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Nascent Strategic Entrepreneurship as a Complex Responsive Process

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Abstract

Following the call of recent authors for an improved process-oriented model of entrepreneurship, this exploratory research study sets out to understand the process of entrepreneurship, or “entrepreneurship”. It uses perspectives from the process-oriented view of reality, social constructionism and the complexity sciences. The aim of this study was to construct new questions, using the theoretical lens afforded by these perspectives, which would fuel further research toward developing a process-oriented model of entrepreneurship – or point out the intractability of such a problem. Eleven individuals, who were considered to be early-stage entrepreneurs, were selected for qualitative interviews. A narrative analysis of these interviews was performed which showed, within the context of the process of entrepreneurship, that the emergent themes could be understood from the alternative theoretical paradigms covered in the literature. Several important questions for future research emerged, alongside the understanding that an alternative to the mechanistic/systemic perspective is to be sought, and that the process of entrepreneurship might be better understood within the broader context of power and social influence dynamics.

Keywords

Entrepreneurship process • Responsive processes • Complexity

Declaration

I declare that this research project is my own work. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other University. I further declare that I have obtained the necessary authorisation and consent to carry out this research.

Thane Thomson

Date

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1. Introduction

1.1. Research Scope and Motivation

A paradigm is a criterion for choosing problems that ... can be assumed to have solutions. To a great extent, these are the only problems that the community will ... encourage its members to undertake. Other problems ... are rejected as metaphysical ... or sometimes as just too problematic to be worth the time. A paradigm can, for that matter, even insulate the community from those socially important problems that are not reducible to the [familiar] puzzle form because they cannot be stated in terms of the conceptual and instrumental tools which the paradigm provides. (Kuhn, 1996)

Steyaert (2007) called for a shift towards a process-oriented view of entrepreneurship, rather understanding it as “entrepreneuring”, making use of fresh perspectives gleaned from other branches of science. In a review by Steyaert (2007) of process theories in 20 years of entrepreneurship studies, the author recommends considering perspectives from “complexity and chaos theory, to the interpretive and phenomenological, social constructionist, pragmatic and practice-based, to the relational materialist” (p 453). Such perspectives provide more criteria for articulating important problems in the understanding of entrepreneuring which might potentially have solutions.

Stacey (2011) has constructed a framework in which the overlap between complexity theory and social constructionism is emphasised, known as *complex responsive process theory*, but its application seems confined thus far to the study of existing organisations (Stacey, 2011; Mowles, Stacey and Griffin, 2008), especially in the realm of strategic management.

Hitt, Ireland, Camp and Sexton (2001) reviewed the contributions of numerous authors in strategic entrepreneurship (the intersection of strategic management and entrepreneurship), quoting a metaphor by Venkataraman and Sarasvathy (2001) of the Shakespearean *Romeo and Juliet* as saying that strategic management research without an entrepreneurial perspective is like the balcony without Romeo, and vice-versa (p 480). The notion of “strategic entrepreneurship”, however, is used in this study because it emphasises the possibility for both strategic and entrepreneurial behaviour.

Moroz and Hindle (2011) review 32 models of entrepreneurship, constituting the majority of the literature in the field of entrepreneurship. The authors aim to find a *process-oriented* model of entrepreneurship which is both theoretically and practically appealing. The authors conclude that there is no such model available at present, noting that all of the existing ones have severe shortcomings, and there is thus urgency for the development of such a model.

This study is an attempt to at least start to address this need, or to guide future research in this direction. This study does so by looking at the phenomenon of strategic entrepreneurship (and thus entrepreneurship) using relatively new paradigms, as per the desire of several authors in the field.

1.2. Research Problem

The research problem identified in this study, as per Moroz and Hindle (2011), is that there seems to be a lack of coherency in the academic literature on the process of entrepreneuring, with most of the traditional models and frameworks exhibiting significant shortcomings.

Given the tremendously dynamic and often intractable complexity of social phenomena such as entrepreneuring, and the inadequacy of existing theoretical models of entrepreneuring, it was proposed for this and future studies that researchers return to the foundations of what is known about entrepreneurship (and the process of entrepreneuring), organisations (and the process of organising), and the contribution of individuals to the processes of entrepreneuring and organising. This proposal seeks to update the thinking around these issues and increase the relevance and usefulness of that thinking to that which occurs in practice. By returning to these foundations and their corresponding assumptions, one is also forced to confront much deeper assumptions about the *ways in which we know and understand* social phenomena – this requires a significant review of philosophical thinking to the present, which is, to an extent, attempted in this study.

The final outcome of this exploratory research was to be *problems* that were previously ignored due to employment of earlier, less-relevant paradigms. The solutions to these problems can hopefully be found through future research employing the newer

paradigms, and can lead to the construction of more valid (at least in terms of usefulness) *ways of thinking* of the process of entrepreneuring in future.

In order to limit the scope of this study, given the resource limitations imposed upon the study, attention was turned to the “beginning” of the process of entrepreneuring – which is currently understood as “nascent entrepreneuring” – and the early dynamics of the process of establishing a new venture. As mentioned previously, no distinction is made between “entrepreneuring” and “strategic entrepreneuring”.

1.3. Contextual Relevance

Herrington, Kew and Kew (2010), in the *Global Entrepreneurship Monitor* report on South Africa, highlight some disturbing facts about entrepreneurship in the South African context. The study defines the total early-stage entrepreneurial activity (TEA) rate as the number of people, of working age, engaging in early-stage entrepreneuring activity – that is, owning and perhaps running a business of less than 3.5 years old.

At the time of the study, the TEA rate in South Africa was 8.9%, well below the 11.9% average of all countries participating in the study, as well as below the 11.7% average of all efficiency-driven economies in the study and below the 15.6% average for all middle- to low-income countries (p 4). According to the authors, the data indicates that a country such as South Africa, with its level of economic development, should exhibit a TEA rate of approximately 15%.

In addition to this, the TEA rate is broken up into two components: opportunity-driven and necessity-driven activity. Opportunity-driven entrepreneurship has significant capacity for innovation, whereas necessity-driven entrepreneurship, by its very nature, is survivalist and therefore has limited capacity for innovation. Roughly 64% of TEA in South Africa corresponds to opportunity-driven entrepreneurial activity. Thus, only 5.7% of working-age adults in South Africa were, at the time of the study, engaging in early-stage, opportunity-driven entrepreneurial activity.

It is hoped that insights gained from this study will be applied in practice to bolster opportunity-driven entrepreneurial activity in South Africa, and other relevant contexts.

2. Literature Review

Due to the fact that this study attempted to investigate the applicability of a set of relatively new philosophical paradigms (when compared to traditional realist, positivist paradigms) to the process of strategic entrepreneuring, it is necessary to delve into the most basic philosophical underpinnings of the components of the paradigms. It is also necessary to mention the application of those components in current research and thinking.

The researcher attempts to start from the most fundamental assumptions in the *ways in which reality is known* by comprehending the current thinking as to the nature of reality itself. This thinking is then related back to organisational dynamics and the process of strategic entrepreneuring, hopefully further exposing the need for more research in this field. The discussion starts with one of the most fundamental perspectives relied upon in most of modern science: reductionism.

2.1. Reductionism

The *Oxford Concise Dictionary* (Sykes, 1976) defines “reductionism” as: “[analysis] of complex things into simple constituents; [the] view that a system can be fully understood in terms of its isolated parts, or an idea in terms of simple concepts.”

Fulvio (2008, p 10) traces the history of reductionism back to the philosopher René Descartes (1596-1650), and summarises reductionism as a view, according to which “the world can be regarded as a clockwork mechanism; to understand it, one need only investigate the parts and then reassemble each component to recreate the whole”.

Jones (2000) goes to great lengths to clarify the precise meaning of reductionism. First, the author defines a “reduction” as a relation between “levels” and “sub-levels” of phenomena, where sub-levels are considered to be a more “objective” view of the phenomena, or closer to the *true reality* of the phenomena. “Reductionism”, therefore, is the process of performing reductions, especially in research, with the aim of eventually uncovering an ultimate reality where it is evident that no more than the parts are at work in the whole of the phenomenon.

