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## THE PRODUCTION OF PRESTIGE: AN ENTREPRENEURIAL VIAGRA

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### ABSTRACT

The social context plays a role in entrepreneurial activity. It shapes the perception and evaluation of opportunities and the generation of status. At a deeper level peer group perceptions influence and shape how businesses are run; they stimulate activity but searching for local status through business operations rather than maximising business performance occurs. An ethnographic approach was used to address the question: “*how are entrepreneurs stimulated in their entrepreneurial endeavour and what effects are manifest in their business?*” Activities of sixty rural entrepreneurs in the Scottish Highlands were examined. Six cases are presented to demonstrate how the production of prestige operates. The search for status influences entrepreneurial activities. The value of this study is that it enriches our understanding of a neglected area of the entrepreneurial process.

### INTRODUCTION

The idea of reputation within the business environment has been well recognised as a significant contributor to business development. In marketing terms we see companies investing in “image”; in accountancy the notion of “goodwill” affects company valuation; and, in our own academic field “reputation” creates career opportunities at a personal level, or attracts students at an institutional level. Whilst the achievement of a good reputation is undoubtedly a laudable corporate goal, this paper deals with a rather different aspect of prestige, entrepreneurial prestige. The general status associated with an entrepreneurial career has increased in recent times with the emergence of the so called “Enterprise Culture”; being an entrepreneur is, broadly speaking, seen as prestigious. As Baumol (1990) puts it the rules of the game have changed. However this paper is concerned with the process of the production of prestige at an individual, entrepreneurial level. The research shows how the pursuit of status enhancement actually shapes the businesses of our respondents. Accordingly it deals with both process and outcomes. Our argument is that within the entrepreneurial process the search for status amongst peer groups provides a stimulus which affects the entrepreneurial outcome. Consequently its theoretical contribution to entrepreneurial understanding is that it may allow us to condense a number of individual psychological attributes into one sociological explanatory variable, it provides us with a heuristic action frame of understanding about how motivations become actualities. It is argued that, like viagra, the search for status changes a latent situation into the manifestation of a directed activity.

### The Entrepreneur

Developments in the academic entrepreneurship field reveal little progress in defining the entrepreneur with no single definition of the entrepreneur, as yet, being uniformly accepted (Gartner, 1988; Carland et al, 1988; Bygrave and Hofer, 1991). Deliberations and the intensive study of entrepreneurship has provided an extensive list of personality traits and requisite management skills, attitudes and behaviours which may lead to the success or failure of starting up a new enterprise and in ongoing small business management (Schell and Davig, 1981). Yet although these have expanded our knowledge of the entrepreneur, our understanding is still limited and the entrepreneur remains an enigma (Kets de Vries, 1977), whose motivations and actions are far from clear.

The trait approach, for example, assumes that the entrepreneur is a particular personality type with a startling number of traits and characteristics provided to describe the entrepreneur (Gartner, 1988). Yet, there is little wonder that the trait approach has met with limited success (Chell, 1985) since in terms of a psychological profile assembled from these studies someone larger than life is portrayed, so full of traits that s(he) would have to be a sort of “generic everyman” (Gartner, 1988: 21). Similarly, variations on the trait theme, such as those attempting to establish a psychological profile of the entrepreneur, have proved problematic for a number of reasons; assumption of stable characteristics; poor application of knowledge; confusion of level of analysis; and, lack of systematic research (Carsrud and Johnson, 1989: 22). Primarily these approaches have tended to focus on the belief that the differences between entrepreneurs and non-entrepreneurs lie in the background and personality of the entrepreneur, yet, there are more differences between entrepreneurs than between entrepreneurs and non-entrepreneurs (Gartner, 1985 and 1988). Trait research has singularly failed to demonstrate that the possession of any or all characteristics is a necessary and sufficient condition to become an entrepreneur. What these approaches fail to accept is that the process of new venture creation is a complex and multi-dimensional phenomena (Gartner, 1985) and whilst there appears to be agreement that there is no turning back to the “traditional” trait approach, trait psychology must incorporate an analysis of appropriate contexts and situation (ie interactionism) (Chell, 1997). That is not to say that either the trait approach or the psychological perspective to understanding the entrepreneur should be ignored (Goffee and Scase, 1995) but we should accept that there are a range of factors which will influence and motivate the entrepreneur. Accordingly, in order to understand the entrepreneur we need to consider the actual process to a far greater extent.

