



**Human Capital and Entrepreneurial Intention in
Deprived Areas: A Case Study of Nottingham, UK**

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Abstract

In light of the relatively poor outcomes from the policies enacted to facilitate entrepreneurship in deprived areas that are not consistent with policymakers' expectations, this research study constitutes the importance of human capital to investigate its influence on entrepreneurial intention in deprived areas. Due to the given barriers and difficulties objectively existing in such areas, this research study points out the inapplicability of those prevalently applied theories and models that emphasize general relationships. Meanwhile, it argues that the superficiality of policymakers' preconceptions of a vicious circle has led to various barriers identified in such areas. Therefore, this research study draws upon existing literature to create a new entrepreneurial intention model with a particular relevance to deprived areas. By combining both secondary and primary data sources, quantitative data (i.e. a largescale secondary dataset and primary data collected through a survey) has been utilized to examine the existence of relationships in the new model, whilst qualitative data has been utilized to explore deeper possibilities behind them and reveal unexpected phenomena to further enrich comprehension of the relationships relating to entrepreneurship and human capital in deprived areas.

This research study takes the first step in updating knowledge about the relationship between human capital and entrepreneurial intention in deprived areas, which can be regarded as a base for future researchers to further explore this specific field and rigorously test the new model. Moreover, a variety of bidirectional relationships between different neighbourhood mechanisms and different types of human capital found in this research study have revealed hidden factors to explain in more depth lower levels of human capital and entrepreneurship in deprived areas. In a disadvantaged environment, most importantly, this research study found local residents' psychological barriers play a more severe and lasting role in hampering their personal, human capital and entrepreneurial development compared to the simple deficiencies in each per se. These findings provide a deeper perspective about underlying local residents' specific demands for the government to consider adjustments to policy.

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CHAPTER 1 INTRODUCTION

1.1 Research Background

Entrepreneurship is regarded as a key mechanism that plays a crucial role in rejuvenating and facilitating economic growth in deprived areas (Van Stel et al., 2005). However, most measures of entrepreneurship indicate that deprived urban neighbourhoods (DUNs) lag behind more prosperous areas and possess weak entrepreneurial eco-systems (Slack, 2005; Fletcher, 2008; Devins, 2009). Therefore, in order to boost economic development in such areas, policymakers have encouraged entrepreneurial activities through interventions (North and Syrett, 2008a, 2008b; Devins, 2009), including providing financial incentives and initiatives, such as the Phoenix Fund, the Community Development Venture Fund and the Local Enterprise Growth Initiative (Blackburn and Ram, 2006). This kind of external impetus may encourage and attract individuals to consider and/or engage in entrepreneurial activities; however, Greene et al. (2007) argue that policymakers have not learnt from previous lessons revealing that one in four new businesses prefer to select those 'easy to enter' sectors in deprived areas, such as motors, hairdressing or beauty. Nonetheless, these businesses may not make substantive contributions to employment, productivity or the welfare of areas (Greene et al., 2007). Therefore, an increased quantity of new businesses can lead to a fall in the quality of entrepreneurship, particularly if entrepreneurs have insufficient skills, knowledge and experience (Greene et al., 2007; Shane, 2009). This means that schemes may in fact waste resources that would be better deployed in assisting those in deprived areas in other ways. In considering this issue, it is inevitable to specifically link with the disadvantaged circumstances of such areas.

The persistence of disadvantage in localized areas is derived from three main issues (Williams and Williams, 2014). First of all, the economic base is weak, which causes barriers for individuals' employment and skill development, resulting in a negative environment discouraging business investment. Secondly, vulnerable residents, high levels of social disorder, antisocial behaviour and weak connections with the labour market constitute a deprived living environment or community. Thirdly, public services and support are lacking in deprived areas (Cabinet Office, 2005; HM Treasury, 2007). Based on the former two issues, it is assumed that there may be a vicious circle between the deprived context and local residents' personal development and behaviours. When considering insufficient resources and support, previous surveys revealed that a lack of financial support and resources is a major barrier for a majority of individuals to their engaging in entrepreneurial activity (Badal and Ott, 2015; Young Entrepreneur Council, 2011). In this case, a question has been proposed:

why the entrepreneurship levels are still stunted in some regions even after providing additional financial resources (Mahto and MaDwell, 2018). Does it mean that the scant resources and limited access to finance are not the major or the only reason hindering entrepreneurship development in deprived areas? If so, what other factors are holding back the progress of undertaking entrepreneurial activities in such areas? It is believed that the identified issues of deprived areas are simplified in order to present the surface problems, whilst government seems not to correctly target the essential issues to boost entrepreneurship in deprived areas. These could be the possible reasons behind the lack of success of government policies in achieving their initial aims and expectations.

Accordingly, Nottingham as a mid-sized city in the UK had a population of 325,800 in the middle of 2016 (Nottingham City Council, 2018) and was ranked 6th among English towns and cities in terms of the most deprived areas by the Index of Multiple Deprivation (Office for National Statistics, 2016a, Table 1.1). As defined by UK Data Service Census Support (2012-2021), the Index of Multiple Deprivation, which includes seven domains¹, allows all LSOAs to be ranked according to how deprived they are compared to each other. As can be seen from Table 1, the domain of education in Nottingham ranked 7th compared to other deprived towns and cities in England. More specifically, the Annual Population Survey (APS) published by the Office for National Statistics (ONS, 2016b) and the results shown by the Local Government Association² indicate that the percentage of people aged between 16-64 years old who do not have qualifications in Nottingham was 13.4% in 2016 compared to 7.8% in England as a whole. Because of this, Nottingham can be considered a good case study to investigate the situation of entrepreneurship in a more deprived city which has a lower education level. While this thesis emphasizes residents' entrepreneurial intention in deprived areas, related factors such as human capital and neighbourhood contexts are also investigated. Detailed information about these factors is presented and linked with the research aim and research questions in the next section, and further discussed in the next chapter.

¹ The seven domains of the Index of Multiple Deprivation include income, employment, education, health, crime, housing and living environment.

² The Local Government Association (<https://lginform.local.gov.uk/reports/lgastandard?mod-metric=98&mod-period=4&mod-area=E92000001&mod-group=E06000018&mod-type=area>) is the national membership body for local authorities.

Table 1.1 Rankings of the most deprived towns and cities in England according to the Index of Multiple Deprivation (IMD) across all IMD domains³

Town/City	IMD	Income	Employment	Education	Health	Crime	Housing	Living Environment
Oldham	1	2	4	3	9	16	101	65
West Bromwich	2	1	1	2	17	50	22	28
Liverpool	3	5	6	22	3	27	57	11
Walsall	4	4	8	8	45	36	34	9
Birmingham	5	6	10	21	34	24	1	2
Nottingham	6	11	21	7	15	11	13	24
Middlesbrough	7	7	9	9	14	8	94	79
Salford	8	20	24	12	2	6	31	25
Birkenhead	9	8	2	23	8	29	81	37
Rochdale	10	9	13	14	12	3	38	76

Source: Office for National Statistics and Department for Communities and Local Government

This chapter is structured as follows: Section 1.2 presents the research aim and three research questions (RQs) to demonstrate a clear picture of the purpose and direction of this research study. Section 1.3 broadly demonstrates the major research streams of existing literature in the field of entrepreneurship, indicating the research focus of previous studies in order to identify the research gap. Meanwhile, it links with the existing literature to point out the position of this research study and show how it connects with some existing points and fills the gap not considered by previous studies. Subsequently, key concepts are defined in Section 1.4 to provide an understanding about these related concepts before systematically discussing them. In addition, the research methodology and contributions are briefly presented in Section 1.5. Lastly, Section 1.6 can be regarded as a guide to demonstrate the overall structure of the whole thesis.

1.2 Research Aim and Research Questions

Over the past decade, the potential for human capital to play an important role in relation to discovering and exploiting entrepreneurial opportunities has been proposed by numerous scholars (Baptista et al., 2014; Brixy et al., 2012; Hopp and Sonderegger, 2015; Rauch and Rijdsdijk, 2013). Nonetheless, previous studies that focused on a link between human capital and entrepreneurial development may not be applicable to deprived areas given the other resources, support, sectors

³ A rank of 1 indicates the most deprived town or city and a rank of 109 the least. The overall most deprived towns and cities are determined by those with the greatest proportion of Lower Layer Super Output Areas (LSOAs) in the most deprived 20%.

targeted, and starting levels and types of human capital. Moreover, a systematic analysis of the connection between human capital and entrepreneurial intention in the context of deprived areas is - to the author's knowledge - absent, an issue which is addressed in this thesis.

People living in deprived areas perceive that they lack the skills to start a business (Welter et al., 2008). Taken together with a persistent context of deprivation as described in section 1.1, people are confronted with an externally unsupportive entrepreneurial eco-system and personally insufficient capacities to engage in entrepreneurial activities. In this case, the subsequent questions are proposed: If people lack skills in a disadvantaged business environment, why do they want to set up a business? How do they recognize and exploit potential opportunities? Do they believe they are able to successfully set up a business? In terms of generating entrepreneurship in deprived areas and in contrast to the provision of financial incentives that probably increases the business quantity rather than the business quality, it might appear that improving human capital is an alternative way to facilitate entrepreneurship in deprived areas. The concept of human capital in the entrepreneurship literature review has been divided into general human capital (i.e. educational attainment and general work experience) and specific human capital (i.e. previous entrepreneurial experience, managerial experience and specific-industry experience) (Becker, 1962). Focusing initially on general human capital, lower educational levels and/or higher levels of school drop-out rates limit the potential of individuals to successfully enter the labour market (Edzes et al., 2015). A lack of general human capital therefore further hampers individuals by limiting their ability to accumulate and develop specific human capital. The details of how general human capital impacts on specific human capital are illustrated in section 2.5 of the next Chapter. In general, individuals' educational attainment can be regarded as a precondition to entering in the labour market and developing specific human capital. In deprived areas, therefore, this research study is consistent with the approach applied by scholars such as Bernelius and Kauppinen (2012), Manley and Van Ham (2012) and Nieuwenhuis et al. (2016), all of whom discuss the influence of the deprived neighbourhood contexts on local residents' socio-economic outcomes, particularly as regards educational attainment and employment status. It is postulated that human capital in deprived areas can be identified as a cause (due to its prevailing level and nature) and also part of the solution (as it is expected to boost entrepreneurial activity), but only in combination with other interventions.

In the entrepreneurship literature, the concepts of human capital and social capital have been considered as drivers of entrepreneurship (Madriz et al., 2018). Based on the complementary roles of

human capital and social capital (Schuller, 2001), many studies have considered both terms in investigating the effects of these two capital sources on the entrepreneurial process (Anderson and Miller, 2003), and on opportunity recognition and resource mobilization (Bhagavatula et al, 2010), as well as the interplay of human capital and social capital in entrepreneurship (Rooks et al., 2009). With the specific concern with the theory of social capital, O'Brienn and Ó Fathaigh's (2005) study has presented three major authors'⁴ interpretation of and belief about social capital. For example, their work demonstrates that Coleman's (1990) and Putnam's (1995) positions indicate that social capital constitutes positive social control, as reflected in the responsibilities of families and communities to foster such characteristics as trust, shared information and positive norms for everyone's mutual benefit. In contrast, Bourdieu's theory proposes social capital as a tool of cultural reproduction to explain the unequal situation of educational attainment. According to Bourdieu's (1977) conceptualization, social capital is regarded as the socio-cultural roots linking with the social and material history triggering individuals' dialectical educational experiences (O'Brienn and Ó Fathaigh, 2005). Based on their understanding of the nature of social capital, Coleman (1990), Putnam (1995) and Bourdieu (1977) emphasize the influence of social capital on human capital development, particularly educational levels. However, this research study looks at a reverse angle of how individuals develop social capital. More specifically, this research study posits that lower educational attainment hinders the entry of a better labour environment restricting the heterogeneity and plurality of social capital, further hampering entrepreneurship development in deprived areas.

This thesis aims to investigate the influence of human capital on entrepreneurial intention in Nottingham. In terms of entrepreneurial intention, it argues previous studies are more likely to focus on diversified factors influencing either entrepreneurial motivation (Williams and Williams, 2011; Mahto and McDowell, 2018), or entrepreneurial intention (Ferreira et al., 2012; Solesvik et al., 2014; Sign et al., 2016). Nonetheless, a few studies have clearly distinguished entrepreneurial motivation from entrepreneurial intention and/or examined the link between these two terms, which is clarified in this research study. While entrepreneurial intention is the focal point of this research, it is viewed as a part of the entrepreneurial process. From this aspect, Reynolds et al. (2004) point out a sequential scheme illustrating the entrepreneurial process starting from individuals' conceived business idea to the ultimate birth of the business through a gestation period. Therefore, this research study argues a nuanced difference between entrepreneurial motivation, reflecting a shifting process of turning the

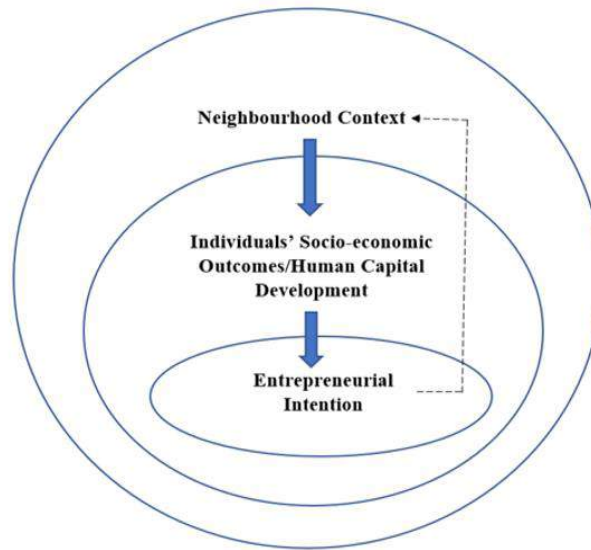
⁴ Social capital theory is derived from the works of three main authors: James Coleman, Robert Putnam and Pierre Bourdieu (O'Brienn and Ó Fathaigh, 2005).

initial ideas into the subsequent actions⁵. According to Ajzen's responses on the theory of planned behaviour in a recent interview, intentions and behaviour are based on individuals' cognitive and affective foundation (Tornikoski and Maalaouj, 2019). This research study assumes that the shifting process is related to individuals' variability in attaining goals (Bandura, 1982; Ozer and Bandura, 1990; Bandura, 2001), such as goal and control beliefs (Drnovsek et al., 2010), and a regulatory focus that influences the emotional experience (Brockner and Higgins, 2001). The details of these are discussed in the next chapter (Chapter 2, section 2.3) by linking with existing entrepreneurial intention frameworks (i.e. theory of planned behaviour and a classic entrepreneurial intention model). More specifically, it emphasizes the influence of human capital on individuals' ideas about starting a business (i.e. entrepreneurial motivation); their beliefs in capabilities relating to business start-up (i.e. self-efficacy); as well as their ability to set and achieve goals, despite being located in a disadvantaged environment (i.e. self-regulatory focus). These factors each further influence individuals' inclination to take actions with a view to entrepreneurial behaviours (i.e. entrepreneurial intention).

Diagram 1.1 below indicates the deprived neighbourhood context is a slowly evolving endogenous factor influencing local residents' socio-economic outcomes and further impacting on their entrepreneurial intention. Local residents' entrepreneurial intention is assumed to be a facilitator, boosting entrepreneurial development in deprived areas, and in the long run leading to a change in the overall neighbourhood context.

⁵ To investigate entrepreneurial intention, this research study mainly looks at actual entrepreneurs who have already established at least one business in deprived areas, rather than nascent entrepreneurs. 'Nascent entrepreneurs' refer to people who are intending to start a new business and have already undertaken some activities relating to the business preparation; however, nascent entrepreneurs do not yet own part of the business and have not already started the business operation (Hopp and Sonderegger, 2015). While nascent entrepreneurs are not the emphasis of this research study, this group of entrepreneurs is considered in the survey design because nascent entrepreneurs go beyond the stage of entrepreneurial motivation and they are in the transition process of turning the idea into actions.

Diagram 1.1 Relationships between deprived neighbourhood contexts, human capital development and entrepreneurial intention in deprived areas



In order to achieve the research aim, three major research questions (RQs) need to be investigated:

RQ1: How does human capital influence entrepreneurial intention in deprived areas?

RQ2: How do neighbourhood contexts impact on human capital development in deprived areas?

RQ3: To what extent are the relationships among factors influencing entrepreneurial intention and human capital development in deprived areas bidirectional?

1.3 Brief Literature Review in the Field of Entrepreneurial Intention

Before specifically examining entrepreneurial intention, it is necessary to provide clear definitions of both entrepreneurship and entrepreneurial intention. A wide variety of different definitions of entrepreneurship have been used in different research domains (Giriuniene et al., 2016). In a broad sense, entrepreneurship relates to opportunity exploitation, setting goals and working on one's own initiative rather than necessarily being restricted to new business start-up activity (Draycott et al., 2011; Morris et al., 2013). However, in order to be consistent with the research aim and questions listed in section 1.2, entrepreneurship in this thesis is defined as a person's inclination and capability to undertake economic activities through combining capital, labour and other available resources to obtain profits and recognize potential risks associated with such activities (Vainiene, 2005). More

specifically, entrepreneurship is defined as a process of establishing either independent businesses or separate units of activity through cooperating with other existing organizations.

Based on the central factor in Ajzen's (1991) theory of planned behaviour, entrepreneurial intention is assumed as an inclination for capturing motivational determinants, trying to and exerting effort to implement the entrepreneurial behaviour through taking advantage of resources and capabilities relating to business start-up. This demonstrates the sequence between entrepreneurial motivation and intention, indicating individuals' entrepreneurial motivation may precede the formation of entrepreneurial intention. It also indicates the importance of utilizing resources and capabilities in the process of turning captured motivation into exact behaviours, which is also linked with the other concept of human capital in this research study.

As a rapidly evolving field, the literature on entrepreneurial intention has experienced an explosion in interest since the publication of Shapero's seminal works (Shapero, 1984; Shapero and Sokol, 1982). Linan and Fayolle's (2015) systematic literature review on entrepreneurial intention included a total of 409 papers⁶ focusing on entrepreneurial intention published between 2004 and 2013 (inclusive) and sought to provide a clearer picture of the research domain of entrepreneurial intention. They have categorized the major areas of exploration that currently attract academic attention through a citation analysis and identified the specific themes through a thematic analysis. Based on Linan and Fayolle's (2015) work, which systematically reviews the literature on entrepreneurial intention, a broad scene is set up to show the major focus of previous studies and suggestions for future research directions in this field. By linking with their work, it is going to demonstrate how this research study is developed based on the existing literature and how it contributes to filling the research gap, and more details are clarified in the rest of this section.

In the literature on entrepreneurial intention, two distinct strands of research have been identified. The first one is derived from social psychology, which in general analyses individuals' behaviours and demonstrates a mental process that leads from attitude and belief to action (Linan and Fayolle, 2015). The research works of Ajzen and Fishbein (1980) and Bandura (1997) are major contributions in this

⁶ Linan and Fayolle (2015) have searched key works 'entrep*' and 'intent*' from the Scopus database, Web of Science, ABI-Inform, ProQuest and Science Direct, and a total of 732 papers were initially identified. However, 323 articles that focus on a different topic were found and eliminated from the sample. Therefore, 409 papers remained for review and analysis.

field, and Ajzen's (1991) further development of the Theory of Planned Behaviours (TPB) has become one of the most widely-applied theories in social psychology (Ajzen, 2012). The second strand is more specific to the field of entrepreneurship and many scholars and their works are representative for this strand, such as Shapero (1984), Shapero and Sokol (1982) and Bird (1988).

In light of the analysis of cross-citations among the 409 papers in the sample, 24 papers have been identified as the most-cited research works, classified based on content similarities (Kraus et al., 2014; Xi et al., 2013). Meanwhile, five categories of topic clusters have been further identified, including: the core model with the concern of methodological and theoretical issues; the influence of personal-level variables; the role of entrepreneurship education; the impact of context and institutions; and the entrepreneurial process (Linan and Fayolle, 2015). A range of sub-categories for each major topic cluster has been displayed in Table 1.2, to demonstrate the emphasis of recent entrepreneurial intention studies.

Table 1.2 Sub-categories for five topic clusters in recent entrepreneurial intention research

<i>Major Topic Clusters</i>	<i>Sub-categories of Major Topic Clusters</i>
Category 1 <i>Core Model</i>	Predictable role of self-efficacy in entrepreneurial intention with the mediating influence of background variables (Zhao et al., 2005); The effect of improvisation inclination (Hmieleski and Corbett, 2006); A general test of Theory of Planned Behaviour (TPB) (Van Gelderen et al., 2008); Development and validation of entrepreneurial intention questionnaire used to measure Theory of Planned Behaviour (TPB) constructs (Linan and Chen, 2009); An entrepreneurial intention scale (Thompson, 2009)
Category 2 <i>Personal-level Variables</i>	The influence of personal, psychological and demographical variables or individual experience on entrepreneurial intention. For example: Risk-perception (Segal et al., 2005); Career anchors (Lee and Wong, 2004); Prior family (Carr and Sequeria, 2007) or prior entrepreneurial exposure (Gird and Bagraim, 2008); University studies (Guerrero et al., 2008); Social capital (Linan and Santos, 2007); Gender issues (Wilson et al., 2007; Gupta et al., 2009; Gupta et al., 2008)
Category 3 <i>Entrepreneurship Education</i>	Influence of entrepreneurship education (Franke and Luthje, 2004; Pittaway and Cope, 2007); Influence of entrepreneurship education programmes (EEP) (Souitaris et al., 2007; Fayolle et al., 2006)
Category 4 <i>Context and Institutions</i>	Influence of regional, cultural and institutional environments on the configuration of entrepreneurial intention through comparing samples from different countries. For example: Indonesian and Norwegian (Kristiansen and Indarti, 2004); Spain and Puerto Rico (Veciana et al., 2005); Ireland and the USA (De Pillis and Reardon, 2007) An ambitious study that has compared 12 countries (Engle et al., 2010)
Category 5 <i>Entrepreneurial Process</i>	Specifically considering entrepreneurship as a process that goes beyond entrepreneurial intention to predict actual entrepreneurial action (Kolvereid and Isaksen, 2006; Nabi et al., 2006)

Source: Linan and Fayolle, (2015)

In the research field of entrepreneurial intention, first of all, it is suggested that the connection between entrepreneurial intention and other decision-making theories and models (Category 1) could be explored (Krueger, 2009). By applying human capital theory, social cognitive theory and the theory of self-regulation, this research study investigates the influence of individuals' human capital on two entrepreneurial attributes (i.e. self-efficacy and self-regulatory focus), facilitating entrepreneurial intention in deprived areas based on considering the mediating effect of goal setting and opportunity recognition. Combining these theories allows the researcher to examine individuals' decisions to begin

the challenging process of creating new businesses (Gurol and Atsan, 2006; Kuratko, 2005; Mueller and Thomas, 2000). In particular, this thesis argues that Ajzen's (1991) theory of planned behaviour, which focuses on the general case, may not be applicable to predict individuals' entrepreneurial intention and behaviours in deprived areas, due to the specificity of such areas.

Secondly, due to the difference in individuals' personality and background variables (Category 2), secondly, Lanan and Fayolle (2015) suggest that it is necessary to combine with other determinants such as perceived barriers to investigate the influence on entrepreneurial intention. This research study links with the perceived barriers existing both in the process of obtaining human capital and from the presence of deprived neighbourhood contexts to investigate the manner by which individuals direct themselves to achieve the required tasks. In considering personality variables, the Big Five characteristics⁷ have been widely applied to explain the influence of different personalities on entrepreneurial intention. However, it is argued that Big Five characteristics are overly general in representing personality traits and, therefore, cannot predict entrepreneurs' situation-specific behaviours and may not provide an understanding of the specific mechanisms through which personality influences entrepreneurial attitudes and behaviours (Kanfer, 1992; Rauch, 2014). As such, this research study applies self-efficacy and self-regulatory focus, which are more appropriate to measure entrepreneurial intention in this research context. More specifically, the research study uses the concept of self-regulatory focus to look at whether individuals emphasize the gainful outcomes of achieving their goals or tend to avoid potential failures and losses (Bryant, 2007; Brockner et al., 2004; McMullen and Shepherd, 2002) in deprived areas. It is similar to the feature of being a risk-taker; however, the concept of self-efficacy is used to further explore the amount of effort individuals put into this risky process (Brockner et al., 2004). In addition, many studies have investigated the role of social capital as a network of social relationships in identifying business and exploiting business opportunities (Cooper and Yin, 2005; De Carolis and Saporito, 2006). Notably, this research study considers human capital as an 'input' accumulated by individuals relating to 'outputs', such as entrepreneurial decisions and behaviour (Bates, 1990). While human capital is the focal point of this research study, it is also mentioned that human capital can develop better social capital (Ucbasaran et al., 2008), which is demonstrated in Table 2.1 of the next chapter.

⁷ The Big Five model is a multidimensional approach employed to define personality by measuring openness, conscientiousness, extraversion, agreeableness and neuroticism, which plays a predominant role in affecting career choice and work performance (Costa and McCrae, 1992; Digman, 1990; Goldberg, 1990; John et al., 2008; Rauch, 2014).

Thirdly, there is little knowledge pertaining to the potential causal relationships between educational variables (Category 3); for example, the influence of past entrepreneurial exposure and available resources or the influence of entrepreneurship education programmes (EEPs)⁸ on the prediction of entrepreneurial intention or behaviours (Fayolle and Gailly, 2013). This research study focuses on human capital that has been disaggregated into general human capital and specific human capital. The former refers to formal qualifications and general work experience (Rauch and Rijsdijk, 2013), and the latter is divided into previous entrepreneurial experience, managerial experience and industry-specific experience (Unger et al., 2011). It is clear to see that there are overlapping knowledge and skills between entrepreneurship education programmes and human capital. However, human capital includes a more comprehensive set of knowledge, skills and experiences that could be relevant to entrepreneurial activities. This further justifies the focus of this study on human capital in this research study rather than entrepreneurship education programmes (EEP), which is consistent with the suggestion about considering past entrepreneurial exposure and available resources mentioned in Category 3.

Compared to emphasizing different countries with different cultures (Category 4), moreover, this research study links with the neighbourhood effects as a narrowed spatial environment rather than emphasizing countries (Linan et al., 2011; Jaén and Liñán, 2013), to discover the influence of neighbourhood effects on local residents' general human capital in deprived areas. This is because general human capital can be regarded as a foundation to provide opportunities to gain or develop specific human capital. In this thesis, the neighbourhood context is defined as an independent residential and social environment effect that influences local residents' socio-economic outcomes, such as their education level and employment status (Van Ham et al., 2012). It works on the basis that a neighbourhood effect may be a more appropriate variable that closely links with local residents' human capital development, to allow the investigation of the effect of human capital on entrepreneurial intention in deprived areas. Meanwhile, institutions are still considered as a part of this broader term.

⁸ Regarding entrepreneurship education or entrepreneurship education programmes, it should be noted that this kind of knowledge and experience can be provided either by the education system (i.e. entrepreneurship courses provide by a university) or by the government or entrepreneurship support institutions (i.e. entrepreneurship workshops, events or training). Therefore, entrepreneurship education or entrepreneurship education programmes can be regarded either as general human capital, or specific human capital, or both.

In considering Category 5, many scholars suggest that knowledge relating to the mechanisms and temporalities that influence how entrepreneurial intention triggers behaviours is lacking (Hessels et al., 2011; Kautonen et al., 2013; Laspita et al., 2012). This research study highlights the causal link between the entrepreneurial motivation, intention and behaviour that occurs at different time points. This is also the reason for selecting Ajzen's definition of entrepreneurial intention, since it demonstrates the sequence between entrepreneurial motivation and intention, delivering a signal that individuals' entrepreneurial motivation may precede the formation of entrepreneurial intention. Although this research study specifically focuses on the role of human capital on entrepreneurial intention in deprived areas, this section clearly shows that other elements of existing literature on entrepreneurial intention are still relevant.

1.4 Research Methodology and Contributions

By drawing upon the existing literature, this thesis generates a range of hypotheses in the next chapter. These hypotheses contribute to creating a new entrepreneurial intention model that seeks to provide an understanding of the influence of human capital through the multiple connected spheres of influence outlined in Figure 1.1, which have specific relevance for deprived areas. In order to strengthen this research study, positivism as a theoretical perspective closely associated with objectivism is adopted, in order to test the existence of these hypotheses during the research process; whilst interpretivism, as a contrasting epistemology to positivism, is also be applied, in order to provide a deeper understanding and interpretation to explain reasons or possibilities behind the relationships obtained from the quantitative analysis. In brief, this research study combines positivism with interpretivism based on the concern of epistemology contributing to the generation of causal explanation and prediction, as well as new narrative understandings (Saunders et al., 2016). The detailed information is presented in Chapter 3.

By answering the research questions set out before, this research study has found that lower levels of both human capital and entrepreneurship are caused by bidirectional relationships among different sorts of neighbourhood mechanisms, shaping a broad vicious circle through the generational effect in deprived areas. Regarding the influence of human capital on entrepreneurial intention, this research study found specific human capital plays a more important role than general human capital. This phenomenon is associated either with local residents' weak awareness of the importance of education, or difficulties in the labour market, such as subjectively-perceived discrimination caused by the home

or living postcodes and limited job options in deprived areas. Moreover, this research study argues that policymakers are more likely to look at superficial problems, rather than exploring the underlying causes of issues; the findings stress that local residents' psychological and behavioural reconstruction is considered an essential task, instead of superficially providing general solutions to solve problems per se in such areas.

This thesis makes several contributions to policy and academic fields. As demonstrated in section 1.3, this research study combines multiple variables investigated in the existing entrepreneurial intention literature to fill in the research gap based on the suggestions for future directions. Beyond this, it is different to previous studies that focus on the general factors influencing entrepreneurial intention (Fitzsimmons, and Douglas, 2011), or on a general relationship between human capital (Rauch and Rijdsdijk, 2011); or on entrepreneurship education (Fayolle and Gailly, 2013) and entrepreneurial intention; or on investigating entrepreneurial intention in deprived areas based on identified barriers (Williams and Williams, 2011; Lee and Cowling, 2012). This research study contributes to the creation of a new entrepreneurial intention model with a particular relevance to deprived areas, enriching knowledge about the connections within a deprived context, human capital and entrepreneurial intention by providing a comprehensive illustration of the key mechanisms at play. In order to test this new model, different analysis approaches are utilized to ascertain the existence of appropriate evidence. More specifically, the secondary data with a large sample is applied to provide a broad picture about the relationship between deprivation and entrepreneurial intention and the influence of individuals' attitude towards human capital on entrepreneurial intention in deprived areas at a country level, which also simultaneously supports the findings obtained from survey data at a deprived city level. Furthermore, the responses from in-depth semi-structured interviews carried out in the deprived areas of a deprived city further explore the reasons behind evidence found from quantitative data and reveal unexpected phenomena or possibilities. By integrating the results obtained from different data sources, the new model built upon hypotheses deriving from the existing literature is subsequently adjusted.

To sum up, regarding policy implications, this thesis contributes to the revelation of hidden factors, in order to bridge the gap between the policy that is enacted based on the government's perspective and residents' situations in deprived areas, which is beneficial for policy makers to boost entrepreneurial activities in deprived areas through realizing the essential difference between the general situation and that of deprived areas. For the academic aspect, this research study makes the

first step in building an entrepreneurial intention model particularly concentrating on deprived areas, which provides a foundation for future researchers to undertake empirical investigation in such areas.

1.5 Thesis Structure

In total, this thesis includes eight chapters are structured as follows. Chapter 2 specifically reviews the literature relating to the barriers to entrepreneurship in deprived areas (section 2.2), to present the entrepreneurial dilemmas that have been identified. Section 2.3 reviews existing theoretical entrepreneurial intention frameworks, including theory of planned behaviour (TPB) and a classic entrepreneurial intention model. Through critically discussing the components used in these frameworks, it demonstrates the process of and reasons for developing self-efficacy and self-regulatory focus, which are chosen as two predictors to examine individuals' entrepreneurial intention in deprived areas. Meanwhile, the distinctions between entrepreneurial motivation, intention and behaviours are also clarified. Before specifically looking at the influence of deprived neighbourhoods and human capital on entrepreneurial intention through their impact on self-efficacy and self-regulatory focus (section 2.5, section 2.6 and section 2.7), the general situation of human capital in deprived neighbourhoods is demonstrated in section 2.4, as a base to develop the assumptions and arguments. Based on this, a variety of hypotheses is proposed respectively in the corresponding sections and the new entrepreneurial intention model is demonstrated at the end of Chapter 2.

In Chapter 3, the application of research methodology (i.e. positivism and interpretivism) as an essential foundation is first presented in section 3.1. Following by explaining the design of this mixed research through linking with different research purposes, section 3.2 clarifies the utilization of different data sources to illustrate the research focus at three layers (i.e. a national level, a city level and an area level). The detailed information about each data source is explained in the following three sections. Regarding the secondary data (section 3.3), the information includes discussion of the various relationships (i.e. Relationship 1 to Relationship 6) that are linked with hypotheses proposed in Chapter 2; and clarification with regard to analysis approaches applied (i.e. correlation coefficient and a binary logistic regression). Meanwhile, corresponding tables clearly show the independent variables, dependent variables, control variables and binary coding for each relationship. Beyond the information pertaining to relationship tests (i.e. Relationship 7 to Relationship 10), analysis approaches and clarification of variables that are the same as the secondary data, section 3.4 also explains the process of data collection and sample selection for the primary survey data. Regarding

the qualitative data, 3.5 demonstrates how to obtain responses from in-depth interviews to further answer the research questions, including questioning methods and types of questions; and even the possible solutions for unexpected situations during the interview process. Furthermore, this section also explains the sample selection, whilst the application of analysis technique (i.e. Nvivo) and approach (i.e. thematic analysis) is illustrated.

Chapter 4 interprets the results of Relationships 1 to 7 obtained from secondary data. While the results of Relationships between 1 and 3 do not directly respond to research questions, the results show the existence of an indirect relationship between deprivation and entrepreneurial intention through the influence of perceived barriers on entrepreneurial intention. The results of Relationship 4 and Relationship 5 demonstrates the existence of relationships involved in RQ2 and RQ1 respectively. In addition, Relationship 6 examines the existence of a bidirectional relationship between self-efficacy and self-regulatory focus to indicate the interrelation between factors influencing entrepreneurial intention, which partly respond to RQ3. To sum up, the results of secondary data in Chapter 4 present a background revealing the relationships between deprivation, attitude towards human capital and entrepreneurial intention at a country level.

Chapter 5 interprets the results obtained from survey data collected from Nottingham, as one of the most deprived cities in the UK. Regarding human capital, the results mainly emphasize general human capital (i.e. participants' educational attainment and employment). Before interpreting the results of Relationships 7 to 10, descriptive results are presented first to demonstrate participants' general human capital levels and opinions about the influence of neighbourhood contexts on their entrepreneurial motivation. These results demonstrate the level of general human capital among participants and provide evidence to show the connection between different neighbourhood mechanisms and participants' initial business idea. After this, the results of each relationship are interpreted. The result of Relationship 7 provides the evidence about a deprived neighbourhood effect on general human capital development, whilst the result of Relationship 8a examines the influence of general human capital on participants' entrepreneurial intention. These two relationships examine the relationships involved in RQ2 and RQ1 separately. Beyond only looking at the influence of education level and employment status on entrepreneurial intention, Relationship 8b specifically examines the relationships between different benefits obtained from general human capital on entrepreneurial intention. This means Relationship 8b focuses on the influence of particular knowledge and/or skills on entrepreneurial intention. Furthermore, the purpose of testing

Relationship 9 is the same as Relationship 6, to find out a bidirectional relationship between self-efficacy and self-regulatory focus, whilst Relationship 10 directly examines the relationships between different neighbourhood effects on entrepreneurial intention. The results of these two relationships partially examine the existence of connections among factors influencing entrepreneurial intention (Relationship 9) and human capital development (Relationship 10). In brief, the results obtained from survey data specifically look at the relationships between different neighbourhood mechanisms, different sorts of general human capital and entrepreneurial intention at a deprived-city level.

Chapter 6 clarifies the details of the process of coding and analysing qualitative data (section 6.2 to section 6.4) and interprets the results of in-depth interviews (section 6.5 to section 6.9) from three interview groups (i.e. entrepreneurs from deprived areas, an officer from Nottingham local government and two training providers who particularly emphasize providing help and support to people in deprived areas of Nottingham). In this chapter, section 6.2 presents the analytical framework that includes data collection and coding preparation, whilst five major themes or topics are identified; based on the existing literature and components of the new model. These themes or topics are the major questioning line for the interviews with entrepreneurs. Furthermore, the detailed information about the coding and analysing process for each theme and for responses of the other two groups is demonstrated in section 6.3 and section 6.4 respectively. Followed by residents' general perception about their own areas demonstrated in section 6.5, section 6.6 distinguishes entrepreneurial motivation from intention by revealing factors triggering the occurrence of initial ideas for starting a business. Residents' human capital level (section 6.7), self-efficacy and self-regulatory attributes (section 6.8) and influential factors are respectively revealed, whilst other unexpected results are also explored. In addition, the perspectives from the local government and training providers are interpreted in section 6.9.

In light of results obtained from three different data sources, Chapter 7 comprehensively discusses the results from an overall perspective. By comparing to previous outcomes, this chapter follows the sequence of the three research questions to reveal and discuss the different and unexpected results, in addition to the results that are the same as those found by previous studies. Moreover, the new entrepreneurial intention model proposed in Chapter 2 has been adjusted on the basis of the results found in this research study. As the last chapter, Chapter 8 demonstrates how key findings contribute to knowledge (section 8.1), whilst the limitations are pointed out as a guidance for future research directions, along with possible suggestions (section 8.3). Moreover, future research directions are

relevant based on the limitations of this research study, Chapter 8 also links with interesting results that have not been stressed in previous studies and the current macro environment (i.e. Brexit and Covid-19), to clarify potential research interests (section 8.3). As a conclusion, section 8.4 stresses the necessity and feasibility of tackling issues to boost entrepreneurship in deprived areas for the local government from an overall perspective.

CHAPTER 2 LITERATURE REVIEW

2.1 Introduction

A large body of studies have focused on the relationship between entrepreneurship and deprivation and have demonstrated that deprived communities have low levels of enterprise (HM Treasury, 2008; Devins, 2009). For example, some studies have suggested that entrepreneurship is a key mechanism for rejuvenating and facilitating economic growth in deprived areas (Carree et al., 2002; Van Stel et al., 2005), and is also considered as a route out of deprivation (Frankish et al., 2014). By contrast, some studies point out that boosting entrepreneurial activities in such areas is still a challenging task (Greene et al., 2004; 2007). Nonetheless, there are a few studies that have sought to bring these two arguments together. As such, this chapter seeks to develop a theory of entrepreneurial intention, specifically emphasizing deprived areas, by drawing upon these different themes that have been considered as relating to deprived areas in order to modify and shape those focused on entrepreneurial intention.

In this chapter, the review examines the work looking at the barriers to entrepreneurship traditionally identified in deprived areas (section 2.2). These often relate to a lack of finance, but can ignore the question of whether residents want or should engage in entrepreneurial activities. A key element is whether residents of deprived areas possess the relevant skills or can be encouraged to make the long-term investments required. It is necessary to examine the models and theories of entrepreneurial intentions currently debated in the literature. These are used in the third part of the review as the basis for considering the main influences in deprived areas affecting residents' engagement and preparation for entrepreneurship (section 2.3). The literature considering these key influences, in particular human capital, is explored in the fourth subsection (section 2.4). Section 2.5 considers not just existing human capital, but how the deprived areas context affects its formation and its impact on entrepreneurial intentions. Throughout these subsections, hypotheses are developed in terms of the theoretical relations that should be expected to be present in deprived areas. The final section (section 2.6) concludes and outlines how the literature guides the next stage of analysis.

2.2 Literature on Barriers to Entrepreneurship in Deprived Areas

When the literature discusses deprived areas, there is recognition that deprivation is not one-dimensional. Instead, it relates to a range of endogenous factors, such as household incomes, educational attainment and service provision, all of which affect one another, along with exogenous factors imposed from outside, such as national policies, plus interactions between the endogenous and exogenous factors (Hincks, 2017). In considering the persistently disadvantaged environment faced by residents⁹, it should be recognised that deprived neighbourhoods do not suffer from the same disadvantages uniformly (Agarwal et al., 2018). This makes tackling deprivation far from straightforward, with studies indicating that any recovery is likely to be more successful when it involves a degree of self-help (Williams and Windebank, 2016). This means that enterprises developed by those living within deprived areas and serving those areas are often regarded as a key component (Blackburn and Ram, 2006).

Deprived areas are usually characterized as displaying low levels of entrepreneurial activity (Huggins and Williams, 2011). Williams and Williams (2017) summarize the key barriers to engagement in entrepreneurial activity as personal traits and institutional factors. Individual factors include a fear of getting into debt or possibility of business failure; concerns of losing the security associated with current employment; plus an acute lack of the necessary skills or feasible business ideas (Williams and Williams, 2011). Institutional determinants relate to a lack (or perceived lack) of appropriate finance (Rouse and Jayawarna, 2006; Lee and Drewer, 2014) and a lack of mentoring and support from positive role models (Slack, 2005; Welter et al., 2008). Even where role models are present, the other weaknesses that lead to a less supportive entrepreneurial eco-system may limit the positive effects of their presence (Wyrwich et al., 2016). Entrepreneurs in deprived areas do draw on their social capital, but there is evidence that this tends to be more restricted and largely limited to bonding ties to close associates, rather than bridging ties allowing access to a wider variety of knowledge (Lee et al., 2019).

Another obstacle is that new entrepreneurs and their businesses are less likely to enter deprived areas from other localities, because of a higher crime rate and limited availability of appropriate premises (Porter, 1997; Thompson et al., 2012), which hinders the creation of a favourable entrepreneurial ambiance. A lack of a strong and positive existing entrepreneurial eco-system limits the availability of

⁹ Three major issues leading to a persistent disadvantage in the UK localised areas have been mentioned in section 1.1 of Chapter 1, including the weak economic base, deprived living conditions and unstable community (Williams and Williams, 2014), and a lack of public services and support (HM Treasury, 2007).

resources of all kinds within the area, including social, human and financial capital, to support new entrepreneurial activities; and the inability to engage in entrepreneurial activities limits the extent to which a neighbourhood can evolve to generate a more positive entrepreneurial eco-system. The literature, therefore, suggests that there is a bidirectional relationship existing between individual and institutional barriers to entrepreneurship in deprived areas. These barriers are not exclusive to deprived areas, but are likely to be more severely felt (Welter et al., 2008).

As cultures of entrepreneurship differ in different population groups and areas (Williams, 2007), it is debated whether policy-makers may tend to look at superficial problems in deprived areas, rather than exploring the underlying causes of issues. As noted before, it has been argued that, to tackle deprivation, an approach of assisted self-help is likely to be most successful (Williams and Windebank, 2016). This means that, for entrepreneurship to play a successful role in this, those living in deprived areas need to willingly engage in entrepreneurial activities through the promotion of a supportive entrepreneurial eco-system and enterprise culture (Mouraviev and Avramenk, 2020). However, an unsupportive entrepreneurial eco-system due to perceived and actual disadvantages (Slack, 2005; Welter et al., 2008; Lee and Drewer, 2014), is likely to reduce confidence, willingness to take a risk, and opportunity perception (Williams and Williams, 2011). Overall, this will limit entrepreneurial intentions. As low incomes, confidence and relevant experience might be considered to flow naturally from the human capital of residents, a key intervention is often felt to be investment in human capital (Brookes et al., 2016). However, the most effective form of this human capital, whether investments can be encouraged in such an environment, and the extent to which this results in a lasting change for a deprived area, need considering in a systematic manner. Before formally entering into the discussion about the situation of human capital in deprived areas, it is worth going on to look at the existing entrepreneurial intention framework, which helps to reveal relevant factors influencing entrepreneurial intention.

2.3 Review of Theoretical Entrepreneurial Intention Framework

In this section, the existing theoretical entrepreneurial intention framework and models are presented and discussed for building the arguments of this research study. Ajzen's (1991) TPB and Shapero's (1982) theory of the entrepreneurial event as two widely-used approaches in entrepreneurship literature are considered as a theoretical foundation, whilst the models that have been subsequently modified are also discussed for building the arguments of this paper, such as Agboma's (2016)

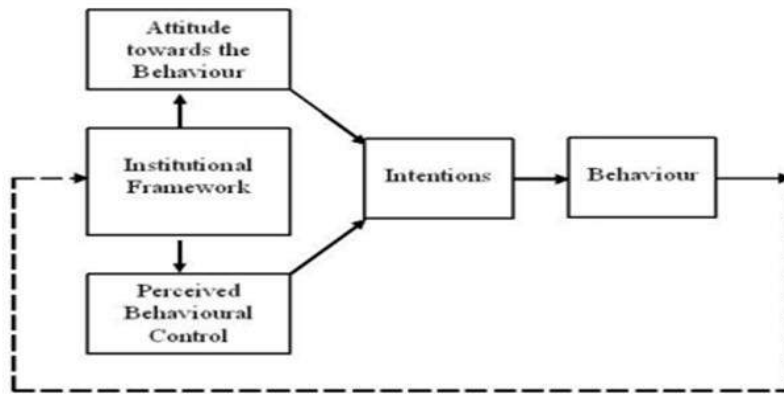
institution-based view of the TPB and a classic entrepreneurial intention model developed by Krueger and his associates (Krueger, 1993; Krueger and Brazeal, 1994; Krueger et al., 2000).

2.3.1 Theory of Planned Behaviour and A Classic Entrepreneurial Intention Model

In order to predict and explain individuals' entrepreneurial intention, Ajzen's (1991) TPB and Shapero's (1982) theory of the entrepreneurial event have been widely used in the entrepreneurship literature. Furthermore, the TPB developed by Ajzen (1991) to predict and explain human behaviour in specific contexts has been widely applied in different disciplines, including entrepreneurship. In TPB, a favourable attitude towards being an entrepreneur (i.e. the attitude towards behaviour), a resonance for undertaking entrepreneurial activities (i.e. social norms) and the perceived feasibility of starting such activities (i.e. perceived behavioural control) are three key dimensions affecting entrepreneurial intention (Agboma, 2016). While the TPB is viewed as a more coherent and applicable theoretical framework consistently predicting entrepreneurial intention (Armitage and Conner, 2001; Engle et al., 2010; Fini et al., 2009; Krueger et al., 2000), Kapasi and Galloway (2014) argue that the TPB model seems to over-simplify the complications of modelling entrepreneurial intentions because it does not consider the effect of causative contextual factors.

Moreover, Armitage and Conner (2001) claim that the component of social norms is insufficient to capture all aspects of social pressures on individuals' behaviours. Because of this, Agboma (2016) proposes the institution-based view of the TPB (Diagram 2.1) by substituting 'institutional context' for 'social norms' referring to in the original TPB model. This new model focuses on a dynamic interaction occurring among the constructs of institutional context, attitude and perceived behavioural control, whilst entrepreneurial intentions and actions are basically derived from the interaction of attitudes and perceived behavioural control (Agboma, 2016).

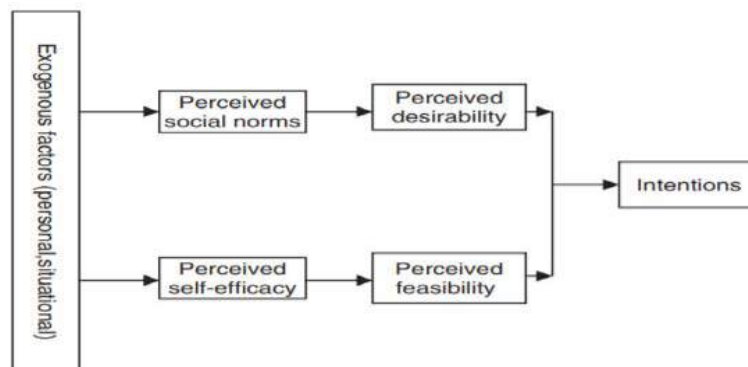
Diagram 2.1 Institution-based view of the TPB



Source: Agboma (2016), p6

Nonetheless, this modified TPB model does not provide detailed information about how the institutional environment affects individuals' attitudes and perceived behavioural control. As posited in the introductory chapter (Chapter 1), in a deprived context, individuals' entrepreneurial intention and/or behaviour may not be planned. Thus, this research study is more likely to follow a classic entrepreneurial intention model¹⁰ (Diagram 2.2) developed by Krueger and his colleagues, which mainly draws on the TPB and Shapero's (1984) theory of the entrepreneurial event.

Diagram 2.2 A classic entrepreneurial intention model



Source: Shapero (1982), Krueger (1993), Krueger and Brazeal (1994), and Krueger et al (2000)

¹⁰ The central part of the model originated from Shapero's model (Shapero and Sokol, 1982).

Shapero's (1984) theory concludes that the occurrence of each entrepreneurial event reflects the impact of social-cultural inheritance, previous experience and situational momentum that affects individuals' perceptions and values (Shapero, 1975, 1984). While a change in a person's life path, such as unemployment, a midlife crisis, or a chance to take a risk under a stable financial situation is the main cause of entrepreneurial events, it is not enough (Elfving et al., 2009). Based on this argument, the classic model assumes that individuals' perceived desirability and feasibility¹¹ predict their intention to become entrepreneurs (Krueger, 1993), which is affected by perceived social norms and perceived self-efficacy respectively (Krueger and Brazeal, 1994). Linking with the TPB, perceived outcomes from performing a specific behaviour influenced by social context determine perceived desirability or attitude (Ajzen and Fishbein, 2005; Kuratko et al., 1997). As another key variable, self-efficacy relating to people's sense of capability that drives that goal-oriented behaviour (Baum and Locke, 2004; Bandura, 1977, 2001) can be collective, which means the perception of collective efficacy is also important (Bandura, 1986, 1995). Therefore, Elfving et al (2009) assumed that collective self-efficacy is a socio-cultural determinant shaping not only social norms but also personal self-efficacy.

By drawing on previous theoretical foundations, this research study uses the concept of entrepreneurial motivation as a substitute for 'attitude towards behaviour' and 'perceived desirability', referring to individuals' emotive inclination to start new businesses. This is because the concepts of entrepreneurial motivation and intention are generally discussed together as crucial determinants affecting entrepreneurial behaviour and business start-up outcomes, but the relationship and nuanced differences have not been clarified. With regards to motivation, Moutinho (2000) states that motivation relates to a state of need or a condition that simulates individuals to perform a certain action that generates the sense of satisfaction. On the other hand, intention refers to individuals' planned or anticipated behaviours in the future (Swan, 1981), representing their expectations about a particular behaviour in the specific situation and can be implemented as the possibility of an action (Fishbein and Ajzen, 1975).

This research study assumes that entrepreneurial motivation seems to be closer to individuals' emotional reactions or attitude towards or initial ideas about business start-up, however, it is possible

¹¹ 'Perceived desirability' and 'perceived feasibility' in the classic model can be considered as the same meaning of 'attitude towards behaviour' and 'perceived behavioural control' involved in TPB, presenting individuals' willingness to engage in entrepreneurial activities and their perceptions about the feasibility of successfully establishing new businesses respectively.

that people may not implement subsequent actions, or they may not take any substantive behaviours. By contrast, entrepreneurial intention may be more likely to be linked with entrepreneurial behaviour, which is not only based on entrepreneurial motivation, but also enhanced by other stimuli that facilitate the likelihood of turning a desire into an actual behaviour. This assumption has been supported by Ozaralli and Rivnburgh (2016), who declared that intention is regarded as a direct antecedent enabling the prediction of real behaviours; the stronger the intention for the behaviour is, the more successful the behaviour prediction is¹². Similarly, the notion of entrepreneurial self-efficacy is used to substitute for 'perceived behavioural control', representing individuals' cognitive evaluation of their capabilities relating to business start-up (Bagheri and Pihie, 2014).

In deprived areas, however, individuals' initial entrepreneurial motivation is normally frequently necessity-driven due to limited employment opportunities and dissatisfaction, even though their motivation may be shifted into being opportunity-based in later business phases (Williams and Williams, 2014). In this case, it is further assumed that individuals' willingness to set up businesses may be pushed by urgent situations (e.g. monetary demand) or desires of escaping from difficulties (e.g. anxiety caused by unemployment). It is also supposed that most of these push factors are probably derived from the severe contextual and socio-cultural environment. It is argued that individuals' entrepreneurial behaviour may not be planned in deprived areas and, in particular, this research study highlights the relatively short period of time for generating and implementing the idea of starting businesses in deprived areas compared to the general case of starting businesses with a deliberated consideration or a business plan. Accordingly, this research study proposes entrepreneurial motivation as an individual's impulsive and short-term emotional reaction for starting new businesses to survive from the current difficulty, which is largely stimulated by a combination of situational and socio-cultural environment in deprived areas.

In considering entrepreneurial intention, Ajzen (1991) defined the concept as an inclination for capturing motivational determinants, trying to and exerting effort to implement the entrepreneurial behaviour through taking advantage of resources and capabilities relating to business start-up. This definition also demonstrates the sequence between motivation and intention: individuals' entrepreneurial motivation may precede the formation of entrepreneurial intention. The question is:

¹² Although entrepreneurial intention is the core concept in this research study, entrepreneurial motivation and entrepreneurial behaviour are also mentioned, because the motivation is regarded as a precondition spurring intention, and the behaviour can be considered as an outcome of performing actions stimulated by intention.

what factors facilitate individuals' ability to turn their entrepreneurial motivation into entrepreneurial intention?

As shown in previous entrepreneurial intention models, individuals' attitudes and the beliefs about their capabilities relating to business start-up significantly influence entrepreneurial intention. It is worth noting that individuals who possess these two attributes may not decide to become an entrepreneur; a few researchers have measured different dimensions particularly relating to other entrepreneurial attributes, such as self-regulatory focus (Tumasjan and Braun, 2012; Tyszka et al., 2011; Bryant, 2007, 2006). By combining the driving role of self-efficacy in goal-oriented behaviour and the situation in deprived areas, the concept of self-regulatory focus defined as the capability to set and achieve goals despite the existence of personal and environmental barriers (Higgins, 1998) is considered in this research study. In short, it is supposed that the process of shifting from entrepreneurial motivation into entrepreneurial intention, even behaviour, may be mediated by individuals' self-efficacy and self-regulatory focus, particularly in a deprived context.

2.3.2 Entrepreneurial Self-efficacy and Entrepreneurial Intention

Self-efficacy is grounded in Bandura's (1997) social cognitive theory that explains human behaviour as an interaction among intrapersonal influences, the behaviour individuals engage in and the environmental effect (Bandura, 2012). Self-efficacy refers to a personal cognitive evaluation of a person's capability to successfully perform a specific task (Bagheri and Pihie, 2014). As the most influential factor affecting behaviour, Bandura (2012) declares that self-efficacy impacts on behaviours through direct and indirect influences on other processes, such as goal setting, expectations for outcomes, perceptions towards facilitators and impediments existing in the surrounding environment. Particularly in entrepreneurship literature, the critical role of self-efficacy is based on two natures: it is a task-specific construct, including an assessment of individuals' confidence beliefs about internal and external constraints and possibilities, whilst it is linked with action and intention for an action (Boyd and Vozikis, 1994). Because of this, self-efficacy has been widely applied in the entrepreneurship field to stress its influences on different aspects of a new venture creation process (Pihie and Bagheri, 2013). Therefore, entrepreneurial self-efficacy has been defined as a person's perceived capabilities, not only to successfully perform the tasks and roles of an entrepreneur, but also to attain the expectations of creating a new business (BarNir et al., 2011; McGree et al., 2009; Kickul et al., 2008; Chen et al., 1998).

However, Drnovsek et al. (2010) believe that entrepreneurial self-efficacy involves at least two dimensions, which are goal beliefs and control beliefs that exist in the process of business start-up. Therefore, they have proposed that entrepreneurial self-efficacy refers to a person's beliefs about their capabilities to not only attain goals (i.e. goal beliefs), but also control both positive and negative cognitions (i.e. control beliefs) in the process of starting new businesses. Previous studies have demonstrated the critical influences of entrepreneurial self-efficacy on individuals' intention and capability to be an entrepreneur, which reflects in how much effort people would like to devote to create new businesses; whether they can retain persistence to face changes or uncertainties in a new business creation process; and whether they can successfully perform the role of entrepreneurs and tasks (Trevelyan, 2011; Chen et al., 1998; Boyd and Vozikis, 1994). As one of the key personal characteristics, entrepreneurial self-efficacy has been stressed as stimulating entrepreneurial behaviours (Tyszka et al., 2011; McGee et al., 2009; De Pillis and Reardon, 2007; Chen et al., 1998), and enabling entrepreneurs to overcome difficulties in the process of starting new businesses, such as opportunity recognition, resource integration and improvement of performance (Tumasjan and Braun, 2012; McGee et al., 2009; Barbosa et al., 2007; Bryant, 2006; Markman and Baron, 2003). McGee et al. (2009) and Bandura (2000) point out that entrepreneurial self-efficacy influences individuals' entrepreneurial decision-making and directs their further performance of managing and developing a new business. In some special cases, Mellahi (2005) argues that the instant success achieved by entrepreneurs may lead them to overestimate their capabilities to carry out entrepreneurial activities: this excessive confidence may harm rather than help the business. Even so, people have higher levels of self-efficacy in general, which means they believe they are able to create change and have control over their thoughts and actions (Bandura, 2000). However, confidence in achieving goals may have the limited effect of turning entrepreneurial motivation into intention if goals are about avoiding failure rather than promoting success as is discussed below.

2.3.3 Self-Regulatory Focus and Entrepreneurial Intention

Based on Higgins's (1998) theory of self-regulation, Higgins et al. (2001) argue that self-regulation is modified by a person's self-regulatory focus that refers to the ability to set and achieve goals despite the existence of personal and environmental barrier. As two distinct socio-cognitive styles involved in self-regulatory focus, Bagheri and Pihie (2014) declare that promotion focus and prevention focus direct individuals' motivation towards the achievement of their goals. From the perspective of the goal setting, promotion-focused people are more likely to consider positive and gainful results of

achieving their goals. By contrast, prevention-focused people tend to be concerned with their security and avoid possible failures or losses (Bryant, 2007; Brockner et al., 2004; McMullen and Shepherd, 2002). In the case of undertaking entrepreneurial activities with highly complicated and risky situations, it is revealed that promotion-focused people are more likely to recognize a variety of creative and innovative opportunities (Brockner et al., 2004; Trevelyan, 2011; Tumasjan and Braun, 2012), make decisions about which opportunities to exploit (Bryant, 2007), and enhance business creation (Hmieleski and Baron, 2008). In turn, prevention-focused people would like to keep away from risky and uncertain tasks (Trevelyan, 2011).

Accordingly, promotion-focused people are more prone to generate new possibilities, think of alternatives and conceive creative ideas (Tumasjan and Braun, 2012), as well as exhibiting a higher level of perseverance for accomplishing a task (Crowe and Higgins, 1997), compared to prevention-focused people. From this aspect, McMullen and Shepherd (2002) declare that promotion-focused people prefer to set a relatively lower threshold to examine or confirm whether an opportunity actually exists and immediately act on the opportunity. By contrast, prevention-focused people usually have a higher threshold for considering the existence of an opportunity and have a cautious attitude towards taking action to exploit the opportunity. Higgins et al. (2001) state that individuals' self-regulatory focus is derived from their past successes, failures and their current situational factors. Therefore, self-regulatory focus differs in individuals' motivation and capability to predict the future, generate expectations, set goals, determine expected outcomes of goals and select strategies to attain them (Bryant, 2009, 2007; Brockner et al., 2004; Bandura, 1997).

Based on the comparison between promotion- and prevention-focused people, it seems likely that promotion-focused people may have higher entrepreneurial intention as opposed to prevention-focused people. Empirically, McMullen and Shepherd (2002) found that both promotion focus and prevention focus lead to higher entrepreneurial intention; however, they stressed that promotion-focused individuals' intention is affected by the increases in the gains from action and prevention-focused individuals' intention is affected by the increases in the cost of inaction. Nonetheless, Tumasjan and Braun (2012) have recently added value to McMullen and Shepherd's (2002) study indicating that promotion-focused people have higher entrepreneurial intention in a given situation and increase the possibility of successfully recognizing or identifying entrepreneurial opportunities. On the other hand, Jeng and Shih (2008) found a positive correlation between self-efficacy and goal setting, in that higher levels of self-efficacy result in higher levels of future achievement to be set.

Erikson (2002) also provides evidence proving the crucial role of entrepreneurial goals in directing individuals' entrepreneurial motivation, however, the author emphasizes that individuals' entrepreneurial goals ought to be consistent with entrepreneurial self-efficacy. It is posited that a bidirectional relationship exists between individuals' self-efficacy and goal setting, which means individuals with higher levels of self-efficacy are more likely to set a higher level of goals; in turn, they may be more likely to set higher levels of goals if they are confident in their capabilities to achieve those goals. Therefore, *Hypothesis 1* and *Hypothesis 2* have been proposed:

Hypothesis 1: Individuals' self-efficacy and self-regulatory focus affect entrepreneurial motivation and intention through goal setting and opportunity recognition in deprived areas.

Hypothesis 2: There is a bidirectional relationship between individuals' self-efficacy and their self-regulatory focus in deprived areas.

Notably, the sources of self-regulatory focus and self-efficacy that have been discussed so far are associated with past experience, knowledge, whilst the current environment is also pivotal (Bagheri and Pihie, 2014; Drnoisek et al., 2010). Dealing with the experience and knowledge elements first, human capital may be expected to play a key role in generating entrepreneurial intentions through increasing self-efficacy and self-regulatory focus. In order to respond to this question, the situation of human capital development in deprived areas is presented first, to provide a general perspective on the human capital level in such areas, before going on to examine the link with entrepreneurial intentions.

2.4 Human Capital in Deprived Neighbourhoods

Poverty and deprivation¹³ have significant influences on individuals and family, as well as wider societal implications (Hirsch, 2008). Recent research has proven that the educational gap between children from low-income households and those from higher-income families is derived from the early years stage, which requires early intervention (Washbrook and Waldfogel, 2010; Department of Works and Pensions and Department for Education, 2011).

¹³ The term of deprivation can be a synonym for the term of poverty. However, deprivation is a wider term than poverty, as it does not only refer to low income, but also refer to a difficult situation triggered by insufficient resources and opportunities, even a lack of financial support (McKendrick, 2011).

Green and Doyle (2007) state that children have been identified as one of the group most vulnerable to the effect of poverty. Children from poor families not only experience deprivation per se (Stephen et al., 2012), but are also trapped in a cycle of deprivation (House of Commons, 2008). A review of the Child Poverty Action Group Report (2002) demonstrates most people remain in the same quintile of income distribution as their parents. In this case, Stephen et al. (2012) point out that poverty and deprivation can be regarded as generational, passing from generation to generation. Thus, reducing child poverty is considered as one of crucial steps to break the cycle of deprivation, whilst improving education, both in the early years and higher education, has been perceived as the route to social advancement (House of Commons, 2008; Department for Education, 2011; Department of Works and Pensions and Department for Education, 2011).

Nevertheless, Hirsch (2008) claims that children from low-income households are more likely to face barriers in their education and to attain lower exam grades than others, caused by a greater likelihood of being excluded by schools or choosing not to blend into the school environment (Bryce et al., 2013). McNally and Blanden (2006) also stress that children from families with low incomes might not have the ability to engage in a comprehensive education, because better schools are usually situated in more affluent areas. Many scholars have pointed out that children from disadvantaged families are less equipped to take advantage of the educational opportunities and likelihood of social advancement provided by state-funded school education (McNally and Blanden, 2006; Muir and Gracey, 2007).

2.5 Human Capital, Self-efficacy, Self-regulatory Focus and Entrepreneurial Intention

In the entrepreneurship literature, human capital has been disaggregated into general human capital and specific human capital, as discussed in Chapter 1. The former refers to educational attainment and general work experience (Rauch and Rijsdijk, 2013) and the latter is divided into previous entrepreneurial experience, managerial experience and industry-specific experience (Unger et al., 2011). The benefits of general human capital for undertaking entrepreneurial activities have been identified by many scholars (Table 2.1). Formal education delivers essential knowledge, cognitive skills and better resource channels to individuals, whilst general work experience enables individuals to obtain diversified and practical skills. Linking these benefits back with the major barriers to entrepreneurship in deprived areas, it can be seen that general human capital partially solves some of

barriers faced by individuals in deprived areas, such as the difficulty of looking for funding, limited social networks and a lack of necessary skills relating to business start-up (Devins, 2009; Rouse and Jayawarna, 2006).

Table 2.1 Benefits obtained from general human capital¹⁴

<i>Formal Education</i>	
<i>Rauch and Rijsdijk (2013)</i>	<p>Formal education is a process of delivering necessary cognitive skills and explicit knowledge to individuals, enabling them to adapt to a changeable environment.</p> <p>A higher education level provides individuals with better capabilities for solving problems and making business decisions.</p>
<i>Shane (2000)</i>	<p>It allows individuals not only to acquire essential capabilities to learn about market situations and technological skills, but also to possess better insights to recognize potential opportunities in the surrounding circumstances.</p>
<i>Ucbasaran et al. (2008)</i>	<p>Educated individuals would have better social networks that are beneficial to further business development, as they have stayed in the education system for a long time.</p>
<i>Bapista et al. (2014)</i>	<p>Individuals who have higher educational attainment are more likely to be better paid employees, allowing them to relatively easier to fund their business.</p>
<i>General Work Experience</i>	
<i>Unger et al. (2011)</i>	<p>It allows individuals to shape entrepreneurial alertness for potential market and operation risks, build a reputation and develop customer base and business contacts.</p>
<i>Moser (2016)</i>	<p>More working time enables individuals to possess a higher capability for dealing with business-related challenges, which facilitates their capability of making decisions.</p>
<i>Koellinger et al. (2007)</i>	<p>Working in a business environment enhances individuals' behavioural skills, subsequently leading to a higher level of self-confidence to deal with interpersonal exchanges, even interpersonal conflicts.</p>

¹⁴ Table 2.1 presents the differentiated benefits obtained from formal education and general work experiences respectively; however, some benefits demonstrated for formal education can be also gained from general work experiences such as capabilities of adapting to the changing environment, solving problems (Milliken and Vollrath, 1991; Ward, 1995), making decisions (Shepherd and DeTienne, 2005), recognizing opportunities (Gabrielsson and Politis, 2012) and developing social networks (Salaff et al., 2006; Tymon and Stumpf, 2003).

Lazear (2005) found that skills obtained from general human capital boost confidence relating to successful new venture creation. Kucuk et al. (2012) stress that individuals who achieve academic success tend to pay more attention to participating in social activities, seek self-development and hold positive attitudes for life and social environment. Taken in this sense, it suggests that educated people are more capable of setting their personal goals because they have a clearer direction for their life and future expectations. In addition, general human capital increases their capabilities associated with achieving these goals and retaining positive emotions to overcome difficult situations as they arise. Therefore, *Hypothesis 3a* and *Hypothesis 3b* have been formulated as follows:

Hypothesis 3a: General human capital facilitates individuals' self-efficacy in deprived areas.

Hypothesis 3b: General human capital facilitates individuals' self-regulatory focus in deprived areas.

With regard to the form that this general human capital must take, Moser (2016) argues that only higher educational attainment, such as a university degree, can help entrepreneurs, particularly those with no prior entrepreneurial experience to obtain the necessary entrepreneurial knowledge. By contrast, others suggest that higher education decreases the possibility of undertaking entrepreneurial activities, due in part to more alternative and stable employment opportunities (Nabi et al., 2010; Kwong and Thompson, 2016). Here self-regulatory focus can play a moderating role on this relationship between general human capital on entrepreneurial intention. Promotion-focused people utilize the benefits obtained from general human capital to access opportunities, whilst prevention-focused people reduce risk by taking waged employment opportunities. As such, *Hypothesis 3c* has been proposed as:

Hypothesis 3c: The effect of general human capital on entrepreneurial intention is mediated by individuals' self-regulatory focus in deprived areas.

Specific human capital tends to be applicable in a narrower sense and is related to specific tasks or activities (Barney, 1991). The influence of specific human capital on entrepreneurial intention is illustrated in Table 2.2. As a kind of knowledge pertaining to the business procedures, previous entrepreneurial experiences provide a broad understanding about what works and what does not work (Gruber et al., 2008). In light of the barriers to entrepreneurship in deprived areas mentioned in

section 2.2, this kind of experience could be largely restricted. Compared to previous entrepreneurial experience, Moser (2016) argues that managerial experience does not provide experiences that are fully transferable and applicable to the field of entrepreneurship. Wang and Barney (2006) and Moser (2016) argue that the influence of managerial experience on entrepreneurial intention is negative if opportunity costs are considered as the main influence on motivation compared to other determinants.

Table 2.2 Benefits obtained from specific human capital

<i>Previous Entrepreneurial Experience</i>	
<i>Hopp and Sonderegger (2015)</i>	It enables individuals to access relevant information pertaining to the process of starting new businesses.
<i>Dimov (2010)</i>	It enables individuals to understand channels for raising financial capital, product development, resource allocation and negotiation skills.
<i>Van Gelderen et al. (2005)</i>	It encourages individuals to develop risk management skills and tolerance through taking alternative options into account, perceiving other sources of information, controlling negative emotions, and saving time and capital.
<i>Managerial Experience</i>	
<i>Rauch and Rijdsdijk (2013)</i>	It delivers a range of valuable knowledge and abilities for individuals to overcome difficulties and uncertainties and to implement various tasks.
<i>Delmar and Davidsson (2000); Kim et al. (2006)</i>	It positively influences individuals' identification and exploitation of opportunities.
<i>Specific-industry Experience</i>	
<i>Shane and Venkataraman (2000)</i>	It links with knowledge relating to the profitability of niche activities, providing a deeper understanding of the value chain and existing relationships with customers and business contacts with partners in a specific industry. It helps individuals to establish relationships with potential customers in that specific industry because they are familiar with the pricing principle, cost structure, customer preference and market trend.

While specific-industry experience is a driving force increasing the productivity in a specific industry, this experience is applied in a narrowed area because it is hard to transfer outside this field (Rauch and Rijsdijk, 2014). Looking at the benefits obtained from specific human capital, it can be seen that specific human capital delivers procedural knowledge relating to business start-up, risk attitudes and tolerance perspectives and a deeper understanding about particular industries. As sources of self-efficacy and self-regulatory focus are associated with individuals' past experience that may be successful or unsuccessful, specific human capital can either positively, or negatively, impact on individuals' self-efficacy and self-regulatory focus. Thus, *Hypothesis 4a* and *Hypothesis 4b* have been generated as follows.

Hypothesis 4a: Specific human capital affects individuals' self-efficacy in deprived areas.

Hypothesis 4b: Specific human capital affects individuals' self-regulatory focus in deprived areas.

Linked to this, the weak entrepreneurial eco-system in deprived areas is likely to affect the form that much of the specific human capital takes, which may limit the extent to which residents are appropriately placed to develop successful new ventures. Similarly, the deprived context has a role in determining how successfully relevant general human capital is acquired.

2.6 Neighbourhood Contexts and Human Capital Development in Deprived Areas

The school of 'new economic geography' has emerged and revived interest in the connection between geography and business development (Bailey, 2015). Also, a burgeoning literature relating to neighbourhood effects indicates that a deprived neighbourhood negatively influences local residents' socio-economic outcomes, such as educational attainment and employment status (Galster, 2002). Many studies have identified that neighbourhood characteristics associated with deprivation do matter in individuals' educational attainment (Gibbons, 2002; Lindahl, 2011). The neighbourhood effect on individuals' employment status is usually studied through examining the relationship between a deprived neighbourhood context and unemployment (Brattbakk and Wessel, 2013; Manley and Van Ham, 2012). This means growing up in neighbourhoods with higher-levels of poverty is usually regarded as a negative factor impacting on occupational outcomes and associated general human capital from experience (Galster, 2002; Van Ham et al., 2012). Van Ham et al. (2012) have summarized four broad rubrics of neighbourhood effects, including social-interactive, geographical, institutional

and environmental mechanisms. In line with the focus of this chapter, this section emphasizes the influence of the first three mechanisms.

In the aspect of the institutional mechanisms, stigmatization caused by the negative reputation of deprived areas can reduce and even exclude residents from employment opportunities (Dean and Hastings, 2000; Permentier et al., 2007). Galster (2012) states that spatial occupational mismatch may also limit the accessibility to job opportunities that are appropriate to local residents and further restrict their employment opportunities. In the UK, a growing spatial mismatch, amplified by economic shocks, means that those areas housing lower-income residents are usually distanced from areas where there are more job opportunities (Gobillon et al., 2007; Townsend and Champion, 2014). This means that geographical and institutional mechanisms may constrain individuals' employment opportunities and negatively influence their employment status in deprived areas.

Geographically and institutionally, the influences of deprivation on the sources of general human capital are not independent. A higher level of unemployment directly leads to a lower level of family income. As mentioned in section 2.4, those children from low income households are more likely to achieve lower exam grades (Hirsch, 2008) because it is difficult to blend into the school environment, either actively or passively (Bryce et al., 2013), whilst a geographical disadvantage hampers them from attaining comprehensive schooling due to the location of better schools (McNally and Blanden, 2006). *Hypothesis 5a* has therefore been formulated as:

Hypothesis 5a: Geographical and institutional mechanisms negatively affect individuals' general human capital in deprived areas.

Cheshire (2009) has proposed that individuals in deprived neighbourhoods suffer worse outcomes in both education and employment and believes this phenomenon is partially derived from the composition of neighbourhoods. Kintrea et al. (2011) also found that there is a low level of educational and occupational aspiration among young people in deprived neighbourhoods and that ethnic composition is one of the sources of variation. They point out that White working-class communities have lower aspirations compared with large minority ethnic populations. However, this view is not universally accepted. Lister (2004) argues that the opinion that people in deprived areas have lower commitments to work basically originate from a distinctive value set for this group of people, which has repeatedly been shown to be false. Evidence proposed by Johnston et al.'s (2000) work reveals

that young people have a relatively higher commitment to work in the deprived areas of Teesside. Responding to this argument, it is posited that higher unemployment in deprived areas is not fully related to residents' work commitment.

With regards to social-interactive mechanisms, one prominent developmental principle is the collective socialization that suggests individuals may conform to local social norms transferred by role models and other social pressures in the local area (Galster, 2012). In terms of occupational outcome, Koursatos (2017) proposes the possibility that unemployment will become a social norm in deprived areas. Where the social norm of work disappears, the loss of reputation or psychological cost suffered by unemployed individuals will be less severe (Koursaros, 2017). Studies have also revealed the attraction of the informal economy, a fear of leaving the security of welfare benefits (Department for Work and Pension, 2003) and a developed culture of worklessness locking people in the unemployed cycle (HM Treasury and DWP, 2003) as community factors which hinder the residents' employment status. If unemployment becomes a social norm in deprived neighbourhoods, people would not view their own personal unemployment as a problem, which reduces the drive to set goals aimed at overcoming their joblessness. Nevertheless, other studies have revealed that changes in the job markets, residential sorting and other area effects structure the worklessness in the UK (Social Exclusion Unit, 2004). It has also pointed out that the residents are stuck in a circle of low-paid and insecure jobs as well as unemployment (Shildrick et al., 2012b), whilst young adults' strong commitment to working for a living has been examined by MacDonald and Marsh (2005). Based on different perspectives, the argument pertaining to welfare dependency is related either to individuals' unwillingness to be employed or to the limited access to jobs negatively influencing their employment status.

Furthermore, parental mediation as another social-interactive mechanism reflects the effect of parents on the home environment. Parents' behaviours, material resources, physical and mental health, skills and sense of self-efficacy are affected by the neighbourhood (Galster, 2012). Wilson (1987) claims that families located in deprived neighbourhoods might not provide the resources or conditions needed to develop their children's capabilities required to successfully study and work. Parents also lack relevant skills to help children plan, improve and achieve skills in schools and workplaces. In particular, as parents act as role models for their children, the parents' educational attainment could be considered as a standard that represents the expectation for children's achievement in the school environment. The parental or family influence operates not only on

children's educational attainment but also on children's employment status. When considering the issue of unemployment as a social norm, narrowing the focus from the neighbourhood context to the family environment, politicians and welfare practitioners have displayed a belief in the intergenerational culture of worklessness and confidently stated that there is a common pattern where nobody has worked through three generations of families (Shildrick et al., 2012a). Macmillan (2011) points out that worklessness is essentially cultural, which means workless parents pass the values, attitudes and behaviours to their children to inculcate a dependency on welfare, which is reproduced and transmitted within families through generations. These opinions are usually linked with the inheritance of idleness or residents' preference of welfare dependency. Many pertinent studies have mentioned that several factors, such as lower family aspirations and motivations (Page, 2000), derive from the intergenerational experience of worklessness (Social Exclusion Task Force, DCSF and DCLG, 2008).

Nonetheless, MacDonald et al (2014), conducting interviews with two generations¹⁵ of twenty families in the UK (i.e. Glasgow and Middlesbrough), argue against the strong version of 'nobody has worked through three generations of families' emphasised by government and welfare practitioners. Their findings reveal that a combination of multiple life events, hardships and the reactions to those disadvantaged and stressful events or situations progressively exclude the middle generation (i.e. parents) from the local labour market. They also found the unfavourable life start of the younger generation (i.e. children), including limited familiar social, cultural and financial capital, hampers their labour market transitions. From this perspective, the lower socio-economic outcomes could be more likely to be transmitted through generations, rather than the nature or culture of being workless. Most importantly, these hardships and life events let some parents fall into a range of inappropriate behaviours, mindset and serious ill-health¹⁶ to a large extent (MacDonald et al., 2014); this point draws forth the issue of parental neglect and family abuse as another factor influencing children's human capital development. It could also explain how the lower socio-economic outcomes are transferred through the generational effect in deprived areas.

¹⁵ The authors intended to interview three generations of families, however, most older family members were deceased or too ill to engage in the interviews.

¹⁶ In MacDonald et al.'s (2014) study, they summarize several causes and types of mental and physical ill-health. More specifically, they include education failures, problematic drug use, criminal behaviours and/or victimization, violent inclination, multiple bereavements, poor housing conditions, family instability and mental and physical ill-health.

Bywaters et al. (2016) indicate a direct influence of family socio-economic circumstance on the prevalence of child neglect and abuse. As such, neglect is caused by material hardship or a lack of financial support and is an indirect effect of parental stress linked to the deprived neighbourhood context. This factor is a serious issue, not only negatively influencing young people's educational attainment, but also damaging their mental and behavioural development, which could be one of the reasons behind a higher crime rate and negative reputation in deprived areas. Children who experience abuse and/or neglect are at an increased risk of facing learning barriers such as delayed or impaired language and communication skills development, influencing their social and educational development (Petersen et al., 2014). Moreover, Currie and Tekin (2012) claim that maltreatment largely increases the possibility of engaging in criminal activities. Children learn behaviours from both the way in which other people treat them and their observation of how their parents treat each other (Franklin and Kercher, 2012). Parents are, therefore, not only a role model for supervising children's educational attainment and occupational outcomes, but also for guiding their code of conduct. Because of this, *Hypothesis 5b* has been proposed as:

Hypothesis 5b: The social-interactive mechanism negatively affects individuals' general human capital in deprived areas.

Bernelius and Kauppinen (2012) demonstrate that schools as a social, institutional and physical environment play a crucial role in young people's experience in their daily lives. Therefore, Bramley and Karley (2007) believe that school effects should be considered within the framework of neighbourhood effects. When considering social contagion, it is one of the social-interactive mechanisms indicating that individuals' behaviours, aspirations and attitudes may be affected by close peers (Galster, 2012). In a school context, it is posited that those young people from a poor family environment may have negative influence not only on peers' educational outcomes, but also their behaviours. This could normalise anti-social behaviours, increasing the crime rate, which acts as a barrier to residents' employment opportunities and weakening of the entrepreneurial eco-system. It can be seen that a vicious circle exists between the social-interactive mechanism and local residents' general human capital development. Therefore, *Hypothesis 5c* has been formulated as follows.

Hypothesis 5c: There is a bidirectional relationship between social-interactive mechanisms and individuals' general human capital in deprived areas.

The neighbourhood effect in deprived areas negatively causes local residents to invest insufficiently in general human capital, which subsequently negatively influences their accumulation of specific human capital. Entrepreneurially, a lack of general human capital leads individuals to lack basic knowledge, capabilities and the formulation of better social networks, making access to the customer base and business contacts harder, as well as fostering lower confidence in being able to overcome difficult situations (Williams et al., 2017). Taken in this sense, individuals in deprived areas may have limited chances to obtain managerial and industry-specific experience. These obstacles weaken the local entrepreneurial eco-system, limiting its ability to act as a breeding ground for individuals' entrepreneurial capabilities by limiting the potential to acquire entrepreneurial experience (*Hypothesis 5d*). Integrating four propositions from this section, the connection between neighbourhood effect and human capital has been simplified as *Hypothesis 5*.

Hypothesis 5d: Geographical and institutional mechanisms negatively influence individuals' specific human capital in deprived areas.

Hypothesis 5: There is a bidirectional relationship between the neighbourhood context and individuals' human capital development in deprived areas.

2.7 Neighbourhood Contexts, Entrepreneurial Intention and Entrepreneurship in Deprived Areas

In entrepreneurship literature, Welter (2011) has pointed out that context can be regarded as both an asset and a liability. It provides possibilities for individuals to recognize opportunities and set boundaries to take actions. Welter (2011) further theorizes that the context influences the answers to a number of broad-ranging questions, namely: who gets involved in entrepreneurship?; where, when, how and why they become involved?; as well as what are the consequences to themselves and others? As a relatively new research field, the discussion of the role played by context in relation to entrepreneurship requires further work to examine different examples of contexts and external environmental conditions (Ucbasaran et al., 2001; Baker and Welter, 2018).

In deprived areas, while numerous barriers exist that hamper entrepreneurial development (see section 2.2), Fogel and Gartner's (2015) study demonstrates such areas can still be considered as a resource for business activities. For example, these areas have ready access to economically underused space and vacant buildings that could be utilized without charge, or purchased or rented

at reasonable prices. However, their study emphasizes the unexplored attractiveness of deprived areas, which can appeal to entrepreneurs who are not fully embedded in the deprived context. These entrepreneurs, on discovering the advantages of such areas, can act to regenerate and break the downward spiral in deprived areas. In other words, facilitating entrepreneurship in deprived areas is perceived as depending on how 'outsiders' perceive and exploit such areas, rather than the influence of local residents' endogenous forces. While previous sections have discussed the idea that deprived neighbourhood contexts operating through the formation of human capital indirectly affect self-efficacy and self-regulatory focus, on the basis of the broad-ranging questions highlighted by Welter (2011), this section specifically looks at the influence of deprived neighbourhood contexts on local residents' entrepreneurial intention through its direct impacts on self-efficacy and self-regulatory focus (i.e. the 'where' element), further linking together the whole picture of entrepreneurship in deprived areas.

From an overall perspective of why people get involved in entrepreneurial activities in deprived areas (i.e. the 'why' element), initially, many scholars have applied a dualistic depiction to divide entrepreneurs into either opportunity-driven or necessity-driven. This division means individuals' engagement in entrepreneurial activities is facilitated either by a proactive choice, particularly to pursue perceived unexploited opportunities; or alternatively by an absence of other employment options (Benz, 2009; Bosma and Harding, 2006; Bosma et al., 2008; Bridge et al., 2003; Devins, 2009). However, Williams and Williams' (2012) study found that entrepreneurs usually have multiple motivations in deprived areas. The original motivation can be regarded as a product of the social, economic and spatial context in which entrepreneurs perceive particular types of entrepreneurship to be available to them (Williams and Williams, 2012). It means while necessity-oriented influences could be the essential factors stimulating entrepreneurial motivation, it does not mean they cannot perceive the potential opportunities available. For example, the social environment could provide the cue for individuals to follow, and their motivations are influenced by what others have chosen to do in the past (Minniti, 2005; Chlosta et al., 2012). This could explain Hindle and Klyver's (2007) finding that the role models from the local community are more effective in encouraging local residents to engage in entrepreneurship, compared to those nationally successful or reputable entrepreneurs from outside the local area. This is because local role models provide opportunities and signals for the local residents to learn from, which highlight the feasibility of undertaking entrepreneurial activities with fewer uncertainties (Wyrwich et al., 2016).

In recent years, Williams and Williams (2017) have further stressed that entrepreneurial motivation in deprived areas is changeable over time. Although people are confronted with the living dilemma that largely pushes them to find alternative ways to obtain earnings, such as setting up a business or self-employment, it has been pointed out that entrepreneurship in deprived areas is not completely driven by this necessity. The movement between these two drivers at different points of the business development will have an equal chance of occurring in deprived areas as it does in less deprived areas (Williams and Williams, 2017). This opinion is also supported by Mouraviex and Avramenko's (2020) latest work, which demonstrates the major difference between necessity-based and opportunity-based entrepreneurs is the involuntary nature of the former group, which means necessity is not the only reason for the phenomenon of necessity entrepreneurship. Necessity entrepreneurs may also take calculated risks, such as the analysis of cost-benefits and market conditions, as well as the evaluation of risk and target customers before business start-up takes place (Nikiforou et al., 2019). This is exactly the same type of behaviour that is frequently observed being pursued by opportunity-based entrepreneurs (Mouraviex and Avramenko, 2020). However, the involuntary nature of necessity-based entrepreneurship should be noted, as it is likely to link to individuals' perception of entrepreneurial activities in deprived areas.

With a specific focus on deprived areas in developed countries, Levie (2011) finds that lower levels of entrepreneurial activity are not due to people lacking interest in entrepreneurship, but rather because they do not translate their aspirations into actions. Levie (2011) also shows that the mentality of those living in deprived areas is not supportive for creating and establishing businesses, which is attributed to their family background and an undeveloped enterprise culture in these areas. Williams and Williams (2011) found that a lack of self-belief and confidence is one of the direct barriers to entrepreneurship. As outlined before (i.e. section 2.2), perceived and actual disadvantages constitute an unsupportive entrepreneurial eco-system (Slack, 2005; Welter et al., 2008; Lee and Drewer, 2014), that reduces an individual's confidence and willingness to take a risk and limits perceptions of opportunities (Williams and Williams, 2011). As such, a low level of self-efficacy and a prevention focus with regard to the potential entrepreneurial opportunities available hold back the development of entrepreneurship in deprived areas. Given these circumstances, the questions about how individuals set up their businesses in deprived areas still remain to be answered (i.e. the element 'how'). To answer this question, it is necessary to consider the factors facilitating entrepreneurial motivation covered above.