Sapolsky and Balt (1996) remind the reader of the usefulness of the reductive paradigm in gaining the current understanding in society of the ways in which the world works, but point to its shortcomings in understanding the integrative sciences:

The quantitative tools of successful reductive science involve linear and mathematical approaches to problems, and assumptions of additivity of component parts. A challenge to these approaches has become fashionable. This approach, often termed ‘chaos theory’ or ‘non-linear systems analysis,’ relies heavily on the notion that complex systems (which are widespread, as they can be a society, an organism or a cell) can contain non-additivities and non-linearities, such that a miniscule change in one component part can have vastly amplified and unpredictable consequences (the so-called ‘butterfly effect’). A major consequence of this is, of course, a grave limitation on the usefulness of reductive study of the component parts of such a system. (p 194)

The basic premise of the study by Sapolsky and Balt (1996) was that, according to reductive science, variability (or noise) in observed data should, on average, decrease as one examines more reductive levels of the phenomenon in question. The authors examined journal articles from 1987 on the topics of testosterone and aggression across a number of disciplines, including some of the most respected journals at the time, classifying the papers into six levels: organismal, organ systems, single organs, multicellular, single cell studies, and subcellular papers.

The findings of the study were that the variability in the data did not, in fact, decrease as one approached more reductive levels of the phenomenon. To rule out the possibility of having skewed the results by using low-quality data from lesser-cited papers, the same analysis was performed using only the most highly cited quartile of papers in the study – the same results were observed. There was no observable trend in the data.

As per the findings by Sapolsky and Balt (1996), it is important to start thinking of the possibility of new problems that the paradigmatic shift towards non-linear systems, chaos and complexity theory brings:

Intrinsic in the non-linear approach is a very different view of variability. The emphasis in this new science of complexity and chaos is on the emergent properties of complex systems. In such cases, variability is not mere noise, but is intrinsic to the component parts of the system; moreover, it is independent of the scale of observation. Fractal geometry captures these features in a potent and elegant manner; as one examines a fractal with increasingly reductive tools, the relative proportion of variability and detail

remains constant, and patterns are just as easily discerned at the more integrative levels. (p 194)

Non-linear systems, chaos and complexity theory are revisited in more detail in later sections.

In all of the descriptions of reductionism, there are the concepts of “levels” and “hierarchy” which are difficult to explain precisely, although one does generally have an intuitive idea of what a “level” in physical reality is: a person is made up of cells, which are made up of molecules, which are made up of atoms, which are made up of more elementary particles, and so on.

Also common to all descriptions of reductionism is a focus on “things” or objects, as each “level” is taken to have some form or substance in reality. Although it is intuitively understood that these “things” are usually in motion (electrons spinning around atoms, gas molecules bumping into container walls, a balloon floating up into the atmosphere), indicating a temporal dimension, nowhere does this explicitly seem to be accounted for. It is as if the temporal dimension were truly something separate from the matter itself. Einstein challenges this notion in the conceptualisation of space-time and the theory of relativity. This temporal aspect is revisited when discussing the implications of a process-oriented view of reality.

Alongside the philosophical assumption of a reductionist way of thinking, there are a number of other assumptions that seem to be made in organisational analysis, some of which go right down to the most fundamental beliefs researchers have about the nature of reality, such as assumptions about *causality* (causes and their corresponding and subsequent effects). Given the dynamic complexity of social phenomena such as entrepreneuring, it is important to understand the ways in which one thinks, and the ways in which one can think, about causality as well as the implications of those ways of thinking.

2.2. Assumptions about the Nature of Causality

Aristotle wrote of four causes in accounting for the existence of a “thing” (Soccio, 2009): *material cause*, which refers to its substance from which it is composed; *formal cause*, or its form or arrangement of matter; *efficient cause*, or that which initiates its activity; and *final cause*, or its reason for existence, or purpose.

McKelvey (2004) maintains that traditional science rests on efficient cause, where the author emphasises that much more can be learned from thick-description narratives of the postmodern kind, which tend to be more capable of capturing the remaining causes, and postulates two additional types of causality which are observed from reading such narratives: top-down and bottom-up causality. Postmodernism and related philosophical positions are examined in later sections.

Mowles, Stacey and Griffin (2008), Stacey (2011) and Cilliers (1998) show that traditional systems thinking (explored further in a following section) has a tendency to make linear, simplistic, one-way cause-effect linkages, which simply cannot represent the non-linear, reflexive, sometimes paradoxical nature of certain natural phenomena, for example, social interaction. This is particularly true at scale with high levels of connectivity between heterogeneous agents.

Stacey, Griffin and Shaw (2000) compare different types of causality and add *transformative cause*, as per Table 1.

Table 1. Comparison of frameworks for thinking about causality (Stacey, 2011, p 301; adapted from Stacey *et al.*, 2000, p 52-54)

	Nature of movement	Cause of movement
Efficient cause	Corrective repetition of past in order to realise an optimal future state	Universal, timeless laws of an “if-then” kind
Rationalist cause	Towards rationally chosen goals for the future in order to realise a designed, desired state	Human reason
Formative cause	Unfolding of enfolded mature form in order to realise that form in the future	Self-organising systemic processes of unfolding in developmental stages
Transformative cause	Iterated interaction perpetually constructing the future in the present in order to express continuity and potential transformation in identity at the same time	Responsive processes of local interaction between entities in the present

Responsive process theory is covered in a later section, but it is important to note the nature of the movement when assuming transformative cause. There is no assumption of a reductionist paradigm, and there is a definite move away from pure idealism – a philosophical perspective on the nature of reality which is covered in the following section, alongside other philosophical perspectives.

2.3. Assumptions about the Nature of Reality

The plain man is a realist. That is to say, he believes in a world which is not to be identified with his own ideas or those of any other mind. At the same time ... the distinction between the mind and the world is by no means clear to him. It is not difficult, by judicious questioning, to set his feet upon the slippery descent that shoots a man into idealism. (Fullerton, 1915, p 178)

Fullerton (1915) goes into depth about a variety of ideas and concepts which are considered “fundamental” or “foundational” philosophies. These range from the early Greek philosophers through to the more contemporary philosophers at the time of the writing.

Fullerton (1915) describes two fundamental positions or attitudes towards reality: realism and idealism. Realism is the position that objective reality exists and can be known directly, whereas idealism is the position that perceived reality is a construction of the mind.

The author goes on to describe the position of Immanuel Kant, referred to as “transcendental idealism”, where Kant distinguishes between the “phenomenal”, or the appearance of reality, and the “noumenal”, or objective reality itself. According to Kant, the noumenal cannot be known directly – only the phenomenal can ever be known.

Some extreme forms of idealism have surfaced through philosophy, such as “objective idealism” by Hegel where reality is conceived as the “Divine Reason in its self-development”. Fullerton (1915) criticises the work of Hegel as being unclear and open to a variety of subjective interpretations (something which Derrida, as shown in a following section, claims is inevitable in all texts).

Kant was of the perspective that it was possible to observe social interaction objectively, not interfering with it. Romantic idealists, such as Hegel, and later such

authors as Elias (1991), however, did not believe this to be possible, because one is always participating in social interaction while observing it.

A contemporary position on the nature of reality, rooted in an understanding of modern physics, is presented as follows in order to form the basis for further discussion. Special attention is given to this view of reality that considers *everything* as dynamic process, as this seems to be a fitting foundational assumption on which to build a process-oriented theory of strategic entrepreneuring.

2.4. Bohm and the Process Nature of Reality

This section delves more deeply into an alternative perspective in which one can think of reality rather in terms of process, employing *transformative cause* (as covered in a previous section). This outlines the foundations of the perspectives applied by this study, and is critical to understanding strategic entrepreneuring in new ways.

2.4.1. Wholeness and Fragmentation

Bohm (1980) discusses how humanity tends to think of reality in terms of independent, separate fragments. This is evident in the reductionist paradigm, where much of the origin of this type of thinking seems to come from thinking that the *content* of thought is most certainly a description of reality *as it truly is* (an argument also denounced by various philosophers, as discussed in a following section).