#### The Entrepreneurial Process

Entrepreneurial behaviour is a process not an event, it results in an outcome, and there may be identifiable structuring factors (Chell, 1997). Described as holistic, unique and sensitive to a number of antecedent variables (Hofer and Bygrave, 1992), the entrepreneurial process may be time-consuming, characterised by trial and error as the entrepreneurial event by definition has no ready recipe to follow (Johannisson, 1988: 86). It is a process which involves the selection or creation of a combination of resources, stakeholders and an environment that transforms the idea into a firm (Sarasvathy, 1997). As such it may take years to come to fruition (Birley, 1985). The entrepreneurial process is not a linear development, it is more like the fictional butterfly in chaos theory whose fluttering might affect weather patterns, it may be sensitive to minor changes early in the process, and these changes are as likely to be structural as agent orientated (Jack and Anderson, 1999). Considering process also highlights the issue of context, which suggests a need for researchers to consider the role of both the enterprise and environmental factors (Solymossy, 1997). This means looking beyond the individual and actually examining the relationship between the individual and the environment (Gartner, 1985; Scott and Anderson, 1994; Solymossy, 1997).

The complexity increases when we realise that environments are also inconsistent, changing over time and space specific. Moreover different kinds of entrepreneurs exist and many influences may interact to cause a particular individual to become a business owner at a particular time and place (Cooper and Dunkelberg, 1981; Gartner, 1985). Entrepreneurs may be furnished with the personal attributes needed to enact the environment, bringing both vision and strategy to the creation of a reality of their own (Johannisson, 1988: 87), with the potential entrepreneur seeking to use the environment in creating the optimum business format out of his/her product idea (Birley, 1985: 110). Since the entrepreneur is embedded within a context, the local environment, it is argued that the process of entrepreneurship draws from both the individual and the context (Jack and Anderson, 1999). Thus entrepreneurship is a complex process. If we accept such complexity, and the very uniqueness of the entrepreneurial process, then in order to arrive at an understanding we need to shift our attentions away from studying

the entrepreneur in isolation and look at the process involved, taking into account the social context. Entrepreneurship arises from, and is a product of, the context, both economic change and social change occur. Examining the entrepreneur in context signifies that there is more to the entrepreneurial process than individual factors (Jack and Anderson, 1999).

### The Relevance of Context

Indeed, entrepreneurship has been argued to be a social role, embedded in a social (Carsrud and Johnson, 1989), political and cultural context (Brüdel and Preisendörfer, 1998). Carsrud and Johnson (1989) go so far as to argue that if the focus is on entrepreneurial behaviours and related social stimuli, then entrepreneurship is clearly a social psychological phenomena. The new venture development process is strongly affected by social contacts, or linkages, which are the patterns of social interaction. As Aldrich and Zimmer (1986) commented, entrepreneurship is embedded in a social context, channelled and facilitated, or constrained and inhibited by people's position in a social network with the entrepreneur being dependant upon the information and resources provided by social networks (Carsrud and Johnson, 1989). However, Goffee and Scase (1995) argued against a social psychological perspective saying that conclusions are contradictory and inconclusive. This disagreement may merely reflect the complexity of the entrepreneurial process, but it may also signal that entrepreneurial perception about the context, is itself, contingent upon other factors. Yet, the entrepreneurial process is value gathering and therefore cannot be treated in the purely economic sense, it needs to be sustained by, and anchored in, the social context, particularly the local environment (Jack and Anderson, 1999).

Social interaction is an important contributor to both business foundings and profits (Aldrich, Rosen and Woodward, 1987) with social control (Larson, 1992), social capital (Reuber and Fischer, 1998), social skills (Markman and Barron, 1998), and, social relations (Young, 1998) all being areas which have been discussed in terms of the entrepreneurs ability to obtain resources (Jack and Anderson, 1999). Although entrepreneurship clearly arises from within a social structure, a conceptual difficulty is how to locate the entrepreneurial actor in terms of the structures of society. After all, entrepreneurial behaviours are not only situationally influenced but are also influenced by social interactions (Carsrud and Johnson, 1989:27). For example, the impact of social relations on economic behaviour; economic action between actors does not occur in a vacuum, but rather is conditioned by ongoing structures of social relations (Young, 1998). The context has to be taken into account, since the social whole is pre-eminent over its individual parts (Cassell, 1993). Thus the extent to which the entrepreneur is socially embedded and with whom he/she is embedded, can affect their ability to draw on those resources (both social and economic) which can impact upon the entrepreneurial process and the entrepreneurial event. A social context must be sympathetic to supporting entrepreneurship and recognise its relevance in sustaining the local economy (Baumol, 1990; Jack and Anderson, 1999). Consequently, violating the societal norms might have the effect of changing the public's attitude toward the entrepreneur from one of approval to disapproval (Carsrud and Johnson, 1989: 26). From this perspective entrepreneurship clearly is a function of individual, situational and social variables (Burrows, 1991:21).