A report for the County Durham Local Enterprise Growth Initiative produced by Hall Aitken (2007) reveals that in general, most people prefer to set up a business that relates to their current employment and to traditional employment patterns of peer groups. This means the businesses are usually concentrated in the service sector, based on the skills they have and the interest they hold. Based on the original entrepreneurial motivation of finding available entrepreneurship opportunities proposed by Williams and Williams (2012), those who are opportunity-driven would look for the business possibilities that match their limited capabilities and resources. This could explain why people tend to choose 'easy to enter' sectors, which neither significantly contribute to employment nor productivity (Greene et al., 2007), as noted in section 1.1. On the other hand, necessity-based entrepreneurs' involuntary nature may lead them to perceive entrepreneurship as a way out of unemployment or of escaping from marginal subsistence. In this case, it is largely possible that their entrepreneurial motivation is spurred by others' entrepreneurial choices and behaviours. Although the homogeneity of business selection could result in a high level of competition and low profit margins, it is argued that there is still a chance to overcome aggressive competition through extending the business, such as seeking to operate beyond the deprived areas (Hall Aitken, 2007).

Nevertheless, the existence of barriers to entrepreneurship in deprived areas limits individuals' capabilities for further business development. Necessity-driven entrepreneurs usually run smaller business and do not have expectation of business growth due to their perceptions of entrepreneurial activity (Mouraviex and Avramenko, 2020). This greatly increases the likelihood of business failure or closure, and subsequently decreasing individuals' entrepreneurial self-efficacy in deprived areas. Bailly (2015) suggests there is a need to examine in more depth how entrepreneurial self-efficacy varies by neighbourhoods. It has been hypothesised that individuals' experience damaging effects from living in a deprived area where unstable low-paid work erodes their self-efficacy and further triggers a loss of collective self-efficacy (Wilson, 1996). In turn, there is a vicious circle where a loss of collective self-efficacy is associated with various forms of social disorder (Sampson et al., 1997). Van Ham et al (2012) propose a neighbourhood mechanism effect, whereby individuals' self-efficacy generates the formation of a social cohesion and control mechanism. Unfortunately, this may be lacking to some degree in deprived areas. Therefore, Hypothesis 6 has been proposed as below.

Hypothesis 6: There is a bidirectional relationship between neighbourhood contexts and individuals' self-efficacy in deprived areas.

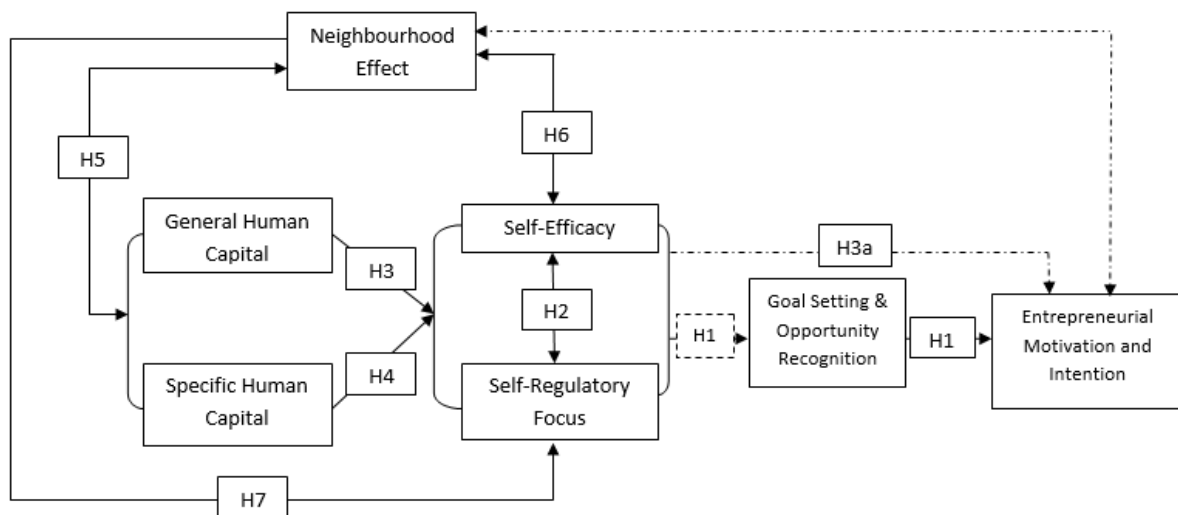
Regarding local residents' self-regulatory focus in deprived areas, Bagheri and Pihie (2014) declare that individuals' unique experiences alter their self-regulatory focus and further lead to differences in their motivation and capabilities to set personal goals. This makes both the individually-held human capital and deprived-area context associated with its development crucial in determining entrepreneurial motivation and intentions of the population in such areas. Accordingly, Hypothesis 7 has been generated as below.

Hypothesis 7: The neighbourhood effect influences the self-regulatory focus in deprived areas.

2.8 Conclusion

This chapter has discussed factors, including those intrinsic to individuals and those from the external environment, impacting on entrepreneurial intention. A new model with particular relevance to deprived areas (Diagram 2.3) has been developed to demonstrate the important role of human capital in entrepreneurial intention. Although human capital is in limited supply in deprived areas, this resource plays a key role in the system through the feedback from the neighbourhood effects, which potentially not only alters the neighbourhood context that hinders entrepreneurial activity, but is also held back itself.

Diagram 2.3 A new entrepreneurial intention model with particular relevance to deprived areas



CHAPTER 3 RESEARCH METHODOLOGY

3.1 Introduction

As noted in Chapter 2, the general relationship between human capital and entrepreneurial intention generated from previous studies may not be applicable to the deprived context. By drawing upon the existing literature, this research study proposes a number of hypotheses and seeks to analyse these using a deductive approach. In order to strengthen the research, positivism as a theoretical perspective closely associated with objectivism is adopted to test these hypotheses during the research process. As positivism argues that reality exists external to the researcher (Gray, 2018), it is required to emphasize epistemologically discovering observable and measurable phenomena that lead to the production of credible and meaningful data (Crotty, 1998), scientifically looking for causal relationships in the data and further creating law-like generalizations (Gill and Johnson, 2010).

The most essential critique of positivism is the concept of an independent realism that generates unbiased observation in social science. However, it cannot guide the researcher to obtain a sufficient comprehension of the relationships or outcomes in question (Adam, 2001). To remedy this limitation of positivism, interpretivism as a contrasting epistemology to positivism is also applied in this research (Bryman, 2012). Interpretivism emphasises that different people with different cultural backgrounds and circumstances, even at different times, make different meanings and create different social realities (Saunders et al., 2016). In order to examine the particular relationship between human capital and entrepreneurial intention that exists in deprived areas, interpretivist research would allow the effect of individuals' neighbourhood on their socio-economic outcomes in deprived areas to be taken into account, to provide a deeper understanding and interpretation of the effect of human capital on entrepreneurial intention.

The remainder of the chapter is structured as follows. In the next section (section 3.2), an overall design of this mixed-method research is demonstrated, whilst three data sources and purposes of using different data are explained. Section 3.3 briefly introduces the secondary data, including data collection and sample selection as well as the six relationships (i.e. Relationship 1-6) tested by applying secondary data. This section presents measures for these relationships, for example, both independent and dependent variables for each relationship (subsection 3.3.1) and control variables (subsection 3.3.2), whilst the application of Spearman's correlation and a binary logistic regression as

two analysis approaches is demonstrated in subsection 3.3.3. Furthermore, subsection 3.3.4 makes a brief conclusion that links tested relationships with hypotheses. Similarly, section 3.4 demonstrates the reason why Nottingham was chosen as a targeted city to carry out the survey and why survey was determined as one of research strategies, whilst data collection (subsection 3.4.2) and sampling technique (subsection 3.4.3), measures of the other four relationships (i.e. Relationships 7-10; subsection 3.4.4), control variables and analysis approaches (subsection 3.4.5) are presented in this section. Details of semi-structured interviews are discussed in section 3.5; this section presents the process of contacting potential participants and carrying out interviews, approaches to questioning, different types of questions applied in the interview and consideration of dealing with potential difficult participants (subsection 3.5.1). Also, this section explains three types of samples engaged in the interview (subsection 3.5.2) and analysis approaches that include the application of Nvivo, coding and thematic analysis (subsection 3.5.3).

3.2 Research Design

A research design is regarded as a general plan for how the research questions are going to be addressed. This mixed-method research combines quantitative and qualitative data collection techniques and analytical procedures, to respond to the three major research questions (Saunders et al., 2016). In this research, the quantitative data comprises secondary data collected from the Longitudinal Small Business Survey 2015 and a primary survey collected from general businesses in Nottingham, whilst the qualitative data comprises semi-structured interviews carried out in deprived areas of Nottingham.

In relation to data sources, this research applies both secondary and primary data. In utilizing secondary data, it helps to establish general patterns with strong statistical evidence. This kind of data helps identify a nationwide phenomenon, rather than an issue existing merely at the city-level (i.e. Nottingham). However, the secondary data was not specifically designed to respond directly to the research questions; thus the meaning and/or cause for these relationships may not be provided by the secondary data. This is the reason why primary data collection and analysis are required. Nevertheless, the process of accessing the targeted research participants in the targeted areas, in order to collect primary data is uncertain and uncontrollable, which limits the amount of data and further impact on the final outcomes of data analysis. Under these circumstances, the survey-based secondary data was used as complementary data, to compare and support the research findings from

the primary data. Details of different data sources are separately discussed in later sections (sections 3.3, 3.4 and 3.5) focusing on each data source. The application of different data sources is supported by Williams and Williams's study (2011), since their research focusing on understanding entrepreneurial motivation in English deprived areas was carried out by conducting a survey of residents and follow-up in-depth interviews. In the meanwhile, they applied the data collected from the Leeds Local Enterprise Growth Initiative (LEGI) programme, with approximately 46,000 people (Department for Communities and Local Government, 2006; Leeds City Council, 2008).

With respect to the different purposes of research design (Saunders et al., 2016), from an overall perspective, this research is a combined study with more than one research purpose. More specifically, utilizing the secondary data can be considered as an exploratory study that may commence with a broad focus on the influence of deprivation on business owners' perceived barriers, investment in training provision and their entrepreneurial motivation/intention from a national perspective. This helps to clarify the understanding of an issue of entrepreneurship in deprived areas. However, the precise nature of relationships is uncertain, and outcomes gained from the secondary data may be under-explored, which allows the researcher to ask questions relating to these outcomes in the later research procedures. On this basis, the survey tends to be a descriptive study to obtain an accurate profile of the entrepreneurship situation at city level, which could be regarded as a precursor of the subsequent explanation. In terms of the third data source, the semi-structured interview is based on the grounded theory used to develop theoretical explanation of social interactions and processes in a wide range of contexts, such as bidirectional relationships between a deprived neighbourhood context, local residents' human capital development and their entrepreneurial motivation/intention. Therefore, it can be considered an explanatory study, because the interview responses obtained provide more in-depth perspectives at the area level, to find out the causes of relationships found from the secondary data, and further explain why and how the relationships found from the survey exist between variables.

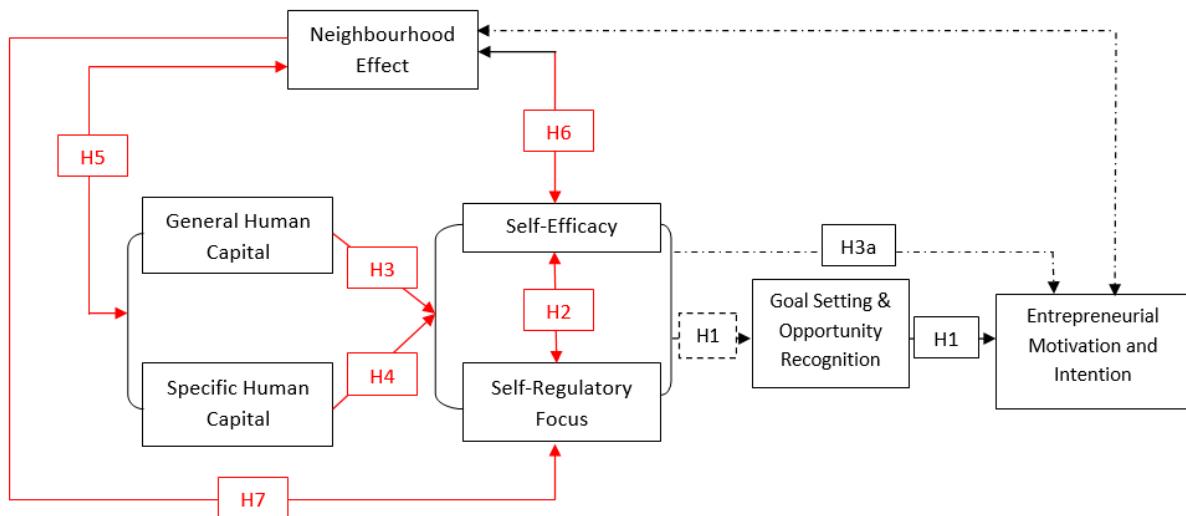
More specifically, the secondary data is utilized to identify evidence of a general pattern of entrepreneurial intention in relation to deprived areas. The statistical evidence is sought to examine the overall perspective of those within deprived areas in relation to the perceived barriers to entrepreneurship present in these areas and of how these barriers relate to individuals' entrepreneurial intention. This analysis is undertaken at country level. Moreover, the secondary data tests the existence of an influential role for deprivation in determining individuals' entrepreneurial

intention through its impact on self-efficacy and self-regulatory focus, which responds to *Hypothesis 7* and unidirectionally responds to *Hypothesis 6*. The secondary data provides a broad picture of both business owners' or managers' attitude toward human capital partially responding to *Hypothesis 5*; and the influence of human capital, particularly specific human capital, on entrepreneurial intention, partially responding to *Hypothesis 4a* and *Hypothesis 4b*. Moreover, the existence of a bidirectional relationship between business managers' or owners' self-efficacy and self-regulatory focus is examined at country level, responding to *Hypothesis 2*.

In addition to re-examining the existence of relationships (i.e. *Hypothesis 2* and *Hypothesis 7*) and a unidirectional relationship (i.e. *Hypothesis 6*) covered by the secondary data, the survey data as one of the primary data sources is applied to specifically look at the influence of deprived contexts on individuals' socio-economic outcomes (i.e. educational levels and employment status), which responds to *Hypothesis 5* and related sub-hypotheses (i.e. *Hypothesis 5a* – *Hypothesis 5d*). Furthermore, the survey data examines the role of general human capital and specific benefits obtained from general human capital in entrepreneurial intention, responding to *Hypotheses 3a, 3b, 4a, and 4b*. While the relationship in *Hypothesis 7* and the unidirectional relationship in *Hypothesis 6* are examined by the secondary data, the survey data specifically examines the influence of different neighbourhood mechanisms on individuals' self-efficacy and self-regulatory focus at city level.

In summary, the primary survey data therefore provides a robustness check for some of those relationships examined with the secondary data, using items specifically designed to capture the theoretical constructs considered within the model outlined in Chapter 2, rather than broader proxies. In combination, the two datasets provide triangulating evidence where the strength of one cancels out the weakness of the other; for example, the large sample size and statistical confidence provided by the secondary dataset, and the tighter empirical correspondence of the primary survey data with the theoretical model. The primary survey data then goes on to allow the examination of further relationships from the model using items to represent some of those constructs that could not be proxied using measures in the secondary data. Diagram 3.1 depicts the relationships tested by both secondary and primary quantitative data from an overall view of the new entrepreneurial intention model as below, which are marked in red.

Diagram 3.1 The correspondence between the relationships tested by both secondary and primary quantitative data and the relationships included in the new entrepreneurial intention model

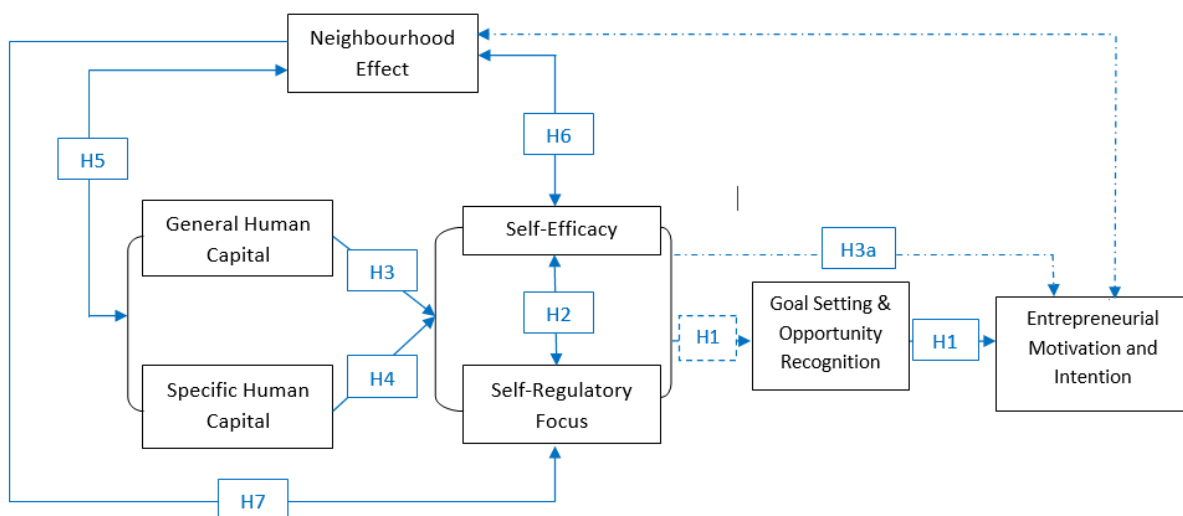


Although the two sets of quantitative data help to identify evidence of which relationships in the model exist, they do not fully provide the ‘how’ or ‘why’ elements of how one construct affects another. While the model was developed from the existing literature which contributes to this understanding of the ‘how’ and ‘why’, much of the previous literature does not focus on deprived areas and therefore, in particular, does not provide insight into the role played by the deprived area context and how it influences these mechanisms. To gain a fuller understanding of those relationships identified in the quantitative analysis and those harder-to-capture elements relating to goal-setting choices, it is therefore necessary to undertake qualitative analysis to complement the quantitative work. In examining the mechanisms behind the relationships, the qualitative analysis also plays a key role in more fully understanding the directions of causality within the relationships identified.

Given the above, the qualitative data obtained from the semi-structured interviews includes questions on the major themes, such as the generation of initial ideas, opportunity recognition, confidence extent, and goal setting and plans. Responses obtained from these questions are expected to respond to *Hypothesis 1* through capturing the information about how participants’ self-efficacy and self-regulatory focus influence their entrepreneurial motivation and intention through goal setting and opportunity recognition. Among these themes, any evidence of a bidirectional relationship between self-efficacy and self-regulatory focus can be established as corresponding to *Hypothesis 2*. The responses pertaining to the perception about entrepreneurship in local areas and the factors encouraging individuals to turn their business ideas into actions reveal whether a feedback circle exists

between individuals' behaviour and the formation of a specific local context, to more fully examine *Hypothesis 6*. This line of questioning also provides insight into the influence of neighbourhood context on individuals' attitude towards or inclination toward goal setting and opportunity recognition, responding to *Hypothesis 7*. In addition, the responses obtained from the questions relating to individuals' perceptions about both the influence of five types of human capital on their entrepreneurial motivation and intention, together with the influences of different neighbourhood mechanisms on their development of human capital, yield insight into *Hypothesis 5*. By linking with the influence of neighbourhood contexts and self-efficacy on individuals' self-regulatory focus, it is worth noting that the influence of human capital on entrepreneurial motivation and intention is expected to be mediated by individuals' different regulatory focuses triggered by their different experiences, which responds to *Hypothesis 3a*. Diagram 3.2 outlines the relationships tested by both secondary and primary quantitative data from an overall view of the new entrepreneurial intention model as below, which are marked in blue.

Diagram 3.2 The correspondence between the possibilities found by the qualitative data and the relationships included in the new entrepreneurial intention model



In brief, these three layers of data sources are used from the country level to demonstrate a broad phenomenon, to find out specific relationships at the city level, and ultimately to explore the causes of these relationships at the area level. Moreover, both the secondary and primary quantitative data are tested to examine whether the relationships outlined in the research questions can be shown to exist, whilst the responses obtained from the primary qualitative data further reveal the possible

reasons behind these relationships and emphasize ‘how’ and ‘what extent’. Before describing the primary data in more detail, the details of the secondary data and how it is operationalized for analysis are discussed first.

3.3 Secondary Data

The research analyses secondary data drawn from the Longitudinal Small Business Survey 2015 of the UK Data Archive Study, which is a large-scale telephone survey consisting of 15,502 UK small-business owners and managers. The survey wave for 2015 was conducted during the period between July 2015 and January 2016 (Department for Business Innovation & Skills, 2016). It was designed to ask business owners of private sector SMEs about a range of issues, including: 1) barriers to business success; 2) business networks and innovation; 3) financial issues and use of business support; and 4) recruitment and training aspects (UK Data Service, 2012-2019). Regarding the database, there are two types including Panel Anonymised data and Cross-Sectional Anonymised data. In a Panel data set, each participant is observed at multiple time points, allowing trends in an outcome to be monitored over time. When considering the Cross-Sectional data set, all measurements for a sample member are obtained at a single point in time, which is particularly suitable for estimating the prevalence of a behaviour in a population. It means that, compared to Panel Anonymised data which examines business owners or managers opinions in 2015 and effects in 2016, this research applies Cross-Sectional Anonymised data which examines the relationship between business owners’ or managers’ actions and the outcomes in the same year. It is worth noting that utilizing the Cross-Sectional data limits the potential to examine the causal nature of the relationships¹⁷ that the Panel data would provide. This shortcoming is, however, impossible to avoid.

As some variables are missing in 2016 - for example, participants’ beliefs or confidence in capabilities relating to their businesses that are pertinent to the research - the focus is, therefore, restricted to the variables collected in 2015. This research selects some variables to provide a broad insight about the influence of deprivation on business owners’ and managers’ entrepreneurial intention¹⁸ (i.e. Relationship 1) and human capital development (i.e. Relationship 3). As mentioned in Chapter 2, many

¹⁷ Using Cross-Sectional data reveals that action 1 in 2015 could cause or could be caused by outcome 1 in 2015; therefore, it only indicates the relationship, but not a causal relationship.

¹⁸ Businesses which engaged in the telephone survey are those already established; therefore, it focuses on business owners’ entrepreneurial intention, rather than entrepreneurial motivation, through utilizing variables relating to self-efficacy and self-regulatory focus.

scholars have identified several barriers to entrepreneurship in deprived areas (HM Treasury, 2005; Slack 2005; Storey, 1994; Welter et al., 2008). Therefore, the secondary data also examines the influence of deprivation on the perception of general barriers (i.e. Relationship 2) and the influence of perceived barriers on entrepreneurial intention (i.e. Relationship 4), as well as the influence of human capital development on entrepreneurial intention (i.e. Relationship 5). In addition, a bidirectional relationship is also considered between business owners' and/or managers' confidence of knowledge and skills relating to the business and their attitude towards challenges or potential risks (i.e. Relationship 6).

3.3.1 Measures and Relationships

In this section, both independent and dependent variables for each relationship are discussed. It is worth noting that the measure representing '*Deprivation*' was selected as an independent variable for Relationships 1, 2 and 3, whilst measures representing '*Entrepreneurial Intention*' were used as dependent variables for Relationships 4 and 5. With respect to Relationship 6, moreover, measures representing '*Self-efficacy*' and '*Self-regulatory Focus*' have been explained for previous relationships. In this case to avoid repetition, the utilization of measures is not explained. The corresponding tables demonstrate the details about measures for each relationship.

Relationships 1-3

Independent Variable: Deprivation

In considering the independent variable, as indicated in Table 3.1, deprivation refers to the Index of Multiple Deprived based on postcodes. A dummy reflects being based in one of the most deprived 15% of neighbourhoods of the country, which is regarded as an independent variable. This indication of deprivation is consistent with Lee and Cowling's (2012) and Lee and Drever's (2014) studies. Measures for two constructs relating to entrepreneurial intention are self-efficacy and self-regulatory focus. Dependent variables for three relationships and measures of dependent variables have been presented in Table 3.1, and are discussed in the following sections as well.

Dependent Variables

Relationship 1 The Influence of Deprivation on Entrepreneurial Intention

Self-efficacy and self-regulatory focus are two crucial factors linking with entrepreneurial motivation/intention. A higher level of self-efficacy generally allows people to believe they have the capabilities to create change and have control over thoughts and actions (Bandura, 2000). However, as assumed in subsection 2.3.2, if people set goals for avoiding possible business failure, the effect of self-efficacy would restrict entrepreneurial motivation for being shifted into intention (Bryant, 2007; Brockner et al., 2004; McMullen and Shepherd, 2002). Therefore, these two constructs are applied to measure business owners' entrepreneurial intention, measures used for each construct are outlined below.

Table 3.1 Independent variables, dependent variables and relating measures for Relationship 1-3

	Independent Variables	Dependent Variables	Measures of Dependent Variables	Binary Coding
Relationship 1	Deprivation	Self-efficacy	<ol style="list-style-type: none"> 1) 'Capability for managing people'; 2) 'Capability for developing and implementing business plan and strategy'; 3) 'Capability for developing and introducing new products or services'; 4) 'Capability for accessing external finance'; 5) 'Capability for operational improvement' 	<i>Independent Variable</i> 0: Non-deprived; 1: Deprived
				<i>Dependent Variables</i> 1: Strongly or very strongly believe the capability; 0: Not strongly believe the capability
		Self-regulatory Focus	Promotion Focus <ol style="list-style-type: none"> 1) 'Increase the skills of the workforce'; 2) 'Increase the managers' leadership capability'; 3) 'Invest capital in premises, machinery and so on'; 4) 'Develop and launch new products or services'; 5) 'Introduce new working practices'; 6) 'Aim to grow sales'; 7) 'Whether export goods or services' 	<i>Independent Variable</i> 0: Non-deprived; 1: Deprived
				<i>Dependent Variable</i> 0: No; 1: Yes
			Prevention Focus <ol style="list-style-type: none"> 1) 'Exporting is too risky'; 2) 'I prefer to concentrate on UK markets'; 3) 'I did not want to add to risk'; 4) 'It was not appropriate in the current economic conditions'; 5) 'The decision would have taken too long/too much hassle' 	<i>Independent Variable</i> 0: Non-deprived; 1: Deprived
				<i>Dependent Variable</i> 0: No; 1: Yes
Relationship 2	Deprivation	Perceived General Barriers	<ol style="list-style-type: none"> 1) 'Obtaining finance'; 2) 'Taxation, VAT, PAYE, National Insurance and business rate'; 3) 'Staff recruitment and skills'; 4) 'You thought you would be rejected'; 5) 'Did not know where to find the appropriate finance' 	<i>Independent Variable</i> 0: Non-deprived; 1: Deprived
				<i>Dependent Variable</i> 0: No; 1: Yes
Relationship 3	Deprivation	Training Provision	<ol style="list-style-type: none"> 1) Off-the-job Training 2) On-the-job Training 3) Providing any Training (i.e. Off- or On-the-job Training) 	<i>Independent Variable</i> 0: Non-deprived; 1: Deprived
				<i>Dependent Variable</i> 0: No; 1: Yes

Measures of Self-efficacy

Respondents were asked to provide their personal opinions about and the degree of their belief in their capabilities relating to business. One of the dimensions involved in the notion of self-efficacy, goal belief refers to individuals' belief in their capability of completing a task (Drnovsek et al., 2010). In order to examine business owners' self-efficacy, five items relating to different tasks and roles as an entrepreneur have been selected (Table 3.1). This largely follows the measures used in Pihie and Bagheri's (2013) study¹⁹. As mentioned in section 2.5, these capabilities can link with specific human capital. By testing these five items, the results may reveal whether business owners are confident enough in their specific human capital to operate or develop their businesses, particularly for those from deprived areas. Regarding human capital, later Relationships (i.e. Relationship 5, Relationship 8a and Relationship 8b) provide details to demonstrate the influence of human capital on self-efficacy in deprived areas. From this point, self-efficacy could be regarded as a mediating variable for testing the effect of human capital on entrepreneurial intention.

Measures of Self-regulatory Focus

Based on the theory of self-regulation, self-regulatory focus is defined as the ability to set and achieve goals despite the existence of barriers, including promotion focus and prevention focus (Higgins et al., 2001). Dependent variables for two distinct modes are explained respectively as follows:

Measures of Promotion Focus

In considering goal setting (regardless of whether they will or will not achieve goals), promotion-focused people are more likely to consider the positive and gainful results of achieving their goals (Bryant, 2007; Brockner et al., 2004; McMullen and Shepherd, 2002). Thus, business owners' plans over the next three years are taken into account; Table 3.1 has demonstrated five items relating to the future plans. In Zhao and Thompson's (2019) study, they utilized these five items as five areas of ambition for SME's future development in order to examine promotion focus. In this research, five items are used to test whether people from deprived areas tend to be promotion-focused in setting future goals with a disadvantaged context. Moreover, 'aim to grow sales' and 'whether export goods or services' are chosen variables used to measure promotion focus. These measures partially respond

¹⁹ In Pihie and Bagheri's (2013) study, the construct of self-efficacy was measured by five items, including marketing, accounting, personnel management, production management and organizing.

to *Hypothesis 1* (i.e. *'Individuals' self-regulatory focus affects entrepreneurial motivation and intention through goal setting'*).

Measures of Prevention Focus

Prevention-focused people are more likely to be concerned with their security and avoiding possible failures or losses (Bryant, 2007; Brockner et al., 2004; McMullen and Shepherd, 2002). In order to examine prevention focus, similarly to the measure of promotion focus, this research follows the variables used in Zhao and Thompson's (2019) work. Firstly, the reasons why firms have not consistently exported was asked²⁰. The reason *'Exporting is too risky'* is used to test business owners' concern about safety, whilst the reason of *'I prefer to concentrate on UK markets'* is picked out to examine the preservation of the current situation. The reason of *'Not seeking finance'* reflects a preference not to risk the current situation²¹. Items, such as *'I did not want to add to risk'* and *'It was not appropriate in the current economic conditions'* used in Zhao and Thompson's (2019) paper, are selected to test participants' prevention focus. In addition, the item *'The decision would have taken too long/too much hassle'* reflects whether participants have a cautious attitude towards considering an opportunity or taking action to exploit the opportunity (McMullen and Shepherd, 2002). These measures are used to partially respond to the part of *Hypothesis 1* that the measure of promotion focus does not answer (i.e. *'Individuals' self-regulatory focus affects entrepreneurial motivation and intention through opportunity recognition'*).

Relationship 2 The Influence of Deprivation on Perceived General Barriers

Dependent Variables: Perceived General Barriers

The external environment and/or determinants, regulations and legislation relating to entrepreneurship are considered a strong entry barrier that encourages or discourages the exploitation of business opportunities and entrepreneurial processes (Van Stel et al., 2007; Grilo and Irigoyen, 2006; Klapper et al., 2006). Previous studies have identified that a lack of appropriate access to finance is one of the major barriers to entrepreneurship in deprived areas (Devins, 2009; HM

²⁰ The original question included in the questionnaire of LSBS is *'Why have there has been some years with no overseas sales?'*

²¹ The original question included in the questionnaire of LSBS is *'Which of there is the main reason for not applying for finance?'*

Treasury, 2005, 2008; OECD, 2003; Porter, 1997; Rouse and Jayawarna, 2006; Slack, 2005). Participants' opinions about whether '*Obtaining finance*' is a major barrier to their business success are considered; and was also considered by Williams and Williams (2011) to investigate the major barrier to entrepreneurship in the deprived areas of Leeds.

In deprived areas, moreover, Williams (2010) supposes that issues relating to taxation may be one reason triggering a firm's inclination towards trading 'off-the-books', whilst there are skill problems relating to firms' ability to recruit and retain appropriately-skilled staff (Lee and Cowling, 2012). In line with variables utilized in Lee and Cowling's (2012) study²², these three barriers have been selected to examine business owners' or managers' perceived general barriers to their business success. At the institutional level, Williams and Williams (2017) point out that financial constraints are acute in deprived areas. On the one hand, such areas lack appropriate access to finance (Rouse and Jayawarna, 2006). On the other hand, it is perceived that accessing finance is particularly difficult (Lee and Drever, 2014) for people in deprived areas because they may feel it is hard to convince traditional sources of funding; a perception which is probably derived from those institutions' suspicious attitude towards entrepreneurs' ideas or capabilities relating to business start-up (Slack, 2005). Thus, two other items have also been selected as perceived general barriers, which are: '*You thought you would be rejected*' and '*Did not know where to find the appropriate finance*'. As noted earlier, these measures allow for an understanding of the key barriers generally faced by entrepreneurs to their business success in deprived areas.

Relationship 3 The Influence of Deprivation on the Provision of Managerial Training

Dependent Variable: Measures of Managerial Training

Clifton et al. (2015) propose that managerial training may be particularly important in managing innovation in SMEs which might otherwise disrupt other activities (Christensen and Raynore, 2003; Heimonen, 2012). Because of this, respondents were asked whether managers in the business have received any training in the last 12 months. As SME owner-managers and employees rely heavily on informal, on-the-job, experiential workplace approaches and socialization to develop capabilities (Coetzer et al., 2012; Higgins et al., 2013, Perry et al., 2010), by following Zhao and Thompson's (2019)

²² In Lee and Cowling's (2012) study, the authors used 'Staff recruitment and skills' as two separate variables. 'Recruitment' refers to firms' ability to recruit staff, whilst 'Skills' relates to the shortage of skills generally. However, the variable of 'Staff recruitment and skills' used in this research study is one variable.

study, the item of *'Did any of the managers in the business receive this off-the-job or informal on-the-job training or development during the last 12 months'*²³, reflecting whether managers have experienced informal on-the-job training (regardless of whether they have or have not received formal training) and formal off-the-job training (likewise, ignoring informal training), has been selected in this research. While this relationship may not fully respond to RQ1 (i.e. *'How does residential and social environment, namely neighbourhood context, influence local residents' human capital development in deprived areas?'*), it provides an insight into the bigger picture, demonstrating whether there is a difference in the provision of managerial training between deprived areas and less or non-deprived areas.

Relationship 4 (i.e. *'The Influence of Perceived General Barriers on Entrepreneurial Intention'*) and Relationship 5 (i.e. *'The Influence of Training Provision on Entrepreneurial Intention'*)

Regarding dependent variables for these two relationships, items used for measuring both self-efficacy and self-regulatory focus have been demonstrated in both Table 3.2 and Table 3.3. Relationships 4 and 5 examine whether institutional or external contexts and human capital impact on entrepreneurial motivation or intention respectively through the influences on self-efficacy and self-regulatory focus. In terms of independent variables for Relationship 4, five constructs measuring perceived general barriers used for Relationship 2 are considered as independent variables (Table 3.2). Moreover, Relationship 5 investigates whether the provision of managerial training impacts on entrepreneurial intention, which may not directly respond to RQ2 (i.e. *'How does human capital affect entrepreneurial intention in deprived areas?'*). However, this relationship may reflect whether human capital is a factor stimulating managers' entrepreneurial intention, rather than explaining how. For this relationship, variables relating to three types of training are considered as independent variables (Table 3.3).

²³ According to the LSBS questionnaire, 'off-the-job' means *'training away from the individual's immediate work position, whether on the premises or elsewhere'*, whilst 'on-the-job/informal training means *'activities that would be recognized as training by the staff, and not the sort of learning by experience which could take place all the time'* (Department for Business, Energy & Industrial Strategy, 2017).

Table 3.2 Independent variables, dependent variables and relating measures for Relationship 4

	Independent Variables	Measures of Independent Variables	Dependent Variables	Measures of Dependent Variables	Binary Coding
Relationship 4	Perceived General Barriers	1) 'Obtaining finance'; 2) 'Taxation, VAT, PAYE, National Insurance and business rate'; 3) 'Staff recruitment and skills'; 4) 'You thought you would be rejected'; 5) 'Did not know where to find the appropriate finance'	Self-efficacy	1) 'Capability for managing people'; 2) 'Capability for developing and implementing business plan and strategy'; 3) 'Capability for developing and introducing new products or services'; 4) 'Capability for accessing external finance'; 5) 'Capability for operational improvement'	<i>Independent Variable</i> 0: No; 1: Yes
					<i>Dependent Variables</i> 0: Not strongly believe the capability 1: Strongly or very strongly believe the capability;
			Self-regulatory Focus	Promotion Focus 1) 'Increase the skills of the workforce'; 2) 'Increase the managers' leadership capability'; 3) 'Invest capital in premises, machinery and so on'; 4) 'Develop and launch new products or services'; 5) 'Introduce new working practices'; 6) 'Aim to grow sales'; 7) 'Whether export goods or services'	<i>Independent Variable</i> 0: No; 1: Yes
					<i>Dependent Variable</i> 0: No; 1: Yes
				Prevention Focus 1) 'Exporting is too risky'; 2) 'I prefer to concentrate on UK markets'; 3) 'I did not want to add to risk'; 4) 'It was not appropriate in the current economic conditions'; 5) 'The decision would have taken too long/too much hassle'	<i>Independent Variable</i> 0: No; 1: Yes
					<i>Dependent Variable</i> 0: No; 1: Yes

Table 3.3 Independent variables, dependent variables and relating measures for Relationship 5

	Independent Variables	Measures of Independent Variables	Dependent Variables	Measures of Dependent Variables	Binary Coding	
Relationship 5	Training Provision	1) Off-the-job Training 2) On-the-job Training 3) Providing any Training (i.e. Off- or On-the-job Training)	Self-efficacy	1) 'Capability for managing people'; 2) 'Capability for developing and implementing business plan and strategy'; 3) 'Capability for developing and introducing new products or services'; 4) 'Capability for accessing external finance'; 5) 'Capability for operational improvement'	<i>Independent Variable</i> 0: No; 1: Yes	
					<i>Dependent Variables</i> 0: No; 1: Yes	
			Self-regulatory Focus	Promotion Focus	1) 'Increase the skills of the workforce'; 2) 'Increase the managers' leadership capability'; 3) 'Invest capital in premises, machinery and so on'; 4) 'Develop and launch new products or services'; 5) 'Introduce new working practices'; 6) 'Aim to grow sales'; 7) 'Whether export goods or services'	<i>Independent Variable</i> 0: No; 1: Yes
						<i>Dependent Variable</i> 0: No; 1: Yes
				Prevention Focus	1) 'Exporting is too risky'; 2) 'I prefer to concentrate on UK markets'; 3) 'I did not want to add to risk'; 4) 'It was not appropriate in the current economic conditions'; 5) 'The decision would have taken too long/too much hassle'	<i>Independent Variable</i> 0: No; 1: Yes
						<i>Dependent Variable</i> 0: No; 1: Yes

Relationship 6 A Bidirectional Relationship between Self-efficacy and Self-regulatory Focus

As proposed in subsection 2.3.3, people with higher levels of self-efficacy may set a higher level of goals, which relates to the influence of self-efficacy on self-regulatory focus. It is also stressed that people's entrepreneurial goals should be consistent with entrepreneurial self-efficacy (Erikson, 2002). This means people's capability for setting goals determines the degree of confidence to run businesses. Therefore, items used to measure self-efficacy and items used to measure self-regulatory focus are employed as independent and dependent variables respectively (see Table 3.4).

3.3.2 Control Variables

The extent to which differing ethnic minorities, women and families engage in entrepreneurial activities varies; and the evidence suggests that overall, ethnic minorities have higher rates of entrepreneurship in order to partially counter a legacy of discrimination, whilst women present lower rates (Clark and Drinkwater, 2010; Cowling and Taylor, 2001). Moreover, family businesses constitute an absolute majority of the total business population (Westhead and Cowling, 1998). Because these ownership issues impact on the barriers that firms face, this research controls for whether a firm has an ethnically-concentrated ownership ('MEG-led'), female-concentrated ownership (i.e. Female-led businesses), or is owned by a single family (i.e. Family-led businesses). This is consistent with the approach used in Lee and Cowling's (2012) study. As two firm characteristics, on the one hand, businesses with zero employment and those that are not registered as companies are considered as one of the control variables (i.e. Business size); this measure has also been applied in Zhao and Thompson's (2019) research. According to the Department for Business, Energy and Industrial Strategy (2017), businesses with no employment account for 76% of all businesses in the United Kingdom. Regardless of whether the business was established, their desires and/or decisions of setting up a new business could be considered.

On the other hand, the sector that businesses operate in is also considered a control variable (i.e. Sector) and is used by many scholars such as Lee & Cowling (2012) and Lee & Drever (2014). The reason for using these variables is to find out whether the influence of deprivation on five aspects is varied amongst different groups of participants. These variables are used for all six relationships, which may be important because they reflect alternative groups among which policymakers may try to stimulate entrepreneurship and because they will face different obstacles as both firms and entrepreneurs (Duberley and Carrigan, 2012; Ishaq et al., 2010).

Table 3.4 Independent variables, dependent variables and relating measures for Relationship 6

	Independent Variables	Measure of Independent Variables	Dependent Variables	Measure of Dependent Variables	Binary Coding
Relationship 6	Self-efficacy	<ol style="list-style-type: none"> 1) 'Capability for managing people'; 2) 'Capability for developing and implementing business plan and strategy'; 3) 'Capability for developing and introducing new products or services'; 4) 'Capability for accessing external finance'; 5) 'Capability for operational improvement' 	Self-regulatory Focus	<p>Promotion Focus</p> <ol style="list-style-type: none"> 1) 'Increase the skills of the workforce'; 2) 'Increase the managers' leadership capability'; 3) 'Invest capital in premises, machinery and so on'; 4) 'Develop and launch new products or services'; 5) 'Introduce new working practices' 6) 'Aim to grow sales'; 7) 'Whether export goods or services' <p>Prevention Focus</p> <ol style="list-style-type: none"> 1) 'Exporting is too risky'; 2) 'I prefer to concentrate on UK markets'; 3) 'I did not want to add to risk'; 4) 'It was not appropriate in the current economic conditions'; 5) 'The decision would have taken too long/too much hassle' 	<p><i>Independent Variables</i></p> <p>0: Not strongly believe the capability</p> <p>1: Strongly or very strongly believe the capability;</p> <p><i>Dependent Variables</i></p> <p>0: No; 1: Yes</p>

(Continue to Table 3.4)

	Independent Variables	Measure of Independent Variables	Dependent Variables	Measure of Dependent Variables	Binary Coding
Relationship 6	Self-regulatory Focus	Promotion Focus 1) 'Increase the skills of the workforce'; 2) 'Increase the managers' leadership capability'; 3) 'Invest capital in premises, machinery and so on'; 4) 'Develop and launch new products or services'; 5) 'Introduce new working practices' 6) 'Aim to grow sales'; 7) 'Whether export goods or services'	Self-efficacy	1) 'Capability for managing people'; 2) 'Capability for developing and implementing business plan and strategy'; 3) 'Capability for developing and introducing new products or services'; 4) 'Capability for accessing external finance'; 5) 'Capability for operational improvement'	<i>Independent Variables</i> 0: No; 1: Yes <i>Dependent Variables</i> 0: Not strongly believe the capability 1: Strongly or very strongly believe the capability;
		Prevention Focus 1) 'Exporting is too risky'; 2) 'I prefer to concentrate on UK markets'; 3) 'I did not want to add to risk'; 4) 'It was not appropriate in the current economic conditions'; 5) 'The decision would have taken too long/too much hassle'			

When testing Relationship 3, Relationship 5 and Relationship 6, notably, the sample is split into two categories (i.e. responses gained from deprived areas and less-deprived areas), meaning the result automatically shows the responses from business owners and managers who come from deprived areas. As such, the variable of deprivation is not used as one of the control variables. In brief, five variables, including 'MEG-led', 'Family-owned', 'Female-led', 'Business size' and 'Business sector', are used as control variables to test Relationships 1 to 6.

3.3.3 Analysis Approach

As two intimately-related approaches, Spearman's correlation and a binary logistic regression are applied in this research to examine the six relationships mentioned in the previous section. Compared to the linear relationship determined by Pearson's correlation, Spearman's rank correlation coefficient is regarded as a measure of a monotonic relationship that is employed when the distribution of data makes Pearson's correlation coefficient undesirable or misleading (Hauke and Kossowski, 2011), which is not restricted to continuous variables (Schober et al., 2018). This is because Spearman's correlation coefficient neither requires that the relationship is linear, nor that the variables to are on interval scale, it can therefore be applied for variables measured at the ordinal level (Hauke and Kossowski, 2011). That is why Spearman's correlation, not Pearson's correlation, was applied in this research. Using Spearman's correlation only finds the relationship between two variables, rather than predicting cause and effect. Therefore, a binary logistic regression as a statistical technique was simultaneously employed to examine the relationship between independent variables and the dependent variables, after controlling for other influences.

When testing Relationships 1, 2 and 3, the independent variable is a binary variable with the value 1 if living in 15% multiple-deprived areas and 0 is living in other areas. When considering the binary dependent variables in terms of measures relating to self-efficacy, value 1 represents strongly believe or just believe they have the capability and value 0 represents do not strongly believe, or do not believe, or '*Do not know*' they have the capability. With regards to measures relating to self-regulatory focus, perceived general barriers and training provision for Relationship 1, 4 and 5, the value 1 represents affirmative responses (i.e. 'Yes') and 0 represents negative responses (i.e. 'No'). Binary dependent variables can be clearly seen from Table 3.1. Again, it is worth noting that - when using the full sample - these relationships consider a general situation from a national perspective, rather than specifically looking at deprived areas. Where relevant therefore, the results only focus on responses collected from 15% of the most deprived areas in the UK by splitting the sample.

3.3.4 Linking with Hypotheses

As discussed so far, the secondary data provides a broad perspective about whether deprivation has an influence on entrepreneurial intention (i.e. Relationship 1), responding to *Hypothesis 7* and unidirectionally responding to *Hypothesis 6*. Meanwhile, the influence of deprivation on business owners' attitude towards providing human capital (i.e. Relationship 3) partially captures *Hypothesis 5*. The secondary data also looks at the role of human capital, especially specific human capital, in determining entrepreneurial intention through self-efficacy and self-regulatory focus (i.e. Relationship 5), which partially responds to *Hypothesis 4a* and *Hypothesis 4b*. Furthermore, a bidirectional relationship between self-efficacy and self-regulatory focus is examined (i.e. Relationship 6), which responds to *Hypothesis 2*.

While Relationship 2 and Relationship 4 do not directly link with the model proposed in Chapter 2, it demonstrates whether a deprived context influences business owners' perception about general barriers to their businesses, further affecting their entrepreneurial intention. Linking with the research questions (RQs) mentioned in Chapter 1, the results obtained from Relationship 1 and Relationship 5 may indicate whether any relationships exist between a broad context and factors relating to business development or growth; even these two relationships that focus more on 'whether' rather than 'how' may not fully respond to RQ1 and RQ2.

No matter the deprivation or institutional context, it is worth noting that the secondary data is used to only provide an abstract and broad influence relating to businesses at a country level. In line with the central point of the research, the focus is on the influence of neighbourhood environment, rather than the institutional context measures available for examination in the secondary data. In the literature review chapter (Chapter 2), it has been demonstrated that a deprived neighbourhood includes several dimensions, which can be generally divided into social-interactive mechanisms, geographical mechanisms and institutional mechanisms (Galster, 2012). Moreover, the secondary data does not directly provide variables relating to human capital; therefore, the primary quantitative data is applied to examine a range of hypotheses or relationships included in a new model of entrepreneurial intention demonstrated at the end of Chapter 2. To some extent, it is similar to the secondary data, the quantitative data reveals the existence of relationships; however, a deeper understanding about these relationships may be weak, which is supplemented by the qualitative data. The responses from semi-interviews may focus more on explaining 'how' these relationships occur

and how these relationships interact with each other. This is the reason for simultaneously applying the primary data, which is discussed in the next section.

3.4 Primary Data: Survey

As mentioned in Chapter 1, Nottingham as a mid-sized city in the UK had a population of 325,800 in the middle of 2016 (Nottingham City Council, 2018) and ranked as the 6th most-deprived town or city in England in 2016 (Office for National Statistics, 2016a, Table 1.1). Moreover, the percentage of people in Nottingham aged between 16-64 years old who do not have qualifications was 13.4% in 2016, compared to 7.8% in England²⁴ as a whole. In this case, Nottingham has been chosen as a targeted city to carry out the research and this research study further explores what factors triggered this issue. Moreover, it investigates whether there is any relationship or connection among different kinds of human capital, for example, whether qualification level affects employment status and whether neighbourhood mechanisms impact on residents' entrepreneurial motivation/intention²⁵.

3.4.1 Survey Data

The survey strategy is typically related to a deductive research approach (Saunders et al., 2016). In this research, survey questions were drawn from the literature review in order to examine a range of hypotheses proposed in Chapter 2. The collection of primary data has the weakness of not being able to provide sample sizes of the same kind of magnitude as those accessible through large-scale secondary datasets, as discussed in section 3.3. However, as the questions and items included in the survey can be fine-tuned to represent the key constructs identified in Chapter 2, the relationships

²⁴ The information and statistics about Nottingham presented here were published in 2016. According to the latest statistics revealed in 2019, the indices of deprivation published by Nottingham Insight (2019) show Nottingham ranked 11th most-deprived out of the 317 districts in England, compared to ranks of 8th in 2015, 20th in 2010 and 13th in 2007, which was measured by the Average Score for the city. During the period between October 2018 and September 2019, the statistics also indicate that the percentage of people aged between 15 and 64 years old who have no qualification in Nottingham was 10.1%, compared to 7.5% in England (Office for National Statistics, 2019), which is consistent with the result presented by Local Government Association. Meanwhile, the unemployment rate in Nottingham was 6.6%, compared to 3.9% in England (Office for National Statistics, 2019). According to the Office for National Statistics (2019), 'No qualifications' is defined as 'No formal qualification held' and 'unemployment rate' is defined as 'A percentage of the economically active population'. While the deprivation rank of Nottingham has improved from 6th in 2016 to 11th in 2019, Nottingham is still a most deprived city, with a lower level of general human capital than other cities in England.

²⁵ This is different to the secondary data, as both nascent and actual entrepreneurs engaged in the primary survey; therefore, the expression of 'entrepreneurial motivation/intention' is employed in this chapter to indicate participants' inclination for starting new businesses in this chapter. The detailed information is clarified in the sampling section (subsection 3.4.3).

investigated more closely correspond to the hypotheses set out previously. This means that there is a trade-off between the statistical robustness of the secondary data and the tight fit with theoretical relationships from primary data. The combination of the two in this work allows both advantages to be incorporated.

The survey focuses on investigating whether a deprived neighbourhood context impacts on local residents' development of general human capital, whilst a reversed influence of general human capital on neighbourhood context is also tested to indicate whether the relationship between individuals' behaviour and formation of a local environment exist (i.e. Relationship 7). The survey also looks at the role of neighbourhood contexts (i.e. Relationship 10) and general human capital (i.e. Relationship 8a) in stimulating local people's entrepreneurial motivation/intention. Except for investigating the influence of educational attainment and employment status on entrepreneurial motivation/intention, this research specifically explores the influences of benefits obtained from general human capital as well (i.e. Relationship 8b). In addition, a bidirectional relationship between self-efficacy and self-regulatory focus is examined (i.e. Relationship 9). Before providing the detailed discussion about these relationships, approaches of collecting data and selecting the sample are presented.

3.4.2 Data collection

Regarding the collection of quantitative data, Saunders et al. (2016) state that the survey strategy is typically used for exploratory and descriptive research purposes. In this research, data has been collected using two manners. First of all, the data has been collected by building cooperative relationships with relevant supportive institutions that provide entrepreneurship training and social network events, such as Nottingham City Council, Creative Quarter Nottingham and Newforms. Through participating in training and network events, questionnaires were given out to entrepreneurs by hand, which allowed the researcher to clarify the research purpose and explain related information to entrepreneurs, as well as to respond to entrepreneurs' inquiries about the research face-to-face. By doing this, the researcher is able to collect data immediately and get the chance to ask entrepreneurs whether they are willing to engage in a subsequent interview.

However, the training and social events supported by the training providers and local government only target the general business/population in Nottingham. Moreover, based on the personal experience of engaging in social networking events, it is observed that the participation of individuals

coming from targeted areas²⁶ was very low. In addition, it is observed that participants who engaged in these activities might have a strong desire to build or develop their social networks; therefore, their focus was on communicating with other entrepreneurs, so the quantity of collected questionnaires was relatively low and some of questionnaires were not fully completed. Under these circumstances, directly visiting the physical shops in the targeted areas and other general areas of Nottingham was considered as an alternative way to collect the desired data. Nevertheless, the investigation targets physical shops and service providers, rather than Internet-based businesses; and the process of accessing the targeted research participants in the targeted areas to collect the primary quantitative data is also uncertain and uncontrollable, which limits the amount of data and further impacts on the final outcomes of data analysis.

3.4.3 Sampling

As mentioned before, Nottingham has been selected as a targeted deprived city to collect the primary data. Except for affluent areas of Nottingham, such as Croft Road, West Bridgford, Endsleigh Gardens and Edwalton (Pritchard, 2017), other general areas and deprived areas are considered as the targeted sample areas. To identify different areas, participants were asked to provide postcodes of areas where they live and/or they established these businesses, the purpose being to capture the degree of deprivation based on Nottingham Deprivation Data. It needs to be clarified that, on the one hand, some of the participants provided both postcodes; however, some participants' home and business are located in deprived areas, while some have only one address in deprived areas. On the other hand, some participants only provided one type of postcode. In this inevitable case, those people who either live or establish businesses, or both, in deprived areas are considered as people from deprived areas. While this means there are multiple routes through which participants can be defined as operating from a deprived area, the influence of a deprived neighbourhood context is the core that is going to be investigated, regardless of where it exactly is (home or work). This is supported by Keizer et al.'s (2008) results that show people's social behaviours are largely influenced by the immediate context. Although some people do not live in a deprived area, they established businesses in a deprived area that may influence their behaviours to some extent. Moreover, the reason why they chose a deprived area to establish businesses may also reflect some under-explored or under-developed features of those areas.

²⁶ While the survey looks at a deprived city level, the researcher still looked for those individuals who come from deprived areas of Nottingham in order to identify the potential participants for the subsequent in-depth interviews.

In considering the participants for the survey, both nascent entrepreneurs and actual entrepreneurs are included for the entire sample. Nascent entrepreneurs are those who have an idea to set up a new business in Nottingham within the next three years or who have started to make preparations for a business start-up in Nottingham. However, the business has not yet been established yet. Actual entrepreneurs are those who have established at least one business with one employee (including the entrepreneur) at the minimum in Nottingham. To test the hypotheses previously proposed, survey data was collected from a total of 80, including 70 actual entrepreneurs and 10 nascent entrepreneurs.

During the process of contacting participants and sending out the questionnaire, in order to avoid bias in sample selection, the 'Snowball' approach has been adopted, in order to seek potential or nascent entrepreneurs as well as those who are home-based entrepreneurs, by asking the question 'Do you know anyone who wants to set up or who has established a business in Nottingham?'. While using the 'Snowball' approach may enable the researcher to collect more potential data, the potential problem is that the questionnaire may not be fully completed or the areas where participants either live, or are going to establish, or have established businesses, may be beyond Nottingham; for example, in Derby or Derbyshire. This means these data cannot be used in this research study.

3.4.4 Measures of Relationships

Before testing the main relationships, the survey data is used to present certain descriptive results. For example, participants' gender, ethnicity background, age, educational attainment, employment status, selected business sectors and their opinions about different neighbourhood effects triggering their entrepreneurial motivation. The descriptive results provide the information about participants' characteristics and the nature of businesses in Nottingham. Moreover, survey data is utilized to test a bidirectional relationship between a deprived neighbourhood context and general human capital (i.e. Relationship 7), whilst the influence of general human capital on residents' entrepreneurial intention (i.e. Relationship 8a) is also tested. Through the influence of achieved highest educational levels and employment status before business start-up (for actual entrepreneurs) or current employment status (for nascent entrepreneurs), this section specifically examines the influence of benefits obtained from two categories of general human capital on entrepreneurial intention respectively (i.e. Relationship 8b). At the same time as testing the secondary data, survey data is also used to test a bidirectional relationship between individuals' self-efficacy and self-regulatory focus (i.e. Relationship 9). In

addition, the influence of a deprived neighbourhood on entrepreneurial intention (i.e. Relationship 10) is examined. Measures used for each relationship are presented as follows:

Relationship 7 A Bidirectional Relationship between Neighbourhood Contexts and General Human Capital in Deprived Areas

Role of neighbourhood context in general human capital

As mentioned in Chapter 2, a deprived neighbourhood environment negatively impacts on local residents' socio-economic outcomes, namely education levels and employment status (Dietz, 2002; Galster, 2002). Van Ham et al. (2012) have declared that neighbourhood contexts include geographic, institutional and social-interactive mechanisms. As mentioned in section 2.5, certain influences of deprived neighbourhood contexts on education levels have been recognized. For example, better schools are usually located in less-deprived areas (McNally and Blanden, 2006), while family income, parents' education levels and their capabilities for providing support for children's educational attainment, as well as local role models, tend to be reduced (Wilson, 1987).

On the other hand, regarding the influences of neighbourhood contexts, particularly geographical and institutional mechanisms, on employment in deprived areas, insufficient employment opportunities caused by spatial mismatch and stigmatization of the local areas negatively impact on local residents' employment (Dean and Hastings, 2000); these, as well as the local social norms transmitted by role models (Van Ham et al., 2012; Koursatos, 2017), are factors hindering residents' employment. For the development of general human capital, both education level and employment, a deprived neighbourhood context leads to a lower level of educational and occupational aspirations (Kintrea et al., 2011).

In terms of independent variables, therefore, six measures were designed to test the influence of neighbourhood context on education level and four measures were designed to test the influence on employment outcome (Table 3.5). In considering the dependent variable, two questions were asked to identify participants' general human capital. Regarding education level, participants were asked to respond to the question '*What is your highest achieved qualification level?*'. In terms of employment status, nascent entrepreneurs provided responses to the question '*What is your current employment*

status?’ and actual entrepreneurs responded to the question ‘What was your employment status before you started business?/What is your current employment status?’ (Table 3.5).

Role of general human capital in the neighbourhood context

Regarding the reversed influence of general human capital on the neighbourhood context, participants’ education levels and employment status before business start-up or current employment status in turn are considered as the independent variable. In line with collective socialization as one of the social interactive mechanisms, individuals in deprived areas may conform to local social norms transmitted by role models and other social pressures (Van Ham et al., 2012). This means individuals’ education levels and employment behaviour impact on residents’ attitudes towards education and employment, further shaping a particular social norm in certain areas. Considering this aspect, measures relating to neighbourhood context/environment have been demonstrated in Table 3.5. The purpose of applying these measures is to examine whether the influence of general human capital could be transmitted through social interaction. Together with Relationship 1, it responds to *Hypothesis 5c* (i.e. *‘There is a bidirectional relationship between social-interactive mechanisms and individuals’ general human capital’*).

Table 3.5 Independent variables, dependent variables and relating measures for Relationship 7

	Independent Variables	Measures of Independent Variables	Dependent Variables	Measures of Dependent Variables	Binary Coding
Relationship 7	Neighbourhood Context	<p>Influence of Neighbourhood Context on Qualification Level</p> <p><u>Institutional Mechanism</u></p> <p>1) School quality in the local area;</p> <p><u>Social-Interactive Mechanisms</u></p> <p>2) Local residents' attitude towards the education level;</p> <p>3) Family income level;</p> <p>4) Parents' capabilities to provide resources and conditions for achieving educational attainment;</p> <p>5) Parents' education levels and expectations for children's educational levels;</p> <p>6) Influences of local role models, such as local residents; neighbours and peers</p> <p>Influence of Neighbourhood Context on Employment</p> <p><u>Geographical Mechanism</u></p> <p>1) Local economic conditions and sources of employment opportunities;</p> <p><u>Social-Interactive Mechanisms</u></p> <p>2) Local residents' attitude towards employment;</p> <p>3) Friends' and peers' employment behaviours;</p> <p><u>Institutional Mechanism</u></p> <p>4) Reputation of local area and racial attitudes. For example, discrimination against specific races or areas;</p>	General Human Capital	<p>Qualification Level (<i>'What is your highest achieved qualification level?'</i>)</p> <p>Employment Status (For nascent entrepreneurs: <i>'What is your current employment status?'</i>; For actual entrepreneurs: <i>'What is your employment status before started the business?'</i>)</p>	<p>Independent Variables 0: Strongly disagree/disagree/neutral 1: Strongly agree/agree</p> <p>Dependent Variables <i>Qualification level</i> 0: Low qualification levels 1: High qualification levels</p> <p><i>Employment Status</i> 0: Not employed 1: Employed</p>

(Continue to Table 3.5)

	Independent Variables	Measures of Independent Variables	Dependent Variables	Measures of Dependent Variables	Binary Coding
Relationship 7	General Human Capital	<p>Qualification Level (<i>'What is your highest achieved qualification level?'</i>)</p> <p>Employment Status (For nascent entrepreneurs: <i>'What is your current employment status?'</i>; For actual entrepreneurs: <i>'What is your employment status before started the business?'</i>)</p>	Neighbourhood Context (Social-interactive Mechanisms)	<p>Education Level</p> <ol style="list-style-type: none"> 1) Local residents' attitude towards the education level; 2) Influences of local role models, such as local residents, neighbours and peers <p>Employment Status</p> <ol style="list-style-type: none"> 1) Local residents' attitude towards employment; 2) Friends' and peers' employment behaviours 	<p>Independent Variables <i>Qualification level</i> 0: Low qualification levels 1: High qualification levels</p> <p><i>Employment Status</i> 0: Not employed 1: Employed</p> <p>Dependent Variables 0: Strongly disagree/disagree/neutral 1: Strongly agree/agree</p>

Relationship 8a: The Influence of General Human Capital on Entrepreneurial Motivation/Intention in Deprived Areas

This relationship only emphasizes the influence of the achieved highest qualification and employment status on participants' entrepreneurial motivation/intention, whilst Relationship 8b specifically examines the influence of the benefits obtained from general human capital. Regarding the independent variables, participants' education levels and current employment status for nascent entrepreneurs/employment status before starting the business for actual entrepreneurs are used as independent variables respectively, to capture general human capital. Measures for independent variables for this relationship have been demonstrated in Table 3.5 as dependent variables for relationship 7.

Dependent Variables

In terms of dependent variables, two variables directly associated with entrepreneurial motivation/intention, self-efficacy and self-regulatory focus are considered as dependent variables. By applying a Likert-style rating, participants were asked to provide opinions about their confidence in starting a business (i.e. self-efficacy) and their personalities that are related to self-regulatory focus²⁷.

- **Measure Self-efficacy:** As outlined in Chapter 2, the concept of self-efficacy is grounded in Bandura's (1997) social cognitive theory. In terms of testing the survey data, it is necessary to emphasize that the design of the measures used were based on Drnovsek et al.'s (2010) definition, rather than Bandura's (2012). This is because Bandura's (2012) definition of self-

²⁷ The question pertaining to participants' personalities is to examine whether they tend to hold a positive view or attempt to avoid potential risks, which is related to promotion and prevention focus. It should be noted that Chapter 1 (section 1.3) has pointed out an argument that Big Five characteristics are overly general in representing personality traits. However, Big Five characteristics as a multidimensional approach are widely used to incorporate other qualities such as self-efficacy, locus of control and need for achievement in entrepreneurship field (Kerr et al., 2018). This combined approach is consistent with the utilization of Big Five model to the measure in this research. The corresponding Figures and Tables demonstrate the results of all five characteristics, the items of 'optimist' and 'risk-taking' particularly relate to participants' focus on gainful outcomes and inclination towards risk aversion. Meanwhile, the results obtained from secondary data and qualitative data complement the details about the aspect of goal setting.

efficacy²⁸ indicates the influence of self-efficacy on behaviours through directly and indirectly influencing other processes that partially include the elements in the concept of self-regulatory focus (i.e. goal setting and perception about the surroundings). As these are to be examined as separate and important concepts within the model being developed, it could cause problems where the empirical measures incorporated elements of multiple concepts. This would hinder the identification of the role and extent of this role that each play in generating entrepreneurial intentions in deprived areas. Instead, Drnovsek et al.'s (2010) definition focuses only on individuals' confidence in being able to successfully perform a specific task, including the confidence in retaining positive attitudes and controlling for negative thoughts. It is therefore clearly distinguished from the measures relating to self-regulatory focus. Therefore, four characteristics have been designed to measure this variable, which relate to goal belief (i.e. items 1 and 2) and control belief (i.e. items 3 and 4) separately. The four constructs measuring self-efficacy have been demonstrated in Table 3.6. This responds to *Hypothesis 3a* (i.e. '*General human capital facilitates individuals' entrepreneurial self-efficacy in deprived areas*').

²⁸ As noted in Chapter 2 (subsection 2.3.2), Bandura (2012) declares that self-efficacy impacts on behaviours through direct and indirect influences on other processes, such as goal setting, expectations for outcomes, perceptions towards facilitators and impediments existing in the surrounding environment.

Table 3.6 Independent variables, dependent variables and relating measures for Relationship 8a and Relationship 8b

	Independent Variables	Measures of Independent Variables	Dependent Variables	Measures of Dependent Variables	Binary Coding
Relationship 8a	General Human Capital	<p>Qualification Level (<i>'What is your highest achieved qualification level?'</i>)</p> <p>Employment Status (For nascent entrepreneurs: <i>'What is your current employment status?'</i>; For actual entrepreneurs: <i>'What is your employment status before started the business?'</i>)</p>	Entrepreneurial Motivation/ Intention	<p><i>Self-efficacy</i></p> <p>1) Capability of achieving desired outcomes; 2) Capability of completing tasks; 3) Capability of keeping a positive attitude to complete tasks; 4) Capability of controlling negative emotions when faced with difficulties</p>	<p>Independent Variables</p> <p><i>Qualification level</i> 0: Low qualification levels 1: High qualification levels</p>
Relationship 8b	Benefits obtained from General Human Capital	<p>Benefits from Education</p> <ol style="list-style-type: none"> 1) Ability to adapt to a changing environment; 2) Ability to solve problems and make decisions; 3) Basic learning capabilities; 4) Ability to better recognize potential opportunities that are ignored by others; 5) The development of better social networks; 6) Easy to be an employed person <p>Benefits from Work Experience</p> <ol style="list-style-type: none"> 1) Ability to adapt to a changing environment; 2) Ability to solve problems and make decisions; 3) Ability to better recognize potential opportunities that are ignored by others; 4) The development of better social networks; 5) Increased alert awareness for potential risks; 6) Capabilities relating to management procedures; 7) Specific capabilities, skills and knowledge in a specific industry 		<p><i>Self-regulatory Focus</i></p> <ol style="list-style-type: none"> 1) Promotion Focus: Optimist 2) Prevention Focus: Risk-taking 	<p><i>Employment Status</i> 0: Not employed 1: Employed</p> <p>Dependent Variables</p> <p>0: Strongly disagree/disagree/neutral 1: Strongly agree/agree</p>

- Measure Self-regulatory Focus: As two distinct constructs involved in self-regulatory focus, promotion-focused people tend to consider positive results and prevention-focused people are more likely to be concerned with security and seek to avoid possible failures (Bagheri and Pihie, 2014). Based on this, two variables (Table 3.6) were designed to test the relationship between participants' general human capital and their self-regulatory focus: 'Optimist'²⁹ and 'Risk-taking'³⁰ are used as dependent variables to examine whether participants are promotion-focused or not. This responds to *Hypothesis 3b* (i.e. '*General human capital affects individuals' self-regulatory focus in deprived areas*').

Relationship 8b The Influence of Benefits obtained from General Human Capital on Entrepreneurial Motivation/Intention in Deprived Areas

In considering the role of general human capital in entrepreneurial motivation/intention, it is expected to explore further whether benefits obtained from educational attainment and work experience impact on individuals' entrepreneurial motivation/intention rather than taking only qualification level and employment status into account. According to Table 2.1 in Chapter 2, six potential benefits obtained from a higher educational level and seven benefits obtained from work experience³¹ were considered as independent variables, whilst items relating to self-efficacy and self-regulatory focus are considered as dependent variables respectively. Details have been shown in Table 3.6.

²⁹ 'Optimist' is defined as '*positive attitudes and keeps positive perspectives for future uncertainties/potential difficulties or risks*'

³⁰ 'Risk-taking' is defined as '*I like challenges and I have the capabilities to recognize potential risks and accept these risks*'

³¹ As further clarified for Table 2.1 in Chapter 2, some benefits of formal qualification can also be obtained from work experience, therefore, four out of seven benefits (i.e. items 1, 2, 3, and 4) obtained from work experience are the same as those gained from formal education. These overlapping items can also be tested to examine whether a particular perceived benefit is derived from formal qualification or from general work experience.

Relationship 9 A Bidirectional Relationship between Self-efficacy and Self-regulatory Focus in Deprived Areas

The approach here is similar to testing Relationship 6 using the secondary data in subsection 3.3.1, when testing the influence of self-efficacy on self-regulatory focus, four items relating to self-efficacy demonstrated in Table 3.7 are separately used as independent variables to test the influence of each item on 'Optimist' and 'Risk-taking' involved in self-regulatory focus as two dependent variables.

When testing the influence of self-regulatory focus on self-efficacy, in turn, 'Optimist' and 'Risk-taking' are applied as independent variables to test the influences on each component of self-efficacy as dependent variables respectively. The purpose is to find out whether there is a bidirectional relationship between participants' self-efficacy and self-regulatory focus, which responds to *Hypothesis 2* (i.e. *'There is a bidirectional relationship between self-efficacy and self-regulatory focus'*).

Table 3.7 Independent variables, dependent variables and relating measures for Relationship 9

	Independent Variables	Measures of Independent Variables	Dependent Variables	Measures of Dependent Variables	Binary Coding
Relationship 9	Self-efficacy	<ol style="list-style-type: none"> 1) Capability of achieving desired outcomes; 2) Capability of completing tasks; 3) Capability of keeping a positive attitude to complete tasks; 4) Capability of controlling negative emotions when faced with difficulties 	Self-regulatory Focus	<ul style="list-style-type: none"> • Promotion Focus: Optimist • Prevention Focus: Risk-taking 	<p>Independent Variables 0: Strongly disagree/disagree/neutral 1: Strongly agree/agree</p> <p>Dependent Variables 0: Strongly disagree/disagree/neutral 1: Strongly agree/agree</p>
Relationship 9	Self-regulatory Focus	<ul style="list-style-type: none"> • Promotion Focus: Optimist • Prevention Focus: Risk-taking 	Self-efficacy	<ol style="list-style-type: none"> 1) Capability of achieving desired outcomes; 2) Capability of completing tasks; 3) Capability of keeping a positive attitude to complete tasks; 4) Capability of controlling negative emotions when faced with difficulties 	<p>Independent Variables 0: Strongly disagree/disagree/neutral 1: Strongly agree/agree</p> <p>Dependent Variables 0: Strongly disagree/disagree/neutral 1: Strongly agree/agree</p>

Relationship 10 The influence of Neighbourhood Context on Entrepreneurial Motivation/Intention in Deprived Areas

The role of neighbourhood context in self-efficacy

As mentioned in Chapter 2, local residents' attitudes towards undertaking entrepreneurial activities negatively impact on individuals' confidence to start a new business in deprived areas. Because of this, the item '*Influences from parents, friends and peers*' (Table 3.8) is considered as an independent variable. On the other hand, four capabilities relating to both goal belief and control belief are viewed as dependent variables to test whether there is a linkage between influences from social interaction and individuals' perception about their self-efficacy. This partially responds to *Hypothesis 6* (i.e. '*There is a bidirectional relationship between neighbourhood effect and self-efficacy in deprived areas*').

The role of neighbourhood context in self-regulatory focus

As mentioned in Relationship 8, 'Optimist' and 'Risk-taking' have been used to measure participants' self-regulatory focus. According to Ozaralli and Rivenburgh's (2016) study, these two measures are subject to people's personality. In considering the formation of personality, family environment (Avci, 2006); vulnerable residents; high levels of social disorder; antisocial behaviours and unstable community (Cabinet Office, 2005; HM Treasury, 2007); as well as school environment as a part of neighbourhood effects (Bramley and Karley, 2007) all significantly impact on shaping individuals' personality. Starting a business is a process of facing and dealing with a range of difficult situations (Kanchana et al., 2013), therefore five measures (Table 3.8) have been selected as independent variables to examine what neighbourhood mechanisms shape participants' positive perspectives about potential uncertainties and difficulties, as well as their perception of potential risks. In considering dependent variables, 'Optimist' and 'Risk-taking' as two determinants directing participants' motivation towards the achievement of their goals are considered as dependent variables. By testing this relationship, the result responds to *Hypothesis 7* (i.e. '*The neighbourhood effect influences the self-regulatory focus in deprived areas*').

Table 3.8 Independent variables, dependent variables and relating measures for Relationship 10

	Independent Variables	Measures of Independent Variables	Dependent Variables	Measures of Dependent Variables	Binary Coding
Relationship 10	Neighbourhood Context	1) Influence from parents, friends and peers	Self-efficacy	1) Capability of achieving desired outcomes; 2) Capability of completing tasks; 3) Capability of keeping a positive attitude to complete tasks; 4) Capability of controlling negative emotions when faced with difficulties	Independent Variables 0: Strongly disagree/disagree/neutral 1: Strongly agree/agree Dependent Variables 0: Strongly disagree/disagree/neutral 1: Strongly agree/agree
	Neighbourhood Context	1) Family income; 2) Influences from close people; 3) Social culture in the local area; 4) School environment; 5) Disadvantaged local conditions and limited resources in the local area	Self-regulatory Focus	1) Promotion Focus: Optimist 2) Prevention Focus: Risk-taking	Independent Variables 0: Strongly disagree/disagree/neutral 1: Strongly agree/agree Dependent Variables 0: Strongly disagree/disagree/neutral 1: Strongly agree/agree

3.4.5 Control Variables and Analysis Approaches

The same approaches used to test the secondary data, both Spearman's correlation coefficient and a binary logistic regression, have been employed to test the survey data. The details about the usage of these two approaches have been explained in the subsection 3.3.3. Variables of general human capital are a binary variable with the value 1 if having high qualification level and being employed before the business start-up, and value 0 if having low qualification levels and no qualification as well as being unemployed. For other variables, value 1 represents strongly agree and agree, whilst value 0 represents strongly disagree, disagree and neutral.

Regarding the control variables for the six relationships examined by utilizing the survey data, the usage of different control variables for different relationships has been outlined in Table 3.9. Either testing the influence of neighbourhood contexts on qualification (i.e. Relationship 7), or the role of qualification levels in entrepreneurial motivation/intention (i.e. Relationship 8a), four variables are selected as control variables to test whether the difference in area, entrepreneurial role, gender and ethnicity varies the relationships. When employment status is used as either independent (i.e. Relationship 8a) or dependent variable (i.e. Relationship 7), 'Qualification level' is employed as an additional control variable in addition to the other four variables mentioned above. It is assumed that individuals' qualification level may influence their employment status. It should be clarified that when testing the influence of neighbourhood contexts on qualification (i.e. Relationship 7) and the role of qualification level in entrepreneurial motivation/intention (i.e. Relationship 8a), 'Employment status' is not used as a control variable. Although individuals' employment status impacts on the household income level, further influencing children's educational attainment through generational effect, the survey responses only represent participants themselves, not their children.

By examining the role of benefits obtained from education in entrepreneurial motivation/intention (i.e. Relationship 8b), 'Qualification level' is also used as an additional control variable as it may reflect people with different qualification levels having different opinions with regards to the benefits of education for their businesses. For the other three relationships (i.e. Relationship 9, 11 and 12), six variables are used as control variables to test whether different areas, entrepreneurial roles, genders, ethnic backgrounds, qualification levels and employment status affect the relationships. These six variables are also included to determine whether these factors impact on the relationship between individuals' perceived benefits obtained from work experience and entrepreneurial motivation/intention.

Table 3.9 Control variables for survey data

Relationships	Control Variables
<p>Relationship 7 Influence of neighbourhood context on qualification level</p>	<p>1) Area 2) Identity (i.e. nascent or actual entrepreneur)</p>
<p>Relationship 8a Influence of qualification level on entrepreneurial motivation/intention</p>	<p>3) Gender 4) Ethnicity</p>
<p>Relationship 7 Influence of neighbourhood context on employment status</p>	<p>1) Area 2) Identity (i.e. nascent or actual entrepreneur)</p>
<p>Relationship 8a Influence of employment status on entrepreneurial motivation/intention</p>	<p>3) Gender 4) Ethnicity</p>
<p>Relationship 8b Influence of benefits obtained from qualification on entrepreneurial motivation/intention</p>	<p>5) Qualification Level</p>
<p>Relationship 8b Influence of benefits obtained from work experience on entrepreneurial motivation/intention</p>	<p>1) Area 2) Identity (i.e. nascent or actual entrepreneur)</p>
<p>Relationship 9 A bidirectional relationship between self-efficacy and self-regulatory focus</p>	<p>3) Gender 4) Ethnicity 5) Qualification Level</p>
<p>Relationship 10 Influence of neighbourhood contexts on entrepreneurial motivation/intention</p>	<p>6) Employment Status</p>

3.5 Primary Data: Semi-structured Interviews

Semi-structured interviews were carried out in deprived areas of Nottingham, as one of the most deprived cities in the UK. As can be seen from Appendix 1, the focus of collecting qualitative data is in the dark brown areas of the map that are the 10% most deprived areas of Nottingham, such as St Ann's, Bulwell, Aspley and so on. As has been mentioned before, the semi-structured interview can be considered an explanatory study further seeking a deeper explanation of relationships between variables, in particular those found by the secondary data and primary survey data analysis. As a flexible type of interview, the order of questions could be changed depending on the flow of the

conversation, which means the semi-structured interview provides an opportunity for the researcher to use probing questions and ask interviewees to further explain or build on their responses (Saunders et al., 2016). Linking with the interpretivist philosophy, therefore, the responses obtained from the semi-structured interview emphasize understanding the meaning of responses to various phenomena provided by participants (Saunders et al., 2016). This helps the researcher provide the understanding behind any relationships found by the secondary data and primary quantitative data.

3.5.1 Data Collection

As mentioned in subsection 3.4.3, participants provided their postcodes for the survey to identify different areas of Nottingham and select people from deprived areas based on Nottingham Deprivation Data, whether they live or establish businesses in deprived areas. Interviewees were contacted via emailing³² or directly visiting their shops to ask them whether they would like to participate in the interview. The interviews were carried out in a public place, such as interviewees' shops or the café near to their shops, and all interviews were captured and saved by audio-recording the conversation. In order to collect the information to respond to research questions, approaches to questioning and different types of questions are presented as follows.

Questioning

Based on the consideration of reducing the scope for bias during the interview and increasing the reliability of responses obtained, it is necessary to phrase questions clearly and avoid using theoretical concepts or jargon (Saunders et al., 2016). It means the jargon should be replaced by daily language. For example, neighbourhood contexts were expressed as 'people around you' and 'your living environment, both family and external environment'. Other examples, such as self-efficacy and self-regulatory focus, questions relating to self-efficacy were asked as 'Did you feel confident in your capability to establish the business? Why?', or 'How did you adjust your emotion when you faced difficult situations?' or 'How did you deal with this problem?'. In addition, questions relating to self-regulatory focus were asked as 'Did you think of seeking more skills relating to your businesses? If so, why?' or 'What kind of knowledge or skills you thought to seek for establishing and maintaining your business? Why?'.

³² Participants were also asked to provide their email address on the survey.

Moreover, a critical incident technique has been utilized as a subjective research methodology in this research study. This follows Chell and Pittaway's (1998) principles of applying this approach. They demonstrate that this technique allows the researcher to focus on specific issues and situations through the participants' selection of incidents which they perceive are important. It means the responses provided by participants could be considered as their immediate reactions or insights; or the event they perceive the most presentative for a particular phenomenon. As such, the nature of this technique allows much of the important information to emerge based on the participants' values rather than those of researcher's values (Chell and Pittaway, 1998). In such a way, the critical events are discussed within the wide 'story' (Cope and Watts, 2000) to respond to the questions relating to the major themes. For example, participants' perceptions about the local neighbourhood environment and reasons why they wanted to set up the businesses and what factors stimulated their ideas. The detailed questions are presented in the following section of *Types of Questions*. During the questioning process, in addition, the researcher summarizes the interviewee's responses for each question in order to avoid a biased or incomplete interpretation, which allows the interviewee to confirm whether the understanding is adequate and to add opinions to explain further or correct the possible misunderstanding (Saunders et al., 2016).

Types of Questions

To avoid emotional language and possible limitations for interviewees' responses, more specifically, open questions and probing questions are used to appropriately ask questions in a factual way (Saunders et al., 2016). At the beginning of the interview, a few open questions are asked to obtain a broad perspective about the economic conditions and general environment of the living area and business area. For example, 'Could you describe the area you live in and the area your business is established in?'. Afterwards, each interview is covered by a list of main themes and key questions; these main themes or questions are based on components³³ involved in the new entrepreneurial intention model proposed before. The first question for each theme is an open question that encourages participants to provide an extensive and developmental answer and reveal their attitude or obtain facts (Saunders et al., 2016). Along with the conversation flow, probing questions are used

³³ There are seven components involved in the proposed model, including 'Entrepreneurial motivation/intention', 'General human capital', 'Specific human capital', 'Self-efficacy', 'Self-regulatory focus', 'Opportunity recognition and Goal setting', and 'Neighbourhood contexts/effects'.

to further explore responses, or seek an explanation for those responses or descriptions which are unclear (Saunders et al., 2016).

Regarding entrepreneurial motivation and intention, it has been assumed before that entrepreneurial motivation may act either as a psychological base or as an anticipatory driving force spurring entrepreneurial intention and further stimulating the ultimate entrepreneurial behaviour or action. In order to distinguish these two concepts, participants are asked to talk about why they wanted to set up a business and what triggered them to have this idea. It may help to capture the information about their entrepreneurial motivation. Moreover, questions such as 'When did you decide to set up your business?', 'What factors encouraged or stimulated you to come to your business idea?' and 'How did you carry out related activities to prepare your business start-up?' were asked to find out what factors may stimulate participants to turn their business ideas into reality.

When they explain the process from motivation to intention, questions such as 'How did you have this idea?', 'How did you recognize this business opportunity?', 'How confident were you were at that time to set up the business?', 'Why were you or were not confident about it?', 'How did you plan to achieve this goal?', 'Did you feel confident to achieve the goal of establishing the business?' are asked to capture information about how participants' self-efficacy and self-regulatory focus impact on their entrepreneurial motivation and intention through goal setting and opportunity recognition, which responds to *Hypothesis 1*; the explanation of a bidirectional relationship between their self-efficacy and self-regulatory focus responds to *Hypothesis 2*; and the responses to the question relating to factors encouraging or stimulating individuals to turn the business idea into action may reveal the reversed influence of individuals' entrepreneurial intention or behaviour on shaping a specific local neighbourhood context, which unidirectionally responds to *Hypothesis 6*.

With respect to the role of human capital in self-efficacy and self-regulatory focus, questions included 'What kind of knowledge and skills did you obtain from the education system and your previous work position?', 'Do you think these knowledge and skills were beneficial for your confidence or your capability of setting and achieving this goal? If so, how and why?', 'Do you have any previous experience of establishing a business? Do you have previous management experience or skills? Do you have any previous experience in a specific industry? Which experience do you think is beneficial for

your business start-up? How and why?' were asked. The responses to these questions respond to *Hypothesis 3* and *Hypothesis 4*.

Furthermore, questions such as 'What factors, for example people close to you and external environment, could impact on your educational attainment and employment? Why and how?'; 'What benefits did you obtain from the education system or previous job which helped you to find the business idea or set up the business?', and 'Did any factors affect your previous business start-up/your managerial experience/experience in specific industry? How did you gain this experience?' were asked, to gain the information about how does a deprived neighbourhood context impact on participants' human capital accumulation and development. From these responses, it is also expected to reveal how local residents' human capital may in turn shape a particular social norm or neighbourhood context in the local area, which responds to *Hypothesis 5*. In addition, participants were asked 'whether there are any factors influencing the idea or decision of setting up a business? If yes, how? If no, why?', to obtain the information about the influence of neighbourhood contexts on entrepreneurial intention. Linking with the information mentioned in the last paragraph, *Hypothesis 6* is fully explored.

As mentioned in section 3.5, the flexibility of semi-structured interviews allows interviewees to open up sensitive issues and simultaneously enables the researcher to further explore the reasons behind the issues through probing questions (Sunders et al., 2016). Therefore, it should be noted that interviewees' responses not only include their own opinions or experiences, but also reveal their perceptions about the local environment and situations in this research. For example, some of responses reveal a particular phenomenon based on interviewees' observation of other business owners' performance, or other local people's behaviours and experiences.

Dealing with Potential Difficult Participants

There are five situations involving the interviewing of difficult participants proposed by Saunders et al. (2016), including: participants who only give monosyllabic answers (i.e. yes or no); repeatedly provide long answers; participants who start interviewing the researcher; those who are proud of their status and try to show off their knowledge and criticise the researcher; as well as participants who become upset or have unstable emotions during the interview. The authors also provide suggestions for each case. For example, it could be better to use long pauses to signify the patience to hear more for

participants who only give the answer of yes or no, rather than skipping the question. For participants who provide long answers, it is suggested to ask them to speak more about the earlier points or direct them back to the main points if they deviate from the question, rather than directly stopping them, possibly causing offence. For those participants who may start interviewing, this is helpful to build a favourable environment and rapport for the interview; however, it should notice that the purpose of the interview is to find out interesting perspectives for the research: the researcher could tell participants that if they want, they can ask questions at the end of the interview. If talking with participants who are proud of themselves and try to criticise, being confident about the research is critical. For the last situation, if participants become upset, even behave in extreme ways such as crying, it is suggested that explaining to them that the question does not have to be answered is one solution. However, it does not mean the interview should be ended, as this may be likely to make them even more emotional.