Studies in the physical sciences have shown that fragmentation, such as sharp distinction between subatomic (and thus atomic) particles, may not be a *true* feature of reality. In the Bose-Einstein condensation experiment (Anderson, Ensher, Matthews, Wieman and Cornell, 1995), where matter is cooled to a few billionths of a degree Kelvin above absolute zero, the atoms in this matter seem to coalesce into a “super atom” and so occupy the same quantum state. In other words, the atoms occupy the exact same space – something previously thought impossible. This calls into question whether there is *true* separation between subatomic particles, and therefore all matter – is the appearance of separation or fragmentation perhaps simply an illusion created by movement? Heat is, after all, a form of movement.

Bohm, being a physicist, goes much further than this, and proposes a worldview which could potentially unite relativity theory and quantum mechanics. These two theories are, given a fragmentary worldview, fundamentally at odds with each other, yet paradoxically allow for quite accurate large-scale and small-scale descriptions, respectively, of observed phenomena.

This new worldview is one of seeing *what is*, in its totality, as an unbroken whole, which is constantly in motion. In the motion of the unbroken whole, characterised by such properties as heat and velocity, all “parts” are in motion *relative* to other “parts”, thereby allowing for the illusion of separation and thus fragmentation. To be able to speak of the *true nature* of reality, the unnameable and immeasurable, then is unfortunately impossible. This is because thought and its content are simply part of – and processes within – this unbroken whole. One is thus only limited to speaking of *parts* of this unbroken whole, where these parts are *abstractions* in the sense that they are not *true* fragments, but convenient ways of describing relatively stable processes. Bohm refers to this unbroken whole as the *holomovement*, and conjectures that, should this description be a more accurate description of “objective reality”, humanity does not yet comprehend even a small fraction of the true laws governing its dynamics.

As a side note, useful in understanding the following sub-section, intelligence, thought, memory and consciousness can therefore be regarded as *part of the process of the holomovement comprehending itself*.

In the fragmentary view of *entrepreneurship*, it is conceivable that it can be broken into its component parts, whereas there is no “inside” or “outside” to the process of *entrepreneurship*. There is, implicit in this process, the notion that it is unbroken. Much of the perception of brokenness, according to Bohm, originates in language.

2.4.2. Language and the Rheomode

Bohm takes issue with current trends in language which tend to favour the fragmentary worldview. The author recommends making concerted, continual effort to progressively restructure language in favour of what the author calls the *rheomode*, where *rheo* comes from the Greek verb meaning “to flow”. Several examples of how to “clean up” the meanings of certain key words are presented by Bohm – a gesture similar to that of Derrida in poststructuralist thinking, as discussed in a following section.

An example of language in the rheomode provided by Bohm (1980, p 42), used in the discussion of this report, is outlined as follows. The author describes the word “relevant” as having been derived from the archaic verb “to relevate”, which means “to lift into attention”. The word “relevate”, in turn, is derived from the verb “to levate”, which means “to lift”.

Towards developing the rheomode, Bohm (1980) redefines the verb “to levate” as “the spontaneous and unrestricted act of lifting into attention any content whatsoever, which includes the lifting into attention of the question of whether this content fits a broader context or not, as well as that of lifting into attention the very function of *calling attention* which is initiated by the verb itself” (p 44).

According to this definition, to “re-levate” (purposefully kept hyphenated) means “to lift a certain content into attention again, for a particular context, as indicated by thought and language” (p 44).

Therefore, to re-levate certain content (for example, a theory or past observed trend) is “re-levant” if the content fits the context. If it does not fit the context, it becomes “irrelevant”.

The reader is thus requested to re-levate all content provided in this research, including and especially anything that is stated as if it claims to be an objective observation of reality.

2.4.3. Objectivity and the Knowable

Right down to the quantum level of detail (and possibly beyond), it is evident that, within this framework, there is no such thing as a purely objective observation. Every time an observation of a physical phenomenon is made, that phenomenon is altered in at least some small way. The importance of this becomes evident in the social constructionist and symbolic interactionist paradigms in later sections.

Adopting this stance undoubtedly calls for a reframing of vast tracts of Western-style, reductionist scientific thinking, where tremendous amounts of faith are placed in there being absolute, universal laws at work which are completely knowable. This call is clearly evident in the writings of prominent thinkers usually associated with other aspects of society to the natural sciences, such as in postmodern literature.

Postmodern literature gives a wide array of theoretical tools and ways of thinking about phenomena that can be used rather effectively from the process-oriented view of reality. Their applicability to the process of strategic entrepreneuring becomes evident towards the end of this study.

2.5. Scepticism – Postmodernism

Sim (2005) describes the postmodern movement as follows.

One of the best ways to describe postmodernism as a philosophical movement would be as a form of scepticism – scepticism about authority, received wisdom, cultural or political norms ... Scepticism is an essentially negative form of philosophy, which sets out to undermine other philosophical theories claiming to be in possession of ultimate truth ... The technical term to describe such a style of philosophy is ‘anti-foundational’. Anti-foundationalists dispute the validity of the foundations of discourse. (p 3)

References are made to authors such as Nietzsche, Lyotard, Saussure, Lévi-Strauss, Foucault and Derrida as having contributed to postmodern philosophy, part of which is poststructuralism, a movement against that of structuralism (although poststructuralism could be considered a separate philosophical style to postmodernism in some ways, it still shares common features such as the gesture of scepticism and an anti-foundational slant).

Structuralism has its origins in works by Saussure on linguistics, where Saussure was greatly concerned with the systemic nature of language – that it was, in fact, a system governed by rules – as well as the nature of reality, which was also interpreted systemically. Poststructuralism, on the other hand, rejects structuralism and its basic assumptions, such as the possibility of knowing reality directly (Sim, 2005, p 4).

One of the great thinkers in poststructuralism was Derrida (1967), with emphasis on the process of *deconstruction*, which “became one of the most powerful expressions of the poststructuralist ethos ... Derrida was concerned to demonstrate the instability of language, and indeed systems in general” (Sim, 2005, p 5).

Roderick (1993), in a lecture on deconstruction, indicates that the (rather difficult) works by Derrida are attempts at showing the perpetual need for “housework” in the field of language and philosophy, where continual effort is required to “tidy up”, and

often re-clarify, the arguments put forth by philosophers. This is due to the tendency of both written and spoken language to decay and evolve as it progresses from generation to generation. As is seen in symbolic interactionist theory, which is covered in the following section, meaning is constructed and morphs over time.

A powerful example by Roderick (1993) is that of writing a list of grocery items for the wife of the speaker to fetch from the grocery store – even if the speaker were to be killed unbeknownst to the wife, the list could function in the radical absence of the speaker. Derrida questions the philosophical assumption of *intentionality*, and, extending the grocery list example, Roderick shows that the list could have been written with the intention of sending the wife away from the house for long enough for the speaker to visit a mistress. Thus, Derrida concludes that all writing is subject to this potential pitfall of misinterpretation of the intentions of an author or speaker, and that there can be no single “ultimately correct” interpretation of writing by an author. Here is where it becomes necessary to perform the “housework” of deconstruction, where one pays very careful attention to both what the author has written and what has been omitted or marginalised.

Another powerful concept outlined by Roderick (1993) and Lowe (1993) in reviews of works by Derrida is that of the “phallogocentricity” of language and philosophy (and therefore science as a whole), implying that much of language and philosophy has developed as a result of Caucasian, Christian, masculine, Western thought. Derrida takes issue with this by deconstructing it and bringing it to the same level of importance as the thinking of other groups, and this is where it becomes evident that it is important to consider a multiplicity of viewpoints.

A positivist reader with a fragmentary worldview would immediately question the relevance of such “linguistic” exercises to the process of human organising. Careful examination of the detail in this process of human organising, or the process of entrepreneuring for that matter, however, raises the question: what is it that allows people to organise and facilitates this organising process? It is language, whether written or spoken, audible or inaudible, tangible or intangible. The implications of this, with special attention to organisational philosophies such as systems thinking, are outlined at a later stage.