### Prestige

Prestige is a condition derived from achievements, associations and power. Whilst we can recognise that it is a desirable condition, and one which we could anticipate enhancing outcomes, it is highly subjective and difficult to measure. It is a relational good, in the sense of not being an absolute quality, but that the possession or absence is generated within and by relationships. Nonetheless the effects of prestige are experienced through reputation and usually take the form of respect and influence. Goodwill, as a concretion of prestige in accountancy terms, represents an integrated part of the organisation which is intangible, but represents resources and conditions above average strength (Shenkar and Yuchtman-Yaar,

1997). Alternatively it has also been described as representing, (Kieso and Weygandt, 1983), "expected earnings in excess of anticipated normal earnings". Given that earnings may be much more than financial rewards, earnings may be present as psychic, cultural or social evaluations, we can see how reputation enhancement becomes desirable.

Notwithstanding the difficulties of measuring prestige we do know that organisations make heavy investments in status enhancement by using signalling activities (Weizsacker, 1980), such as advertising, promotion and public relations. Moreover, firms would rarely admit to status enhancement for its own sake, these activities are couched in euphemisms, "making the customer aware, promoting the corporation". In individual terms Max Weber argued (1978) that from a sociological perspective occupational prestige ranks highly in determining social stratification. Yet, social pressure predicates against "blowing ones' own trumpet", so we should not expect to find the production of prestige within an entrepreneur's vocabulary of motives. Somehow it must be produced indirectly to have real value. So we have a situation whereby prestige is important but actions towards generating prestige must be couched in socially acceptable terms. This issue is reflected in our methodological approach where we seek to "uncover" concealed motivational factors by looking at both process and outcome.

Our view was that the entrepreneurial process is about the creation and extraction of value, therefore we should look at what values the entrepreneurs see as important and to try to chart these against their entrepreneurial actions. Hussin (1997:33) argued that is difficult for one to deny that the entrepreneurs values inform and underlie much of what the entrepreneur intends (Morel d'Arleux, 1998). Thus the research centres around the entrepreneurial role and how this role is facilitated or constrained by people's position in social networks, role expectations and social pressures to conform. Bird (1989) noted that values are fundamental to the process of alignment and that these define entrepreneurial action. Hirsch and Rapkin (1985) remarked that role partners help shape role expectations and behaviours. Consequently we believe that we have a sound theoretical basis informing the enquiry.

## THE CONTEXT

The research is set in the rural context, partly because social process is easier to observe and partly because social influence is more transparent. Using an ethnographic approach to the research, this paper addressed the question: "*how are entrepreneurs stimulated in their entrepreneurial endeavour and what effects are manifest in their business?*" By focusing on the rural environment this article aims to enhance our understanding; aspires to develop a theoretical understanding of the activities of the entrepreneur within rurality; to consider the nature of the entrepreneurial process, the issues involved and to provide evidence of the production of prestige. The paper also helps us to understand entrepreneurship at another level, in a specific context and the relationship of the social environment and the entrepreneurial process.

## METHODOLOGY

The qualitative approach adopted involved examining the activities of sixty entrepreneurs operating in the Highlands of Scotland. This raised important methodological issues. The investigation was complex, time consuming and demanding. The data collection was conducted over a three year period with some respondents being interviewed twice and others several times. The interviews varied in duration from a couple of hours to many long hours. The direction and length of interviews was determined by the form of the emerging data.

The qualitative methodology used 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 (Steyaert and Bouwen, 1997). 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. This paper provides some samples, 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. According to Wolcott (1979) the critical task in qualitative research is not to accumulate all the data you can, but to “can” (ie get rid of) most of the data you accumulate, to discover essences and then to reveal those essences with sufficient context, yet not become mired trying to include everything that might possibly be described. 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.

A number of qualitative techniques were used to gather the primary data, including participant and non-participant observation, semi and unstructured interviews. The flexibility and open ended nature of this methodology permitted the investigation of an extensive range of potential explanatory variables, however, it also required that the inductive analysis be rigorously grounded in the concrete evidence of the emerging data. The participant observation was conducted by one of the researchers in his role as a rural entrepreneur in the study area. This allowed a closeness to the area and the opportunity to observe, record and triangulate the emerging data from the interviews. Rich information regarding the history and background of the entrepreneur and the firm was also gathered through discussions with people in the communities where the entrepreneurs were based, again providing triangulation and adding rigour to the methodology (Denzin, 1979). The concern for validity and reliability in qualitative data can be helpful in the development of analytic insights - in the qualitative study you try to make sense out of the social world of the people being studied attempting to reconstruct their view of their world (Wiseman, 1979). 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 and significantly they involve the researcher, although one disadvantage is the subjectivity which can influence both the collection and analysis of the data. Nevertheless, the collection techniques used provided detail, depth and a range of data which could not have been achieved otherwise.

It is recognised that the approach to the research adopted has some inherent limitations, for instance the study area was restricted to one geographical region, the number of study firms selected and the methodology employed inhibits generalisability to a larger and more diverse population (Larson, 1992; Chandler and Hanks, 1994). However, the real value of the research lies in its capacity to provide insights, rich detail, to produce a grounded model and to generate hypotheses for further testing (Larson, 1992). The methodological techniques adopted offered sufficient depth of data to allow meaningful analysis of the entrepreneurial process in context, to establish the validity of the argument for the production of prestige and allow the researchers to gain an in-depth understanding of the role of each respondent.