3.5.2 Selection of Interview Participants

In total, nine semi-structured interviews have been completed for the research. These consist of interviews with six actual entrepreneurs, who come from deprived areas of Nottingham; two training providers, who provide support and training for people from deprived areas, and one local government officer working as a head of Business Growth at Nottingham City Council. In the existing literature on interview and participant selection/sampling, a precise number of participants required has rarely been stated within expert guidance (Baker and Edwards, 2012). This is because too small a sample makes it difficult to obtain information saturation and too large a sample hinders in-depth analysis (Onwuegbuzie and Leech, 2005). Regarding participant selection, this section follows Saunders and Townsend's (2016) study to determine the appropriate number of interview participants to include in this research study. The following is primarily based on and structured around their suggestions, including: the explanation of participant selection, the additional expanded methods section, characteristics of the population, and evidence support.

Regarding the selection of interview participants, all participants are selected from the population which engaged in the survey. Two major approaches were applied to invite participants to participate in the interviews. Except for a few questionnaires collected through the snowball approach, almost all questionnaires were completed in the face-to-face form. When individuals' locations (either home location, or business locations, or both) were identified as being in deprived areas, these survey

respondents were asked immediately whether they would like to engage in the semi-structured interviews. The location of the respondents was determined in two ways. Firstly, while participants were asked to provide postcodes of both home and business locations in the questionnaire, some of them directly provided the area names, such as Bulwell, St Ann's and Aspley, which enabled the researcher to easily identify the target locations. Secondly, visiting the physical business locations in deprived areas enabled the researcher to look for the potential interview participants in a direct way. Where only a postcode was provided (see subsections 3.4.3 and 3.5.1), the Nottingham Deprivation Data³⁴ was used to identify those postcodes in areas classed as deprived and, using the email addresses provided by participants indicating a willingness to participate in follow-up interviews, potential interviewees were contacted.

Nevertheless, only collecting the responses from local entrepreneurs could potentially cause responses to deviate from the factual or real situation because of the subjectivism. Different people have different feelings and perspectives, even from an objectively similar environment (John, 2017), which could help the researcher explore diverse perspectives for the particular situations and phenomena and explain them from different angles to enrich the understanding. However, numerous scholars have argued that the consideration of the massively complicated multi-dimensionality of context causes radical forms of individuals, whilst the prevalence of individuals' unique standpoints based on their own backgrounds and opinions ultimately make this unintelligible to every other (Scharfstein, 1989). Therefore, interviews were carried out with a local government officer and two training providers. The government officer from the local city council was selected because the officer is responsible for supporting all businesses in Nottingham. Regarding the two training providers, they were identified from the survey population based on their own description of their businesses. They were selected because of their provision of business support to deprived areas, in contrast to others who provide support for business in general in Nottingham in general, rather than a focus on the areas of interest. In terms of both training providers and the government officer, the sample size is not relevant because of the limited population of individuals of these types with relevant responsibilities or objectives that relate to enterprise in deprived areas of Nottingham.

³⁴ Nottingham Deprivation Data includes 10,060 postcodes, both those in use and those previously in use for Nottingham. For each postcode, the 'Index of Multiple Deprivation Decile' is reported. The extent of deprivation of each postcode in Nottingham ranges from 1 to 7 representing the postcode reflecting a location in 10% of the most deprived areas of England, and 7 showing the place is located among the least deprived areas of Nottingham.

By interviewing actual entrepreneurs from deprived areas, their responses are closely linked with the research questions and hypotheses. By talking about their subjective thoughts, experiences and feelings, they explained the 'how' and 'why' elements of the relationships found in the quantitative data analysis. For example, actual entrepreneurs expressed their own opinions about the local neighbourhood environment, factors influencing their human capital development, occurrence of initial business ideas and inclination of engaging in entrepreneurship: their entrepreneurial intention. They also expressed their personal feelings and perceived difficulties experienced during this process. The responses obtained from local entrepreneurs are expected to directly respond to research questions. Due to the nature of semi-structured interviews, the flexibility of proposing probing questions also enables the researcher to explore unexpected responses, enrich the understanding about this particular group and further modify the new entrepreneurial intention model that is built upon the existing literature. On the other hand, by interviewing the local government officer, his responses represent the government's perspectives about the situation in deprived areas of Nottingham; for example, the economic condition and activities, neighbourhood context, potential problems, and supporting policies or potential solutions for those areas. However, there could be a possibility that these two parties may consider things in quite different ways because of their different roles and the positions they stand for. More specifically, the government officer may look at certain issues from an overall angle of city development, whilst the entrepreneurs' responses could be more personal, even too subjective. Because of this, interviewing the training providers whose focus is on deprived areas could be seen as a mediating role to balance and evaluate responses obtained from the government and individuals.

In terms of the sample size, Saunders et al. (2016) suggest that 12-30 is the minimum sample size for qualitative research based on the consideration of a heterogeneous population. In this research study, the responses obtained from qualitative analysis are mainly used to find out the possibilities behind the relationships found from quantitative data, to provide evidence for a new entrepreneurial intention model in this research. In the case of focusing on Nottingham deprived areas, entrepreneurs tend to be a more homogeneous population, therefore, it is necessary to consider the potential of information saturation (Hennink et al., 2019). Moreover, the utilization principle of the qualitative data in this research study is consistent with the study of Cope and Watts (2000), that applies six case studies (i.e. six small business owners) to explore an in-depth understanding of the parallel processes of personal development and growth of small businesses. The chosen case studies in their study or the participants who engaged in the semi-structured interviews for this research study are analysed and interpreted based on the opportunity to explore complementary aspects of the complicated

phenomenon of entrepreneurship in deprived areas (Eisenhardt, 1991); fill theoretical categories; and provide examples of certain polar situations (Eisenhardt, 1989), rather than constructing a representative sample of deprived areas. Appendix 23 provides the sample profile in terms of the participants' characteristics in order to enhance the authenticity and credibility of the sample by providing more details about how the research was undertaken (Saunders and Townsend, 2016). This is also consistent with the approach of Cope and Watts (2000)³⁵. The sample profile includes information on the participants' gender, age, ethnicity, highest achieved educational attainment, employment status before business start-up, business type, start-up method³⁶ and business duration.

3.5.3 Analysis Approach

As for the tool for data analysis, Nvivo is used as a qualitative data analysis software (QDAS) with a high degree of flexibility to analyse the interviews. The use of such software has a number of benefits. First, it helps to manage the data by organizing and keeping track of the messy records that constitute a qualitative project (Bazeley and Jackson, 2013). In this research study, Nvivo is only used to analyse the data from the semi-structured interviews. Moreover, using Nvivo helps to organize the analysis and provide quick access to conceptual and theoretical knowledge generated in the research, as well as data that support it, whilst simultaneously providing access to the context from which those data have been generated (Bazeley and Jackson, 2013).

Thematic analysis as a generic approach is used to analyse qualitative data by identifying themes or patterns (Saunders et al., 2016). As one camp of qualitative analytic methods, Braun and Clarke (2006) have shown these to fit with a particular theoretical or epistemological position, which is specifically reflected in Smith and Osborn's (2003) interpretative phenomenological analysis. This analysis is applied to explore the details of how participants make sense of their personal and social world. The aim of this approach is to establish the meaning of particular experiences, events and states for participants (Smith and Osborn, 2003). Given the purpose of undertaking the semi-structured interviews (i.e. section 3.2), this research study follows Smith and Osborn's (2003) application of interpretative phenomenological analysis to investigate local entrepreneurs' opinions about

³⁵ In authors' study, they demonstrate a brief introduction about each case in Appendix 1, including when they set up the businesses, their educational attainment and previous job position before the establishment of the businesses.

³⁶ Start-up methods refer to the way of setting up a business, such as taking over from the previous owner, or cooperation, or self-establishing.

entrepreneurship, the local neighbourhoods and the influence of local neighbourhood contexts on their entrepreneurial activities and human capital development. The collected qualitative data exposes the details of their personal perspectives and feelings about the meanings of their experiences and the situations within which they located.

Regarding the themes investigated and identified from the data, these are more dependent on whether they capture important insights that relate to the overall research questions, rather than focusing on quantifiable measures (Braun and Clarke, 2006). Thus, five major concepts that have been identified from the literature examined in this research study are important components in the new entrepreneurial intention model and also therefore major areas to be pursued and probed in the semi-structured interviews. These are therefore identified as five major themes in the thematic analysis process. When analysing the qualitative dataset in its entirety, themes can be identified in either an inductive manner (such as that proposed by Frith and Gleeson, 2004) or in a deductive way (Boyatzis, 1998; Hayes, 1997). Compared to an inductive approach where the themes emerge solely from the data itself (Patton, 1990), and bear little relation to the specific questions that were asked of the participants (Braun and Clarke, 2006), this research study utilizes the theoretical thematic analysis. This approach, although allowing the researcher freedom to explore the topic of interest more widely and allowing new themes to be generated or expanded (Braun and Clarke, 2006), is fundamentally linked to exploration of the latent themes from the research design and literature examined. In terms of the thematic analysis at the latent level, the development of themes involves interpretative work (Braun and Clarke, 2006), rather than the description of surface meaning that is delivered by the themes identified at the semantic level (Patton, 1990; Frith and Gleeson, 2004). It means this research study not only investigates the determinants identified in the existing literature, but also attempts to discover unexpected or surprising answers that may not be widely recognized from within those latent themes. Having set out the theoretical foundations relating to the qualitative data analysis, the remainder of the section explains how this research study analyses the qualitative data based on Braun and Clarke's (2006) six-phase guidance.

In the first phase, the verbal data from each semi-structured interview is transcribed. While this process is time-consuming, it is considered as an effective way to enable the researcher to familiarize themselves with the data (Riessman, 1993). Some researchers even regard this process as a key stage for analysing data, based on the interpretative qualitative methodology (Bird, 2005). This process is recognized as an interpretative act of creating meanings, rather than a mechanical act of playing

spoken sounds (Lapadat and Lindsay, 1999). The detailed description of this process is presented in Chapter 6 (i.e. subsection 6.2.2).

Regarding the second and third phases, it should be noted that this research study reverses the sequence of these two phases. In Braun and Clarke's (2006) approach, the second phase is to organize the information into a range of codes and the third phase is to look at a broad level of themes by considering how different codes could be combined to form overarching themes. In this research study, the major themes have been identified based on the main components of the new entrepreneurial intention model. This means that, each theme is further coded as several codes. Briefly, the sequence of the second and third phases in Braun and Clarke's (2006) study is from specific codes to broad themes. By contrast, this research study starts from the broad themes to specific codes. However, this reversed sequence does not influence the thematic analysis process, because the mind map clearly displays the relationships between codes, between different themes and between different sub-themes (Braun and Clarke, 2006).

Furthermore, there is a difference in the definition of terms between Braun and Clarke's (2006) study and Bazeley and Jackson's (2013) book. This difference may be derived from the differing emphasis on resources being discussed. Braun and Clarke's (2006) study focuses on the knowledge or theoretical aspect of thematic analysis, whilst Bazeley and Jackson's (2013) book focuses on explaining the actual operations in Nvivo. Therefore, initially coding the information as a range of codes and sub-themes in Braun and Clarke's (2006) study means creating the sub-nodes or child nodes in Bazeley and Jackson's (2013) book. The themes mentioned in Braun and Clarke's (2006) study refers to the major categories or concepts, but this is creating nodes or parent nodes in Bazeley and Jackson's (2013) book. In terms of terms of themes, sub-themes and codes, the example of coding the information pertaining to human capital in this research study clearly shows the difference. If human capital is a major category in Nvivo (i.e. the theme of human capital), the sub-nodes of general human capital and specific human capital are sub-themes. Through the further coding, codes relating to education levels and general work experiences are regarded as subsequent sub-nodes or child nodes under the sub-node of general human capital. In short, the themes (i.e. the nodes), the sub-themes and codes (i.e. sub-nodes) form a hierarchical structure of coding in Nvivo (Bazeley and Jackson, 2013).

In terms of the second phase of coding, Strauss (1987) states that excellent research largely depends on the quality of the coding, which is an efficient way to become proficient at carrying out qualitative analysis. A code can be considered as an abstract representation of a phenomenon or an object (Corbin and Strauss, 2008); or as an approach to identifying themes from a text (Bernard and Ryan, 2010). If a deductive approach is applied in the research, codes should be derived from the conceptual or theoretical framework. This means coding should start through applying the elements incorporated in the previous framework to the data (Saunders et al., 2016). Early scholars such as Coffey and Atkinson (1996) have suggested that a common approach is to start with general categories and subsequently code in more detail. As such, the responses of all interview participants are divided into two broad groups in Nvivo: Group 1 named 'Entrepreneurs Views' includes six actual entrepreneurs and Group 2 named 'Views from Other Groups' includes perspectives obtained from the government officer and two training providers. On the one hand, five major themes or concepts, including human capital, neighbourhood contexts, self-efficacy, self-regulatory focus and entrepreneurial motivation and intention, are coded as five main categories or nodes in Group 1. Although self-efficacy and self-regulatory focus are two measures of entrepreneurial intention, the node of entrepreneurial motivation and intention includes the information reflecting the direct responses for these two concepts, such as the questions: 'why did you want to set up your business?'; 'what factors encouraged or stimulated you to come to your business idea?'; and 'how did you carry out related activities to prepare your business start-up?' outlined in subsection 3.5.1. As mentioned above, this research study attempts to explore the latent information around the research questions. Therefore, another node named 'Other Nodes' has been created, including additional or unexpected responses proposed by entrepreneurs that may be not mentioned in the literature.

On the other hand, Group 2 includes the responses obtained from the government officer and two training providers; their responses are coded respectively. Based on the government officer's responses, the major nodes are created based on the perceived performance of entrepreneurial activities and barriers to business start-up in deprived areas; challenges for the department; perceived entrepreneurial motivation and intention in deprived areas; perceived general human capital level in deprived areas and relevant support for creating general human capital. During the interview, the government officer expressed the opinion that there is no support specifically targeting deprived areas. Therefore, a further node has been created, named 'Reasons why no specific support for deprived areas'. For coding the training providers, the initial nodes include: their service and targeted customers; observation of targeted customers; perceived issues of the targeted customers; barriers for the training providers; and particular phenomena among these targeted customers in deprived

areas. Based on the initial coding, it can be seen that the entrepreneurs' responses could provide explanations for the relationships involved in the new entrepreneurial intention model, as well as some unexpected information, which could further enrich the understanding of the particular phenomena. At the same time, the interviews also allow the researcher to make comparisons and triangulate among the responses from three different angles.

After the initial coding, thirdly, each theme is further coded into several sub-nodes in each group, which is depicted in Diagrams 3.3, 3.4 and 3.5. With the exception of those nodes that directly relate to the research questions, it is important to keep the information that departs from the dominant story (Braun and Clarke, 2006). This is because a common criticism of coding is that the context is lost (Bryman, 2001). It means that ignoring the responses surrounding or relevant to the storyline may cause the loss of contextual information or background to explain why particular behaviours or phenomena take place. For example, Diagram 3.3 displays a sub-node of 'Other Human Capital' included in the theme of human capital, in addition to general human capital and specific human capital identified from the existing literature. In this sub-theme, the sub-nodes of 'learning-by-doing or self-learning' could relate to the utilization of self-support methods to acquire human capital in deprived areas. The sub-nodes of 'barriers to getting other human capital' reveal the reasons behind why people use self-support methods in deprived areas. In this section, the diagrams broadly demonstrate the analysis approach³⁷, while the detailed information about coding process and thematic analysis of each group is presented in Chapter 6 and Appendixes 15-22.

³⁷ As there is limited space, diagrams do not display all sub-themes or sub-nodes here. In this section, diagrams can be regarded as examples to clarify the analysis process.

Diagram 3.3 The initial mind map of coding entrepreneurs' responses

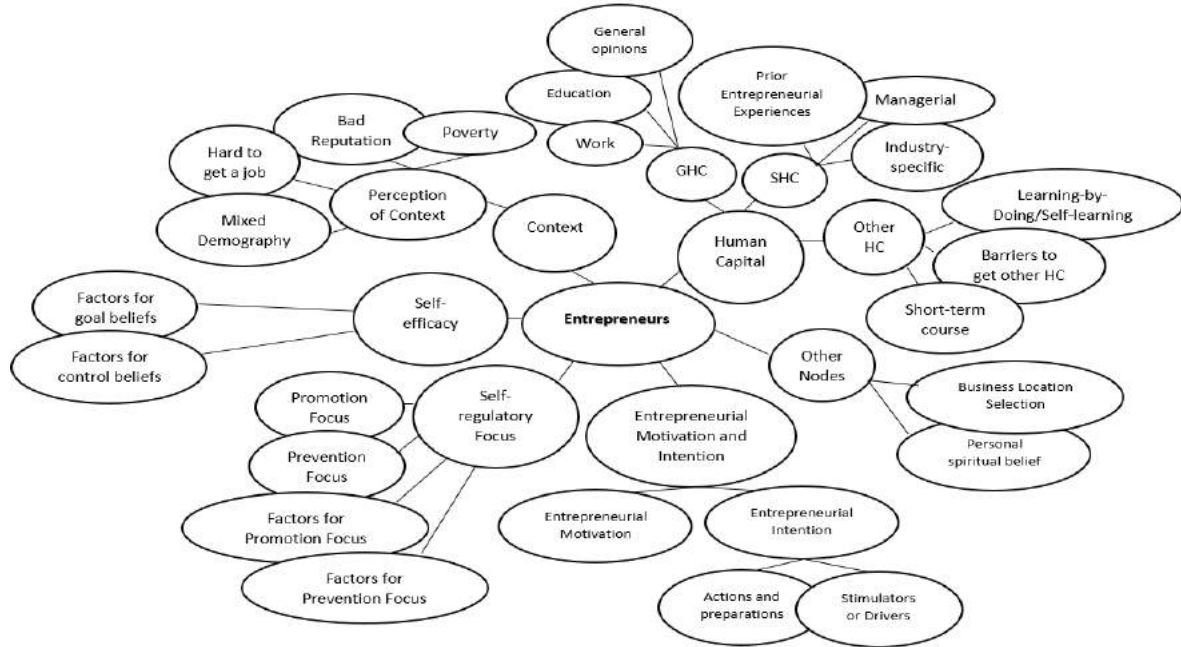


Diagram 3.4 The mind map of coding the local government officer's responses

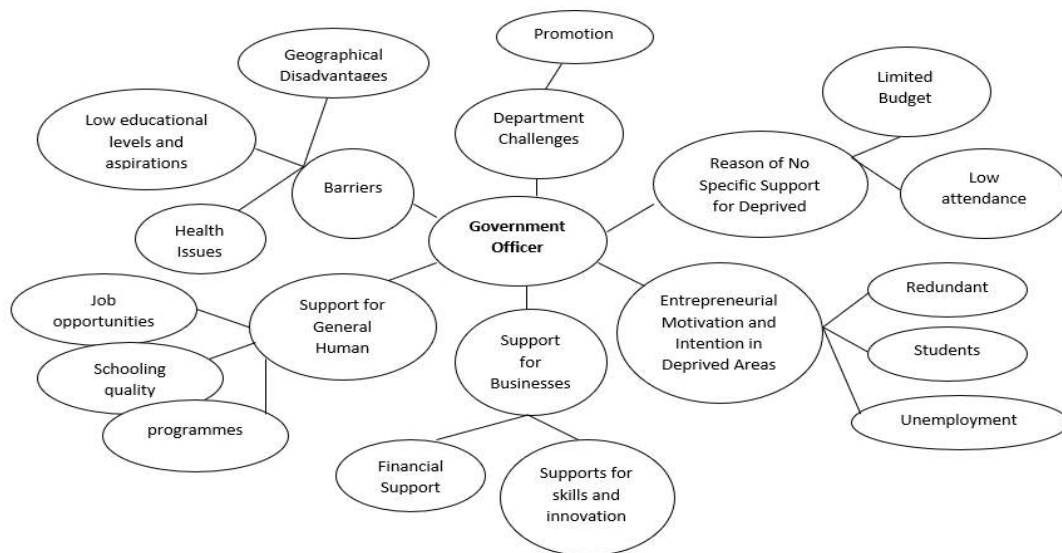
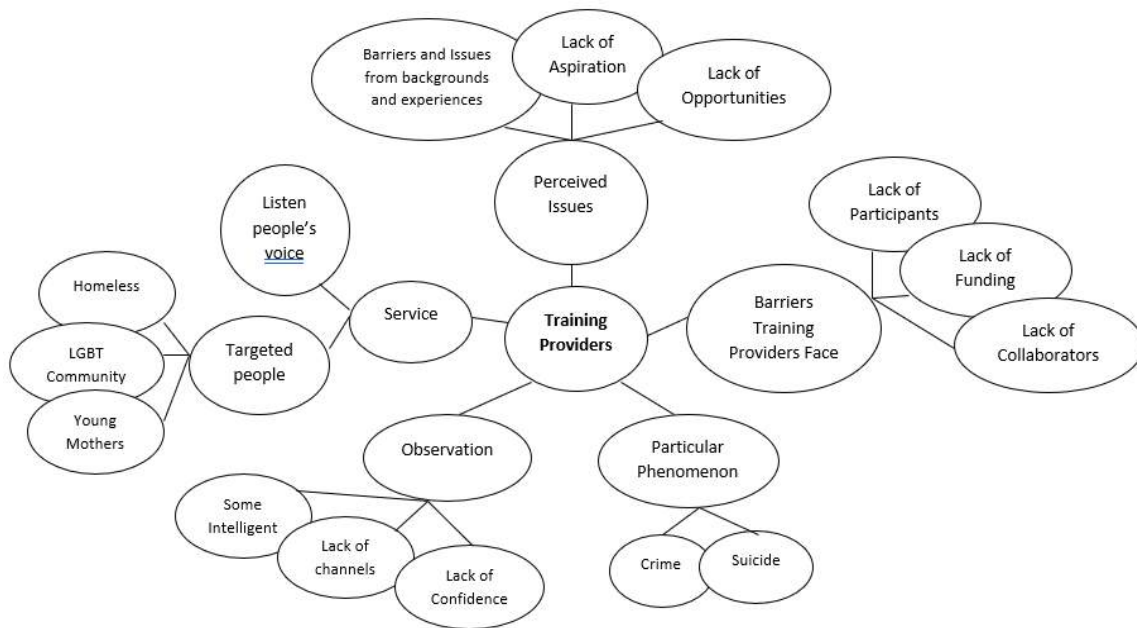


Diagram 3.5 The mind map of coding training providers' responses



When a hierarchical coding structure is established, the fourth step is to read all codes or sub-nodes for each theme and check the coherence. The purpose of this phase is to examine how different themes, sub-themes and codes fit together to tell the overall story (Braun and Clarke, 2006). As this research study has clearly identified the major themes before coding, the process of defining and naming themes, as in the fifth phase of Braun and Clarke's (2006) study, is completed when creating the major categories or themes in Nvivo. Notably, the fifth phase of this research study is to check whether various sub-nodes provide structure to a particularly broad and complicated theme and whether they demonstrate the hierarchy of meaning within the data (Braun and Clarke, 2006). When the five phases are accomplished, the final phase is to produce the report.

3.6 CONCLUSION

This chapter has demonstrated research philosophy and assumptions to support research strategies used in this research. For three different data sources, the process of collecting data, sample population, measures and analysis approaches has been also clarified. Linking with the hypotheses proposed in the previous chapter, Appendix 2 displays how research questions and hypotheses are responded to and tested. The following three chapters present the results from each of the pieces of analysis outlined above.

CHAPTER 4 SECONDARY DATA ANALYSIS

4.1 Introduction

As mentioned in Chapter 3, the secondary data, consisting of 15,502 UK small business owners and managers³⁸, is utilized to establish general patterns with strong and statistical evidence. In this chapter, the results obtained from testing seven relationships are presented, in order to identify entrepreneurship situations in deprived areas at a country-level.

First of all, the influence of deprivation on business owners' entrepreneurial intention³⁹ (Relationship 1) is examined through demonstrating business owners' beliefs about capabilities relating to their businesses; their pursuit of and plans for future business development; and their attitude towards potential risks or uncertainties during the business process in deprived areas. In considering the situation of several barriers existing in deprived areas impeding individuals' inclination to carryout entrepreneurial activities, moreover, major barriers to their businesses perceived by business owners (Relationship 2) in deprived areas are identified; and the influence of these perceived barriers on their entrepreneurial intention (Relationship 3) is also investigated. In short, these three relationships find out the direct influence of deprivation and the indirect influence of perceived barriers on business owners' entrepreneurial intention.

Moreover, business owners' attitude towards training provision (Relationship 4) and the role of training in business owners' entrepreneurial intention (Relationship 5) in deprived areas are examined respectively to provide a broad perspective on the situation of human capital and the general attitude towards the investment of human capital in deprived areas. While these relationships do not fully respond to RQ2, it broadly indicates whether there is a relationship between deprivation, human capital, and entrepreneurial intention. In addition, whether there exists a bidirectional relationship between business owners' self-efficacy and self-regulatory focus (Relationship 6) is also examined. For

³⁸ In this chapter and following chapters, it is going to use a unified name of 'business owners' to represent all 'UK small business owners and managers' when interpreting and discussing the results obtained from secondary data.

³⁹ As mentioned in section 3.3 (p.40), all participants engaged in the Longitudinal Small Business Survey have already established their businesses, therefore, it is going to use 'entrepreneurial intention' to indicate their inclination to engage in entrepreneurial activities. The nuanced difference between 'entrepreneurial motivation' and 'entrepreneurial intention' is distinguished and clarified by utilizing the interview responses in Chapter 6.

each relationship, the results obtained from both correlation coefficients and a binary regression are presented. By applying a binary regression, it is possible to interpret the results of each relationship that have been obtained, after controlling for all other variables, in order to see other factors impacting on the relationships.

4.2 Results of Secondary Data

The results are interpreted after controlling for all variables; therefore, it is not going to be necessary to explain again in each section. Control variables for each relationship have been clarified in Chapter 3 (subsection 3.3.2). In consideration of the limited space available for the Correlation Coefficient Matrix and Tables of binary regression results, the abbreviation of some measuring variables for secondary data has been clarified in Appendix 3.

Relationship 1 The Influence of Deprivation on Entrepreneurial Intention (i.e. Self-efficacy and Self-regulatory Focus⁴⁰)

By running a correlation coefficient, it can be seen from Figure 4.1, only one relationship between deprivation and self-efficacy (i.e. 'the capability for developing and introducing new products or services') is found ($r= 0.022$, $p= 0.009$). Regarding the relationship between deprivation and self-regulatory focus, it shows significant and positive relationships between deprivation and all five future development plans⁴¹, whilst a significant but negative relationship between deprivation and aim to grow sales is also found ($r= -0.067$, $p= 0.000$). Moreover, deprivation is significantly and positively related to two measures⁴² relating to prevention focus.

⁴⁰ As mentioned in the methodology chapter (Chapter 3), self-efficacy and self-regulatory focus are two crucial factors linked with entrepreneurial motivation/intention. Therefore, these two terms have been used to measure entrepreneurial intention.

⁴¹ In detail, deprivation is significantly and positively related to 'plan to increase the skills of the workforce' ($r= 0.046$, $p= 0.000$); 'plan to increase the leadership capability of managers' ($r= 0.069$, $p= 0.000$); 'plan to capital investment' ($r= 0.050$, $p= 0.000$); 'plan to develop and launch new products/services' ($r= 0.038$, $p= 0.000$); 'plan to introduce new working practices' ($r= 0.058$, $p= 0.000$).

⁴² In detail, deprivation is significantly and positively related to 'I do not want to take on additional risk' ($r= 0.060$, $p= 0.024$); and 'Now is not the right time to apply finance because of economic conditions' ($r= 0.096$, $p= 0.000$).

Figure 4.1 Relationship 1: Correlation Coefficient Matrix: Deprivation and entrepreneurial intention (The outcome of adding control variables has been demonstrated in Appendix 4)⁴³

	D	C1(a)	C2(a)	C3(a)	C4(a)	C5(a)	P1	P2	P3	P4	P5	P6	P7	R1	R2	R3	R4	R5
D	1.000																	
C1(a)	-0.005 (0.614)	1.000																
C2(a)	-0.002 (0.831)	.468** (0.000)	1.000															
C3(a)	.022** (0.009)	.313** (0.000)	.417** (0.000)	1.000														
C4(a)	0.005 (0.568)	.225** (0.000)	.362** (0.000)	.255** (0.000)	1.000													
C5(a)	-0.005 (0.516)	.410** (0.000)	.427** (0.000)	.327** (0.000)	.312** (0.000)	1.000												
P1	.046** (0.000)	-.022* (0.020)	.087** (0.000)	.125** (0.000)	.079** (0.000)	.111** (0.000)	1.000											
P2	.069** (0.000)	-.045** (0.000)	.096** (0.000)	.101** (0.000)	.078** (0.000)	.070** (0.000)	.513** (0.000)	1.000										
P3	.050** (0.000)	-.085** (0.000)	.025** (0.002)	.057** (0.000)	.069** (0.000)	.022** (0.008)	.317** (0.000)	.312** (0.000)	1.000									
P4	.038** (0.000)	-.035** (0.000)	.046** (0.000)	.214** (0.000)	-0.009 (0.317)	0.010 (0.222)	.346** (0.000)	.335** (0.000)	.253** (0.000)	1.000								
P5	.058** (0.000)	-.024* (0.011)	.078** (0.000)	.122** (0.000)	.047** (0.000)	.089** (0.000)	.456** (0.000)	.440** (0.000)	.297** (0.000)	.349** (0.000)	1.000							
P6	-.067** (0.000)	.046** (0.000)	-.084** (0.000)	-.145** (0.000)	-.051** (0.000)	-.036** (0.000)	-.387** (0.000)	-.367** (0.000)	-.282** (0.000)	-.372** (0.000)	-.316** (0.000)	1.000						
P7	0.002 (0.772)	.141** (0.000)	.029** (0.000)	-.039** (0.000)	.030** (0.002)	.063** (0.000)	-.106** (0.000)	-.115** (0.000)	-.102** (0.000)	-.220** (0.000)	-.067** (0.000)	.163** (0.000)	1.000					
R1	-0.011 (0.786)	-0.040 (0.420)	-0.050 (0.232)	-0.018 (0.668)	0.051 (0.287)	0.021 (0.619)	0.052 (0.210)	0.037 (0.372)	0.021 (0.612)	0.006 (0.893)	0.038 (0.357)	-0.006 (0.887)		1.000				
R2	0.051 (0.218)	0.055 (0.268)	0.050 (0.232)	0.020 (0.632)	-0.060 (0.213)	0.003 (0.947)	0.061 (0.142)	0.038 (0.366)	0.003 (0.946)	0.027 (0.523)	0.030 (0.465)	-0.039 (0.345)		0.070 (0.092)	1.000			
R3	.060* (0.024)	0.016 (0.610)	-.074** (0.005)	-0.043 (0.110)	-.076** (0.008)	-0.024 (0.366)	0.011 (0.670)	-0.050 (0.056)	-.063* (0.017)	-0.040 (0.126)	0.040 (0.131)	.084** (0.001)	0.039 (0.143)	0.056 (0.652)	.250* (0.042)	1.000		
R4	.096** (0.000)	0.006 (0.842)	-0.013 (0.633)	-0.024 (0.370)	-.060* (0.038)	-0.008 (0.763)	-0.005 (0.847)	-0.033 (0.211)	-0.050 (0.059)	-0.027 (0.313)	0.033 (0.212)	.087** (0.001)	.084** (0.002)	0.205 (0.095)	0.112 (0.367)	.368** (0.000)	1.000	
R5	-0.022 (0.400)	0.024 (0.435)	-0.052 (0.052)	0.047 (0.083)	-.165** (0.000)	-0.022 (0.423)	0.027 (0.302)	0.038 (0.146)	-0.010 (0.702)	0.004 (0.871)	.070** (0.008)	-0.027 (0.304)	0.022 (0.406)	0.024 (0.848)	0.079 (0.527)	.101** (0.000)	.127** (0.000)	1.000

⁴³ The p values are given in parentheses.

By running a binary regression, the results relating to self-efficacy (Table 4.1) show that business owners from the 15% of most-deprived areas are less likely to believe they have the capability for operational improvement ($B = -0.117$, $p = 0.043$)⁴⁴. Furthermore, most of the results relating to promotion focus indicate that business owners from the 15% of most-deprived areas are more likely to be promotion-focused, except for the plan to capital investment, whilst it is found that business owners from 15% deprived areas are less likely to export products or services ($B = -0.225$, $p = 0.001$). The relationships between deprivation and most of measures relating to prevention focus are not found, however, the result reveals that business owners from 15% deprived areas are almost twice as likely to be concerned with economic conditions ($B = 0.656$, $p = 0.000$) than those from other areas.

⁴⁴ This result does not conform with the result obtained from correlation coefficient when other controls are added.

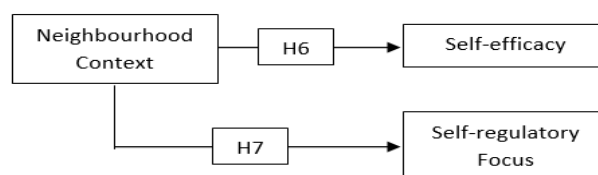
Table 4.1 Relationship 1: Deprivation and entrepreneurial intention⁴⁵

Dependent Variables (Entrepreneurial Motivation/Intention)	Independent Variables (Deprivation)	
	BR	BR + Controls
<u>Self-efficacy</u>		
C1(a): Capability for people management	0.117 (0.131)	0.104 (0.18)
C2(a): Capability for developing and implementing a business plan and strategy	0.001 (0.992)	-0.077 (0.163)
C3(a): Capability for developing and introducing new products or services	0.082 (0.138)	0.023 (0.685)
C4(a): Capability for accessing external finance	0.033 (0.574)	-0.035 (0.569)
C5(a): Capability for operational improvement	-0.067 (0.238)	-0.117 (0.043)
<u>Self-regulatory Focus: Promotion Focus</u>		
P1: Plan to increase the skills of the workforce	0.305 (0.000)	0.167 (0.009)
P2: Plan to increase the leadership capability of managers	0.294 (0.000)	0.13 (0.021)
P3: Plan to capital investment (in premises, machinery etc)	0.102 (0.048)	0.005 (0.921)
P4: Plan to develop and launch new products/services	0.188 (0.000)	0.103 (0.048)
P5: Plan to introduce new working practices	0.276 (0.000)	0.166 (0.002)
P6: Aim to grow sales	0.336 (0.000)	0.199 (0.001)
P7: Whether export goods or services	-0.157 (0.015)	-0.225 (0.001)
<u>Self-regulatory Focus: Prevention Focus</u>		
R1: Exporting is too risky	0.158 (0.836)	0.207 (0.789)
R2: Prefer to concentrate on UK markets	-0.161 (0.704)	-0.133 (0.755)
R3: You do not want to take on additional risks	0.085 (0.598)	0.158 (0.339)
R4: Now is not the right time because of economic conditions	0.590 (0.000)	0.656 (0.000)
R5: The decision would have taken too long/too much hassle	0.044 (0.798)	0.035 (0.839)

⁴⁵ The p values are given in parentheses.

To sum up, the influences of deprivation on self-efficacy and prevention focus are reflected in business owners' low level of belief in their capabilities relating to operational improvement (e.g. the capability of adapt industry best practice) and their negative reaction to applying finance derived from the concern with economic conditions respectively. Regarding the influence of deprivation on promotion focus, it is found that business owners from the 15% most deprived areas tend to be promotion-focused, as reflected in a range of future development plans; however, deprivation significantly but negatively impacts on exporting activities. This is a little against expectations but, as these are only a sample of entrepreneurs, there may be a need for greater promotion focus to enter entrepreneurship in deprived areas. This is discussed and explored in more detail in Chapter 7. Linking with the new entrepreneurial intention model proposed in Chapter 2, these results unidirectionally correspond to a part of the model shown in Diagram 4.1 below.

Diagram 4.1 A part of the model: Influence of neighbourhood contexts on self-efficacy and self-regulatory focus in deprived areas



As mentioned in Chapter 2, business owners in deprived areas are confronted with several barriers, further affecting their entrepreneurial intention. These barriers may explain some of the results relating to regulatory focus above. Therefore, the study now examines which barriers perceived by business owners in deprived areas are major obstacles to their businesses (Relationship 2) and which perceived barriers influence entrepreneurial motivation/intention (Relationship 4). Meanwhile, the awareness of providing training in deprived areas is also examined (Relationship 3) in the following sections.

Relationship 2 The Influence of Deprivation on Perceived General Barriers

By estimating correlation coefficients, Figure 4.2 indicates that there are significant and positive relationships between deprivation and barriers associated with 'obtaining finance' ($r= 0.057, p= 0.000$); 'taxation, VAT, PAYE, national insurance and business rates' ($r= 0.029, p= 0.000$); 'staff recruitment and skills' ($r= 0.021, p= 0.009$); and 'did not know where to find the appropriate finance' ($r= 0.056, p= 0.034$).

Figure 4.2 Relationship 2: Correlation Coefficient Matrix: Deprivation and perceived general barriers⁴⁶

	D	B1	B2	B3	B4	B5	Women-led	Family-owned	MEG-led	Size	Sector
D	1.000										
B1	.057** (0.000)	1.000									
B2	.029** (0.000)	.141** (0.000)	1.000								
B3	.021** (0.009)	.092** (0.000)	.129** (0.000)	1.000							
B4	0.022 (0.397)	.405** (0.000)	.100** (0.000)	0.030 (0.256)	1.000						
B5	.056* (0.034)	.211** (0.000)	0.020 (0.438)	0.027 (0.313)	.216** (0.000)	1.000					
Women-led	-0.003 (0.678)	-.070** (0.000)	.032** (0.000)	.035** (0.000)	-0.008 (0.756)	-0.050 (0.056)	1.000				
Family-owned	.066** (0.000)	.081** (0.000)	-.074** (0.000)	.075** (0.000)	-.136** (0.000)	-0.052 (0.050)	-.035** (0.000)	1.000			
MEG-led	-.084** (0.000)	-.055** (0.000)	-.027** (0.001)	-.021** (0.008)	-0.018 (0.498)	-.072** (0.006)	-.016* (0.044)	.060** (0.000)	1.000		
Size	.104** (0.000)	.018* (0.022)	.038** (0.000)	.303** (0.000)	-.127** (0.000)	-.112** (0.000)	0.009 (0.242)	.330** (0.000)	0.007 (0.382)	1.000	
Sector	-.020* (0.013)	.100** (0.000)	-.076** (0.000)	0.006 (0.440)	0.039 (0.144)	.098** (0.000)	-.223** (0.000)	.199** (0.000)	-.046** (0.000)	.051** (0.000)	1.000

⁴⁶ The p values are given in parentheses.

By running a binary regression, the results indicated in Table 4.2 reveal that business owners from the 15% most deprived areas are more likely to perceive obtaining finance (B= 0.267, p= 0.000), barriers relating to the tax system (B= 0.138, p= 0.009); and access to appropriate finance sources (B= 0.397, p= 0.035) as major barriers to their businesses. While the influence of deprivation on staff recruitment and skills; as well as possible rejection for applying finance are not found, the result reveals that business owners from the 15% most deprived areas tend to perceive most of the general barriers as major obstacles to businesses.

Table 4.2 Relationship 2: The Role of deprivation in the perception of general barriers⁴⁷

Dependent Variables (Perceived General Barriers)	Independent Variables (Deprivation)	
	BR	BR + Controls
Obtaining finance	0.309 (0.000)	0.267 (0.000)
Taxation, VAT, PAYE, National insurance and business rates	0.147 (0.005)	0.138 (0.009)
Staff recruitment and skills	0.053 (0.32)	-0.069 (0.216)
You thought you would be rejected	0.018 (0.914)	0.085 (0.616)
You did not know where to find the appropriate finance you needed	0.395 (0.034)	0.397 (0.035)

⁴⁷ The p values are given in parentheses.

Relationship 3 The Influence of Perceived General Barriers on Entrepreneurial Intention in Deprived Areas

By calculating correlation coefficients, it can be seen from Figure 4.3 that perceived general barriers are significant, but negatively related to most of measures relating to self-efficacy⁴⁸; however, the perceived barriers relating to staff recruitment and skills are significantly and positively related to capability of accessing external finance ($r= 0.022$, $p= 0.021$). In terms of self-regulatory focus, barriers such as obtaining finance (i.e. B1), issues relating to the tax system (i.e. B2) as well as staff recruitment and skills (i.e. B3) significantly and positively relate to all five future plans (i.e. P1-P5); however, these barriers significantly but negatively relate to the aim to grow sales (i.e. P6). It is also found that exporting activities (i.e. P7) significantly and positively relate to barriers such as obtaining finance ($r= 0.035$, $p= 0.000$) and issues relating to the tax system ($r= 0.017$, $p= 0.036$), but negatively relate to staff recruitment and skills ($r= -0.063$, $p= 0.000$). Moreover, the barrier of insufficient information about appropriate financing sources (i.e. B5) is significantly and positively related to the plan to increase the skills of the workforce ($r= 0.054$, $p= 0.039$), but negatively related to the aim to grow sales ($r= -0.067$, $p= 0.011$). Regarding the relationship between perceived barriers and prevention focus, all barriers are significantly and positively related to the concern with the duration and possible difficulties for applying finance⁴⁹ (i.e. R5). Issues relating to the tax system (i.e. B2) and lacking information sources about financing (i.e. B5) significantly and positively relate to both the reluctance to take on additional risks (i.e. R3) and concern with economic conditions⁵⁰ (i.e. R4), whilst barriers such as obtaining finance ($r= -0.055$, $p= 0.037$) and possible rejection for financing ($r= -0.080$, $p= 0.002$) are significantly but negatively related to the reluctance to take additional risks (i.e. R3).

⁴⁸ In detail, except to the barrier of insufficient information sources about financing (i.e. B5), all other four barriers are significantly but negatively related to the capability for people management (i.e. C1a). In addition to the issues relating to staff recruitment and skills (i.e. B3), all the other four barriers are significantly but negatively related to both the capability for developing and implementing a business plan and strategy (i.e. C2a) and the capability for accessing external finance (i.e. C4a). Moreover, barriers such as obtaining finance (i.e. B1) and issues relating to the tax system (i.e. B2) are significantly but negatively related to the capability for operational improvement (i.e. C5a), whilst the issues relating to staff recruitment and skills (i.e. B3) are significantly but negatively related to the capability for developing and introducing new products or services (i.e. C3a).

⁴⁹ In detail, 'The decision would have taken too long/too much hassles' (i.e. R5) is significantly and positively related to obtaining finance ($r= 0.189$, $p= 0.000$), issues relating to the tax system ($r= 0.092$, $p= 0.000$), staff recruitment and skills ($r= 0.065$, $p= 0.014$), 'you thought you would be rejected' ($r= 0.178$, $p= 0.000$) and 'did not know where to find appropriate finance you needed' ($r= 0.282$, $p= 0.000$).

⁵⁰ In detail, the issues relating to the tax system are significant and positively related to the reluctance to take additional risks ($r= 0.100$, $p= 0.000$) and the concern with economic conditions ($r= 0.136$, $p= 0.000$). Similarly, lacking information sources about financing is significantly and positively related to the reluctance to take additional risks ($r= 0.061$, $p= 0.021$) and the concern with economic conditions ($r= 0.118$, $p= 0.000$).

Figure 4.3 Relationship 3: Correlation Coefficient Matrix: Perceived general barriers and entrepreneurial intention in deprived areas (The outcome of adding control variables has been demonstrated in Appendix 5)⁵¹

	B1	B2	B3	B4	B5	C1(a)	C2(a)	C3(a)	C4(a)	C5(a)	P1	P2	P3	P4	P5	P6	P7	R1	R2	R3	R4	R5			
B1	1.000																								
B2	.141** (0.000)	1.000																							
B3	.092** (0.000)	.129** (0.000)	1.000																						
B4	.405** (0.000)	.100** (0.000)	0.030 (0.256)	1.000																					
B5	.211** (0.000)	0.020 (0.438)	0.027 (0.313)	.216** (0.000)	1.000																				
C1(a)	-.021* (0.026)	-.038** (0.000)	-.126** (0.000)	-.066* (0.000)	-0.027 (0.376)	1.000																			
C2(a)	-.034** (0.000)	-.046** (0.000)	-0.016 (0.052)	-.074** (0.005)	-.066* (0.013)	.468** (0.000)	1.000																		
C3(a)	0.013 (0.133)	0.005 (0.536)	-0.019* (0.021)	-0.009 (0.734)	-0.004 (0.890)	.417** (0.000)	1.000																		
C4(a)	-.214** (0.000)	-.082** (0.000)	.022* (0.021)	-.289** (0.000)	-.194** (0.000)	.225** (0.000)	.362** (0.000)	.255** (0.000)	1.000																
C5(a)	-.063** (0.000)	-.045** (0.000)	-0.014 (0.084)	-0.029 (0.280)	-0.004 (0.873)	.410** (0.000)	.427** (0.000)	.327** (0.000)	.312** (0.000)	1.000															
P1	.088** (0.000)	.042** (0.000)	.226** (0.000)	-0.030 (0.261)	.054* (0.039)	-.022* (0.020)	.087** (0.000)	.125** (0.000)	.079** (0.000)	.111** (0.000)	1.000														
P2	.103** (0.000)	.040** (0.000)	.226** (0.000)	-0.032 (0.230)	0.035 (0.181)	-.045** (0.000)	.096** (0.000)	.101** (0.000)	.078** (0.000)	.070** (0.000)	.513** (0.000)	1.000													
P3	.066** (0.000)	.074** (0.000)	.167** (0.000)	0.018 (0.497)	0.033 (0.211)	-.085** (0.000)	.025** (0.002)	.057** (0.000)	.069** (0.000)	.022** (0.008)	.317** (0.000)	.312** (0.000)	1.000												
P4	.111** (0.000)	.033** (0.000)	.091** (0.000)	-0.001 (0.967)	0.048 (0.069)	-.035** (0.000)	.046** (0.000)	.214** (0.000)	-0.009 (0.317)	0.010 (0.222)	.346** (0.000)	.335** (0.000)	.253** (0.000)	1.000											
P5	.094** (0.000)	.053** (0.000)	.179** (0.000)	-0.016 (0.546)	0.033 (0.216)	-.024* (0.011)	.078** (0.000)	.122** (0.000)	.047** (0.000)	.089** (0.000)	.456** (0.000)	.440** (0.000)	.297** (0.000)	.349** (0.000)	1.000										
P6	-.105** (0.000)	-.057** (0.000)	-.172** (0.000)	-0.002 (0.954)	-.067* (0.011)	.046** (0.000)	-.084** (0.000)	-.145** (0.000)	-.051** (0.000)	-.036** (0.000)	-.387** (0.000)	-.367** (0.000)	-.282** (0.000)	-.372** (0.000)	-.316** (0.000)	1.000									
P7	.035** (0.000)	.017* (0.036)	-.063** (0.000)	0.043 (0.103)	0.002 (0.940)	.141** (0.000)	.029** (0.000)	-.039** (0.000)	.030** (0.002)	.063** (0.000)	-.106** (0.000)	-.115** (0.000)	-.102** (0.000)	-.220** (0.000)	-.067** (0.000)	.163** (0.000)	1.000								
R1	0.074 (0.077)	0.025 (0.553)	0.081 (0.050)	0.002 (0.985)	-0.116 (0.349)	-0.040 (0.420)	-0.050 (0.232)	-0.018 (0.668)	0.051 (0.287)	0.021 (0.619)	0.052 (0.210)	0.037 (0.372)	0.021 (0.612)	0.006 (0.893)	0.038 (0.357)	-0.006 (0.887)		1.000							
R2	-0.023 (0.574)	0.011 (0.799)	0.021 (0.617)	-0.138 (0.264)	0.149 (0.230)	0.055 (0.268)	0.050 (0.232)	0.020 (0.632)	-0.060 (0.213)	0.003 (0.947)	0.061 (0.142)	0.038 (0.366)	0.003 (0.946)	0.027 (0.523)	0.030 (0.465)	-0.039 (0.345)			0.070 (0.092)	1.000					
R3	-.055* (0.037)	.100** (0.000)	0.010 (0.714)	-.080** (0.002)	.061* (0.021)	0.016 (0.610)	-.074** (0.005)	-0.043 (0.110)	-.076** (0.008)	-0.024 (0.366)	0.011 (0.670)	-0.050 (0.056)	-.063* (0.017)	-0.040 (0.126)	0.040 (0.131)	.084** (0.001)	0.039 (0.143)				.250* (0.052)	1.000			
R4	0.011 (0.689)	.136** (0.000)	-0.036 (0.173)	0.031 (0.242)	.118** (0.000)	0.006 (0.842)	-0.013 (0.633)	-0.024 (0.370)	-.060* (0.038)	-0.008 (0.763)	-0.005 (0.847)	-0.033 (0.211)	-0.027 (0.059)	0.033 (0.313)	.087** (0.001)	.084** (0.001)	0.039 (0.002)				0.205 (0.095)	0.112 (0.367)	.368** (0.000)	1.000	
R5	.189** (0.000)	.092** (0.000)	.065* (0.014)	.178** (0.000)	.282** (0.000)	0.024 (0.435)	-0.052 (0.052)	0.047 (0.083)	-.165** (0.000)	-0.022 (0.423)	0.027 (0.302)	0.038 (0.146)	-0.010 (0.702)	0.004 (0.871)	.070** (0.008)	-0.027 (0.304)	0.022 (0.406)				0.024 (0.848)	0.079 (0.527)	.101** (0.000)	.127** (0.000)	1.000

⁵¹ The p values are given in parentheses.

By running a binary regression, from a general perspective, the result demonstrated in Table 4.3 (page 108) shows that the perceived barriers significantly but negatively influence business owners' self-efficacy in deprived areas, particularly business owners' beliefs about the capabilities of people management (i.e. C1a) and accessing external finance (i.e. C4a). More specifically, it is found that business owners who perceive barriers relating to staff recruitment and skills ($B = -0.540$, $p = 0.000$), possible rejection for applying finance ($B = -1.344$, $p = 0.008$) and lacking information about financing sources ($B = -1.206$, $p = 0.020$) are less likely to believe in their capability of people management. It is also found those who perceive barriers relating to obtaining finance ($B = -1.060$, $p = 0.000$), tax system ($B = -0.443$, $p = 0.000$) and possible rejection ($B = -1.534$, $p = 0.001$) are less likely to believe in their capability of accessing external finance. Meanwhile, the results indicate that business owners who perceive the barriers relating to possible rejection for applying finance are also less likely to believe in their capabilities of developing and implementing a business plan and strategy ($B = -0.712$, $p = 0.039$).

Regarding the role of perceived general barriers on promotion focus, the results demonstrated in Table 4.3 (page 109) show that business owners who perceive obtaining finance, issues relating to both the tax system and staff recruitment and skills as major barriers are more likely to be promotion-focused in general. One exception is that those who perceive obtaining finance as the major barrier are less likely to export products or services ($B = -0.386$, $p = 0.013$). It is also found that business owners who perceive the lack of information about appropriate financing sources as a major barrier are almost threefold more likely to have plans to increase managers' leadership capability ($B = 1.015$, $p = 0.017$) and develop and launch new products or services ($B = 0.993$, $p = 0.016$). The results also indicate that business owners who perceive the possibility of rejection when applying for finance as the major barrier are twice more likely to have the plan to introduce new working practices ($B = 0.792$, $p = 0.033$). In considering the role of perceived general barriers in prevention focus, on the other hand, the results indicated in Table 4.3 (page 110) reveal that business owners who perceived most of the barriers to be present are more likely to be prevention-focused, particularly reflecting concerns with the duration and possible difficulties when making decisions relating to the business⁵². It is also found that business owners who perceive the issues relating to the tax system are nearly twice more likely to avoid additional risk ($B = 0.676$, $p = 0.036$).

⁵² In detail, it is found that people who perceive obtaining finance ($B = 1.292$, $p = 0.001$), potential rejection for applying finance ($B = 1.093$, $p = 0.002$) and lacking information about appropriate financing sources ($B = 1.375$, $p = 0.000$) as major barriers are threefold more likely to consider the duration and possible difficulties in the process of operating businesses.

Table 4.3 Relationship 3: The role of perceived general barriers in entrepreneurial intention in deprived areas⁵³

Independent Variables (Perceived General Barriers)	Dependent Variables (Self-efficacy)									
	BR					BR + Controls				
	C1(a)	C2(a)	C3(a)	C4(a)	C5(a)	C1(a)	C2(a)	C3(a)	C4(a)	C5(a)
B1: Obtaining Finance	-0.045 (0.781)	-0.155 (0.181)	-0.088 (0.451)	-0.930 (0.000)	-0.175 (0.144)	-0.134 (0.421)	-0.222 (0.065)	-0.098 (0.421)	-1.060 (0.000)	-0.219 (0.078)
B2: Taxation, VAT, PAYE, National Insurance and Business Rates	-0.043 (0.767)	-0.033 (0.754)	-0.003 (0.975)	-0.417 (0.000)	0.105 (0.339)	-0.025 (0.868)	-0.004 (0.968) ⁵⁴	-0.042 (0.701)	-0.443 (0.000)	0.126 (0.261)
B3: Staff Recruitment and Skills	-0.527 (0.000)	0.038 (0.720)	-0.059 (0.581)	0.105 (0.364)	0.199 (0.079)	-0.540 (0.000)	0.034 (0.750) ⁵⁵	-0.128 (0.257)	0.100 (0.388) ⁵⁶	0.061 (0.603)
B4: You Thought You Would be Rejected	-1.077 (0.019)	-0.647 (0.043)	-0.164 (0.612)	-1.557 (0.000)	-0.037 (0.910)	-1.344 (0.008)	-0.712 (0.039)	-0.125 (0.718)	-1.534 (0.001)	-0.029 (0.932)
B5: You Did not Know Where to Find the Appropriate Finance You Needed	-0.996 (0.035)	-0.522 (0.135)	-0.317 (0.370)	-0.838 (0.049)	0.248 (0.494)	-1.206 (0.020)	-0.386 (0.297)	-0.215 (0.563)	-0.604 (0.193)	0.313 (0.413)

⁵³ The p values are given in parentheses.

⁵⁴ This result excludes the variable of 'Women-led'. When adding this variable, the result shows the gender effect counteracts the influence of tax issues on business owners' confidence for the capability of developing and implementing a business plan and strategy.

⁵⁵ This result excludes the variable of 'Business size'. When adding this variable, the result shows the influence of business size counteracts the influence of staff recruitment and skills on business owners' confidence for the capability of developing and implementing a business plan and strategy.

⁵⁶ This result excludes the variable of 'Business size'. When adding this variable, the result shows the influence of business size counteracts the influence of staff recruitment and skills on business owners' confidence for the capability of accessing external finance.

(Continue to Table 4.3)

Independent Variables (Perceived General Barriers)	Dependent Variables (Promotion Focus)													
	BR							BR + Controls						
	P1	P2	P3	P4	P5	P6	P7	P1	P2	P3	P4	P5	P6	P7
B1: Obtaining Finance	0.613 (0.000)	0.653 (0.000)	0.344 (0.002)	0.590 (0.000)	0.567 (0.000)	0.437 (0.001)	-0.468 (0.002)	0.548 (0.000)	0.634 (0.000)	0.425 (0.000)	0.556 (0.000)	0.538 (0.000)	0.402 (0.005)	-0.386 (0.013)
B2: Taxation, VAT, PAYE, National Insurance and Business Rates	0.239 (0.039)	0.239 (0.016)	0.315 (0.001)	0.251 (0.011)	0.215 (0.031)	0.181 (0.116)	-0.169 (0.181)	0.311 (0.012)	0.298 (0.006)	0.273 (0.008)	0.256 (0.012)	0.235 (0.024)	0.162 (0.174)	-0.210 (0.106)
B3: Staff Recruitment and Skills	1.178 (0.000)	1.021 (0.000)	0.517 (0.000)	0.315 (0.002)	0.748 (0.000)	0.624 (0.000)	0.154 (0.225)	0.939 (0.000)	0.809 (0.000)	0.353 (0.001)	0.216 (0.040)	0.578 (0.000)	0.433 (0.001)	0.023 (0.861)
B4: You Thought You Would be Rejected	-0.152 (0.732)	0.464 (0.166)	0.554 (0.083)	0.501 (0.134)	0.783 (0.026)	0.448 (0.320)	0.119 (0.778)	0.061 (0.896)	0.673 (0.064)	0.585 (0.088)	0.625 (0.077)	0.792 (0.033)	0.522 (0.271)	0.436 (0.351)
B5: You Did not Know Where to Find the Appropriate Finance You Needed	0.399 (0.453)	0.907 (0.023)	0.349 (0.317)	0.939 (0.019)	0.622 (0.111)	0.866 (0.129)	0.547 (0.212)	0.572 (0.307)	1.015 (0.017)	0.293 (0.427)	0.993 (0.016)	0.605 (0.139)	0.911 (0.122)	0.914 (0.059)

(Continue to Table 4.3)

Independent Variables (Perceived Barriers)	Dependent Variables (Prevention Focus) ⁵⁷					
	BR			BR + Controls		
	R3	R4	R5	R3	R4	R5
B1: Obtaining Finance	-0.063 (0.842)	0.322 (0.322)	1.174 (0.002)	-0.092 (0.776)	0.286 (0.400)	1.292 (0.001)
B2: Taxation, VAT, PAYE, National Insurance and Business Rates	0.688 (0.025)	0.573 (0.068)	0.611 (0.065)	0.676 (0.036)	0.538 (0.109)	0.414 (0.238)
B3: Staff Recruitment and Skills	0.247 (0.423)	-0.044 (0.889)	0.188 (0.568)	0.416 (0.215)	-0.051 (0.876) ⁵⁸	0.325 (0.374)
B4: You Thought You Would be Rejected	-0.085 (0.786)	0.358 (0.261)	1.143 (0.001)	-0.182 (0.580)	0.251 (0.457)	1.093 (0.002)
B5: You Did not Know Where to Find the Appropriate Finance You Needed	0.205 (0.551)	0.482 (0.165)	1.466 (0.000)	0.097 (0.787)	0.311 (0.394)	1.375 (0.000)

⁵⁷ Regarding the relationships between perceived barriers and the first two variables relating to prevention focus (i.e. R1 and R2), the results are excluded from the table because of the extreme values caused by the missing cases of more than 1,700 responses out of a total number of 1,719.

⁵⁸ The result excludes the variable of 'Business size'. When adding this variable, the result shows that influence of business size counteracts the influence of staff recruitment and skills on business owners' perception of possible rejection for applying finance.

From an overall view of the influence of perceived barriers on entrepreneurial motivation/intention, it is found that perceived barriers negatively influence business owners' self-efficacy in deprived areas. If perceived barriers are divided into external and internal barriers, more specifically, the results show that perceived external factors (i.e. B1 and B2) negatively impact on belief in the capability of accessing external finance, whilst perceived internal determinants (i.e. B3, B4, and B5) negatively affect belief in the managerial capabilities in deprived areas. Moreover, it is found that business owners from deprived areas show an inclination towards being promotion-focused even in the case of barriers having been perceived, except for the negative influence of hardly obtaining finance and unwillingness to carry out exporting products or services. In addition, the results reveal that most of perceived barriers increase business owners' concern about the difficulty of the process and the issue of time being consumed when making business decisions, whilst business owners show a reluctance to take additional risks when they perceive the barriers thrown up by the tax system.

Relationship 4 The Influence of Deprivation on Training Provision

Neither correlation coefficients nor binary regressions find relationship between deprivation and training provision. But it should be remembered that these results relate to human capital development after the formation of businesses, rather than prior to start-up activity.

Relationship 5 The Influence of Training Provision⁵⁹ on Entrepreneurial Intention in Deprived Areas

The correlation coefficient matrix (Figure 4.4) shows that both provision of off-the-job training ($r=0.023$, $p=0.016$) and provision of any training ($r=0.021$, $p=0.026$) are significantly and positively related to the capability for people management. Moreover, all three measures of training provision are significantly but negatively related to the other four elements measuring self-efficacy⁶⁰, except to

⁵⁹ On-the-job training is a form of training provided in the workplace, which is received by the apprentice for the sole purpose of enabling the apprentice to perform the work for which they have been employed. By contrast, off-the-job training is a statutory requirement for an English apprenticeship, which is received by the apprentice. During the apprentice's normal working hours (i.e. paid hours excluding overtime), the purpose is to achieve the knowledge, skills and behaviours of the approved apprenticeship referenced in the apprenticeship agreement. (Source: <https://www.gov.uk/government/publications/apprenticeships-off-the-job-training>)

⁶⁰ In detail, the provision of off-the-job training (i.e. T1) is significantly but negatively related to the capability for developing and implementing a business plan and strategy ($r=-0.049$, $p=0.000$), accessing to external finance ($r=-0.067$, $p=0.000$) and operational improvement ($r=-0.090$, $p=0.000$). Moreover, the provision of on-the-job training (i.e. T2) is significantly but negatively related to the capability for developing and implementing a business plan and strategy ($r=-0.084$, $p=0.000$), developing and introducing new products or services ($r=-0.043$,

the relationships between the provision of off-the-job training (i.e. T1) and the belief about the capability of developing and introducing new products or services (i.e. C3a); and to the relationship between the provision of on-the-job training and the belief about the capability of people management.

In considering the relationship between training provision and self-regulatory focus, on the one hand, all three types of training are significantly and positively related to the aim to grow sales and exporting activities, but negatively related to five future plans. On the other hand, there is a significant and positive relation between the provision of on-the-job training and the reluctance to take additional risks ($r= 0.076$, $p= 0.013$).

$p= 0.000$), accessing external finance ($r= -0.066$, $p= 0.000$) and operational improvement ($r= -0.119$, $p= 0.000$). Similarly, the provision of any training (i.e. T3) is significantly but negatively related to the capability for developing and implementing a business plan and strategy ($r= -0.063$, $p= 0.000$), developing and introducing new products or services ($r= -0.025$, $p= 0.011$), accessing external finance ($r= -0.067$, $p= 0.000$) and operational improvement ($r= -0.108$, $p= 0.000$).

Figure 4.4 Relationship 5: Correlation Coefficient Matrix: Training provision and entrepreneurial intention in deprived areas (The outcome of adding control variables has been demonstrated in Appendix 6)⁶¹

	T1	T2	T3	C1(a)	C2(a)	C3(a)	C4(a)	C5(a)	P1	P2	P3	P4	P5	P6	P7	R1	R2	R3	R4	R5
T1	1.000																			
T2	.455** (0.000)	1.000																		
T3	.696** (0.000)	.785** (0.000)	1.000																	
C1(a)	.023* (0.016)	0.002 (0.872)	.021* (0.026)	1.000																
C2(a)	-.049** (0.000)	-.084** (0.000)	-.063** (0.000)	.468** (0.000)	1.000															
C3(a)	0.005 (0.584)	-.043** (0.000)	-.025* (0.011)	.313** (0.000)	.417** (0.000)	1.000														
C4(a)	-.067** (0.000)	-.066** (0.000)	-.067** (0.000)	.225** (0.000)	.362** (0.000)	.255** (0.000)	1.000													
C5(a)	-.090** (0.000)	-.119** (0.000)	-.108** (0.000)	.410** (0.000)	.427** (0.000)	.327** (0.000)	.312** (0.000)	1.000												
P1	-.309** (0.000)	-.343** (0.000)	-.384** (0.000)	-.022* (0.020)	.087** (0.000)	.125** (0.000)	.079** (0.000)	.111** (0.000)	1.000											
P2	-.263** (0.000)	-.317** (0.000)	-.321** (0.000)	-.045** (0.000)	.096** (0.000)	.101** (0.000)	.078** (0.000)	.070** (0.000)	.513** (0.000)	1.000										
P3	-.153** (0.000)	-.153** (0.000)	-.165** (0.000)	-.085** (0.000)	.025** (0.002)	.057** (0.000)	.069** (0.000)	.022** (0.008)	.317** (0.000)	.312** (0.000)	1.000									
P4	-.103** (0.000)	-.129** (0.000)	-.126** (0.000)	-.035** (0.000)	.046** (0.000)	.214** (0.000)	-0.009 (0.317)	0.010 (0.222)	.346** (0.000)	.335** (0.000)	.253** (0.000)	1.000								
P5	-.185** (0.000)	-.226** (0.000)	-.223** (0.000)	-.024* (0.011)	.078** (0.000)	.122** (0.000)	.047** (0.000)	.089** (0.000)	.456** (0.000)	.440** (0.000)	.297** (0.000)	.349** (0.000)	1.000							
P6	.126** (0.000)	.127** (0.000)	.134** (0.000)	.046** (0.000)	-.084** (0.000)	-.145** (0.000)	-.051** (0.000)	-.036** (0.000)	-.387** (0.000)	-.367** (0.000)	-.282** (0.000)	-.372** (0.000)	-.316** (0.000)	1.000						
P7	.046** (0.000)	.039** (0.000)	.047** (0.000)	.141** (0.000)	.029** (0.000)	-.039** (0.000)	.030** (0.002)	.063** (0.000)	-.106** (0.000)	-.115** (0.000)	-.102** (0.000)	-.220** (0.000)	-.067** (0.000)	.163** (0.000)	1.000					
R1	-0.018 (0.720)	-0.013 (0.794)	-0.035 (0.480)	-0.040 (0.420)	-0.050 (0.232)	-0.018 (0.668)	0.051 (0.287)	0.021 (0.619)	0.052 (0.210)	0.037 (0.372)	0.021 (0.612)	0.006 (0.893)	-0.006 (0.357)	-0.006 (0.887)		1.000				
R2	-0.048 (0.338)	-0.067 (0.179)	-0.074 (0.135)	0.055 (0.268)	0.050 (0.232)	0.020 (0.632)	-0.060 (0.213)	0.003 (0.947)	0.061 (0.142)	0.038 (0.366)	0.003 (0.946)	0.027 (0.523)	0.030 (0.465)	-0.039 (0.345)		0.070 (0.092)	1.000			
R3	0.028 (0.355)	.076* (0.013)	0.048 (0.120)	0.016 (0.610)	-0.074** (0.005)	-0.043 (0.110)	-0.076** (0.008)	-0.024 (0.366)	0.011 (0.670)	-0.050 (0.056)	-0.063* (0.017)	-0.040 (0.126)	0.040 (0.131)	.084** (0.001)	0.039 (0.143)	0.056 (0.652)	.250* (0.042)	1.000		
R4	0.019 (0.542)	0.023 (0.444)	0.020 (0.512)	0.006 (0.842)	-0.013 (0.633)	-0.024 (0.370)	-0.060* (0.038)	-0.008 (0.763)	-0.005 (0.847)	-0.033 (0.211)	-0.050 (0.059)	-0.027 (0.313)	0.033 (0.212)	.087** (0.001)	.084** (0.002)	0.205 (0.095)	0.112 (0.367)	.368** (0.000)	1.000	
R5	0.041 (0.182)	-0.018 (0.562)	-0.016 (0.606)	0.024 (0.435)	-0.052 (0.052)	0.047 (0.083)	-0.165** (0.000)	-0.022 (0.423)	0.027 (0.302)	0.038 (0.146)	-0.010 (0.702)	0.004 (0.871)	-.027 (0.008)	0.022 (0.304)	0.022 (0.406)	0.024 (0.848)	0.079 (0.527)	.101** (0.000)	.127** (0.000)	1.000

⁶¹ The p values are given in parentheses.

By running a binary regression, the results relating to self-efficacy indicated in Table 4.4 show that in general, businesses that provide all three types of training are more likely to show a high level of self-efficacy, particularly for capabilities of developing and introducing new products or services, and operational improvement. It is also found that on-the-job training positively affects the belief about the capabilities for people management ($B= 0.409$, $p= 0.011$) and developing and implementing a business plan and strategy ($B= 0.419$, $p= 0.001$), whilst the provision of any training type positively influences the belief about the capability for developing and implementing a business plan and strategy ($B= 0.461$, $p= 0.001$).

When looking at the role of training provision in self-regulatory focus, the results relating to promotion focus show that businesses providing all three types of training are more likely to be promotion-focused through all five plans of future development, but less likely to aim to grow sales. On the other hand, it is found that those providing off-the-job training are less likely to consider the difficult process and time consumed when making business decisions ($B= -0.884$, $p= 0.047$), and providing on-the-job training are less likely to avoid additional risks ($B= -1.244$, $p= 0.011$).

Table 4.4 Relationship 5: The role of training provision in entrepreneurial intention in deprived areas⁶²

Independent Variables (Training Provision)	Dependent Variables (Self-efficacy)									
	BR					BR + Controls				
	C1(a)	C2(a)	C3(a)	C4(a)	C5(a)	C1(a)	C2(a)	C3(a)	C4(a)	C5(a)
(T1): Any off the job training	0.148 (0.314)	0.377 (0.001)	0.217 (0.068)	0.136 (0.286)	0.525 (0.000)	0.129 (0.413)	0.246 (0.052)	0.269 (0.037)	0.168 (0.197) ⁶³	0.424 (0.001)
(T2): Any on the job training	0.419 (0.004)	0.542 (0.000)	0.304 (0.012)	0.156 (0.231)	0.551 (0.000)	0.409 (0.011)	0.419 (0.001)	0.358 (0.008)	0.021 (0.884)	0.467 (0.001)
(T3): Any training (off the job or on the job)	0.277 (0.084)	0.595 (0.000)	0.391 (0.003)	0.097 (0.502)	0.625 (0.000)	0.254 (0.150)	0.461 (0.001)	0.477 (0.001)	0.110 (0.463) ⁶⁴	0.522 (0.000)

⁶² The p values are given in parentheses.

⁶³ This result excludes three variables: 'Family-owned', 'MEG-led' and 'Business size'. When adding these variables, the result shows influence of each variable counteracts the influence of off-the-job training on business owners' belief in the capability of accessing external finance. Notably, this result is (B= 0.004, p= 0.976) when excluding the variable of 'Family-owned', the result is (B= 0.014, p= 0.916) when excluding the variable of 'MEG-led' and the result is (B= 0.142, p= 0.276) when excluding the variable of 'Business size'.

⁶⁴ This result excludes the variable of 'Business size'. When adding this variable, the result shows that influence of 'Business size' counteracts the influence of any training on business owners' belief in the capability of accessing external finance.

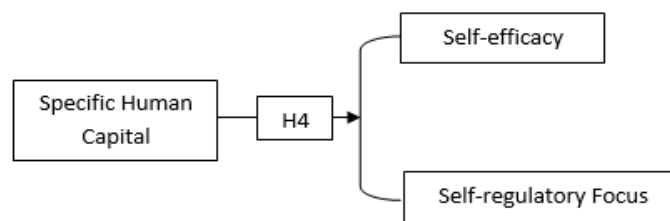
(Continue to Table 4.4)

Independent Variables (Training Provision)	Dependent Variables (Promotion Focus)													
	BR							BR + Controls						
	P1	P2	P3	P4	P5	P6	P7	P1	P2	P3	P4	P5	P6	P7
T1	1.642 (0.000)	1.004 (0.000)	0.562 (0.000)	0.357 (0.001)	0.430 (0.000)	-0.563 (0.000)	0.099 (0.471)	1.408 (0.000)	0.742 (0.000)	0.536 (0.000)	0.335 (0.005)	0.274 (0.024)	-0.441 (0.002)	0.138 (0.329) ⁶⁵
T2	1.768 (0.000)	1.215 (0.000)	0.587 (0.000)	0.539 (0.000)	0.807 (0.000)	-0.302 (0.028)	0.156 (0.273)	1.530 (0.000)	0.931 (0.000)	0.580 (0.000)	0.514 (0.000)	0.690 (0.000)	-0.064 (0.675)	0.089 (0.565)
T3	2.054 (0.000)	1.327 (0.000)	0.613 (0.000)	0.475 (0.000)	0.738 (0.000)	-0.479 (0.001)	0.276 (0.087)	1.876 (0.000)	1.020 (0.000)	0.583 (0.000)	0.454 (0.001)	0.588 (0.000)	-0.272 (0.096)	0.180 (0.306)
Independent Variables (Perceived Barriers)	Dependent Variables (Prevention Focus)													
	BR			BR + Controls										
	R3	R4	R5	R3	R4	R5								
T1	0.310 (0.406)	0.157 (0.687)	-0.727 (0.064)	0.587 (0.166)	0.311 (0.475)	-0.884 (0.047)								
T2	-1.062 (0.010)	-0.116 (0.767)	-0.094 (0.821)	-1.244 (0.011)	-0.047 (0.919)	-0.058 (0.906)								
T3	-0.619 (0.219)	0.364 (0.487)	-0.285 (0.576)	-0.443 (0.445)	0.723 (0.232)	-0.294 (0.625)								

⁶⁵ This result excludes two variables: 'MEG-led' and 'Business size'. When adding these variables, the result shows the influence of each variable counteracts the influence of off-the-job training on exporting activities. Notably, the result is (B= 0.002, p= 0.990) when excluding the variable of 'MEG-led' and the result is (B= 0.124, p= 0.382) when excluding the variable of 'Business size'.

To sum up, the provision of all three training types significantly and positively influences businesses' self-efficacy in general and promotion focus, except to the aim to grow sales. With regards to the concern about potential risks and difficulties in the business process, provision of on- and off-the job training alleviates the inclination to be prevention-focused. These results could be consistent with the part of the model that indicates the role of specific human capital in self-efficacy and self-regulatory focus respectively, which is highlighted in Diagram 4.2.

Diagram 4.2 A part of the model: Influence of specific human capital on self-efficacy and self-regulatory focus in deprived areas



Relationship 6 A Bidirectional Relationship between Self-efficacy and Self-regulatory Focus in Deprived Areas

It can be seen from Figure 4.5 that the capability for managing people (i.e. C1a) is significantly but negatively related to all five plans over next three years⁶⁶, but positively related to the aim to grow sales ($r = 0.046$, $p = 0.000$) and exporting activities ($r = 0.141$, $p = 0.000$). By contrast, the capability for developing and introducing new products or services is significantly and positively related five future plans⁶⁷, but negatively related to aim to grow sales ($r = -0.145$, $p = 0.000$) and exporting activities ($r = 0.039$, $p = 0.000$). Except for two relationships⁶⁸ not found, the results indicate that capabilities for

⁶⁶ In detail, the capability of people management (i.e. C1a) is significantly and negatively related to plan to increase the skills of the workforce (i.e. P1, $r = -0.022$, $p = 0.020$), plan to increase the leadership capability (i.e. P2, $r = -0.045$, $p = 0.000$), plan to capital investment (i.e. P3, $r = -0.085$, $p = 0.000$), plan to develop and launch new products/services (i.e. P4, $r = -0.035$, $p = 0.000$) and plan to introduce new working practice (i.e. P5, $r = -0.024$, $p = 0.011$).

⁶⁷ In detail, the capability of developing and introducing new products or services (i.e. C2a) is significantly and positively related to plan to increase the skills of the workforce (i.e. P1, $r = 0.125$, $p = 0.000$), plan to increase the leadership capability (i.e. P2, $r = 0.101$, $p = 0.000$), plan to capital investment (i.e. P3, $r = 0.057$, $p = 0.000$), plan to develop and launch new products/services (i.e. P4, $r = 0.214$, $p = 0.000$) and plan to introduce new working practice (i.e. P5, $r = 0.122$, $p = 0.000$).

⁶⁸ Significant relationships between capabilities for accessing external finance (i.e. C4) and operational improvement (i.e. C5a), and the plan to develop and launch new products/services (i.e. P4) are not found.

developing and implementing a business plan and strategy (i.e. C2a), accessing external finance (i.e. C4a) and operational improvement (i.e. C5a) are significantly and positively related to the five plans and exporting activities, but negatively related to the aim to grow sales. On the other hand, significant and negative relationships are found between the capability for accessing external finance and the reluctance to take additional risks ($r = -0.076$, $p = 0.008$), concern with economic conditions ($r = -0.060$, $p = 0.038$) and consideration about the duration and potential difficulties for applying finance ($r = -0.165$, $p = 0.000$), whilst a significant and negative relationship between the capability for developing and implementing a business plan and strategy and the reluctance to take additional risks is also found ($r = -0.074$, $p = 0.005$).

Figure 4.5 Relationship 6: Correlation Coefficient Matrix: Self-efficacy and self-regulatory focus in deprived areas (The outcome of adding control variables has been demonstrated in Appendix 7)⁶⁹

	C1(a)	C2(a)	C3(a)	C4(a)	C5(a)	P1	P2	P3	P4	P5	P6	P7	R1	R2	R3	R4	R5
C1(a)	1.000																
C2(a)	.468** (0.000)	1.000															
C3(a)	.313** (0.000)	.417** (0.000)	1.000														
C4(a)	.225** (0.000)	.362** (0.000)	.255** (0.000)	1.000													
C5(a)	.410** (0.000)	.427** (0.000)	.327** (0.000)	.312** (0.000)	1.000												
P1	-.022* (0.020)	.087** (0.000)	.125** (0.000)	.079** (0.000)	.111** (0.000)	1.000											
P2	-.045** (0.000)	.096** (0.000)	.101** (0.000)	.078** (0.000)	.070** (0.000)	.513** (0.000)	1.000										
P3	-.085** (0.000)	.025** (0.002)	.057** (0.000)	.069** (0.000)	.022** (0.008)	.317** (0.000)	.312** (0.000)	1.000									
P4	-.035** (0.000)	.046** (0.000)	.214** (0.000)	-0.009 (0.317)	0.010 (0.222)	.346** (0.000)	.335** (0.000)	.253** (0.000)	1.000								
P5	-.024* (0.011)	.078** (0.000)	.122** (0.000)	.047** (0.000)	.089** (0.000)	.456** (0.000)	.440** (0.000)	.297** (0.000)	.349** (0.000)	1.000							
P6	.046** (0.000)	-.084** (0.000)	-.145** (0.000)	-.051** (0.000)	-.036** (0.000)	-.387** (0.000)	-.367** (0.000)	-.282** (0.000)	-.372** (0.000)	-.316** (0.000)	1.000						
P7	.141** (0.000)	.029** (0.000)	-.039** (0.000)	.030** (0.002)	.063** (0.000)	-.106** (0.000)	-.115** (0.000)	-.102** (0.000)	-.220** (0.000)	-.067** (0.000)	.163** (0.000)	1.000					
R1	-0.040 (0.420)	-0.050 (0.232)	-0.018 (0.668)	0.051 (0.287)	0.021 (0.619)	0.052 (0.210)	0.037 (0.372)	0.021 (0.612)	0.006 (0.893)	0.038 (0.357)	-0.006 (0.887)		1.000				
R2	0.055 (0.268)	0.050 (0.232)	0.020 (0.632)	-0.060 (0.213)	0.003 (0.947)	0.061 (0.142)	0.038 (0.366)	0.003 (0.946)	0.027 (0.523)	0.030 (0.465)	-0.039 (0.345)		0.070 (0.092)	1.000			
R3	0.016 (0.610)	-.074** (0.005)	-0.043 (0.110)	-.076** (0.008)	-0.024 (0.366)	0.011 (0.670)	-0.050 (0.056)	-.063* (0.017)	-0.040 (0.126)	0.040 (0.131)	.084** (0.001)	0.039 (0.143)	0.056 (0.652)	.250* (0.042)	1.000		
R4	0.006 (0.842)	-0.013 (0.633)	-0.024 (0.370)	-.060* (0.038)	-0.008 (0.763)	-0.005 (0.847)	-0.033 (0.211)	-0.050 (0.059)	-0.027 (0.313)	0.033 (0.212)	.087** (0.001)	.084** (0.002)	0.205 (0.095)	0.112 (0.367)	.368** (0.000)	1.000	
R5	0.024 (0.435)	-0.052 (0.052)	0.047 (0.083)	-.165** (0.000)	-0.022 (0.423)	0.027 (0.302)	0.038 (0.146)	-0.010 (0.702)	0.004 (0.871)	.070** (0.008)	-0.027 (0.304)	0.022 (0.406)	0.024 (0.848)	0.079 (0.527)	.101** (0.000)	.127** (0.000)	1.000

⁶⁹ The p values are given in parentheses.

The influence of self-efficacy on self-regulatory focus in deprived areas

By running a binary regression, the results relating to the influence of self-efficacy on self-regulatory focus (Table 4.5a, p.121-122) show that in general, self-efficacy positively impacts on promotion focus based on five future plans, but negatively affects aim to grow sales and exporting activities. Regarding the prevention focus, it is found that businesses believing they have the capability to access external finance are less likely to be prevention-focused, reflecting the fact that in they do not have many worries about the economic conditions ($B = -0.980$, $p = 0.017$). It is also found that business owners who believe they have the capability of developing and implementing a business plan and strategy are less likely to be concerned with the potential risks and difficulties in the business process ($B = -1.289$, $p = 0.000$).

The influence of self-regulatory focus on self-efficacy in deprived areas

When considering the role of self-regulatory focus in self-efficacy, by running a binary regression and controlling for all other variables, the results (Table 4.5b, p.123-124) from an overall view show that business owners' promotion focus reflected in the most of future plans, positively impacts on their self-efficacy, particularly the capabilities of developing and implementing a business plan and strategy (i.e. C2a) as well as developing and introducing new products or services (i.e. C3a). However, the result shows that business owners who aim to grow sales are less likely to believe they have the capability of developing and introducing new products or services ($B = -0.383$, $p = 0.003$). Moreover, it is found that those business owners who export products or services are less likely to believe they have capabilities of people management ($B = -0.539$, $p = 0.001$) and developing and implementing a business plan and strategy ($B = -0.376$, $p = 0.004$).

Table 4.5a Relationship 6: The role of self-efficacy in self-regulatory focus in deprived areas⁷⁰

Independent Variables (Self-efficacy)	Dependent Variables (Promotion Focus)													
	BR							BR + Controls						
	P1	P2	P3	P4	P5	P6	P7	P1	P2	P3	P4	P5	P6	P7
C1(a)	0.218 (0.229)	-0.161 (0.290)	-0.010 (0.946)	0.339 (0.020)	0.109 (0.462)	0.057 (0.753)	-0.586 (0.000)	0.206 (0.274)	-0.232 (0.144)	-0.044 (0.764) ⁷¹	0.320 (0.030)	0.075 (0.620)	0.076 (0.682)	-0.539 (0.001)
C2(a)	0.546 (0.000)	0.410 (0.000)	0.228 (0.028)	0.296 (0.004)	0.439 (0.000)	-0.249 (0.035)	-0.305 (0.016)	0.373 (0.003)	0.245 (0.028)	0.175 (0.104)	0.232 (0.028)	0.327 (0.002)	-0.146 (0.233)	-0.373 (0.004)
C3(a)	0.642 (0.000)	0.515 (0.000)	0.207 (0.047)	0.912 (0.000)	0.568 (0.000)	-0.443 (0.000)	0.118 (0.368)	0.618 (0.000)	0.483 (0.000)	0.185 (0.091)	0.890 (0.000)	0.517 (0.000)	-0.380 (0.003)	0.135 (0.316)
C4(a)	0.399 (0.003)	0.418 (0.000)	0.114 (0.309)	0.043 (0.702)	0.198 (0.083)	0.015 (0.912)	0.031 (0.833)	0.166 (0.251)	0.228 (0.064)	0.009 (0.940)	0.039 (0.730) ⁷²	0.034 (0.779)	0.212 (0.134)	0.029 (0.844) ⁷³
C5(a)	0.838 (0.000)	0.520 (0.000)	0.250 (0.021)	0.272 (0.011)	0.458 (0.000)	-0.310 (0.011)	-0.136 (0.308)	0.676 (0.000)	0.339 (0.003)	0.150 (0.180)	0.209 (0.057)	0.329 (0.003)	-0.172 (0.175)	-0.225 (0.100)

⁷⁰ The p values are given in parentheses.

⁷¹ This result excludes two variables: 'Female-led' and 'Family-owned'. When adding these variables, the result shows the influence of each variable counteracts the influence of belief about the capability for people management on business owners' plan to capital investment. The result is (B= -0.030, p= 0.837) when excluding the variable of 'Female-led' and the result is (B= -0.001, p= 0.994) when excluding the variable of 'Family-owned'.

⁷² This result excludes two variables: 'Family-owned' and 'Business size'. When adding these variables, the result shows that the combined influence of these two variables counteracts the influence of belief about the capability for accessing external finance on business owners' plans to develop and launch new products or services.

⁷³ This result excludes the variable of 'Business size'. When adding this variable, the result shows the influence of business size counteracts the influence of belief about the capability for accessing external finance on business owners' exporting activities.

(Continue to Table 4.5a)

Independent Variables (Self-efficacy)	Dependent Variables (Prevention Focus)					
	BR			BR + Controls		
	R3	R4	R5	R3	R4	R5
C1(a)	-0.115 (0.799)	-0.667 (0.141)	-0.399 (0.395)	-0.186 (0.692)	-0.731 (0.125)	-0.398 (0.419)
C2(a)	-0.036 (0.908)	-0.368 (0.244)	-1.226 (0.000)	-0.004 (0.989) ⁷⁴	-0.239 (0.469)	-1.289 (0.000)
C3(a)	0.060 (0.849)	-0.093 (0.771)	0.212 (0.528)	0.080 (0.804)	-0.098 (0.761) ⁷⁵	0.308 (0.386)
C4(a)	0.080 (0.818)	-1.087 (0.004)	-0.589 (0.124)	0.233 (0.539)	-0.980 (0.017)	-0.269 (0.518)
C5(a)	-0.039 (0.902)	-0.237 (0.459)	-0.324 (0.337)	0.046 (0.884) ⁷⁶	-0.166 (0.618)	-0.301 (0.392)

⁷⁴ This result excludes the variable of 'MEG-led'. When adding this variable, the result shows the ethnicity effect counteracts the influence of belief in the capability for developing and implementing a business plan and strategy on business owners' unwillingness of additional risk.

⁷⁵ This result excludes three variables: 'MEG-led', 'Business size' and 'Business sector'. When adding these variables, the result shows the influence of each variable counteracts the influence of belief in the capability for developing and introducing new products or services on business owners' concern with economic conditions. The result is (B= -0.017, p= 0.959) when excluding the variable of 'MEG-led', the result is (B= -0.004, p= 0.990) when excluding the variable of 'Business size' and the result is (B= -0.020, p= 0.952) when excluding the variable of 'Business sector'.

⁷⁶ This result excludes the variable of 'Business size'. When adding this variable, the result shows that influence of business size counteracts the influence of belief in the capability for operational improvement on business owners' unwillingness of additional risk.