With the aim of understanding the process of language development in contemporary individuals, the theory of symbolic interactionism is presented.

2.6. Symbolic Interactionism

Da Silva (2007) succinctly summarises some of the major works of the American philosopher, sociologist and psychologist George Herbert Mead, with particular focus on Mead (1934).

The basic position adopted by Mead is that it is, in general, society which forms and forges the individual, and the individual then, in turn or even simultaneously (and thus paradoxically), forms and forges society.

In the conceptualisation, by Mead, of the development of an individual, starting from a very young age, a child will begin to make gestures, correlating them with responses. A simple example is given as follows: the child experiences a certain discomfort, to which its instinctive response is to cry. This gesture is often followed by food from the mother, and is then followed by satisfaction and the alleviation of the initial discomfort.

It is in this interplay of gestures and responses that *meaning* is constructed, according to Mead. In the aforementioned example, the meaning that the child will eventually begin to attach to the gesture-response interplay is generally “hunger”.

Following from this simple example, Da Silva (2007) shows the progression of the development of the individual according to the philosophy developed by Mead. In these early stages of development, every thing around the child is essentially an object of some kind to the child, including other human beings, and even herself. It is only at later stages that the child comes to appreciate subjectivity and becomes self-aware.

At a certain stage, the child starts to “play”, an example of which is “playing doctor.” where the child assumes the attitude or character of another, placing herself in the shoes of that imagined other, acting from that perspective. This is a major step in the development of the child toward subjectivity. Throughout this stage, and later stages, the gesture-response interplay becomes more complex, and more complex meanings start to be attributed to these ever-more complex interplays.

Later on, the child engages in games involving the coordination of several others and thus more complex social interaction. Mead (1925) illustrates the dynamics and implications of a game by using baseball as an example:

The child must not only take the role of the other, as he does in the play, but he must assume the various roles of all the participants in the game, and

govern his action accordingly. If he plays first base, it is as the one to whom the ball will be thrown from the field of from the catcher. Their organised reactions to him he has imbedded in his own playing of the different positions, and this organised reaction becomes what I have called the ‘generalised other’ that accompanies and controls his conduct. And it is this generalised other in his experience which provides him with a self. (p 269)

According to the theory, every group has its own “generalised other”, or a common set of attitudes. Through encountering one or more groups, through recognising differences in his internal attitudes as compared to those of the generalised other, the child starts to form a sense of self which is an object by nature – the object self, a phenomenon which is part of the individual, but which can be viewed by the individual “through the eyes of others”.

Mead (1934, p 155) wrote: “only in so far as he takes the attitudes of the organised social group to which he belongs toward the organised, co-operative social activity or set of activities in which that group is engaged, does he develop a complete self”.

The phenomenon of mind is therefore “a sort of ‘inner conversation’” with the generalised other. “Human intelligence is thus inherently reflective, and this reflectivity is of a dialogical character. The very monologue that occurs in our mind is, according to Mead, nothing but a subjective form of dialogue” (Da Silva, 2007, p 31).

Mead makes a distinction between the object self, or that which is viewed, and the subject self, or that which actively views, by referring to them as “me” and “I” respectively – each of these being a “phase” of the self. There is a constant process of conversion from “I” into “me”, or the transfer of subject expression into object representation of self (which is constructed in social interaction). Mead notes that different individuals exhibit differing degrees of prominence of these two “phases” of self, where the most original characters throughout history, such as Jesus, Buddha or Socrates (examples by Da Silva, 2007), had far more prominent subject phases of self.

As such, the object self, or “me” phase of self, is *emergent* from social interaction – the concept of emergence is explored in later sections, and its overlap with complexity theory becomes evident.

The role and development of language is very important here: “The principle of human social organisation is language, a distinctively human ability that combines cognition, social experience and symbolic import to a degree of complexity unmatched by any other animal species on earth” (Da Silva, 2007, p 31). Language emerged, according to

Mead, when individuals became aware of the social impact of the vocal gestures they began to utter.

Da Silva (2007, p 34) notes that, “[for] a vocal stimulus to become significant, two conditions must be met: firstly, the individual responds to his own stimulus as the other individuals do; secondly, this response within one’s self ... is one which is a stimulus to the individual as well as a response. Only then does a ‘significant symbol’ arise. Such a symbol has a certain signification attached: it has a certain meaning.”

In defining this significant symbol, the distinction between “meaning” and a “symbol” is to be noted: “Mead describes the logical structure of meaning as an inner triad made of the gesture of the first organism, the responding gesture of the second organism and the ‘resultant’ of the social act ... Meaning is thus implicit in the social act” (Da Silva, 2007, p 35).

Then, as when one stumbles upon the footprint of a bear in the forest, “the footprint is the symbol, the bear is its meaning ... and to be able to identify such a symbol as leading to such meaning is the distinctive feature of human intelligence. Individuals thus create symbols to indicate, to themselves as well as to the other members of the group, the implications of a certain object or gesture” (Da Silva, 2007, p 36).

Thus, the “study of the process of language or speech – its origins and development – is a branch of social psychology, because it can be understood only in terms of the social processes of behaviour within a group of interacting individuals” (Mead, 1934, p 178).

Next, the notion of social control is explored. According to the theory, it becomes clear that the group exerts control on individuals through the “me” – taking on and acting from the attitude of the generalised other. As such, the understanding of social control by Mead is that it is not an oppressive force exerted upon the consciousness of the individual, but rather it is inextricably intertwined with the very nature of the individuality of a person, or at least the object part thereof (Da Silva, 2007, p 60).

The definition of “society” by Mead is therefore “the organised set of responses individuals can use for purposes of social control – which ... operates in terms of self-criticism” (Da Silva, 2007, p 61). Regulating behaviour by the expectations of society, and effectively taking on the attitude of the generalised other, is effectively this self-criticism, and as such, social control is equated with self-criticism.

This philosophical, social and psychological theory seems to the researcher to be one of the most explanatory and pragmatic ones in terms of the social development of the individual as well as groups, and thus society. As for relating the theory to lower “reductive levels” or perhaps finer “levels of detail” such as the biological level, Da Silva (2007) notes that Mead takes the development of the human cortex, as well as biological impulses which require social interaction for their satisfaction as necessary, but not sufficient, for the development of human society.

In addition to language, critical to the process of human organising, the role that social power and influence play in society is investigated. Within the context of strategic entrepreneuring, social influence is of great importance in considering its impact on aspects such as marketing and employee motivation.

2.7. Power and Social Influence

Kelman (1958) identifies three main processes of influencing individuals: (1) *compliance*, (2) *identification* and (3) *internalisation*. Compliance entails acceptance of influence in order to receive a favourable reaction from the influencer (be that another individual or a group). Identification occurs when an individual accepts influence to establish or maintain a satisfying or self-defining relationship with the influencer – here there seems to be much overlap with the conceptualisation of “taking on the attitude of the other” (Mead, 1934). Internalisation occurs where the individual accepts influence, usually by way of rational argument, and the newly adopted attitudes and/or behaviours are usually intrinsically rewarding.

French and Raven (1959) write about power, influence and psychological change, and outline five bases of power: (1) *reward power*, based on the perception by an individual of the ability of the other (whether this other is an individual, group, role, norm or part of a group) to provide rewards for the individual; (2) *coercive power*, based on the perception of the individual of the ability of the other to provide punishment; (3) *legitimate power*, where the individual believes that the other has a legitimate right to dictate the behaviour of the individual; (4) *referent power*, where the individual identifies with the other; and (5) *expert power*, based on the perception of the individual that the other has special knowledge.

Troyer and Younts (1997) review the influence of expectations and their effect on social influence. The authors define first-order expectations as those expectations that an individual has of herself, and second-order expectations as those that the individual believes others hold for the individual herself. The conclusions of the authors include a reinforcement of the argument by Mead (1934) that social interaction is heavily influenced by second-order expectations.