## Data and Analysis

The data was analysed using grounded theorising techniques (Glaser and Strauss, 1967). The raw data was 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). Analytic induction, using grounded theorising techniques (Glaser and Strauss, 1967), involved looking for patterns, checking that these “fit” existing data, then seeking new respondents to “test” and refine the patterns. This constant comparison,

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 or refute the emerging theme. The analysis process of the data looked for themes in the responses of the study entrepreneurs to help develop an understanding. Rather than simply using prose, quotes are used to provide valuable supplements, to add voice to the text and to condense and expedite the material, helping to categorise the data and explore links in otherwise unrecognised ways (Wolcott, 1990). This approach not only helped to move beyond the descriptive, it also helped with clarification and conceptualisation.

## THE DATA

The data indicated that a universal factor of continuing entrepreneurial motivation, lending purpose and direction to the business, and common to all the respondents, was the use of entrepreneurship to create or maintain social position. This took a number of forms which were related to the respondent's own value systems. It also reflected the group or social values which the respondents regarded as important. Although the degree of intensity by which this status creation was pursued varied, the "manufacture of importance" was clearly a significant factor in directing the operation of the various businesses. The data shows that the pursuit and production of prestige varied from latent to manifest ambition and from overt to obscured activity. For some respondents this was the key issue which shaped their business, where for others it remained important, but was less influential.

The following cases have been extracted from the data and clearly illustrate the importance of local position and status, even when the activity itself does not carry a high status. Local prestige and standing remain important factors. These cases have been selected to demonstrate the significance of particular local circles, peer groups, within which the entrepreneurs sought to establish their importance. Finally, the details surrounding the "Tragic Failures" are examined as evidence of the importance of local "face".

### Jamie - Painter of Prestige

This first case provides confirmation of the importance of local status and how its pursuit shapes the business activity. Jamie is a very personable character, easy going and affable. He socialises a lot and is involved in various local social groups and activities. He is a skilled conversationalist, eager to listen to others. This talent is used to great advantage in the cultivation of a wide range of friendships. His social circle is mainly local, including other local businessmen, but extends to outside business connections. He is always willing to chat and can often be seen engrossed in conversation.

The inherited business had concentrated on local jobbing work and had a good reputation for quality. But local work was limited in scope and Jamie was keen to develop the business. Through his network, Jamie was given a contract to redecorate a fire damaged country house. The ambitious contract was successfully completed. This success inspired him to actively seek out similar prestigious work. Jamie is now prepared to allocate his major efforts towards this type of work, even to the detriment of the basic jobbing work. His accountant despairs of the way this work overwhelms Jamie's attentions. The extended and prolonged pre-contract meetings combine with his total commitment to the job, once secured. Less interesting enquiries for local work lie unpriced, small jobs are left uncompleted and even overdue accounts are forgotten until the big job is completed. Jamie argues that this prestigious work is better business. These contracts now represent a large part of his turnover, and as his reputation spreads more work will be offered. However, many of these jobs are now highly competitive. Infrequently a contract does produce exceptional profit but more generally the net results are little better than that of jobbing work. Nor has the total business expanded, Jamie finds it difficult to find more "good" tradesmen, so he still retains his original workforce.

Jamie continues to seek this type of work in the face of commercial logic because he enjoys the prestige which is associated with exceptionally high quality work. This goes beyond the exercise of traditional skills, but is caught up in the importance of prestige. Whilst he sees these developments as improving the business the vital element is the promotion of his local status. Puzzlingly, Jamie seems to have little need to be concerned with status. He is a well known and liked local figure. The reason lies in the approval and status within his local peer group of businessmen. The local circle is tightly parochial, so that although being in business, is itself, status generative, this is only to outsiders, non business people. Those within the circle are more likely to deglamorise entrepreneurship, as conversations turn on problems of VAT, taxmen, impatient bank managers, demanding customers and slow payers. So business details, short of the unusual or spectacular, are unlikely to impress. Jamie's high status jobs do impress and generate attention. It is therefore argued that Jamie's motivation is the production of importance within this local circle, to demonstrate that he can move and operate successfully in grander areas, his peers comment, "*Jamie? Oh he's off living it up again, he spends more time in swanky hotels than the Duchess of York*".

#### John - Engineering Esteem

The second case examines the actions of a garage proprietor who seems concerned about maintaining a local position of importance rather than following business logic. John, like the previous respondent also inherited an established business. He quickly acquired a new car franchise for a "secondary" marque which, at that time was relatively unusual, and consequently probably easier to obtain. The original business had not sold new cars but John explained that he felt it was important to "establish" the business with new cars. Selling new cars has much more social cachet than repairs or petrol sales, and this was clearly important for John and his wife. It made good business sense too, because he was soon able to acquire the only other garage in the town. This control of the local market placed John in a local position of some importance, providing status and a degree of local power.