Table 4.5b Relationship 6: The role of self-regulatory focus in self-efficacy in deprived areas⁷⁷

Independent Variables (Promotion Focus)	Dependent Variables (Self-efficacy)									
	BR					BR + Controls				
	C1(a)	C2(a)	C3(a)	C4(a)	C5(a)	C1(a)	C2(a)	C3(a)	C4(a)	C5(a)
P1	0.218 (0.229)	0.546 (0.000)	0.642 (0.000)	0.399 (0.003)	0.838 (0.000)	0.198 (0.291)	0.367 (0.003)	0.613 (0.000)	0.176 (0.220)	0.676 (0.000)
P2	-0.161 (0.290)	0.410 (0.000)	0.515 (0.000)	0.418 (0.000)	0.520 (0.000)	-0.236 (0.139)	0.245 (0.028)	0.481 (0.000)	0.231 (0.060)	0.341 (0.003)
P3	-0.010 (0.946)	0.228 (0.028)	0.207 (0.047)	0.114 (0.309)	0.250 (0.021)	-0.045 (0.762) ⁷⁸	0.173 (0.107)	0.183 (0.093)	0.010 (0.930)	0.148 (0.185)
P4	0.339 (0.020)	0.296 (0.004)	0.912 (0.000)	0.043 (0.702)	0.272 (0.011)	0.320 (0.030)	0.232 (0.028)	0.888 (0.000)	0.046 (0.682) ⁷⁹	0.210 (0.057)
P5	0.109 (0.462)	0.439 (0.000)	0.568 (0.000)	0.198 (0.083)	0.458 (0.000)	0.075 (0.618)	0.326 (0.002)	0.519 (0.000)	0.035 (0.767)	0.329 (0.003)
P6	0.057 (0.753)	-0.249 (0.035)	-0.443 (0.000)	0.015 (0.912)	-0.310 (0.011)	0.084 (0.652)	-0.144 (0.240)	-0.383 (0.003)	0.203 (0.149)	-0.178 (0.161)
P7	-0.586 (0.000)	-0.305 (0.016)	0.118 (0.368)	0.031 (0.833)	-0.136 (0.308)	-0.539 (0.001)	-0.376 (0.004)	0.131 (0.331)	0.029 (0.845) ⁸⁰	-0.229 (0.095)

⁷⁷ The p values are given in parentheses.

⁷⁸ This result excludes two variables: 'Female-led' and 'Family-owned'. When adding these variables, the result shows the influence of each variable counteracts the influence of business owners' plan of capital investment on their belief in the capability for people management. The result is (B= -0.030, p= 0.838) when excluding the variable of 'Female-led' and the result is (B= -0.001, p= 0.992) when excluding the variable of 'Family-owned'.

⁷⁹ This result excludes two variables: 'Family-owned' and 'Business size'. When adding these variables, the result shows a combined influence of these variables counteracts the influence of business owners' plan to develop and launch new products or services on the belief in the capability for accessing external finance.

⁸⁰ This result excludes the variable of 'Business size'. When adding this variable, the result shows that influence of business size counteracts the influence of exporting activities on the belief in the capability for accessing external finance.

(Continue to Table 4.5b)

Independent Variables (Prevention Focus)	Dependent Variables (Self-efficacy)									
	BR					BR + Controls				
	C1(a)	C2(a)	C3(a)	C4(a)	C5(a)	C1(a)	C2(a)	C3(a)	C4(a)	C5(a)
R3	-0.115 (0.799)	-0.036 (0.908)	0.060 (0.849)	0.080 (0.818)	-0.039 (0.902)	-0.220 (0.645)	-0.005 (0.988) ⁸¹	0.079 (0.806)	0.223 (0.556)	0.010 (0.976)
R4	-0.667 (0.141)	-0.368 (0.244)	-0.093 (0.771)	-1.087 (0.004)	-0.237 (0.459)	-0.796 (0.102)	-0.239 (0.470)	-0.098 (0.760) ⁸²	-0.994 (0.016)	-0.165 (0.621)
R5	-0.399 (0.395)	-1.226 (0.000)	0.212 (0.528)	-0.589 (0.124)	-0.324 (0.337)	-0.411 (0.406)	-1.295 (0.000)	0.305 (0.390)	-0.257 (0.535)	-0.289 (0.411)

⁸¹ This result excludes the variable of 'MEG-led'. When adding this variable, the influence of ethnicity counteracts the influence of business owners' unwillingness to take additional risks on their belief in the capability for developing and implementing a business plan and strategy.

⁸² This result excludes three variables: 'MEG-led', 'Business size' and 'Business sector'. When adding these variables, the influence of each variable counteracts the influence of business owners' concern about economic conditions on their belief in the capability for developing and introducing new products or services. The result is (B= -0.019, p= 0.956) when excluding the variable of 'MEG-led', the result is (B= -0.008, p= 0.980) when excluding the variable of 'Business size' and the result is (B= -0.018, p= 0.956) when excluding the variable of 'Business sector'.

Regarding the influence of prevention focus on self-efficacy, on the other hand, only two negative relationships have been found. The result shows that business owners who tend to worry about the economic conditions are less likely to believe they have the capability to access external finance ($B = -0.994$, $p = 0.016$), whilst those who are concerned with the possible risks and difficulties in the business process are less likely to believe they have the capability to develop and implement a business plan and strategy ($B = -1.295$, $p = 0.000$). As can be clearly seen from Table 4.5a and Table 4.5b, bidirectional relationships between self-efficacy and self-regulatory focus have been found (Diagram 4.3). These results respond to *Hypothesis 2* included in a part of the final model (i.e. Diagram 4.4).

Diagram 4.3 Summarized result of a bidirectional relationship between self-efficacy and self-regulatory focus in deprived areas

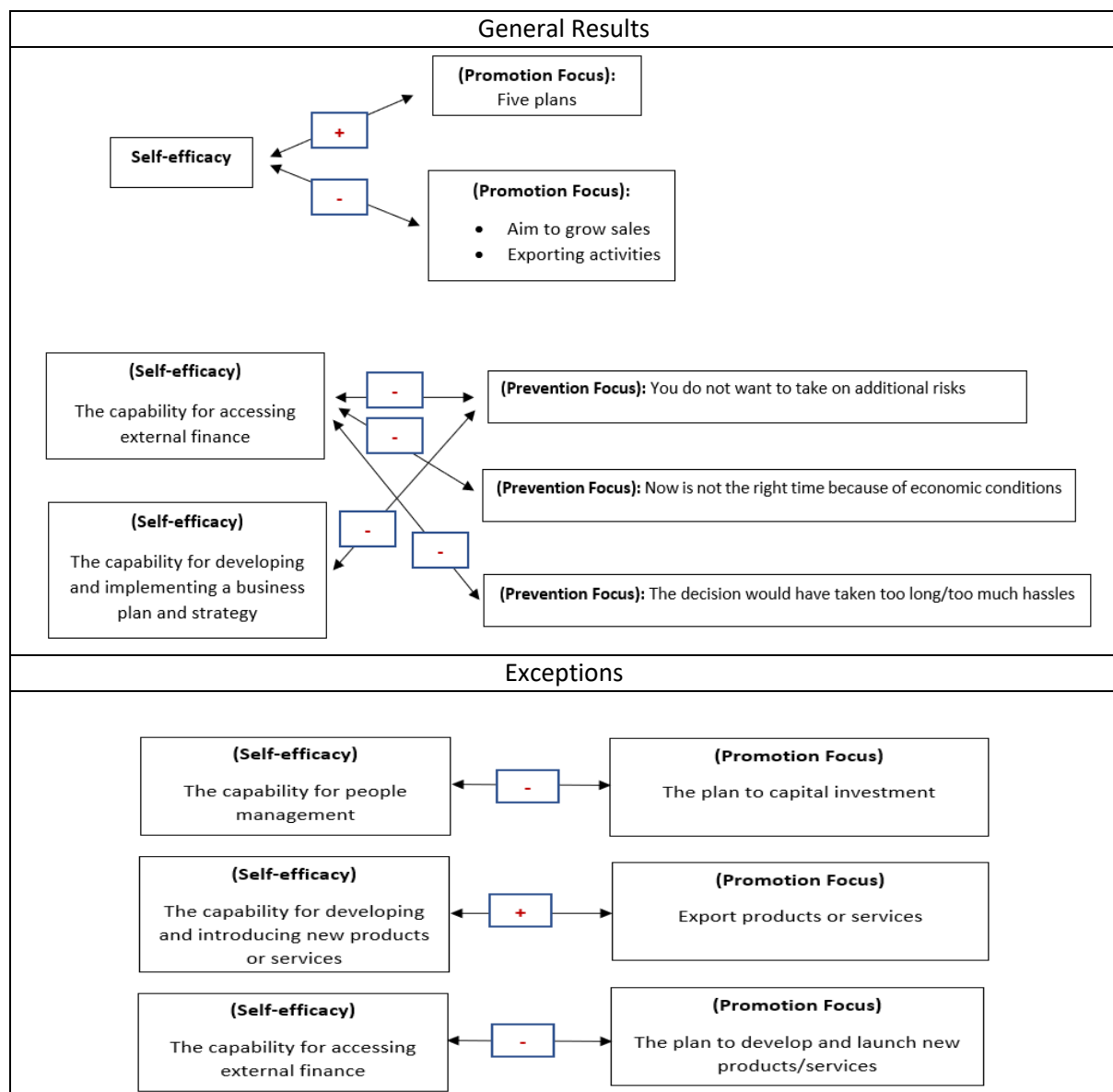
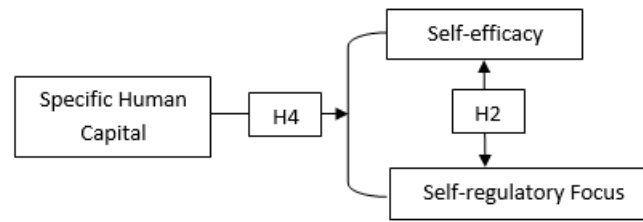


Diagram 4.4 A part of the model: A bidirectional relationship between self-efficacy and self-regulatory focus in deprived areas



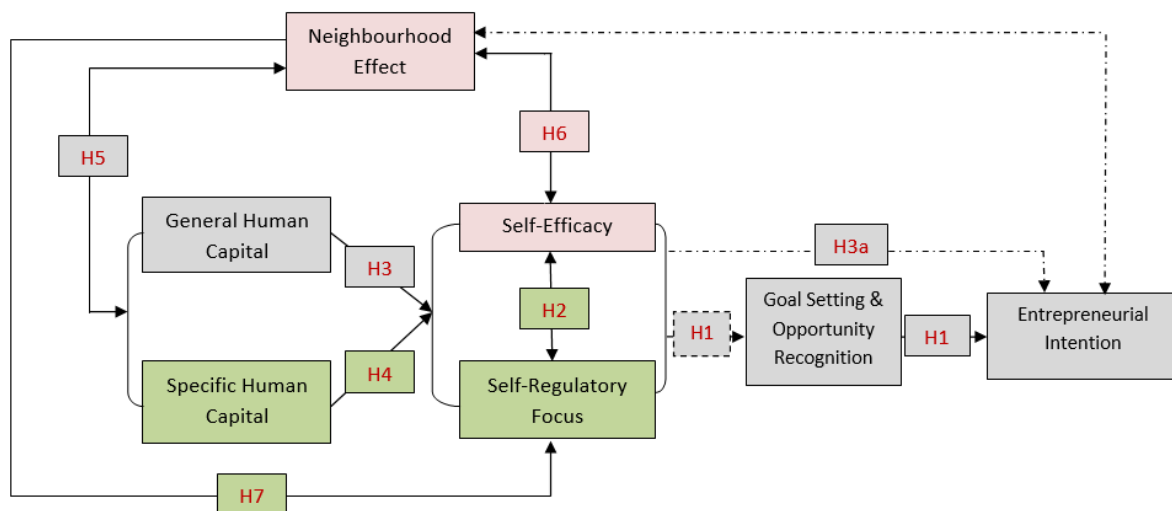
4.3 CONCLUSION

By reviewing the results obtained from relationships 1, 2 and 3 from a nationwide level, it is found that business owners in deprived areas show a low level of self-efficacy in operational improvement and tend to be concerned about the economic conditions and feel reluctant to undertake exporting activities. However, business owners' inclination to be promotion-focused has been found, particularly as reflected in their pursuit of future business plans. These results support *Hypothesis 7* and partially respond to *Hypothesis 6*. It is also found that obtaining finance, issues relating to the tax system and the difficulty of accessing appropriate financing sources are perceived as major barriers to the businesses in deprived areas and significantly decrease business owners' self-efficacy, also increase their concern about possible difficulties in the business process and unwillingness to take additional risks. However, perceived barriers do not influence their inclination to be promotion-focused. Based on these results, it can be seen that deprivation directly, and perceived barriers indirectly, have negative influences on business owners' self-efficacy and trigger their prevention focus respectively, but not on the inclination to be promotion-focused in deprived areas.

Moreover, the result shows that training provision significantly and positively influences business owners' self-efficacy and the inclination of being promotion-focused in deprived areas, whilst alleviating their prevention focus (Relationship 5) in deprived areas. These findings reveal the influence of specific human capital on business owners' entrepreneurial intention, which respond to *Hypothesis 4a* and *Hypothesis 4b*. In addition, the results indicate that business owners who have a high level of self-efficacy generally tend to be promotion-focused, whilst those who are promotion-focused are more likely to present a high level of self-efficacy. On the other hand, business owners who have less confidence in developing and implementing a business plan and strategy are more likely to be prevention-focused. In turn, those who are concerned with economic conditions and possible difficulties in the business process are less likely to believe in their capabilities of accessing external

finance and development and implementing a business plan and strategy. From an overall perspective, therefore, a bidirectional relationship between self-efficacy and self-regulatory focus in deprived areas (Relationship 6) is found, which responds to *Hypothesis 2*. However, the influence of deprivation on training provision (Relationship 4) is not found. Overall, the relationships found from the secondary data have been displayed in the model as a whole below (Diagram 4.5).

Diagram 4.5⁸³ Relationships found from the secondary data in the new entrepreneurial intention model from an overall view



In deprived areas, notably, it is found that business owners who aim to grow sales are less likely to believe in their capability of developing and introducing new products or services, whilst those who carry out exporting activities are not confident about their capability for people management. Taking this point into account, promotion focus can be considered as a facilitator that may only present individuals' personal goal-setting and encourage them to further development to some extent, however, self-regulatory focus may need to be combined with other determinants such as human capital development and neighbourhood contexts, to impact on individuals' self-efficacy.

Based on the results obtained from the secondary data, it can be observed that the negative influences of deprivation on individuals' entrepreneurial intention and increased barriers to business operations

⁸³ The areas highlighted in Green indicate significant and positive relationships found. The areas highlighted in Pink indicate significant and negative relationships found. The areas highlighted in Grey are relationships that have not been found. In the case of the latter, this can reflect no significant relationship being found or an absence of a direct test, as this relationship is explored in the next two chapters.

proposed in Chapter 2 do exist. However, deprivation and the perceived barriers to business activities do not seem to have a strong influence on individuals' promotion focus. It is possible that the perceived barriers that exist in deprived areas are mainly related to the practical activities of running a business, but do not impact on the desirability and interest in business development. This means that, although perceived barriers linked to the deprived context are major factors hindering entrepreneurial intention, it could also be assumed that ideas or desires are still generated more easily or spurred onwards by individuals' impulsive or emotional reactions. This means, when linking these results back to the proposed sequence of entrepreneurial motivation and intention outlined in Chapter 2, individuals' internal factors play a more important role in the transition from motivation to intention. These internal motivations, while being affected to some degree by external barriers and/or contexts, are not completely determined by them.

Evidence of the important role of human capital, particularly specific human capital, in facilitating entrepreneurial intention in deprived areas is found by the secondary data analysis. However, the results show those business owners who obtained specific human capital are still less likely to aim to grow sales. It is possible that being equipped with specific human capital improves business owners' personal perceptions about their capabilities, plans and business activities; however, it may not be a sufficiently strong enough effect to set a goal or a specific performance measure. Furthermore, the training provision in the secondary data relates to human capital development after the formation of the business, rather than prior to start-up activity. As such, another possibility could be that the training was provided for other possible business development opportunities, rather than for the principal aim of growing sales. In addition, a bidirectional relationship between business owners' self-efficacy and self-regulatory focus found from the secondary data reveals that individuals' self-efficacy and self-regulatory focus do not exist independently. Confidence impacts on the goal setting and inclination to perceive opportunities, whilst the outcome of performing goals and identifying opportunities in turn influences individuals' confidence.

As mentioned before, secondary data is used to examine whether there exist relationships between deprivation, attitude towards human capital development and entrepreneurial intention, which provide a broad picture of entrepreneurship in deprived areas. The results obtained from secondary data did not supported RQ2: the results found the existence of the relationship between human capital and business owners' entrepreneurial intention in deprived areas. However, no relationship between deprivation and human capital has been found. As a supportive database that complements

the limited sample size of the survey (Chapter 5), the secondary data does not directly provide variables relating to human capital and neighbourhood mechanisms; therefore, the results gained from the primary quantitative data (i.e. the survey) are presented in the next chapter to examine a range of hypotheses or relationships included in the new model of entrepreneurial intention.

CHAPTER 5 PRIMARY QUANTITATIVE DATA: SURVEY

5.1 Introduction

In this chapter, the results obtained from the survey data are presented and discussed. Nottingham as a mid-sized city in the UK ranked 6th most deprived town or city in 2016. Regarding the level of general human capital, the statistics show that the percentage of both those who do not have qualifications and those who are unemployed in Nottingham were higher than the average between October 2018 and September 2019. Because of this, utilizing the survey data aims to find out what factors trigger the issue of a lower educational level in Nottingham as a deprived city. Moreover, it investigates the roles of human capital, particularly general human capital, and neighbourhood mechanisms in participants' entrepreneurial motivation/intention⁸⁴ at a city level. The results respond to the research questions (RQs) demonstrated in Chapter 1 and to a large extent the hypotheses developed from the literature in Chapter 2, as well as examining the existence of relationships involved in answering the research questions.

Beyond testing the different relationships, this chapter also includes a section covering descriptive results. Before interpreting the results of Relationships 7 to 10, the descriptive results are firstly demonstrated to show participants' demographic information (i.e. gender, ethnicity, age, educational attainment, employment status) and selected business sectors. Moreover, the descriptive results indicate the participants' opinions about factors triggering their entrepreneurial motivation⁸⁵. Regarding the relationship tests, first of all, a bidirectional relationship between a deprived neighbourhood context and participants' general human capital is examined (i.e. Relationship 7 examines the existence of the relationship included in RQ1 proposed in Chapter 1) to specifically find out what neighbourhood mechanisms impact on human capital development (*Hypothesis 5b* in section 2.6) and in turn whether local residents' human capital level influences the neighbourhood environment, which responds to *Hypothesis 5*. Moreover, the influence of general human capital on entrepreneurial motivation/intention (i.e. Relationship 8a) is also investigated. Beyond this. to

⁸⁴ It is different to the secondary data that all businesses have already established, where survey data comprises both nascent and actual entrepreneurs. For nascent entrepreneurs, it is hard to identify whether they would undertake further entrepreneurial behaviours. As such, 'entrepreneurial motivation/intention' presents participants' desire and/or inclination to start new businesses in Nottingham.

⁸⁵ There is a question in the questionnaire: 'To what extent do you agree that the following are neighbourhood factors motivating you to start a business?'

understand the mechanisms connecting human capital to entrepreneurial motivation/intention, it is going to specifically look at the influence of benefits obtained from general human capital on self-efficacy and self-regulatory focus respectively (i.e. Relationship 8b). It seeks to discover what kind of skills gained from general human capital are important for participants to enhance their confidence, perceive opportunities and set goals in deprived areas, responding to *Hypothesis 3a* and *Hypothesis 3b* in section 2.5. Furthermore, a bidirectional relationship between individuals' self-efficacy and self-regulatory focus (i.e. Relationship 9) is examined as well, which responds to *Hypothesis 2* in subsection 2.3.3. In addition, the finding presents the influence of a deprived context on individuals' self-efficacy and self-regulatory focus, which investigates the presence of a unidirectional relationship between neighbourhood effects on self-efficacy (i.e. *Hypothesis 6*) and *Hypothesis 7* (section 2.7).

Regarding the results obtained from the survey data, testing four relationships only examines whether relationships in RQ1, RQ2 and RQ3 exist, which can be considered as preconditions to further investigate the research questions through analysing qualitative data in the next chapter (Chapter 6). The analysis approach, as set out in Chapter 3, is the same as for the secondary data (Chapter 4). The results obtained from both correlation coefficients and binary regressions are presented. By applying a binary regression, the result of each relationship is interpreted by controlling for all other variables, in order to see the influence of other factors on relationships. Different control variables for each relationship have been demonstrated in Table 3.9 of Chapter 3. In brief, the following sections in this chapter interpret the results of each relationship set out above; these results are discussed in conjunction with the literature and other sets of results in more detail in Chapter 7.

5.2 Results of Survey Data

The results are interpreted after controlling all variables, therefore, it is not going to be explained again in each section. Control variables for each relationship can be found in Chapter 3 (See Table 3.9, p.70). In considering the limited space of Correlation Coefficient Matrix and Tables of binary regression results, the abbreviation of some measuring variables for survey data has been clarified in Appendix 8.

Before revealing the results of testing the relationships set out in Chapter 3, descriptive results are firstly presented to demonstrate the characteristics of the sample and their businesses. The descriptive results are related to participants' home and/or business locations, gender, age, ethnic

backgrounds, educational levels and employment status. Moreover, the results also demonstrate participants' preference or choice of business sectors and identify the neighbourhood factors triggering their entrepreneurial motivation.

Descriptive Results

The demographic information on survey participants has been demonstrated in Table 5.1, which divides each information category into two parts based on the binary coding. For example, the table only shows whether participants' education levels belong to the higher or lower group rather than demonstrating each level of educational attainment. The detailed demographical information on each participant has been displayed in Appendix 9.

Table 5.1 Survey participants' demographic information

Area			
Numbers		Percentage	
Deprived	Non-deprived	Deprived	Non-deprived

34	46	42.5%	57.5%
Identity			
Numbers		Percentage	
Actual Entrepreneurs	Nascent Entrepreneurs	Actual Entrepreneurs	Nascent Entrepreneurs
70	10	87.5%	12.5%
Gender			
Numbers		Percentage	
Male	Female and Other	Male	Female and Other
44	36	55%	45%
Age Group			
Numbers		Percentage	
16-39	40 and over	16-39	40 and over
39	41	49%	51%
Ethnicity			
Numbers		Percentage	
White	Non-white	White	Non-white
53	27	66.25%	33.75%
Qualification Level			
Numbers		Percentage	
Higher	Lower	Higher	Lower
40	40	50%	50%
Employment Status			
Numbers		Percentage	
Employed	Unemployed	Employed	Unemployed
66	13	82.5%	16.3%

The primary survey data has been collected from 80 participants in total, including 70 actual entrepreneurs (87.5%), who have at least established a business at least, and 10 nascent entrepreneurs (12.5%) who have a desire to start a business and have carried out preparations for business start-up but do not currently own or previously owned businesses which have reached the stage of making sales. As can be seen from Table 5.1, 34 out of 80 participants (42.5%) live and/or have set up businesses in deprived areas of Nottingham, 46 of them (57.5%) from non-deprived areas. Due to some individuals' self-definition of gender, in terms of gender, there is an option of 'Other' in addition to options for 'Male' and 'Female'. Among the total sample, 44 out of 80 participants (55%) are males and 36 (45%) are non-males, whilst 39 out of 80 participants (49%) are aged between 16 to 39 years old and 41 (51%) are aged over 40 years old (including 40 years old). Regarding participants' ethnic backgrounds, the result indicates that 53 participants (66.25%) are White and 27 (33.75%) are from other ethnic groups, such as 'Asian/Asian British', 'Black/African/Caribbean/Black British', 'Mixed Group' and 'Other Groups'.

In term of participants' general human capital, Table 5.1 indicates that 40 out of 80 participants (50%) have achieved higher qualifications (i.e. NVQ Level 4 and NVQ Level 5), the same as participants who

have achieved a lower qualification (i.e. NVQ Level 1-3, including 'No Qualification'). Regarding participants' employment status⁸⁶, it is shown that a majority of participants (i.e. 66 out of 79 participants) are either employed before their business or currently employed (82.5%), only 13 participants (16.3%) are either previously or current unemployed. Based on the survey, employed status includes different types of job (i.e. 'Full-time', 'Part-time', 'Temporary/Contractual', 'Self-employed' and 'Freelancers'), and unemployed status includes 'Out of work and looking for work', 'Out of work and not looking for work', 'Students or graduates', 'Homemakers' and 'Retired'. According to the descriptive results relating to participants' general human capital level, there is no big difference between the groups of higher and lower education levels. Moreover, the employment situation reveals an initial sign that qualification is not necessarily related to employment status because it is found that a part of participants who do not have higher qualification, including those with no formal qualifications, are still employed.

As mentioned in Chapter 1, individuals in deprived areas are more likely to enter those 'easy to enter' sectors that may not make substantive contributions to economic development (Greene et al., 2007). In addition to participants' demographic information, therefore, the descriptive results also look at actual entrepreneurs' preference for business sectors or the business sectors that nascent entrepreneurs intend to enter in a deprived city context. Table 5.2 presents the brief descriptive results about the selection of business sector in a deprived city context, the detailed information has been demonstrated in Appendix 10. As can be seen from Table 5.2, a majority of participants have selected or intend to enter the service industry, which accounts for 94% of the sample; only 5 out of 80 participants have entered in the construction and manufacturing industries. Moreover, the result shows that 66 out of 80 participants have set up or intend to set up businesses in the retail sector, whilst 8 participants have chosen or would choose the sectors of 'Health and Social Work' and 'ICT and Financial Services'. According to the additional information about a part of participants' own description of the business sector in Appendix 10, it should be noted that participants who chose or would choose the sector 'Health and Social Work' are mainly responsible for providing community-based support through private training. Moreover, some participants who set up businesses in retail sector and simultaneously provide training or workshops for others. From this point, there is a signal to show some actual entrepreneurs set up their own businesses in a particular sector and utilize their

⁸⁶ One data is missing, the total number of responses for employment status is 79.

own skills and/or experiences accumulated during the process of preparing and operating their businesses to provide training for others in a deprived city.

Table 5.2 Survey participants' preference and/or selection of business sectors

Major Business Industries (Total Participants: 80)			
Service Industry	Construction Industry	Manufacturing Industry	
75 (94%)	2 (2.5%)	3 (3.5%)	
Service Sector (Total Participants: 75)⁸⁷			
Retail	Health and Social Work & Private Training/Support	Information and Communication Technology (ICT) and Financial Services	
66	8	4	
Retail Sector (Total Participants: 66)			
Arts and Recreation	Hairdressing, Beauty, Tattoo/Body Piercing	Food Shops; Takeaway, Café	Others
13	10	7	36

When looking at the retail sector, four prevalent business types⁸⁸ have been specifically identified to show that almost a half of the participants (30 out of 66) who chose or would choose the retail sector have entered or would enter the sectors of 'Arts and Recreation', 'Hairdressing and Beauty' and 'Food/Takeaway'. In addition to those business types that have not been provided specific information, the category of 'Other' also includes the sectors of online retailing, motor repair and homemade products. The result is partially consistent with the sectors identified in Greene et al.'s (2007) study, such as hairdressing, motors or beauty (Chapter 1). While it is shown that 13 out of 66 participants

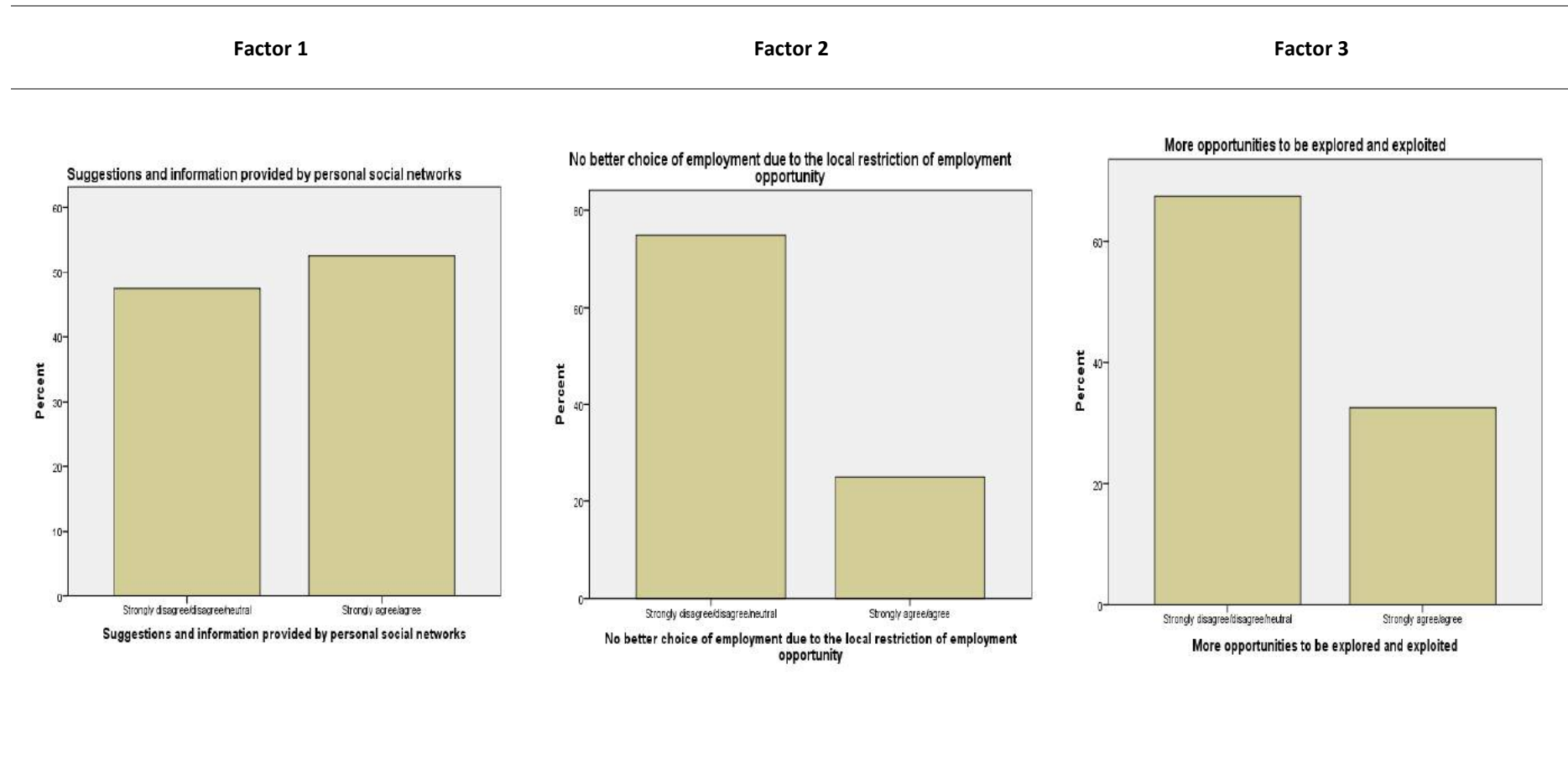
⁸⁷ The total number of participants who have set up or intend to set up the business in the service sector is 75. However, there are three participants who set up businesses in the retail sector and simultaneously provide private training for other people.

⁸⁸ In the questionnaire, participants provide more specific information to describe their business, which enables the researcher to identify the business type more accurately. However, some participants only selected the business sector. Therefore, four different business types in Table 5.2 are identified based on the available information that has been already provided by participants.

chose or would choose the sector of 'Arts and Recreation', the description in Appendix 10 reveals that businesses in this sector (i.e. photo framing and gathering other artists' homemade products to sell) are similar to homemade products to some extent. This is because some participants prefer to call themselves artists and consider their businesses as a recreation process. Based on the descriptive results pertaining to participants' preferences and/or selection of business sectors, this tendency shows this kind of business tends to serve the local area and customers, rather than making significant contributions for productivity or employment, which is consistent with the arguments of previous studies (Greene et al., 2007, Blackburn and Ram, 2006).

Beyond the participants' demographic results, neighbourhood factors triggering their entrepreneurial motivation are also examined. As indicated in Diagram 5.1, the result shows that personal social networks (Factor 1) play an important role in motivating individuals to start businesses in deprived areas. It is shown that 42 out of 80 participants (52.5%) strongly agree or agree that the influence of suggestions and information provided by their personal social networks is one of the factors inspiring them to set up a business or consider setting up a business. Furthermore, a majority of participants (75%) disagree with or hold neutral opinions about whether limited employment choice (Factor 2) is one of the factors facilitating their entrepreneurial motivation, whilst only a small percentage (25%) of participants agree business start-up or the idea of setting up businesses is related to limited employment opportunities. In considering the potential opportunities in the local area (Factor 3), only 32.5% of participants agree that this is a factor motivating them to set up businesses or think about setting up businesses. Regarding this point, more than half of the participants (67.5%) hold opposite or neutral opinions. However, it is found that communication with local residents (Factor 4), local business owners (Factor 5) and local people's opinions and confidence (Factor 6) do not play crucial roles in spurring participants' entrepreneurial motivation.

Diagram 5.1 Influence of neighbourhood factors on entrepreneurial motivation in deprived areas.

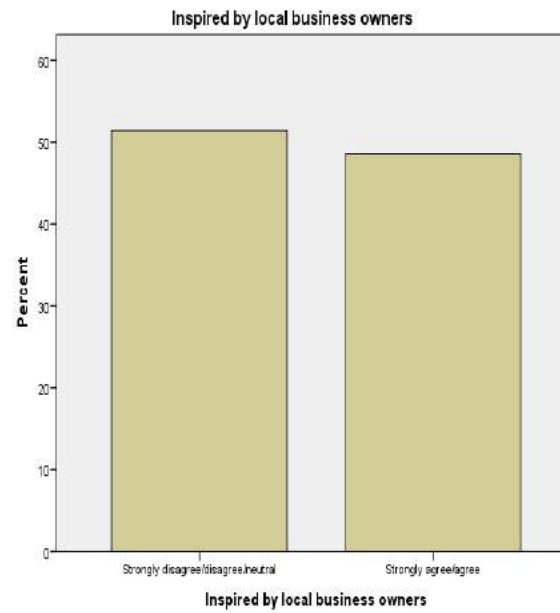
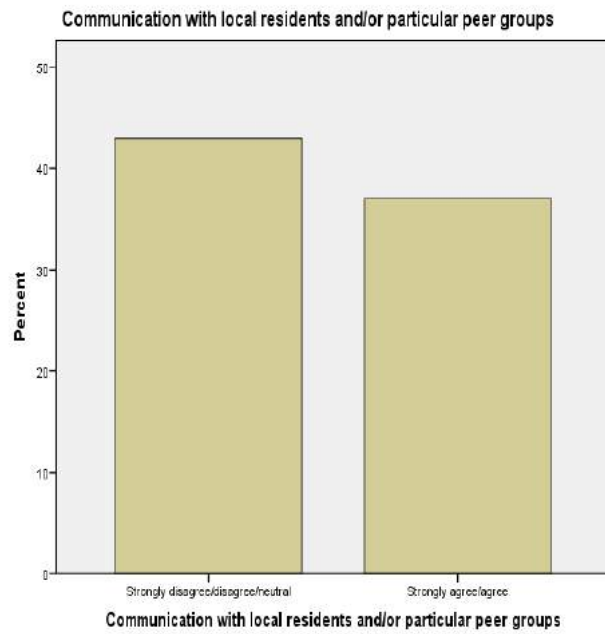


(Continue to Diagram 5.1)

Factor 4

Factor 5

Factor 6



Relationship 7 A Bidirectional Relationship between Neighbourhood Contexts and General Human Capital in Deprived Areas

As demonstrated in Chapter 2 (section 2.6), a deprived neighbourhood hinders local residents' educational attainment and employment opportunities; and individuals' lower socio-economic outcomes in turn impact on the local context through neighbourhood mechanisms (Galster, 2002). As such, Relationship 7 examines the interrelation between neighbourhood contexts and individuals' general human capital.

The correlation coefficients indicate there is no relationship between neighbourhood contexts and either qualification levels or employment status. A binary regression relating to the role of neighbourhood contexts in the formation of general human capital is demonstrated in Table 5.3a. The results show that participants who agree local residents' attitudes towards employment is one of the factors affecting employment outcomes are almost fivefold likely to be employed ($B= 1.563, p= 0.046$). On the other hand, Table 5.3b reveals that employed people are more likely to agree that local residents' attitude towards employment is an important factor impacting on their employment outcome ($B= 1.584, p= 0.043$).

Table 5.3a Relationship 7: Influence of neighbourhood contexts on general human capital in deprived areas⁸⁹

Independent Variables (Neighbourhood Contexts)	Dependent Variables (Qualification Level)	
	BR	BR + Controls
(QF1): School quality	0.151 (0.737)	0.118 (0.806)
(QF2): Local residents' attitude towards the education level	-0.256 (0.581)	-0.431 (0.385)
(QF3): Family income level	-0.207 (0.650)	-0.480 (0.335)
(QF4): Parents' capability to provide resources and conditions for achieving educational attainment	0.473 (0.311)	0.275 (0.582)
(QF5): Parents' education levels and expectations for children's educational levels	0.457 (0.315)	0.297 (0.534)
(QF6): Influences of local role models	-0.730 (0.113)	-0.955 (0.058)
Independent Variables (Neighbourhood Contexts)	Dependent Variables (Employment Status)	
	BR	BR + Controls
(EF1): Local economic conditions and sources of employment opportunities	0.288 (0.643)	0.795 (0.271)
(EF2): Local residents' attitude towards employment	1.022 (0.146)	1.563 (0.046)
(EF3): Friends' and peers' employment behaviours	0.901 (0.148)	1.070 (0.119)
(EF4): Reputation of local area and racial attitudes	0.102 (0.870)	0.720 (0.322)

⁸⁹ The p values are given in parentheses.

Table 5.3b Relationship 7: Influence of general human capital on neighbourhood contexts⁹⁰ in deprived areas⁹¹

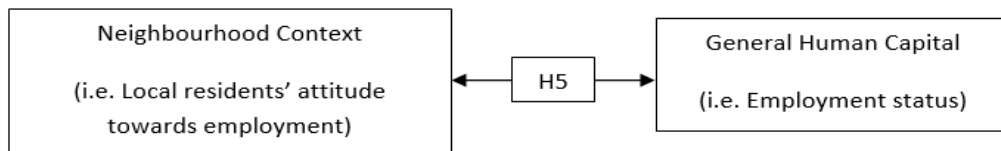
Independent Variables (General Human Capital)	Dependent Variables (Neighbourhood Contexts)							
	BR				BR + Controls			
	QF2	QF3	QF6		QF2	QF3	QF6	
Qualification	-0.256 (0.581)	-0.207 (0.650)	0.730 (0.113)		-0.420 (0.397)	-0.459 (0.352)	-0.958 (0.058)	
Independent Variables (General Human Capital)	Dependent Variables (Neighbourhood Contexts)							
	BR				BR + Controls			
	EF1	EF2	EF3	EF4	EF1	EF2	EF3	EF4
Employment Status	0.288 (0.643)	1.022 (0.146)	0.901 (0.148)	0.102 (0.870)	0.585 (0.246)	1.584 (0.043)	1.178 (0.082)	0.635 (0.365)

⁹⁰ The clarification about the abbreviation of measuring variables in Table 5.3b can be checked in Appendix 8 or Table 5.3a.

⁹¹ The p values are given in parentheses.

Therefore, the bidirectional relationship between neighbourhood contexts and general human capital is reflected in the bidirectional relationship between local residents' attitude towards employment and employment status, partially corresponding to *Hypothesis 5* (see Diagram 5.2). However, the bidirectional relationship between qualification and neighbourhood contexts is not found.

Diagram 5.2 A part of the model: A bidirectional relationship between neighbourhood contexts and general human capital development in deprived areas



Relationship 8a General Human Capital and Entrepreneurial Motivation/Intention (i.e. Self-efficacy and Self-regulatory Focus) in Deprived Areas

Evidence shows that better education and experiences significantly facilitate individuals' entrepreneurial intentions (Kim et al., 2006). The purpose of testing Relationship 8a is to find out the relationship between participants' education levels and employment status on their entrepreneurial intention through the influence of individuals' socio-economic outcomes on their confidence (i.e. self-efficacy) and capability of setting a goal in a deprived context (i.e. self-regulatory focus).

Correlation coefficients suggest there is no relationship between general human capital, self-efficacy and self-regulatory focus. By running a binary regression to control for other influences, it is also shown in Table 5.4 that the relationship between qualification levels and entrepreneurial motivation/intention (both self-efficacy and self-regulatory focus) is not found. On the other hand, there is a significant and positive relationship between employment status and the capability of controlling negative emotions ($B= 1.709, p= 0.018$). The result shows that employed people are more than fivefold likely to believe they have the capability of controlling negative emotions. However, the relationship between employment status and self-regulatory focus is not found.

Table 5.4 Relationship 8a: Influence of general human capital on entrepreneurial motivation/intention (i.e. self-efficacy and self-regulatory focus) in deprived areas⁹²

Independent Variables (General Human Capital)	Dependent Variables ⁹³ (Self-efficacy)									
	BR				BR + Controls					
	C1(b)	C2(b)	C3(b)	C4(b)	C1(b)	C2(b)	C3(b)	C4(b)		
Qualification	0.539 (0.304)	0.887 (0.114)	-0.709 (0.245)	0.209 (0.648)	0.356 (0.520)	0.778 (0.188)	-0.975 (0.135)	1.107 (0.824)		
Employment Status	-0.145 (0.839)	0.501 (0.456)	0.912 (0.188)	1.437 (0.018)	-0.293 (0.687) ⁹⁴	0.509 (0.493)	1.242 (0.114)	1.709 (0.018)		
Independent Variables (General Human Capital)	Dependent Variables (Self-regulatory Focus)									
	BR					BR + Controls				
	O	I	R	E	C	O	I	R	E	C
Qualification	-0.215 (0.724)	0.703 (0.193)	0.122 (0.805)	-0.539 (0.304)	-0.560 (0.367)	-0.145 (0.825)	0.753 (0.206)	0.018 (0.972)	-0.574 (0.295)	-0.703 (0.287)
Employment Status	0.501 (0.500)	0.413 (0.537)	-0.943 (0.246)	-0.145 (0.839)	0.519 (0.485)	0.637 (0.431)	0.583 (0.443)	-0.871 (0.305)	-0.005 (0.995)	0.928 (0.276)

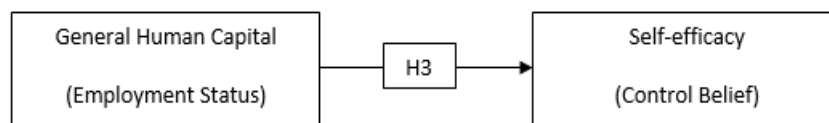
⁹² The p values are given in parentheses.

⁹³ The clarification about the abbreviation of measuring variables in Table 5.4 can be checked in Appendix 8.

⁹⁴ This result excludes two variables: 'Gender' and 'Ethnicity'. When adding these two variables, the result shows the effects of gender and ethnicity counteract the influence of participants' employment status on their capability of achieving desired goals. The result is (B= -0.104, p= 0.890) when excluding the variable of gender and the result is (B= -0.185, p= 0.803) when excluding the variable of ethnicity.

In short, the role of general human capital in facilitating entrepreneurial motivation/intention reflects the influence of business owners' employment status on their control belief. The result partially responds to *Hypothesis 3a*, which is displayed in Diagram 5.3. In addition to the relationships between general human capital and entrepreneurship motivation/intention, more specifically, the relationship between benefits obtained from general human capital⁹⁵ and entrepreneurial motivation/intention is also considered, which is demonstrated through testing the next relationship.

Diagram 5.3 A part of the model: Influence of general human capital on self-efficacy in deprived areas



Relationship 8b Benefits obtained from General Human Capital and Entrepreneurial Motivation/Intention in Deprived Areas

A variety of benefits obtained from general human capital for stimulating entrepreneurial intention have been demonstrated in Chapter 2 (section 2.5, Table 2.1). Beyond the focus on only examining the influence of participants' socio-economic outcomes on their entrepreneurial intention (Relationship 8a), Relationship 8b specifically looks at the benefits obtained from education and general work experiences and examine the relationship between these benefits and participants' entrepreneurial intentions.

By running a correlation coefficient, regarding the relationship between the benefits obtained from qualification and self-efficacy, not many significant relationships showed up except for the influence of basic learning capabilities and the development of better social networks. Figure 5.1a shows that basic learning capabilities significantly and positively relate to both capabilities for achieving desired outcomes ($r= 0.223$, $p= 0.049$) and completing tasks ($r= 0.248$, $p= 0.027$). Meanwhile, the development of better social networks significantly and positively relates to the capability for achieving desired outcomes ($r= 0.272$, $p= 0.015$) and controlling negative emotions ($r= 0.280$, $p= 0.012$). On the other

⁹⁵ When looking at the benefits obtained from general human capital (Appendix 8), some benefits are delivered by both qualification and work experience, for example, BF(Q1) and BF(E1), BF(Q2) and BF(E2), BF(Q4) and BF(E3), and BF(Q5) and BF(E4).

hand, when considering the relationship between the benefits obtained from qualification and self-regulatory focus, only three significant and positive relationships are found. As indicated in Figure 5.1a, an ability to better recognize potential opportunities significantly and positively relates to optimism ($r= 0.300, p= 0.007$), basic learning capabilities significantly and positively relate to risk-taking ($r=0.222, p= 0.050$), and the development of better social networks significantly and positively relates to extraversion ($r= 0.285, p= 0.010$).

Figure 5.1a Relationship 8b: Correlation coefficient matrix: Benefits obtained from education and entrepreneurial motivation/intention in deprived areas (The outcome of adding control variables has been demonstrated in Appendix 11)⁹⁶

	BF(Q1)	BF(Q2)	BF(Q3)	BF(Q4)	BF(Q5)	BF(Q6)	C1(b)	C2(b)	C3(b)	C4(b)	O	I	R	E	C
BF(Q1)	1.000														
BF(Q2)	.707** (0.000)	1.000													
BF(Q3)	.539** (0.000)	.628** (0.000)	1.000												
BF(Q4)	.703** (0.000)	.673** (0.000)	.568** (0.000)	1.000											
BF(Q5)	.539** (0.000)	.406** (0.000)	.410** (0.000)	.546** (0.000)	1.000										
BF(Q6)	.232* (0.039)	0.121 (0.287)	0.187 (0.099)	.270* (0.016)	.526** (0.000)	1.000									
C1(b)	0.021 (0.851)	0.087 (0.444)	.223* (0.049)	0.076 (0.505)	.272* (0.015)	0.155 (0.171)	1.000								
C2(b)	-0.024 (0.832)	0.035 (0.757)	.248* (0.027)	-0.059 (0.602)	0.068 (0.546)	-0.005 (0.968)	.647** (0.000)	1.000							
C3(b)	0.010 (0.932)	0.000 (1.000)	0.180 (0.112)	-0.031 (0.785)	0.158 (0.162)	0.069 (0.542)	.526** (0.000)	.667** (0.000)	1.000						
C4(b)	-0.005 (0.966)	0.063 (0.577)	0.214 (0.058)	0.018 (0.875)	.280* (0.012)	0.046 (0.685)	.463** (0.000)	.509** (0.000)	.618** (0.000)	1.000					
O	0.213 (0.059)	0.185 (0.102)	0.093 (0.417)	.300** (0.007)	0.191 (0.092)	0.034 (0.767)	0.207 (0.067)	0.129 (0.259)	0.204 (0.072)	.294** (0.009)	1.000				
I	0.067 (0.555)	0.005 (0.964)	0.047 (0.681)	-0.002 (0.984)	0.033 (0.772)	0.131 (0.247)	0.184 (0.103)	.294** (0.008)	0.201 (0.073)	.234* (0.037)	.254* (0.024)	1.000			
R	0.140 (0.214)	0.191 (0.090)	.222* (0.050)	0.160 (0.157)	0.184 (0.103)	0.182 (0.107)	.361** (0.001)	.391** (0.000)	.274* (0.014)	.320** (0.004)	.242* (0.032)	.310** (0.005)	1.000		
E	-0.002 (0.983)	0.060 (0.595)	0.114 (0.318)	0.117 (0.302)	.285* (0.010)	0.210 (0.062)	.262* (0.019)	.310** (0.005)	.302** (0.006)	.378** (0.001)	.389** (0.000)	0.075 (0.506)	.380** (0.001)	1.000	
C	-0.016 (0.889)	0.155 (0.169)	0.207 (0.067)	0.017 (0.882)	0.029 (0.796)	-0.043 (0.705)	.319** (0.004)	.562** (0.000)	.609** (0.000)	.425** (0.000)	.326** (0.003)	.247* (0.027)	0.215 (0.055)	.418** (0.000)	1.000

⁹⁶ The p values are given in parentheses.

Regarding the role of benefits obtained from general work experience on self-efficacy, many significant and positive relationships are found (Figure 5.1b). More specifically, the benefit of adaptability (i.e. E1) is significantly and positively related to all four measures of entrepreneurial motivation/intention⁹⁷. Meanwhile, it is found that benefits of better recognizing potential opportunities (i.e. E3), increased alert awareness for potential risks (i.e. E5) and capabilities relating to management procedures (i.e. E6) are significantly and positively related to the belief about the capability for completing tasks (i.e. C2b) and two measures associated with control beliefs (i.e. C3b and C4b)⁹⁸. Moreover, significant and positive relationships between the benefit of problem solving and decision making (i.e. E2) and capabilities of completing tasks ($r = 0.241$, $p = 0.033$) and keeping positive attitude ($r = 0.283$, $p = 0.011$) are found. In addition, there is a significant and positive relationship between the benefit of specific knowledge and skills in a specific industry (i.e. E7) and the capability of keeping a positive attitude to complete tasks ($r = 0.242$, $p = 0.033$).

Regarding the relationship between the benefits obtained from work experience and self-regulatory focus (Figure 5.1b), it is shown that except for the influence of benefit of specific knowledge or skills in a specific industry on extraversion and conscientiousness, other benefits are significantly and positively related to risk-taking, extraversion and conscientiousness⁹⁹. In addition, significant and

⁹⁷ In detail, the result shows that the benefit of adaptability (i.e. E1) is significantly and positively related to capabilities of achieving desired goals ($r = 0.316$, $p = 0.004$), completing tasks ($r = 0.331$, $p = 0.003$), keeping positive attitude ($r = 0.339$, $p = 0.002$) and controlling negative emotions ($r = 0.235$, $p = 0.036$).

⁹⁸ In detail, the result shows that the benefit of better recognizing potential opportunities is significantly and positively related to the capabilities of completing tasks ($r = 0.297$, $p = 0.007$), keeping positive attitude ($r = 0.318$, $p = 0.004$) and controlling negative emotions ($r = 0.232$, $p = 0.038$). Also, it is found significant and positive relationships exist between the benefit of increased alert awareness for potential risks and the capabilities of completing tasks ($r = 0.335$, $p = 0.003$), keeping positive attitude ($r = 0.363$, $p = 0.001$) and controlling negative emotions ($r = 0.288$, $p = 0.011$). In addition, the benefit of capabilities relating to management procedures is significantly and positively related to capabilities of completing tasks ($r = 0.259$, $p = 0.021$), keeping positive attitude ($r = 0.379$, $p = 0.001$) and controlling negative emotions ($r = 0.329$, $p = 0.003$).

⁹⁹ In detail, the result shows that the benefits of adaptability ($r = 0.312$, $p = 0.005$), problem solving and decision making ($r = 0.272$, $p = 0.015$), better recognizing potential opportunities ($r = 0.255$, $p = 0.022$), better social networks ($r = 0.246$, $p = 0.029$), increased alert awareness for potential risks ($r = 0.335$, $p = 0.003$), and capabilities relating to management procedures ($r = 0.391$, $p = 0.000$) are significantly and positively related to the feature of being risk-taking. Moreover, the result shows that the benefits of adaptability ($r = 0.290$, $p = 0.009$), problem solving and decision making ($r = 0.280$, $p = 0.012$), better recognizing potential opportunities ($r = 0.278$, $p = 0.012$), better social networks ($r = 0.420$, $p = 0.000$), increased alert awareness for potential risks ($r = 0.479$, $p = 0.000$), and capabilities relating to management procedures ($r = 0.231$, $p = 0.041$) are significantly and positively related to the feature of being extraverted. In addition, significant and positive relationships between the benefits of adaptability ($r = 0.358$, $p = 0.001$), problem solving and decision making ($r = 0.298$, $p = 0.008$), better recognizing potential opportunities ($r = 0.317$, $p = 0.004$), better social networks ($r = 0.251$, $p = 0.026$), increased alert

positive relationships between the ability to adapt to a changing environment ($r= 0.245$, $p= 0.030$) and specific capabilities in a specific industry ($r= 0.227$, $p= 0.047$) and being optimistic are found, whilst a significant and positive relationship between specific capabilities in a specific industry and risk-taking is also found ($r= 0.364$, $p= 0.001$).

awareness for potential risks ($r= 0.359$, $p= 0.001$), and capabilities relating to management procedures ($r= 0.368$, $p= 0.001$) are found.

Figure 5.1b Relationship 8b: Correlation coefficient matrix: Benefits obtained from employment status and entrepreneurial motivation/intention in deprived areas (The outcome of adding control variables has been demonstrated in Appendix 12)¹⁰⁰

	BF(E1)	BF(E2)	BF(E3)	BF(E4)	BF(E5)	BF(E6)	BF(E7)	C1(b)	C2(b)	C3(b)	C4(b)	O	I	R	E	C
BF(E1)	1.000															
BF(E2)	.794** (0.000)	1.000														
BF(E3)	.545** (0.000)	.602** (0.000)	1.000													
BF(E4)	.508** (0.000)	.555** (0.000)	.467** (0.000)	1.000												
BF(E5)	.499** (0.000)	.471** (0.000)	.548** (0.000)	.600** (0.000)	1.000											
BF(E6)	.596** (0.000)	.592** (0.000)	.500** (0.000)	.502** (0.000)	.561** (0.000)	1.000										
BF(E7)	.480** (0.000)	.413** (0.000)	.293** (0.009)	.281* (0.013)	.305** (0.007)	.541** (0.000)	1.000									
C1(b)	.316** (0.004)	0.183 (0.106)	0.209 (0.062)	0.102 (0.373)	0.199 (0.081)	0.181 (0.110)	0.135 (0.237)	1.000								
C2(b)	.331** (0.003)	.241* (0.033)	.297** (0.007)	0.214 (0.059)	.335** (0.003)	.259* (0.021)	0.195 (0.087)	.647** (0.000)	1.000							
C3(b)	.339** (0.002)	.283* (0.011)	.318** (0.004)	0.145 (0.201)	.363** (0.001)	.379** (0.001)	.242* (0.033)	.526** (0.000)	.667** (0.000)	1.000						
C4(b)	.235* (0.036)	0.073 (0.520)	.232* (0.038)	0.030 (0.790)	.288* (0.011)	.329** (0.003)	0.151 (0.188)	.463** (0.000)	.509** (0.000)	.618** (0.000)	1.000					
O	.245* (0.030)	0.116 (0.310)	0.147 (0.196)	0.190 (0.095)	0.192 (0.095)	0.159 (0.164)	.227* (0.047)	0.207 (0.067)	0.129 (0.259)	0.204 (0.072)	.294** (0.009)	1.000				
I	0.021 (0.856)	-0.013 (0.908)	0.097 (0.392)	0.056 (0.623)	0.204 (0.074)	0.101 (0.376)	0.151 (0.186)	0.184 (0.103)	.294** (0.008)	0.201 (0.073)	.234* (0.037)	.254* (0.024)	1.000			
R	.312** (0.005)	.272* (0.015)	.255* (0.022)	.246* (0.029)	.335** (0.003)	.391** (0.000)	.364** (0.001)	.361** (0.001)	.391** (0.000)	.274* (0.014)	.320** (0.004)	.242* (0.032)	.310** (0.005)	1.000		
E	.290** (0.009)	.280* (0.012)	.278* (0.012)	.420** (0.000)	.479** (0.000)	.231* (0.041)	0.054 (0.638)	.262* (0.019)	.310** (0.005)	.302** (0.006)	.378** (0.001)	.389** (0.000)	0.075 (0.506)	.380** (0.001)	1.000	
C	.358** (0.001)	.298** (0.008)	.317** (0.004)	.251* (0.026)	.359** (0.001)	.368** (0.001)	0.211 (0.064)	.319** (0.004)	.562** (0.000)	.609** (0.000)	.425** (0.000)	.326** (0.003)	.247* (0.027)	0.215 (0.055)	.418** (0.000)	1.000

¹⁰⁰ The p values are given in parentheses.

To check the robustness of these results, binary regressions are run to control for other influences. Regarding the role of benefits obtained from general human capital on self-efficacy, the benefits obtained from qualifications on self-efficacy are not found. The results regarding the role of the benefits obtained from work experience have been demonstrated in Table 5.5a. The results show that people who agree the benefit of adaptability are almost fivefold likely to believe they have the capability for achieving desired outcomes ($B= 1.548$, $p= 0.017$), whilst people who agree the development of better social networks are fourfold likely to believe they have the capability for keeping a positive attitude to complete tasks ($B= 1.406$, $p= 0.05$). Moreover, people who agree the benefit of obtaining capabilities relating to management procedures are almost sevenfold likely to believe they are able to complete tasks ($B= 1.945$, $p= 0.013$). It is worth noting that a significant and positive relationship between an increased awareness for potential risks and the belief about the capability for completing tasks occurs when controlling for all other variables ($B= 1.395$, $p= 0.030$). It is tested whether this result remains significant when including a control for deprivation. The positive and significant relationship is found to remain ($B= 1.373$, $p= 0.025$) when controlling for deprivation ($B= 1.448$, $p= 0.031$), but the results also indicate that people from deprived areas are more than fourfold likely to believe they have the capability of completing tasks. Given the lower human capital typically found to be present in deprived areas this is a little surprising, and the semi-structured interviews in Chapter 6 may provide more insight.

In considering the role of benefits obtained from general human capital on self-regulatory focus, the results relating to the role of benefits obtained from qualification in self-regulatory focus demonstrated in Table 5.5b reveal that people who agree the benefits of better recognizing potential opportunities are more fivefold likely to be optimistic ($B= 1.645$, $p= 0.019$), whilst people who agree the benefits of developing better social networks are sixfold likely to be extraverted ($B= 1.794$, $p= 0.006$). It is also found that people who agree the benefit of easily being employed are sixfold likely to display higher levels of conscientiousness ($B= 1.795$, $p= 0.040$). When controlling for all other variables, notably, a significant and positive relationship between the benefit of being easily employed from qualification and the feature of being risk-taking ($B= 1.414$, $p= 0.050$) occurs. Through the further tests it is found that gender plays a strong role. It is found that the gender effect is stronger than the influence of this benefit on the inclination of being risk-taking. The relationship disappears when excluding the variable of gender.

Table 5.5a Relationship 8b: Role of benefits obtained from general work experience in self-efficacy in deprived areas¹⁰¹

Independent Variables (Benefits obtained from general work experience)	Dependent Variables (Self-efficacy)							
	BR				BR + Controls			
	C1(b)	C2(b)	C3(b)	C4(b)	C1(b)	C2(b)	C3(b)	C4(b)
BF(E1)	1.466 (0.014)	0.956 (0.116)	1.022 (0.115)	0.829 (0.144)	1.548 (0.017)	0.991 (0.140)	0.928 (0.198)	0.744 (0.221)
BF(E2)	0.203 (0.758)	0.376 (0.571)	0.292 (0.690)	0.118 (0.843)	0.267 (0.702)	0.252 (0.732)	0.403 (0.615)	0.057 ¹⁰² (0.927)
BF(E3)	0.571 (0.308)	0.780 (0.172)	0.552 (0.379)	0.688 (0.181)	0.723 (0.241)	0.968 (0.138)	0.125 (0.863)	0.594 (0.295)
BF(E4)	0.512 (0.381)	0.613 (0.298)	1.251 (0.049)	-0.437 (0.434)	0.649 (0.308)	0.938 (0.157)	1.406 (0.050)	-0.539 (0.386)
BF(E5)	0.205 (0.709)	1.069 (0.058)	1.038 (0.094)	0.722 (0.141)	0.293 (0.619)	1.395 (0.030)	1.250 (0.074)	0.904 (0.101)
BF(E6)	0.267 (0.622)	1.177 (0.048)	0.470 (0.482)	1.026 (0.068)	0.376 (0.571)	1.945 (0.013)	0.252 (0.741)	1.019 (0.087)
BF(E7)	0.444 (0.474)	0.916 (0.132)	0.674 (0.322)	0.277 (0.626)	0.564 (0.396)	1.095 (0.110)	0.523 (0.484)	0.171 (0.778)

¹⁰¹ The p values are given in parentheses.

¹⁰² This result excludes the variables of 'employment status'. When adding this control variable, the results shows influence of employment status counteracts the influence of benefits obtained from general work experience on entrepreneurs' confidence for the capability of controlling negative emotions

Table 5.5b Relationship 8b: Role of benefits obtained from qualification in self-regulatory focus in deprived areas¹⁰³

Independent Variables (Benefits obtained from qualification)	Dependent Variables (Self-regulatory Focus)									
	BR					BR + Controls				
	O	I	R	E	C	O	I	R	E	C
BF(Q1)	0.775 (0.213)	-0.154 (0.772)	0.160 (0.747)	0.268 (1.308)	-0.320 (0.606)	0.794 (0.229)	-0.103 (0.859)	0.089 (0.865)	0.311 (0.565)	-0.393 (0.555)
BF(Q2)	0.679 (0.272)	-0.749 (0.229)	-0.426 (0.438)	0.150 (0.783)	0.700 (0.256)	0.669 (0.304)	-0.481 (0.470)	-0.330 (0.566)	0.172 (0.759)	0.660 (0.315)
BF(Q3)	0.069 (0.918)	0.100 (0.861)	0.011 (0.984)	0.308 (0.577)	0.518 (0.421)	0.168 (0.816)	0.413 (0.521)	0.073 (0.899)	0.426 (0.468)	0.505 (0.472)
BF(Q4)	1.437 (0.028)	0.397 (0.454)	-0.051 (0.920)	0.547 (0.294)	-0.077 (0.902)	1.645 (0.019)	0.712 (0.236)	-0.092 (0.860) ¹⁰⁴	0.650 (0.232)	-0.160 (0.811)
BF(Q5)	0.652 (0.294)	0.483 (0.363)	0.689 (0.172)	1.504 (0.009)	1.021 (0.116)	1.015 (0.148)	0.608 (0.300)	0.810 (0.138)	1.794 (0.006)	0.971 (0.173)
BF(Q6)	0.629 (0.333)	0.609 (0.274)	1.006 (0.064)	0.714 (0.196)	1.615 (0.045)	1.061 (0.145)	0.587 (0.329)	1.414 (0.050)	0.825 (0.158)	1.795 (0.040)

¹⁰³ The p values are given in parentheses.

¹⁰⁴ This result excludes two variables: 'Area' and 'Gender'. When adding these variables, the result shows the influence of each variable counteracts the influence of better recognizing potential opportunities on the feature of being risk-taking. The result is (B= -0.029, p= 0.957) when excluding the variable of 'Area' and the result is (B= -0.039, p= 0.942) when excluding the variable of gender.

In considering the role of benefits obtained from employment or work experience on self-regulatory focus, the results demonstrated in Table 5.5c indicate people who agree benefits of developing better social networks (i.e. E4), increasing alert awareness for potential risks (i.e. E5) and obtaining capabilities relating to management procedures (i.e. E6) are more likely to be promotion-focused¹⁰⁵. In addition, people who agree work experience enables them to have capabilities to adapt to a changing environment (B= 1.570, p= 0.012), solve problems and make decisions (B= 1.751, p= 0.011) as well as better recognize potential opportunities (B= 1.273, p= 0.031) are more likely to be extraverted, whilst people who agree work experience enables them to have specific capabilities, skills and knowledge in a specific industry are almost ninefold likely to be optimistic (B= 2.184, p= 0.003) and almost twelvefold likely to be risk-taking (B= 2.472, p= 0.001).

¹⁰⁵ In detail, it is revealed that people who agree work experience enables them to develop better social networks are more than ninefold likely to be risk-taking (B= 2.245, p= 0.002), almost eightfold likely to be extraverted (B= 2.072, p= 0.001), and more than fourfold likely to be optimistic (B= 1.437, p= 0.044) and conscientious (B= 1.425, p= 0.045). Moreover, the results show that people who agree the benefit of increasing alert awareness for potential risks are more than fourfold likely to be innovative (B= 1.463, p= 0.021), fivefold likely to be risk-taking (B= 1.655, p= 0.006), sevenfold likely to be extraverted (B= 2.003, p= 0.001) and tenfold likely to be conscientious (B= 2.316, p= 0.005). It is also found that people who agree the benefit of obtaining capabilities relating to management procedures are more than sevenfold likely to be optimistic (B= 2.009, p= 0.005), tenfold likely to be innovative (B= 2.363, p= 0.004), sevenfold likely to be risk-taking (B= 1.983, p= 0.003) and sixfold likely to be conscientious (B= 1.851, p= 0.008).

Table 5.5c Relationship 8b: Role of benefits obtained from employment status in self-regulatory focus in deprived areas¹⁰⁶

Independent Variables (Benefits obtained from qualification)	Dependent Variables (Self-regulatory Focus)									
	BR					BR + Controls				
	O	I	R	E	C	O	I	R	E	C
BF(E1)	1.139 (0.084)	-0.485 (0.433)	0.847 (0.145)	1.466 (0.014)	0.711 (0.296)	1.256 (0.075)	0.610 (0.369)	1.102 (0.082)	1.570 (0.012)	0.591 (0.417)
BF(E2)	-0.219 (0.792)	-0.673 (0.410)	-0.415 (0.557)	1.485 (0.017)	0.405 (0.582)	-0.284 (0.745)	-0.682 (0.429)	-0.390 (0.596)	1.751 (0.011)	0.385 (0.628)
BF(E3)	1.070 (0.089)	0.988 (0.078)	0.880 (0.101)	1.186 (0.032)	0.689 (0.280)	1.221 (0.079)	1.078 (0.094)	0.992 (0.092)	1.273 (0.031)	0.809 (0.259)
BF(E4)	1.331 (0.038)	0.512 (0.381)	1.492 (0.008)	2.053 (0.000)	1.658 (0.010)	1.437 (0.044)	0.987 (0.149)	2.245 (0.002)	2.072 (0.001)	1.425 (0.045)
BF(E5)	1.016 (0.101)	1.094 (0.045)	1.281 (0.015)	1.861 (0.001)	1.849 (0.005)	1.133 (0.095)	1.463 (0.021)	1.655 (0.006)	2.003 (0.001)	2.316 (0.005)
BF(E6)	1.859 (0.004)	1.416 (0.016)	1.684 (0.004)	0.267 (0.662)	1.877 (0.004)	2.009 (0.005)	2.363 (0.004)	1.983 (0.003)	0.139 (0.824)	1.851 (0.008)
BF(E7)	1.964 (0.003)	0.444 (0.474)	1.938 (0.001)	0.354 (0.566)	0.182 (0.802)	2.184 (0.003)	0.571 (0.402)	2.472 (0.001)	0.378 (0.555)	0.187 (0.814)

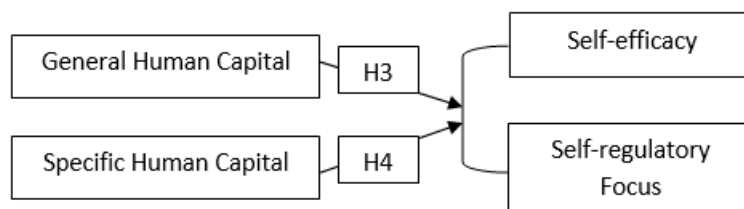
¹⁰⁶ The p values are given in parentheses.

When considering only the qualification level and employment status as general human capital, there are not many relationships found. When looking at the specific benefits obtained from education and work experience, it is summarized that benefits of adaptability, an increased alert awareness for potential risks and capabilities relating to management procedures obtained from employment positively impact on people’s goal belief, whilst the benefit of better social networks obtained from employment positively influences people’s control belief. However, the influence of benefits obtained from qualification is not found. These results partially respond to *Hypothesis 3a*.

On the other hand, people’s perceived benefits obtained from work experience have a stronger influence on promotion focus than benefits obtained from education, particularly most of the benefits obtained from work experience significantly and positively impact on extraversion. Regarding the qualification level, the benefit of easily being an employed person enables people to be more risk-taking and conscientious.

In light of these results, it can be seen that specific human capital is derived from general human capital, such as better social networks, increased alert awareness, better recognition for potential opportunities, capabilities relating to management procedures and specific skills in specific industries. Therefore, *Hypothesis 3b*, *Hypothesis 4a* and *Hypothesis 4b* have been found. Linking with the results obtained from testing the secondary data, the results are consistent with the part showing the influence of human capital on self-efficacy and self-regulatory focus, which is displayed in Diagram 5.4 below.

Diagram 5.4 A part of the model: Influences of general and specific human capital on self-efficacy and self-regulatory focus in deprived areas



Relationship 9 A Bidirectional Relationship between Self-efficacy and Self-regulatory Focus in Deprived Areas

Similar to the test of Relationship 6 in Chapter 4, Relationship 9 examines the interrelationship between participants' self-efficacy and self-regulatory focus in the context of a deprived city. According to Figure 5.2, it can be seen that self-efficacy is significantly and positively related to most measures relating to self-regulatory focus; in particular, four measures regarding self-efficacy are significantly and positively related to risk-taking, extraversion and conscientiousness¹⁰⁷. Moreover, the capability for completing tasks is significantly and positively related to innovation ($r = 0.294$, $p = 0.009$), whilst the capability for controlling negative emotions is significantly and positively related to optimism ($r = 0.294$, $p = 0.008$) and innovation ($r = 0.234$, $p = 0.037$).

As indicated in Table 5.6a, the results regarding the role of self-efficacy in self-regulatory focus show that people who have a high level of self-efficacy are more likely to be risk-taking¹⁰⁸. With the exception of the capability for achieving desired outcomes, people who believe they have the other three capabilities are more likely to be conscientious¹⁰⁹. Furthermore, people who believe they have the capability for controlling negative emotions are more than fourfold likely to be optimistic ($B = 1.437$, $p = 0.043$) and people who believe they have the capability for completing tasks are almost eightfold likely to be innovative ($B = 2.070$, $p = 0.006$).

¹⁰⁷ In detail, the capability of achieving desired outcomes is significantly and positively related to risk-taking ($r = 0.361$, $p = 0.001$), extraversion ($r = 0.262$, $p = 0.019$) and conscientiousness ($r = 0.319$, $p = 0.004$). The capability for completing tasks is significantly and positively related to risk-taking ($r = 0.391$, $p = 0.000$), extraversion ($r = 0.310$, $p = 0.005$) and conscientiousness ($r = 0.562$, $p = 0.000$). The capability for keeping a positive attitude to complete tasks is significantly and positively related to risk-taking ($r = 0.274$, $p = 0.014$), extraversion ($r = 0.302$, $p = 0.006$) and conscientiousness ($r = 0.609$, $p = 0.000$). The capability for controlling negative emotions is significantly and positive related to risk-taking ($r = 0.320$, $p = 0.004$), extraversion ($r = 0.378$, $p = 0.001$) and conscientiousness ($r = 0.425$, $p = 0.000$).

¹⁰⁸ In detail, it is found that people who believe they have the capabilities of achieving desired outcomes ($B = 1.635$, $p = 0.011$), completing tasks ($B = 2.260$, $p = 0.002$), keeping a positive attitude to complete tasks ($B = 2.426$, $p = 0.002$) and controlling negative emotions ($B = 1.166$, $p = 0.036$) are respectively more than fivefold, ninefold, elevenfold and threefold likely to be risk-taking.

¹⁰⁹ In detail, it is found that people who believe they have the capabilities for completing tasks ($B = 2.957$, $p = 0.001$), keeping a positive attitude to complete tasks ($B = 2.408$, $p = 0.003$) and controlling negative emotions ($B = 1.446$, $p = 0.049$) are respectively more than nineteen times, elevenfold and fourfold likely to be conscientious.

Figure 5.2 Relationship 9: Correlation Coefficient Matrix: Self-efficacy and self-regulatory focus in deprived areas (The outcome of adding control variables has been demonstrated in Appendix 13)¹¹⁰

	C1((b)	C2(b)	C3(b)	C4(b)	O	I	R	E	C
Capability of achieving desired outcomes (C1b)	1.000								
Capability of completing tasks (C2b)	.647** (0.000)	1.000							
Capability of keeping a positive attitude to complete tasks (C3b)	.526** (0.000)	.667** (0.000)	1.000						
Capability of controlling negative emotions when faced with difficulties (C4b)	.463** (0.000)	.509** (0.000)	.618** (0.000)	1.000					
Optimist (O)	0.207 (0.067)	0.129 (0.259)	0.204 (0.072)	.294** (0.009)	1.000				
Innovation (I)	0.184 (0.103)	.294** (0.008)	0.201 (0.073)	.234* (0.037)	.254* (0.024)	1.000			
Risk-taking (R)	.361** (0.001)	.391** (0.000)	.274* (0.014)	.320** (0.004)	.242* (0.032)	.310** (0.005)	1.000		
Extraversion (E)	.262* (0.019)	.310** (0.005)	.302** (0.006)	.378** (0.001)	.389** (0.000)	0.075 (0.506)	.380** (0.001)	1.000	
Conscientiousness (C)	.319** (0.004)	.562** (0.000)	.609** (0.000)	.425** (0.000)	.326** (0.003)	.247* (0.027)	0.215 (0.055)	.418** (0.000)	1.000

¹¹⁰ The p values are given in parentheses.

Table 5.6a Relationship 9: Influence of self-efficacy on self-regulatory focus in deprived areas¹¹¹

Independent Variables (Self-efficacy)	Dependent Variables (Self-regulatory Focus)									
	BR					BR + Controls				
	O	I	R	E	C	O	I	R	E	C
C1(b)	0.842 (0.191)	1.088 (0.054)	1.285 (0.019)	0.981 (0.079)	1.177 (0.063)	1.416 (0.061)	1.124 (0.083)	1.635 (0.011)	1.153 (0.059)	1.323 (0.064)
C2(b)	0.108 (0.881)	1.649 (0.005)	1.550 (0.006)	0.875 (0.128)	2.210 (0.001)	0.475 (0.563)	2.070 (0.006)	2.260 (0.002)	1.235 (0.060)	2.957 (0.001)
C3(b)	-0.095 (0.909)	-0.160 (0.822)	1.511 (0.014)	1.025 (0.098)	2.303 (0.001)	-0.086 ¹¹² (0.925)	-0.035 (0.964)	2.426 (0.002)	1.069 (0.117)	2.408 (0.003)
C4(b)	1.437 (0.028)	0.114 (0.830)	0.956 (0.059)	0.275 (0.599)	1.053 (0.092)	1.437 (0.043)	0.024 ¹¹³ (0.967)	1.166 ¹¹⁴ (0.036)	0.363 (0.513)	1.446 ¹¹⁵ (0.049)

¹¹¹ The p values are given in parentheses.

¹¹² This result excludes the variable of ‘identity’ (i.e. nascent or actual entrepreneur). When adding the control variable of ‘identity’, the result shows that the actual entrepreneurs are more than threefold likely to be optimistic than nascent entrepreneurs; it means the positive influence of entrepreneurs’ identity on self-efficacy is stronger than the negative influence of self-regulatory focus (i.e. the exponentiation of the B coefficient is 0.918) relating to the capability of keeping positive attitude to complete tasks.

¹¹³ This result excludes the variables of ‘qualification level’ and ‘employment status’. When adding these two control variables, the results shows that the entrepreneurs who either have higher qualification levels or are employed are almost twice as likely to be innovative, it means the positive influence of qualification levels and employment status on self-efficacy is stronger than the negative influence of self-efficacy (i.e. the exponentiation of the B coefficient is 0.931) relating to the capability of controlling negative emotions.

¹¹⁴ A significant and positive relationship between the capability of controlling negative emotions and risk-taking occurs when controlling for all other variables. It is found that the influence of employment status is stronger than the influence of capability per se on participants’ feature of being risk-taking. When excluding the variable of ‘Employment status’, the relationship disappears (B= 0.902, p= 0.085).

¹¹⁵ A significant and positive relationship between the capability of controlling negative emotions and conscientiousness occurs when controlling for all other variables. It is found that the respective influence of gender, ethnicity and qualification is stronger than the influence of the capability per se on participants feature of being conscientious. When excluding ‘Gender’ (B= 1.030, p= 0.128), ‘Ethnicity’ (B= 1.400, p= 0.052) and ‘Qualification’ (B= 1.243, p= 0.071), the relationship disappears.

When considering the role of self-regulatory focus on self-efficacy, in turn, the results demonstrated in Table 5.6b indicate that people who agree risk-taking motivates them in starting businesses are more likely to have a high level of self-efficacy¹¹⁶. Moreover, people who agree innovation (B= 2.056, p= 0.005) and conscientiousness (B= 4.002, p= 0.001) motivate them in starting businesses are almost eightfold likely and almost fifty-five times¹¹⁷ likely to believe they have the capability for completing tasks respectively, whilst people who agree optimism motivates them in starting businesses are more than fivefold likely to believe they have the capability for achieving desired outcomes (B= 1.698, p= 0.041) and almost fourfold likely to believe they have the capability for controlling negative emotions (B= 1.385, p= 0.050). It is also found that people who agree conscientiousness motivates them in starting businesses are almost twelvefold likely to believe they have the capability for keeping a positive attitude to complete tasks (B= 2.467, p= 0.003).

¹¹⁶ In detail, risk-taking is significantly and positively related to the capability for achieving desired outcomes (B= 1.576, p= 0.013), the capability for completing tasks (B= 2.232, p= 0.002), the capability for keeping a positive attitude to complete tasks (B= 2.395, p= 0.004) and the capability for controlling negative emotions (B= 1.128, p= 0.042).

¹¹⁷ By running 'Frequencies' in SPSS, the total number of participants is 80, there are no missing values for 'Conscientiousness' and 'Capability for completing tasks'. Regarding 'Conscientiousness', 67 participants agree conscientiousness motivates them to start businesses and 13 participants disagree (Valid percentage: 83.8% and 16.3%). Regarding the belief about the capability for completing tasks, 62 participants agree they have the belief about this capability and 18 participants disagree (Valid percentage: 77.5% and 22.5%).

Table 5.6b Relationship 9: Influence of self-regulatory focus on self-efficacy in deprived areas¹¹⁸

Independent Variables (Self-regulatory Focus)	Dependent Variables (Self-efficacy)							
	BR				BR + Controls			
	C1(b)	C2(b)	C3(b)	C4(b)	C1(b)	C2(b)	C3(b)	C4(b)
O	0.842 (0.191)	0.108 (0.881)	-0.095 (0.909)	1.437 (0.028)	1.698 (0.041)	0.854 (0.327)	-0.030 (0.974) ¹¹⁹	1.385 (0.050)
I	1.088 (0.054)	1.649 (0.005)	-0.160 (0.822)	0.114 (0.830)	1.140 (0.075)	2.056 (0.005)	-0.169 (0.832)	0.077 ¹²⁰ (0.891)
R	1.285 (0.019)	1.550 (0.006)	1.511 (0.014)	0.956 (0.059)	1.576 (0.013)	2.232 (0.002)	2.395 (0.004)	1.128 ¹²¹ (0.042)
E	0.981 (0.079)	0.875 (0.128)	1.025 (0.098)	0.275 (0.599)	1.162 (0.056)	1.271 (0.053)	1.138 (0.102)	0.353 (0.524)
C	1.177 (0.063)	2.210 (0.001)	2.303 (0.001)	1.053 (0.092)	1.405 (0.054)	4.002 (0.001)	2.467 (0.003)	1.242 (0.080)

¹¹⁸ The p values are given in parentheses.

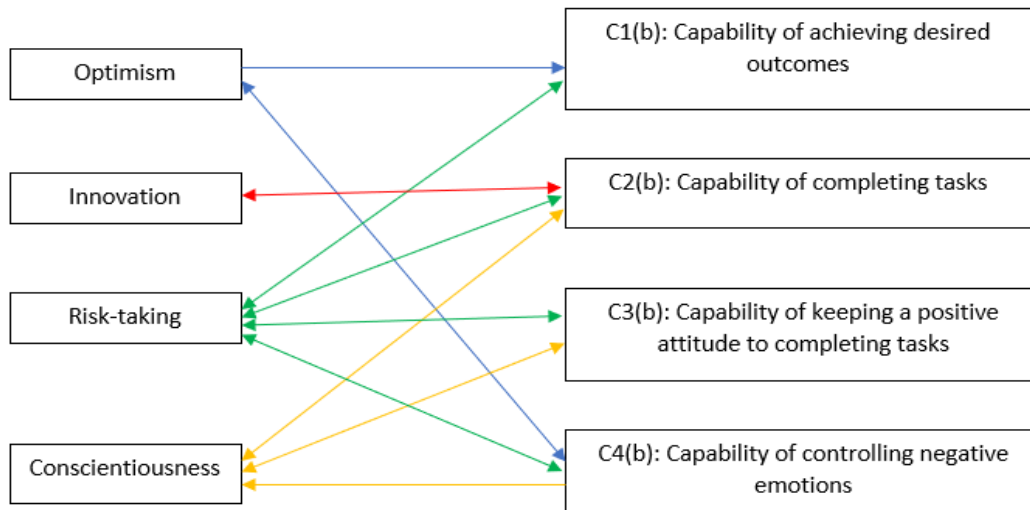
¹¹⁹ This result excludes the variable of 'Gender'. When adding this variable, the gender effect counteracts the influence of being optimistic on participants' belief about the capability of keeping positive attitude to complete tasks.

¹²⁰ This result excludes the variables of 'Gender' and 'Employment status'. When adding these two control variables, the results shows that the entrepreneurs who are either males or employed are almost twice or more than fivefold likely to be innovative; it means the positive influence of gender and employment status on self-efficacy is stronger than the negative influence of self-regulatory (i.e. the exponentiation of the B coefficient is 1.212) on the confidence for capability of controlling negative emotions.

¹²¹ A significant and positive relationship between 'Risk-taking' and the capability of controlling negative emotions occurs when controlling for all other variables. It is found that the influence of 'Employment status' is stronger than the influence of being risk-taking on participants' belief about the capability of controlling negative emotions. When excluding the variable of 'Employment status', the relationship disappears (B= 0.898, p= 0.087).

Therefore, a bidirectional relationship between self-efficacy and self-regulatory focus can be clearly seen from Diagram 5.5; it also responds to *Hypothesis 2* demonstrated in Diagram 4.3 before.

Diagram 5.5 A part of the model: A bidirectional relationship between self-efficacy and self-regulatory focus in deprived areas



In addition to the influence of human capital on the internal determinants, the influence of external context is tested in the following sections to explore whether neighbourhood contexts influence individuals' entrepreneurial motivation/intention through impacting on self-efficacy and self-regulatory focus (i.e. Relationship 10).

Relationship 10 The Influence of Neighbourhood Context on Entrepreneurial Motivation/Intention in Deprived Areas

In considering a lower level of entrepreneurial intention in a deprived environment, a loss of collective self-efficacy negatively impacts on individuals' self-efficacy (Wilson, 1996), whilst individuals' experiences differ in their motivation and capability to set personal goals (Bagheri and Pihie, 2014). With this in mind, Relationship 10 aims to determine where a relationship between a deprived neighbourhood context and participants' entrepreneurial intention exists through testing neighbourhood effects on their self-efficacy and self-regulatory respectively.

Regarding the relationship between neighbourhood factors impacting on entrepreneurial motivation/intention and self-efficacy, as can be seen from Figure 5.3, significant and positive relationships are found between communication with local residents and/or particular peer groups (i.e. N1) and the capabilities for achieving desired outcomes ($r= 0.276$, $p= 0.013$), keeping a positive attitude to complete tasks ($r= 0.270$, $p= 0.016$) and controlling negative emotions ($r= 0.255$, $p= 0.023$) are found. Also, there are significant and positive relationships between inspiration from local business owners (i.e. N3) and capabilities for achieving desired outcomes ($r= 0.250$, $p= 0.032$) and controlling negative emotions ($r= 0.235$, $p= 0.044$), whilst there is found a significant and positive relationship between suggestions and information provided by personal social networks (i.e. N2) and the capability for achieving desired outcomes ($r= 0.250$, $p= 0.025$).

Regarding the relationship between general factors impacting on entrepreneurial motivation/intention and self-regulatory focus, Figure 5.3 also shows that the influence from local residents and business owners as well as personal social networks significantly and positively relate to optimism and extraversion¹²², whilst inspiration from local business owners ($r= 0.258$, $p= 0.027$) and local people's opinions and confidence about starting new businesses ($r= 0.245$, $p= 0.029$) significantly and positively relate to innovation.

¹²² In detail, there are significant and positive relationships between optimism and communication with local residents and/or particular peer groups ($r= 0.301$, $p= 0.007$), suggestions and information provided by personal social networks ($r= 0.267$, $p= 0.017$), inspiration from local business owners ($r= 0.343$, $p= 0.003$), and local people's opinions and confidence of starting new businesses in the local area ($r= 0.343$, $p= 0.002$). Moreover, there are significant and positive relationships between extraversion and communication with local residents and /or particular peer groups ($r= 0.255$, $p= 0.022$), suggestions and information provided by personal social networks ($r= 0.242$, $p= 0.031$) and local people's opinions and confidence of starting new businesses in the local area ($r= 0.252$, $p= 0.025$).