Mason, Conrey and Smith (2007) review theoretical and computational models of social influence, many of which incorporate complexity, from a variety of fields across four dimensions: (1) the pattern of individual connectivity and influence assumed; (2) whether behavioural or attitudinal aspects of individuals are considered as continuous or discrete; (3) whether there is absence of individual differences in privately available information; and (4) assumptions made about the assimilative versus contrastive directional effects of social influence. After reviewing these models, the authors outline recommendations for a more accurate model of social influence, to which none of the major models reviewed conform.

Keltner, Van Kleef, Chen and Kraus (2008) advance a reciprocal influence model of social power, rooted in evolutionist notions of power derived from primate hierarchies, based on two major assumptions: firstly, “power relations are bidirectional, and governed according to the extent to which individuals act in ways that advance the interests of the group” and secondly, “power is a heuristic solution to the problem of allocating resources in interdependent relations” (p 152).

Keltner *et al.* (2008, p 157) then develop the following seven propositions relating to the model of social power based on the empirical results of other studies.

1. Social power is afforded to those who act in the interests of the group.
2. Certain general character traits, such as extraversion and lack of neuroticism, and non-verbal behaviours, such as facial expressiveness and bodily openness, assist in affording power to individuals or groups.
3. Reputation, or the discussion of the character of an individual by others, serves as a group process, which keeps track of those worthy of power.
4. Gossip restores a power balance that serves the interest of the group through identifying those who do not deserve the power allocated to them.

5. Modesty is an internal regulation mechanism within individuals that helps to prevent abuses of power.
6. People have the built-in capability to quickly and accurately perceive power in others.
7. The emotions, attitudes and goals of high-powered individuals influence social interactions more than those of lower-powered individuals.

Throughout these seven propositions, the conceptualisation of individual development (Mead, 1934) can be applied to see that the power transfer process occurs in language (verbal and non-verbal). This seems to take the form of conversation (and often narrative), either between individuals, such as in the processes of reputation discussion and gossip, or within individuals in the phenomenon of mind, such as in the process of being modest.

Against the backdrop of individual and societal development, including power dynamics, perspectives in organisational analysis are considered to frame the discussion further towards perspectives in entrepreneuring.

2.8. Assumptions in Organisational Analysis and the Movement toward Process-Oriented Thinking

Authors have, in recent years, pointed to shortcomings of the traditional reductionist, modernist, systemic theories in the social sciences. These authors highlight the lack of explicit definition of underlying philosophical assumptions (for example, Lindgren and Packendorff, 2009; Stacey, 2011).

Tsoukas and Hatch (2001) point out the central assumption of organisation science is that “organisation” is part of the social world; with the task of organisation scientists being to ascertain why this is so. Along these lines, the authors claim that there are two dominant schools of thought: the sociological-historical-anthropological school, and the cybernetic-systemic one, the latter of which has in recent years come to include complexity theory.

Karataş-Özkan and Murphy (2010) attempt to clarify different approaches to organisational analysis and their respective impact on research. These authors point out

that the traditional mode of scientific inquiry is based on the modernist assumption that the researcher is an objective observer. This notion is a realist perspective, based on the assumption that objective reality exists and can be known directly. The authors then compare and contrast critical theory, postmodernism and social constructionism as alternative research paradigms along two main themes: the aim of social inquiry, and ontological and epistemological assumptions (p 455). The discussion by the authors is summarised as follows.

Critical theory and postmodernism both share the aim of questioning established orthodoxies, institutions and ideologies, and are both focused on structures or outcomes. Postmodernism, its growing influence a “reaction of disappointment with the oversimplified, narrow approaches to organisational research among some scholars” (p 456), emphasises a multiplicity and diversity of perspectives. There is not even one precise definition of postmodernism, as it includes a variety of intellectual trends, although, as has been seen in previous sections, its general gesture of scepticism is clear.

Karataş-Özkan and Murphy (2010, p 456) indicate that social constructionism, as has been seen in the previous section, arises from Mead (1934) in “‘symbolic interactionism’, whose fundamental view is that, as people, we construct our own and each other’s identities through our everyday encounters with each other in social interaction”. In this perspective, there is a shift that takes place from thinking in terms of structures to thinking in terms of processes. An example of this would be the shift from organisation to organising, or perhaps entrepreneurship (referring to it as a noun implies boundaries of some sort) to entrepreneuring (Steyaert, 2007) (which in verb form makes no sense to have boundaries). Karataş-Özkan and Murphy (2010) go on to say that, where social constructionism aims to construct via relational sharing of meaning, postmodernism aims to deconstruct the self and others (Roderick, 1993, points out, however, that *deconstruction* is not the same as *destruction*, and its aim is not to destroy).

Karataş-Özkan and Murphy (2010), in explaining the epistemological and ontological assumptions of these theories, show that postmodernism is of the position that “every knowledge is contextualised by its historical and cultural nature” (p 457), and so different “truths” are associated with different contexts. In other words, the researcher is to reproduce these different contexts in order to gain an understanding of “reality”. Postmodernism is focused on an ontology of “becoming” instead of “being”, as

“reality” is continually constructed through language and communication. Social constructionism also emphasises multiple realities – socially constructed ones. Research from a social constructionist perspective often takes such forms as ethnographic research or participatory action research (Karataş-Özkan and Murphy, 2010; Lindgren and Packendorff, 2009).

Postmodernism, as seen earlier, can be understood to be of the sceptical position as opposed to the realist position – that objective reality does not exist. There are various forms of idealism, neither adopting realism nor scepticism completely. Some social constructionists adopt the sceptical position, while others “tend towards an idealist position where social reality is socially constructed in language” (Stacey, 2011, p 8).

Having discussed the broad underlying assumptions in organisational analysis, a narrowing of focus is necessary to understand current assumptions made in systems thinking as it is applied within organisational analysis, contributing to further clarifying the current paradigm in this type of analysis.

2.9. Assumptions in Systems Thinking and the Learning Organisation

Stacey (2011), referring to traditionally accepted strategic choice, systems-based and learning organisation (Senge, 1990) thinking, claims that these perspectives all contain underlying assumptions that are cognitivist, cyberneticist, and/or mechanistic (pp 82-128), and that this thinking is flawed.

Cognitivist psychology maintains that the brain is a rule-driven mechanism that processes symbols of a pre-given, pre-existent reality in a similar manner to a computer (Haugeland, 1978), and this points to its underlying assumption of a realist perspective. Stacey (2011) notes that, from this perspective, neither individual autonomy nor novelty can be realised.

Cybernetics originated during the Second World War in British air force research into improving aircraft defence mechanisms (Wiener, 1948). It is mainly concerned with feedback processes enabling component parts of a mechanistic system to track a particular variable, implying movement towards equilibrium and control. Such

mechanistic systems can certainly be reduced to their component parts, and can be analysed as such, with a great degree of accuracy.

Although these theories seem to be useful towards certain ends, they present a rather difficult problem when applying them to social phenomena: if you can predict the future perfectly, innovation cannot be possible; if you can innovate, perfect prediction cannot be possible (Winder, 2007).

In addition to the problem of novelty, Mowles, Stacey and Griffin (2008) add to perceived shortcomings in mechanistic systems thinking. These authors indicate that such thinking almost inevitably conceptualises an organisation as a whole having a boundary which can be disaggregated into parts. This is reductionist thinking which, as seen earlier, cannot account for the emergent effects observed in actual organisations – as described in the sections that follow.

Houghton (2009) argues that true systems epistemology is not necessarily mechanistic, and that there is considerable confusion in the research community about this topic. The argument of the author is that systemic epistemology is pluralistic by its very nature, and should be capable of showing multiple perspectives and conflicting realities. Unlike the mechanistic perspective, which is linear and unidirectional, generalisation in true systems epistemology occurs across numerous dialectical “realities” which are non-linear and often conflict with one another.

It is this broader definition of systemic science that is favoured in this study rather than the mechanistic perspective, which has been shown to be limiting and flawed. The decision is based on the ability of this broader definition to deal with the complexity of social phenomena and its potential for allowing innovation and novelty. It is questionable, however, as to the extent that present-day society truly understands the systemic perspective to be this broader one as opposed to the narrower, mechanistic one. The notion of control that systemic science seems to promise is still, however, questioned in this study.