John is not an impressive character, either by appearance, behaviour or demeanour. He sells the cars himself, explaining that customers like to deal with the owner, but he also added that he liked to fix the trade-in prices himself. He is not well liked locally. Nonetheless his success is remarkable. This success does not seem to be generated by his intellect. He has however a very able staff, both technical and financial. The assumption must be, in face of the evidence, that despite his obvious limitations he is an excellent manager. In attempting to triangulate this data on local status, other informants, not in business but who knew John, were indirectly asked their opinions. Two informants separately confirmed the "multiplex" relationships of a small town. When asked why this type of car was so popular, they responded by identifying John's business, "There isn't much choice really, unless you dare to go to Glasgow". But when pressed to explain his continued success, despite his general unpopularity, they explained the social pressures. If a local resident purchased a new car, anywhere other than John's garage, John would cut them in the street, pointedly ignoring them. This childish behaviour was reckoned to actually bully customers into remaining loyal. In their concern to maintain local harmony they accept John's behaviour and continue to use his business.

John had used the second garage he had purchased to obtain another agency which further cemented his local position. However a new dealer moved into the area to challenge his local monopoly. Interestingly John's reaction was to open a new branch in a neighbouring town. His total turnover did not benefit greatly, but as John put it, "*Its a presence, they might go elsewhere if I wasn't there.*" Although these actions could be explained as commercial logic, market share maintenance and protection. John's own comments show that it was a sense of pique which provoked his latest expansion, "*Everybody used to come to me for their cars, but now its just business, so I joined in.*" Asked if the new competitor had affected business John's reply ignored the competitive aspects, "*Not really, I've opened a new branch.*" It seemed that he took this new competitor as a personal slur, and his reaction was to retort by opening another,



probably uneconomic, branch. His status, at least his interpretation of that status, was fortified by the apparent expansion. So like the first respondent, John's actions follow a pattern of "one-up-manship", which serves in their opinion to heighten their status within the local business circle.

The "manufacture of importance" was a difficult area to get the respondents to discuss. During the interviews John was asked about his ambitions. Did he intend to keep expanding, to open other branches? He replied, "Only if necessary to maintain my position". John meant to refer to his business position but when opening in the city was suggested as an obvious expansion, he was adamantly negative. "Nobody knows me there, anyway I have the biggest and best agency in Argyll already." Argyll is of course a very small pool so it seemed important to remain a "big fish" there. John and his wife place importance on local position, particularly in terms of their presence at grander occasions such as the Highland Ball, where they make it clear to strangers that they are members of this small town elite. John's wife even introduces herself as Mrs Simpson of Simpsons Garage.

### Billy - Becoming High

Billy's case is rather different. He is a part time drug dealer, supplying mainly young people with marijuana and occasionally LSD or Ecstasy. This is of course illegal, and another local dealer is presently serving a prison sentence. So Billy's reasons for taking such risks appear important. He is not a flamboyant character, he is quiet and very ordinary looking, very far from the image one might expect. Profits are not important. In fact the profit margins, considering the risks, are very low. There is a complex chain of suppliers; at the top these dealers trade in fairly large quantities, about a kilo of marijuana at a time. But before the drugs reach Billy there is a string of smaller wholesalers who deal in progressively smaller quantities but each taking a margin. The net result is that Billy retails a packet, about 9 grams, for £30. His net profit is only £5, less than 17%! He has accumulated some capital because he has been trading for some years. However this sum, estimated to be about £5,000, actually presents a problem because he is afraid to spend this, or even to bank it, in case it drew attention to his activities. Billy explained that he enjoyed the thrill of dealing. He has a very boring day job and the illegal dealing provides him with excitement. However his most significant comment was, "I like being The Man." Being known as the supplier has given him a local status which would be unavailable from his legitimate activities. He has developed considerable prestige within his particular circle through his business activities.

### Rodger - Artful Aspirations

Rodger, a stocky man who speaks with a public school accent, inherited a large estate, consisting of several farms and a large country house. Conversations with Rodger tend to be one sided, he uses them as a platform for his opinions. He has a large ego and an artistic demeanour which he uses to advantage to promote a cultural superiority. Yet, you are given the impression that this is all contrived. The argument developed in the analysis of this respondent is that because of his ego, he has tried to maintain a social position using cultural values to increase his own importance. As ringmaster in various cultural circuses his standing is appreciably enhanced. Rodger's traditional role of "laird", or local landowner, is of diminishing importance. His dislike of farming activities has made impossible the role of gentleman farmer so he lets the farms, as opposed to operating them, which means that a much smaller income is produced. One which does not sustain his aspirations. Rodger has therefore chosen to entrepreno to increase his income and restate his status. He uses the values of cultural capital as a conduit to importance. In this pursuit he has initiated a remarkable number and variety of local businesses. With the exception of a hotel and his own house, these promising ventures have all withered. They required continued attention to detail to thrive, but Rodger seems to lose interest quickly, even leaving projects unfinished. The businesses faltered, and were sold off but in each case the revived businesses now flourish. These entrepreneurial roles appear