Figure 5.3 Relationship 10: Correlation Coefficient Matrix: Neighbourhood context and entrepreneurial motivation/intention in deprived areas (The outcome of adding control variables has been demonstrated in Appendix 14)¹²³

	N1	N2	N3	N4	N5	N6	N7	C1(b)	C2(b)	C3(b)	C4(b)	O	I	R	E	C
N1	1.000															
N2	.558** (0.000)	1.000														
N3	.299** (0.010)	.420** (0.000)	1.000													
N4	.334** (0.003)	0.180 (0.118)	.383** (0.001)	1.000												
N5	.316** (0.005)	.370** (0.001)	.343** (0.003)	.390** (0.000)	1.000											
N6	0.124 (0.272)	0.078 (0.492)	0.151 (0.198)	.265* (0.020)	0.209 (0.065)	1.000										
N7	.243* (0.030)	.325** (0.003)	.367** (0.001)	0.147 (0.202)	.266* (0.018)	.345** (0.002)	1.000									
C1(b)	.276* (0.013)	.250* (0.025)	.250* (0.032)	0.033 (0.778)	0.090 (0.431)	-0.105 (0.352)	0.075 (0.508)	1.000								
C2(b)	0.116 (0.304)	0.017 (0.880)	0.185 (0.115)	-0.035 (0.763)	0.039 (0.733)	-0.101 (0.372)	-0.059 (0.601)	.647** (0.000)	1.000							
C3(b)	.270* (0.016)	0.115 (0.308)	0.124 (0.294)	-0.098 (0.394)	0.037 (0.747)	-0.078 (0.493)	0.031 (0.784)	.526** (0.000)	.667** (0.000)	1.000						
C4(b)	.255* (0.023)	0.142 (0.210)	.235* (0.044)	-0.034 (0.767)	0.077 (0.500)	0.024 (0.832)	0.162 (0.151)	.463** (0.000)	.509** (0.000)	.618** (0.000)	1.000					
O	.301** (0.007)	.267* (0.017)	.343** (0.003)	0.126 (0.277)	.343** (0.002)	0.012 (0.915)	0.130 (0.253)	0.207 (0.067)	0.129 (0.259)	0.204 (0.072)	.294** (0.009)	1.000				
I	0.180 (0.111)	0.162 (0.151)	.258* (0.027)	0.062 (0.593)	.245* (0.029)	0.016 (0.885)	0.104 (0.361)	0.184 (0.103)	.294** (0.008)	0.201 (0.073)	.234* (0.037)	.254* (0.024)	1.000			
R	0.065 (0.568)	0.095 (0.401)	0.212 (0.070)	-0.022 (0.850)	0.163 (0.152)	-0.040 (0.724)	0.098 (0.386)	.361** (0.001)	.391** (0.000)	.274* (0.014)	.320** (0.004)	.242* (0.032)	.310** (0.005)	1.000		
E	.255* (0.022)	.242* (0.031)	0.158 (0.178)	0.073 (0.529)	.252* (0.025)	0.099 (0.381)	0.132 (0.244)	.262* (0.019)	.310** (0.005)	.302** (0.006)	.378** (0.001)	.389** (0.000)	0.075 (0.506)	.380** (0.001)	1.000	
C	0.178 (0.114)	0.102 (0.366)	0.108 (0.358)	-0.125 (0.277)	0.008 (0.943)	-0.025 (0.828)	-0.038 (0.739)	.319** (0.004)	.562** (0.000)	.609** (0.000)	.425** (0.000)	.326** (0.003)	.247* (0.027)	0.215 (0.055)	.418** (0.000)	1.000

¹²³ The p values are given in parentheses.

By running a binary regression and controlling for all other variables, the results regarding the role of neighbourhood contexts in self-efficacy demonstrated in Table 5.7a indicate that people who agree communication with local residents and/or particular peer groups ($B= 1.285, p= 0.039$) and inspiration from local business owners ($B= 1.650, p= 0.018$) motivate them to start businesses are more than threefold and fivefold likely to believe they have the capability for achieving desired outcomes respectively.

With respect to the role of neighbourhood contexts in self-regulatory focus, Table 5.7b shows that people who agree the inspiration from local business owners motivates them in starting businesses are more than sevenfold likely to be optimistic ($B= 1.985, p= 0.030$), almost ninefold likely to be risk-taking ($B= 2.170, p= 0.002$) and more than threefold likely to be extraverted ($B= 1.264, p= 0.048$). It is also found that people who agree suggestions and information provided by personal social networks ($B= 1.839, p= 0.015$) and local people's opinions and confidence of starting businesses in the local area ($B= 1.873, p= 0.014$) motivate them in starting businesses are more than sixfold likely to be optimistic and innovate respectively.

Table 5.7a Relationship 10: Role of neighbourhood contexts in self-efficacy in deprived areas¹²⁴

Independent Variables (Neighbourhood Contexts)	Dependent Variables (Self-efficacy)							
	BR				BR + Controls			
	C1(b)	C2(b)	C3(b)	C4(b)	C1(b)	C2(b)	C3(b)	C4(b)
(NF1): Communication with local residents and/or particular peer groups	1.232 (0.033)	0.387 (0.478)	0.916 (0.153)	0.379 (0.411)	1.285 (0.039)	0.392 (0.512)	0.827 (0.230)	0.330 (0.519)
(NF2): Suggestions and information provided by personal social networks	0.956 (0.075)	0.129 (0.809)	0.470 (0.429)	0.167 (0.715)	1.043 (0.085)	0.444 (0.471)	0.631 (0.352)	0.284 (0.574)
(NF3): Inspired by local business owners	1.051 (0.077)	0.711 (0.214)	0.121 (0.843)	0.482 (0.317)	1.650 ¹²⁵ (0.018)	1.261 (0.064)	0.503 (0.466)	0.405 (0.476)
(NF4): Parental influence or inherited family business	1.421 (0.075)	0.693 (0.319)	-0.079 (0.904)	0.198 (0.706)	1.518 (0.071)	0.643 (0.387)	-0.206 (0.783)	0.124 (0.839)
(NF5): Local people's opinions and confidence of starting new businesses in the local area	0.368 (0.511)	0.853 (0.174)	-0.025 (0.968)	0.175 (0.714)	0.406 (0.513)	1.312 (0.069)	-0.555 (0.449)	0.140 (0.796)
(NF6): No better choice of employment due to the local restriction of employment opportunity	0.000 (1.000)	-0.187 (0.757)	-0.223 (0.734)	0.000 (1.000)	0.057 (0.929)	-0.104 ¹²⁶ (0.868)	-0.244 (0.741)	0.336 (0.579)
(NF7): More opportunities to be explored and exploited	0.840 (0.176)	0.655 (0.295)	0.674 (0.336)	0.850 (0.102)	1.103 (0.094)	1.099 (0.109)	0.842 (0.263)	0.952 (0.091)

¹²⁴ The p values are given in parentheses.

¹²⁵ A significant and positive relationship between the influence of local business owners and participants' belief about the capability of achieving desired goals occurs when controlling for all other variables. It is found a combined influence of participants' identity (i.e. nascent or actual), gender and ethnicity is stronger than the neighbourhood effect. When excluding these three variables, the relationship disappears (B= 1.166, p= 0.062).

¹²⁶ This result excludes the variables of 'Area' and 'Qualification level'. When adding these two control variables, the results show influence of areas and qualification levels counteracts the influence of neighbourhood contexts on entrepreneurs' confidence in the capability of completing tasks.

Table 5.7b Relationship 10: Role of neighbourhood contexts in self-regulatory focus in deprived areas¹²⁷

Independent Variables (Neighbourhood Contexts)	Dependent Variables (Self-regulatory Focus)									
	BR					BR + Controls				
	O	I	R	E	C	O	I	R	E	C
NF1	0.811 (0.212)	0.506 (0.349)	-0.089 (0.857)	0.914 (0.098)	1.234 (0.079)	0.867 (0.211)	0.976 (0.126)	-0.087 (0.867) ¹²⁸	0.836 (0.145)	0.979 (0.180)
NF2	1.572 (0.026)	0.549 (0.302)	0.509 (0.307)	0.956 (0.075)	1.081 (0.096)	1.839 (0.015)	0.790 (0.211)	0.622 (0.253)	0.904 (0.106)	1.117 (0.110)
NF3	1.84 (0.024)	0.836 (0.140)	1.506 (0.010)	0.956 (0.090)	0.758 (0.253)	1.985 (0.030)	1.147 (0.079)	2.170 (0.002)	1.264 (0.048) ¹²⁹	1.258 (0.107)
NF4	0.160 (0.824)	0.348 (0.584)	0.333 (0.572)	0.786 (0.256)	0.139 (0.848)	0.077 (0.924)	0.895 (0.226)	0.593 (0.376)	0.944 (0.209)	0.014 (0.986) ¹³⁰
NF5	0.862 (0.221)	1.473 (0.030)	0.662 (0.227)	1.148 (0.063)	0.836 (0.235)	1.044 (0.178)	1.873 (0.014)	0.975 (0.106)	1.008 (0.120)	0.365 (0.642)
NF6	0.724 (0.376)	-0.091 (0.879)	0.617 (0.323)	0.375 (0.552)	1.558 (0.147)	0.852 (0.341)	-0.085 ¹³¹ (0.897)	0.496 (0.457)	0.267 (0.688)	2.024 (0.079)
NF7	0.578 (0.414)	0.055 (0.922)	0.742 (0.197)	0.480 (0.411)	0.555 (0.432)	0.396 (0.598)	0.268 (0.664)	1.139 (0.075)	0.385 (0.525)	0.402 (0.597)

¹²⁷ The p values are given in parentheses.

¹²⁸ This result excludes the variable of 'Gender'. When adding this variable, the gender effect counteracts the influence of local residents or peers on participants' inclination to be risk-taking.

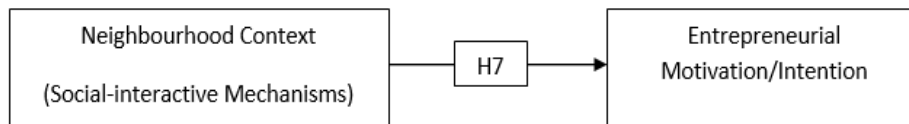
¹²⁹ A significant and positive relationship between influence of local business owners on participants' inclination of being extraverted occurs when controlling for all other variables. It is found the influence of general human capital is stronger than the influence of local business owners on extraversion. When excluding either two measures of general human capital (B= 0.968, p= 0.097) or 'Qualification level' (B= 1.039, p= 0.081) or 'Employment status' (B= 1.160, p= 0.060), the relationship disappears.

¹³⁰ This result excludes four variables: 'Area', 'Identity', 'Ethnicity' and 'Employment status'. When adding these variables, a combined influence of these four variables counteracts the parental influences on participants' inclination of being conscientious.

¹³¹ This result excludes the variable of 'Qualification level'. When adding this control variable, the result shows a stronger influence of qualification level on participants' self-efficacy than the influence of neighbourhood contexts. It means a positive influence of qualification level counteracts a negative influence of neighbourhood contexts on self-regulatory focus.

To sum up, the influence of neighbourhood context, particularly social interactive mechanisms, on entrepreneurial motivation/intention has been proven, which unidirectionally corresponds to *Hypothesis 7* (see Diagram 5.6).

Diagram 5.6 A part of the model: Influence of neighbourhood contexts on entrepreneurial motivation/intention in deprived areas



5.3 Conclusion

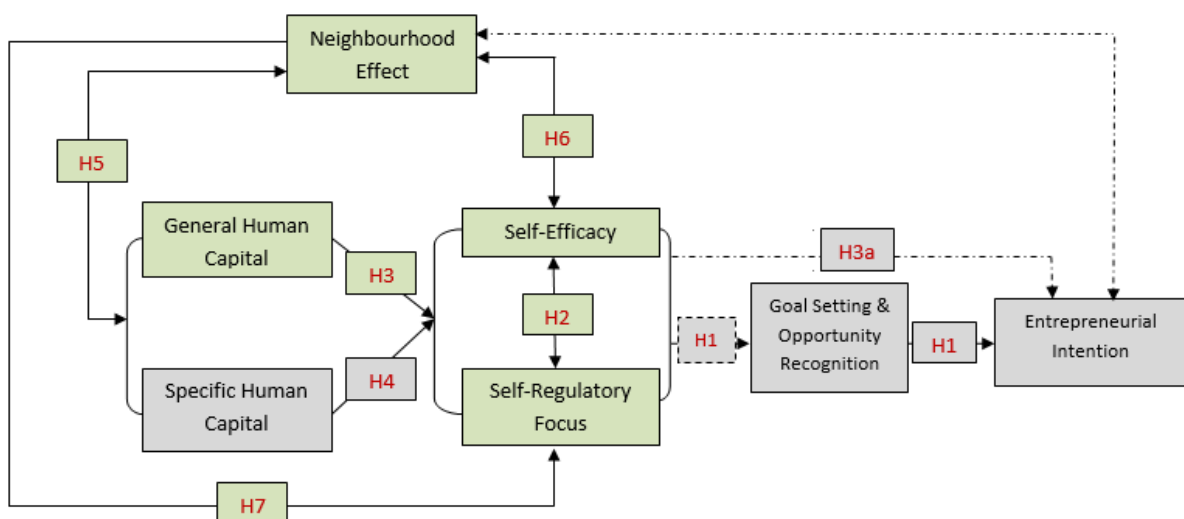
At a deprived-city level, the descriptive results show that there is no apparent gap between low and high qualification levels based on the survey respondents, whilst qualifications are not necessarily related to individuals' employment status. Moreover, the descriptive results indicate that individuals' personal social networks play a significant role in stimulating entrepreneurial motivation. However, it is found that actual and prospective entrepreneurs prefer to serve the local area and customers rather than business growth and expansion. This is consistent with the results found in Chapter 4 where training was not positively linked to sales growth, and potentially in combination these results show that the deprived context both alters the nature of entrepreneurial intentions and goals set, while also potentially by constraining activities leads some of the barriers also previously noted.

The empirical results found a bidirectional relationship between a neighbourhood context and individuals' employment status, indicating that local residents' attitude towards employment facilitates individuals' employment; In turn, employed individuals perceive local residents' attitude towards employment as an important concern for their own employment intentions/outcomes. These findings respond to *Hypothesis 5* and corresponding sub-hypotheses (i.e. *Hypothesis 5b* and *Hypothesis 5c*).

Regarding the role of human capital obtained from employment experience in generating entrepreneurial intention, it is found that employment status positively influences individuals' control belief, which partially corresponds to *Hypothesis 3a*. Nonetheless, evidence for the influence of

employment status on individuals' self-regulatory focus and of qualification on both of the measures relating to entrepreneurial intention is not found. This suggests that the specific benefits predicted to be obtained from general human capital are greatly limited in deprived areas, corresponding to *Hypotheses 3b, 4a* and *4b*. The bidirectional relationship between self-efficacy and self-regulatory focus found is consistent with the results obtained from the secondary data (i.e. Relationship 6). In addition, the result indicates the influence of neighbourhood contexts on entrepreneurial intention at a deprived city level, particularly the influence of social-interactive mechanisms, and thus the finding responds to *Hypothesis 7*. As discussed so far, relationships found from the secondary data and survey data as quantitative data have been marked in Diagram 5.7.

Diagram 5.7¹³² Relationships found from the survey in the new entrepreneurial intention model from an overall view



Based on the results obtained from the primary survey data, the result shows that employed people are more likely to agree that local residents' attitude towards employment is an important factor influencing their employment status. This positive result is different to the assumption generated from the literature in terms of the social norm of unemployment. While Nottingham is one of the most deprived cities in the UK, it should be noted that some of the survey participants are drawn from the less deprived areas of Nottingham. It means their responses may not be representative of those living or operating in the more deprived areas of a deprived city, in other words the extreme of the

¹³² The areas highlighted in Green indicate significant and positive relationships found. The areas highlighted in Grey indicate the relationships that have not been found.

phenomenon. This is further investigated through the interviews with the participants who come from the deprived areas of a deprived city in Chapter 6. Even so, the bidirectional relationship between collective perceptions and individuals' behaviours is examined to exist.

In considering the influence of deprived neighbourhoods on individuals' entrepreneurial intention, the secondary data found that deprivation negatively influences individuals' self-efficacy and prevention focus; however, there is no impact on their promotion focus. In Chapter 4, it is assumed that it may be associated with the difference between the plan or idea and actual actions. By contrast, the primary survey data found that neighbourhood contexts positively facilitate individuals' self-efficacy and promotion focus, which seems to reveal an opposite outcome. However, the survey results also stress the important role of social-interactive mechanisms in the formation of individuals' entrepreneurial intention, instead of the influence of barriers existing in deprived contexts. An interesting point is that the descriptive result of the primary survey data indicates individuals' entrepreneurial motivation is largely stimulated by their personal social networks; however, the empirical result of the primary survey data (i.e. Relationship 10) reveals that in addition to personal social networks, the opinions and suggestions of local residents or particular peer groups, as well as the inspiration from local business owners play an important role in facilitating individuals' entrepreneurial intention. Linking with the essential difference between entrepreneurial motivation and intention proposed in Chapter 2, it is possible that individuals' initial business ideas usually come from those people close to them (e.g. friends and family); however, they tend to consider local business owners as a reference point to help determine the feasibility of setting up a business when they intend to carry out actual business preparations. Moreover, as the descriptive results show, individuals in a deprived context are more likely to start a business that mainly seeks to serve the local area or customers. In this case, local residents and peers' opinions may need to be positive to be make success appear likely, hence the important role they play.

Based on the existence of relationships found from both secondary data and primary survey data as well as the differences of the results obtained from both data sources, the next chapter analyses the qualitative data, to seek a deeper understanding of how the context and particular scenarios influence the relationships found and the differences between the two quantitative sets of results.

CHAPTER 6 QUALITATIVE DATA ANALYSIS¹³³

6.1 Introduction

This chapter presents the process for the analysis of qualitative data and detail the findings of the semi-structured in-depth interviews conducted for this research. Evidence has been found in Chapter 4 and Chapter 5 to support a number of the relationships in the new entrepreneurial intention model; this chapter interprets the responses obtained from three interview groups (i.e. six entrepreneurs who come from deprived areas of Nottingham, one government officer who is responsible for the Nottingham City Council and two training providers who specifically emphasize providing help and support to residents in deprived areas of Nottingham). The results demonstrated in this chapter indicate various possibilities to explain the relationships in the model and reveal certain unexpected reasons behind particular phenomena existing in deprived areas.

The challenge of using quantitative data means that the results - although they can be checked for statistical robustness - cannot explain how these relationships occur and their true nature. Therefore, the use of qualitative data in the form of semi-structured interviews aims to emphasize 'how' one variable impacts on another and 'how' bidirectional relationships occur. The major contribution of utilizing qualitative data is to understand the mechanisms behind the relationships identified by the quantitative data and those from the model of entrepreneurial intentions developed in chapter 2 that could not be examined quantitatively.

This chapter is structured as follows: first of all, an analytical framework for the data analysis is presented in section 6.2. Regarding the qualitative data, notably, the interactive nature indicates the process of data collection and data analysis are usually interrelated and occur simultaneously throughout the research process (Corbin and Strauss, 2008). It means there was a time gap between each interview to take account of unexpected responses or interesting thoughts and undertake a brief analysis before carrying out the next interview. This approach helps to avoid a danger of overloaded data that may be happened without the knowledge from previous interviews (Saunders et al., 2016).

¹³³ In this chapter, the quoted participants' responses are the participants' original words, which may contain grammatical errors.

As such, section 6.2 clearly demonstrates the process of data collection and data analysis in a logical way, whilst the utilization of thematic analysis for the qualitative data links with five identified major themes to explain how this analysis approach analyses the semi-structured interview responses. While the detailed information about the process of coding, creating notes and analysing themes is demonstrated in the Appendix, a brief introduction is provided at the end of section 6.2. Sections from 6.3 to 6.7 interpret the results obtained from the group of entrepreneurs. Based on their own experiences and observation of local situations, these sections reveal their general perceptions about their areas (section 6.3), factors spurring the initial idea of setting up a business (section 6.4), human capital (section 6.5), self-efficacy (section 6.6), self-regulatory focus (section 6.7) and respective relevant factors. In addition, section 6.8 interprets the results obtained from the remaining groups - a local government officer and two training providers - which link with the entrepreneurs' responses to seek consistencies and inconsistencies in perceptions about the situation of both entrepreneurship and human capital development in deprived areas as well as enacted policies or support from three different perspectives.

6.2 Analytical Framework for the Data Analysis

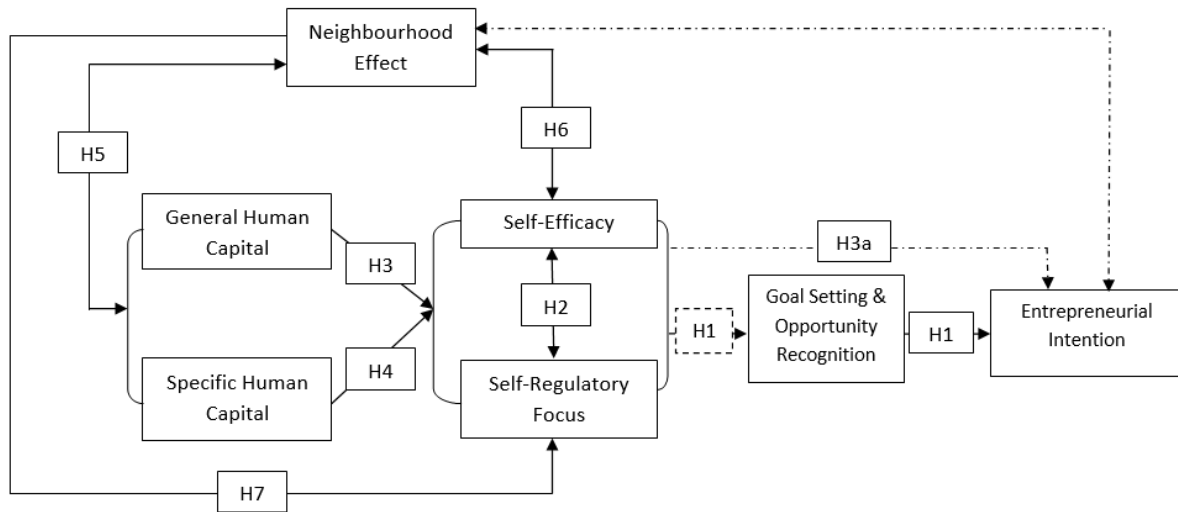
This section refreshes and extends some of the details provided in chapter 3 in terms of the details of with whom interviews are conducted, why and the overall approach with regards to their analysis. In order to answer the three research questions (RQs) listed below, a range of theoretical hypotheses (Chapter 2) and a new entrepreneurial intention model (Diagram 6.1) have been developed in this research.

RQ1: How does human capital influence entrepreneurial intention in deprived areas?

RQ2: How do neighbourhood contexts impact on human capital development in deprived areas?

RQ3: To what extent are the relationships among factors influencing entrepreneurial intention and human capital development in deprived areas bidirectional?

Diagram 6.1 A new entrepreneurial intention model with a particular relevance with deprived areas



In considering the nature of qualitative analysis, a deductive approach is utilized in this research to organize and direct the data analysis. However, theoretical frameworks may restrict participants' responses relating to the issues and fail to allow the participants' expression of meanings (Saunders et al., 2016). Owing to this limitation, a critical incident technique as a questioning approach proposed by Keaveney (1995) allows participants to describe one or more than one critical incident in detail. As such, semi-structured in-depth interviews have been carried out in the process of collecting qualitative data, which allow the researcher to ask not only open questions based on the main themes but also probing questions along with the flow of the conversation to explore unexpected perspectives. Applying open and probing questions in the interview encourages participants to provide extensive and developmental answers (Saunders et al., 2016).

In total, nine semi-structured in-depth interviews have been carried out from three groups, including six actual entrepreneurs who live in deprived areas or whose home and business are both located in deprived areas; one government officer who has responsibilities for the business growth in Nottingham City Council; and two training providers who particularly emphasize providing help and training for people in deprived areas. Each interview was expected to take 15 to 20 minutes. However, it could be better to allow participants to provide more relevant information without interruption or termination. As such, some interviews took approximately half an hour or even longer to complete.

The responses obtained from the group of actual entrepreneurs are the major data source to present individuals' different angles of views responding to the research questions, hypotheses and relationships included in the new model. Moreover, the responses obtained from the local government officer not only demonstrate the policy and support for entrepreneurship but also reveal the opinions about the situation of deprived areas from the local government perspective. However, entrepreneurs' individual perspectives or personal feelings may be over-subjective and the government perspective may tend to be generalised for the overall development. Therefore, in addition, the responses provided by two training providers who particularly focus on supporting and helping people in deprived areas are considered as playing an intermediary role to balance and evaluate the information, avoiding possible information distortion as much as possible. The details about the approach of identifying the potential interview participants and further contacting and ultimately confirming the participants have been clarified in subsection 3.5.1 of Chapter 3.

6.2.1 Data Collection

Due to the usage of semi-structured in-depth interviews and a deductive approach, the data analysis started from five major themes deriving from central terms of this research to analyse the specific codes, rather than summarizing the numerous codes into major themes. Details about the coding for each theme are presented in the next section (section 6.3). One of the contributions of this research is creating a new entrepreneurial intention model with a particular relevance for deprived areas, which is based on the existing literature and responds to the research questions. Thus, the data collection includes five major themes/topics that have been listed below:

1) Participants' description of the local areas

Before investigating the key elements of the model, participants provide a general description of their local areas. It presents a broad picture of the situation in deprived areas from local residents' perspectives. This is not therefore necessarily an objective profile of deprived areas, but rather captures how the local residents perceive their areas. While this theme is not directly related to research questions, the issues and/or particular phenomena proposed by entrepreneurs could be their primary and deep impression of their areas. In short, the responses obtained from this theme could be regarded as background provided before a specific exploration.

2) Difference between entrepreneurial motivation and entrepreneurial intention in deprived areas

In considering the nuance between entrepreneurial motivation and intention that has been proposed in Chapter 1, participants were asked to explain the reasons for ‘why did you want to set up your business/why did you have the idea to set up a business’, ‘what factors stimulated your idea’, and ‘how did you ultimately set up your business’ to identify their initial entrepreneurial ideas and subsequent actions for the establishment of the businesses. This fills in the gap in previous studies that have not clearly distinguished entrepreneurial motivation from intention, also simultaneously and directly reveals factors influencing entrepreneurial motivation. Nonetheless, factors influencing entrepreneurial intention are further analysed by linking with the themes of self-efficacy and self-regulatory focus.

3) The level of human capital and factors influencing human capital development in deprived areas

The term ‘human capital’ is one of the keywords in this research; participants’ responses pertaining to their education levels, employment status before starting the businesses and accumulation of specific human capital in deprived areas, as well as factors affecting their human capital development, have therefore been obtained. These responses are expected to respond to RQ2 and further relate to *Hypothesis 5a, Hypothesis 5b, Hypothesis 5c, Hypothesis 5d* and *Hypothesis 5* that specifically indicate the relationships between different kinds of human capital development and various deprived neighbourhood mechanisms. As is assumed in Chapter 2, there may exist a vicious circle between neighbourhood contexts and local residents’ human capital in deprived areas. As such, this data collection is also expected to obtain evidence of bidirectional relationships, which may partially respond to RQ3.

4) Self-efficacy and relating factors in deprived areas

An individual’s belief in their capabilities to achieve goals and retain a positive attitude towards the difficulties in the process of starting a new business is one of the crucial determinants which impacts on entrepreneurial intention (Drnovsek et al., 2010). Therefore, participants were asked to present their perceived confidence in starting businesses and any related factors strengthening or weakening their confidence. These responses are expected to provide different perceptions with regard to the influences of human capital and neighbourhood contexts on participants’ self-efficacy, responding to *Hypothesis 3a, Hypothesis 4a* and *Hypothesis 6*.

5) Self-regulatory focus and relating factors in deprived areas

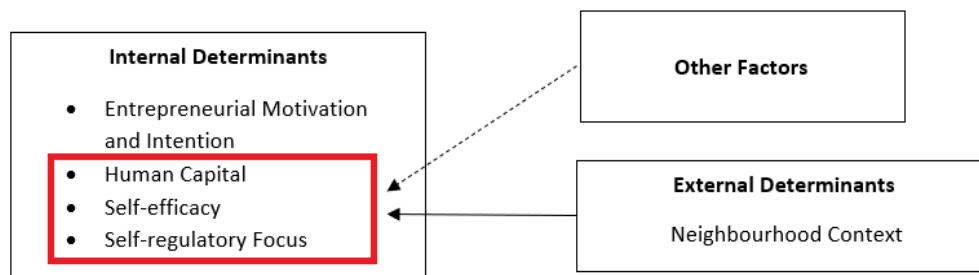
In addition to the extent of individuals' confidence in starting new businesses, self-regulatory focus as another important attribute influencing entrepreneurial intention has been also considered. This attribute reflects either in individuals' pursuit of positive and gainful opportunities with greater perseverance for completing tasks (Crowe and Higgins, 1997), or in their risk aversion towards opportunities due to the concern with potential risks or uncertainties (Trevelyan, 2011). Responses relating to the influence of human capital and neighbourhood context on these two characteristics are expected, responding to *Hypothesis 3b*, *Hypothesis 4b* and *Hypothesis 7*.

By integrating participants' responses relating to self-efficacy and self-regulatory focus, it is expected a bidirectional relationship between these two attributes is discovered, responding to *Hypothesis 2*. Meanwhile, the mediating effect of two attributes on the relationship between human capital and entrepreneurial intention is also investigated. It means human capital is assumed to be not the only factor facilitating entrepreneurial intention, which may be mediated by participants' confidence, goal setting and opportunity recognition (i.e. *Hypothesis 1*). In light of entrepreneurs' responses, it is expected to obtain possible bidirectional relationships among factors influencing self-efficacy and self-regulatory focus, which may respond to RQ3.

In brief, the major themes are divided into two broad categories, including internal determinants that include 'Entrepreneurial Motivation/Intention', 'Human Capital', 'Self-efficacy' and 'Self-regulatory Focus', and external factors that refer to 'Neighbourhood Contexts' (Diagram 6.2). Notably, while the term of 'neighbourhood' is one of the major themes, there were no direct questions pertaining to its influences on internal determinants, as asking direct questions relating to the influence of neighbourhood context on individuals' internal determinants may either limit participants' responses or there exists the possibility of guiding the direction of participants' answers. Participants were instead allowed to express their own opinions and explained factors influencing their human capital, self-efficacy and self-regulatory focus. Within these, it was expected that information would be obtained about the influence from the neighbourhood context; however, participants might provide other unexpected or interesting perspectives to enrich outcomes. If participants did not mention this point, the probing question about the influence of external environment would be asked, for example,

'Are there any factors from the local environment influencing your education attainment/employment/confidence/goal setting/business idea/business start-up?'

Diagram 6.2 Explanation of main themes



In addition, semi-structured interviews were also undertaken with a local government officer and two training providers individually. The reason for carrying out these interviews has been explained in subsection of 3.5.2 of Chapter 3 (p.75), the purpose is to make a comprehensive comparison from different angles and find out which results tend to be relatively factual and agreed upon and where distinct differences in opinion were found. Such differences might have important implications for policy and practice, as have been discussed in Chapter 7.

6.2.2 Preparing the Qualitative Data for Analysis

All interviews were recorded and saved on the mobile phone, the computer and USB drive to obviate data loss, and subsequently transcribed. However, all interviews for this research were directly transcribed verbatim based on repeatedly listening to the recording of each interview through a mobile app called 'Audio Recorder', and typed as transcriptions¹³⁴ that are saved on both the computer and USB drive. While this was time-consuming, the transcribing process enabled the researcher to become familiar with the data.

6.2.3 Analysis Approach

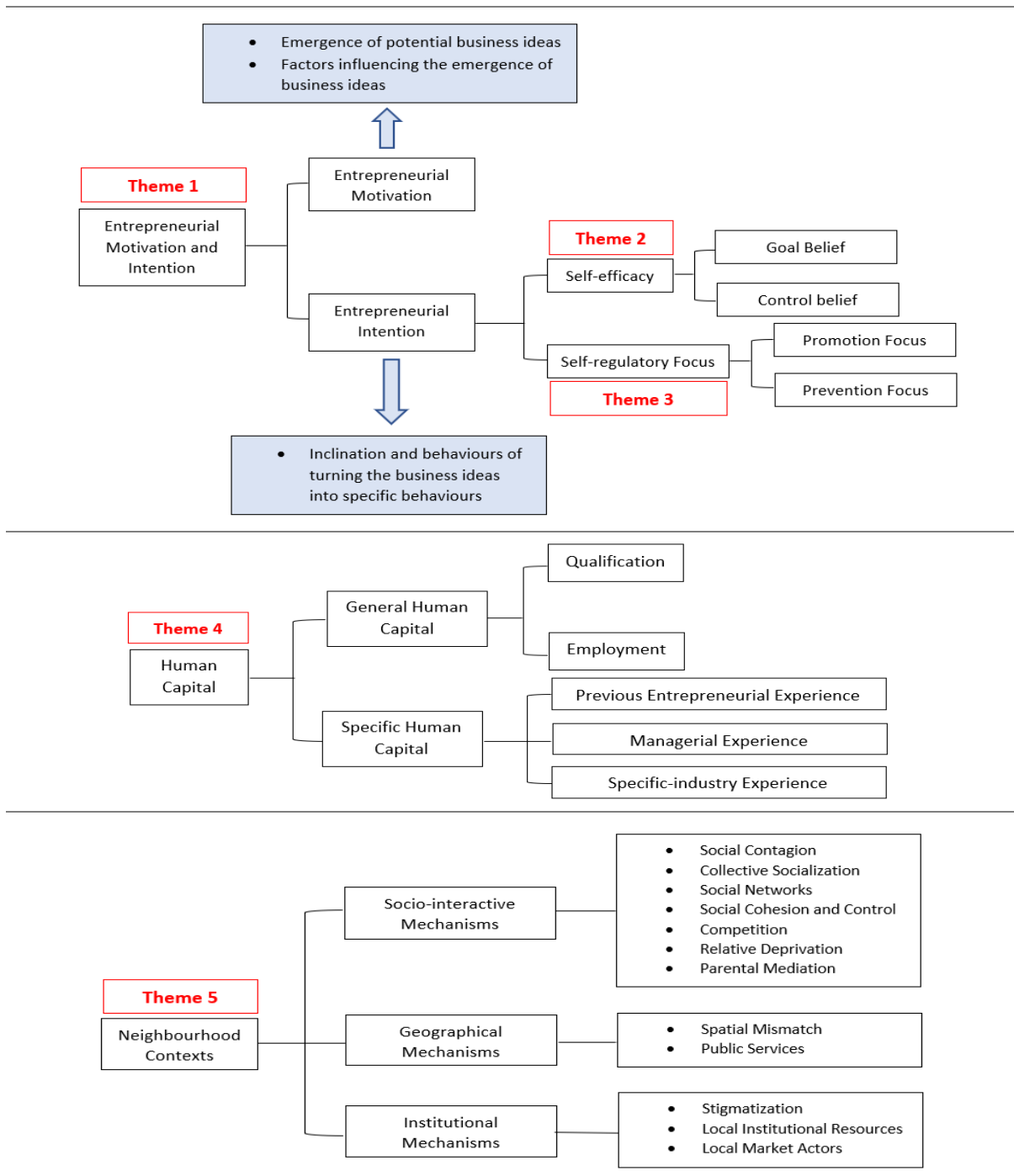
Thematic analysis is a generic approach used to analyse through identifying themes or patterns (Saunders et al., 2016), and has been applied in this research. Five major themes have been decided

¹³⁴ All transcripts are available on request.

on, based on the central terms of the research questions and utilized as the major interview topics in the process of collecting qualitative data. However, it does not mean thematic analysis is not applicable to qualitative data analysis for this case.

Diagram 6.3 demonstrates self-efficacy (i.e. Theme 2) and self-regulatory focus (i.e. Theme 3) as two measures of entrepreneurial intention (i.e. Theme 1) and different types of human capital (i.e. Theme 4) and neighbourhood contexts (i.e. Theme 5), as discussed in Chapter 2. This research aims to systematically find out how different types of human capital influence individuals' entrepreneurial intention; and how different neighbourhood mechanisms impact on human capital development in deprived areas, rather than emphasizing the broad influence of human capital and external environment. It means responses are further coded into a range of sub-themes/nodes that are refined from the five main themes. Furthermore, this research study also investigates how different neighbourhood mechanisms, human capital and entrepreneurial intention bidirectionally relate to each other in deprived areas, which is analysed through these sub-themes/nodes. In short, using thematic analysis can be regarded as building a node tree: the major themes are parent nodes and refined themes are child nodes at different hierarchies. It is worth noting that the hierarchy diagram shows the different categories of major themes based on the existing literature; however, the collected responses may not respond to every category.

Diagram 6.3 Measures of entrepreneurial intention, categories of human capital and neighbourhood contexts



In considering the length of detailed information about the process of coding, creating nodes and analysing the responses obtained from three interview groups, the detailed information about these aspects has been demonstrated in separate appendices (i.e. Appendix 15 to Appendix 22). Appendix 15 presents the details of the process of generating initial codes for the responses from the entrepreneur group, which starts from the coding preparation (i.e. interview transcripts and taking initial notes), to categorizing coding for different groups and the sequence of coding. This process is

based on the five major themes that are drawn upon the components in the new entrepreneurial intention model. In other words, the information in Appendix 15 indicates the progress of the first coding. Moreover, the details of the process of coding entrepreneurs' responses and creating nodes for each theme have been illustrated in Appendix 16 (Theme 1 'General Perceptions about the Local Areas'), Appendix 17 (Theme 2 'Entrepreneurial Motivation and Intention'), Appendix 18 (Theme 3 'The Level of Human Capital and Factors Influencing Human Capital Development in Deprived Areas'), Appendix 19 (Theme 4 'Self-efficacy and Relating Factors in Deprived Areas') and Appendix 20 (Theme 5 'Self-regulatory Focus and Relating Factors in Deprived Areas'). Regarding the responses from the government officer and training providers, on the other hand, the detailed information about the process of coding and creating nodes as well as the process of analysing the responses has been presented in Appendices 21 and 22 respectively. Most importantly, Appendix 22 illustrates how the responses from the three groups are linked to find out the consistent and differing perspectives, which enriches understanding about the situation of entrepreneurship and human capital development in deprived areas. Based on an understanding of the process of coding and analysing the qualitative data, the following sections will present and interpret the results of qualitative analysis.

6.3 Entrepreneurs' General Perception about Deprived Areas

Before specifically discussing the individuals' human capital, entrepreneurial motivation or intention, and the influence of the local environment in deprived areas, participants were asked to provide their general opinion about the local area. It not only helps to provide a broad picture about how local residents perceive their local areas, but also enables comparisons to be made with those issues identified by previous studies and any differences highlighted. The detailed information about entrepreneurs' demographic information and their businesses is shown in Appendix 23.

The results indicate that local residents do not hold a positive attitude towards the local environment in deprived areas. Participants' general perception¹³⁵ reveals that deprived areas with a mixed demography have a high level of poverty and unemployment, a lower level of family income and living costs, a bad reputation derived from anti-social and criminal behaviours, inappropriate liveability and poor school quality, which is consistent with three major issues causing a persistent disadvantage in localized areas of the UK identified by previous studies (Cabinet Office, 2005; HM Treasury, 2007).

¹³⁵ Participants' original expressions about their local areas have been provided in Appendix 24.

Meanwhile, the issue of family abuse has been specifically pointed out in deprived areas (Featherstone et al., 2017).

Regarding the deprivation, Participant F has provided a slightly different opinion by dividing the people into two groups in such areas. He claimed that a part of the population lives in a very deprived situation and is desperately stuck with a tough position, which links with major barriers mentioned before such as low income and poor local school quality. By contrast, some people, an even smaller percentage, are attempting and trying to overcome it. Previous scholars have pointed out that people who have choices may move out of the neighbourhood, only the most disadvantaged residents are left (Permentier et al., 2009; Van Ham and Manley, 2010), and those remaining residents may feel trapped in the local neighbourhood, further aggravating the problematic reputation (Kearns and Parkinson, 2001). Participant F also argued: *'the students and the locals do not really mix unless it is very separate living'*. This links with the influence of neighbourhood contexts to be further discussed in the later sections (section 6.5, section 6.6 and section 6.7).

In addition, Participant D provided a moderate response; she did not provide a detailed or strongly negative description about the local area except for a couple of loud neighbours. However, her response does not mean she has a positive impression of the local environment. She claimed: *'it is not that bad because we are still there'*. This response can be explained by Participant E's description, *'I have lived there most of my life, so I feel kind of climatized to it'*. One of the possibilities could be that people cannot leave the local area immediately; therefore, the only option is accepting and adapting to the local environment. If they had other living options, as Participant E stated, *'I would like to live somewhere nicer'*. Compared to those residents who have the option to move out (Permentier et al., 2009; Van Ham and Manley, 2010), some residents who would prefer to move to other places, but do not have the choice or do not have the capability to move out, are more likely to adapt to the local environment. However, another possibility could be that people do not appreciate what they actually have.

6.4 Entrepreneurs' Entrepreneurial Motivation and Entrepreneurial Intention in Deprived Areas

In this section, the responses provided by participants distinguish their entrepreneurial motivation and intention by presenting the influential factors between these two related terms and illustrating how they occurred at different time points or in different situations. As mentioned in the methodology

chapter, participants' responses not only reflected their own experience and opinions, but for some points also mentioned a general situation in their local areas¹³⁶. Based on participants' description of the general situation, it cannot be clearly and accurately identified whether people have established their business. Therefore, 'entrepreneurial motivation and/or intention' is used to represent individuals' inclination for entrepreneurial activities in deprived areas. Subsequently, participants' responses demonstrate psychological or behavioural changes at different time points to distinguish the difference between entrepreneurial motivation and intention.

In terms of entrepreneurial motivation, as mentioned in Chapter 2, it is proposed that individuals' emotional reactions or initial ideas about business start-up, which relates to the question with regards to the occurrence of an initial idea such as 'Why did you want to start a business?' or 'Why did you have the idea to start a business?' As Participant B described:

'Other studios, they are just at a standstill, they are not seeking at get better art work, you know, or create better work, they are just seeking money, that is all they are doing. I would not say they are entrepreneurs, I refer to people like that as opportunists, and there are a lot of them around this day and age. I can most certainly say, if you set any kind of business up there will be an abundance of opportunists, especially in communities like deprived areas where people try and latch on to an idea you have and try and create another variation of it because people do get desperate trying to accomplish something, I think everyone creates to accomplish more than they are worth, and some people have got it, like I say they are entrepreneurs, they have it and the people that go out and seek higher education they have it, they have an understanding of what a business is. The other people are just people that are followers'

By combining Participant B's description about the inclination for entrepreneurial activities with Participant F's broad perception for deprived areas mentioned in the previous section, it reflects that the population in deprived areas tends to be relatively polarized. Regarding entrepreneurial motivation, the general result found that a strong desire to make variations and gain achievement (i.e. 'Entrepreneurs') and a pursuit of money or monetary demand (i.e. 'Opportunists') are two major drivers spurring individuals' entrepreneurial motivation in deprived areas. Previous studies have divided individuals' entrepreneurial motives into two categories, namely opportunity-based and necessity-based: the former category refers to those people who endeavour to exploit perceived business opportunities and the latter category refers to those are pushed into entrepreneurship

¹³⁶ For interpreting the results obtained from interview data, participants' overall perspectives derived from their observations of other residents and local context are presented as 'general situation indicates...', while participants' own experiences are particularly clarified.

because of limited work choice (Benz, 2009; Bosma and Harding, 2006; Bosma et al., 2008; Bridge et al., 2003; Devins, 2009). Briefly, the focus of previous studies is on whether entrepreneurial motive is an active inclination or a passive choice. However, the results revealed so far do not indicate the proactivity or passivity of entrepreneurial motivation, which needs to link with individuals' employment status in deprived areas, to be explored in the next section (subsection 6.5.1).

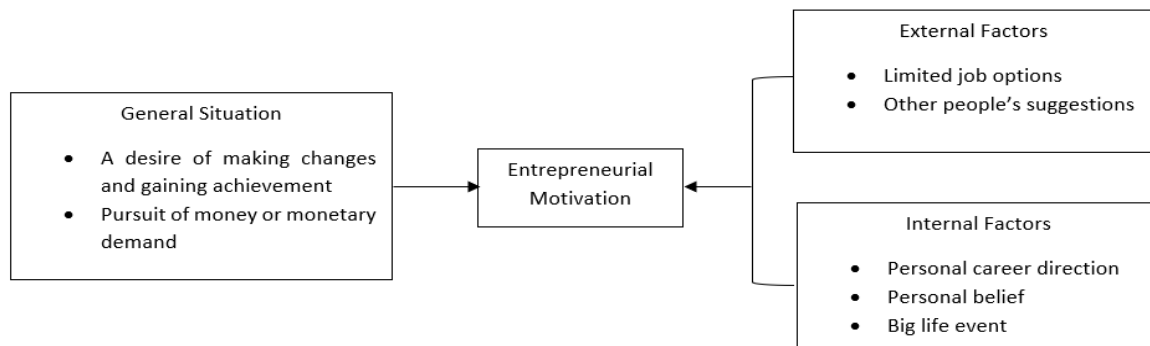
Moreover, it is found that the informal economy (i.e. illegal business) is a phenomenon prevalent for entrepreneurial activities in deprived areas. Participant C claimed: *'A lot of people who are already entrepreneurs run illegal businesses, they are not working within the system, or they are working outside the law'*. In this sense, the general situation reveals that local people's perceived opportunity is one of the reasons facilitating business start-ups in deprived areas. The difference is that *'Entrepreneurs'* perceive the opportunity to make variations through their businesses, whilst *'Opportunists'* and *'informal entrepreneurs'* may perceive the opportunity to make money either through imitating or following others' ideas, or through an illegal way, because those ideas do work in local areas. In considering the further questions of *'Why and how individuals ultimately establish their businesses'*, there needs to be a link with other aspects to be explored in the following sections.

In addition to the overall condition in deprived areas, the results obtained from participants' responses indicate that in deprived areas, entrepreneurial motivation is spurred either by external factors, such as limited job options (i.e. *'I think that the most encouraging thing to start my business was the bad state of an employment choice open to me'*) and others' suggestions (i.e. *'When the previous owner gave the business up, the landlord offered me the lease'* or *'The first idea I had of being self-employed was from going to Confetti'*), or by internal determinants such as personal career direction (Participant D: *'I have always wanted to do this, so I studied it and wanted my own business. I have known that I wanted from a very young age and always pursued that'*), personal belief (Participant C: *'Everything I did, did not come from me. It came from the spirit, from Jesus'*) or a big life event (Participant F: *'I had a medical emergency, I nearly died in hospital. When I came out of the hospital, then it made me think, you have been working in clothing shops, nightclubs, all these jobs that do not really have prospects, and I thought, what are you good at doing?'*). By integrating the results directly pertaining to general and participants' entrepreneurial motivation, it is shown that while difficult situations, such as limited job choices, are a factor behind the stimulation of the idea of starting a business, the general entrepreneurial motivation tends to be mainly based on opportunity recognition through different ways, and most participants' entrepreneurial motivation is more likely

to be affected either by others' suggestions or personal determinants. In light of participants' self-reporting, entrepreneurial motivation in deprived areas is liable to be as a result of individuals' active behaviours, rather than a passive choice.

This result also stresses that entrepreneurial motivation stays at the individuals' emotional level or they cling to an initial idea. An example from Participant E's description about his first business idea could support this point. He claimed, *'I eventually gave up (the business idea) as I come up and watched another dude play and he was really good, and I was like, I am not going to get anything'*. This response reveals the entrepreneurial motivation is a personal feeling or a desire, it does not mean the implementation of subsequent actions, it may be easily ended by other factors. From this perspective, individuals' desirability and feasibility can be at odds with one another. Factors influencing individuals' entrepreneurial motivation in deprived areas have been displayed in Diagram 6.4.

Diagram 6.4 Factors influencing entrepreneurial motivation in deprived areas



On the other hand, the results suggest that individuals' entrepreneurial intention is reflected in the preparation activities before the ultimate action of taking over the business from the previous occupiers; or in developing further learning and acquisition of relevant knowledge for business start-up through different channels, such as advanced courses, short-term courses and entrepreneurship workshops (e.g. Participant E: *'It was really enlightening having everything explained to me and then eventually getting a mentor and really getting into great depths on this is what you need to do, this is what you are going to be faced with'*). It is clearly seen that individuals' initial ideas have turned to undertaking specific activities relating to business start-up. Therefore, entrepreneurial intention is

manifested in the subsequent actions after the initial idea. As proposed in Chapter 2, entrepreneurial intention is more likely to be linked with entrepreneurial behaviour. As discussed so far, the subtle but important difference between participants' entrepreneurial motivation and intention has been clarified, however, factors encouraging them to strengthen the entrepreneurial intention from motivation have not been revealed. It is necessary to consider the question of 'What factors stimulate individuals to start the preparation process for business start-up' in detail by further exploring the role of human capital and two crucial constructs relating to entrepreneurial intention, namely individuals' self-efficacy and self-regulatory focus, which are examined in sections 6.6 and 6.7 respectively. Before this, the next chapter explores individuals' human capital levels and factors affecting human capital development in deprived areas.

6.5 Human Capital Development and Influential Determinants in Deprived Areas

This section aims to discuss the factors influencing individuals' human capital development in deprived areas. The revealed neighbourhood effects explain how a deprived context influences individuals' human capital (i.e. RQ2) and bidirectional relationships among different types of neighbourhood mechanisms that influence human capital in deprived areas (i.e. RQ3). Individuals' educational attainment and employment status in deprived areas are presented first to provide a general perspective on the level of general human capital in deprived areas (subsection 6.5.1). Factors influencing both qualifications and employment are subsequently discussed in subsection 6.5.2 and subsection 6.5.3 respectively, the purpose being to understand influences of different neighbourhoods on participants' general human capital development, such as geographical, institutional (*Hypothesis 5a*) and social-interactive mechanisms (*Hypothesis 5b*). Meanwhile, it is expected to explore how individuals' level of general human capital or their attitude towards education and employment reciprocally influence the whole situation of general human capital through social interaction in deprived areas (*Hypothesis 5c*). Furthermore, it is expected to reveal what neighbourhood mechanisms hinder individuals' development of specific human capital (subsection 6.5.4.) responding to *Hypothesis 5d* and comprehensively examine bidirectional relationships between human capital and neighbourhood contexts in deprived areas (i.e. *Hypothesis 5*).

6.5.1 General Human Capital Level in Deprived Areas

In terms of qualification level, it is found that most individuals do not have higher qualifications; they even in some cases have no qualifications at all. As Participant A stated: '*Certainly, they (people in her*

area) do not have good education, I think lack of good education is a big issue, a big factor for employment'. While participants did not mention the general education level in their areas when they were asked to describe their personal perceptions about the local areas, Participant A's response reveals this point, which is consistent with results found in previous studies (Dietz, 2002; Galster, 2002). Also, it indicates one of the possibilities resulting in a higher level of unemployment in such areas. Although the overall qualification level in deprived areas is lower, it is also found that there is still a section of the population achieving higher education levels in deprived areas. For example, two participants were at the other end of the spectrum and achieved higher qualification levels (i.e. NVQ level 4).

In considering individuals' employment status in deprived areas, it is found that *'Many (people) in my area are unemployed'* (Participant A) and *'It can be hard getting a job'* (Participant B) are the common response reflecting the difficulty of getting employed in deprived areas. Even for those are employed, Participant D claimed: *'The jobs are low paid and usually in the service sector such as McDonald's or working for the local shops that serves the local people'*. Participants' employment status is also consistent with the general employment situation in deprived areas, regardless of the qualification level.

In this case, linking back with the two categories of individuals' entrepreneurial motivation (i.e. opportunity-based and necessity-based) in deprived areas mentioned in the previous section (section 6.4), the finding shows that individuals are usually either unemployed or low-paid employed. If considering the difference between opportunity-based and necessity-based in nature, participants' entrepreneurial motivation could be more likely to be necessity-based rather than opportunity-based because of possible monetary demands or limited work options. However, the result directly pertaining to individuals' entrepreneurial motivation shows it tends to take the form of active behaviours rather than a passive choice in section 6.3. Previous studies applying in-depth interviews have revealed that entrepreneurship can be simultaneously facilitated by both negative experiences such as unemployment, and positive experiences such as opportunity recognition or a sense of achievement (Acs and Kallas, 2007; Friedman, 1986; Sherrarden et al., 2004). As demonstrated before, Participant D's responses propose another possibility that he started the business because he did not consider finding a job and was reluctant to be an employee, even though he achieved higher qualification levels. These gaps in findings reveal that difficulties in the employment situation may be a facilitator encouraging individuals to consider entrepreneurial activities as an alternative

employment option in deprived areas. However, the unemployment situation does not mean all individuals' entrepreneurial motivation is necessity-based. Also, qualifications are not the only reason necessarily determining individuals' employment status in deprived areas. This links with the mediating role of self-efficacy and self-regulatory focus in the influence of individuals' general human capital on entrepreneurial intention (i.e. *Hypothesis 3c*) in the later sections (section 6.6 and section 6.7). Before exploring this, the chapter first considers the factors influencing human capital development in deprived areas.

6.5.2 Influential Determinants for Qualification in Deprived Areas

In light of participants' responses, it is found that: disadvantaged school location; poor school quality and environment; peers' inappropriate behaviours; and negative role models are the major barriers to the academic attainment of local residents in deprived areas. Also, the results show learning disabilities (e.g. Participant B: *'I had dyslexia and stuff like that, I had lots of things holding me back in that sense'*) and self-acceptance (i.e. Participant A: *'I am not majorly academic, but I have studies to the reasonable academic level'*) are two other reasons to explain individuals' education levels.

A poor school quality reflects a limited institutional local resource in deprived areas (Galster, 2012). The result shows that it links with a disadvantaged geographical proximity and a low level of family conditions, negatively influencing the chances of achieving higher educational attainment in deprived areas. For example, people need to travel if they want to go to a better school. However, families with lower incomes cannot afford the travel costs, which restricts the opportunity to study in a better environment. This issue is related to residential location and/or choice, which is further explained by Participant E's description of general situation in deprived areas. He stated: *'it is affordable to live'*. This finding shows that a lower household income level binds them to the local area. In other words, a part of the population wants to move to other better places, however, their financial capabilities do not allow them to do so.

Meanwhile, physical discomfort caused by a low level of family income - such as hunger - further hinders people's learning capability and motivation, particularly in a disadvantaged school context with poor facilities and insufficient materials. In considering the connection between a disadvantaged geographical proximity, lower family income and poor school quality, the finding is consistent with McNally and Blanden's (2006) study, which stresses that children from lower-income families might

not engage in and/or attain a comprehensive education because better schools are usually located in more affluent areas. From this perspective, family income level is associated with institutional and geographical barriers for educational attainment in deprived areas. It means that families with lower income levels recognize these barriers; however, a disadvantaged family condition does not allow them to live in a better location, due to the consideration of living costs or their limited ability to move to a better area.

With regard to the negative influence of peers' inappropriate behaviours and local role models on individuals' educational attainment, it is found that the social interactive environment not only refers to a deprived neighbourhood environment: the school environment can also be considered a narrow version of the social-interactive environment for young people (Bramley and Karley, 2007). The school, as an important part of the social, institutional and physical environment, plays a crucial role in young people's daily lives (Bernelius and Kauppinen, 2012). Local role models broadly include those people who are representative, influential, or imitated and followed by others in a deprived neighbourhood, such as parents, relatives and local residents. Peers specifically refer to individuals in a school environment, and those peers who behave inappropriately can also be considered as negative role models for young pupils in schools. This aspect links with participants' responses to be specifically pointed out.

From a broad perspective of the deprived neighbourhood environment, the results show that street racers and drug dealers can be regarded as local role models creating big distractions and unfavourable environment for studying to a large extent. Some responses in relation to local role models have been presented, as follows:

Participant B: *'When I was growing up, there is a lot of crime, a lot of friends turned to crime and that is where we started really, stealing car stereos, and nicking motorbikes and having fun, and smoking. Whatever, it was just a more fun way of doing something than going to educate yourself'*

Participant E: *'In the area that I live, there is a lot of bad people in a sense and it's like, if I want to be friends with them and have a social life at that time, I would have to do things are not very good, and it would negatively influence my school life'*

Participant F: *'I discovered clubbing before my exams, I came onto the scene, I came from an area where not many people in school achieved. I am not going to blame that on wrong role models or stuff like that, it was just how it was'*

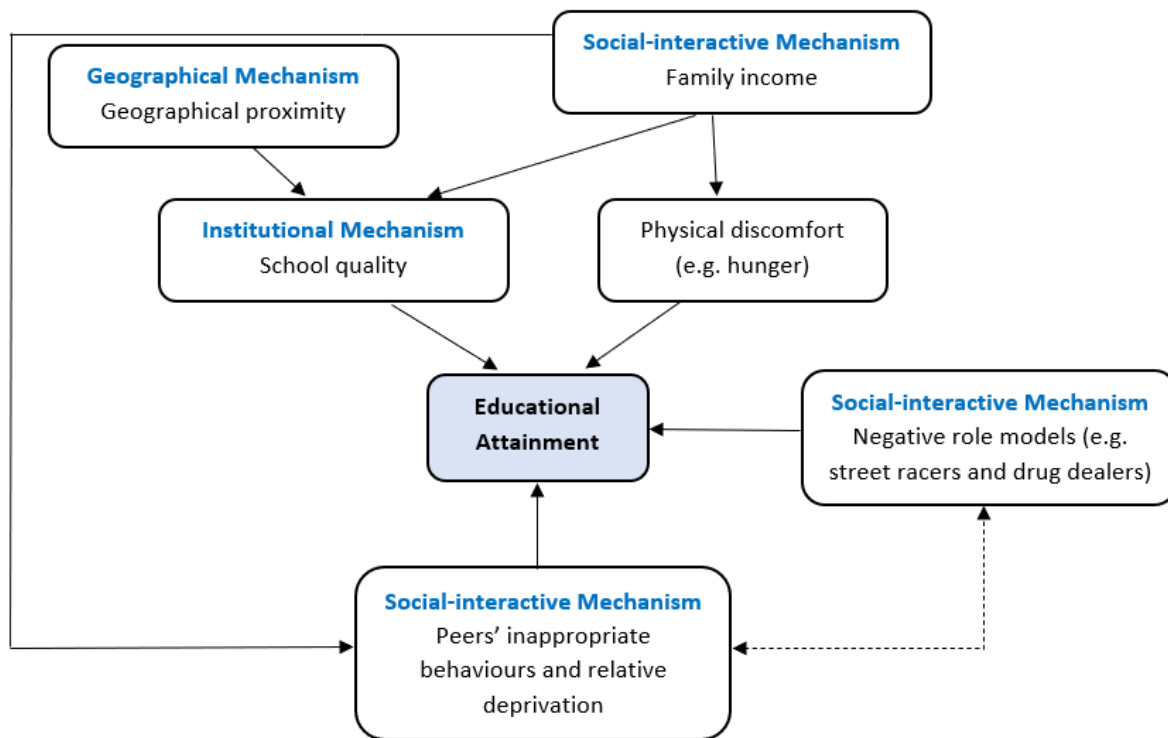
Regardless of whether participants initially would like to conform or whether participants did not want to be isolated, they ultimately blended into that environment. It reflects the influence of social contagion as one of the social-interactive mechanisms affecting individuals' attitude towards education, further negatively influencing their educational attainment. It is also revealed a phenomenon where the percentage of the population belonging to the positive side of the polarization (pro-education) might be further limited. Compared to being forced to blend into the environment, the result gained from Participant B's responses reveals that an even worse situation exists where some children and young people are more likely to feel it is interesting and enjoyable to participate in inappropriate, even criminal, behaviours, rather than spending time on their studies or other conducive activities. It is possible that the natural inclination of these children and young people may generate their inappropriate behaviours, even becoming negative role models themselves, in the school context, which is discussed below.

From the perspective of the school environment, it is found that peers' inappropriate behaviours tend to target those students with better grades (e.g. Participant B: *'Lots of my course work went missing, so I did not get the grade. There was a couple of people that do get kind of jealous about, you know, they used to call me A-cander'*) and simultaneously reflects in their own negative attitude towards education (i.e. *'I saw some kids falling asleep on their desk for badly behaved'*). This reflects the relative deprivation as one of the social-interactive mechanisms. Van Ham et al. (2012) have stated that residents who achieve some socio-economic success trigger their less-well off neighbours' envy: those neighbours would perceive their own relative inferiority as a source of dissatisfaction. In a deprived context, 'a good student with a better grade' could represent a certain sense of success in the school environment, leading to peers' dissatisfaction probably both for themselves and 'the good student', or a sense of so-called inequality.

In brief, the result demonstrated in Diagram 6.5 indicates that geographical (i.e. geographical proximity) and institutional (i.e. the difficulty of accessing high-quality schools) obstacles are objective environmental limitations for individuals' educational attainment in deprived areas; and the social interaction among family (i.e. family condition/parental meditation), peers' inappropriate behaviours and negative role models further limit the options for local people to achieve better or higher educational attainment. Accordingly, these results partially explain how geographical, institutional (*Hypothesis 5a*) and social-interactive mechanisms (*Hypothesis 5b*) impact on general human capital in deprived areas. Notably, Bernelius and Kauppinen (2012) have proposed that the influence of both

neighbourhoods and schools should be considered when studying young people’s educational outcomes. They argue that studying one without the other probably results in a biased conclusion. Thus, the circle constituted of family, peers and local role models needs to be further explained in detail.

Diagram 6.5 Factors influencing educational attainment in deprived areas



By further investigating the factors triggering the negative influence of peers and local role models, it is found (Appendix 25) that a lack of favourable extracurricular activities and places is a common issue causing the misconduct of children and young people. For example, favourable activity facilities such as *‘the land, the green and football field’* were taken away for economic development (e.g. housing), whilst libraries and sports halls, as well as community, youth and health centres, have been closed. Citing a participant’s response, the direct influence is *‘There was a big possibility to go out to cause trouble or like, nick things or things like that, because that was the way it was (in deprived areas), there are not a lot of things there for kids to do’*. Moreover, a study emphasizing South African children’s perspective on gang activity reveals that a lack of access to after-school activities increases the attractiveness of gangs for children (Burton, 2007). As such, a lack of favourable facilities is one of the

negative institutional mechanisms triggering the possibility of inappropriate and criminal behaviours in deprived areas.

Furthermore, it is found that children's behaviours are also caused by parents' neglect of guiding children's behaviour or by providing less care for their children, because parents' limited capabilities to support their children's study or their limited time and attention given to children's development is derived from heavy pressures on living. More importantly, the result reveals that children's behavioural issues are not only related to the family income; there exist generational issues such as abusive histories, drug or alcohol abuse, panic attacks or mental health problems. Children who experience abuse and/or neglect at an early age are more likely to face the situation of delayed or impaired development of language and communication skills, further influencing their social and educational development (Petersen et al., 2014). This could link with the learning disability that has been previously pointed out as one of the possible factors hindering educational attainment in deprived areas.

As discussed above, the social-interactive mechanism (i.e. family condition/environment/parental mediation) and institutional mechanism (i.e. scant public facilities) cause the inappropriate behaviours of peers and local role models, as individuals. Notably, it is found that people's behaviours and performance in school link with the social environment they get involved in. It means peers who have inappropriate behaviours could also be considered negative role models in the school environment. These peers may be influenced by negative role models or the neighbourhood environment outside the school, whilst peers could be negative role models in the school context. The connection between negative role models and peers has been displayed as a dotted line to show a bidirectional relationship in Diagram 6.4 above. The result also indicates that schools may not understand and deal with students' problems derived from other aspects of the social environment, such as family and the neighbourhood environment outside the school. As Participant C claimed, *'the only standard for the school to evaluate students is the exam grade. Schools are only made to be an industrial revolution system of taking the kids from a factory where if they cannot pass their exams'*. This could be related to poor staff quality and school management issues.

Since no qualifications or low qualifications become a normal and acceptable phenomenon in deprived areas, the attitude towards education and behaviours of most peers and local role models

forms a social norm encouraging other individuals to conform. If an individual's behaviour is different to most people's, it would seem to be hard to blend into the group that is regarded as the prevalent behavioural standard, regardless of whether the prevalent behaviours or universal opinions are correct or not. As Participant B claimed before, peers would make fun of the student with a higher grade through giving them a nickname based on their jealousy. It reflects the influence of individuals' attitude towards education on shaping a particular educational environment and behaviours through collective socialization, because they want to homogenize people in the local area.

This phenomenon also explains the participant's self-acceptance or self-satisfaction for the achieved educational level mentioned at the beginning of this subsection; it is reasonably deduced that the achieved educational attainment is higher than other people around them or in the local area, which decreases the desire to further seek a higher qualification. Therefore, a bidirectional relationship between a deprived neighbourhood context and local residents' education levels has been found, partially corresponding to *Hypothesis 5c*.

6.5.3 General Human Capital: Factors Influencing Employment in Deprived Areas

Regarding the influence of neighbourhood context on employment, it is found that people from deprived areas feel it is hard to get a job because of job interviewers' negative attitudes derived from local people's criminal records, a bad reputation or the stigma attached to such areas. For example, one participant described his interview experience as:

'I have always found in the past trying to get jobs is always difficult, because as soon as where I live came into the equation, and it was very quickly dismissed... as soon as one of people interviewing me would say about where I live and St Ann's in the equation, it would completely change the subject and then I would not get the job at the end of it'

By contrast, a few responses indicate that it is easy to find a job, however, the jobs are low-paid and usually in the service sectors, as has been mentioned in the previous section (subsection 6.7.1). It is also found that funding and available job positions are lacking in the local job centres. As Participant E claimed, *'I got very lucky and I was very grateful for that, I was probably 1 in 20 that gets somewhere off it'*. It means he was employed because there was certainly a small element of luck, rather than that there was a favourable labour market providing employment opportunities. In considering employment, certain neighbourhoods may have little accessibility to job opportunities, due to the difficulty in matching local residents' skills with appropriate job positions, a situation which is called

‘spatial mismatch’ and forms one of the geographical mechanisms that plays a role (Galster, 2012). This situation seems to keep people stuck in the local area; Participant E pointed out that starting a business and benefiting from higher education are two factors enabling people to move beyond this situation. While the previous subsection (subsection 6.5.1) proposed that qualifications are not the only reason determining individuals’ employment status in deprived areas, Participant E’s response reveals that a higher qualification can be regarded as an element that helps individuals to gain more working or living options outside the local environment. For example, Participant D with a higher qualification found a job in London in spite of the earnings being low. While there is no evidence to show higher qualifications directly associate with employment, it is deduced that a higher qualification at least acts as an encouragement allowing individuals to try to find a job in another place to escape from the local environment. When asked the reason of why she came back to her original city and area to set up the business, interestingly, the answer is related to the availability of enough working space with affordable rents. This response is consistent with Flogel and Gartner’s (2015) perspective of deprived neighbourhoods as capital for enterprises because of economically underused space. Individuals like Participant D are called ‘spatial pioneers’ who discover and utilise underused space as a resource for the new usage (Christmann, 2013; Faber and Oswald, 2013).

Interestingly, the results indicate that the provision of welfare is one of the factors mitigating some people’s emotional and mental pressures from being unemployed, leading them to be not willing to, or not feeling an urgent need to, look for a job. As Participant E claimed:

‘I know a few people that feel that they are happy the way that they are, living off the state, to be fair, this is for them to choose, and not for me to say it is right or wrong. But that is how they live their life in a bad area, and they do not get a lot of money, they survive’

It does not mean the behaviour of relying only on government welfare has shaped a social norm of being unemployed in deprived areas; however, it is a phenomenon existing in deprived areas which is regarded as one of the reasons for unemployment. Even from an overall view of the UK, a state of the nation report published by HM Government (2010) points out that welfare dependency remains a significant problem in the UK, because the welfare system does not provide incentives for people; on the contrary, people perceive the provision of welfare as a way out of poverty.

The results show that stigmatization, caused mainly caused by the prevalence of anti-social and criminal behaviours and spatial mismatch relating to the difficulty in matching local residents’ skills

with appropriate job positions, hinders employment opportunities in deprived areas. These findings demonstrate an explanation in response to *Hypothesis 5a* and *Hypothesis 5b*. These determinants also tend to explain the phenomenon of why deprived areas have a higher level of unemployment and a lower income level.

As mentioned in subsection 6.7.2, individuals' limited ability to guide their children's behaviours and invest in children's development, on top of the living pressures caused by a lack of general human capital, result in the possibility of child neglect. Meanwhile, family historical issues, such as child abuse, further intensify the formation of inappropriate and criminal behaviours among young people and local role models in deprived areas. In Bywaters et al.'s (2016) report, it is indicated that there is a direct influence of family socio-economic circumstance on the prevalence of child abuse and neglect, caused through material hardship or a lack of financial support for investment, and an indirect influence is triggered by parental stress and neighbourhood contexts. Clearly, there is a vicious circle existing between social-interactive mechanisms (i.e. parental mediation, social contagion and collective socialization through peers and local neighbours) and the development of general human capital (*Hypothesis 5c*). The persistent existence of this vicious circle in deprived areas is through intergenerational transmission.

Accordingly, the responses have explained how different neighbourhood mechanisms influence the development of general human capital. Also, to some extent, how neighbourhood mechanisms that affect individuals' general human capital bidirectionally impact on each other has also been found, responding to RQ3. With respect to factors influencing general human capital in deprived areas, it is found that institutional, geographical and social-interactive mechanisms impact on individuals' educational levels and employment status. Also, different neighbourhood mechanisms affecting individuals' general human capital bidirectionally influence one another, which explains *Hypothesis 5* and, to some extent, responds to RQ3.

6.5.4 Factors Influencing Specific Human Capital in Deprived Areas

Due to a low level of educational attainment and higher unemployment rate in deprived areas, it is found that people's insufficient general human capital in deprived areas restricts their development of specific human capital. For those people who previously worked as employees, it is found that they lack specific human capital, particularly previous entrepreneurial experience and managerial

experience. Also, some people previously worked in different industries (i.e. Participant A: *'I have worked for many industries'*); or the previous industry they worked for is not closely related to their current business (i.e. Participant E: *'My business is quite different to my previous job'*); thus limiting their accumulation of specific-industry experience or causing the limited application of previous specific-industry experience to the current business. Under this circumstance, it is necessary to propose a question of 'How did people establish their business?' Some responses have been provided as follows.

Participant B: *'I learnt myself and spent a year going online, researching information, getting everything, using online to get as much information about his new skill that I wanted to acquire'*

Participant E: *'Basically, I learnt a lot of how to run a business on the Prince's Trust courses. It was really enlightening having everything explained to me and then eventually getting a mentor and really getting into great depths on this is what you need to do, this I what you are going to be faced with'*

Participant F: *'It was a short-term course, it was over a year and it was specialized basically on traditional bags making techniques. It shows you how to do handles and straps. You can do turn bags, different constructions of turn bags, raw edge bag. I think the course I did was all practical in making a bag'*

In light of participants' responses, it reflects that some people who have a lower level of general human capital that further hinders or limits opportunities for them to accumulate specific human capital are intending to find a way to make up for their absent knowledge. For example, the short-term courses or entrepreneurship workshops they chose to take part in are either related to essential knowledge about the procedure of establishing and managing a business or specifically associated with the skills in a particular industry they will run a business in. Moreover, it is found that self-learning from online research is another way to look for the required information. In brief, people with scant specific human capital apply different channels to search and look for knowledge and skills that are more specific to their businesses, before the business start-up.

For those individuals who used to be freelancers, they are called dependent self-employment referring to self-employed workers as employees previously worked for the same employer with the same task (Roman et al., 2011). Therefore, their general work experience is regarded as previous entrepreneurial experience. The result obtained from this group of participants reveals that if there is a consistency between the previous experience and the current business, managerial experience and specific-industry experience are gained from the previous entrepreneurial experience. For example:

Participant A: *'I have lots of things that I can transfer to this business, like cash handling, banking, balancing the books, knowing how profit margins work. I have driven for the whole sellers, I have worked in the shop and industry, I have seen all sides of this industry, so I have better over all of you and I knew I was get into'.*

It can be seen that previous entrepreneurial experience provides the opportunity to accumulate experience of how to manage the operational procedures, whilst a relatively comprehensive view about the industry is obtained as well. However, it is also found that the reasons behind *'Why you chose to be a freelancer'* were the limited job options available to them. As Participant A claimed,

'There are limited job choices for me, and because of the tendency of this industry, most of people work as freelance people'.

Taking this aspect into account, the restricted accessibility of available job choices is a factor driving some individuals to be freelancers. In other words, the geographical and institutional mechanisms negatively impact on employment status in deprived areas; however, these mechanisms could also enable them to obtain specific human capital by chance. This result is opposite to the negative influence of geographical mechanism on individuals' specific human capital assumed in *Hypothesis 5d*.

As discussed so far, possessing previous entrepreneurial experience enables individuals to obtain managerial experience, whilst specific-industry experience is gained if the previous experience is consistent with the current business. However, a majority of people who have a low level of general human capital were previously employees lacking opportunities to accumulate and develop specific human capital in deprived areas. The question is: *Whether individuals' scant general human capital is the only barrier hindering the development of specific human capital in deprived areas?* In order to answer this question, the development of specific human capital for those individuals with higher qualifications in deprived areas is examined as follows.

According to the responses obtained from more highly educated participants, two opposing results have been found. On the one hand, it is found that keeping the consistency of the general human capital acquired allows the accumulation of essential knowledge and skills relating to a specific industry from educational sources, further developing practical skills and accumulating specific human capital from the previous job position. For example:

Participant D: *'Through the courses relating to design or fashion I learn in the university, I worked with colleges and peers and units, and had a load of different projects. Through my job, I did lot of commissions from other companies, like down and all the other outfits, so I was always doing fashion anyway. I obtained skills such as communication, management, and then just actually how to work with cloth as well. How to cut, how to construct'*

As previously mentioned, on the other hand, some individuals who have achieved a higher qualification are not willing to look for a job through traditional channels in deprived areas. The question is: *How do they obtain and develop specific human capital?* The result indicates that self-learning and learning-by-doing are still two major approaches to gaining specific human capital. For example:

Participant C: *'I did not have previous managerial experience before starting up the business. I bought a licence to deliver management and leadership training for SMEs and that material is very good for me in management. But really, most of my experience has come through managing teams myself on the job and reading lots of books'*.

To sum up, in considering the factors influencing general human capital in deprived areas, it is summarized that geographical, institutional and social-interactive mechanisms negatively impact on general human capital in deprived areas, particularly social-interactive mechanisms. The findings indicate that social-interactive mechanisms relate to disadvantaged geographical and institutional conditions and simultaneously hinder individuals' educational attainment through inappropriate behaviours and potentially abusive family experiences, which in turn forms a negative institutional mechanism continuously generating barriers for the next generation to develop general human capital in deprived areas. Notably, different social-interactive mechanisms exist which are reciprocally impacting on each other, such as the bidirectional relationships between parental mediation, social contagion and collective socialization in a deprived context. In addition, the welfare provided by the government can be considered as a double-edged sword in deprived areas, not only helping a part of the population to solve living problems but also encouraging a few individuals to become reluctant to look for jobs.

In terms of specific human capital in deprived areas, on the other hand, the direct influence of insufficient general human capital is in limiting opportunities to further develop and accumulate specific human capital in deprived areas. It means the neighbourhood contexts negatively influencing general human capital mentioned above indirectly affect local people's specific human capital. Regarding the possible methods of gaining specific human capital, the results show that disadvantaged

geographical and institutional mechanisms provide opportunities for some individuals to obtain specific human capital by chance. Nonetheless, the general situation in deprived areas is that individuals look for other channels to obtain knowledge relating to their businesses, such as short-term courses, workshops, online self-learning, or accumulate experience through learning-by-doing.

In considering the process of starting new businesses, individuals' confidence to engage in entrepreneurial activities is important because they need to overcome a deprived situation (Williams and Windebank, 2016; Mouraviev and Avramenk, 2020), whilst residents' precarious position that brings a possible aversion to risk in deprived areas is also recognized (Williams and Williams, 2011). As such, self-efficacy and self-regulatory focus, as well as related factors, are discussed in the following two sections.

6.6 Self-efficacy and Influential Determinants in Deprived Areas

Based on participants' responses, this section examines the level of individuals' self-efficacy for starting businesses in deprived areas, whilst determinants influencing self-efficacy are also presented. By discussing and analysing participants' responses, hypotheses relating to the influence of human capital, including general (i.e. *Hypothesis 3a*) and specific human capital (i.e. *Hypothesis 4a*), and neighbourhood contexts (i.e. *Hypothesis 6*) on individuals' self-efficacy are examined. In addition to neighbourhood effects on self-efficacy, other determinants are also revealed.

As can be seen from Appendix 26, participants have generally shown a high level of self-efficacy before business start-up, either goal belief or control belief. This is not consistent with the result obtained from the secondary data in Chapter 4, indicating that people from deprived areas are more likely to have a lower goal belief, reflecting in a low level of belief in the capabilities relating to operational improvement (Relationship 1). In this case, it is worth further exploring what factors influence individuals' self-efficacy in deprived areas.

Based on a few participants' responses, the influence of human capital, both general (i.e. *Hypothesis 3a*) and specific human capital (*Hypothesis 4a*), on self-efficacy has been found. Even so, this finding only reflects the minority in deprived areas, and cannot represent the overall situation in deprived areas due to a prevalent lack of general human capital. Although individuals' specific human capital is

also lacking in deprived areas, the result shows that specific human capital is perceived as having a more important role in enhancing self-efficacy, particularly goal belief, rather than general human capital. It is found that looking for and engaging in a short-term course and/or entrepreneurship workshops can be considered another way to improve self-efficacy through making up for individuals' shortage of knowledge and skills for their businesses. For example, Participant F stated:

Participant F: *'It was a short-term course. It is specialized basically on traditional bags making techniques. I think the course I did was all practical in making a bag'*

While these kinds of courses and/or workshops are not the human capital focused on in this research, it is still a self-improvement method for people who lack human capital to set up and run their businesses in deprived areas, particularly specific human capital or, more accurately, practical knowledge and skills for their businesses. Moreover, the role of education in self-efficacy has been disputed. The common response regarding the influence of education is, *'Education did not really play a big part in my confidence for the business'* (Participant E), or *'I think my education in terms of school and college has nothing to do with what I am doing now'* (Participant B). In light of this condition, other determinants have been also identified.

First of all, it is found that, in deprived areas, individuals' self-efficacy varies during different time periods; in effect there exist two opposing situations. For the first case, the results show that an initial self-efficacy for either the business idea or the business start-up is strong, but it gradually decreases over time as other factors start to impinge on it. For example, Participant E stated that he was very confident, even overly confident for the first business idea. Even so, he gave up starting the business because of the perceived threat from another potential competitor. As he stated: *'I eventually gave up as I come up and watched another dude play and he was really good and I was like, I am not going to get anything'*. Afterwards, the same as the first time, he was confident about the location and products at the beginning; however, this confidence diminished over time as he faced difficulties or even the normal stresses of the day-to-day process of running a business began to have an effect. He claimed:

'When the shop is quiet and I have a bad day, it can trigger the depression certainly, it is intrusive thoughts and very bad thoughts. I think it is stupid. I know that the shop is not advertised well for whatever reason and I have not done everything that I would like to'.

As mentioned in Chapter 2, Mellahi (2005) proposes an argument that an instant success may lead entrepreneurs to overestimate their capabilities of carrying out entrepreneurial activities. This raises

the question of whether a high level of self-efficacy is derived either from participants' overestimation of their capabilities relating to the businesses or from their higher expectation for the business? In order to find out the possible factors triggering the variate existing in self-efficacy, it is necessary to look at the origin of the participant's self-efficacy: where the participant's confidence comes from, what determinants build it, how and why. By further exploring the origin of Participant E's self-efficacy, he stated:

'Me and my mate had a chat about this idea of a comic book café.... We are very proud of and we are interested in.... he (his friend) works for XXX (i.e. a coffee shop), he helped me out, he is very good at what he does and I am very grateful for that, and even now like, I met up with him a few weeks ago and we sat down and we had a chat and goes yeah, we do it this way and the coffee might taste better, then he wants to try it. Another friend, he is mad on social media and knows how to do everything and I do not....If I did not have all this, or even a little run through, I would stare at my phone as I do not know what if going off, I do not know how to do anything, I really would not have gotten as far without them'

Obviously, his self-efficacy in the first instance was derived from his personal perception of his capabilities; however, the self-efficacy for the first business idea was reduced because of potential competitors with better skills. This reveals a gap between individuals' subjective perceptions about their capabilities at different times, it can be considered a comparison between the previous overconfidence and the subsequently overly negative views about capabilities. In other words, Participant E might overestimate his ability to implement his first business idea.

For the current business, it is worth noting that his response delivers a strong signal that his self-efficacy was mainly built on the help and support provided by his friends, who have knowledge and skills relating to his business, rather than that he possesses these skills and capabilities himself. Therefore, it can be seen that his higher level of self-efficacy is derived from a higher expectation for the business that comes from others' support rather than his confidence in his own capabilities of running a business. This can also explain why he occasionally feels depressed and realizes the insufficient preparation for the business when he independently manages and operates the business. This partially explains the influence of neighbourhood contexts on individuals' self-efficacy in deprived areas (i.e. *Hypothesis 6*).

For the second case, the result indicates that self-efficacy can be accumulated and increased, even further increased, through learning-by-doing in the process of running a business. It is found that

participants' experience of learning-by-doing is usually based on self-learning, learning either from previous mistakes or from other channels such as online search or related reading. For example:

Participant B: "A lot of it is just about common sense, that is where you will find (information), where you can save money and grow, it comes from common sense. I was very educated in what I do, I trained myself. I was just being resourceful, using online to get as much information about this new skill that I wanted to acquire"

Participant F: "It just builds slowly, that you realize what you are doing, you have learnt from your mistakes, so you will not take it the next time. It is a building process".

Notably, common sense mentioned by Participant B is a broad description about the origin of his confidence. More specifically, it is found that his confidence is derived from his own online searching and self-learning abilities. As he stated: *'I had not had any managerial position anywhere in any business'*; however, he still believes he has the potential to be in management. Linking with the aspects relating to management he mentioned above, such as saving money for the business and growing a business, one of possibilities could be that he learned these from the online sources and it may work well during the period of covering the work for the previous owner¹³⁷. Taking this point into account, his searching and self-learning abilities play a crucial role in his previous entrepreneurial experience, which enhances his self-efficacy to a large extent.

Moreover, the result indicates that individuals' self-efficacy can be increased through making comparisons with other local peers. As Participant B described,

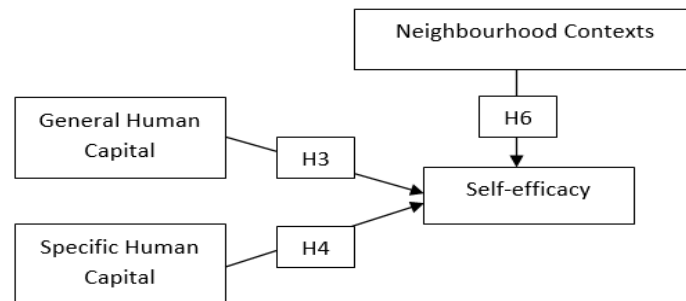
'I know that the level that I do it as is better than a lot of other shops do. Lots of studios will be completely shut and they will just come in as and when they have appointments, but they are losing a massive percentage of work through that because the ethics are not there for running a business. A lot of people say to me that I had the freedom of coming and going'.

This response reveals that a relaxed attitude and behaviour towards the business or work is common and prevalent in the local area. A particular local environment exists, which affects local people's behaviour through the social contagion and collective socialization as two constructs of social-interactive mechanisms. Again, this finding indicates a unidirectional influence of neighbourhood

¹³⁷ His current business was taken over from the previous owner. As he stated: *'I came and I worked for the previous owner of the business for a few months, but the business was neglected. There was money that should have gone into the business and it was not really managed correctly. The owner had already left the country and I came in and was basically practically running his business for him'.*

contexts on self-efficacy in deprived areas (i.e. *Hypothesis 6*). As discussed so far, the result corresponds to the part of the model which has been demonstrated in Diagram 6.6.

Diagram 6.6 Influences of neighbourhood contexts and human capital on self-efficacy in deprived areas



In addition to the relationships included in the model, there are additional results found, which have been demonstrated below. It is found that individuals' self-efficacy can be improved through customers' or other strangers' recognition, whilst a feeling of an increased status derived from the business is another reason enhancing individuals' self-efficacy in deprived areas. For example, some participants claimed:

Participant B: *'People have been putting my name around, and the owner of other shops basically got in touch with me and said I want you to come work for me'*

Participant F: *'People who are not your friends, so that is the general public start buying it, and commenting positively about it, that builds your confidence'.*

Participant A: *'The business I think gives me more confidence because your status automatically increases, even if no matter how big or small your business is, it does give you a feeling of a status for you to make your confident'.*

While this kind of self-efficacy occurs after the business start-up, the result still delivers a signal showing that people in deprived areas have a strong desire to obtain recognition and increase their social status. The reason behind this can be also linked back to the difficulties individuals face from their employment status in deprived areas. The essential reason also could be *'people from deprived areas lose respect'*, based on Participant D's perception of the local area (see Appendix 24). In terms of this point, it is required to consider the relationship between neighbourhoods, social connection or social acceptance and individuals' self-esteem (Batty and Flint, 2010, Wagner et al., 2018), as is further discussed in the next chapter.

Surprisingly, the results reveal that spiritual belief is also a factor strengthening self-efficacy in deprived areas. As Participant C stated:

'Where does the confidence come from, for me, it comes from God. I have not got the confidence in my own strength, I have no training in business, I had no background in business, my parents are not business people, my family are no business people. I have never had any business person say to me, come shadow me and learn how to business. I do not even have a desire to do business, everything from the spirit'

By further exploring the deeper reason of the spiritual belief, the participant claimed:

'I am saying once you realize that it is only limited what the school can do, only limited what the government can do, especially if funding is being cut, and the police that is a whole load of other questions. The only thing that can change a nation is a spiritual issue, you can change the government policies, you can change the education policies, but you cannot change the situation apart if you change people's life and the only way can be changed is if they have a spiritual change, there is no other way you can change that'

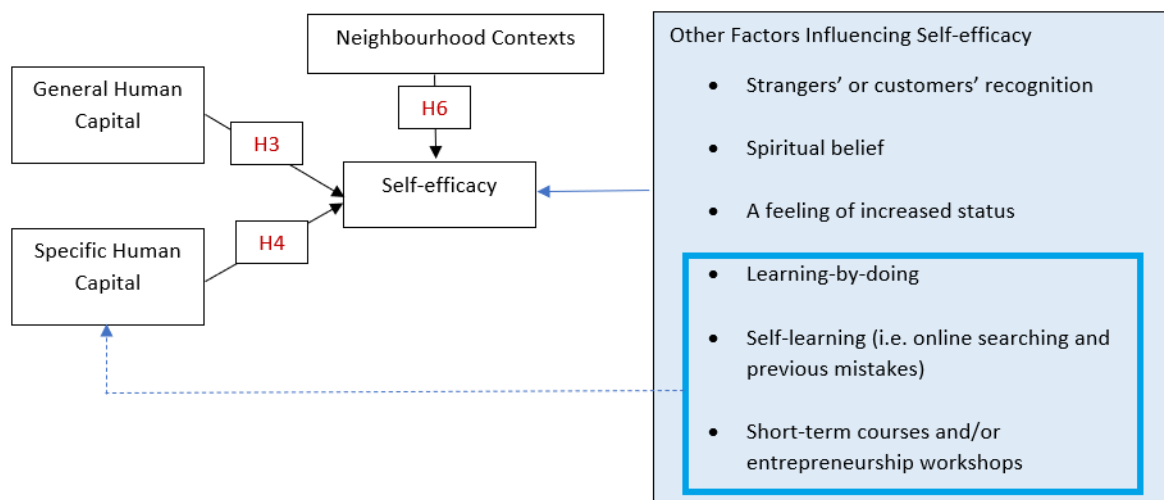
From this point, individuals' spiritual beliefs are more likely to be considered as a spiritual sustenance, or another way to help themselves out either of a difficult situation or of a desperate mentality in deprived areas, rather than merely a pure belief pursuit; the precondition is in perceiving the vicious circle existing in the deprived areas and feeling disappointment for the attitude and/or reaction of other external institutions. Crowther et al. (2007) have found that positive spirituality can decrease the feeling of helplessness and loss of control that people experience with illness, whilst reducing stress and bringing increased feelings of purpose in their life. They have also pointed out that spiritual activities such as prayer can reduce feelings of isolation.