Other aspects of science also attempt to deal with plurality and contradictory, non-intuitive, non-linear realities, such as the fields of emergence, chaos and complexity.

2.10. Emergence, Chaos and Complexity

Goldstein (1999) traces the origins of the concepts of emergence and self-organisation, as shown in Figure 1. Emergence, according to Goldstein (1999, p 49), refers to “the arising of novel and coherent structures, patterns and properties during the process of self-organisation in complex systems”. As can be seen in Figure 1, there has been a rather exhaustive amount of study encompassing a variety of different fields in order to come to the present understanding of complexity in the literature, and the concepts of emergence, chaos and complexity are rather closely related.

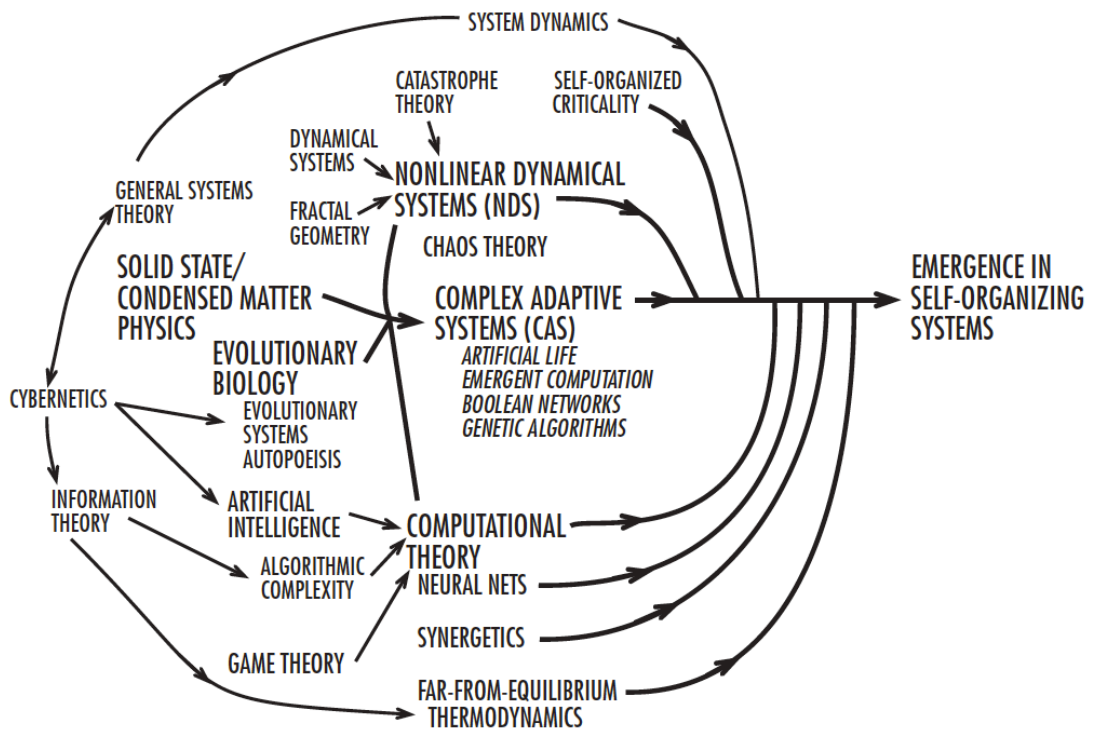


Figure 1. Mathematical and scientific roots of emergence (Goldstein, 1999, p 55)

Also, as seen in Figure 1, the theory of non-linear dynamical systems, which encompasses *chaos theory*, plays an integral role in the development of complexity theory. Lewin (1993) writes of how chaos theory is a subset of complexity theory – complex systems are often chaotic systems (non-linear, dynamic systems), but they usually have some sort of emergent order. Chaotic systems, on the surface, appear to be random, but actually can be modelled mathematically. They appear to be random because of their extreme sensitivity to initial conditions and the non-linearity of the relationships between their constituents. The famous example of a chaotic system, as

per Sapolsky and Balt (1996), is the weather – it becomes entirely conceivable that a butterfly flapping its wings in the United States of America could result in a tremendous storm in China (the so-called “butterfly effect”).

Mikulecky (2001) states that complexity science essentially has to do with a holistic perspective, with the “whole being greater than the sum of its parts” and is the result of a general lack of satisfaction in the scientific community with traditional scientific practices and their failure to capture the complexity of reality.

The present culmination of much effort in complexity theory research seems to be the theory of complex adaptive systems, which are systems that “change and reorganise their component parts to adapt themselves to problems posed by their surroundings” (Holland, 1992, p 18). Mowles, Stacey and Griffin (2008) attribute the origins of complex adaptive systems theory to Kauffman (1995), Holland (1998) and Jackson (2000), where work by Holland at the Santa Fé Institute seems to have mainly focused on computer-based simulation of complex adaptive systems. Mitchell (2009) also traces a similar history of complexity and chaos theory and complex adaptive systems. Originally being a student of computer science and a student of Holland, and now working at the Santa Fé Institute, one can see a leaning by Mitchell towards computational modelling in complexity.

McKelvey (2004) has already attempted to relate complexity theory to the field of entrepreneurship by way of philosophical groundwork, as covered in an earlier section relating to causality.

Fuller and Warren (2006), Fuller, Warren and Argyle (2007) as well as Schindehutte and Morris (2009) make use of complexity theory in constructing theoretical frameworks. The specifics of these frameworks are covered in later sections on entrepreneurship and strategic entrepreneurship.

Lichtenstein, Carter, Dooley and Gartner (2007) have made early attempts at empirical study in entrepreneurship using theory gleaned from the complexity sciences. They develop the hypothesis that emergence of new firms will be high when: (1) the rate of start-up activities is high, (2) start-up activities are spread out over time, and (3) start-up activities are concentrated later rather than earlier over time – all three of which are confirmed in the study. The hypothesis was formed from three concepts in complexity: adaptive tension, concentration of interdependent activities, and recursive self-organisation. This is a perspective that is quite external to the dynamics of what is

happening “inside” the new firms that are causing them to self-organise, though it is useful to have such a broad, experimentally verified framework from which to conjecture.

Ray (1992) describes what is known as the “Tierra” simulation – a computer simulation of complex adaptive systems using heterogeneous agents. In the simulation, the initial programmer creates a creature, which is a simple programme with just enough instructions to be able to reproduce itself within the finite memory space of the computer. There is also a mechanism built into the simulator that allows for random mutations as each creature reproduces, and creatures inherently “compete” with each other for scarce processor time.

The results of the Tierra simulation are rather extraordinary. What was observed was quite similar to what is envisaged in biological evolution: at one point, “parasitic” versions of the creatures emerged which needed other types of creatures to be able to execute, and eventually the “hosts” developed a strategy to become immune to these parasites, to which the parasites responded by developing a counter-strategy which allowed them to prosper again, and so on.

Having already covered the role of language and power in social dynamics, emergence of larger-scale dynamics in human society becomes a fascinating topic which is only starting to be understood using the new theoretical perspectives offered by chaos and complexity theory.

Here the discussion returns towards traditional perspectives on entrepreneurship, nascent entrepreneurship, and strategic entrepreneurship. The discussion allows for these concepts, in later sections, to be tied up with the literature on complexity and the process-oriented view, incorporating the underlying philosophical shifts mentioned in previous sections.

2.11. Entrepreneurship

The core unit of analysis for this study is the entrepreneur, and specifically the nascent entrepreneur. Nieman and Nieuwenhuizen (2009) define an entrepreneur as:

An entrepreneur is a person who sees an opportunity in the market, gathers resources and creates and grows a business venture to meet these needs. He

or she bears the risk of the venture and is rewarded with profit if it succeeds.
(p 9)

Fillion (1991) outlines the research trends in entrepreneurship from the 18th century through to 1990, where various authors have focused on different perspectives in understanding entrepreneurship. The earliest focused on what entrepreneurs do, from an economic perspective; from the 1960s researchers focused on who entrepreneurs are from a behaviourist perspective; from the 1980s researchers focused again on what entrepreneurs do, but this time from a management science perspective; then from 1985 the focus was on what support is needed by entrepreneurs from a social perspective; into the 1990s where the focus was on what constitutes entrepreneurial activities as well as the competencies required to perform them.