closely related to the promotion of prestige. The cultivated image of the "arty laird" was centrally incorporated into the ventures. In the hotel operation he capitalised, to great advantage, on this image. His other ventures reflected his local power in the ability to commodify the countryside, he owned large tracts of scenic land to which he attempted to add value. The hotel survived, despite, or perhaps even because of, Rodger's rather idiosyncratic management style. One particularly colourful feature was that the "head waiter" did not wear shoes. Nonetheless the food was good if eccentric, the decor unusual and often clean.

Rodger's greatest mistake was, or is, his remarkable confidence in his own abilities. Undaunted by several near disasters, he was approached by a multi-national group who wanted to develop a major leisure site on his estate. Eventually conditional approval for the venture was obtained, but raising finance for the venture proved impossible. The multinational group, who transpired to be men of straw, faded away and, having been caught up in the status enhancing glamour, Rodger was left to honour the expenses, which amounted to almost £100,000. He sold the hotel to pay his creditors. Rodger's original role might thus be seen as an unsustainable anachronism, and his ventures were an attempt to modify his assets to fit contemporary circumstances. His entrepreneurial efforts centred on finding a new and vital role for himself; one which increased his status. Today Rodger concentrates on the use of his house as a venue for mainly artistic events where he holds centre stage. He runs house parties for affluent budding artists, marketed as "Creative Space," with his hirsute entourage acting out the part of faithful bohemian retainers. He has not lost his impeccable sense of occasion, since he now rents a flat within the house, to a dowager duchess. Her own artistic leanings must lend ceremony, and value to these events.

#### The Devastation of Defeat

The following two examples are extreme contrasts. In each case the loss of personal dignity and prestige which was associated with the failure of the respondent's business resulted in suicide. Both were locals and well known in the area. Both were established businessmen, having taken over family concerns which they had attempted to develop. It is argued that the significance that they had placed on local prestige, generated through their businesses, created the situation where business failure meant that they could no longer continue.

Campbell inherited a large farm, but he was not really interested in farming as a career; he saw it as routine, unchallenging and repetitive. However, as well as the farming interests he was left a substantial inheritance. So because he did not care to farm seriously, he allowed the farm to become rough sheep pasture. This required the minimum of his attention but enabled him to retain his "farmer" or landowner status. He occasionally sold plots of ground for house building, but not on a commercial basis. Instead he chose to sell to people he liked or whom he felt deserved the opportunity. His great joy was machinery. He was highly skilled and was able to manufacture and repair difficult and complex components. He was particularly pleased to describe how people brought him parts which "experts" had said were unrepairable, and how he was able to mend them. He cut a confident and powerful figure locally. He was well known for his generosity and kindness, a willingness to help whenever he could. He was a very spontaneous character but despite his impetuous nature, he sat on the boards of several local voluntary organisations, where his empathetic understanding and judgement was appreciated. Whilst these local positions were probably a result of ascribed status, a reflection of traditional landowning authority, Campbell's warmth and enthusiasm modified this to a personal attribute of popularity.

As an engineer, Campbell capitalised on his skills. His first venture outside the farm was closely linked to this mechanical interest and ability. He set up a business as a specialist welder and metal fabricator. Like many of the other respondents, entrepreneurship was a route to legitimise a personal interest. He used and expanded the original workshop. The business, however lacked direction and detail management. It had little clear purpose or planning and

very poor financial management. He was always eager to please, nothing was too much trouble, and often payment was ignored or even forgotten. The business was not a commercial success and he seemed to eventually become bored or jaded with it. Towards the end of his engineering enterprise Campbell started a plant hire company but turned his attention to contracting. His comments, on being asked why he made this decision were illuminating, clearly indicating his "craft" orientation. *"I knew that if they could do it, I could do it better. They don't come here for the weather, so I might as well make the profit."* In fact this business initially did very well indeed.

Campbell's benign nature spilt over into his business activities. His civil engineering business had been sufficiently profitable to support his benevolence, without strong management controls. His generous treatment of his workers was a local legend but he also made several other "investments" in other firms. These took the form of capital loans to new business, or simply a loan to help out during difficult periods. These, like the sale of his engineering business were "social", rather than commercial. Whilst he gained the gratitude of the recipients he received a poor financial return. In one case the recipient of Campbell's considerable generosity skipped the country, whilst in another the business quickly folded. The most spectacular of Campbell's ventures, was the design and construction of a new type of sports car. However, the development costs exceeded optimistic guesses and a large overdraft was acquired. Sales did not materialise as expected. Only two prototypes were sold.