To sum up, while there are many barriers hindering human capital development in deprived areas, the result indicates that self-efficacy is relatively high and the role of human capital in increasing self-efficacy has been found. However, this finding cannot present an overall situation in deprived areas. Some cases also reveal that self-efficacy is varied at different times. More specifically, it is found that an initial strong self-efficacy derived from dependence on help through personal social networks will be subsequently weakened without external support. By contrast, an initial weak self-efficacy will be subsequently strengthened through multiple ways, such as self-learning from previous mistakes, learning-by-doing, learning from short-courses and workshops relating to businesses. These methods

of obtaining practical knowledge can be also regarded as a way to make up for their insufficient skills and knowledge that are related to specific human capital, rather than general human capital.

Furthermore, self-efficacy can be enhanced through others’ recognition of products or businesses, a personal feeling of increased (employment or social) status and personal spiritual belief in deprived areas. It is reasonably deduced that these factors may link with the products of deprived neighbourhood contexts, such as a low level of self-esteem, a lack of social connections, and a disappointed and helpless, even desperate, feeling about the local area. As shown in Diagram 6.7 below, the influence of human capital and neighbourhood contexts on self-efficacy has been displayed to respond to a part of the new entrepreneurial intention model, whilst other factors have also been demonstrated, making the relationship more complex and dynamic than the earlier quantitative analysis suggested.

Diagram 6.7 Influences of other factors on self-efficacy in deprived areas



While the results point out some ‘opportunists’ attempt to or have already started their business through imitating or following those ‘entrepreneurs’ in deprived areas, it only reveals that individuals’ entrepreneurial behaviours may stimulate or attract local residents’ engagement in entrepreneurial activities. Nonetheless, there is no clear evidence to indicate the influence of individuals’ self-efficacy on a deprived neighbourhood context. Therefore, *Hypothesis 6* is partially supported; a reversed influence of self-efficacy on neighbourhood effect is not found.

6.7 Self-regulatory Focus and Influential Determinants in Deprived Areas

According to the participants' responses about their entrepreneurial motivation and intention mentioned before, with one exception (Participant D), it is found that most participants did not set a goal of starting a new business and attempt to achieve the goal, they were driven to start their businesses either by occasional chances, or by a difficult situation in the labour market¹³⁸. Also, the general situation shows that a group of individuals (i.e. '*Opportunists*') is more likely to engage in business through imitating or following others' ideas or entrepreneurial behaviours in deprived areas rather than setting up a clear goal. This result is consistent with the argument proposed in Chapter 2 that individuals' entrepreneurial intention or behaviour may not be planned in deprived areas, in particular, the time period for generating and implementing the idea of starting businesses could be short.

As an exception, Participant D's response shows that personal desire and interest essentially set a clear career direction as a long-term goal. The process of constantly seeking and accumulating general human capital in a specific field not only facilitates the development of specific human capital, but also enhances self-efficacy and reflects the participant's inclination to be promotion-focused. Therefore, the role of human capital in individuals' self-efficacy is found (*Hypothesis 3b* and *Hypothesis 4b*). Even so, the finding also reveals that Participant D's explicit career goal or direction is not a common case in deprived areas, due to a lower level of individuals' human capital in general.

While general goal setting is not shown in a disadvantaged context, it is found that participants have the characteristics or inclination to be promotion-focused, mainly reflected in their consistent pursuit of the opportunity to improve themselves and positive attitudes towards potential failures. In considering the question of '*What factors influence individuals' promotion focus in deprived areas*', first of all, a bidirectional relationship between self-efficacy and promotion focus (i.e. *Hypothesis 2*) is found, regardless of individuals' human capital level. The responses indicate individuals' strong self-efficacy, which comes from either the belief about knowledge and experience obtained from human capital; or the belief about the capability of self-learning, or personal spiritual belief allows them to

¹³⁸ In terms of occasional chances, Participant A and Participant B took over the business from the previous owners by chance. Regarding difficult situations in the labour market, Participant B is unwilling to be employed, Participant E and Participant F are dissatisfied with their previous jobs.

perceive the positive side of the business - even the potential uncertainties - and leads them to constantly seek more opportunities to improve themselves and further develop their businesses (Tumasjan and Braun, 2012). In turn, this promotion-focused feature stimulates their higher self-efficacy. For example, participants who have a higher level of self-efficacy are more prone to notice the changes in the market and catch the market trend by constantly learning and updating the new knowledge and skills in the industry, in order to provide diversified products or better services to the customers (Tumasjan and Braun, 2012). When this approach works for or facilitates development of the business, their self-efficacy is further increased because of the successful implementation. In addition, the results also indicate that local people's negative or suspicious attitude towards either entrepreneurial activities or personal ability stimulates individuals' goal setting and provides an impetus to keep positive to achieve the goal in a certain situation, and ultimately proving themselves to others. As Participant E claimed: *'I would do like determination to keep pushing myself and keep attempting to proof to those people who think I have done something wrong, or who think I have made a big mistake'*.

Nonetheless, it is also found that being prevention-focused is also inevitable, which is reflected in participants' consideration of the uncertainties and potential risks of the business. For example,

Participant A: *'This was an already flower shop, established for a long time. My decision to take this shop was mainly based on the fact that this had a long history and it was safe in that aspect. I do not think I would start a flower shop in any area'*

It is possible that an established business could provide some existing advantages such as a reputation or existing customers compared to a completely new business. Prevention focus is also reflected in individuals' concern with issues relating to applying or looking for finance and possible conflicts in deprived areas. As Participant F stated:

'I did not want to go to a bank because of interest rate. Also, it is very hard to access finance. I thought about asking family, then it becomes more personal and it becomes crossing a line there, which I did not really want to do'

In deprived areas, obtaining finance is one of the major barriers to entrepreneurship (Slack, 2005; Rouse and Jayawarna, 2006; Welter et al., 2008; Williams and Williams, 2011), which has also been found by testing Relationship 2 (Chapter 4). The inclination to be prevention-focused could be derived from their limited cash reserves and collateral to act as security for a bank loan (Williams and Williams,

2011); or from the difficulty of convincing traditional funding sources due to a suspicious attitude towards the feasibility and possible success of their business ideas (Slack, 2005). As mentioned before, people from deprived areas in particular are treated with bias to some extent, therefore, individuals' prevention focus is derived from the stigmatization as one of the institutional mechanisms in deprived areas. Moreover, it is less possible to access funding sources through friends or family, because of the general situation of low incomes and savings in deprived areas (Slack, 2005); or because of a concern to avoid possible conflicts with families, as Participant F stated. Therefore, the influence of neighbourhood contexts, particularly institutional and social-interactive mechanisms, on individuals' self-regulatory focus in deprived areas (i.e. *Hypothesis 7*) has been found.

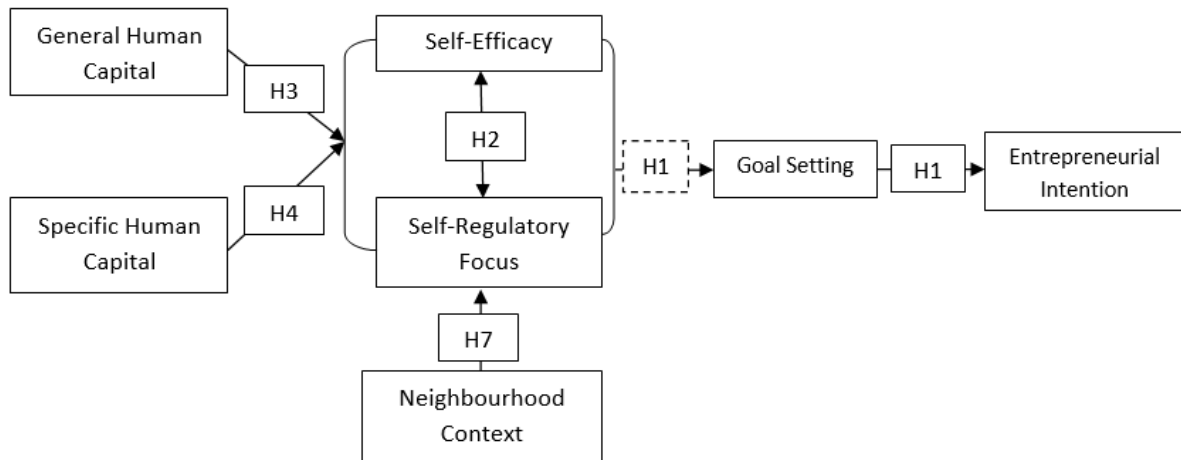
Compared to the weaker role of goal setting in self-efficacy and self-regulatory focus, the mediating influence of opportunity recognition tends to be more obvious in deprived areas. For example, participants claimed:

Participant A: 'I knew the previous owner, and they rang me and they said I am selling this business, do you want to be... because it was the established business, it was not that I looked and planned, it just... this one came up, so this worked for me, so just opportunity, really'

Participant B: 'After three months (of running the business instead of the previous owner), I have seen a lot of potential in the business, and I took the lease on and kept the business going, I changed all the name and re-kick-started the business'

It can be seen that potential opportunities can be realized through the previous experience of taking the place of the previous owner to run a business and their personal social networks. Notably, Participant A's case is a good example to reflect the mediating influence of opportunity recognition on entrepreneurial intention. Participant A has a higher level of self-efficacy that comes from the transferable skills and knowledge obtained from previous experiences. Even so, she would not intentionally plan to set up the business without the opportunity, due to the consideration of potential risks or uncertainties. Taking prevention focus into account, therefore, opportunity recognition is not only related to the personal social network, but existing advantages of an established business that avoids certain uncertainties, could also be regarded as an opportunity. Accordingly, *Hypothesis 1* has been reflected in spite of the mediating effect of goal setting being relatively weak compared to opportunity recognition. As discussed so far, the influences of human capital and neighbourhood contexts on self-regulatory focus, the influence of self-regulatory focus on entrepreneurial intention through goal setting and opportunity recognition and a bidirectional relationship between self-efficacy and self-regulatory focus in deprived areas have been indicated in Diagram 6.8 below.

Diagram 6.8 Relationships among human capital, self-efficacy, self-regulatory focus and entrepreneurial intention in deprived areas



Based on considering a lower level of human capital in deprived areas, the result has explained that self-efficacy and self-regulatory focus can mediate the influence of human capital on entrepreneurial intention in deprived areas (i.e. *Hypothesis 3c*). It means human capital is not the only factor encouraging and facilitating entrepreneurial intention or behaviours, even self-efficacy and self-regulatory focus have a stronger influence to some extent on entrepreneurial intention rather than human capital in a deprived context.

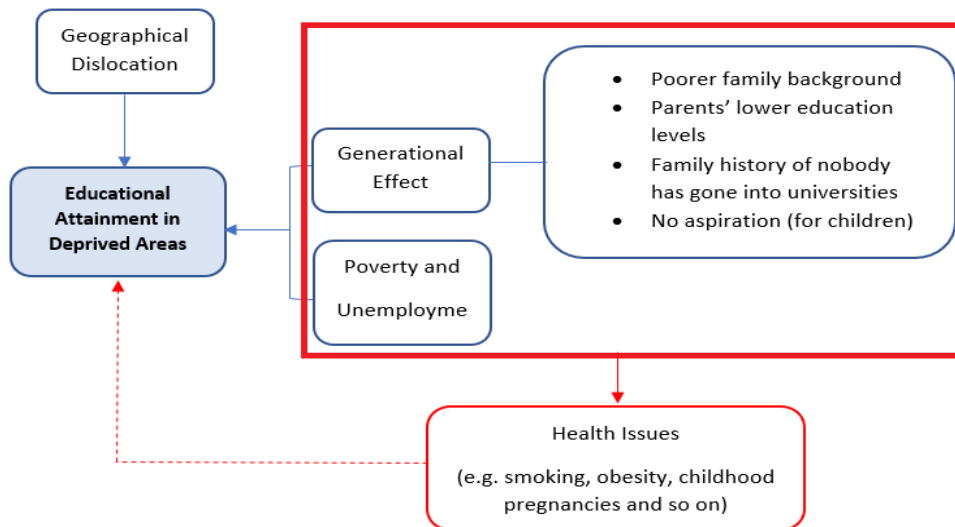
By linking entrepreneurs' responses and research questions, specific human capital plays a more important role in entrepreneurial intention through enhancing entrepreneurial self-efficacy rather than general human capital; however, specific human capital is lacking in deprived areas due to a low level of general human capital. In light of this situation, the findings reveal that self-learning, learning-by-doing and looking for short-term courses and workshops relating to businesses are major channels to make up for insufficient skills and knowledge in deprived areas (RQ1). In considering RQ2, the general situation reflects geographical, institutional and social-interactive mechanisms which negatively impact on local residents' human capital development in deprived areas, whilst bidirectional relationships between different types of social-interactive mechanisms in turn damage geographical and institutional mechanisms; therefore, a broader vicious circle is formed further affecting human capital development and entrepreneurship through the generational-relation in such areas (RQ3).

6.8 Responses from Local Government Officer and Training Providers

In this section, the responses provided by the Nottingham local government officer are presented to shine light on the situation and neighbourhood environment in deprived areas of Nottingham from the local government's perspective, whilst what government policy and support are provided and available to facilitate entrepreneurship in deprived areas are also discussed. The local government officer is from the economic development department of Nottingham City Council. He stated that the purpose of the department is to support all businesses, including potential and existing businesses in the city. As a long-term goal, the department aims to grow the economy and increase overall prosperity in Nottingham, as well as creating jobs for local citizens. As mentioned in Chapter 3, there is a possibility that the government officer may look at certain issues from an overall angle of the city development, whilst the entrepreneurs' responses could be more personal or subjective. Therefore, the opinions provided by two training providers who focus on providing help and support for people in deprived areas are discussed to balance and evaluate responses obtained from the local government officer and from entrepreneurs from deprived areas.

With regards to the education level in Nottingham, the officer stated that Nottingham has some of the lowest educational attainment in the UK, while people in deprived areas have lower levels again than the average level for the city. Issues of geographical dislocation and families, such as family background, family education history, and parents' education levels that lower their children's aspiration for educational attainment, further trigger the generational effect on local people's education levels in deprived areas. This perspective from the government is consistent with entrepreneurs' perceptions. Moreover, the government officer pointed out that historic health issues are derived from a lower educational attainment and aspirations as well as a higher level of poverty, in turn negatively and reversely influencing the education levels (of their children) in deprived areas (Diagram 6.9). In fact, Reijneveld et al.'s (2000) work demonstrates that individuals with lower socio-economic status are more disadvantaged in the aspect of health status compared to other people, whilst education, employment status and income have significant influence on individuals' duration of good health conditions.

Diagram 6.9 Local government’s perspectives about factors influencing educational attainment in deprived areas



By further investigating the role of the local government in the education system, the officer claimed: *‘We do not manage schools, schooling has moved away from being run by exclusively the city to being primarily run by private academies that are taking government money and run their local schools. But we do have an influence in terms of improving schooling standards as a city’*. It can be seen that the local government is currently responsible for providing the fundamental financial support and making a broad standard for schooling, rather than actually engaging in the specific management and operations of schools.

As the department mainly focuses on business support, rather than employment or skills, the officer could not provide much detailed information about the employment situation in deprived areas. Even so, he still presented a broad phenomenon in deprived areas. He stated, *‘Deprived areas such as Bilborough, Aspley, Bulwell and St Ann’s, where there are lots of houses and no job’*. This is also consistent with issues of house density and limited job opportunities presented by entrepreneurs. Meanwhile, it also indicates the difficulty of separately living between two polarized population groups mentioned in section 6.3 (i.e. *‘the students and the locals do not really mix unless it is very separate living’*) in deprived areas. It means while there is a part of the population who are unwilling to blend into or attempt to get rid of the local environment, the external and objective conditions increase the difficulty level or limit this possibility. The officer also mentioned creating more jobs for the local citizens as one of the department’s main purposes. He stated:

'We have particular programmes that target 16-24 years old people to encourage them to either get a job, get an apprenticeship, go to university or college, get further training to help them move them up that ladder'

However, it is shown that there is a gap between the individual's experience and the government's support. Participant B claimed:

'I went to college to do that, but because of lack of funding or a lack of people attending, the courses quite quickly sort of collapsed, because they didn't have the amount of people to support the course, so the courses collapsed after 6 months. I had to wait for another 6 months before any more courses became available, and then I went for car electrical engineer, which was pretty much the same thing well'

From the perspective of education institutions, the results show that while there are courses provided for individuals to further improve themselves, the limited number of participants is a major barrier impeding the continuation of courses, which could be based on economic considerations. In fact, a similar phenomenon is also reflected in undertaking entrepreneurial events and workshops. When interviewing the government officer, he stated that support for entrepreneurship in Nottingham focuses only on the general population, not on a specific area. He further explained:

'We are not saying let's target 10 businesses in Bulwell Clifton, we are targeting 100 businesses across the city to have maybe an event. I would say most of the events that we run are designed for anyone to access to get the most number of people to attend'

Whether regarding the provision of self-improvement courses or supportive events for entrepreneurship, the approach applied by the local government tends to emphasize the general situation from an economic angle, rather than providing support for individuals and entrepreneurs in deprived areas. In considering the support for enhancing individuals' self-improvement, on one hand, the sudden cancellation or interruption of the courses would decrease individuals' desire or passion to continuously pursue a higher education level, particularly if this has happened repeatedly. As Participant B said, *'I thought to myself, I am not getting anywhere with education in that sense'*.

Regarding the government support for entrepreneurship, on the other hand, it is found that individuals have engaged in this kind of event by chance, either through occasionally hearing it from friends or passing by the event. One participant pointed out,

'I found out about XX by chance, I had no idea that this was there, I just happened to be talking to a friend who got through to a friend, who then got in contact, on have you heard of this. These things should be well advertised, it should be advertised through school, and colleges'

In terms of advertising, the officer also described how the department has realized that knowledge and access to services is one of the main challenges, he stated, *'we are trying to do more broadcast media, as I say, the people who use us, they like us, but it's just trying to get more people to give us a try. So making sure that our website is updated, because I think it is a key entry point, running events open for people to come to'*.

Based on the situation in deprived areas as presented by the entrepreneurs, however, it is argued that the advertising approach of updating the website may be an improved way to attract more people's attention, but again, not for people in deprived areas, again. As mentioned in section 6.4, entrepreneurs'¹³⁹ business ideas are less likely to be derived from access to information outside their area or their personal networks. It is possible that individuals in deprived areas may not intentionally seek this kind of information; or even that they do not realize the value of these events and workshops; or even that they do not have access to channels making them aware of this kind of support.

In addition to the difficulties accessing external information, it is worth noting that, although some participants presented the important role of entrepreneurship workshops in enhancing their self-efficacy, there is still a possibility that a proportion of individuals would think learning from online sources by themselves is better than entrepreneurship workshops provided by the government and supportive institutions. As Participant C claimed:

'The courses that I experienced were very very boring, they made me think that I was not an entrepreneur because they came across very corporate business work, no passion, no excitement, it was nothing. I get more watching the TV, watching Apprentice or Dragon's Den or something was more exciting than going to those business courses'

Taking this point into account, it is revealed that the provision of normal entrepreneurship events and workshops is not suitable for people from deprived areas, which may not fundamentally support entrepreneurship in deprived areas. This could be linked with their particular background or situation, such as their areas, the stigma of such areas and others' biased idea that they are different to the general population. One participant claimed:

¹³⁹ Here, entrepreneurs include participants, *'entrepreneurs'*, *'opportunists'* and *'illegal entrepreneurs'* in deprived areas.

'They (i.e. people in the local area) have not got the opportunity or awareness of how to become an entrepreneur outside of the illegal system'

The issue is similar to the school staff's limited capability of guiding and correcting students' inappropriate behaviours because they do not understand the root cause of why students behave in this way, this issue is also reflected in different aspects. In terms of the government funding support, for example, Participant C said:

'The people who come from outside of the area, who have job in the city council, and they go there for their job, and they come home. They have no idea how to deal with the real issue because they are paid employees of the government. They may even have the right heart, they may even be experienced, but if they do not live in the area or they do not know the people or understand what is happening behind closed doors of people's houses, they will not know how to tackle issues in that community. So the government send the money, the people in the receiving and manage a project, those people do not necessarily live in the area or know about what is really going on. So that money is a waste of time'

It can be seen that some of the population in deprived areas do not trust people from outside, even those who come to provide support or help them solve problems, particularly people from the government. A potential resistance seems to exist in deprived areas, which could be derived from a sense that only people who live in the same environment or have similar experiences are suitably placed to understand the situation (Bailey et al., 2011). By contrast, the solution or help proposed by people from outside are more likely to be devised by an 'armchair' strategist. Moreover, it is found that this potential resistance could also be derived from discontent and counteractive emotions towards the government in deprived areas. For example,

Participant C: 'The way they will come across the government is simply through the policy, and the police in their local areas are not there to help the local people, the police in those situations are there to make show of power, to say they got in control the crime in an area, that is it. They are paid to tick their box to say they ticked their crime prevention box or something, or they have managed to imprison more and more of those young people'

This response can neither represent the opinion of the entire population in deprived areas, nor affirm that this situation is caused by the government's or police's negligence. However, it reveals that at least a part of population in deprived areas perceive the police as showing their power to the local people and see arresting young people who have engaged in criminal behaviours as their job responsibility, rather than helping or protecting the local people. Similarly the support provided by local government is perceived as not being able to solve the problems existing in deprived areas

because those devising it and providing it only work to meet the job requirements and earn their salary, rather than really understanding or trying to understand the situation of the local people.

In considering the potential discontent and resistant attitude towards the local government, looking back to the government support for entrepreneurship, it is reasonable to deduce that a part of population in deprived areas would think those normal approaches or knowledge relating to business start-up are not practical in their areas. Or, to put it another way, providing entrepreneurship events and workshops cannot fulfil people's demands or solve people's difficulties in deprived areas; therefore, some people are more likely to find a more appropriate way for themselves. This could be because they are more aware of what they need and what kind of information would inspire and help them to set up a business, based on their own experiences.

From this perspective, people from deprived areas are usually excluded from the mainstream of society outside of the local environment, which is caused by those factors mentioned before, such as stigmatization and others' bias against such areas. However, some people from deprived areas in turn isolate themselves internally from the outside environment and cling to the local networks to some extent.

With regards to entrepreneurial activities, it is found that the perspective of entrepreneurship development in deprived areas is positive from the government side. As the government officer stated:

'If you go to the shops in Bulwell or Clifton, there are no vacancies in the shops, they have all got occupants in them, they are doing relatively well, and people are doing shopping in those areas. It is providing employment and opportunities looking at the next of development. They are doing stuff that are entrepreneurial rather than being unemployed, one of the biggest factors that get rid of social issues in area is a job. So having self-employment contributes to the health and wellbeing and the overall social wellbeing in an area, and will encourage other businesses to start up as well'

This prosperous view from the government side is more likely to represent those people who try to change their life pattern, living conditions and environment, which is consistent with the responses obtained from some participants who engaged in in-depth interviews for this research. However, it is argued that this positive perspective does not give a comprehensive picture of the situation in deprived areas. As mentioned before, there is a phenomenon of polarization existing in there. This research study believes that finding a solution to help those people who are persistently stuck in a

disadvantaged environment could be an essential way to tackle the issues embedded in deprived areas. Just as the gap between rich and poor is general, there is still a problem for the entire economic development if it continues without addressing the needs and desires of the poor in the population (Joseph Rowntree Foundation, 2014).

The officer proposed that finding a job is a way to get rid of social issues, but this only indicates that the government identify where the problem is manifested. However, how to solve these problems by deeply tracking back individuals' growing and living environment is still an unsolved area. As discussed so far, it is necessary to look at the opinions provided by training providers who are closer to people in deprived areas.

As regards the interviews with the two training providers, they described the nature or purpose of their businesses as 'social projects' and their role as being 'social entrepreneurs'¹⁴⁰. More specifically, they described their businesses and roles in providing support as: *'We want everyone's voice to be heard basically', 'We work a lot with the police and health sort of businesses', 'The business enables (young) people to have a voice about services that are provided. It is a bit more of a proactive group, but it is also a leadership programme, and we train young people as trainers so that they actually deliver training to service providers but also for other young people'*. When further asked how they work with police and health departments, one offered an example of working with the police:

'The service we provide to them is the opinions of the harder to reach young people. So when they are trying to start something new, for example, the police wanted to try something new, where when people are arrested, they are given an iPad, like an app, shows you like what is going to happened, your rights and stuff like that, so they brought it to us first. So we could look at it, see how we felt about it, give our opinions, and critique it basically.'

Based on the training providers' description, it can be seen that their support for young people in deprived areas is firstly providing a channel or platform allowing young people to put forward their opinions, whilst training them to be a trainer to help other young people through delivering the knowledge in such areas. When the training providers were asked how they find customers to engage in their activities, one stated:

¹⁴⁰ Social entrepreneurs are usually defined as agents who participate in entrepreneurial activity that contributes to social capacity-building (Department of Trade and Industry, 2002), and which are motivated to address social problems (Austin et al., 2006). Therefore, economic development and commercial benefits are not their primary focus (Department of Trade and Industry, 2002).

'They (existing customers or core people in the group) just brought their friends basically, and their friends did it. Generally, they get referred or because they know someone.'

As is clear, the promotion approach of 'snowball' or 'word-of-mouth' applied by training providers is different to that used by the local government. Apparently, the adoption of this approach is partially driven by limited funding and the specific focus of training providers. However, it indicates that the training providers have a deeper understanding of the importance of personal networks and strong bonding ties (i.e. social-interactive mechanisms) in deprived areas and effectively take advantage of this area-based or community-based feature, delivering as far as possible the maximum benefits of their services.

Training providers' better understanding of residents in deprived areas is reflected in the services they provided. In terms of providing a voice channel, it could be linked with the experiences of lacking respect, losing trust for outsiders and proactively isolating from the mainstream society mentioned by some of the entrepreneur interviewees above. This service enables people who want to speak their mind, most importantly, they would know they have someone to listen to what happened to them and what they are confronted with. This is the first and crucial step in building trust between people in deprived areas and training providers. On this basis, they would learn skills and be trained as trainers to spread these skills to other people around them.

Training providers' better understanding of residents in deprived areas is also reflected in their role of seemingly acting as an advisor to the policy and health department. The example taken by the training provider potentially indicates that they are closer to people and more likely to understand what residents need and what they resist in such areas than people who have less awareness of deprived situations. As such, training providers' suggestions supply insights to these departments as to whether new products or approaches may trigger conflicts or troubles.

Briefly, the method of training people in deprived areas is based on building trust with them. It has been noted that this method may potentially make local residents more dependent on the local networks and even lead to the homogeneity of entrepreneurship in deprived areas. Even so, training providers play an important role in re-building the trust and making residents willing to learn skills and improve themselves, which can be regarded as a difficult but profound step towards embracing

change in deprived areas. However, training providers pointed out that a lack of funding is one of the major barriers for their business operations. In this aspect, Participant C stated: *'I do not know if entrepreneur coaching entrepreneurs, I mean there will be entrepreneurs that coach entrepreneurs probably at a higher cost, but in terms of free coaching, I doubt it. Because if they are entrepreneurs, then they are thinking financially anyway.'* These results indicate that increasing the support for these social entrepreneurs or enterprises could be considered as a breakthrough to help people gradually return to mainstream society, as well as encourage and facilitate entrepreneurial activities in deprived areas. Moreover, the funding support also allows these enterprises to strengthen their promotion exercises, in order to increase residents' awareness of this kind of support in deprived areas.

During the interview period, training providers' responses mainly emphasized the problems people are confronted with in deprived areas. Regarding the neighbourhood context in deprived areas, family problems and criminal behaviours are consistent with the opinions proposed by entrepreneurs. One of the training providers claimed:

'At the moment in Nottingham, one of the things that we focus on is knife crime and violence between young people, and that is increasing at the moment'

From this perspective, inappropriate and criminal behaviours are not only prevalent, but even getting more severe between young people in deprived areas. Linking with the findings obtained from entrepreneurs' responses, it indicates that the worsening situation among young people may increase the possibility of negative role models and anti-social behaviours in the deprived areas, further hindering the achievement and development of human capital as well as entrepreneurial action. Moreover, another training provider has revealed the prevalence of suicide, homelessness, and the even the worse situation of child sexual exploitation. These latter phenomena not only negatively impact on individuals' socio-economic outcomes, but also severely on their physical and mental development.

Regarding business engagement, from the training providers' perspective, it is found that while some people have already considered starting a business, drug dealing, or some other illegal businesses would be the first option for them because they are not aware of how to become an entrepreneur through any more appropriate way. This phenomenon can be explained by a combination of the limited human capital of residents, disadvantaged local contexts, negative influences from local role

models and/or peers and imitating entrepreneurial business ideas. The details are further discussed in Chapter 7.

In light of opinions about the neighbourhood contexts and problems in deprived areas from an intermediate institution's perspective, it is found that entrepreneurs' perception and description of the issues in deprived areas indeed exist. Obviously, most of these issues have been identified by economists and academic scholars; and local government has been endeavouring to alleviate these issues to facilitate entrepreneurial performance in deprived areas, with a view to further improving the city economy. However, it is worth noting that problems such as a lack of knowledge and skills form only a small part of the issues; those deep-rooted problems contributing to a vicious circle should be emphasized as needing to be tackled collectively. It is found that providing entrepreneurship support that is designed for the general population or situation should be seen as treating the symptoms, rather than the root cause, and thus not applicable to deprived areas. In addition, the results show that solutions such as increasing funding provision for local schools and job centres may provide benefits for part of the population, but this may be a relatively small number, in deprived areas. In considering the general situation, these solutions still remain at a relatively superficial level.

6.9 Conclusion

The results obtained from qualitative data in this chapter provide a deeper understanding of the influences of the neighbourhood context and entrepreneurial intention in deprived areas, from the perspectives of three groups of respondents. In addition, the bidirectional relationships highlighted in Chapter 2 and found in Chapters 4 and 5, associated with different neighbourhood mechanisms that influence human capital development and entrepreneurial intention in deprived areas, have been also investigated.

It is found that there is a gap between the perspectives of the local government and of local residents of deprived areas. While the local government recognizes the issues and barriers that exist in deprived areas, they remain more likely to emphasize plans for general economic development from a city level. This reflects a perception of greater value for money of this type of intervention. The approach adopted contrasts with the alternative of specifically targeting deprived areas to solve local issues. As proposed in Chapter 1, government policies may be too superficial to boost entrepreneurship in deprived areas.

In this chapter, the nuance between entrepreneurial motivation and intention is further established, which is consistent with the assumption proposed in Chapter 1. The difference between these two terms is reflected in the subsequent actions after an initial idea triggered by an emotional reaction. Moreover, it is found that individuals' entrepreneurial motivation is stimulated by both external factors, such as limited job options and others' suggestions; and by internal factors, such as choices about personal career development, personal spiritual belief and self-reflection in the aftermath of a big life event. Furthermore, the results also reveal a pattern of imitation of entrepreneurial ideas and behaviours in deprived areas, which is manifested in the phenomenon of 'opportunists' imitating the business ideas of 'entrepreneurs'. This is similar to the descriptive results of the survey, which show a majority of individuals chose or intended to start businesses in the service sector mainly serving the local area and customers (Chapter 5). This phenomenon provides an explanation for the greater homogeneity of businesses in deprived areas.

In considering the influence of human capital on entrepreneurial intention in deprived areas (i.e. RQ1), the results from analysing the secondary data show that specific human capital facilitates entrepreneurial intention (i.e. Relationship 5); whilst the results of analysing the survey data indicate that employment status increases individuals' control belief (i.e. Relationship 8a) and benefits obtained from general human capital facilitate entrepreneurial intention (i.e. Relationship 8b). In this chapter, the findings based on the respondents' perceptions of their own and others' experiences show that although a small part of the population has achieved higher qualifications, the average educational level is lower. Moreover, it is found that individuals' qualifications do not necessarily determine their employment status; however, most people in deprived areas usually work in the service sector with lower payment. Regarding the influence of human capital on entrepreneurial intention, the result indicates that specific human capital is perceived to be more important than general human capital in increasing self-efficacy, however, a lack of general human capital restricts the further development of specific human capital. The results obtained from the qualitative data reveal that self-help methods are widely utilized in deprived areas to acquire specific human capital such as learning-by-doing, self-learning and engaging in short courses and entrepreneurial workshops. These findings provide a possible explanation as to why people in deprived areas are more likely to be promotion-focused in regards to their future plans, but tend to be prevention-focused when conducting certain business procedures and activities (i.e. Relationship 1). Self-help methods act as a quick way to temporarily solve problems; however, they cannot provide either specific experience or

sufficient confidence in the skills acquired for people to undertake the associated business operations. Examples of the types of business activities where self-help appears to be less successful are those related to theoretical foundations, adaptability, analysis capacity, diversified social networks and alertness to potential risks. All of these appear to be better accumulated from general human capital and mastery over time, rather than being developed through a short-term intervention. In addition to the role of human capital in facilitating entrepreneurial intention, other factors increasing individuals' self-efficacy are also explored from the semi-structured interviews. Key topics that emerged include comparisons with other local business owners, perceived increased status, recognition by others, personal social networks and spiritual beliefs. These factors are linked with deprived neighbourhood contexts, to be further clarified later.

Regarding the influence of neighbourhood contexts on human capital development in deprived areas (i.e. RQ2), no significant relationship was found using the secondary data (i.e. Relationship 4), whilst the results from the survey data indicate a significant positive bidirectional relationship (i.e. Relationship 7). Nonetheless, the result obtained from the semi-structured interviews reveals that there is a vicious circle between the deprived neighbourhood contexts and local residents' human capital development. More specifically, different neighbourhood mechanisms trigger people's mental and behavioural issues that not only negatively influence educational levels, but also cause inappropriate, even criminal activities, in deprived areas, gradually shaping a particular social norm and leading to an unfavourable reputation. A disadvantaged context with an unfavourable reputation in turn largely limits employment opportunities for the local residents and causes lower family incomes, which negatively influence children's opportunities to develop general human capital through the generational effect, ultimately hindering the chance to accumulate specific human capital.

In terms of the bidirectional relationships among factors that influence entrepreneurial intention and human capital in deprived areas (i.e. RQ3), the results of semi-structured interviews found intertwined relationships between human capital, entrepreneurial intention and deprived neighbourhood contexts. In addition to the negative and direct influences on entrepreneurship in deprived areas of limited human capital and an unsupportive entrepreneurial ecosystem, the results also reveal other negative outcomes, such as a lack of connection with mainstream society, a lack of respect and a lower level of self-esteem, all of which cause a phenomenon of polarization in entrepreneurship. On the one hand, there is a group of residents who tend to be positively orientated. For example, they use their own methods to improve themselves and find solutions to problems, because they would like to make

changes in their life, want to be recognized and respected. This finding helps explain the descriptive result of the survey where only personal social networks spur individuals' entrepreneurial motivation; however, local business owners' and local people's opinions also play an important role in facilitating entrepreneurial intention (i.e. Relationship 10) in deprived areas. In Chapter 5, it is supposed that individuals' initial entrepreneurial motivation may usually come from those people close to the prospective entrepreneur. However, they tend to consider other local business owners as a reference point to predict the feasibility of setting up a business when they intend to undertake actual business activities. Other local residents' approval is important, as they are highly likely to form the core of their potential customers with most businesses in deprived areas focused on serving the local area and customers.

The results obtained from the semi-structured interviews in this chapter reveal further insights. For example, other local business owners and their operations are considered when deprived area entrepreneurs try to gauge the level of their own business performance and capabilities. Their self-efficacy is increased through the comparison, because they perceive they are performing more strongly than other local business owners. With respect to the approval sought from local residents, the results in this chapter reveal this is derived from the deprived area entrepreneurs' lower self-esteem or confidence. This makes others' recognition one of the key factors that increases individuals' self-efficacy in deprived areas.

On the other hand, deprived neighbourhood contexts linking with individuals' past experiences also trigger psychological and behavioural deviations of those in another group of the deprived areas' population. In these cases, such experiences lead to feelings of hopelessness and desperation. This explains the influence of spiritual beliefs on self-efficacy and also their decisive role in guiding personal or life plans. The worst outcome though is that a group of residents lose their trust in the outside environment and generate a resistant and hostile attitude towards it. This is where they tend to perceive themselves as innocent victims of their deprived neighbourhoods and that they do not have choices or opportunities to change their position. They come to believe outsiders neither understand nor care about their situation and experiences. As a result, this group within the population are more likely to believe that failures and difficult situations are caused by contextual determinants and others' bias, rather than by their own actions (or inactions). In this case, these residents not only have a negative emotional position with regard to outside society, but also hold a fatalistic attitude towards life and isolate themselves from mainstream society. This places a greater reliance on strong ties with

their local connections based on mutual feelings and thoughts. Linking to the collective limited capabilities and resources present in deprived areas, this would explain the greater prevalence of an informal economy in deprived areas.

Having considered each piece of analysis individually in order to examine the overall results pertaining to the influence of human capital on entrepreneurial intention in deprived areas, the next chapter seeks to integrate the results obtained from all three data sources used in this study. Drawing on the existing literature and theory covered in Chapter 2, a comprehensive discussion provides a holistic view drawn from the three different perspectives. The chapter also seeks to explain the reasons behind any differences identified in the results of the three pieces of empirical analysis, whether these relate to the sample, context, type of data, or method of analysis.

CHAPTER 7 DISCUSSION AND IMPLICATIONS

7.1 Introduction

By linking the findings presented in the previous chapters with existing literature, this chapter discusses both consistent and different results, and point out the possible reasons behind the different outcomes between this research and previous studies. It is firstly necessary to discuss individuals' entrepreneurial motivation in deprived areas (section 7.2), in order to clearly demonstrate the different states during the various phases of the entrepreneurial process. In considering the complication of bidirectional relationships in this research, the subsequent discussion (sections 7.3, 7.4 and 7.5) each concentrates on the three research questions (RQs) in turn. More specifically, section 7.3 discusses how human capital influences residents' entrepreneurial intention in deprived areas (i.e. RQ1), whilst section 7.4 discusses how a deprived neighbourhood context impacts on residents' human capital development in deprived areas (i.e. RQ2). Furthermore, section 7.5 discusses a variety of bidirectional relationships among factors influencing entrepreneurial intention and human capital development in deprived areas, which answers RQ3. Lastly, both political and academic implications are presented in section 7.6.

7.2 Entrepreneurial Motivation in Deprived Areas

Notably, this research found a nuanced difference in the neighbourhood context impacts on residents' entrepreneurial motivation and intention. As found from the survey, the descriptive result (Chapter 5, section 5.2) indicates that residents' initial idea of setting up a business is stimulated by suggestions and information through their personal social networks. However, local residents' opinions, entrepreneurial behaviours and confidence do not play an important role in generating this initial motivation. Instead, it is when looking at entrepreneurial intention that more influence from the neighbourhood effect is found. Chapter 5 (Relationship 10) reveals that communication with local residents and inspiration from local business owners facilitates self-efficacy (i.e. goal belief), whilst suggestions and information provided by personal social networks, inspiration from local business owners and local people's opinions and confidence are factors enhancing self-regulatory focus (i.e. promotion focus). Before concentrating on the main focus of this research study in the next section, i.e. entrepreneurial intention in deprived areas, the insights collectively provided by the different pieces of analyses relating to entrepreneurial motivation are considered below.

Regarding entrepreneurial motivation in deprived areas, the finding is consistent with previous studies, in that entrepreneurship can be stimulated by multiple motivations. More specifically, individuals' entrepreneurial motivation can be triggered by negative experiences such as difficulties in the labour market, and also simultaneously by positive experiences, such as opportunity recognition (Acs and Kallas, 2007; Friedman, 1986; Sherrarden et al., 2004). Some personal determinants motivating business ideas in deprived areas have also been found, such as personal career direction and spiritual belief. However, this research stresses imitation behaviour as another phenomenon spurring individuals' entrepreneurial motivation in deprived areas (section 6.4). While studies usually tend to discuss innovators and imitators relating to products or technologies, entrepreneurial activities could be considered an innovative behaviour in deprived areas. Many studies have examined imitation as a factor enabling the development of the economy (Schumpeter, 1912; Bessen and Maskin, 2009; Glass, 2010; Mukoyama, 2003; Segestrom, 1990; Shenkar, 2010; Herrmann-Pillath, 2013; Safarzynska and Van der Bergh, 2010). Such activities play a central role in economic growth, whereby innovations are imitated, allowing their diffusion throughout the economy (Rossi, 2003). By linking with Granovetter's (1978) theory of riots, which indicates that, if the number of observed behaviours reaches a certain point or threshold, this observation generates a positive effect that encourages accession in spite of the initial reservations. In the field of entrepreneurship, this theory has been utilized to analyse the role of the imitation phenomenon in influencing the creation of a socio-cultural environment that generates particular behaviours, leading to an economy dominated by necessity-based entrepreneurship (Minniti and Bygrave, 1999; Gaudens-Omer, 2018).

According to the results pertaining to the influence of neighbourhood context on local residents' entrepreneurial motivation obtained from Chapter 5 (Relationship 10) and Chapter 6 (section 6.4), imitation can be an effective way to facilitate entrepreneurship in a given deprived environment. Under deprived circumstances, the lack of a supportive business environment, caused by persistent disadvantages, institutional issues, shortages of personal capabilities and insufficient support and investment, leads to a low level of entrepreneurial performance (Cabinet Office, 2005; HM Treasury, 2007). In this case, starting a business in such areas is riskier than the already inherently risky nature of entrepreneurship *per se*. Therefore, it is conceivable that following or imitating others' business ideas, particularly of those successfully established businesses, could be considered as an act of 'water testing' to observe market reaction or to see whether these businesses do work in the local area. This pattern may help those followers to reduce the potential risks to some extent. This also simultaneously reflects their prevention-focus when facing uncertainty (i.e. section 6.4). In addition to those who deliberately imitate others' business ideas or behaviours, it is found that this imitation

can emanate from a way of spreading and learning skills locally, such as private training offered by the local training providers or social entrepreneurs and free help from personal networks (section 5.2 and section 6.8). It means the skills delivered and obtained in deprived areas are more likely to be similar, which potentially leads to the proliferation of the same or similar enterprise types to those that already exist. Due to the prevalent business types that focus on local demand, the similarity of skills would trigger an imbalance between the local supply and demand and ultimately lead to market saturation. In such a case, the prevalence of imitation is not beneficial for deprived areas to develop entrepreneurship in a sustainable manner. In addition, the result of the imitation phenomenon also reflects individuals' multiple entrepreneurial motivations in deprived areas, including the necessity driver brought about by the difficulties in the labour market or life dilemmas; and the opportunity driver stimulated by a perception of a relatively safe manner to obtain income.

Moreover, as found in section 6.4, it is repeatedly noted that many businesses in deprived areas are not formalized, which is consistent with Williams and Williams' (2017) recent work. Williams and Williams (2017) highlight the manner in which particular neighbourhood contexts influence the way local residents perceive and take advantage of opportunities and further shape the prevailing individual traits, area characteristics and different cultures of businesses in deprived areas. Rather than lacking a supportive entrepreneurship environment and conditions, many businesses operate within the informal economy, which is even regarded as a hidden enterprise culture in deprived areas (Williams and Williams, 2017). Based on participants' observation, residents' choice of starting informal businesses can be primarily linked with the perceived barriers in deprived areas as found in Chapter 4 (i.e. Relationship 3). Compared to the complicated and difficult processes associated with tax issues and applying for finance, where there is limited access to appropriate finance sources, entering the informal economy provides greater flexibility and is self-determined and supported through personal social networks. In considering the strong influence of social interactions in deprived areas, businesses in the informal economy will also be developed and expanded through the imitation of existing entrepreneurial behaviours in such areas. Nonetheless, the prevalence of informal businesses as hidden entrepreneurial culture will be potentially destructive for overall economic development in deprived areas. Strong local ties and residents' limited skills can be regarded as explanations for the development of this situation, which largely restricts the potential for business growth or the expansion of business activities beyond the local area. Accordingly, local role models or business owners who are imitated play a crucial role in guiding entrepreneurial activities in deprived areas.

The insights from the research above with regard to motivation show that local residents' networks play a key role. However, as is discussed in more detail below, the results provide evidence that the influence of local residents and role models is more powerful in terms of promoting and suppressing entrepreneurial intention than motivation. The details in relation to this aspect are discussed in the next section by linking with the influence of other identified factors on residents' entrepreneurial intention. As interpreted in Chapter 6 (section 6.4), entrepreneurial motivation is an emotional reaction occurring before entrepreneurial intention, but motivation will not necessarily ensure actual entrepreneurial behaviours. In considering entrepreneurial intention as a further behaviour that is closer to the business start-up, factors including human capital relating to self-efficacy and self-regulatory focus are also be discussed. Meanwhile, the mediating effect of goal setting and opportunity recognition on the relationship between human capital and entrepreneurial intention is also discussed in the next section. As this research study has found no evidence showing the role of human capital in spurring entrepreneurial motivation in deprived areas, the next section focuses on entrepreneurial intention alone.

7.3 Human Capital and Entrepreneurial Intention in Deprived Areas (i.e. RQ1)

Before discussing the influence of human capital on entrepreneurial intention in deprived areas, the overall situation of individuals' human capital level, self-efficacy and self-regulatory focus is presented. This is important, as the model developed in Chapter 2 from the existing literature highlights these as important factors that have the potential to limit entrepreneurial intention in deprived areas (Lee and Cowling, 2012). The results of the research study therefore provide important insights into the underlying deprived environment within which entrepreneurial intentions are being generated. While the overall qualification level is low in deprived areas, as found in section 6.5.1, there is still an element of the population achieving higher education levels in such areas. In terms of the employment situation in deprived areas, it is found that people are usually employed in less well-remunerated occupations in the service sector and this is found to be the case even for those more highly qualified members of the population (section 5.2 and subsection 6.5.1). This result further shows that qualifications do not necessarily determine individuals' employment situation in deprived areas. A higher unemployment rate as one of the major issues mentioned in previous studies is not directly identified in this research study; however, participants highlighted this issue based on their observations of other residents in their areas. This lesser emphasis on unemployment may reflect economic conditions at the time of data collection, when employment levels were at record highs;

instead the quality of this employment was more apparent (Clarke and Cominetti, 2019; Bell and Blanchflower, 2020). As such, the overall finding is consistent with previous studies that individuals have a lower level of general human capital in deprived areas (Ellen and Turner, 1997; Dietz, 2002; Galster, 2012).

Although, general human capital, as identified in Chapter 2, has the potential to directly influence the generation of entrepreneurial intentions (Shane, 2000; Ucbasaran et al., 2008; Moser, 2016), as the model developed in Chapter 2 illustrated, a lack of general human capital also restricts the opportunities for individuals in deprived areas to develop and accumulate specific human capital through formal channels, such as employment positions (subsection 6.5.4). Although lower human capital levels in deprived areas are expected to reduce confidence, which may in turn restrict entrepreneurial intentions, the qualitative results indicate a high level of self-efficacy in general (section 6.6). However, the quantitative results in Chapter 4 (i.e. Relationship 1) found self-efficacy to be lower in deprived areas, particularly in terms of confidence in having the capability to make operational improvements. This case stresses the importance of using qualitative analysis in this research study, as it allows the researcher to distinguish individuals' overall confidence in entrepreneurship from their confidence in a particular skill in deprived areas. The findings of the quantitative data indicate that individuals have limited confidence with regard to a specific capability when the responses only allow for one of two outcomes to be chosen. However, the qualitative data enables respondents to illustrate the alternative approaches and coping mechanisms they have used to counteract any negative influences on their confidence.

Whether a deprived area context influenced the extent to which residents sought gains and improvements to their situation (promotion focus) or sought to protect what they already have (prevention focus) is, as outlined in Chapter 2, potentially important with regard to generating and sustaining entrepreneurial intentions (Tumasjan and Braun, 2012). The results indicate that residents are neither promotion- nor prevention-focused, but also that there is evidence of both depending on the specific domain of inquiry. Individuals tend to be promotion-focused, as is reflected by their active pursuit of new skills and further development for themselves and businesses (Relationship 1 in section 4.2, Relationship 10 in section 5.2, and section 6.7 in Chapter 6). Even so, residents' prevention focus is usually reflected in their consideration of uncertainties and potential risks to the business such as obtaining finance (i.e. Relationship 3 in Chapter 4 and subsection 6.8.2).

In considering the influence of human capital on self-efficacy, the results found in Chapter 4 (i.e. Relationship 5) and section 6.6 show that people perceive specific human capital, particularly the practical knowledge and skills relating to their businesses, as crucial in enabling them to strengthen self-efficacy related to preparing, setting up and operating their businesses. However, people do not perceive general human capital, particularly educational attainment, as a necessity in facilitating their entrepreneurial intentions in deprived areas. While general human capital has been found to affect regulatory focus in Chapter 5 (i.e. Relationship 8b) and section 6.6, which should boost entrepreneurial intentions, the findings presented in sections 6.6 and 6.7 indicate that general human capital does not have the expected influence on entrepreneurial intention in deprived areas. In the light of this finding, one question is proposed: Why does this happen? In order to answer this question, it is necessary to look at the perceived benefits of specific human capital from individuals' perspectives in deprived areas and to explore the alternative approaches they used to make investments in this kind of human capital. In contrast to general human capital, specific human capital tends to be applicable in a narrower sense and related to specific tasks or activities (Barney, 1991). Although the limited supply of general human capital restricts the opportunities for individuals to obtain specific human capital through formal channels in deprived areas, it does not mean individuals in such areas cannot access specific human capital. Operating as freelancers, taking part in self-learning and learning-by-doing, occasionally engaging in the short-term courses and relevant workshops as major alternative methods to gaining specific human capital (section 6.6) are respectively discussed as alternatives below.

Regarding freelance work (section 5.2 and section 6.5.4), Broughton et al.'s (2018) report demonstrates that working in the gig economy/freelancing is not a voluntary choice in some cases. Rather it results from an inability to find secure work as an employee. However, it means that although there are difficulties faced in the labour market, particularly for those in more deprived areas, this has the silver lining of creating unexpected opportunities for individuals to obtain specific human capital in terms of previous entrepreneurial experience (section 6.6). Engaging in the gig economy/freelancing increases self-efficacy derived from the transferability of previous entrepreneurial experiences to the current businesses. It therefore not only enables access to an income, but also provides a chance to obtain some work experience and contacts. It has also been argued to be more suitable for those individuals who have physical and/or mental health issues rather than a normal work environment (Broughton et al., 2018). The report argues that the gig economy is not an issue if this working mode is temporary. In the longer run, it does potentially become more

problematic, particularly for young people, because it not only lacks security, employment rights and low payment, but also stymies skills acquisition and career development with limited opportunity for career professional and formal training. When considering a deprived area environment traditionally associated with a higher unemployment rate and other negative social phenomena (e.g. single mums, poor health conditions), employment as a freelancer provides a flexible route out of this hardship. From this perspective, a disadvantaged neighbourhood context unexpectedly stimulates individuals' promotion focus to some extent.

Regarding self-learning and learning-by-doing, these self-help methods can be regarded as experiential learning, which emphasizes the importance of learning within and from the process of entrepreneurial practice at an individual level (Corbett, 2005). For those living in a deprived area context, the approaches of self-learning and learning-by-doing could be considered as a shortcut to selectively obtain the knowledge and skills required. Consistent with the model in Chapter 2, this acquisition of relevant human capital should mean their self-efficacy would be increased with the (temporary) solution of their problems. In particular, this approach overcomes concerns residents have with regard to the consumption of time and monetary investment required which is associated with more slowly accumulating human capital through more a formal process. Therefore, the respondents reported in Chapter 6 highlight this approach as providing a faster and more effective way of learning new knowledge and skills. This also links to respondents' comments, which imply a scant awareness of the importance of general human capital and their limited capabilities of investing in general human capital, as well as being simultaneously linked with their financial pressures and objective restrictions on engagement with formal training, for example (subsection 6.5.2). Moreover, this research study found that these two alternatives co-exist. This means individuals recognized their weakness in terms of particular knowledge or skills, either from the difficulties or mistakes in the process of preparing for or even running businesses, and subsequently sought a method to acquire the relevant knowledge on their own terms (section 6.6). Similarly, occasionally engaging in short-term courses and workshops is a targeted choice and perceived as a more effective way to acquire practical knowledge and specialized skills, particularly relating to their businesses (section 6.6). This is reflective of people in deprived areas holding a remedial or problem-solving attitude towards human capital, rather than a long-term investment or a systematic accumulation. This finding supports the argument that individuals' behaviour in relation to entrepreneurial intentions is often unplanned in deprived areas, and supports the proposal that Ajzen's (1991) theory of planned behaviour is less applicable to deprived situations (Chapter 2). These findings show a gap between the focus of much of the government support provided and local residents' perceptions and access to this support. They

further reveal that the nature of training or entrepreneurship education programmes is not necessarily as the literature and policymakers imagine or expect it in such areas. In this case, other questions are proposed: whether general human capital is really not important for entrepreneurial activities in deprived areas; and whether these self-learning approaches can replace the traditional processes of general human capital acquisition? In order to respond to these questions, it is necessary to look at factors such as concerns about prevailing economic conditions (Chapter 4) and interest rates changed by financial institutions (Chapter 6), which increase residents' prevention focus for engaging in activities such as growth and exporting activities.

It is found that self-help approaches are helpful in temporarily solving the problems relating to the practical and operational procedures which might mitigate against entrepreneurial intentions in deprived areas. However, skills and experiences relating to exporting activities; the evaluation or analysis of the economic situation; and confidence in terms of being able to maintain sufficient profit ability make interest repayments are linked with the benefits gained from human capital (Chapter 2, Tables 2.1 and 2.2). For example, adaptability, better social networks and alertness to potential risks are perceived to be major benefits available from general human capital (Relationship 8b, Chapter 5), where this human capital is gradually accumulated over time and through education and experience. Unfortunately, the knowledge obtained from these self-help approaches, not being obtained in the same manner, does not provide a foundation of experiences which can be drawn upon; and therefore does not generate the confidence enabling individuals to undertake specific business activities, which allow further development and growth in deprived areas. This also explains the contradictory results pertaining to individuals' self-efficacy in deprived areas obtained from the quantitative and qualitative data discussed above. Applying self-help methods to obtain skills in a reactive fashion to solve immediate problems increases individuals' confidence and subsequently enhances their promotion focus to set new goals which, as the model in Chapter 2 indicated, will be beneficial in facilitating entrepreneurial intention in deprived areas. However, these self-help methods may also reduce confidence or lead to individuals becoming more prevention-focused with regard to business activities outside those for which specific knowledge was sought. In other words, this approach boosts promotion focus and self-efficacy, but in terms of a narrow set of activities, rather than more broadly. While specific human capital is one of the factors increasing individuals' self-efficacy in deprived areas, it is worth noting that specific human capital is neither the only factor increasing self-efficacy, nor the most important one. Other influential determinants have also been found in this research, and they are discussed below.

This research study found that individuals' self-efficacy is enhanced when compared with other local business owners. It is also found that self-efficacy does not remain constant or steadily increase, but varies through time and can both rise and fall, with peaks of confidence and troughs of self-doubt. Changes in individuals' self-efficacy are reflected in the influence of others' recognition and personal feelings of an increased (social and/or employment) status, associated with entrepreneurship that allows self-efficacy to be reinforced and strengthened in deprived areas (section 6.6). In fact, these findings are potentially correlative. In deprived areas, a sense of potentially holding a competitive advantage derives from the personal perception of possessing better capabilities than others and is related to the concept of downward social comparison that is assumed to lead to a self-enhancement of subjective well-being and self-esteem (Hakmiller, 1966; Taylor and Lobel, 1989; Wills, 1981). In considering this social comparison, the application of Festinger's (1954) original theory of social comparison in the entrepreneurship field is generally rare, much less in the context of deprived areas. This research study links with the concept of counterfactual thinking introduced by Barons (1998) into entrepreneurship research and Hao et al.'s (2018) recent work to discuss these findings. As an 'alternative version of the past', counterfactual thinking leads individuals to compare their current situation to envisioned worse (i.e. downward counterfactual) or better (i.e. upwards counterfactual) outcomes (Roese, 1997). By linking counterfactual thinking and self-regulatory focus, Hao et al.'s (2018) recent work argues that promotion focus induces individuals' upward counterfactual thinking and prevention focus induces downward counterfactual thinking. Taking the example of experiencing entrepreneurial failures, they point out that individuals are more prone to adopt downward comparison to reduce negative emotions such as grief, shame, depression, anger, anxiety and so forth. More specifically, negative past experiences have less influence on promotion-focused people because this group of the population are more likely to focus on the current situation with a positive emotion and seek better guidance for future behaviours through upward comparison. While this research study does not find any result relating to upward comparison, it is found that some people's self-efficacy is strengthened through horizontal comparison. This means these people increase self-efficacy through comparing their current circumstance to their previous situations and gain a sense of progress or achievement, such as obtaining others' recognition and perceiving increased (social and/or employment) status. By contrast, previous negative experiences for prevention-focused people seem to act as a warning sign. Where current experiences reflect those of the past, particularly negative experiences, this can stimulate a desire to seek psychological comfort through making downward comparisons (Hao et al., 2018). In the data here, the wider prevention focus found to exist when individuals consider the risk to their business success leads to the pattern of downward

comparisons noted above. While this indicates how self-efficacy might be maintained to retain entrepreneurial intention, it is also likely to influence the goals set. The details about the influence of downward comparison, others' recognition and perceived increased status link with the deprived neighbourhood effects to be further discussed in section 7.5.

Another factor impacting on individuals' self-efficacy in deprived areas is the support from personal social networks. The development of social capital has the potential to empower people to become entrepreneurs in deprived areas (Westlund and Bolton, 2003; Thompson et al., 2012; Wyrwich et al., 2016). They have a strong sense of embeddedness within networks of mutual support. Nonetheless, it is argued these networks should not be regarded as resources either to generate economic benefits, or for starting a business venture (Hays and Kogl, 2007). By comparing the bonding capital that dominates these personal social networks, which are usually viewed as providing practical and/or emotional support, bridging capital which is more scarce adds value through providing access to relevant business information (Bailey, 2015). An absence of bridging capital is one of the barriers to entrepreneurship (Slack, 2005; Welter et al., 2008). The homogeneity of the local residents restricts access to valuable information or suggestions. Regardless of the role of bonding capital in business performance or survival, this research study found that personal social networks in the form of bonding capital significantly strengthen some respondents' self-efficacy in deprived areas. In some cases, people do not have knowledge or experience in the industry in which they intend to set up a business. In these circumstances, the knowledge and relevant experience of friends who are working or have previously worked in that industry is found in the results here to be more valuable than bridging capital. This is because this kind of personal social network includes both technical help and emotional support (section 6.6). Moreover, the help offered from social networks can be regarded as another form of learning that seems to be of equal importance to self-learning or learning-by-doing. This means that such personal social networks have a key role in generating the self-efficacy needed to support entrepreneurial intention. However, relying heavily on the support and help from their social network decreases people's self-efficacy when these friends are absent. More severely, the influence of social capital or networks can be negative if the network norms are associated with gangs and drugs (Hoggets, 1997).

The discussion above with regard to the influences of social comparison and personal social networks on individuals' self-efficacy in deprived areas helps the results to explain the question proposed in section 7. 2. This research study questions why other local business owners and residents influence

individuals' entrepreneurial intention, rather than entrepreneurial motivation, in deprived areas. The emotional support offered by personal social networks is a strong driver spurring individuals' emotional reaction to consider the business start-up. However, the technical help they offer improves individuals' self-efficacy to turn the motivation into intention. People may pursue the relatively objective opinions from strangers rather than people from their close relationships. In this case, comparing with themselves or other people based on progress may be regarded as the 'objective' measures or indicators to authentically improve their self-efficacy. As discussed so far, the results appear to show that other factors beyond human capital are also important in facilitating entrepreneurial intention in deprived areas. By further exploring and discussing the result, however, it can be seen that a lack of human capital essentially pushes people to be promotion-focused and apply alternative methods, in order to obtain business skills and capabilities as well as increase self-efficacy, because they are required to overcome the barriers to capture the perceived opportunities. In other words, human capital is important for facilitating entrepreneurial intention; the problem is the lack of, or difficulties faced when trying to acquire, human capital in deprived areas. This ultimately leads to alternative approaches being adopted to generate self-efficacy and regulatory focus allowing entrepreneurial intention to be formed in deprived areas. Therefore, the next section considers the insight provided by the results in terms of how a deprived neighbourhood context impacts on human capital development in deprived areas.

7.4 Neighbourhood Contexts and Human Capital in Deprived Areas (i.e. RQ2)

As noted in section 7.3, a lack of general human capital hampers local residents' development and accumulation of specific human capital in deprived areas. Meanwhile, self-help methods are an important channel utilized by individuals to acquire specific human capital in such areas. Given these findings and the importance of this relationship between general and specific human capital, as found in the existing literature on entrepreneurial intention and highlighted in the model presented in Chapter 2, it is important to discuss further the implications of the results with regard to what holds back the accumulation of general human capital. The role played by neighbourhood effects in determining local residents' socio-economic status (i.e. education level and employment status) in deprived areas as been recognized in the literature. Therefore, this section focuses on discussing those factors and mechanisms identified in the results of this research study which influence the acquisition of general human capital.

In deprived areas, geographical, institutional and social-interactive mechanisms negatively influence the development of general human capital in deprived areas (section 6.5.2 and section 6.5.3). More importantly, there are bidirectional relationships between the neighbourhood mechanisms that trigger a vicious circle between educational attainment and employment through the generational effect. From a general perspective, social-interactive mechanisms as a social process endogenous to a particular neighbourhood (Galster, 2012) largely influence local residents' attitudes and behaviours. As a vicious circle exists between deprived neighbourhood contexts and human capital development, it is hard to assert the root causes. It is similar to the causal dilemma of the chicken-or-egg: if the neighbourhood contexts are considered as a root cause, they are comprised of individuals whose behaviours and images will shape the social norms and reputation of the local area. On the other hand, if individuals' human capital levels are considered as a root cause, the deprived neighbourhood context created then goes on to generate a negative influence, not only on local residents' further human capital development, but also their personal development.

Social-interactive mechanisms refer to several social processes endogenous to particular neighbourhoods (Galster, 2012), which are found to have significant and severe influences on local residents' educational attainment in deprived areas (Relationship 7 in Chapter 5 and subsection 6.5.2). In considering the central role of family in children's early life, this finding is consistent with both Bourdieu and Passeron's (1990) cultural capital theory, which stresses the important role of family cultural resources and environment in children's educational aspirations and performance; and Coleman's (1988) social capital theory, which emphasizes the influence of parents' participation and socio-economic status on children's learning behaviours and achievement, school attendance and other risky behaviours. In particular, this research study uncovers the presence and important role of child maltreatment, including parental neglect and family abuse. Children who early on experience abuse and/or neglect are at increased risk of delayed or impaired language and communication skill development, influencing their social and educational development (Petersen et al., 2014). Worse still, child maltreatment could result in children's learning disabilities directly hampering their educational progress. Most importantly, child neglect and abuse are considered as a precursor to serious social problems, such as adult victimization, sequelae of mental health problems and maladaptive parental practices, which potentially cause the intergenerational transmission of violence (Minh et al., 2013). From the perspective of the social learning process, children learn behaviours from both the ways in which other people treat them and from their observation of how their parents treat each other (Bandura and McClelland, 1977; Stith et al., 2000; Franklin and Kercher, 2012). This means that the intergenerational pattern discovered in Chapters 5 and 6 of this research are likely to have long-lasting

consequences for young people in deprived areas, with regard to acquisition of general human capital, that will ultimately limit their entrepreneurial intentions.

In addition to the family environment and parental influences, the quality of relationships with friends, school peers, community members or neighbours can also impact on young people's behavioural choices and perceptions of what is acceptable (Blazevic, 2016). Stevenson (2017) points out that social contagion captures peers' influence that is stronger than those non-cognitive factors relating to criminal behaviours. Peers' indirect influence on young children's non-cognitive characteristics, such as an inclination to aggression, lack of impulse control, a preference for undertaking risky activities and developing an anti-social attitude, may destigmatize such inappropriate and illegal behaviour (Posner, 1997) and directly damage young people's identity formation (Akerlof and Kranton, 2000), personal belief (Stevenson, 2017) and their development of social and emotional skills (Ellison and Fudenberg, 1995). In other words, the transition between different social-interactive mechanisms can operate through peers' influences in rationalizing and normalizing inappropriate even criminal behaviours, which are not consistent with the development of productive entrepreneurial intentions (subsection 6.5.2).

Regarding institutional mechanisms, this research study does not find any direct influence of poor school quality on the education levels attained. Instead, it is found that poor school quality strongly decreases local residents' desire for, interest in, and aspirations to study (subsection 6.5.2). The reasons for this result come not only from teachers and peers, but also young people *per se* in the school context. As a social, institutional and physical environment, particularly for young people, schools play an important role in their daily lives (Bernelius and Kauppinen, 2012). Some scholars propose that pupils' disadvantaged backgrounds, such as early cognitive development, out-of-school experiences, personal hopes and expectations for their future, have stronger influences on determining educational attainment and progress even than which schools they chose to attend (Sammons et al., 2014). This research argues that the school environment can be regarded as a key part of society influencing pupils' development. Teachers act as adults who play a crucial role not only in delivering knowledge, but also appropriately guiding and correcting pupils' behaviours alongside their parents. Nevertheless, previous studies utilizing different approaches show schools in deprived areas struggle to recruit and retain qualified teachers (Social Mobility & Child Poverty Commission,

2014¹⁴¹; Brown, 2015¹⁴²). The statistics indicate that only 15% of teachers would be willing to work in 'challenging schools' where they are pressures derived from a higher level of socio-economic disadvantage or lower attainment level (Social Mobility & Child Poverty Commission, 2014); and only 16% of teachers report the social consideration and passion in being willing to move to areas where they can attempt to make a difference to a community (Menzies et al., 2015). Shaw et al. (2017) emphasize teachers' differing expectations of educational progress are based on the family backgrounds of the student groups. They tentatively suggest that teacher expectations may be lower for those pupils who come from low-income families, thus limiting their progress in secondary schools; however, a number of disadvantaged pupils make good progress with high expectations. This means that teachers could be regarded as a motivating factor encouraging students to progress, but frequently the opposite is true. However, this research study provides a different perspective to Shaw et al.'s (2017) opinion. It is found that expectations and exam results are not the only connection between teachers and pupils in the school context. In the context of deprived neighbourhoods, it is found that pupils are more likely to have a desire for understanding or care from teachers about their personal barriers or the underlying difficulties they face (subsection 6.5.2), which can be considered as emotional support. This demand from pupils is largely derived from parental neglect (subsection 6.5.2) and pupils' limited capability for solving difficulties or overcoming barriers themselves. Teachers, as adults who are close to pupils in addition to parents and family members, play a crucial role in providing help and guidance for pupils. Nonetheless, this research study found teachers' focus or expectation for educational performance is viewed by a segment of individuals in deprived areas as either an emotionless educational method or likened to assembly-line production of education (subsection 6.5.2). This result indicates that some people perceive teachers and schools with a degree of resistance, and this triggers an emotional state of self-abandonment. As such, whereas the education system and those that work within it could provide a solution to generating the general human capital to boost entrepreneurial intentions, its perceived focus and nature actually result in it being one of the factors that to a considerable degree subdues the generation of entrepreneurial intention.

In considering schooling in deprived areas, moreover, local residents perceived them to be related to the acquisition only of basic skills such as reading, writing and mathematics (section 6.6). This is likely

¹⁴¹ Social Mobility & Child Poverty Commission (2014) used Ofsted ratings of teacher quality to make comparisons at school level.

¹⁴² Brown (2015) used teachers' previous qualifications as a proxy for quality.

to reflect the fact that schools located in disadvantaged areas tend to emphasize basic skills and focus less on extending the curriculum than schools located in elsewhere (Teddle and Stringfield, 1993). This also explains the reason why the expected role of formal education is not found to facilitate entrepreneurial activities in deprived areas (Relationship 8b in Chapter 5, and section 6.4, section 6.6 and section 6.7 in Chapter 6). In this regard, pupils in deprived areas continuously lag behind other peers. Given the low level of family support, including limited parental aspirations for their children and parents' limited capabilities to help their children, schools are required to pay attention to providing an enriched curriculum in order to enhance the social and cultural capital of pupils from disadvantaged backgrounds, which is a way of narrowing the achievement gap with peers from other areas (Feyisa and Christabel, 2018). It is found that teachers focus only on grades and manage pupils' inappropriate behaviours ineffectively (subsection 6.5.2); both institutional and social-interactive mechanisms should be concerned in this case. Many studies have revealed that providing practice applications through connecting learning and pupils' real-life experience is particularly important for pupils from low socio-economic backgrounds (Muijs et al., 2004), as this method potentially promotes learning by diminishing pupils' disaffection (Henchey, 2001; Hopkins and Reynolds, 2002; Montgomery et al., 1993) from their disadvantaged family environment and local contexts. In other words, psychological comfort could be fundamentally viewed as a first step to inspire pupils compared to merely using grades as the criterion to assess students' school performance. Nonetheless, Jo (2011) argues that Teaching Schools¹⁴³ are more likely to encourage school-based training (i.e. mostly practical work) for teachers rather than university-based (i.e. developing a theoretical understanding guided by internationally-developed pedagogical work), which downgrades the quality of the training.

Notably and importantly in terms of interventions to improve the role of schools in supporting future entrepreneurial intentions, this research study found schools are privately managed by individuals or private institutions. The local government only plays a role in formulating regulations in the education system and providing funding to schools, rather than managing the operations of schools (section 6.8). The measure of privatizing schools makes those schools located in deprived areas attract fewer pupils, receive fewer resources and makes the efforts to combat the original problems existing in the local area more difficult, due to a new inspection framework¹⁴⁴ and the introduction of an Education Act

¹⁴³Teaching School Representatives and their regional teams will be working in partnership with Local Authorities, MATs and Dioceses to ensure the most vulnerable schools receive the support they need. (Sources: <https://tscouncil.org.uk/>)

¹⁴⁴ According to Jo's (2011) report, a new inspection framework introduced in 2012 is used to evaluate whether a school is adequate or not based on four headings: 1) the quality of teaching; 2) the quality of leadership and

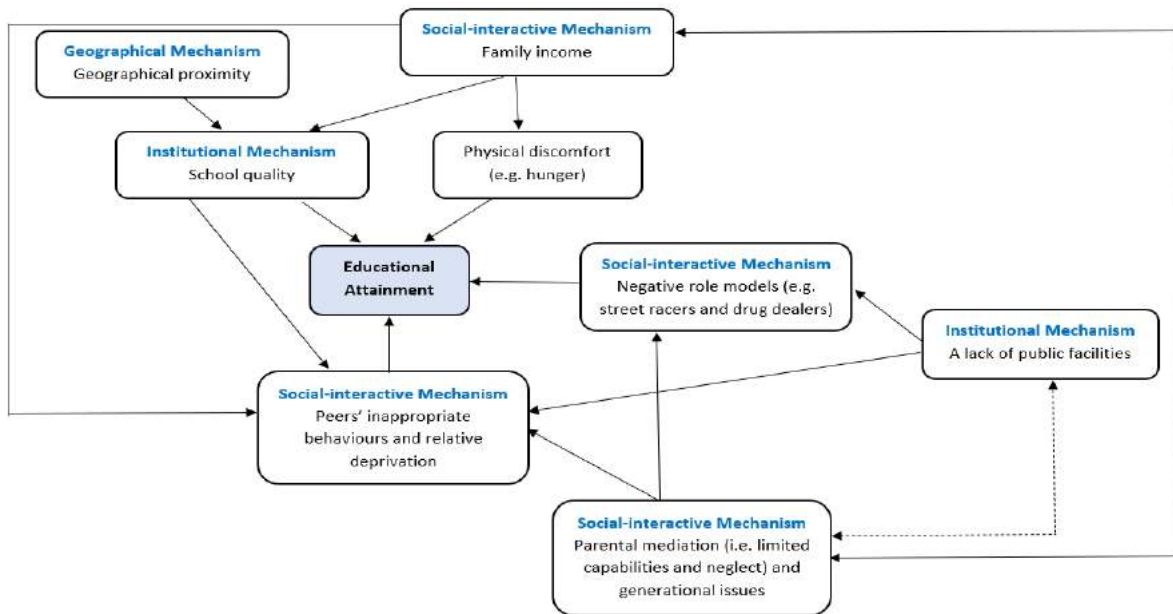
that links budgets with the school ranking and level of pupils' enrolment (Jo, 2011). Moreover, the issue of funding cuts is relevant not only for education (Jo, 2011; Richard, 2019), but also for local institutional resources, such as a lack of favourable extracurricular activities and places (subsection 6.5.2). One such set of activities is after-school programs, which are an advanced form of extracurricular activities (e.g. sports or academic clubs). These activities have been recognized over the last two decades as having substantial benefits and take the form of play and socializing activities, support for academic enrichment and homework, community services, sports, crafts, music and scouting (Halpern, 2002; Vandell et al., 2005). Through the provision of supervision, reliable and safe childcare for young people during after-school hours, the purpose of these programs is to alleviate social issues such as crime, the academic achievement gap, substance use, and other behavioural problems, particularly for people from disadvantaged backgrounds (Dynarski et al., 2004; Weisman et al., 2003; Welsh et al., 2002). As is clear, after-school programs inspire young people's interests for education and other habits that are conducive to personal development and broaden their horizons as well as avoiding possible criminal behaviours. These programs can be also considered as an alternative channel for overcoming the limited capabilities of pupils' families in assisting their development. However, the scarcity of basic local institutional resources catalyses engagement of inappropriate or criminal actions because these activities seem to be an alternative way for young people to entertain themselves in deprived areas (subsection 6.5.2). In terms of disadvantaged local resources and the prevalence of criminal actions in the local area, some residents even argue that the essential problem of criminal activities is the lack of alternatives. This situation is caused by the local government where grassland and football fields have been taken away for housing; and cutting funding directly results in a lack of appropriate space for young people to entertain themselves appropriately (Appendix 25). From this point, it reflects the feelings of group of residents who express a perceived unfairness with regard to the local environment and a feeling of discontent in relation to local government. This exacerbates and strengthens the ties with other local pupils who are confronting the same situation through the resonance of shared experiences or feelings.

Regardless of pupils' initial inclination, the results of this research study show most pupils are ultimately affected by the negative influence from peers, due to their unwillingness of being isolated or excluded. Particularly in the case of inappropriate behaviours becoming prevalent, those students

management; 3) the behaviour and safety of pupils; and 4) the achievement of pupils. The inspection will be carried out within a short timeframe; as a result, schools in deprived areas have been working extra hours in order to meet these impossible targets. However, this inspection framework only emphasizes pupils' raw test results, excluding their social context.

who have either 'proper' behaviours or good grades come to be viewed as 'abnormal' (Chapter 6, subsection 6.5.2). The issue of school exclusion is more likely to happen for secondary pupils than primary pupils (Shaw et al., 2017); this is partially because secondary-age pupils are more likely to have conduct issues (Department for Education, 2016). In this case, young people's acceptance within the peer group is a key measure of positive or negative experiences in the school environment, while pupils' perceived encouragement or exclusion from peers influences their motivation to pursue human capital acquisition (You, 2011). This research study links pupils' conduct issues with Walker and Pettigrew's (1984) theory of relative deprivation; an individual's objective position in a social hierarchy instigates the behaviour of making an interpersonal comparison between themselves and similar other individuals. Being at a disadvantage and perceiving this predicament to be unfair reflects the core of experiencing personal relative deprivation. The subsequent outcome is that individuals tend to generate negative emotions, such as anger and resentment, because they perceive the disadvantaged situation is undeserved if others are better off (Greitemeyer and Sagioglou, 2019). In other words, the behaviour of sabotaging other students' homework and exam papers or their hostile attitude towards those 'good students' reflects the social-interactive mechanism of relative deprivation, because this psychological emotion makes pupils feel the fairness of homogenization under the same predicament (subsection 6.5.2). To some extent, this reflects psychological deviation of some pupils in deprived areas. From another angle, it also reflects the fear or unwillingness of being excluded by peers of those young people who ultimately blend in such environment. As discussed so far, factors influencing residents' educational attainment and the bidirectional relationship among those factors in deprived areas have been displayed in Diagram 7.1.

Diagram 7.1 Bidirectional relationships among factors influencing educational attainment in deprived areas



In terms of the employment situation in deprived areas, a lower level of educational attainment and related factors, such as low socio-economic family backgrounds and criminal behaviours, generate a stigma and negatively impact on local residents' employment opportunities and status (subsection 6.5.3). With respect to stigmatization, reputation is a neighbourhood characteristic that largely impacts on local residents' opportunities and experiences as well as on social inclusion (Arthurson, 2012). The results of this research study show that the perceived negative attitude of employers towards people from deprived areas is a major factor resulting in the difficulties within the labour market. Some respondents even argue that external discrimination and exclusion derived from the bad reputation for crime and people with criminal records in such areas are the causes that trigger unemployment (subsection 6.5.3). In the labour market, the stigma of a local neighbourhood is usually linked with the issue of 'postcode discrimination' (Lawless and Smith, 1998; Social Exclusion Unit, 1998; Taylor, 1998; Fieldhouse, 1999; Dean and Hastings, 2000; Mellor, 2002; Hastings and Dean, 2003; Sanderson, 2006; Green and White, 2007; Fletcher, 2007). In Tunstall et al.'s (2012) report, however, there is no statistically significant difference in employer preference for candidates who come from neighbourhoods with different reputations. This result indicates that young people thought that employers would not discriminate on the basis of 'postcodes' because the address could be left off or altered.

By comparing the findings obtained from early studies with Tunstall et al.'s (2012) recent one, it can be seen that the recruitment system has been adjusted to avoid the potential problem of 'postcode discrimination' as much as possible. If residents still feel that outsiders have retained a negative attitude towards the local neighbourhood reputation despite efforts at improving social mix, this research study argues that this can be explained by applying the concept of internal and external perceptions proposed by Permentier et al. (2008). They argue that it is not only important to understand how residents perceive their neighbourhoods (i.e. internal perceptions), but also how they think others perceive their neighbourhoods (i.e. external perceptions). In contrast to local residents' perceptions about their areas, outsiders are more likely to assess the reputation of a neighbourhood based on a limited number of characteristics (Arthurson, 2012) such as the overall aesthetics, building density, housing condition and availability of green spaces (De Decker and Pannecoucke, 2004). These objective and observable neighbourhood characteristics are more important to explain perceived reputation rather than neighbourhood satisfaction (Permentier et al., 2008); By contrast, the subjective assessment of neighbourhood context is more important in explaining neighbourhood satisfaction rather than perceived reputation. It means outsiders' perceptions tend to reflect the objective issues existing in deprived areas, and local residents' perceptions reflect their satisfaction about their areas to some extent. As such, the key controversial point is whether discrimination against people from deprived areas, or whether perceptions of the presence of discrimination reflect individuals' subjective feelings, which are used to explain their failure in job interviews.

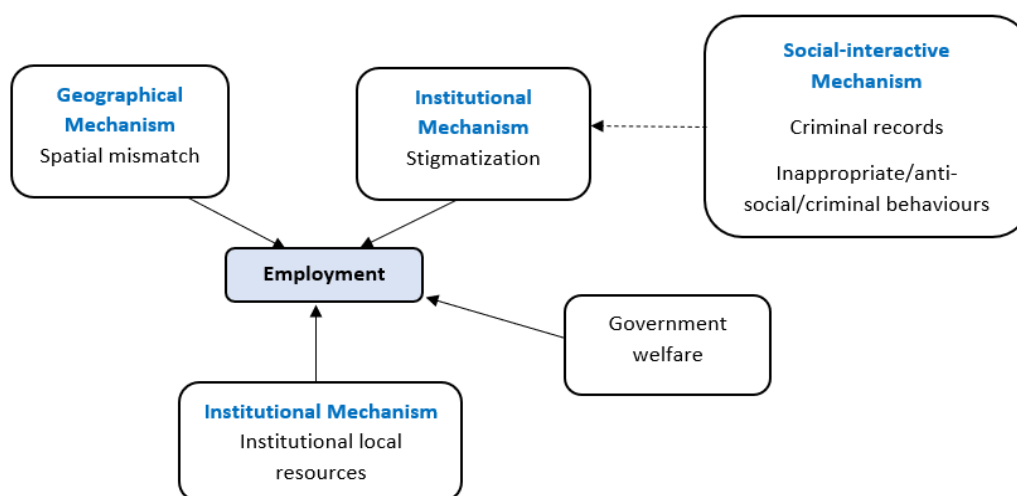
To further explore the issue of discrimination in the labour market, most interviewers are more likely to look at candidates' soft skills (e.g. punctuality, reliability, willingness, social skills and self-presentation) rather than formal qualifications or particular vocational skills. For those youngest jobseekers without experience or with little experience, GCSEs (i.e. General Certificate of Secondary Education) act as a proxy measure to represent interviewees' good behaviour and general quality. Meanwhile, the distance between a candidate's home and the workplace is important because employers need to make sure the candidate will arrive at work on time. Based only on employers' and intermediaries' interview criteria¹⁴⁵, there is no evidence of 'postcode discrimination'. These criteria even consider some difficulties for particular jobseekers by applying different selection criteria; for example, those people who may have capabilities but have a shortage of qualifications, and for younger candidates and graduates who lack experience. Nonetheless, the general perspective has demonstrated certain negative characteristics of people from poor reputation neighbourhoods, such

¹⁴⁵ Interview criteria have been revealed in Tunstall et al.'s (2012) report.

as 'being rough, or raucous' or 'causing trouble, displaying bad attitudes or social problems'; Others point out that many employers might find some undesirable aspects from the potential candidates such as lower educational attainment or welfare dependency; and a few people have mentioned 'bad, antisocial or criminal behaviours' (Tunstall et al., 2012). These general views are consistent with not only the local residents' perceptions about their local areas found in this research (section 6.3), but also identified major issues causing a persistent disadvantage in localised areas of the UK (Cabinet Office, 2005; HM Treasury, 2007). As such, the neighbourhood context - although not necessarily limiting the acquisitions of human capital through discrimination in gaining employment - by creating this perception amongst residents can be almost as damaging in affecting attitudes. This provides another example of how the deprived area context limits the acquisition of general human capital, which acts as a barrier to specific human capital and the generation of entrepreneurial intentions.

Moreover, the phenomenon of welfare dependency existing in deprived areas is also identified in this research study (subsection 6.5.3). The essential purpose of the welfare system is to provide incentives for people who are facing difficulties in their basic lives. However, it remains a significant problem in the UK because a group within the population perceives the provision of welfare as a way out of poverty (HM Government, 2010), even fostering a nature of laziness with respect to looking for jobs and becoming accustomed to this style of living. In considering this issue, several possibilities have been proposed. Due to the significant influences of social-interactive mechanisms in deprived areas, first of all, it is possible to shape a social norm of relying on the government welfare rather than finding employment, which crucially damages local residents' employment status. Secondly, rather than building individual agency, aspirations and capabilities for change, Murray (1994) argues that developing concentrations of homogenous social housing facilitates a sameness and tenants' dependency and feckless behaviour, which is sustained through the operation of the welfare state. Thirdly, local residents' educational horizons and personal ambitions may be curtailed by fatalistic values that are related to their residential location and the effects of their experience of spatially concentrated disadvantage, potentially forming 'a culture of poverty' (Murray, 1994). Fourth, some local residents tend to believe what happens to them or their current dilemma is down to fate, reflecting their emotion of hopelessness when living in a deprived context. Lastly, this issue is associated with poverty-level pay, excessive working hours and pervasive lack of job security (Richard et al., 2009). It means people are more likely to accept welfare rather than accepting conditions of low reward and long working hours. The factors influencing residents' employment situation in deprived areas have been demonstrated in Diagram 7.2 below.