The movement towards “entrepreneurology” (Fillion, 1991), a broader definition of the concept of entrepreneurship, is essentially a paradigm shift toward understanding activities which are considered to be of an entrepreneurial nature. Already it is evident that at the time of that writing there was a subtle gesture toward activities (verbs or processes), as are called for more recently and clearly by Steyaert (2007).

These activities are, as per the definition by Nieman and Nieuwenhuizen (2009), undertaken with the broad focus of addressing the opportunity in the market. Drucker (1985) writes of seven possible sources of opportunity, where four sources come from within a company or industry and three from outside of the company within its social environment. Within the company or industry, possible sources of opportunity are *unexpected occurrences, incongruities, process needs* and *industry and market changes*. Within the social environment, possible sources of opportunity are *demographic changes, changes in perception* and *new knowledge*.

With regard to recent trends in entrepreneurship research, Wiklund, Davidsson, Audretsch, and Karlsson (2011) propose that the phenomenon of “emergence of new economic activity” lies at the heart of entrepreneurship, recommending that research in entrepreneurship be organised around this phenomenon. The result of this is a much broader view of the study of entrepreneurship to incorporate more of the activities and connections surrounding the initial employees of the new venture.

When thinking of entrepreneurship as a process, or “entrepreneurialing”, introducing a definitively temporal aspect to its character, implied in that thinking is the “process of becoming” (Steyaert, 2007). Moroz and Hindle (2011) review 32 models for

understanding entrepreneurship, isolating four models which seem to meet the criterion of the authors of being process-oriented. All of these models, according to the authors, suffer from shortcomings and the authors claim that models which address two fundamental questions need to be developed (p 2), quoted as follows.

1. What exactly do entrepreneurs do that is distinct from managerial functions?
2. How do they do it?

None of the models reviewed by Moroz and Hindle (2011) answer these two questions satisfactorily.

An intuitive implication of the process of entrepreneuring is some form of changing development over time, usually characterised by thinking in terms of “stages” of organisational development, as discussed in the following section.

2.12. The Death of Stages Theory

Levie and Lichtenstein (2010) assess theoretical frameworks on business growth and development generated between 1962 and 2006, totalling 104 models: “[the] stages of growth paradigm ... is based on the view that organismic development is a useful analogy for the growth of companies. Often, this analogy is taken directly from the human experience of aging” (p 318). An example of this would be the aging of an organisation from “infantile” through to “developed” or “mature” stages and then on towards “death”.

These authors show that there is no consensus in the literature on the basic constructs comprising stages theory, and that there is no empirical evidence confirming the premises of this theory. Instead, the authors propose a “dynamic states” model, drawing on complexity science theory and non-linear dynamics, where dynamic states are defined as “*open, complex adaptive systems that operate in disequilibrium conditions*” (p 332).

Levie and Lichtenstein (2010) draw on dissipative structures theory by Prigogine and Stengers (1984). It seems as though the conceptualisation of the organisation by the authors is still as “snapshots” of the organising process over time – these being classified as distinct “states” characterised by a variety of factors. These factors include

organisation age, number of employees, business processes and structures, and so on – instead of understanding it in pure process terms (organising; entrepreneuring).

The fundamental view by the authors of the organisation seems to be systemic: “the firm is an ‘energy conversion system’ that organises resources ... into products or services, providing value for its customers, thus, leveraging a business opportunity” (Levie and Lichtenstein, 2010, p 332). As shown in a previous section, systemic thinking suffers from not being able to account for the emergence of novelty or autonomy on the part of the individuals within that “system” if that systemic thinking does not actively rebel against traditional mechanistic perspectives. It is to be noted that it is entirely possible that a firm does, for example, produce products or services which do not provide value for its customers, even though it organises its resources into products and services.

As shown by the literature reviewed thus far, it is the view of the researcher that any attempt to understand organisational dynamics that makes use of analogies that lead the reader in any way towards viewing the process of organising in static “snapshots” is flawed. This is due to the need to define boundaries around that which is actually a process by its observable nature, and that these boundaries are merely abstract constructs in language in the mind. These constructs oversimplify reality. The various “states” identified by Levie and Lichtenstein (2010) are, similarly, constructs in language that attempt to reduce the complexity in understanding the process of organising, and should be treated as such instead of thinking that there are “states” in objective reality.

The contribution by Levie and Lichtenstein (2010) in terminating “stages” theory is, from the perspective of the researcher, noteworthy. However, the researcher would go even further, echoing the call of the postmodernists and social constructionists to understand reality as process, discarding the imagined boundaries between fragmentary snapshots of “wholes” over time. Perhaps moving towards understanding these as “dynamic, temporarily stable patterns” instead of “states” would be of assistance.

With this in mind, taking into account the resource limitations imposed on this study, the earliest time in this process of organising is chosen as the focus of this study. By doing this the researcher hopes to provide a departure point for future studies in the process of strategic entrepreneuring.

2.13. Nascent Entrepreneurship

The *Oxford Concise Dictionary* (Sykes, 1976) defines the word “nascent”, the adjective, as follows: “[in] the act of being born, just beginning to be, not yet mature”.

Levie and Lichtenstein (2010) point out that, in traditionally accepted stages theory, the analogy of being born is often applied to “nascent entrepreneurship” by authors in the literature on entrepreneurship. This is an organismal analogy that has been shown by the authors to be faulty and limiting.

It is difficult to avoid narrow definitions of nascent entrepreneurship that do not emphasise its process-oriented character, and so no precise definition of nascent entrepreneurship is offered here. However, some questions are posed which hopefully elucidate the search for a good definition, if definition is possible at all. For now, the notions of a firm “being born” or “not yet [being] mature” are discarded in favour of the idea of the firm “just beginning to be”.

At what point does a firm “begin to be”? Using the definition of the entrepreneur by Nieman and Nieuwenhuizen (2009), one which should be amenable to a variety of authors in the field, there seems to be an initial recognition of an opportunity in the market. Does this constitute the beginnings of the entrepreneuring process? It seems a necessary, but not sufficient condition for the process of entrepreneuring.

In addition to the recognition of an opportunity, the entrepreneur (referred to here in the singular, although it can naturally be plural) gathers resources towards addressing this opportunity. This seems an appropriate “starting point” from which to understand the process of entrepreneuring.

One could argue that this view is an oversimplification, once again, of the process-oriented view of reality, as the entrepreneur herself is an individual whose being can be viewed in process terms, with the act of gathering resources towards addressing the opportunity being the culmination of a large variety of processes in society (using perspectives from symbolic interactionism).

Another perspective is one already mentioned by Wiklund, Davidsson, Audretsch and Karlsson (2011) – that of “emergence of new economic activity” being at the heart of entrepreneurship. Admittedly, it is possible for new economic activity to emerge without the individuals actively participating in the process of emerging. Complexity theory suggests that the combined actions of a variety of individuals (the “whole”)

could constitute the emergence of new economic activity, which might or might not be formalised in the form of the creation of an economically recognised “venture” or entity.

Due, again, to the resource constraints imposed on this study, this theoretical dissection of the culmination of the initial entrepreneurial act is left for future research. Instead focus is placed on the individual who is considered to be an entrepreneur, as well as this initial period of gathering resources towards organising in order to address the perceived opportunity. The highly complex abstract phenomenon of “emergence of new economic activity” is also left for further studies in favour of the current focus on the individual(s) who actively seek(s) to address a market opportunity.

Having briefly covered the link between entrepreneurship and nascence, the link between entrepreneurial and strategic perspectives is now investigated.

2.14. Strategic Entrepreneurship

Hitt, Ireland, Camp and Sexton (2001) review a number of contributions to the field of strategic entrepreneurship, and in doing so define strategic entrepreneurship as “the integration of entrepreneurial (opportunity-seeking behaviour) and strategic (advantage-seeking behaviour) perspectives in developing and taking actions designed to create wealth” (p 481).