Campbell's personal finances were now in a disastrous condition. He had lost substantial sums in the various businesses, his inheritance was dissipated and he appeared to be close to personal bankruptcy. Probably because of these losses and the perception of personal failure, Campbell shot himself. The combination of the losses coupled with the loss of face was intolerable. Ironically he was, almost universally, liked as a person. He was a "soft touch", but admired for his generosity rather than derided for his gullibility.

The second example, which also illustrates the personal significance which an entrepreneur may attach to business failure was rather different from the first. Local importance was not a matter of personal popularity, but was gained through the presentation of continuing business success. This respondent appeared to feel that he earned local reputation, status and prestige through his business skills. Unlike the earlier respondent he was not a popular local figure, his moodiness and bad temper were coupled with a business reputation for slow and difficult payment. So that, in conjunction with his relaxed business ethics, locally he was not always seen favourably.

Calum was well known for his impetuous and impulsive behaviour and his appalling temper. When matters went wrong he would fly into extraordinary rages. Yet in spite of these aspects he struck one as an affable and sociable character. He was intelligent and witty. His conversations were wide-ranging and well informed. The social impressions were compatible with the image of a successful businessman. A reflective analysis of this impression management suggests that these were cultivated actions, calculated to impress the recipient. It is notable that during every interview, whether formal or a very informal chance meeting, the conversation always turned to his latest, usually grandiose, scheme. Nonetheless Calum's business activities were impressive. He developed a successful farming business which included innovative enterprises. His other businesses, outside agriculture, included financially backing a new local car dealership, which folded rather mysteriously with large debts. He also managed to obtain planning permission to build two new houses on his own land. Planning permission to build new homes in rural area, outside of towns is very difficult to obtain, despite the high value placed on such homes. It is likely, therefore, that he was able to use his intimate knowledge of the system, and his familiarity with the officials, to obtain this permission. Yet this venture foundered when he appeared to run out of cash to complete the construction work. He had always had a very poor credit record, to the extent that, the normally very lax, local suppliers would only supply him on a cash basis.

Calum's most impressive venture was to obtain planning permission for a golf course, a hotel and a time share development on an area of his farm. Although the permission was sound, he was unable to finance or even sell the deal despite efforts to market the idea. Had this idea come to fruition, he would have made a considerable sum of money. Meantime the real value of his farming assets had diminished because of the economic situation. Eventually he came under considerable pressure from the bank to produce some viable plan for repayment of the loans which had financed his ventures. The foundering of these much boasted plans must have been a considerable blow to his ego. He drove to a local beauty spot, which he owned, and shot himself. The obvious conjecture was that he simply would not admit any sort of personal failure. Because of the importance he appeared to place on appearances, such business failure might be seen as a personal shortcoming, rather than simply a misplaced confidence in himself and the current property market. Having set himself up as a local success, the price of failure was too high for him to bear.

## DISCUSSION

*" Aristotle noted that there were three prizes of fortune; first, honour and prestige; secondly, security and thirdly wealth." (Polyani, in Dalton 1971).*

Like Aristotle's fortune, small business in the countryside prizes prestige first, with wealth accumulation a very secondary objective. Although the socio-economic milieu, which forms the context of rural business, shapes and moulds these aspirations into objective possibilities, it is the interpretation and understanding of the meaning of this context which governs the actions of the entrepreneurs. Rural entrepreneurship seems to be a social process, albeit set within an economic frame. This social process, which centres on the extraction of value, is contingent on the phenomenological interpretation of significant meaning. At the level of the individual entrepreneurial action appears conditioned by the social circumstances and how the entrepreneur wove their business into the fabric of their social context. Identity was sought by the purposeful and elective identification with sets of socio-cultural values, and how this shaped the business. The variety of ways of realising business echo these interpretations and aspirations of the life-worlds of the entrepreneurs. Yet the variety also reflects the agency of the entrepreneur as they use a diverse range of personal resources, skills, imagination, cultural and financial capital to form and operate their businesses. Rural small business is best seen as a means of achieving ends, rather than an end in itself. So the nature of rural enterprise is less about business and more about the individual integrating his or herself into their selected social milieu.

Long (1977:188) argued that entrepreneurs seek to "legitimise their decisions and courses of action through an appeal to values and ideologies." Certainly values have a long heritage in enterprise, from Weber to the enterprise culture, and this research shows that the production of prestige, as a value frame, does seem to play a part in the entrepreneurial process. Yet the production of prestige is intriguing, particularly within local cliques. It is a personal attribute or quality and is not purely materially generated. It is about behaviour, conforming to specific norms, rather than income. First meetings produce questions about who you are, rather than what you are. Income or wealth alone, is not sufficient to produce status. It must be augmented, or replaced by appropriate behaviour. Indeed conspicuous consumption may well produce negative effects.