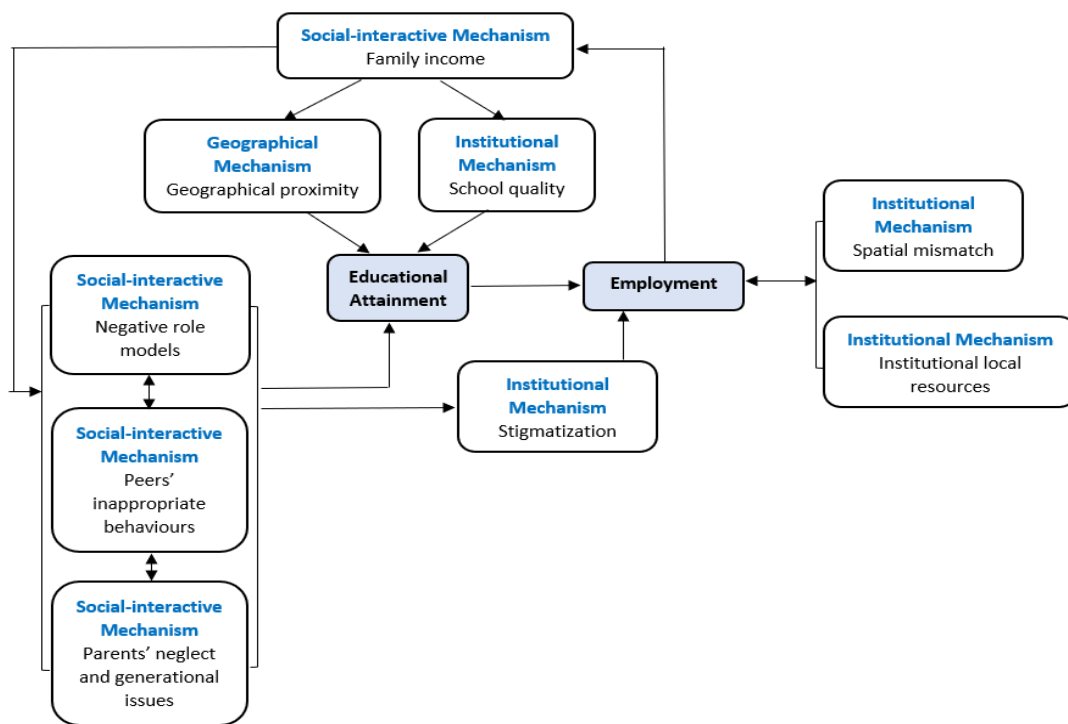
Diagram 7.2 Factors influencing employment situation in deprived areas



Based on these perceptions of the reputation of deprived areas from different angles, some particular issues exist objectively in such areas. Linking with the internal perception proposed by Permentier et al. (2008), this research found that local residents' maintain an attitude of dissatisfaction towards these issues. Simultaneously they hold negative emotions towards outsiders or employers, because they largely think outsiders do not understand their situation and they perceive themselves as victims in such an environment. This reflects their external perceptions and how they are treated by others being perceived to be unfair. In considering the influence of relative deprivation mentioned before, the subjective feeling of unfairness potentially further triggers individuals' dissatisfaction, anger or resentment in deprived areas. While it cannot be said that 'postcode discrimination' does not exist in the labour market, there is another possibility that discrimination is perceived as the only reason for the unemployment in deprived areas. It means residents are more likely to subjectively feel and believe discrimination is the only reason to explain away their failures or difficulties in acquiring desirable employment. For example, an element of the population tends to entirely blame external causes for their difficulties in finding jobs, rather than considering whether their personal performances and/or qualifications are matched with employers' standards and expectations. The excessive self-evaluation and confidence in their own capabilities and performances are neither beneficial in solving the problems, nor in improving themselves with a view of seizing the opportunity of employment. The worst possible example of this situation is found where a group of the population in deprived areas hold an extreme negative emotion for outsiders because some residents subjectively perceive hostility and unfairness from outsiders. The direct result is that these residents no longer

trust outside help, particularly that provided by government institutions. This can be considered as another underlying threat leading to criminal behaviours and explain the phenomenon of collective socialization in deprived areas. The deprived neighbourhood contexts influence the next generation through the generational effect, spread negative influences among young pupils and teenagers through social contagion and form a worsening local environment or social norm encouraging local residents to conform through collective socialization. All of these are also caused by different neighbourhood mechanisms that reciprocally impact on education and employment respectively in deprived areas (Diagram 7.3).

Diagram 7.3 Bidirectional relationships among factors influencing general human capital in deprived areas



Regardless of whether the outside environment or mainstream exclude people from deprived areas, a subset of the population seem to isolate themselves from the outside environment to some extent. For example, they lose trust in the outside world because they believe *'outsiders do not know what is happening behind the door'* (section 6.8). Particularly in the case of government action of cutting funding in such areas, local residents may feel strongly that their areas have been abandoned or ignored or excluded from society. This situation can be linked with residents' perceptions about the teachers and schools discussed before; it can be seen that some residents' resentment towards the

outside environment or mainstream society is formed gradually and deepened during the different phases of their life. Moreover, mental issues either run in families or are caused by other factors and are more likely to be triggered and result in more extreme thoughts and behaviours. When they are confronted with failures or difficulties, they tend to believe the problem is derived from the outside and eventually lose trust in outsiders. It is possible that the loss of trust for outsiders leads them to over-rely on their own thoughts and those relationships they feel they can trust. In this case, a segment of local residents may unconsciously have developed a bias against their own areas, reflected in their focus on only the disadvantaged part, rather than the advantages that are underused or can be explored (section 7.3). An outcome of this is that entrepreneurial intentions cannot easily be influenced from the outside as the support on offer is likely to be viewed with suspicion. Encouragement to acquire appropriate human capital may be ineffective.

Beyond the stigmatization of local neighbourhoods and discrimination, a lack of suitable jobs is another factor hampering local residents' employment opportunities in deprived areas (Richard et al., 2009). In terms of this issue, there is a continuous discussion and debate among academic scholars and government institutions. For example, the concept of worklessness has been assumed to explain the individualistic and behavioural causes of unemployment (Peck and Theodore, 2000). It means unemployment is at least partially related to individuals' personal factors or predicament (Richard et al., 2009). HM Treasury's (2003) paper presented on Full Employment in Every Region indicates that the worst phenomenon of worklessness occur in very small clearly defined areas; the paper also debates whether unemployment is caused not by a lack of jobs, but by the inability of people in such areas to successfully fill the available job vacancies, further regarded as a 'culture of worklessness' combined with a 'poverty of aspirations'. In this case, supply-side interventions have been enacted by the government to activate the underemployed segment of the labour force, such as providing training, designing job-readiness programmes and offering unemployment benefit reforms, the purpose being to encourage those unemployed people to enter the workplace (Theodore, 2007). However, the question is whether these supportive programs, training and unemployment benefit reforms really do work, or really generate the expected benefits in deprived areas? The same question is also applicable to the support for entrepreneurship and the improvement of educational attainment in deprived areas. Existing evidence supports the findings of this research and provides an explanation for the phenomena discussed above. However, focusing on critical opinions expressed by respondents that may include personal evaluations and attitudes about government policies can also be biased. Therefore, it is necessary to combine these findings with the government's perspectives on these

policies. This means exploring the origin of the gap between the government's view and opponents' or local residents' perspective for each aspect.

Considering support for entrepreneurship, first of all, it is found that local government targets the general population based on economic considerations (i.e. attendance at the activities provided). Activities targeting the general population will reach a higher attendance level and maximise benefits within a fixed budget. By contrast, a lower level of attendance is the major reason why the government does not specifically target deprived areas; this issue is also proposed by training providers (section 6.8). The negative or reluctant attitude towards the support provided to assist entry into employment is also reflected in the limited engagement with support for entrepreneurship. This does not apply to all, as this research study found a few respondents perceive the benefits from entrepreneurship training or workshops (section 6.6). However, they became aware of this support by chance, which is related to the consideration of the methods and channels applied to promote this support. This shortcoming has been acknowledged by the local government as requiring further improvement (section 6.8). It appears therefore that the neighbourhood context leads to negative perceptions in both directions, which are thus reinforcing. The government sector expects limited engagement and take-up and therefore does not provide specific support for disadvantaged areas. The residents on their part feel negatively towards the support which is available and perceive a lack of understanding of their needs and therefore do not engage with what is on offer.

Regarding the policy targeting narrowing the educational gap between disadvantaged pupils and their peers, central government and relevant organizations are aware of the importance of aiding disadvantaged pupils and, as a result, various policies have been enacted and promoted to support disadvantaged residents in deprived areas (Robert and Paul, 2015). However, the failure of policies is more likely to be dependent upon the implementation process, rather than their merits (Hudson et al., 2019). This means the big challenges are to ensure consistency of delivery of policies formulated at national level in different cities and areas, because different cities have varying degrees of politically independent authority (Norris et al., 2014). The findings presented in section 6.8 reflect the issue of dispersed government, which is associated with Sausman et al.'s (2016) concept of 'local universality', describing the formation of a process that is tailored to fit into local contexts and enacted within practices through general rules or guidelines. This means central government formulates the policy, however, it cannot track every step of implementation in reality, and some situations take place hidden from the view of policy-makers. While local government provides funding and informs related

policies and information, local government does not pay attention to the progress of policy implementation. In this case, whether schools effectively use the funding? Whether pupils are notified about these policies or receive help to apply for these sources of support? The answer again is uncertain. On the other hand, whether pupils will pay attention to this support? Whether their parents will check the detailed information online to apply for the funding or beneficial activities such as summer school programmes? The answer is uncertain. From central to local government, to local schools and individuals, there are lots of uncertainties in the process of implementing policy. These uncertainties will lead to the original goal of policy-making and the expected outcome deviating from one another.

Thirdly, in terms of the support for employment, this research debates whether government's supply-side interventions, such as training, programmes and employment reforms that aim to encourage unemployed people to return to the workplace, are applicable for at least a part of the population in deprived areas. Particularly, it should be noted that there is a proportion of the population who have criminal records, which is a major barrier to them finding a job. As is clear, the training does not normally cover this issue (section 6.8). In considering this particular group, enterprise might be still relevant because they can create their own employment; however, their access to other resources will be significantly limited because of their criminal records, or they may be more likely to engage in the informal economy, where their criminal records are less potentially damaging. Moreover, some people need inspiration to rekindle their hopes and motivation for their lives, rather than looking for technical knowledge delivered by the official training. Some people do not even trust the outside support, particularly from government institutions, as they believe the providers only do the job for the payment, instead of really helping them (section 6.8). It can be seen that the root of many local residents' problems in deprived areas is psychologically or cognitively beyond the direct barrier *per se*, and manifests in hostile attitudes towards outsiders or a lack of trust in outside help, effectively self-isolation from society. From this perspective, the normal training and programs cannot satisfy their specific demands in deprived areas.

7.5 Bidirectional Relationships among Factors that Influence Entrepreneurial Intention and Human Capital Development in Deprived Areas (i.e. RQ3)

Based on the three major issues causing the persistence of disadvantage in deprived areas (Williams and Williams, 2014) proposed in Chapter 1, this research study found that there is a vicious circle

between a weak economic base of a deprived neighbourhood and local residents' personal development and behaviours. This triggers a situation where people are stuck in the local environment and find it hard to escape from the lack of public services and support in such areas. Linking with the research questions, sections 7.3 and 7.4 have discussed the results relating to the influence of human capital on entrepreneurial intention and the influence of deprived neighbourhood contexts on human capital development in deprived areas respectively, which respond to RQ1 and RQ2. Moreover, unexpected responses have revealed other factors influencing the entrepreneurial process and human capital development in deprived areas. This section links the results found in this research study with the barriers to entrepreneurship in deprived areas, in order to uncover the bidirectional relationships among those factors influencing entrepreneurial intention and human capital development in deprived areas. Therefore, this section integrates the bidirectional relationships found in sections 7.3 and 7.4 to provide a more comprehensive picture of how factors impacting on human capital and entrepreneurial intention are intertwined bidirectionally and shape a broad and constant vicious circle in deprived areas.

The discussion in sections 7.3 and 7.4 unveils how a disadvantaged neighbourhood context that is unsupportive with regard to better educational attainment is a primary cause of difficulties arising in the labour market, such as finding employment or working in poorly rewarded jobs with limited prospects. The direct outcome is a lower income level and even family poverty, forming a vicious circle between the deprivation and human capital development throughout different generations. In addition to constraints on human capital development, different neighbourhood mechanisms severely and gradually harm the local residents' cognitive, psychological and behavioural development. In the worst scenarios, the deviations that are more widely regarded as acceptable behaviour can lead to stigmatization of the local areas. This in turn deepens the infinite loop between deprived neighbourhood effects and local residents. These conditions result in the population of deprived areas presenting a polarized nature. One group within the population tends to accept the objective existence of the disadvantaged situation and tries to make changes in their life, which can be regarded as a positive end of the spectrum. By contrast, another element of the population is more likely to get used to the local environment, even self-isolating from mainstream society with a resistant and hostile attitude towards the outside environment and people, which can be viewed as a negative end of the spectrum. This polarization helps to explain the major barriers to entrepreneurship in deprived areas, but also to a large extent the presence of other more entrepreneurial individuals.

In deprived areas, a negative interaction between a lack of human capital and family poverty directly relate to the major barriers to entrepreneurship in deprived areas such as the difficulty of raising funding or initial capital (Rouse and Jayawarna, 2006; Lee and Drever, 2014) and limited business skills (Slack, 2005; Welter et al., 2008; Williams and Williams, 2011). Therefore, the business ventures are usually established on a small scale and individuals tend to choose sectors with low entry barriers (Shane, 2009; Williams and Huggins, 2013). It can be also seen that limited financial and human capital act as two objective barriers restricting the business size and sector selection in deprived areas. Regarding the difficulty of accessing finance, both previous studies and this research study have found obtaining finance is one of the major barriers to entrepreneurship in deprived areas. In order to boost entrepreneurship, there are many finance support programmes provided for enterprises in general, even specifically provided for under-represented enterprise groups, such as ethnic minority communities (Department for Communities and Local Government, 2013) and enterprises in deprived areas (Local Government Group, 2010). Moreover, various entrepreneurship workshops and network events provided by government and relevant institutions are available for both actual and potential entrepreneurs to acquire business skills, share business experiences and expand their social networks¹⁴⁶ (section 6.8). Previous studies found people from deprived areas cannot or find it hard to obtain reasonably-priced bank loans without stringent conditions attached. This reflects a lack of cash reserves, collateral or other financial assets (Williams and Williams, 2011); the suspicious attitude of traditional funding sources towards the feasibility of business ideas; or concerns about the likelihood of success due to the absence of proven business skills (Slack, 2005). Many scholars have claimed that not all businesses are creditworthy or should be provided with capital (Mason, 2013). Provision of capital cannot guarantee business success and local economic growth (Lee and Drever, 2014), and providing additional finance may result in the formation of many low-quality businesses (Rouse and Jayawarna, 2011). However, studies tend to emphasize the institutional barriers or individuals' limited capabilities and resources required to apply for finance, rather than considering other possibilities.

This research study found further barriers to obtaining sufficient finance, as residents of deprived areas struggle to identify appropriate finance sources or are reluctant to engage in the application procedure. This is more likely to be linked to individuals' capabilities for searching or obtaining information, as well as their personal perceptions of or attitudes towards applying for external finance. Lee and Drever's (2014) study indicates that perceptions of difficulties applying for finance do not

¹⁴⁶ These workshops and network events are designed for the general population, rather than specifically offered to deprived areas; however, there is no barrier to or requirement for the participation.

hinder the demand in deprived areas, because people are less likely to have trouble obtaining the finance required due to the relatively low-cost premises in such areas. However, they also propose another reason for this result, which is that there is a positive correlation between applying for finance and perceiving the difficulty of accessing it. This means that if people do not apply for finance, how would they perceive the ease or difficulty of obtaining it? In this research study, it is found that people in deprived areas are less likely to consider applying finance from banks or look for consultancy from other programmes. Some of them prefer to set up a business based on their limited savings. In considering the barrier of limited business skills and capabilities, this research study found a reluctant attitude or unwillingness to engage in other supportive programmes, such as entrepreneurship workshops or networking opportunities, in deprived areas. Based on 'The Competitive Advantage of the Inner City' proposed by Michael Porter, while policymakers and academics have suggested that targeting the 'enterprise gap' is a way to address deprivation, the question is: Does the gap only exist for enterprises in deprived areas? Various bidirectional relationships found in this research study reveal that the barriers to entrepreneurship in deprived areas are not only related either to whether external support exists or whether individuals have sufficient internal capabilities to undertake entrepreneurial activities, but are also linked with the accumulated gaps that form in the different phases of people's development in these areas. It means a lower entrepreneurship level in deprived areas is not an outcome separately led by a few factors at a certain period of time, it is an outcome of accumulated - even generational - vicious circles throughout individuals' cognitive, behavioural, psychological, educational and occupational development and which are ultimately reflected in their intentions to pursue or not pursue entrepreneurial behaviours. This means when seeking understanding of or even attempting to overcome the phenomena of the reluctant attitude of people in deprived areas towards applying for finance and engaging in supportive entrepreneurial activities outlined above, it is necessary to consider individuals' past experiences and the neighbourhood effects in deprived areas.

In deprived areas, a poor reputation causes a lack of social connections or social exclusion damaging local residents' confidence (Orr et al., 2006), whilst people who have been experiencing a lower income are more likely to have a sense of unease and lower self-esteem (Batty and Flint, 2010). As such, regardless of the existence of others' discrimination¹⁴⁷, local residents' perceive discrimination and limited respect, which brings about a lower level of self-concept and self-esteem. Some

¹⁴⁷ This research study emphasizes local residents' feelings and opinions in deprived areas, rather than examining whether the outsiders' discrimination exists.

'standpoints' theorists have declared that people from the dominant and advantaged groups are less likely to be able to understand the living situations and experiences of disadvantaged people. By contrast, people from disadvantaged groups are more likely to have a holistic perspective with regard to their own situations and other people's living environment, because their disadvantages require them to consider the situation from both sides (Hartsock, 1983; Collins, 1986; Harding, 2016). It means people from other areas have less understanding about the living situations of people in deprived areas, so it may stay at a very broad descriptive level of awareness. However, people in deprived areas have a clear awareness about the gap between people from other areas and themselves, which is derived from the comparisons of various aspects of their lives. It can be seen that different neighbourhood mechanisms negatively cause the interlaced influences at the different stages of individuals' development, progressively widening the gap or inequality between deprived areas and less deprived areas. It is possible that individuals' lower self-esteem facilitates their inclination to attribute their position to discrimination, rather than the influence of previous exposure to discrimination on self-esteem (Eccleston and Major, 2006).

Regarding the influence of context on entrepreneurship in deprived areas, the results are mixed. Sheehy-Skeffington and Rea's (2017) research indicates that life dilemmas, particularly poverty, influence individuals' psychological, social and cultural processes, consequently impacting on the decision-making process. Furthermore, those in lower socioeconomic positions are more likely to focus on actual threats and barriers than possible rewards (Oyerman et al., 2011; Dweck and Leggett, 1988). In considering the risky nature of entrepreneurship, this is one of the reasons for a generally lower level of entrepreneurial activities in deprived areas. However, unfavourable life situations or challenges could be critical drivers of entrepreneurial intention, as opposed to personal advantages or favourable contexts (Miller and Breton-Miller, 2017). This perspective is similar to the concept of necessity-based entrepreneurship that depicts the situation of engaging in entrepreneurship due to the absence of alternative means of livelihood (Williams and Williams, 2011). In addition to those visible consequences triggered by a disadvantaged neighbourhood context, such as limited financial and human capital, this research study stresses that the cognitive, psychological and behavioural barriers caused by the local environment invisibly generate polarization among the local residents reflected in different entrepreneurial outcomes in deprived areas.

As another major barrier to entrepreneurship in deprived areas, a lack of bridging capital limits local residents' network size and diversity and hinders entrepreneurship (Forrest and Kearns, 2001).

Regarding this point, previous studies present mixed results. Some scholars believe people residing in deprived areas develop bridging ties with business support advisors (Jones and Jayawarna, 2010; Welter et al., 2008). Nonetheless, the finding in this research study is consistent with the results from studies by Williams and Williams (2011) and Williams and Huggins (2013). It is different to people in the negative end of the spectrum who are hostile to external society and self-isolate from the outside environment, people in the positive end of the spectrum do not refuse contact with the external environment, but are still less likely to intentionally look for external support, such as public enterprise support agencies, professional advisors or financial institutions (Williams and Williams, 2011; Williams and Huggins, 2013). This further explains the preference for utilizing self-help methods discussed above. Moreover, people residing in multiple-deprived areas prefer to acquire resources through building resilient bonding networks based on social trust (Lee et al., 2019), such as providing mutual help and free services or training, which particularly supports the explanation of the imitation behaviour of prevention-focused 'opportunists' and the significant role of personal networks in spurring entrepreneurial motivation. Although the positive end of the spectrum can be considered as a positive role models encouraging people's desire for or engagement in entrepreneurial activities in the local areas, the bonding capital which brings about this local mutual aid also potentially leads to the homogeneity of business types and possible market saturation.

Regarding the strong local connections or bonding ties and the prevalence of applying self-help and mutual support, it is reasonable to relate this to the lower self-esteem in deprived areas deriving from negative past experiences and accumulated gaps throughout their personal development. These negative experiences might be from receiving a lack of respect and social connectedness, being neglected, or perceiving discriminatory behaviour towards them (Wagner et al., 2018). This is supported by the important roles of downward comparison, others' recognition and perceived increased (social/employment) status in strengthening self-efficacy, which was discussed in section 7.4. Even when only considering the situation of living in poverty as a characteristic of deprived areas, many scholars have stated that people experience a loss of self-esteem and define themselves as a failure (Ridge, 2009; Wikinson, 1996). As such, individuals need to look for ways to overcome obstacles and carry out their day-to-day lives in the face of adversities (Canvin et al., 2009). For people whose self-efficacy is increased through others' recognition, it could be related to the concept of 'resilience' that is conceptualized as a process of achieving positive and unexpected outcomes in disadvantaged conditions (Canvin et al., 2009; Mohaupt, 2008). For people whose self-efficacy is increased through perceived increased status, they are more likely to compare their current circumstance to their situation in the past and find a sense of progress and achievement (Batty and Flint, 2010). It can be

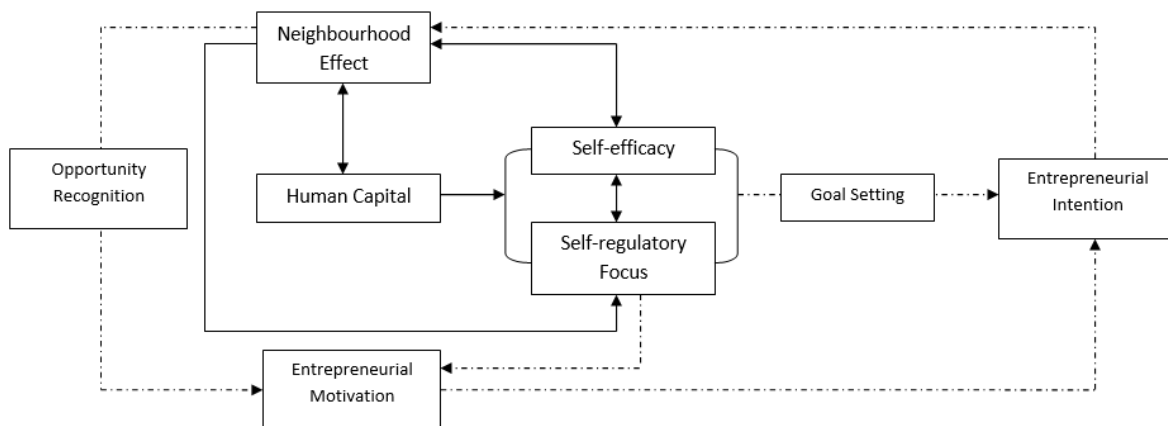
seen that people in these two groups present a high level of resilience from adversity, which plays a significant role in bolstering individuals' promotion focus and facilitating self-efficacy. For people whose self-efficacy is increased through downward comparison, their confidence could be built by seeking a psychological comfort rather than making comparison to past situations or obtaining others' recognition or respect. One possibility could be that reflection on or re-thinking the past may bring a painful awareness of the limited choice (Adams, 2006). Nonetheless, this research study does not find any influence of upward comparison on self-efficacy in deprived areas, which further portrays the connections between the influence of past negative experiences emanating from a deprived neighbourhood context on individuals' self-esteem, self-regulatory focus and social connectedness. While the horizontal and downward comparison help individuals improve self-efficacy and further facilitate their promotion focus, it is not conducive to business survival or further development.

In considering the negative end of the spectrum in deprived areas, their resilience is weak compared to the positive end of the spectrum. They are more likely to put themselves in the position of an innocent victim of the local disadvantaged environment and have a strong desire to obtain outsiders' understanding about the barriers and difficulties in their life. Since they experience certain institutional barriers or the real situation deviates substantially from their expectations, their deviant mindset probably worsens their psychological and behavioural deviations, reflecting in a stronger feeling of unfairness. More specifically, psychological and behavioural deviations not only result in poorer physical and mental health (Mishra and Carleton, 2015), but also trigger affective hostility, aggressive behaviour, antisocial conduct and criminal outcomes (DeCelles and Norton, 2016; Greitemeyer and Sagioglou, 2017; Mishra and Novakowski, 2016). The outcome is that they no longer trust, and even come to hold a hostile attitude towards outsiders and outside help, further isolating themselves from mainstream society. They therefore become more dependent on the negative local networks and in turn they also contribute to shaping a worsening local neighbourhood context. In this case, the negative end of the spectrum is more likely to be strongly embedded within local networks and engage in the informal economy, shaping a 'hidden enterprise culture' in deprived areas. This infinite vicious circle created by the negative end of the spectrum further stigmatizes the local areas, hindering business investment from external sources and triggering a lack of positive models as other major barriers to entrepreneurship in deprived areas.

To sum up, specific human capital plays a more important role in facilitating individuals' entrepreneurial intention, rather than general human capital in deprived areas. However, individuals'

prevention focus potentially reflects the importance of general human capital for self-efficacy, because the reason for being prevention-focused to specific business activities and procedures is derived from a lack of general human capital (RQ1). Moreover, it is found that a combination of intertwined bidirectional relationships among disadvantaged neighbourhood mechanisms not only negatively impact on local residents' educational and occupational development, but also harm their cognitive, psychological and behavioural development, even causing the deviations from what is normally accepted in these aspects. The influence of deprived neighbourhood contexts would be transmitted through the generational effect, forming a longer-term vicious circle between the context and human capital development in deprived areas (RQ2). Most importantly, those determinants influencing individuals' human capital are also reflected in the entrepreneurial process, which have explained different barriers to and natures of entrepreneurship in deprived areas. For example, individuals' lower self-esteem caused by the experience of living in deprived areas enables or encourages them to apply self-help methods and mutual support to stimulate entrepreneurial motivation and intention. However, these alternatives hamper them in building diversified connections with external society. This means barriers to success such as limited business size, selection of 'easy to enter' sectors, homogeneous business type and strong bonding capital in deprived areas still remain a problem. More severely, the psychological and behavioural deviation generated by the deprived context significantly damage the social norm or culture for both human capital and entrepreneurship in the local areas (RQ3). Based on the discussion in this chapter, the new entrepreneurial intention model proposed in Chapter 2 has been slightly adjusted and demonstrated in Diagram 7.3. This modified model distinguishes entrepreneurial motivation from intention and indicates the influence of neighbourhood contexts on entrepreneurial motivation through perceived opportunities. Moreover, human capital influences entrepreneurial intention through two attributes of self-efficacy and self-regulatory focus that play the role of setting achievement goals.

Diagram 7.4 Modified new entrepreneurial intention model in deprived areas



7.6 Implications

In light of these results and the discussion, the emphasis of the government and policymakers is on tackling issues of both entrepreneurship and human capital improvement at a very superficial level, which is consistent with the central argument proposed at the beginning of this research. No matter whether seeking to stimulate entrepreneurial activities, by boosting entrepreneurial intention, or improving human capital levels in deprived areas, the issues *per se* are not the essential problems. A variety of bidirectional relationships existing within different social-interactive mechanisms combine to generate a vicious circle linking different neighbourhood mechanisms (i.e. social-interactive mechanisms, geographical mechanisms and institutional mechanisms), which negatively impact on local residents' educational, occupational, personal and entrepreneurial development. While insufficient skills and experience largely hinder entrepreneurship in deprived areas, local residents' psychological and behavioural deviations as well as negative mindsets in relation to mainstream society require more attention. These issues cannot be solved through providing only the normal traditional forms of support. Therefore, this research proposes several policy implications as follows.

First of all, a comprehensive understanding of the deprived area context has been provided for the government to consider in terms of how the gap between the existing policies and their aims relate to the actual situation in deprived areas. While the government ought to consider the economic benefits, it is still important to realize that the widening gap between deprived areas and other areas will not only fail to improve the overall economy of cities such as Nottingham, but also cause a series of social problems. Compared to the activities run and sponsored by the government for the general

population, training providers organize group activities with people who have similar backgrounds and experiences, in order to narrow down the distance between their requirements and the content provided. People with similar experiences, nature and preferences find it is easier to achieve resonance or to help and encourage each other. Most importantly, the approach utilized by training providers avoids the conditioned stimulus effect of relative deprivation. Briefly, training providers are more likely to act in the role of therapist, to help people find a way out from their past experience and current disadvantage by guiding them to seek the positive side of life. This can be through such actions as helping them to identify correct perceptions about themselves and the wider society; what kind of advantages and capabilities they have; and how to utilize what they have to create a new life. Furthermore, training and workshops are required to link with their actual difficulties and barriers to specifically design support which makes them feel understood and cared about, further helps the rebuilding of trust and guides them to blend into mainstream society. Although attendance is a problem in such areas, the government always needs to take the first step to improve the situation. As revealed in this research, there is a group within the population who are willing to connect with the outside, but lack the resources and channels to do so. This could be regarded as the initial entry point to approach the wider population, because of a strong connection and the influence of social-interactive mechanisms in such areas. Compared to normal advertising methods, local residents' suggestions or 'word of mouth' could be a better method of connecting, because people who are in the same situation are more likely to be persuasive and encourage local residents to engage in supportive activities. The results imply the importance and potential of employing local training providers or supporters/champions who are closer to residents' daily life in deprived areas.

Secondly, in considering children's educational and personal development in deprived areas, it is necessary to pay attention to pupils' progress and behaviours at secondary school, because this stage profoundly impacts on or changes children's future social mobility (Crawford et al., 2014) and their entry into higher education, as well as their subsequent outcomes in the labour market (Blanden et al., 2015). Regarding the improvement of the school performance management system, in the early part of the last decade, the UK coalition government's mandatory and 'robust' policies seemed to be eager to seek quick success and instant benefits, rather than tackling the essential problems in deprived or disadvantaged areas. This is reflected in the government's focus on pupils' raw test results without the consideration of their social context. In terms of this point, privatising schools potentially causes a growing social crisis, due to the obvious inequality and ignorance of young people's deprived social contexts. It is argued that this outdated education system applied by the coalition government and related education institutions narrows the curriculum to the 'basics' that will be required to

perform low-paid menial work and further widen the educational gap between deprived areas and affluent areas (Jo, 2011). Jo's opposing point about the government's so-called policy regarding school improvement explains to some extent why local residents usually work in the elementary sector with low pay. Briefly, the poor quality of schooling and the gap between deprived areas and non-deprived areas are not only related to the inbuilt disadvantages of deprived areas discussed above, but also exacerbated by the coalition government's attack on the previously advocated state provision of education through the privatization of schools.

Thirdly, going beyond people and institutions in deprived areas, this research also highlights possible failures in the process of implementing policies. It implies that policies not only need to be designed appropriately, but also need to be subsequently traced and supervised, to check whether implementation is consistent with the initial expectation; otherwise, the policy only stays at the level of an official document. In particular, each local government has its own authority, and is required to convey the policy and simultaneously obtain the information about the difficulties for this disadvantaged group, while cooperating with local schools to specifically tackle these issues.

In addition to the policy implications, this research makes a first step in creating a new entrepreneurial intention model with a particular relevance to deprived areas, and providing an empirical analysis in respect of the role played by human capital in encouraging entrepreneurial activity through the creation of entrepreneurial intentions in deprived areas linking with a deprived neighbourhood context. It contributes to knowledge by providing a comprehensive illustration of the key mechanisms at play, enabling a fuller understanding of the connections between the deprived environment, entrepreneurial intention and human capital. As an unexplored field of study, this research can be regarded as an initial base for future researchers to further investigate and examine the relationships identified here. The details of the contribution and conclusions are presented in the next chapter by summarising this research study as a whole and considering the limitations of the current work and what these may mean for the direction of future work building on the research presented here.

CHAPTER 8 CONCLUSION, LIMITATIONS AND FUTURE RESEARCH DIRECTIONS

8.1 Contributions to Knowledge

The broad scope of this research is to investigate how human capital influences individuals' entrepreneurial intention in a deprived neighbourhood context by answering three research questions (RQs). More specifically, this research focuses on deprived areas to find out the influence of human capital on residents' entrepreneurial intention (RQ1), the influence of neighbourhood context on residents' human capital development (RQ2), and the existence of bidirectional relationships among factors impacting on human capital and entrepreneurial intention (RQ3) that shapes a vicious circle in deprived areas (Chapter 1). By reviewing the extant literature covering the work on each of entrepreneurial intention, human capital and deprived neighbourhood effects, a new entrepreneurial intention model with a particular relevance to deprived areas has been created, based on a range of hypotheses (Chapter 2).

Based on the research methodologies of positivism and interpretivism, this mixed research applies both secondary (i.e. Longitudinal Small Business Survey 2015 covering the UK) and primary data (i.e. survey and in-depth semi-structured interviews) to carry out the investigation (Chapter 3). Moreover, three empirical chapters respectively examine the existence of relationships in the new model at a national level (Chapter 4) and a deprived city level (Chapter 5). In addition, possibilities to explain the occurrence of these relationships were pursued, and unexpected results have been revealed through qualitative analysis, to enrich the understanding of entrepreneurship and human capital development in deprived areas (Chapter 6). After briefly introducing the structure of this chapter, this section looks at how these findings contribute to knowledge in light of the findings obtained from the three empirical chapters and the discussion developed in Chapter 7.

As with all research, this study has limitations that are imposed by resources, particularly limited time, which is discussed in more detail in section 8.2, which also stresses the utilization of insights provided by this research. In light of the limitations demonstrated in section 8.2, section 8.3 proposes the research directions that could be taken by future research. Furthermore, section 8.3 points out how the contributions developed and discussed in this section (section 8.1) could be further explored, particularly those new lines of investigation that have become apparent in this research. Lastly, section 8.4 provides final conclusions relating to the topic as a whole.

Regarding the contributions to knowledge, this research distinguishes individuals' entrepreneurial motivation from entrepreneurial intention, which has not been clearly clarified in previous studies. It is found that the transition from entrepreneurial motivation to intention is reflected in the process of turning the business idea derived from an emotional reaction into subsequent business preparation closely linking with the ultimate entrepreneurial behaviours and business establishment. Also, this research found factors influencing entrepreneurial motivation and intention are different. In terms of entrepreneurial motivation, the results interpreted in Chapter 6 show that most residents in deprived areas do not consider setting up a business, except for a small minority of the population. In such areas, the emergence of initial business ideas is usually stimulated either by limited job options and suggestions by others', in the case of occasionally perceived opportunities to set up a business (i.e. 'entrepreneurs') or imitating business ideas from existing local businesses, based on the perceived opportunity of earning money through a feasible way (i.e. 'opportunists'). It can be seen that necessity-driven factors (Williams and Williams, 2011) and social-interactive mechanisms are major drivers spurring entrepreneurial motivation in deprived areas. However, if the opportunities that are usually stumbled upon by chance were not available or perceived, the subsequent outcome would be uncertain. In other words, there does not appear to be evidence in a majority of cases of building or developing towards an entrepreneurial career as a planned behaviour in deprived areas. Instead entrepreneurship occurs out of necessity and in a relatively short time-frame with serendipitous opportunities or pushes responsible.

In terms of entrepreneurial intention, on the other hand, this research stresses that mediating roles of self-efficacy and self-regulatory focus and a bidirectional relationship between these two terms. Quantitative research using the secondary data did not find that deprivation played a large role in training activities undertaken by management. However, the primary quantitative data showed a limited role for education in general in these areas, and the qualitative research revealed that the nature of such activities may be what is different. Under deprived circumstances, it is found that individuals are more likely to apply remedial or problem-solving methods (i.e. self-learning and learning-by-doing) to make up insufficient skills and knowledge during the process of turning business ideas into actual preparation actions, even throughout the entrepreneurial process. Their self-efficacy is subsequently increased by the progress obtained from these learning methods and further facilitates entrepreneurial behaviours. However, such approaches are not always successful and it should be noted that experiencing failure in utilizing self-learning methods to carry out

entrepreneurial activities, or facing difficulties these methods cannot solve, will probably decrease their self-efficacy and lead to further reductions in terms of goal-setting for undertaking subsequent entrepreneurial behaviours. From this point, those individuals who are not able to overcome these confidence issues and do not try to overcome difficulties are most likely to give up halfway because it is possible that their entrepreneurial motivation is merely an impulsive and temporary emotional reaction, easily counteracted by the difficulties or uncertainties existing in the entrepreneurial process. Accordingly, the findings strengthen one of the arguments proposed in this research, the proposal that Ajzen's (1991) theory of planned behaviour is not applicable to deprived areas (Chapter 2) because personal and institutional determinants lead to the variability of residents' entrepreneurial motivation and intention in such areas. This point also stresses the importance in this research study of building a new model with a particular focus on deprived areas to predict entrepreneurial intention. In addition, this research study reveals that the influence of local social interactions is also reflected in how it impacts on individuals' entrepreneurial motivation and intention (Chapter 5 and Chapter 6), which has been discussed in Chapter 7 by linking it with the prevalence of an informal economy in deprived areas.

While social-interactive mechanisms play a crucial role in residents' entrepreneurial motivation and intention in deprived areas, this research further found factors influencing entrepreneurial motivation and intention which are slightly different. It is found that residents' entrepreneurial motivation is usually encouraged by their personal social networks, whilst different parties involved in the process of social interaction influence entrepreneurial intention through a downward comparison with other local businesses, self-verification to suspicious opinions of local residents and strong ties with personal social networks. As noted in Chapter 2, entrepreneurial motivation, intention and behaviour reflect a sequence association in the entrepreneurial process rather than existing independently (subsection 2.3.1). By linking with the different factors for entrepreneurial motivation and intention, the findings provide a sign for local government that the different incentives and support for promoting entrepreneurship in deprived areas are required to match with different demands and/or preferences. For the initial encouragement, word-of-mouth promotion could be considered as a better method to attract and stimulate individuals to consider activities related to entrepreneurship than advertising through general channels. In considering the shift from motivation to intention, this research found that a part of the population has a lower level of esteem derived from its disconnection with mainstream society, further triggering a strong desire to gain the recognition from outsiders. In this case, local government and training institutions should be aware of the importance of reconstructing

self-esteem and guiding them to return and blend into mainstream society for this particular group, rather than only providing generalised knowledge delivery.

With respect to the uncertainties or variability existing in residents' entrepreneurial motivation and intention, this mainly links with a lack of human capital in deprived areas. From an overall perspective, the findings indicate specific human capital plays a more important role in residents' entrepreneurial intention in deprived areas rather than general human capital (Chapter 4 and Chapter 6). Notably, this research stresses that the development and accumulation of certain specific human capital that can be obtained from general human capital (Chapter 5) are curtailed in deprived areas by a lack of general human capital. The findings indicate that the unrealized importance of general human capital is either related to individuals' weak awareness of it or related to difficulties hindering them from being able to invest in general human capital, a situation which is caused by multiple reasons which have been summarized as follows.

First of all, this research found the influence of local social interactions in deprived areas is crucial not only to local residents' human capital development but also to their psychological construction and behavioural norms, particularly through mechanisms of parental mediation, social contagion and collective socialization (Chapter 6). In order to explore the possible root causes, this research started with an emphasis on the family, the original environment for individuals, and found families with deprived socio-economic backgrounds historically trigger mental problems, chronic lack of education and unemployment, all of which in turn trigger long-term poverty. Compared to issues identified by previous studies, such as less financial support and capabilities for human capital development, this research stresses that family issues, such as parental neglect and family abuse, have a severe impact on children, causing them to put up mental barriers and adopt deviant behaviours, and thus become negative role models, further shaping the inclination to adopt criminal behaviours, particularly among young people who are easily affected by peers influences and the surrounding environment. Moreover, it is found that a lack of institutional local resources creates the opportunities for young people to strengthen local connections and accelerates the deterioration caused by peers' negative influences. The importance of these findings is in revealing that family issues can be regarded as one of the essential causes, potentially triggering an outcome of inappropriate, criminal and illegal behaviours and activities, and to a large extent further generating the stigma and poor reputation of the local area. Meanwhile, the influence of different social-interactive mechanisms explains how an individual's problems are gradually expanded to becoming a prevalent phenomenon in the local area,

ultimately damaging its reputation. These findings explain why this research has taken a step back from the immediate barriers identified by previous studies of entrepreneurship in deprived areas, in order to show that these barriers usually have their origins in the family environment. Difficult family issues are hard to counter or address with short-term or pushy and hasty interventions in the context of a lasting psychological influence and human capital deficits.

Secondly, lower education levels directly stymie residents' employment opportunities and limits employment options in deprived areas, which hampers the development and accumulation of specific human capital and simultaneously exacerbates the formation of a vicious circle through the generational effect. This is because local residents' employment status is directly linked with household income levels, low-paid jobs and unemployment, which cause persistent poverty in deprived areas. Although many previous studies have demonstrated discrimination is one of the major barriers negatively impacting on individuals' employment status in such areas, this research study distinguishes internal perception from external perception in the aspect of discrimination in the labour market. This means that this research study discusses the magnitude of discrimination in the labour market through subdividing individuals' subjectively perceived discrimination and job interviewers' postcode discrimination during the recruitment process. This is based on a question of whether a high level of unemployment in deprived areas is mainly because of the external postcode discrimination or because of individuals' lack of qualifications and skills. In light of the evidence provided by the recent study indicating that the updated job application system largely avoids the possibility of postcode discrimination, however, this research found that local residents perceive interviewers' discrimination related to the areas they live in is the only reason for the difficulty they find in looking for or getting a job. From this point of view, regardless of the existence of postcode discrimination in the labour market, this research points out individuals' perceptions about their areas and outsiders' opinions about their areas reflect certain hidden factors that are not directly associated with human capital and entrepreneurial activities in deprived areas, but are crucial to exploring the deeper causes to explain particular issues and phenomena in such areas.

This research found local residents also hold negative perspectives about their own areas and agree with the existence of those issues identified either by outsiders or in previous studies. It is stressed that a deviation in some residents' behaviours and thoughts gradually formed and deepened by accumulated negative past experiences, such as perceptions of less respect from others causing lower self-esteem and a loss of trust in the outside environment, ultimately leads to individuals proactively

isolating from the mainstream society. This potentially results in a pattern of thinking that their failures and difficulties are caused either by objective environmental issues or by external bias about their areas. However, focusing only on the issue of external discrimination may lead to another severe issue related to the cause of residents' psychological and behavioural deviation being overlooked, which is demonstrated in detail as the next point. The finding pointing out the distinction between external and internal discrimination helps to break a seemingly logical thinking pattern that is usually used to explain a higher unemployment level in deprived areas, at least for people who believe discrimination is the only reason of unemployment.

Thirdly, chronically living in both disadvantaged family and local neighbourhood environments negatively results in a variety of physical and psychological consequences for local residents in deprived areas. In this respect, this research stresses the important role of self-regulatory focus, which is based on a discovered phenomenon of polarization in deprived areas. This research study found that some individuals, who account for a small percentage of the population, are promotion-focused but are more likely to lack confidence and have lower self-esteem, which is related to their perceived limited capabilities and disconnection from the mainstream. The typical manifestation is the crucial role of others' recognition and approval for their progress and/or performance in increasing their self-efficacy and further encouraging them to set future plans and improvements. By contrast, another part of the population is prone to proactively isolate themselves from the mainstream society, some of them even developing an extremely hostile attitude towards outsiders and their own life, reflecting in a strong embeddedness of the local social networks and environment; thus worsening the vicious circle in deprived areas through social-interactive mechanisms. The mindset and perceived outside environment of the latter group of the population is understandable, as it is linked with either their own past experiences or the observation of local people's experiences, such as being the victim of external discrimination and major psychological trauma, which may ultimately lead to a sense of hopelessness and lacking direction. In this case, external interventions to boost entrepreneurship are more likely to meet resistance and/or resignation. Even if the policy and support are effectively executed, the benefits will be little for some of the residents in deprived areas.

Notably, the mediating effect of self-regulatory focus, particularly promotion focus, enables individuals to find opportunities and set goals despite their disadvantaged context. The finding provides an explanation for the difference between these two polarized population groups in deprived areas. In considering individuals' self-efficacy in deprived areas as the other personal attribute

measuring entrepreneurial intention, downward comparison needs to be emphasized as another phenomenon found in this research study. Although this comparison approach helps individuals to strengthen their self-efficacy, from a long-term perspective, it leads to some extent to personal self-satisfaction, potentially hindering individuals' further development or pursuit of personal growth. In other words, it is possible for individuals' personal and business development to be limited to the local area because comparing themselves only to those people regarded as being 'worse' or weaker businesses, it is probably harder to identify good practice and breakthroughs for further progress (Chapter 5, section 5.2). In addition, the findings show most residents tend to be promotion-focused, which is reflected in their looking for their own methods to solve problems and improve themselves. However, their inclination to be prevention-focused in undertaking exporting activities and the process of applying for finance (Chapter 4) is more likely to illustrate the influence of limited human capital having been systematically obtained and accumulated through formal channels impacting on business development. By linking with the strong bonding capital and imitating entrepreneurial behaviours, from an overall perspective, these factors not only directly restrict the quality of entrepreneurship, but also create potential risks to business survival in deprived areas due to potential market saturation.

This research study not only explores perspectives of individuals from deprived areas, but also considers the local government perspective. The complex bidirectional relationships among different factors influencing human capital and entrepreneurship development strengthen another argument proposed in this research study: that showing the focus of government policies pertaining to both entrepreneurship and human capital development is one-sided and based on a superficial perspective with regard to deprived areas (Chapter 2), which is reflected in several aspects. Regarding the support for educational attainment of disadvantaged pupils, firstly, while the central government enacts supportive policies, the phenomenon of privatizing schools and the disconnection between the local government and schools have widened the gap between deprived areas and other areas and exacerbated local residents' sense of unfairness and negative perceptions towards outside help, instead of improving educational attainment (Chapter 6). This failure is linked with the process of policy implementation (Chapter 7), in that it shows that government is responsible not only for enacting policies, but also for their successful implementation and updating the progress at different levels to ensure the benefits of the policies are implemented in fact and achieved as expected. Moreover, this research found an increasing tendency of young people to pursue criminal behaviours and stresses that teenagers and pupils at secondary-school level are of particular concern, because of

the rebellious inclination and susceptibility to peer influences at this age, potentially affecting personal changes and cognitive shaping.

Regarding the difficult situation of deprived areas, secondly, the policymakers seem simply to focus on unidirectional relationships or a broad vicious circle rather than exploring more deeply their causes and thinking about how to ease the tense local context. As this research found, the government only perceives the major issues existing in deprived areas and offers general solutions; however, less attention is paid to the influential factors behind the major issues and interactions between these factors. The issue of a policy gap is also pointed out when clarifying factors influencing entrepreneurial motivation and intention. It is shown that problems that have been previously and repeatedly identified can be considered to be the subsequent outcomes rather than the fundamental issues, which are derived from individuals' mental barriers caused by their original living environment and local neighbourhood contexts. With respect to entrepreneurship development in deprived areas, thirdly, the government is more likely to look at any prosperous progress rather than further emphasizing the hidden businesses or phenomena. In line with the government's perception, however, this research study also found some exceptions, such as higher qualifications and the inclination of being promotion-focused and continuously pursuing higher objectives or goals. However, it should be realized and noted that these cases are not prevalent in deprived areas, accounting for only a small percentage of the population, and cannot be viewed as representative of the overall success of entrepreneurship in such areas.

In addition, the finding pertaining to these policy failures strengthens the other argument of this research, demonstrating there is a gap between policy and individuals' real difficulties and barriers they face in deprived areas. Although the government is concerned with ensuring it contributes the maximum benefits from its fixed budget, this research argues that the current incentives and support tend to be a way to treat the symptoms rather than the causes, which cannot fundamentally improve human capital and promote entrepreneurial activities in deprived areas. If the economic development of a city is compared to a wooden barrel, focusing only on the upper staves and ignoring the lowest, the barrel cannot be filled with water. This is a good illustration of how a healthy and sustainable development is based on narrowing down the gap between the poor and the rich, and stresses the important and urgent demand of focusing particularly on the resilience and development of deprived areas. Otherwise, the widening gap between deprived areas and other areas, thus marginalizing this

disadvantaged group of the population is not helpful in achieving a good overall economic performance for the city, and may even cause the severe social issues.

To sum up, this research takes the initial step in creating a new entrepreneurial intention model that particularly emphasizes a variety of bidirectional relationships between a deprived neighbourhood context, human capital development and individuals' entrepreneurial intention. Due to the limited supply of human capital in deprived areas, on the one hand, it shows that this resource plays a crucial role in the system through the feedback from neighbourhood effects, which potentially not only alter the neighbourhood context that hinders entrepreneurial activity, but is itself simultaneously held back. As such, this research provides a conceptual understanding to update the academic field in the aspect of entrepreneurship in deprived areas; however, both quantitative and qualitative empirical work is required to rigorously test the relationships included in the new model. In considering the impact of neighbourhood effects as an unsupportive entrepreneurial eco-system, on the other hand, this research reveals many hidden factors to further explain lower levels of human capital and entrepreneurship in deprived areas. This means that current government interventions to expand entrepreneurial activity through increases in human capital are not cost-effective because they will not necessarily be taken up as desired or converted into entrepreneurial intention. Furthermore, this research study particularly emphasizes that local residents' psychological barriers, which play a more severe and lasting role in hampering their personal, human capital and entrepreneurial development, as compared to the simple deficiencies in each *per se*. This provides a deeper perspective on local residents' specific demands for the government to consider policy adjustments. Even so, there are some limitations for this research, which are presented in the next section.

8.2 Limitations

As summarized in section 8.1, this research has found a lack of human capital negatively influences entrepreneurship in deprived areas. Most importantly, residents' psychological and behavioural issues derived from a disadvantaged context simultaneously hinder development of both human capital and entrepreneurship. There are also found a variety of bidirectional and intertwined relationships among factors impacting on human capital and entrepreneurial intention. By utilizing three different datasets and analysis approaches, three research questions have been responded to. However, there are still limitations that need to be taken into account, which are demonstrated in this section.

First of all, the difficulty of accessing the targeted sample population is that the relative scarcity of entrepreneurship in deprived areas leads to a restricted amount of primary data, and is thus one of the major limitations in this research study, hindering as it does the extent to which more complex statistical analysis can be applied. In order to overcome this issue, secondary data was drawn from a national survey with a larger sample size; however, secondary data has its own problems. In considering the quantitative data, cross-sectional secondary data is used to test proposed hypotheses and provide a broad picture of the influence of deprivation on entrepreneurial intention of business owners and perceived barriers; the attitude towards the provision of human capital; as well as the bidirectional relationship between business owners' confidence and their inclination to set goals at the national level. Compared to longitudinal data that is repeatedly collected from the same sample over an extended period of time, moreover, the data available from the Longitudinal Small Business Survey (LSBS) could only be used in a cross-sectional fashion, with data collected from UK business owners and managers only in 2015. In this case, the nature of the database restricts the analysis of entrepreneurial intention and behaviour over a period of time. It means this research study has examined the impact of deprivation on business owners' attitudes over time and how a deprived context was likely to have influenced entrepreneurial intention. However, business owners by and large were those who had acquired additional experience through ownership over a period of time.

In addition, another limitation of applying the secondary data is that it is not completely matched with the research purpose and cannot respond to all questions or hypotheses. The secondary data had been collected without the purpose of examining constructs such as measures associated with regulatory focus. This means that although this research and other studies have produced proxies, they are developed from more general items that seek to capture ambitions and limitations more generally. Even so, the secondary data utilised in this research acts as a complementary data source to make up for the limited amount of primary data that has been analysed and helps provide a background demonstrating a wide relationship between deprivation, attitude towards the role of human capital and entrepreneurial intention. A relatively large sample size allows more statistical analysis of a wide range of relationships and different potential measures.

Secondly, the survey data has been analysed as a whole at the level of a deprived city, rather than specifically looking at the deprived areas within a deprived city. In addition to the relationships found from the secondary data, the results obtained from the survey data further unveil relationships between different types of neighbourhood mechanism and general human capital. The items used in

the analysis were able to be more closely aligned with the constructs developed within the new entrepreneurial intention model, with a particular emphasis on deprived areas compared to the more general measures available from the secondary data. Even so, the items included were based on the existing literature and constrained by their quantitative nature. This research study applied these survey findings to provide guidance for the qualitative in-depth interviews, to find out deeper reasons or possibilities behind the relationships found from the quantitative data. Equally, the findings obtained from interviews have revealed some insights that could have been used to update the survey in a second round. However, this was not possible because of time constraints and the limited likelihood of respondents participating for a second round of investigation. In addition, as clarified in Chapter 3 (subsection 3.4.4, Relationship 8a), two items selected and used to measure self-regulatory focus are included in the 'Big Five' characteristics that are argued to be overly general, as they represent personality traits, rather than predicting situation-specific behaviours (Chapter 1, section 1.3). However, items relating to personality traits were incorporated into the survey based on their widespread use in the literature (Kerr et al., 2018), which have still examined participants' focus of those gainful outcomes with positive attitude and inclination of risk aversion. Moreover, the results pertaining to goal-setting are complemented by the results obtained from secondary data and qualitative analysis. In this case, application of those items closely measuring self-regulatory focus has been recognized in this research study; 18 items (Appendix 27) applied by Lockwood et al. (2002) to measure self-regulatory focus could be considered in the future research. Nonetheless, four items (i.e. items 7, 8, 12 and 13) out of 18 items developed by Lockwood et al (2002) were worded specifically looking at academic achievement. As such, the rewording applied in Tumasjan and Braun's (2012) study could be regarded as an example, in other words, using the word 'business' to replace the word 'academic' in those four items. To examine the extent of participants' agreement and/or disagreement, either a 9-point (Lockwood et al., 2002), 7-point (Tumasjan and Braun, 2012) or 5-point (keeping the consistency with other survey questions of this research) Likert-type scale can be used.

In considering the collection process for survey data, the biggest challenge was looking for the correct contacts and appropriate channels to approach the targeted research sample. In addition to cooperating with supportive institutions in order to engage in workshops and social network events, the alternative method of directly visiting businesses located in deprived areas of Nottingham has been also applied, this was carried out in the 'town centre' of each deprived area based on safety considerations. During this process, although the snowball approach was utilized to look for potential participants, who may be home-based entrepreneurs, or not visible in public or would-be entrepreneurs; and simultaneously to avoid the possibility of selection bias, the survey was posted on

SurveyMonkey by the researcher personally and links were attached by institutions to their online newsletters for the same purpose. Unfortunately, the responses obtained from these channels were only a few because of unavoidable circumstances restricting the progress of data collection, such as incomplete online surveys and individuals' unwillingness to participate in the investigation. Deprived areas are regarded as an undeveloped and unexplored research field, which could not only be affected by the difficulty of obtaining the primary data but also linked with time-consuming nature of collecting data from such areas. That is one of the reasons why similar research tends to apply a mixed-research method to undertake this sort of investigation. In other words, the responses largely come from individuals who are trying to change their lives or to find ways of easing their objective living difficulties, rather than cases referring to the general situation of local areas, perceived and observed by interviewees mentioned in this research study. These include those individuals who are either stuck in a deprived status quo or have depressed emotions for and a hostile attitude towards life; or those who engage in the informal economy in deprived areas. Moreover, a larger sample size would allow the researcher to separate the responses from these two groups (i.e. participants from deprived areas or other areas) to keep a consistency between quantitative analysis and qualitative analysis and to compare the differences in entrepreneurial motivation, entrepreneurial intention, self-efficacy and self-regulatory focus between these two groups of the population. Nonetheless, this limitation is not insolvable; the data can be collected on a continuing basis and the appropriate contacts and channels can be gradually found or accumulated in the future: only the fixed study time does not allow the researcher to achieve this standard at the current point in time.

In considering the sample selection for the qualitative data, thirdly, only actual entrepreneurs engaged in the in-depth interviews. The results obtained from the qualitative data provide different possibilities and explanations underlying relationships and reveal additional information beyond the relationships found from quantitative data, to enrich our understanding of the situation of deprived areas, rather than examining a generalization of outcomes. However, there is a possibility that the responses may include actual entrepreneurs' current thoughts and emotions, for example, there exists the possibility that there have been changes in participants' perceptions of and attitudes towards the benefits of a particular kind of human capital or their self-efficacy in relation to business operation. This means that, while actual entrepreneurs may recall and perceive the importance of a particular kind of human capital and feel confidence with regard to their businesses when they provided the responses, they might not have had this idea or these feelings before they started the business. Therefore, the longitudinal effect is required for these developments to be considered. It would also be better to carry out interviews with nascent entrepreneurs who have the idea and/or inclination of setting up a

business, which would provide more accurate and real-time information. However, with research of the duration of this project, it would nevertheless remain effectively a snapshot of attitudes and perceptions. Given that the evidence from this research suggests that in most cases, the process of shifting from entrepreneurial motivation to entrepreneurial intention and entrepreneurial engagement is likely to occur rapidly, capturing those who are in the process of making the transition would be extremely difficult. A majority of those in the general public would display entrepreneurial motivation at best. Training providers and other support agencies were used to try to and identify those in the midst of this process, but as the interviews actually undertaken imply, such participants from deprived areas in these support programmes may not be representative of the typical deprived area entrepreneur, given the hostility to outside support in general.

With respect to the analysis of qualitative data, lastly, while actual entrepreneurs provided some extreme cases and pointed out some of the worst phenomena, either from their own experience or based on their observation of other local people's experiences, it means some perspectives need to be further explored to obtain more definitive responses, including those who engage in the informal economy and those 'opportunists' found in this research. Moreover, participants' expressions about the experience of family abuse; lack of trust for outsiders and the government; the influence of mental issues; as well as negative emotions for particular situations; is vague, and it is not easy to clearly identify whether these are their experiences and feelings or personal perceptions generated from others local people's experiences. Thus, it might be better to further diversify the sampling profile, in order to enrich current outcomes.

An obvious additional limitation is that this research has focused on a single city. Although deprived areas in different cities have a number of common characteristics - the historic background that generates deprivation - connections to other parts of cities and the wider city institutional context will all differ. Initially, this research study hoped and planned to obtain data from a second comparator city; however, the difficulties of making connections with partner organizations and access to the entrepreneur population in deprived areas made the plan impractical.

8.3 Future Research Directions

This research found a range of complicated bidirectional relationships between deprived neighbourhood contexts, different types of human capital and local residents' entrepreneurial

motivation and intention. However, there are many varied factors and hidden norms or cultures existing in deprived areas. As mentioned above, the new entrepreneurial intention model proposed in this research is an initial step in exploring the relationship between human capital and entrepreneurial intention, based mainly on considering the influence of different sorts of neighbourhood mechanisms in deprived areas.

This study has found a number of surprising results. In particular, more promotion-orientated and higher self-efficacy than might have been expected were found. However, individuals' limited growth aspirations and larger concerns about a variety of barriers indicate that it is necessary to understand the extent to which these aspirations and confidence are over-estimated. From an overall economic perspective, future researchers should take into account the potential impacts of Brexit and the rapid decline of the economy caused by the recent Covid-19 pandemic on individuals' entrepreneurial intention in deprived areas. These uncontrollable macro factors result in a lot of uncertainties but may simultaneously create potential opportunities with a higher level of risk. Moreover, this research found a particular role for downward social comparisons in generating self-efficacy in deprived areas. In light of the recommendations proposed by many studies seeking to promote entrepreneurship in under-represented groups in general, this could be of huge importance in taking strong role models into account. What is not clear is to what extent positive role models help show what can be achieved or make their own potential success dim by comparison.

While it is not easy to collect the primary data from deprived areas and approach the targeted population accurately, these barriers create an opportunity for future researchers to continuously investigate and explore this undeveloped field and rigorously test the relationships included in this new model. As inferred above, future research would be best in the form of a longitudinal study. Data could be collected in a number of different ways. As the difficulty is that the issues found in this research are usually developed and reinforced over a long period of time before a stimulation to become an entrepreneur occurs, it is not possible to focus only on nascent entrepreneurs. With respect to this point, data collection through household panels would be the ideal. It is a household-based approach of collecting data, which is based on the same representative sample of individuals over a period of years and interviewing every adult member of the sampled household. Given the findings of this study it may also be desirable to collect information from children as well, as it is in these formative years when their personal attitudes and beliefs take shape, but this would make ethical considerations loom a great deal larger. Nevertheless, applying household panels with specific

questions relating to entrepreneurial motivation and those relating to factors associated with human capital development of different kinds could offer sufficient cases for acquiring meaningful analysis of a particular group. In considering the cost of such data collection, it would be best done as a module in an existing survey such as Understanding Society¹⁴⁸ if it is possible.

As this research study found some of the issues are difficult to capture from a quantitative survey, it might be better captured through a journal-style approach. However, this is only feasible for targeting particular elements of the population in deprived areas, because an incentive would be required to engage them in regularly recording or noting down feelings, experiences and barriers of both a mental and a practical nature. For example, it could be linked to benefits being received by those people who lost their jobs if the local government would support the research. Nonetheless, it is possible that individuals would not be willing to provide their motivation, intention and especially actions associated with informal activities. Alternatively, those who have signed up for entrepreneurship support could be considered as a targeted group, but as noted before, this may not provide information relating to present typical entrepreneurs in deprived areas.

In the meantime, future researchers could also consider collecting data from different cities of the UK and analyse it to examine the generalization of outcomes or find out differences by comparing results. These cities could be selected based on their similar or differing social and economic histories. It would also be possible with more resources to collect larger samples within Nottingham itself, allowing comparisons between the different deprived areas. Potentially, this could be used to create a typology of deprived areas with regard to entrepreneurial motivation and intention. As mentioned at the end of section 8.2, the initial plan of carrying out the investigation in another deprived city (i.e. Walsall) in this research to examine the generalization and make comparisons can be considered as a potential example for future researchers. Based on Table 1.1 in Chapter 1, Walsall was ranked at 4th most deprived areas of the UK in 2016 (Office for National Statistics, 2016a). Based on the latest statistics revealed by Office for National Statistics in 2019 (Table 8.1), both Nottingham and Walsall have higher percentages of 'No qualification' and 'Unemployment' compared to the average percentage in the UK, indicating a lower level of general human capital in these two cities. Notably, when looking at 'Employee Jobs by Industry', the difference between Nottingham and Walsall can be seen, which may

¹⁴⁸ Understanding Society is the largest longitudinal household panel study of its kind, it provides vital evidence on life changes and stability. <https://www.understandingsociety.ac.uk/>

potentially differ in individuals' choice of business sector. Moreover, the difference pertaining to industries of employee jobs may link with the deprivation ranks and require further exploration.

Table 8.1 Official Labour Market Statistics of Nottingham and Walsall, Compared to the Average in Great Britain, (2019)

Cities	IMD Rank (2016) ¹⁴⁹	IMD Rank (2019) ¹⁵⁰	No Qualification Level (2019)	Average in Great Britain (2019)	Unemployed (2019)	Average in Great Britain (2019)
Nottingham	6 th	11 th	10.1%	7.7%	6.6%	3.9%
Walsall	4 th	25 th	12.3%	7.7%	5.8%	3.9%
Employee Jobs by Industry (2018)						
Cities	Industry		Percentage	Average Percentage in Great Britain		
Nottingham	Wholesale and Retail Trade; Repair of Motor vehicles and Motorcycles		17.3%	15.2%		
	Human Health and Social Work Activities		15.8%	13.2%		
Walsall	Manufacturing		12.8%	8.1%		
	Wholesale and Retail Trade; Repair of Motor vehicles and Motorcycles		18.3%	15.2%		
	Administrative and Support Service Activities		11.9%	9.1%		

Source: Office for National Statistics¹⁵¹, (2019)

Moreover, this research study found inconsistency between policy enactment and implementation by central government, local government and schools, whilst the responses pertaining to school quality are only from the subjective perspectives of local residents. As such, future researchers could consider

¹⁴⁹ As noted in Chapter 1 (Table 1.1), a rank of 1 indicates the most deprived town or city and a rank of 109 the least.

¹⁵⁰ The ranks are most deprived out of the 317 districts in England using the average Score measure.

¹⁵¹ Nottingham: <https://www.nomisweb.co.uk/reports/lmp/la/1946157131/report.aspx?town=Nottingham>
Walsall: <https://www.nomisweb.co.uk/reports/lmp/la/1946157191/report.aspx?town=Walsall>

collecting information about the process of implementing the policy designed for those disadvantaged pupils from schools. By integrating the first-hand information from schools with the responses gained from local government and local residents from deprived areas, it may be helpful not only to understand the current operations of privatized schools in deprived areas, but also clearly to find out the sources of problems. The responses from schools could reveal the perceived barriers faced by school owners, managers or teachers in the implementation process, and it may be a way for the government to tackle the difficulties based on identifying the source of problems. Although this research focuses on commercial entrepreneurs' entrepreneurial intention, which has been reflected in choosing the definition of entrepreneurship (Chapter 1). The findings notably extend to the role of social entrepreneurs in encouraging and re-building deprived areas. The influence of social entrepreneurship should be considered by local government, but is also worthy of further attention by future researchers. This group of entrepreneurs can also be regarded as an alternative way to collect data in deprived areas.

8.4 Final Conclusion

Entrepreneurship is a crucial mechanism relating to economic rejuvenation and growth in deprived areas, and local governments/councils have been striving to provide a variety of supportive policies and incentives to boost entrepreneurial activities in such areas. However, the performance is not consistent with the expectations. In this case, this research investigates individuals' entrepreneurial intention in deprived areas, based on the consideration of whether a lack of human capital is the major issue hindering the engagement of entrepreneurial activities, because certain skills and experiences are beneficial for opportunity recognition, idea generation, business preparation and establishment. Indeed, this research found that a lack of human capital is one of the factors hampering entrepreneurship in deprived areas; however, it only plays an intermediate factor. The deep-rooted causes are related to different neighbourhood mechanisms, particularly socio-interactive mechanisms. Most importantly, factors influencing both human capital and entrepreneurship are bidirectional and intertwined, which forms a broad vicious circle between a deprived neighbourhood context, human capital development and entrepreneurial intention through the generational effect. This is also the most difficult challenge indicating why encouraging and boosting entrepreneurial activities in deprived areas is regarded as a formidable task.

Even so, although the polarization phenomenon found in deprived areas reflecting a deprived neighbourhood may cause many hardships, it also creates potential opportunities for a few residents. Linking with a strong bonding capital and a close tie with personal social networks as well as the influence of social entrepreneurs found in this research, it seems to be a breakthrough for local government to re-construct deprived areas; for example, employing more training providers or providing more support for social entrepreneurs who have the ability to guide and correct psychological and behavioural deviations in general, subsequently re-building trust and making residents return to mainstream society. This differs to previous policies that directly target training to improve knowledge and skills but is more feasible for local people and situations in deprived areas. All beginnings are hard and local government also has the economic consideration of its budget. However, it is necessary to take the first step to change the strategy, otherwise deprived areas will remain deprived. In addition to the economic aspect, some extreme thoughts and behavioural deviations existing in deprived areas are more likely to trigger serious social issues. In light of the findings of this research, it is believed that a thousand miles begins with a single step, the recovery process is the same as the formation of a vicious circle in deprived areas, issues developed from one generation passing into the following generations over many years cannot be solved in the short term. However, this does not mean they cannot be solved.

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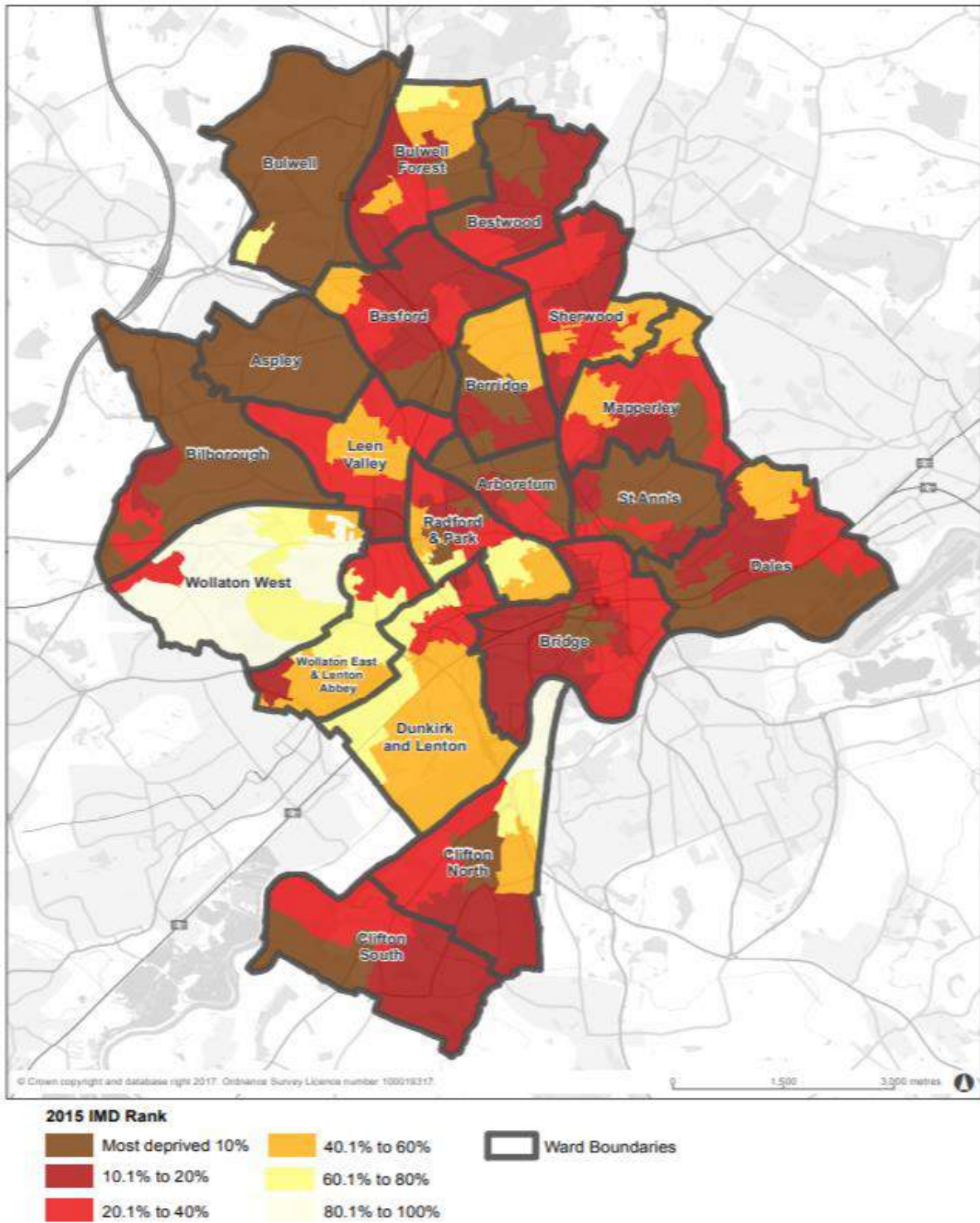
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APPENDICES

Appendix 1 Nottingham City 2015 Indices of Multiple Deprivation



Source: Nottinghamshire Insight, (2019)

<https://www.nottinghamshireinsight.org.uk/research-areas/deprivation/> [Available access at 21/06/2019]

Appendix 2 How Different Data Sources Respond to Hypotheses

	HYPOTHESES	
<i>H1</i>	Individuals' self-regulatory focus and self-efficacy affect entrepreneurial motivation and intention through goal setting and opportunity recognition	Interview
<i>H2</i>	There is a bidirectional relationship between individuals' self-efficacy and self-regulatory focus	Secondary Data (Relationship 6) + Survey Data (Relationship 9) + Interview
<i>H3a</i>	General human capital facilitates individuals' entrepreneurial self-efficacy	Survey Data (Relationship 8a) + Interview
<i>H3b</i>	General human capital affects individuals' regulatory focus	Survey Data (Relationship 8b) + Interview
<i>H3c</i>	Effect of general human capital on entrepreneurial intention is moderated by an individuals' self-efficacy and self-regulatory focus	Interview
<i>H4a</i>	Specific human capital affects individuals' self-efficacy	Secondary Data (Relationship 5) + Interview
<i>H4b</i>	Specific human capital affects individuals' self-regulatory focus	Secondary Data (Relationship 5) + Interview
<i>H5a</i>	Geographical and institutional mechanisms negatively affect individuals' general human capital in deprived areas	Interview
<i>H5b</i>	Socio-interactive mechanisms negatively affect individuals' general human capital in deprived areas	Interview
<i>H5c</i>	There is a bidirectional relationship between social-interactive mechanisms and individuals' general human capital in deprived areas	Secondary Data (Relationship 1) + Survey (Relationship 7) + Interview
<i>H5d</i>	Geographical and institutional mechanisms negatively affect individuals' specific human capital in deprived areas	Interview
<i>H5</i>	There is a bidirectional relationship between the neighbourhood context and individuals' human capital development in deprived areas	Secondary Data (Relationship 3) + Interview
<i>H6</i>	There is a bidirectional relationship between neighbourhood effect and self-efficacy in deprived area	Secondary Data (Relationship 1) + Survey Data (Relationship 10) + Interview
<i>H7</i>	The neighbourhood effect influences the self-regulatory focus in deprived areas	Secondary Data (Relationship 1) + Survey Data (Relationship 10) + Interview

Appendix 3 Secondary Data: Abbreviation of Measuring Variables

<i>Measures of Deprivation</i>	
	Description
<i>D</i>	15% of the most deprived areas
<i>Measures of Perceived General Barriers (B1-B5)</i>	
	Description
<i>B1</i>	Obtaining finance
<i>B2</i>	Taxation, VAT, PAYE, National insurance and business rates
<i>B3</i>	Staff recruitment and skills
<i>B4</i>	You thought you would be rejected
<i>B5</i>	Did not know where to find appropriate finance you needed
<i>Measures of Self-efficacy (C1a-C5a)</i>	
	Description
<i>C1(a)</i>	Capability for people management
<i>C2(a)</i>	Capability for developing and implementing a business plan and strategy
<i>C3(a)</i>	Capability for developing and introducing new products or services
<i>C4(a)</i>	Capability for accessing external finance
<i>C5(a)</i>	Capability for operational improvement
<i>Measures of Promotion Focus (P1-P7)</i>	
	Description
<i>P1</i>	Plan to increase the skills of the workforce
<i>P2</i>	Plan to increase the leadership capability of managers
<i>P3</i>	Plan to capital investment in premises, machinery and so on
<i>P4</i>	Plan to develop and launch new products/services
<i>P5</i>	Plan to introduce new working practices
<i>P6</i>	Aim to grow sales
<i>P7</i>	Whether export goods or services
<i>Measures of Prevention Focus (R1-R5)</i>	
	Description
<i>R1</i>	Exporting is too risky
<i>R2</i>	Prefer to concentrate on UK markets
<i>R3</i>	You do not want to take on additional risk
<i>R4</i>	Now is not the right time because of economic conditions
<i>R5</i>	The decision would have taken too long/too much hassle
<i>Measures of Training Provision (T1-T3)</i>	
	Description
<i>T1</i>	Providing any off the job training
<i>T2</i>	Providing any on the job training
<i>T3</i>	Providing any training (off the job or on the job)

Appendix 4 (Continue to Figure 4.1, with control variables, Relationship 1)

	D	C1(a)	C2(a)-R4	R5	Women-led	Family-owned	MEG-led	Size	Sector
D	1.000								
C1(a)	-0.005 (0.614)	1.000							
C2(a)-R4	...	...	...	...	...	...	...	...	...
R5	-0.022 (0.400)	0.024 (0.435)	-0.052 (0.052)	1.000					
Women-led	-0.003 (0.678)	-.110** (0.000)	-.019* (0.023)	-0.018 (0.504)	1.000				
Family-owned	.066** (0.000)	0.013 (0.158)	.093** (0.000)	-0.036 (0.168)	-.035** (0.000)	1.000			
MEG-led	-.084** (0.000)	0.006 (0.526)	0.004 (0.600)	-.061* (0.021)	-.016* (0.044)	.060** (0.000)	1.000		
Size	.104** (0.000)	-.049** (0.000)	.162** (0.000)	-.085** (0.001)	0.009 (0.242)	.330** (0.000)	0.007 (0.382)	1.000	
Sector	-.020* (0.013)	.109** (0.000)	.083** (0.000)	.067* (0.011)	-.223** (0.000)	.199** (0.000)	-.046** (0.000)	.051** (0.000)	1.000

Appendix 5 (Continue to Figure 4.3, with control variables, Relationship 3)

	B1	B2	B3-R4	R5	D	Women-led	Family-owned	MEG-led	Size	Sector
B1	1.000									
B2	.141** (0.000)	1.000								
B3-R4	...	...	...	...	...	...	...	...	...	...
R5	.189** (0.000)	.092** (0.000)	.065* (0.014)	1.000						
D	.057** (0.000)	.029** (0.000)	.021** (0.009)	-0.022 (0.400)	1.000					
Women-led	-.070** (0.000)	.032** (0.000)	.035** (0.000)	-0.018 (0.504)	-0.003 (0.678)	1.000				
Family-owned	.081** (0.000)	-.074** (0.000)	.075** (0.000)	-0.036 (0.168)	.066** (0.000)	-.035** (0.000)	1.000			
MEG-led	-.055** (0.000)	-.027** (0.001)	-.021** (0.008)	-.061* (0.021)	-.084** (0.000)	-.016* (0.044)	.060** (0.000)	1.000		
Size	.018* (0.022)	.038** (0.000)	.303** (0.000)	-.085** (0.001)	.104** (0.000)	0.009 (0.242)	.330** (0.000)	0.007 (0.382)	1.000	
Sector	.100** (0.000)	-.076** (0.000)	0.006 (0.440)	.067* (0.011)	-.020* (0.013)	-.223** (0.000)	.199** (0.000)	-.046** (0.000)	.051** (0.000)	1.000

Appendix 6 (Continue to Figure 4.4, with control variables, Relationship 5)

	T1	T2-R4	R5	D	Women-led	Family-owned	MEG-led	Size	Sector
T1	1.000								
T2-R4	...	...	...	...	...	...	...	...	...
R5	0.041 (0.182)	-0.018 (0.562)	1.000						
D	0.007 (0.467)	0.010 (0.301)	-0.022 (0.400)	1.000					
Women-led	0.011 (0.246)	.039** (0.000)	-0.018 (0.504)	-0.003 (0.678)	1.000				
Family-owned	-.143** (0.000)	-.143** (0.000)	-0.036 (0.168)	.066** (0.000)	-.035** (0.000)	1.000			
MEG-led	-.050** (0.000)	-.023* (0.017)	-.061* (0.021)	-.084** (0.000)	-.016* (0.044)	.060** (0.000)	1.000		
Size	-.344** (0.000)	-.401** (0.000)	-.085** (0.001)	.104** (0.000)	0.009 (0.242)	.330** (0.000)	0.007 (0.382)	1.000	
Sector	-.115** (0.000)	-.172** (0.000)	.067* (0.011)	-.020* (0.013)	-.223** (0.000)	.199** (0.000)	-.046** (0.000)	.051** (0.000)	1.000

Appendix 7 (Continue to Figure 4.5, with control variables, Relationship 6)

	C1(a)	C2(a)-R4	R5	D	Women-led	Family-owned	MEG-led	Size	Sector
C1(a)	1.000								
C2(a)-R4	...	...	...	...	...	...	...	...	...
R5	0.024 0.435	-0.052 0.052	1.000						
D	-0.005 0.614	-0.002 0.831	-0.022 0.400	1.000					
Women-led	-.110** 0.000	-.019* 0.023	-0.018 0.504	-0.003 0.678	1.000				
Family-owned	0.013 0.158	.093** 0.000	-0.036 0.168	.066** 0.000	-.035** 0.000	1.000			
MEG-led	0.006 0.526	0.004 0.600	-.061* 0.021	-.084** 0.000	-.016* 0.044	.060** 0.000	1.000		
Size	-.049** 0.000	.162** 0.000	-.085** 0.001	.104** 0.000	0.009 0.242	.330** 0.000	0.007 0.382	1.000	
Sector	.109** 0.000	.083** 0.000	.067* 0.011	-.020* 0.013	-.223** 0.000	.199** 0.000	-.046** 0.000	.051** 0.000	1.000

Appendix 8 Survey Data: Abbreviation of Measuring Variables

Measures of Deprivation

	Description
D	10% of the most deprived areas in Nottingham

Measures of Self-efficacy (C1b-C4b)

	Description
C1(b)	Capability for achieving desired outcomes
C2(b)	Capability for completing tasks
C3(b)	Capability of keeping a positive attitude to complete tasks
C4(b)	Capability for controlling negative emotions when facing with difficulties

Measures of Self-regulatory Focus

	Description
O	Optimism motivates to start a business
I	Innovation motivates to start a business
R	Risk-taking motivates to start a business
E	Extraversion motivates to start a business
C	Conscientiousness motivates to start a business

Measures of Benefits obtained from Qualification

	Description
BF(Q1)	An ability to adapt to a changing environment
BF(Q2)	The capability to solve problems and make decisions
BF(Q3)	Basic learning capabilities to increase efficiency of undertaking tasks
BF(Q4)	An ability to better recognize potential opportunities that are ignored by others
BF(Q5)	The development of better social networks
BF(Q6)	Easy to be an employed person, which makes it easier to find capital sources to fund the business

(Continue to Appendix 8)

Measures of Benefits obtained from Employment/Work Experience

	Description
<i>BF(E1)</i>	An ability to adapt to a changing environment
<i>BF(E2)</i>	The capability to solve problems and make decisions
<i>BF(E3)</i>	An ability to better recognize potential opportunities that are ignored by others
<i>BF(E4)</i>	The development of better social networks
<i>BF(E5)</i>	Increased alert awareness for potential market and operation risks
<i>BF(E6)</i>	Capabilities relating to management procedures, such as overcoming difficulties and uncertainties, implementing various tasks, identifying and exploiting opportunities
<i>BF(E7)</i>	Specific capabilities, skills and knowledge in a specific industry where you have been working or you are familiar with

Measures of Neighbourhood Contexts Influencing Qualification

	Description
<i>QF1</i>	Schooling quality in the local area
<i>QF2</i>	Local residents' attitude towards the education level
<i>QF3</i>	Family income level
<i>QF4</i>	Parents' capabilities to provide resources and conditions for achieving educational attainment
<i>QF5</i>	Parents' education level and expectations for children's education levels
<i>QF6</i>	Influences of local role models (e.g. local residents, neighbours and peers)

Measures of Neighbourhood Contexts Influencing Employment Status

	Description
<i>EF1</i>	Local economic conditions and sources of employment opportunities
<i>EF2</i>	Local residents' attitude towards employment
<i>EF3</i>	Friends' and peers' employment behaviours
<i>EF4</i>	Reputation of local area and racial attitudes (e.g. discrimination against specific races or areas)

(Continue to Appendix 8)

Measures of Neighbourhood Contexts Influencing Employment Status

	Description
NF1	Communication with local residents and/or particular peer groups
NF2	Suggestions and information provided by personal social networks
NF3	Inspired by local business owners
NF4	Parental influence or inherited family business
NF5	Local people’s opinions and confidence of starting new businesses in the local area
NF6	No better choice of employment due to the local restriction of employment opportunities
NF7	More opportunities to be explored and exploited, such as low housing costs and avoiding strong competition

Measures of General Human Capital

	Description
Q	Qualification level
EMP	Employment status before starting the business

Control Variables

	Description
ID	Actual or nascent entrepreneur

Appendix 9 Details of Survey Participants' Demographic Information¹⁵²

	Area	Gender	Age Group	Ethnicity	Highest Achieved Qualification	Employment Status
1	Deprived (Home)	Female	40-55	White	NVQ Level 4	Employed
2	Deprived (Both)	Female	16-24	White	NVQ Level 2	Employed
3	Deprived (Home)	Male	25-39	Mixed Group	NVQ Level 4	A student or graduate
4	Deprived (Both)	Female	25-39	White	NVQ Level 4	Employed (Full-time)
5	Deprived (Business)	Male	56-64	White	No Qualification	Employed (Full-time)
6	Deprived (Business)	Male	40-55	Asian/Asian British	NVQ Level 4	A student or graduate
7	Deprived (Home)	Male	40-55	White	NVQ Level 5	Employed
8	Deprived (Both)	Male	25-39	White	NVQ Level 2	Employed
9	Deprived (Business)	Male	40-55	White	NVQ Level 5	Employed
10	Deprived (Business)	Female	40-55	White	NVQ Level 2	A homemaker
11	Deprived (Business)	Female	40-55	White	NVQ Level 5	Employed
12	Deprived (Both)	Male	40-55	Black/African/Caribbean/Black British	NVQ Level 5	Employed
13	Deprived (Home)	Male	40-55	Black/African/Caribbean/Black British	NVQ Level 5	Out of work and looking for work
14	Deprived (Home)	Male	65 and over	White	No Qualification	Out of work and looking for work
15	Deprived (Home)	Female	40-55	White	NVQ Level 3	Employed
16	Deprived (Home)	Female	40-55	Asian/Asian British	NVQ Level 4	Employed
17	Deprived (Home)	Female	40-55	White	NVQ Level 3	Employed (i.e. Freelancer)
18	Deprived (Home)	Male	40-55	Black/African/Caribbean/Black British	No Qualification	Employed (Full-time)
19	Deprived (Business)	Male	25-39	White	NVQ Level 4	Employed (Part-time)
20	Deprived (Business)	Male	16-24	Black/African/Caribbean/Black British	NVQ Level 3	Employed
21	Non-deprived	Male	25-39	White	NVQ Level 3	Employed
22	Deprived (Both)	Female	40-55	White	NVQ Level 3	Employed
23	Deprived (Business)	Female	25-39	White	NVQ Level 4	Employed
24	Deprived (Home)	Female	25-39	White	NVQ Level 4	Employed
25	Non-deprived	Female	40-55	White	NVQ Level 3	Employed (Full-time)

¹⁵² Regarding participants' identity, the demographic information about nascent entrepreneurs has been highlighted in Blue (From number 68 to number 77).

