth and complexities of small business. Entrepreneurial theory lacks predictive power simply because of the variety of ways of doing business. In short, rural entrepreneurship seems to be a way

Alistair R. Anderson

of doing what you want to do. Entrepreneurship process is consequently protean.

IMPLICATIONS

The flexibility of entrepreneurial power to fix change in the social milieu may be underestimated. In particular it may forge particular relationships with new consumption patterns. Entrepreneurship is obviously linked backwards into consumption dictated production, as changing circumstances stimulate enterprise. It also linked forward, not simply as producers of a new marketable rurality, but also as rural entrepreneurship permits entrepreneurs, themselves, to consume the rural environment. Consequently the changes within rurality may become a resource from which value may be drawn in variable ways. The rural enterprises were seen to be a combination of social and economic factors which interacted to produce rural entrepreneurship. Consequently the phenomena was not reducible to, or explicable by, purely the social or the economic situation of the entrepreneurs. Although enterprise revolved around monetary exchange each respondent's actions were firmly embedded in their social milieu, so that the social shaped the economic and *vice versa*. At a general level the differences between the locals and the cosmopolitans reflected the different social milieu which formed the social context of their entrepreneurial work.

However the relationship with the social can easily be overlooked in entrepreneurial encouragement. It must be easier for Enterprise Agencies and the like to concentrate on the more tangible aspects of enterprise. Yet this study showed how important perception, background and context are in configuring entrepreneurship. The exploratory nature of the study had the inherent disadvantage of a lack of generalisability of the findings. Consequently the themes developed require to be tested and verified in different contexts. There is also a need to attempt to quantify these elements.

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Alistair R. Anderson

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Alistair R. Anderson

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