Jamies's behaviour, and that of his rural peers, is an antithesis of flamboyance. He does not buy new cars, ostensibly arguing that they would only deteriorate. However a more plausible reason is the requirement, within the group, not to be seen to show off. This would be seen as in the worst possible taste; wasteful, profligate or unsound, all of which are disapproved of. These notions of consumption are related to a work ethic. One where work is central, but not of over-riding importance. For example, in town during the day, Jamie always wears overalls,

even when he is not physically working. He turns up late for social occasions and appointments, apologetically pleading pressure of work. So the outward show of "hard-working" complements the moderated and low-key displays of wealth in the generation of local status.

## CONCLUSIONS

The data indicates that a universal factor of continuing entrepreneurial motivation, lending purpose and direction to the business, and common to all the respondents, was the use of entrepreneurship to create or maintain social position. This took a number of forms which were related to the respondent's own value systems. It also reflected the group or social values which the respondents regarded as important. Although the degree of intensity by which this status creation was pursued varied, the "manufacture of importance" was clearly a significant factor in directing the operation of the various businesses. The data also shows that the pursuit and production of prestige varied from latent to manifest ambition and from overt to obscured activity. For some respondents this was the key issue which shaped their business, where for others it remained important, but was less influential.

This personal status is highly context contingent, however status change and enhancement through business ownership and control was a universal feature of the respondents. It was not only a relative value, to be seen as a mark of social distinction but it also affected the entrepreneurs themselves. Glynis a guest house owner comments, when asked about cleaning lavatories after strangers, were trenchant, "But it's our own business". She saw no dissonance between her social status and the dirty job. The task was accepted and justified in the context of ownership. Similarly we saw that Billy, who dealt in illegal drugs, chose to operate a perilous business because of the status value he envisaged in being the local supplier. In this extreme case this status value was the primary motivation, his accumulated profits were actually a problem!

It is clear that our *viagra* is not a determinant of entrepreneurial behaviour. The search for status is an impetus which seems to create a condition with specific entrepreneurial outcomes. Economists might say that this "legitimisation" affects the preferences of entrepreneurs so that they satisfice rather than optimise their businesses. The benefit of this research is not that it produces any sort of cookbook recipe for entrepreneurship, but rather that it aids our understanding of the unfolding of the entrepreneurial process. We do not wish to offer yet another variable to the traits which characterise the entrepreneur, we see this as a cul-de-sac of understanding. Nor do we want to reify the manufacture of prestige because we see it as contingent and variable. What we hope that we have done is to show how these descriptive "personal" variables come together, not as descriptors but as action variables or frames of meaning. This is because the search for status drives the entrepreneur and seems to shape their business. Hence we demonstrate meanings and actions in the materialisation of the entrepreneurial business. We would argue that our explanation is parsimonious and makes a contribution to theory- it helps explain preferences, actions and outcomes.

The value of this theme of explanation, in enhancing entrepreneurial understanding, is that it encompasses and recognises the variations which occur within enterprise. In particular that entrepreneurship is a social process within an economic context. It therefore helps accounts for individual, situational and social variables and provides an explanation of entrepreneurial motivation and action. As Willis (1978:170) points out ethnography "breaks the spell" of theoretical symmetry, it shows "subjectivity as an active moment in its own form of production".

## IMPLICATIONS

This study has emphasised how individuals used enterprise to empower themselves to achieve diverse goals. Prominent amongst these goals was a social identity, which ranged from

reconciling a marginal identity to incorporating idealist objectives. At the same time the study has shown the remarkable range of talents, skills and abilities which combined with financial assets to create the enterprise. So that enterprise was the medium of this personal satisfaction. It might therefore be useful to ascertain how and if this strategy of empowerment could be applied to other members of society, particularly those less fortunately endowed with the more obvious entrepreneurial talents. Socially oriented schemes such as community business, co-operatives and the like, do offer employment, and re-training schemes which may enhance perceptions of self worth. But none of these directly address the issue of entrepreneurial empowerment. If society continues to fragment along the lines suggested by the post modern pundits, so that the individual becomes more isolated from the security of large scale enterprise and institutions, this issue of confidence in the self will continue to grow in importance. Consequently the empowerment of small business may offer a solution to disenfranchisement and deserves researching.

## THEORETICAL IMPLICATIONS

The research indicates that the level of analysis is a critical feature of research, one which profoundly affects the results. Had this analysis been at a higher level, say an abstraction to the level of the firm and concentrated on the collection and analysis of economic data it is entirely conceivable that it would have produced quite different results. Equally had the study been a time series of motivation and confidence this too, may have produced quite different results, because the data hints that motivation and confidence change over time. The point about this is that at each level of analysis the aggregation of common features, at that level, tends to conceal and suppress other factors which may be explanatory variables. Since entrepreneurship is a complex socio-economic phenomena this aspect of methodology should be taken into account.

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