Sacred Heart UNIVERSITY

New England Journal of Entrepreneurship

Volume 12 | Number 2

Article 2

2009

From the Editors

Herbert Sherman
Long Island University, herbert.sherman@liu.edu

Joshua Shuart
Sacred Heart University, shuartj@sacredheart.edu

Laurence Weinstein

New England Journal of Entrepreneurship

From the Editors:

The Wall Street "meltdown" has garnered a tremendous amount of media attention as the ripple effects of that meltdown work their way through the world economy. In the United States unemployment is up, consumer spending is down, foreclosures and business closings are at record highs while home values are dropping precipitously. Interestingly enough, the media has not been flooded with a plethora of articles focused on how the meltdown will affect small businesses. A recent Google search by the editor using the terms "small business and the wall street meltdown" yielded only 1 article in the top 20 hits that actually dealt with the problems small businesses face in this market downturn (i.e., lack of credit, higher cost of risk management, and reduced consumer demand) as well as the short-term strategies for addressing the meltdown (i.e., keeping less than $100k in bank accounts in fear of bank failures, availability of top talent at low salaries, and more use of and lower cost of outsourcing).

A similar search, however, substituting the term "entrepreneur" for "small business" produced far better results with at least 10 of the articles noting that in economic downturns there are opportunities for entrepreneurs to "go green," become more socially responsible, and "scavenge" for customers that larger firms can no longer service. Understanding that this research methodology lacks what our reviewers would characterize as "validity and reliability" we are nonetheless left asking the question, "What is the significance of these nonscientific findings?"

Reflecting for a moment, and left to conjecture, one can hypothesize several reasons for the apparent difference in coverage. One reason perhaps is that entrepreneurship was originally defined by Schumpeter as innovation and technological change coming from "wild spirits" of the entrepreneurs (called Mark 1) and then later redefined as big companies that have the resources and capital to invest in research and development (Mark 2). With larger firms receiving the brunt of media attention (given the impact that a single large firm has on the economy relative to a small firm), it is then not surprising that small businesses are taking a backseat to large corporate bailouts.

It is therefore with great pride that we present this issue of NEJE, which focuses predominately on small businesses and family firms using both empirical research and the case method. This issue, however, kicks off with an interview of Ted Leonsis, founder of AOL and owner of the Washington Capitals. In another installment of Miles Davis's (Shenandoah University) ongoing series of CEO interviews addressing spirituality in the workplace, this discussion documents "Uncle Ted's" humble beginnings in Brooklyn, New York, and how his life was shaped by both his early childhood and the transformational experience of a crash landing. Ted discusses not only his successes, but also why he feels failure is important. Along, the way he offers his perspective on corporate social responsibility and why it is so important for individuals and companies to give back to society.

Continuing the theme of social responsibility, the first empirical article entitled "Ethical Compliance Behavior in Small and Young Firms: The Role of Employee Identification with the Firm" by Susan M. Houghton, North Carolina A&T State University, and Mark Simon, Oakland University explores whether employees in smaller, younger firms would be more ethically compromised, and whether employee identification moderates this relationship. The authors collected survey data from 154 working professionals enrolled in an MBA program in the southeastern United States and found that employees of smaller, younger firms selected more compromised ethical choices than employees of larger, older firms. Contrary to their expectations, employee identification had no effect in smaller, younger, firms yet in larger, older, firms identification reduced ethical compliance, suggesting that there is not a simple relationship between identification and ethical compliance.

In the second empirical piece we move from ethics to mentoring and story telling. In "Mentoring and Perpetuating the Entrepreneurial Spirit within Family Business by Telling Contingent Stories," Robert Smith focuses on family stories as transmitters of familial and family business values across generations as narrated entrepreneurial capital. Also, in considering the family unit as an entity separable from the family business and in examining the perpetuation of family values into the business sphere this work takes a step forward by linking both to narrative and narration—for it is in stories which circulate within business communities that one makes sense of families in business. Smith concludes that future generations of entrepreneurs will continue to hear stories from their grandparents, their uncles and aunts and in this way to paraphrase "be better off for it" and that entrepreneurial narrative in its many forms may lean toward being a practical theory. However, the problem with advocating practical theories is that they just don't look and sound like theories at all making the argument for telling contingent stories even more convincing.

We continue to examine family businesses but in this case in the international arena. Omotayo Adegbuyi of Covenant University in the article entitled "Strategic Marketing Practice Considerations in Family Business in Nigeria" presents a case study that examines an owner-managed medium-sized firm in Nigeria. Many of these firms remain family companies and constitute an important reservoir of business initiative. The results of this case study suggest that neither the existing typologies of small firm approaches to marketing nor the formal models of marketing attributed to big companies necessarily characterize the marketing planning and management of family business in Nigeria.

In the fourth article "Developing an Entrepreneurial Education in a Residential College: An Exploratory Case Study," Jim McAlexander, Rachel Nelson, and Chris Bates describe Western State University's Harvey Entrepreneurship Program, which is integrated into their Enterprise Residential College. The Harvey program provides a socially-embedded experiential learning approach to entrepreneurial education. Faculty, students, entrepreneurs, and technical experts are drawn together in an environment that provides space for business incubators and an entrepreneurially focused curriculum. In this article, the authors employ a qualitative research methodology to explore the benefits and challenges of creating such a program. The Enterprise Residential College is examined through the perspectives of program administrators, faculty, and students. The findings reveal evidence that a residential college can form a powerful nexus of formal instruction, experiential learning, socialization, and networking to influence entrepreneurship.

"Mason Biodiesel: A Family's New Venture in a New Industry" by Matthew Eriksen and George H. Tompson, the last article in this issue, describes the trials and tribulations of the Mason family who have chosen to enter an industry with undefined markets, growing (but uncertain) demand, some evidence of excessive production capacity, complex tax incentives, and a product that is unfamiliar to many Americans. In spite of all these uncertainties, the Masons moved quickly to study the industry and then invested their time, energy, and money. The case is a great illustration of entrepreneurs who are willing to take action instead of waiting for the "perfect opportunity" to arise.

As always, we are indebted to the authors, reviewers, associate editors, and production staff who have contributed their time and talent to the publication of this journal. Most importantly, we would like to thank you our readers for your continued interest in our journal.

Sincerely,

Herbert Sherman
Editor

Joshua Shuart
Associate Editor and Web Master

Lorry Weinstein
Editor Emeritus