(Continue to Appendix 9)

	Area	Gender	Age Group	Ethnicity	Highest Achieved Qualification	Employment Status
26	Deprived (Home)	Male	25-39	White	NVQ Level 2	Employed
27	Deprived (Home)	Female	40-55	White	NVQ Level 5	Employed
28	Deprived (Both)	Female	40-55	Black/African/Caribbean/Black British	NVQ Level 5	Employed (Full-time)
29	Non-deprived	Female	16-24	Mixed Group	NVQ Level 3	Out of work and looking for work
30	Non-deprived	Female	40-55	White	NVQ Level 4	Employed (Full-time)
31	Non-deprived	Female	16-24	White	NVQ Level 5	Employed
32	Non-deprived	Male	40-55	White	NVQ Level 4	Employed (Self-employed)
33	Non-deprived	Male	25-39	White	NVQ Level 4	Employed
34	Non-deprived	Female	16-24	Black/African/Caribbean/Black British	NVQ Level 4	A student or graduate
35	Non-deprived	Other	16-24	White	NVQ Level 4	Out of work and looking for work
36	Deprived (Business)	Female	56-64	Mixed Group	NVQ Level 5	Employed
37	Non-deprived	Male	16-24	Black/African/Caribbean/Black British	NVQ Level 3	A student or graduate
38	Non-deprived	Male	40-55	White	NVQ Level 3	Employed
39	Non-deprived	Female	25-39	White	No Qualification	Employed
40	Non-deprived	Male	40-55	White	No Qualification	Employed
41	Non-deprived	Female	40-55	White	NVQ Level 3	Employed
42	Non-deprived	Female	40-55	Mixed Group	NVQ Level 3	Employed
43	Non-deprived	Female	40-55	Black/African/Caribbean/Black British	NVQ Level 4	Employed
44	Non-deprived	Male	25-39	White	NVQ Level 3	Employed (Full-time)
45	Non-deprived	Male	16-24	Asian/Asian British	NVQ Level 4	Employed (Full-time)
46	Non-deprived	Male	25-39	White	NVQ Level 4	Employed
47	Non-deprived	Male	56-64	White	NVQ Level 4	Employed
48	Non-deprived	Male	25-39	White	NVQ Level 3	Employed
49	Non-deprived	Male	25-39	Asian/Asian British	NVQ Level 3	Employed
50	Non-deprived	Female	25-39	White	NVQ Level 4	Out of work and looking for work
51	Non-deprived	Female	25-39	White	NVQ Level 4	Employed

(Continue to Appendix 9)

	Area	Gender	Age Group	Ethnicity	Highest Achieved Qualification	Employment Status
52	Non-deprived	Male	25-39	White	NVQ Level 2	Employed (Full-time)
53	Non-deprived	Male	40-55	White	NVQ Level 3	Employed
54	Non-deprived	Male	25-39	Asian/Asian British	NVQ Level 4	Employed (Full-time)
55	Non-deprived	Male	40-55	White	NVQ Level 1	Employed
56	Non-deprived	Male	40-55	White	NVQ Level 5	Employed
57	Non-deprived	Male	65 and over	White	NVQ Level 4	Employed
58	Non-deprived	Female	40-55	White	NVQ Level 2	Employed
59	Non-deprived	Male	25-39	White	NVQ Level 4	Employed (Full-time)
60	Non-deprived	Male	56-64	Black/African/Caribbean/Black British	NVQ Level 4	Employed (Self-employed)
61	Non-deprived	Male	56-64	White	NVQ Level 1	Employed (Full-time)
62	Non-deprived	Female	25-39	Asian/Asian British	NVQ Level 1	Out of work and not looking for work
63	Non-deprived	Male	25-39	Asian/Asian British	No Qualification	Employed (Full-time)
64	Non-deprived	Female	25-39	Mixed Group	NVQ Level 5	Employed
65	Non-deprived	Male	25-39	White	NVQ Level 1	Employed (Part-time)
66	Non-deprived	Male	40-55	Asian/Asian British	NVQ Level 5	Employed
67	Non-deprived	Female	25-39	White	NVQ Level 1	Out of work and looking for work
68	Deprived (Both)	Male	40-55	White	NVQ Level 3	Employed
69	Non-deprived	Male	25-39	White	NVQ Level 3	Employed
70	Deprived (Both)	Female	40-55	White	NVQ Level 3	Employed
71	Deprived (Home)	Female	25-39	Mixed Group	NVQ Level 4	Employed
72	Deprived (Home)	Female	25-39	White	NVQ Level 2	Employed
73	Non-deprived	Male	40-55	White	NVQ Level 4	Employed (Full-time)
74	Deprived (Both)	Male	40-55	Black/African/Caribbean/Black British	NVQ Level 5	-
75	Non-deprived	Female	25-39	White	NVQ Level 2	Employed
76	Deprived (Home)	Female	16-24	Black/African/Caribbean/Black British	NVQ Level 5	Employed
77	Deprived (Both)	Male	25-39	Asian/Asian British	NVQ Level 4	Employed (Full-time)
78	Non-deprived	Female	65 and over	White	NVQ Level 1	Employed
79	Non-deprived	Male	40-55	Mixed Group	NVQ Level 2	Employed
80	Non-deprived	Male	25-39	White	NVQ Level 3	A homemaker

Appendix 10 Survey Participants' Selection of Business Sectors¹⁵³

	Business Sector
1	Service: Freelancer/Artist
2	Service: Retail
3	Service: Health and Social Work, Arts and Recreation, Private Training
4	Service: Retail
5	Service: Leisure Industry
6	Service: Motor Parts and Repair Service
7	Construction
8	Service: Tattoo Shop
9	Service: Retail
10	Service: Retail
11	Service: Retail (Hairdressing, Barbering and Beauty)
12	Service: Retail
13	Service: Takeaway Restaurant
14	Service: Retail
15	Service: Hairdressing
16	Service: Retail, Art and Recreation (Clothing Design)
17	Service: Retail (Flower Shop/Seller)
18	Manufacturing
19	Manufacturing (Making and Selling Beer)
20	Service: Retail
21	Service: Retail (Barber)
22	Service: Arts and Recreation (Private Art Workshops and Teaching)
23	Service: Retail (Art and Craft Production and Retail)
24	Service; Retail (Retail Card and Gift Shop)
25	Service: Retail
26	Service: Retail (Coffee Shop)
27	Service: Retail (Chocolate Shop)
28	Service: Arts and Recreation (Crafts and Textile Based Cards/Frames)
29	Service: ICT (Workshops, Focus Groups, Events, Advice, IT Management, Data Base, Property Management)
30	Service: Financial and insurance (Marketing and PR Strategy and Copyright)
31	Service: Arts and Recreation (E-Commerce, 3D Printing)
32	Service: Retail
33	Service: Arts and Recreation (Polishing and Creative Company)
34	Service: Health and Social Work
35	Service: Arts and Recreation (Bar/Entertainment/Nightclub/LGBT/Community Focused)
36	Service: Health and Social Work (Social Entrepreneur, Building Social Capital, Community Focused Training)
37	Service: Retail (E-Commerce, Specialising in Quality Gym Clothing)
38	Service: Retail (Supplies of Goods and Services)
39	Service: Retail
40	Service: Retail

¹⁵³ The business sectors nascent entrepreneurs intend to enter in have been highlighted in Blue (From number 68 to number 77).

(Continue to Appendix 10)

	Business Sector
41	Service: Retail (Beauty Salon)
42	Service: Retail
43	Service: Retail
44	Service: Retail
45	Service: Retail
46	Service: Retail (Café/Bar/Music Venue)
47	Service: Retail (Picture Framing and Art Gallery)
48	Construction
49	Service: Retail
50	Service: Retail
51	Manufacturing
52	Service: Retail (Selling Handmade Products, Business Development Consultancy for SMEs)
53	Service: Takeaway Food Outlet
54	Service: Retail
55	Service: Retail (Barber Shop)
56	Service: Retail
57	Service: Arts and Reaction (A Gallery for Local Artists)
58	Service: Retail (Yarn and Haberdasher Shop)
59	Service: ICT (Web Design)
60	Service: Arts and Recreation
61	Service: Retail
62	Service: Retail
63	Service: Retail (Hairdressing)
64	Service: Retail
65	Service: Retail (Food)
66	Service: Health and Social Work
67	Service: Arts and Recreation (Graphic Design, Product Design and Art Design)
68	Service: Health and Social Work (Phone Coaching)
69	Service: Arts and Recreation (Innovative Creative Self-expression, Art Work, Recording and Editing, Video Editing Programmes)
70	Service: Retail
71	Service: Retail (Health and Beauty)
72	Service: Retail (Health and Beauty Product Sales)
73	Service: ICT (Telecommunications)
74	Service: Retail
75	Service: Tattoo or Body Piercing Shop
76	Service: Health and Social Work (Support Work, Mentoring, Healthcare Assistant)
77	Service: Gardening Service (Weed Killing, Repairing Fences)
78	Service: Retail (Cards and Gifts)
79	Service: Retail
80	Service: Food

Appendix 11 (Continue to Figure 5.1a, with control variables, Relationship 8b)

	BF(Q1)	BF(Q2)-E	C	D	ID	Gender	Ethnicity	Q
BF(Q1)	1.000							
BF(Q2)-E	...	...	...	...	...	...	...	...
C	-0.016 (0.889)	0.155 (0.169)	1.000					
D	.280* (0.012)	.242* (0.031)	0.133 (0.240)	1.000				
ID	0.030 (0.789)	0.026 (0.821)	-0.064 (0.573)	-.265* (0.018)	1.000			
Gender	-0.011 (0.922)	-0.016 (0.887)	0.112 (0.323)	0.115 (0.309)	-0.033 (0.771)	1.000		
Ethnicity	0.022 (0.848)	-0.035 (0.759)	0.018 (0.873)	0.102 (0.368)	-0.053 (0.643)	-0.022 (0.843)	1.000	
Q	0.005 (0.965)	-0.036 (0.753)	-0.105 (0.354)	0.207 (0.065)	-0.046 (0.689)	0.069 (0.541)	.255* (0.022)	1.000

Appendix 12 (Continue to Figure 5.1b, with control variables, Relationship 8b)

	BF(E1)	BF(E2)-E	C	D	ID	Gender	Ethnicity	Q	EMP
BF(E1)	1.000								
BF(E2)-E	...	...	...	...	...	...	...	...	...
C	.358** (0.001)	.298** (0.008)	1.000						
D	0.192 (0.087)	0.221 (0.050)	0.133 (0.240)	1.000					
ID	-0.095 (0.401)	-0.062 (0.584)	-0.064 (0.573)	-.265* (0.018)	1.000				
Gender	0.133 (0.241)	0.128 (0.261)	0.112 (0.323)	0.115 (0.309)	-0.033 (0.771)	1.000			
Ethnicity	0.030 (0.794)	0.026 (0.818)	0.018 (0.873)	0.102 (0.368)	-0.053 (0.643)	-0.022 (0.843)	1.000		
Q	0.047 (0.680)	0.037 (0.748)	-0.105 (0.354)	0.207 (0.065)	-0.046 (0.689)	0.069 (0.541)	.255* (0.022)	1.000	
EMP	-0.131 (0.251)	-0.127 (0.267)	-0.107 (0.348)	-0.056 (0.626)	0.158 (0.163)	0.079 (0.491)	0.195 (0.086)	-0.085 (0.458)	1.000

Appendix 13 (Continue to Figure 5.2, with control variables, Relationship 9)

	C1	C2	C3	D	ID	Gender	Ethnicity	Q	EMP
C1	1.000								
C2	.647** (0.000)	1.000							
.....
D	-0.025 (0.826)	0.171 (0.130)	0.104 (0.359)	1.000					
ID	-0.110 (0.332)	-0.086 (0.449)	-0.063 (0.581)	-.265* (0.018)	1.000				
Gender	0.165 (0.144)	0.085 (0.454)	0.067 (0.554)	0.115 (0.309)	-0.033 (0.771)	1.000			
Ethnicity	.274* (0.014)	0.115 (0.310)	0.010 (0.928)	0.102 (0.368)	-0.053 (0.643)	-0.022 (0.843)	1.000		
Q	0.129 (0.255)	0.066 (0.562)	-0.089 (0.432)	0.207 (0.065)	-0.046 (0.689)	0.069 (0.541)	.255* (0.022)	1.000	
EMP	0.041 (0.722)	-0.141 (0.215)	-0.179 (0.114)	-0.056 (0.626)	0.158 (0.163)	0.079 (0.491)	0.195 (0.086)	-0.085 (0.458)	1.000

Appendix 14 (Continue to Figure 5.3, with control variables, Relationship 10)

	NF1	NF2--R	E	C	D	ID	Gender	Ethnicity	Q	EMP
NF1	1.000									
NF2-R	...	...	...	...	...	...	...	...	...	...
E	.255* (0.022)	.242* (0.031)	1.000							
C	0.178 (0.114)	0.102 (0.366)	.418** (0.000)	1.000						
D	0.017 (0.878)	-0.122 (0.281)	0.030 (0.793)	0.133 (0.240)	1.000					
ID	0.065 (0.569)	0.036 (0.750)	0.002 (0.988)	-0.064 (0.573)	-.265* (0.018)	1.000				
Gender	0.128 (0.258)	0.161 (0.154)	0.153 (0.176)	0.112 (0.323)	0.115 (0.309)	-0.033 (0.771)	1.000			
Ethnicity	0.085 (0.454)	0.051 (0.655)	-0.054 (0.631)	0.018 (0.873)	0.102 (0.368)	-0.053 (0.643)	-0.022 (0.843)	1.000		
Q	-0.092 (0.415)	-0.039 (0.733)	-0.094 (0.406)	-0.105 (0.354)	0.207 (0.065)	-0.046 (0.689)	0.069 (0.541)	.255* (0.022)	1.000	
EMP	0.000 (0.999)	-0.036 (0.754)	-0.055 (0.631)	-0.107 (0.348)	-0.056 (0.626)	0.158 (0.163)	0.079 (0.491)	0.195 (0.086)	-0.085 (0.458)	1.000

Appendix 15 Details about the Process of Generating Initial Codes for Entrepreneurs' Responses

As a reflection process, qualitative coding plays an important role in interacting with and thinking about data (Savage, 2000). The coding process started from entrepreneurs' interview transcriptions as the responses from this group is the major source for responding to the research questions, the subsequent coding for the responses of the government officer and training providers will be discussed in section 6.4. Before beginning coding, Braun and Clarke (2006) recommend that reading through the entire data set at least once is better to become familiar with all aspects of the data, which is beneficial to shape ideas and identification of possible patterns. Therefore, all transcripts were printed out as hard copies used to mark the important information and take notes and ideas.

More specifically, five themes were marked by using different highlighters. It helps find those pieces of information that entrepreneurs repeatedly expressed during the interview, which cannot be ignored or skipped. On one hand, it is possible that the phenomenon or feeling repeatedly expressed by entrepreneurs delivers a strong opinion and profound impression. It means this kind of repeated information could be entrepreneurs' main perspectives they wanted to stress or their perceived major causes leading to a specific situation or issue. On the other hand, it is worth noting that there are some slight differences or new information within the repeated information. It means entrepreneurs may repeat the information they previous outlined, however, they would point out additional detail when they responded to another question or related questions.

In this case, the information, regardless of how many times it was repeated, was still marked with a note that indicates where the slight difference or new information is. Briefly, using the hard copies of interview transcriptions can be regarded as the first reading, broadly searching the key information and main categories, which could be several sentences or a paragraph. Subsequently, the electronic version of interview transcriptions was input in to Nvivo. As mentioned before, six entrepreneurs who either live in deprived areas or set up the business in deprived areas are the first group to be coded (See Appendix 15a). The following sections will present how each major theme was refined and analysed to several sub-themes in Nvivo.

Appendix 15a

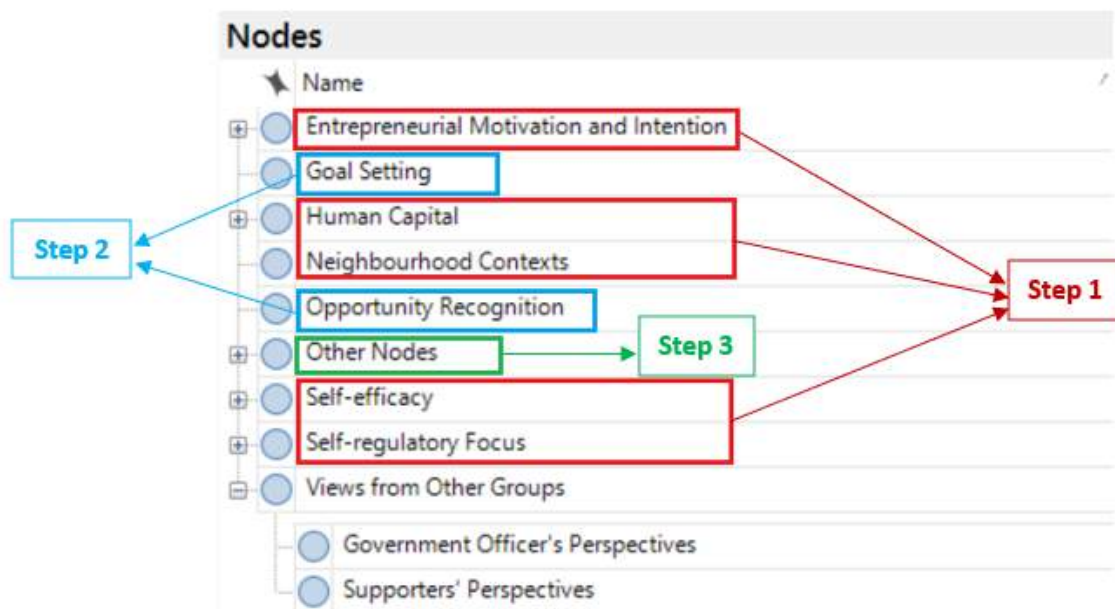


Internals	
Name	
Interviewee 1 Stella	
Interviewee 2 Stepher O'Neill	
Interviewee 3 Peter	
Interviewee 4 Reeta	
Interviewee 5 Cafe Owner	
Interviewee 6 Paul	
S1 Imani Rae Interview	
S2 Jacqueline Interview	
Robert	

(Continue to Appendix 15)

As indicated in Appendix 15b, there are three steps for the initial coding of entrepreneurs' responses in Nvivo, which can be regarded as the second reading. First of all, five main themes were coded as five nodes based on the highlighted information in the hard copies of interview transcripts. Secondly, goal setting and opportunity recognition as two other important constructs deriving from the major themes, the questions relating to these aspects were asked as probing questions when entrepreneurs mentioned either their entrepreneurial motivation and intention or self-efficacy and self-regulatory focus rather than directly asking as independent questions. It means the information pertaining to how did entrepreneurs set their goals and recognize the potential opportunities was taken from either the nodes of 'Entrepreneurial Motivation and Intention', 'Self-efficacy' and 'Self-regulatory Focus'. Notably, the nodes of 'Goal Setting' and 'Opportunity Recognition' will be merged in other parent nodes as child nodes based on the mediating effect of these two behaviours.

Appendix 15b Sequence of coding

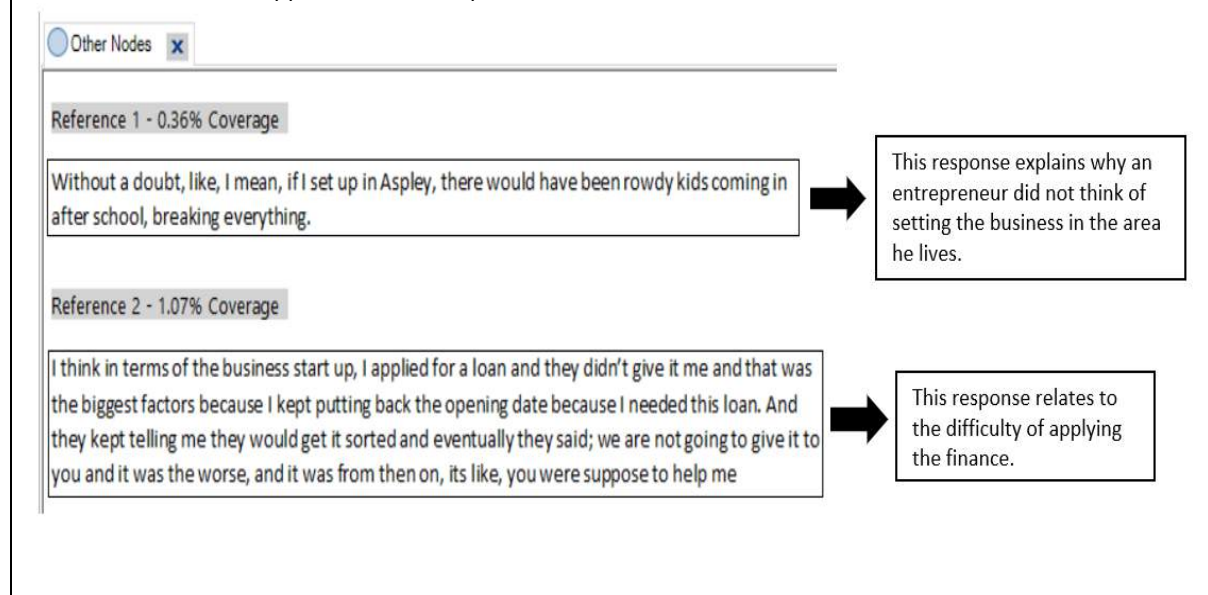


In addition to major themes relating to the components included in the new model, other information should not be ignored (Braun and Clarke, 2006). Lorelli et al. (2017) point out that some responses do not specifically answer the question, however, they are important to illuminate the contextual nature of the question. They suggest it is necessary to ensure the miscellaneous codes to be retained in separate free nodes. As such, an additional node called 'Other Nodes' was created in Nvivo containing those relevant but not direct information.

(Continue to Appendix 15)

Appendix 15c indicates an example to explain this situation. It can be seen that these two responses are not directly related to research questions, the entrepreneurs' unwillingness of setting up a business in the local areas linking with certain issues in the local area, whilst the entrepreneurs' perceived difficulties in relation to the process of applying and/or obtaining financing that is one of major barriers for individuals to start a business in deprived areas has been revealed in this separate node¹⁵⁴. The detailed description and corresponding illustration diagrams about the process of coding and node creation for each theme will be demonstrated in Appendixes from 16 to 20.

Appendix 15c Example of the information coded in 'Other Nodes'



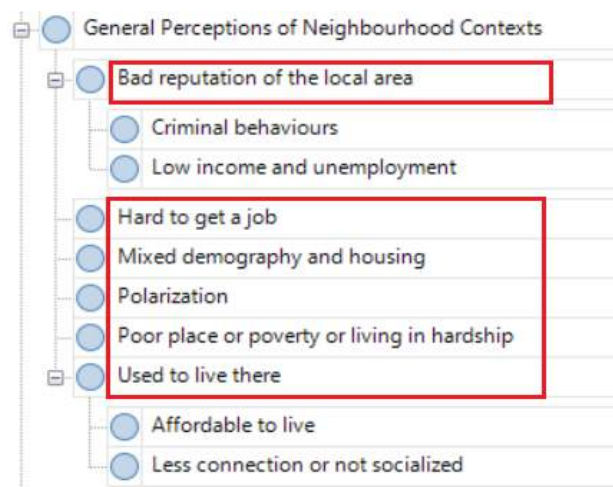
¹⁵⁴ The information pertaining to the selection of business location and difficulty of applying for the finance demonstrated in Figure 3 is an example to explain the 'Other Nodes', it does not mean the 'Other Nodes' only refers to these two aspects, other contextual information has been also included.

Appendix 16 Details about the Process of Coding Entrepreneurs' Responses and Creating Nodes for Theme 1

Theme 1 General Perceptions about the Local Areas

Entrepreneurs' general perceptions about the local areas have been categorized as six child nodes (Appendix 16a). This theme will help to not only understand local residents' broad attitude towards their own areas, but also investigate whether there is a consistency regarding the issues between the results found by previous studies and the opinions from local residents' perspectives. Meanwhile, from an overall angle, this theme will find out whether there are unexpected points that have not been explored or mentioned in previous studies.

Appendix 16a Coding for Entrepreneurs' General Perceptions of Local Areas



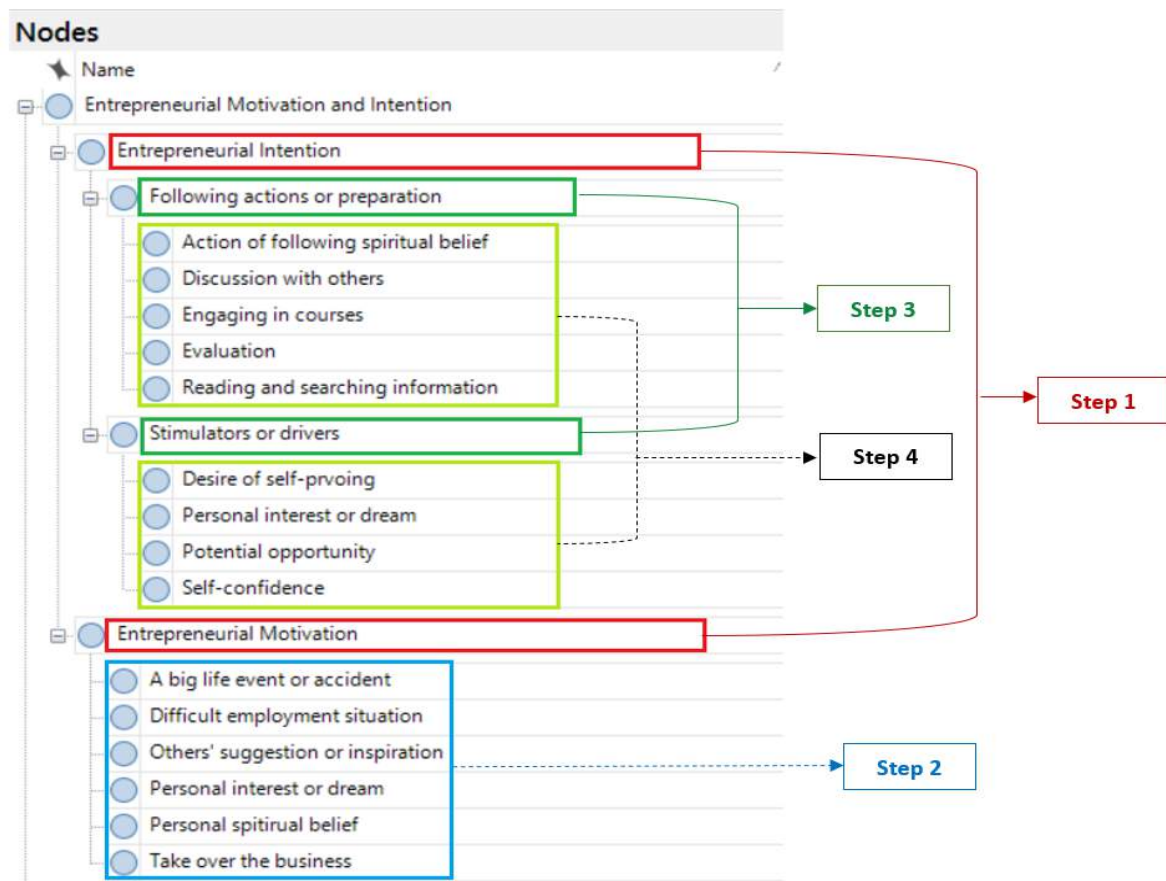
The sub-nodes of 'Bad Reputation of the Local Area' and 'Used to live there' have been refined as two child nodes respectively. These child nodes will specifically indicate what factors cause the bad reputation in deprived areas, and the reasons of why some people are used to live in there. Specifically, whether they prefer to live in that environment, or they do not have other choices.

Appendix 17 Details about the Process of Coding Entrepreneurs' Responses and Creating Nodes for Theme 2

Theme 2 Entrepreneurial Motivation and Intention

For coding the responses into Theme 2, the procedure includes four steps (Appendix 17a). First of all, it is proposed that the slight difference between entrepreneurial motivation and intention is that the former refers to individuals' ideas and the later relates to the behaviours. As such, the responses pertaining to entrepreneurs' ideas (i.e. 'Why did you want to set up a business?'/ 'Why did you have this idea?') were found out and distinguished from the responses pertaining to their behaviours (i.e. 'What did you do for it?'), which were created as two sub-nodes. Secondly, different reasons of generating the idea of setting up the business have been identified and classified as a range of child nodes.

Appendix 17a Coding for Entrepreneurs' Entrepreneurial Motivation and Intention



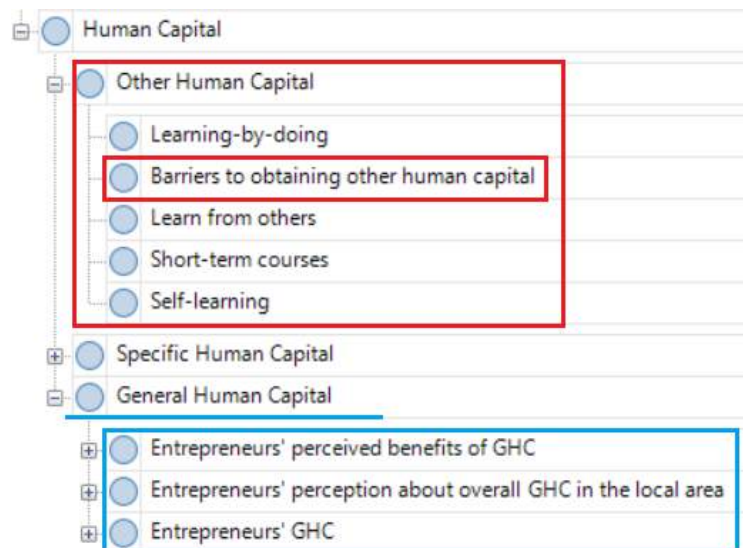
Thirdly, the responses included in the sub-node of 'Entrepreneurial Intention' are categorized as two aspects. The stimulators or drivers of turning the idea into the reality were identified, whilst subsequent actions or preparation behaviours were also presented. The last step was to further classify different stimulators and following actions respectively. According to the responses in the major node of 'Entrepreneurial Motivation and Intention' will be expected to find out the difference occurring at different time periods between these two concepts. Again, as stressed in subsection 6.2.1, reasons spurring entrepreneurs' actions of turning business ideas into the reality demonstrated at this stage only reveal the broad and superficial stimulators or driver, an in-depth analysis of factors relating to entrepreneurial intention will be presented in the following sections.

Appendix 18 Details about the Process of Coding Entrepreneurs' Responses and Creating Nodes for Theme 3

Theme 3 The Level of Human Capital and Factors Influencing Human Capital Development in Deprived Areas

In the entrepreneurship literature, human capital is broadly divided into two major categories and specifically resolved as five types (See Table 6.1). Therefore, as shown in Appendix 18a, human capital was firstly coded as two child nodes (i.e. 'General Human Capital' and 'Specific Human Capital'). Notably, entrepreneurs' responses reveal that some people in deprived areas have low levels of human capital, or they do not have enough experience or opportunities to possess human capital. In this case, they pointed out other kinds of human capital or other approaches of accessing human capital. While the human capital mentioned by some entrepreneurs are not consistent with the human capital mentioned in this research, it is still valuable to consider as lack of human capital is an issue existing in deprived areas. In this case, another child node (i.e. 'Other Human Capital') was created as well.

Appendix 18a Coding for Human Capital



Moreover, the child node of 'Other Human Capital' also includes 'Barriers to obtaining other human capital'. It will reveal the barriers entrepreneurs faced when they were attempting to look for other channels to make up their insufficient human capital. With the concern of solving the issues relating to five types of human capital in deprived areas may not be a short-term task, other approaches of obtaining human capital is more likely to be a prevalent way for people to provide the help in such areas. Thus, this is important to link with the government support to discuss how the local government comprehensively consider the future policy.

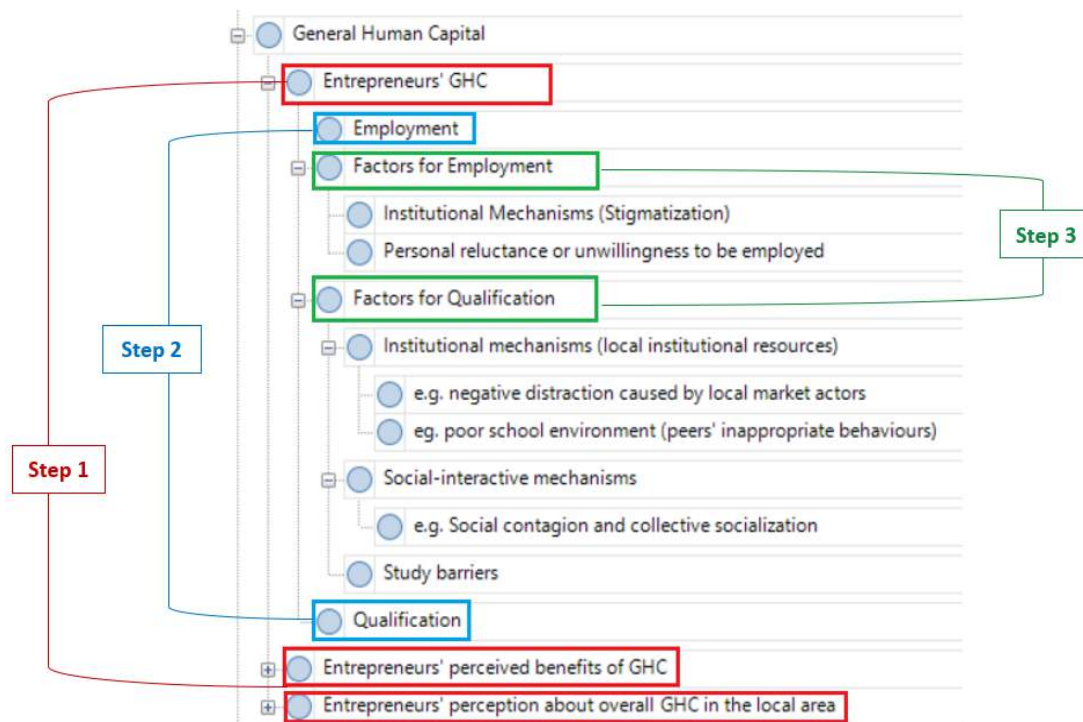
(Continue to Appendix 18)

Regarding the node of general human capital, on one hand, the coding was broadly divided into three aspects (Appendix 18a), which refers to entrepreneurs' qualification levels and their employment status before starting businesses (i.e. Entrepreneurs' GHC) and entrepreneurs' perceived benefits of general human capital for their businesses (i.e. Entrepreneurs' perceived benefits of GHC). As mentioned in Chapter 3 (section 3.4.1, p73), entrepreneurs not only presented their own experience, but also talked about the general situation of their areas for certain points. Therefore, there is another sub-node (i.e. Entrepreneurs' perceptions about the overall HC in the local area) to indicate entrepreneurs' perceptions about the overall general human capital level and relating factors in the areas. The coding process of general human capital starts from presenting entrepreneurs' general human capital.

1) *Entrepreneurs' general human capital*

Entrepreneurs' achieved highest qualification levels and employment status before starting the business have been coded into two separate nodes. In light of entrepreneurs' personal experiences, perceived factors affecting their educational attainment and employment were also coded in the other two child nodes respectively. Factors influencing entrepreneurs' general human capital have been refined in each node (Appendix 18b), not only relating different neighbourhood mechanisms but also pointing out other factors.

Appendix 18b Coding for General Human Capital: Entrepreneurs' General Human Capital

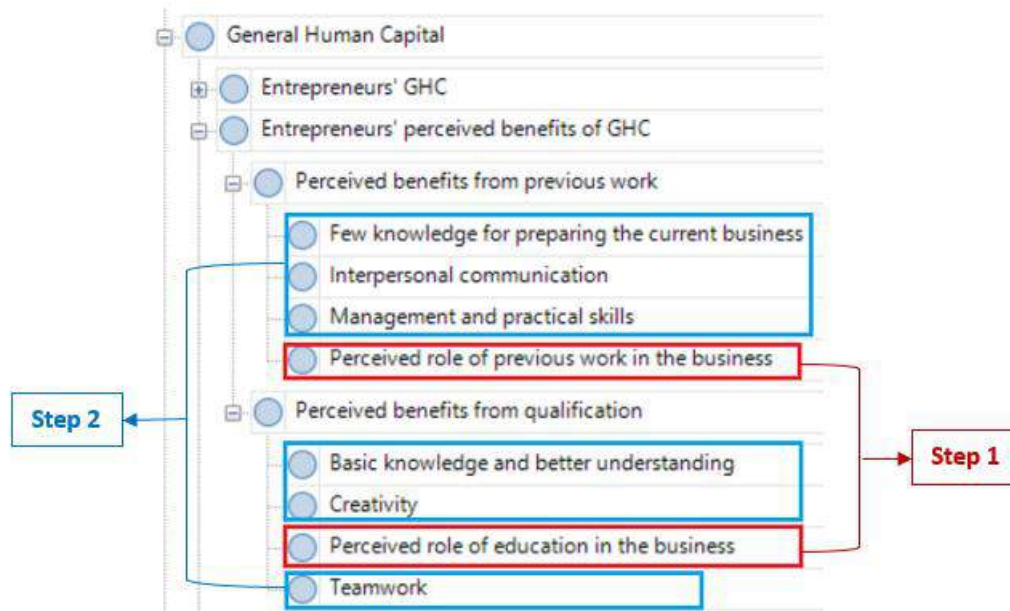


(Continue to Appendix 18)

1) Entrepreneurs' perception about benefits of general human capital

The responses demonstrate entrepreneurs' perceived benefits obtained from the education and the previous work experiences respectively. Each category has been categorized into two major aspects (Appendix 18c). First of all, entrepreneurs' overall opinions pertaining to whether general human capital is beneficial for their businesses and compare which kind of general human capital is more important for their businesses. These nodes will directly show entrepreneurs' attitude towards general human capital. Subsequently, the specific benefits obtained from education and previous work experience have been coded to analyse what kind of skills and experiences are perceived as more important to the businesses for entrepreneurs in deprived areas.

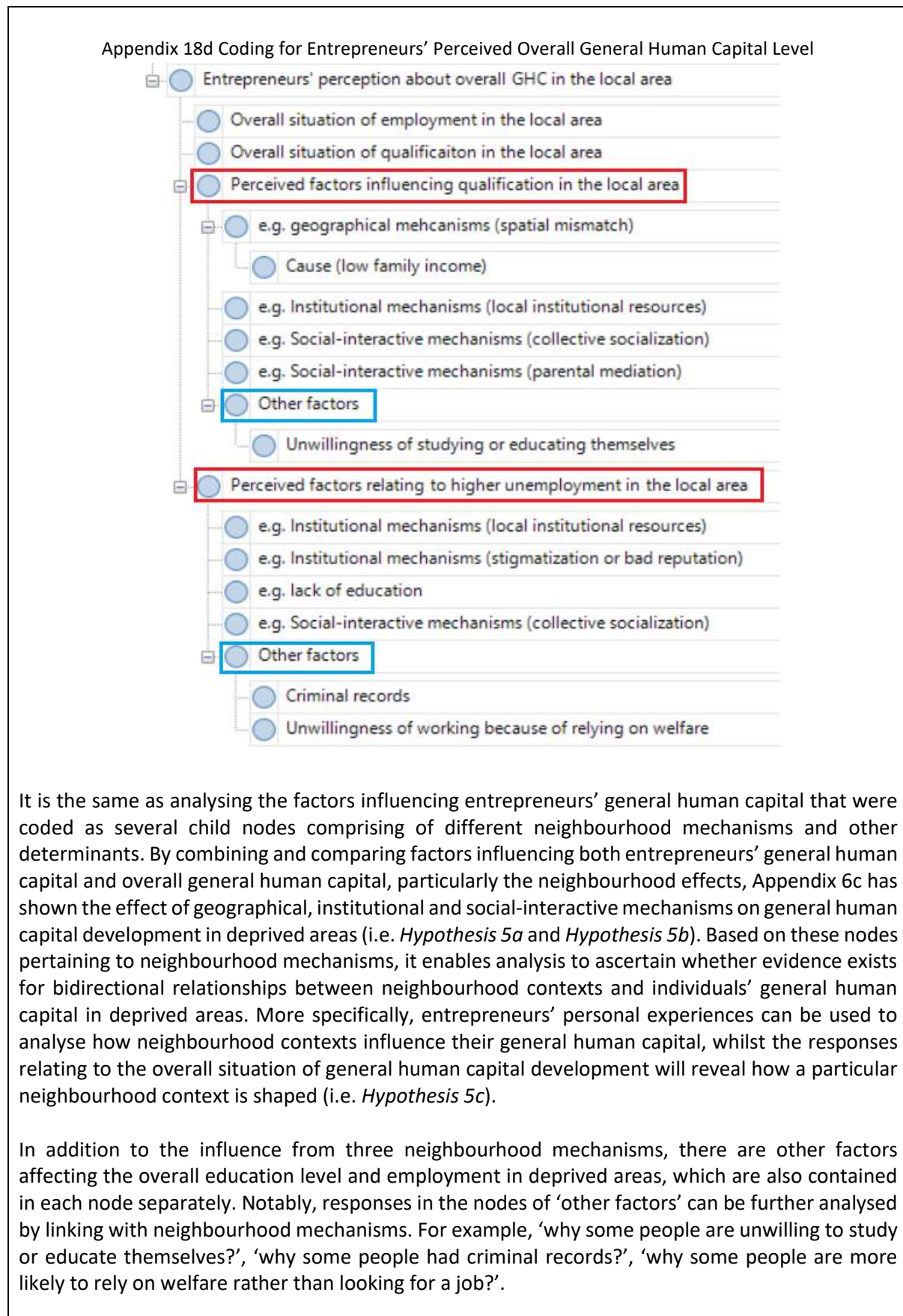
Appendix 18c Coding for Entrepreneurs' Perceived Role of General Human Capital in the Business



2) Entrepreneurs' perception about overall general human capital in the local area

In addition to entrepreneurs' general human capital level, the general situation of general human capital and related factors in deprived areas perceived by the local residents are also considered. While these responses cannot represent the opinions of the whole population or explain the exact root causes of a lower level of general human capital in such areas, different angles and complementary responses will be provide to analyse the possibilities that trigger lower education levels and higher unemployment (Appendix 18d).

(Continue to Appendix 18)



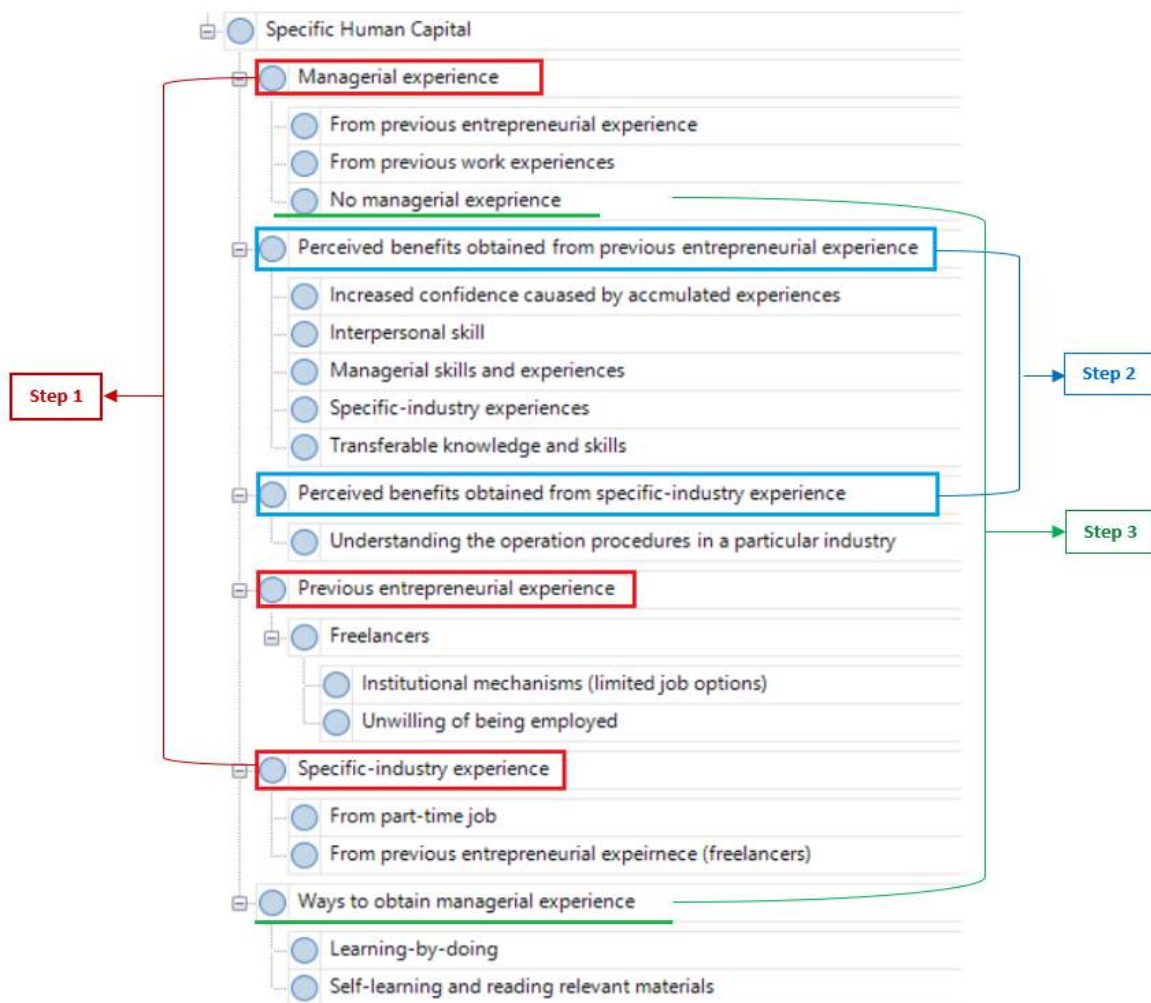
It is the same as analysing the factors influencing entrepreneurs' general human capital that were coded as several child nodes comprising of different neighbourhood mechanisms and other determinants. By combining and comparing factors influencing both entrepreneurs' general human capital and overall general human capital, particularly the neighbourhood effects, Appendix 6c has shown the effect of geographical, institutional and social-interactive mechanisms on general human capital development in deprived areas (i.e. *Hypothesis 5a* and *Hypothesis 5b*). Based on these nodes pertaining to neighbourhood mechanisms, it enables analysis to ascertain whether evidence exists for bidirectional relationships between neighbourhood contexts and individuals' general human capital in deprived areas. More specifically, entrepreneurs' personal experiences can be used to analyse how neighbourhood contexts influence their general human capital, whilst the responses relating to the overall situation of general human capital development will reveal how a particular neighbourhood context is shaped (i.e. *Hypothesis 5c*).

In addition to the influence from three neighbourhood mechanisms, there are other factors affecting the overall education level and employment in deprived areas, which are also contained in each node separately. Notably, responses in the nodes of 'other factors' can be further analysed by linking with neighbourhood mechanisms. For example, 'why some people are unwilling to study or educate themselves?', 'why some people had criminal records?', 'why some people are more likely to rely on welfare rather than looking for a job?'

(Continue to Appendix 18)

For coding entrepreneurs' specific human capital (Appendix 18e), on the other hand, the first step is to code the responses based on three types of specific human capital, tending to focus on how entrepreneurs obtained specific human capital. Secondly, channels for accumulating managerial experiences and the perceived benefits obtained from previous entrepreneurial experience and specific-industry experiences have been further refined as a range of child nodes. Notably, some entrepreneurs stated that they did not have any managerial experience. In this case, a separate child node was created to include other approaches of gaining managerial experience. This coding method is the same as coding for human capital (i.e. 'Other Human Capital', See Appendix 18a).

Appendix 18e Coding for Specific Human Capital



In light of child nodes, it is clear to see that being freelancer is the main route to acquire managerial and specific-industry experiences. Thus, the responses relating to the reason of 'why did you choose to be a freelancer' were found, which have been further coded as two sub-nodes to show that the influence of institutional mechanisms and personal unwillingness to be employed are factors to choose freelance jobs. When considering reasons related to the personal willingness to be employed, in addition, the analysis needs to link with the factors demonstrated in Appendix 18b and Appendix 18d to find out if it could be related either to the dependence of welfare, or local neighbourhood effects. These nodes will provide different points of view to respond to *Hypothesis H5d*.

(Continue to Appendix 18)

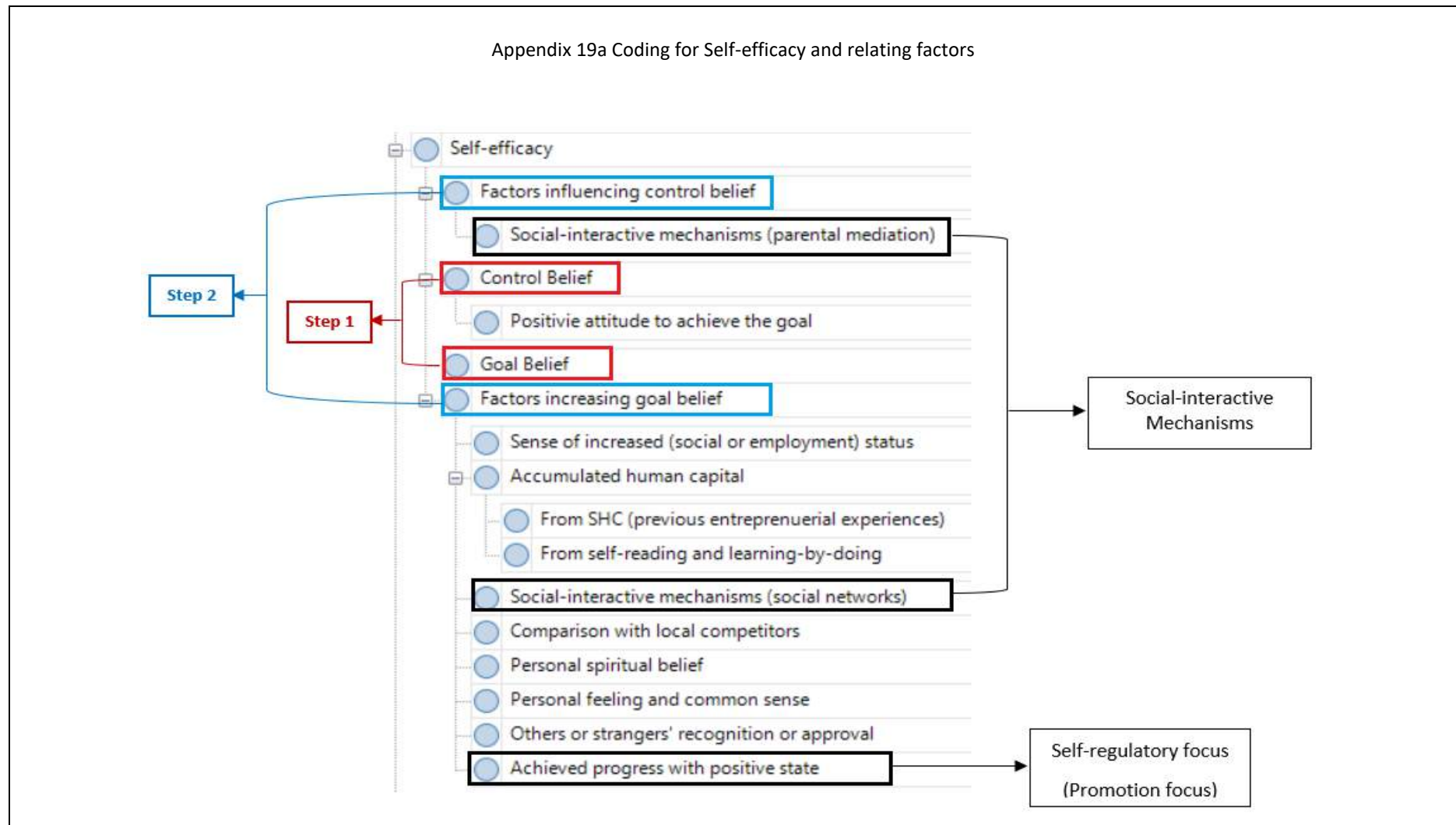
Through analysing this theme, the result will respond to how neighbourhood contexts impact on local residents' human capital development in deprived areas based on entrepreneurs' personal experiences and their perceived phenomenon of human capital development in the local areas (i.e. Q2), whilst it will partially respond to how the bidirectional relationships occur among factors that influence human capital development (i.e. Q3). In addition to neighbourhood effects, other unexpected factors will be also revealed by linking with different neighbourhood mechanisms to investigate whether these unexpected factors are triggers by a deprived neighbourhood context or anything else.

Theme 4 Self-efficacy and Relating Factors in Deprived Areas

Self-efficacy refers to two dimensions, including individuals' confidence for both task completion and emotion management (Drnovsek et al., 2010). Therefore, entrepreneurs' responses pertaining to their confidence for achieving the desired goals and completing tasks were coded in the child node of 'Goal Belief', whilst the responses relating to their confidence for keeping positive attitude and controlling negative emotions were coded in the child node of 'Control Belief'. These two child nodes indicate the level of entrepreneurs' confidence not only before the business start-up but also afterward. As demonstrated before, some entrepreneurs who did not have any experiences or skills have learned related knowledge and accumulated experiences through learning-by-doing. By comparing these responses, it will reveal the influence of human capital on the changes in their self-efficacy, even they did not have this kind of human capital.

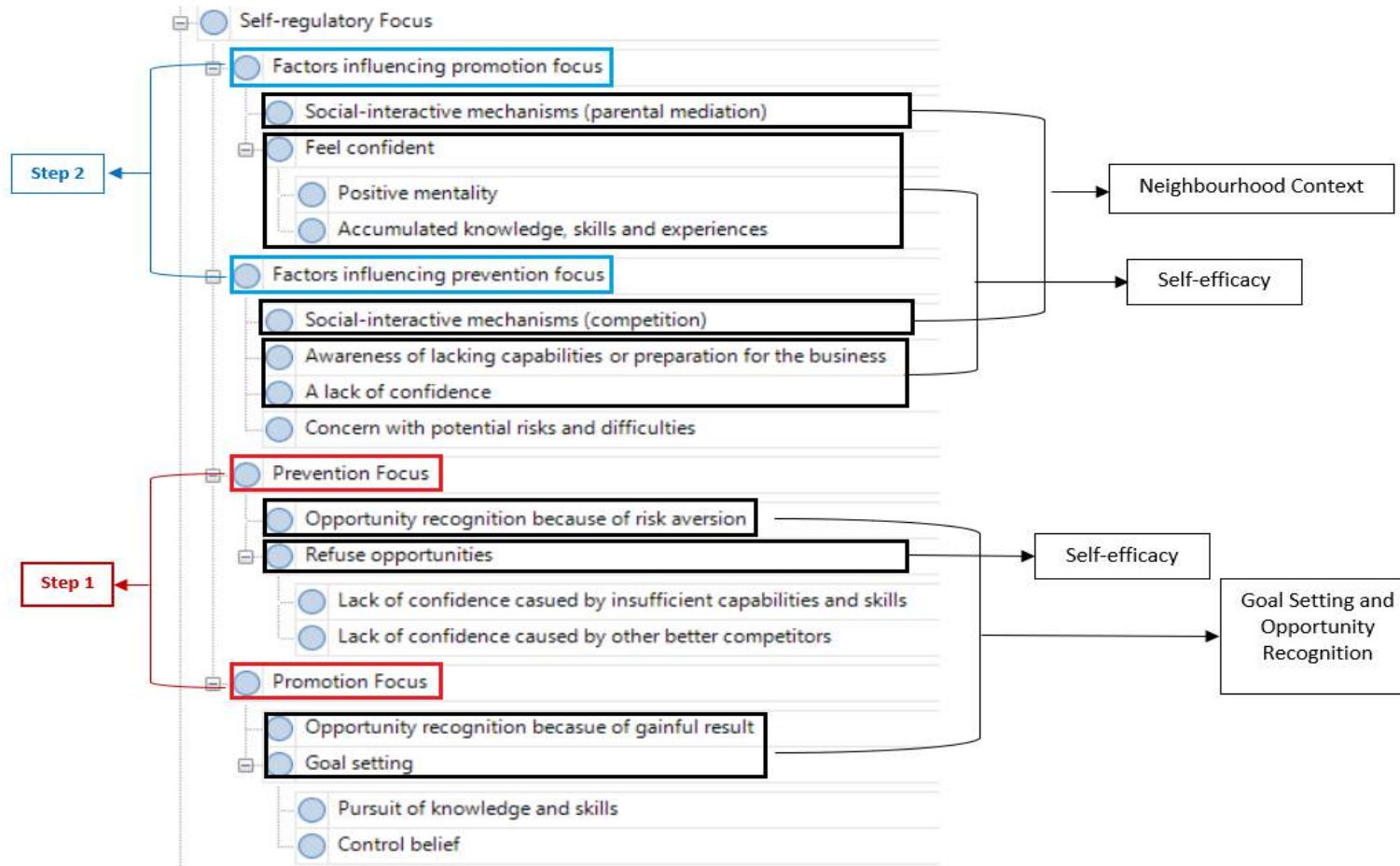
To analyse the factors influencing these two aspects, responses were also identified and coded in two independent nodes at the second stage (Appendix 19a), indicating the influence of neighbourhood contexts (i.e. social-interactive mechanisms) on both goal belief and control belief. Analysing these responses will unidirectionally respond to *Hypothesis 6*. Regarding the factors impacting on goal belief, Appendix 19b demonstrates the facilitating role of specific human capital (i.e. *Hypothesis 4a*) and other approaches of accessing to human capital. While several benefits obtained from general human capital for the businesses have been identified in Chapter 2 (Table 2.1), the responses relating to the influence of general human capital on self-efficacy (i.e. *Hypothesis 3a*) are not obvious. Beyond this, other factors influencing self-efficacy have been also coded as independent child nodes. Notably, these factors show that entrepreneurs' self-efficacy was increased either from the external recognition such as strangers, customers or other shop owners, or from their own internal approval such as the intrinsic feeling based on the common sense, the sense of perceived achievement and improved (social or employment) status as well as personal spiritual belief. However, it is required to find out '*why these factors play more important roles in facilitating self-efficacy rather than the general human capital*', whilst '*where their personal feeling or perceived common sense come from*' will be also investigated. These queries will link with neighbourhood contexts and perception of benefits gained from human capital to be further analysed.

(Continue to Appendix 19)



(Continue to Appendix 19)

Appendix 19b Coding for Self-regulatory Focus and Relating Factors



Appendix 20 Details about the Process of Coding Entrepreneurs' Responses and Creating Nodes for Theme 5

Theme 5 Self-regulatory Focus and Relating Factors in Deprived Areas

Entrepreneurs' self-regulatory focus has been coded as two separate child nodes (i.e. 'Promotion Focus' and 'Prevention Focus'), which is reflected in how they set goals and recognize opportunities. In particular, the mediating effect of opportunity recognition is both positively and negatively related to prevention focus. Prevention-focused people recognized and accepted an opportunity that provides a condition to match the preference of risk aversion (Appendix 19b). These responses will provide perspective about how entrepreneurs' goals and perceived opportunities link with their inclination of being promotion-focused or prevention-focused and subsequently influence their entrepreneurial intention, which will respond to *Hypothesis 1*. Furthermore, the influence of social-interactive mechanisms on both promotion focus and prevention focus have been separately coded, which will respond to *Hypothesis 7*.

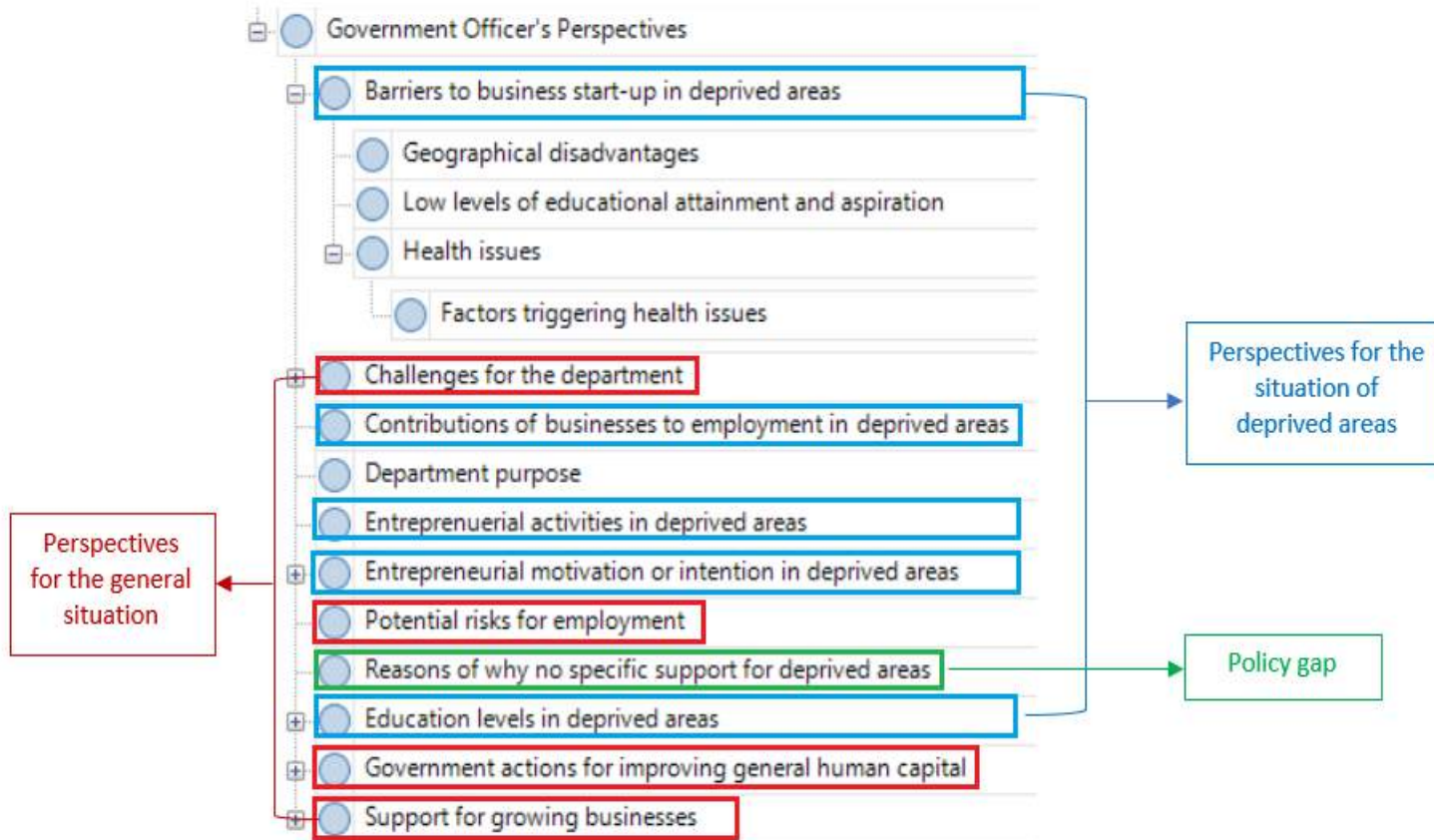
In addition, a bidirectional relationship between self-efficacy and self-regulatory (i.e. *Hypothesis 2*) can be analysed from certain nodes demonstrated in Appendix 19a and Appendix 19b. From the coding, it can be seen that 'Achieved progress with positive state' is one of factors influencing entrepreneurs' goal belief (Appendix 19a), whilst a confident feeling facilitates entrepreneurs' promotion focus and entrepreneurs' prevention focus is reflected in their refusal of capture perceived opportunities because of lacking confidence (Appendix 19b). According to the analysis process presented in section 6.3.5 and section 6.3.6, the role of human capital in entrepreneurial intention will be revealed to respond to RQ1, and other additional factors will also be discovered.

Appendix 21 Details about the Process of Coding and Creating Nodes for the Responses of the Government Officer and Training Providers

In terms of the coding for the government officer's responses (Appendix 21a), the responses have been coded as a range of child nodes, which can be broadly considered as three major categories, including: 1) the overall perspectives about situation of entrepreneurship, improvement of general human capital and employment opportunities in Nottingham from a city-level as well as perceived challenges the government is confronted with; 2) the perspectives about the situation of entrepreneurial activities and educational attainment in deprived areas from the area-level; and 3) a policy gap that there is no specific focus and/or support provided for deprived areas and relating reasons. Regarding the coding for the training providers' responses (Appendix 21b), on the other hand, six major nodes indicate the support they provide and people they focus on (i.e. 'Services'), their perceptions about the targeted people through their observations during the period of getting along with these people (i.e. 'Observation and perception of the targeted people'), issues the targeted people face (i.e. 'Issues of the targeted people'), barriers training providers face when they provide support or help to these people (i.e. 'Barriers for running the business'), prevalent crime behaviours among the targeted people (i.e. 'Crime phenomenon') and the approach of getting along with these people (i.e. 'How to work with this group of people').

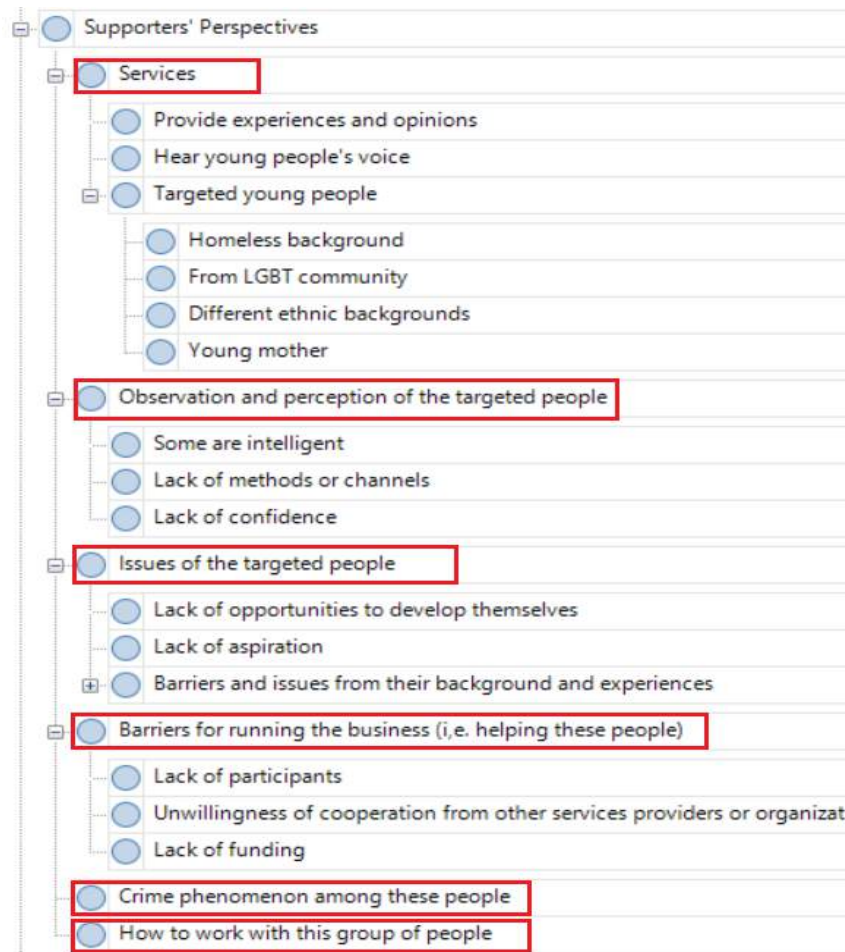
(Continue to Appendix 21)

Appendix 21a Coding for the Government Officer's Responses



(Continue to Appendix 21)

Appendix 21b Coding for Training Providers' Responses



According to the nodes created from the government officer's responses and training providers' responses, it can be seen that there is a big difference in the concern of people from deprived contexts or backgrounds. The linkage with entrepreneurs' responses will be presented in Appendix 22 to analyse the perspectives obtained from the government and training providers.

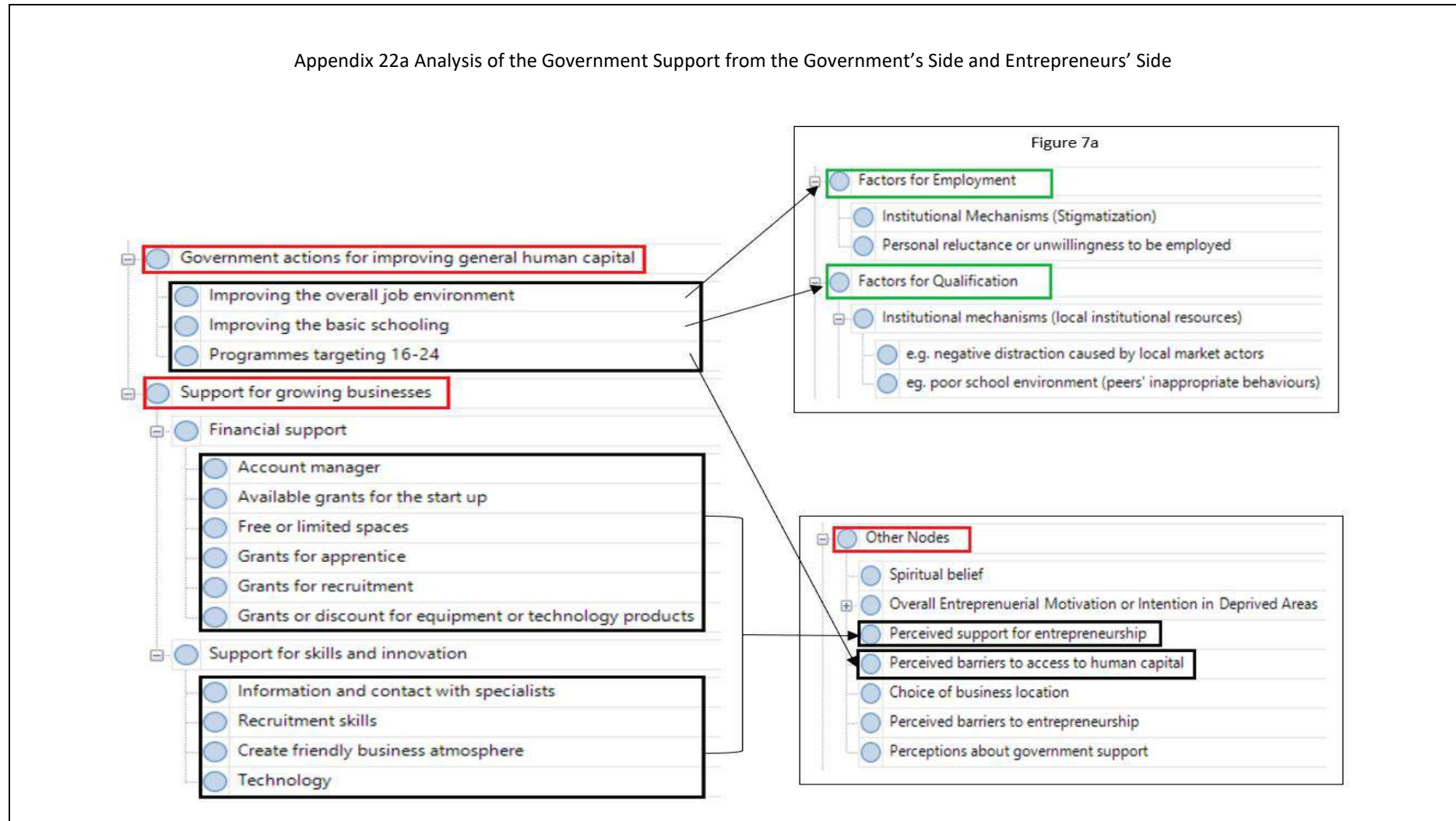
Appendix 22 Details about the Process of Analysing the Responses of the Government Officer and Training Providers

In considering the responses of the government officer and training providers, the analysis will not be analysed independently. The analysis will be undertaken by combining entrepreneurs' responses. First of all, the government actions for improving general human capital will link entrepreneurs' perception about factors influencing general human capital to investigate whether 'improving the overall job environment' and 'improving the basic schooling' are beneficial to solve the issue of 'stigmatization' and 'poor school environment' respectively.

Moreover, the support provided for both improving general human capital and growing businesses will be linked with entrepreneurs' perceptions that are included in 'Other Nodes' to analyse whether these supports provided by the government are beneficial for entrepreneurs to improve their general human capital and business start-up and whether these supports are either consistent with entrepreneurs' demands and expectations (Appendix 22a). However, the government officer mentioned there is no support that specifically focuses on deprived areas (See Appendix 21a, 'Policy gap'). As such, it would be more worthy investigating whether the government support is suitable for entrepreneurs in deprived areas because of the particular context they are exposed to, the particular issues they face and their different past experiences.

(Continue to Appendix 22)

Appendix 22a Analysis of the Government Support from the Government's Side and Entrepreneurs' Side

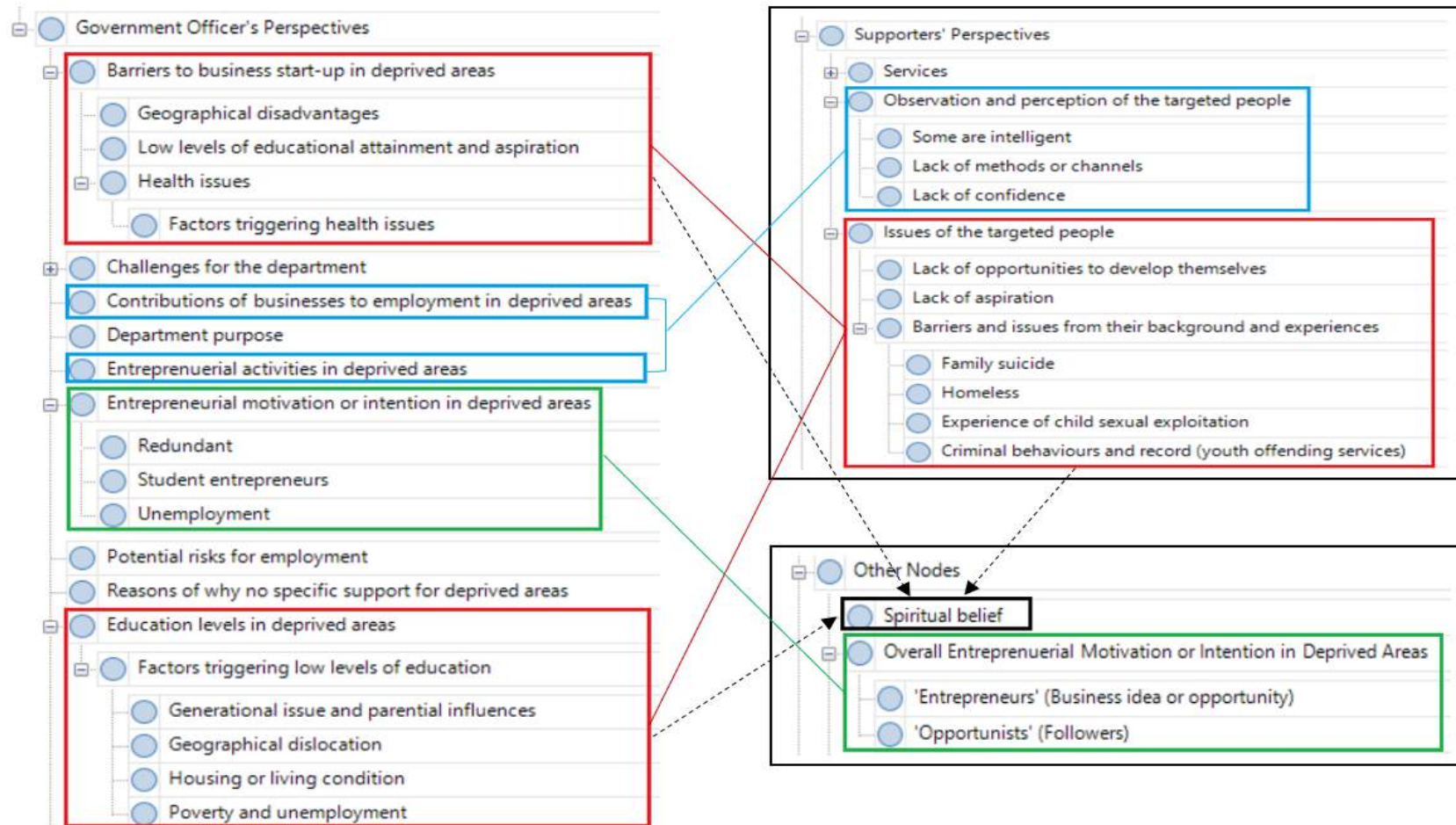


(Continue to Appendix 22)

In considering the barriers existing in deprived areas, it is apparent that the government's perceptions tend to be broad compared to the specific points of views from the side of training providers. The training providers' perspectives tend to be closer to entrepreneurs' experiences (Appendix 22b) that can be traced back to the influence of social-interactive mechanisms on general human capital (i.e. Appendix 18b and Appendix 18d), self-efficacy (i.e. Appendix 19a) and self-regulatory focus (Appendix 19b). Furthermore, the government officer's opinions about entrepreneurial activities in deprived areas will be linked with training providers' observation of people in deprived areas to analyse the positive entrepreneurial outcomes and existing barriers to them. This will also reveal that a perception gap between the government and training providers. It means the government may focus on the achieved outcomes, whilst the training providers and entrepreneurs may look at the shortcomings hindering the development of both human capital and entrepreneurship. The different points of view have also been reflected in the overall situation of 'entrepreneurial motivation or intention in deprived areas' between the government and entrepreneurs. Notably, 'Personal spiritual belief' as one of factors influencing entrepreneurial motivation (See Appendix 17a) and self-efficacy (See Appendix 19a) has been pointed out. It is an interesting finding that needs to be further investigated why spiritual belief becomes a factor driving entrepreneurial motivation and strengthening the confidence, which will link with the deprived neighbourhood contexts to analyse. As discussed so far, the coding process and analysis approaches for each theme have been demonstrated, the following subsections are going to interpret the results obtained from qualitative data.

(Continue to Appendix 22)

Appendix 22b Combining Perspectives of Entrepreneurship, Human Capital, Deprived Neighbourhood Contexts from Three Different Groups



Appendix 23 Introduction of Entrepreneurs' Demographical Information and Businesses.

	GENDER	AGE	ETHNICITY	EDUCATIONAL ATTAINMENT	EMPLOYMENT STATUS BEFORE BUSINESS	BUSINESS TYPE	START-UP METHOD	BUSINESS DURATION
PARTICIPANT A	Female	40-55	White	NVQ Level 3	Employed (i.e. Freelance florist)	Flower shop	Take over the business from the previous owner who she knows	More than 3.5 years
PARTICIPANT B	Male	25-39	White	NVQ Level 2	Employed	A tattoo shop	Take over the business from the previous owner	Almost 2 years
PARTICIPANT C	Male	25-39	Mixed Group	NVQ Level 4	A Student/Graduate	No physical shop: Private Training	Cooperating with other institutions	More than 3.5 years
PARTICIPANT D	Female	40-55	Asian/Asian British	NVQ Level 4	Employed (i.e. Freelance designer)	Clothing design shop	Self-established	More than 3.5 years
PARTICIPANT E	Male	25-39	White	NVQ Level 2	Employed	Café	Self-established	Less than one year
PARTICIPANT F	Male	40-55	Black	No Qualification	Employed (i.e. worked in night clubs)	No physical shop: Handmade bags	Self-established	Around 3 years

Appendix 24 General Perception about Deprived Areas (Entrepreneurs' opinions about the local area they live)

Participants	General Perception about Deprived Areas
Participant A	<i>'It is very mixed demographic, it quite lots of peers, quite mixed housing. A lot of people in my area are not employed. We have got a major road from, which has not good reputation'</i>
Participant B	<i>'It is not a rich to be living in, I live in XXX, it can be quite rough growing around there, and it can be hard getting a job as well... There is obviously a lot of gang related stuff going off'</i>
Participant C	<i>'St Ann's has got a reputation for poverty and crime, and low income families, many unemployed... I would be with families the day before, seeing young people getting arrested for dealing drugs and young people getting arrested for knifing somebody, families where their uncles have been abusive to the kids and going to school the next day'</i>
Participant D	<i>'I have mixed feelings, it is very mixed, the children from there lose respect. We just have a couple of households that are quite loud, a couple of households that kind of bring it down and are quite rowdy. But in general, we have been living there for 18 years now, it is not that bad, because we are still there'</i>
Participant E	<i>'It is not a particularly nice area, but I have lived there most of my life, so I feel kind of climatized to it. It is not great area, there is a fairly high rate of crime and it is cheap, and it is rack and is affordable to live in at the moment. I would like to live somewhere nicer'</i>
Participant F	<i>'I came from an area where not many people in school achieved. From my area, it is a mixed of, I suppose it is two different worlds. So you have the local people, who I would say very deprived, a particularly deprived area. So, there are lots of people have part time jobs, low paid jobs, not too many children. Everyone is going to school locally, which the school is not terribly well equipped or facilitated with the materials etc. And then on the other side, you have the middle of the student population, where there are lots of aspirations, there is lots of study going on. But the two do not really mix, the students and the locals do not really mix unless it is very separate living, which is small for such a small area'</i>

Appendix 25 Entrepreneurs' Perceived Factors Triggering Inappropriate and Criminal Behaviours in Deprived Areas

Participants	Possible Factors Triggering Inappropriate and Criminal Behaviours in Deprived Areas
Participant B	<p><i>'I think children, they are just 17 years old, they are kids, they need a bit more guidance. I mean we used to play out, we are old fashion kids and we used to play Dobby and football on the green and all that. And all the land, all the green, football field have been taken away for housing now, I mean, we used to see that in 1995, land was quickly taken over from rural space from the kids. In fact, it was even in the Evening Post when we petitioned against it, and that was to no prevail. All the bungalows did was create a lot of little avenues and avenues where thieving and thief can be committed in the alley ways, so the more tight these housing development get, the more space they are pinching, the more back alleys and dark spots they are creating in society, and it is just leaving the way for more crime, and these kids just seen it as real easy opportunity'</i></p>
Participant C	<p><i>'(The negative influence for kids or young people) is not just related to the family income, generations, maybe 3 or 4 generations of issues, abusive histories in that households. So if the kids are there now, they are 11 years old, their mum or data may also have been abused, had drug abuse, had alcohol abuse, had panic attacks, had mental health. But they will also be influenced by other things, why somebody has started to drink is because if they were a victim of some kind injustice in society. In a deprived community and local area, you got some schools, usually 1 primary school and 1 secondary school. You will have maybe 3 community centres but get shut down, so only one now. You may have a library, you may have a health centre, and you used to have sports hall but that has been shut down as well. you used to have youth centres, but youth funding is getting cut'</i></p>
Participant E	<p><i>'In Aspley, I think the biggest thing of young kids is the lure of antisocial behaviour and going down. It is just so frustrating to see Aspley burns out and cracked and a bad place. For young kids, it is obviously bad coming back to that. Certainly as a young lad in Aspley, there was a big possibility to go out to cause trouble or like, nick things or things like that, because that was the way it was, there are not a lot of things there for kids to do. There is a YMCA but I am 98% sure it is closed. And there is no real after school clubs, and there normally are faith based and if you are not of that faith you did not go. If you did go, you got insulted by the other kids, it is like you could not win. I think a lot of is that fact that kids do not have anything to stop them and they need something to so. And a lot of the parents do not really care first hand as well. like, go play outside, they need to be something done certainly to help these kids'</i></p>
Participant F	<p><i>'Let's say the family environment, their parents did not go to universities, they do not have any qualifications, and they do not have a job. They are struggling to put food on the table or pay the bills'</i></p>

Appendix 26 Entrepreneurs' Self-efficacy in Deprived Areas

Participants	Self-efficacy
Participant A	<i>'I am quite good just turning my hand to different things because I have done lots of different things'</i>
Participant B	<i>'I have always had that sort of quality, but nowhere really to exercise it. I am very intelligent person.... It is my confidence in knowing that I know everything (about the work) ...I come across any problems, that I know what those problems are and how to rectify it'</i>
Participant C	<i>'I have always been confidence of success'</i>
Participant D	<i>'I have confidence, I can control negative emotions and keep positive attitudes'</i>
Participant E	<p>First Time</p> <ul style="list-style-type: none"> • <u>Before or at the Beginning of Starting Business</u> <i>'I was very good at it'</i> • <u>In the Process of Running and Managing the Business</u> <i>'I eventually gave up as I come up and watched another dude play and wow, he was really good, and I was like, I am not going to get anything'</i> <p>Second Time (The Current Business)</p> <ul style="list-style-type: none"> • <u>Before or at the Beginning of Starting Business</u> <i>'I was very confident going into it because I have got a good position, I have got good drinks, like what I wanted to do was unique'</i> • <u>In the Process of Running and Managing the Business</u> <i>'When the shop is quiet and I have a bad day, it can trigger the depression certainly like, it is intrusive thoughts and very bad thoughts, and I think it is stupid and that is the thing, I know that the shop is not advertised well for whatever reason and we have had trouble with that, and we have not don't everything that we would like to'</i>
Participant F	<ul style="list-style-type: none"> • <u>Before or at the Beginning of Starting Business</u> <i>'I was not confident at all'</i> • <u>In the Process of Running and Managing the Business</u> <i>'Whereas now, I am very confident in my product...when I went to what I was talking before, the first retailer and not being very confident, it showed, I then came out with a bad deal.....now when I go into those situations, I am far more structured in what I am saying. I am far more empowered, assertive in how to negotiate, I know my product inside out. I could talk about by bags forever.'</i>

Appendix 27 18 items used in Lockwood et al.' (2000) study to measure self-regulatory focus.

Using the scale below, please write the appropriate number in the blank beside each item

1	2	3	4	5	6	7	8	9
Not at all true of me								Very true of me

- 1) ___ In general, I am focused on preventing negative events in my life.
- 2) ___ I am anxious that I will fall short of my responsibilities and obligations.
- 3) ___ I frequently imagine how I will achieve my hopes and aspirations.
- 4) ___ I often think about the person I am afraid I might become in the future.
- 5) ___ I often think about the person I would ideally like to be in the future.
- 6) ___ I typically focus on the success I hope to achieve in the future.
- 7) ___ I often worry that I will fail to accomplish my academic goals.
- 8) ___ I often think about how I will achieve academic success.
- 9) ___ I often imagine myself experiencing bad things that I fear might happen to me.
- 10) ___ I frequently think about how I can prevent failures in my life.
- 11) ___ I am more oriented toward preventing losses than I am toward achieving gains.
- 12) ___ My major goal in school right now is to avoid becoming my academic ambitions.
- 13) ___ My major goal in school right now is to avoid becoming an academic failure.
- 14) ___ I see myself as someone who is primarily striving to reach my 'ideal self' – to fulfil my hopes, wishes, and aspirations.
- 15) I see myself as someone who is primarily striving to become the self I 'ought' to be – to fulfil my duties, responsibilities, and obligations.
- 16) In general, I am focused on achieving positive outcomes in my life.
- 17) I often imagine myself experiencing good things that I hope will happen to me.
- 18) Overall, I am more oriented toward achieving success than preventing failure.