As mentioned previously, Venkataraman and Sarasvathy (2001), in the *Romeo and Juliet* analogy, show that it does not make sense to speak of entrepreneurship (or opportunity-seeking behaviour) without simultaneously speaking of its strategic nature (or the inherent advantage-seeking behaviour in entrepreneurship).

In the understanding of nascent entrepreneurship as the period during which the entrepreneur gathers resources towards addressing the opportunity, it is noteworthy to mention some of the research undertaken in understanding the decision-making process through which entrepreneurs go.

Sarasvathy (2001) distinguishes between two decision-making processes: causation and effectuation. “Causation processes take a particular effect as given and focus on selecting between means to create that effect. Effectuation processes take a set of means as given and focus on selecting between possible effects that can be created with that set of means” (p 245). Causation relies on the logic of prediction, whereas effectuation

relies on the logic of control (p 251). The causation and effectuation processes are compared and contrasted in Table 2.

Table 2. Contrasting causation and effectuation (Sarasvathy, 2001, p 251)

Characteristics	Causation Processes	Effectuation Processes
Givens	Effect is given	Only some means or tools are given
Decision-making selection criteria	Help choose between means to achieve the given effect Selection criteria based on expected return Effect-dependent: choice of means is driven by characteristics of the effect the decision-maker wants to create and his or her knowledge of possible means	Help choose between possible effects that can be created with given means Selection criteria based on affordable loss or acceptable loss Actor-dependent: given specific means, choice of effect is driven by characteristics of the actor and his or her ability to discover and use contingencies
Competencies employed	Excellent at exploiting knowledge	Excellent at exploiting contingencies
Context of relevance	More ubiquitous in nature More useful in static, linear, and independent environments	More ubiquitous in human action Explicit <i>assumption</i> of dynamic, non-linear, and ecological environments
Nature of unknowns	Focus on the predictable aspects of an uncertain future	Focus on the controllable aspects of an unpredictable future
Underlying logic	To the extent we can predict the	To the extent we can control

	future, we can control it	the future, we do not need to predict it
Outcomes	Market share in existing markets through competitive strategies	New markets created through alliances and other cooperative strategies

It is necessary to clarify the intentions in Sarasvathy (2001) making the following statement: “Nature abounds in particular events with regular causes that can be analysed and understood, and, therefore, causation processes are excellent when dealing with natural phenomena” (p 250). Importantly, the claim of the author is not that causation processes abound in nature, as mentioned in the table, but that human decision-making can more easily take on the characteristics of a causation process when these decisions involve dealing with natural phenomena – but even here, this is restricted to phenomena that can be modelled scientifically.

Counter-examples will be chaotic or complex systems in nature, such as weather patterns or organisational dynamics or the behaviour of markets, which are predictable but only to the extent that measurement instrumentation is precise, beyond which all prediction capability breaks down. It is uncertain at this time as to whether long-term prediction of the behaviour of these phenomena will ever be a tractable scientific problem.

Reflecting on recent models in strategic entrepreneurship, Kyrgidou and Hughes (2010) review significant contributions to the emerging field of strategic entrepreneurship. These authors highlight commonalities between linear, simplistic models of strategic entrepreneurship as well as their shortcomings, proposing an alternative model.

When speaking of the proposed model, the authors comment that: “[it] is arguable that our suggested practical model contains a form of quasi-linearity ... albeit we have added bi-directionality to account for the fact that firms do need to carry out these stages in an iterative way so as to refine decisions and prevent escalation of commitment. However, we see no immediate concerns with the sequencing of the stages of SE themselves. Indeed, their overall logic is persuasive” (p 53). The authors make mention of “feed-forward” and “feedback” mechanisms – terminology from mechanistic systems theory, which has, as previously mentioned, been shown in other

literature to be limiting when attempting to make sense of social phenomena. The very sequencing of “stages” in strategic entrepreneurship, where the authors imply implicate order, is also questionable – as specified in the authors’ research questions (p 57), “[do] firms exhibit different configurations of [strategic entrepreneurship]?”

Luke, Kearins and Verreyne (2011) also review a number of contributions by authors to the field of strategic entrepreneurship, developing a conceptual framework consisting of three main concepts (p 319-321), outlined as follows.

1. Strategic entrepreneurship is
 - a. a distinct process, founded on bringing something new to the market; a combination of innovation, opportunity identification and growth, and
 - b. a process represented by four key aspects:
 - i. entrepreneurial activity
 - ii. applied in the strategic context of businesses
 - iii. which develop expertise within the core business skills and resources, and
 - iv. leverage from that by transferring and applying knowledge of those skills and resources to new products, services, or markets.
2. The nature of strategic entrepreneurship may take various forms, ranging from incremental to radical innovations, with deliberate to emergent approaches.
3. Strategic entrepreneurship offers the potential for financial benefit, subject to managing changes in both internal and external forces (for example, the external environment).

This framework of strategic entrepreneurship is much more loosely defined than that of Kyrgidou and Hughes (2010) and seems a more likely candidate to allow for exploration of the strategic entrepreneurial process through the theoretical frameworks chosen in this study. Especially noteworthy is concept (2), which allows for both deliberate and emergent approaches.

Following from this, some of the links between strategic entrepreneurship and complexity science are investigated.

2.15. Complexity and Strategic Entrepreneurship

Schindehutte and Morris (2009) propose a theoretical model for understanding an “opportunity space” in strategic entrepreneurship, which is based on the theory of dissipative structures put forth by Prigogine and Stengers (1984). This theory is based on observations of self-organisation in certain natural systems: basically, under certain conditions or at certain critical values, a system can spontaneously self-organise. The system self-organises into a configuration which is far from equilibrium, yet is in some sort of reproducible steady state.

The link between the self-organisation of micro-level entities such as molecules (the scale at which the theory of dissipative structures finds its empirical evidence), and self-organisation in macro-level entities such as human organisations is not clearly outlined yet. The theory of dissipative structures, therefore, is not considered in this study as a preferred theoretical framework. Its importance as a potential analogy, however, is noted.

Thus, the theoretical model by Schindehutte and Morris (2009) of an opportunity space is not employed in this study, but the recommendations by the authors of areas for further development in strategic entrepreneurship research are recognised. These areas are: (1) the antagonistic nature of exploration and exploitation, (2) the ambiguous nature of entrepreneurship and its opportunities, (3) the transformative nature of novelty, (4) the multifaceted nature of multilevel dynamics, and (5) the process nature of change.

It is important to note that, from a process-oriented, symbolic interactionist perspective, the multifaceted nature of multilevel dynamics only seems relevant as a convenient abstraction of reality. This is because multiple “levels” or hierarchy disappear when moving from structural to process-oriented theory – such as the example of there being no “inside” or “outside” to the concept of organising, and organising can take place at various (abstract) levels of hierarchy.

Since a paradigm shift is possible, and even required in understanding the phenomenon of strategic entrepreneurship, it is also important to understand the research methodologies in the social sciences which will allow for such a perspective that incorporates the perspectives outlined in this study.

2.16. The Narrative Mode of Inquiry and Complexity Theory

Tsoukas and Hatch (2001) point to the need to find an intersection between the narrative mode of inquiry and complexity theory, as shown in Figure 2. The narrative mode of inquiry is characterised by multiple perspectives, seeks to endow experience with meaning, and supports the existence of paradox. The logico-scientific mode of inquiry, however, pursues “truth”, prefers reductionist thinking, and is intolerant of paradox.

As mentioned previously, McKelvey (2004), with a focus on complexity theory and its application in entrepreneurship research, has also called for an adoption of “thick-description” narrative modes of inquiry into entrepreneurship.

A variety of authors have recently called for more provocative research methodologies in entrepreneurship study, such as enactive research – in other words, starting a business and noting observations in the form of thick-description narratives (Steyaert and Landström, 2011; Johannisson, 2011; Campbell, 2011; Fletcher, 2011).

It is in the gap between complexity theory and the narrative mode of inquiry that Mowles, Stacey and Griffin (2008) situate *responsive process* theory, with its social constructionist leanings, combined with insight gained from complexity – to be explored in the following section.

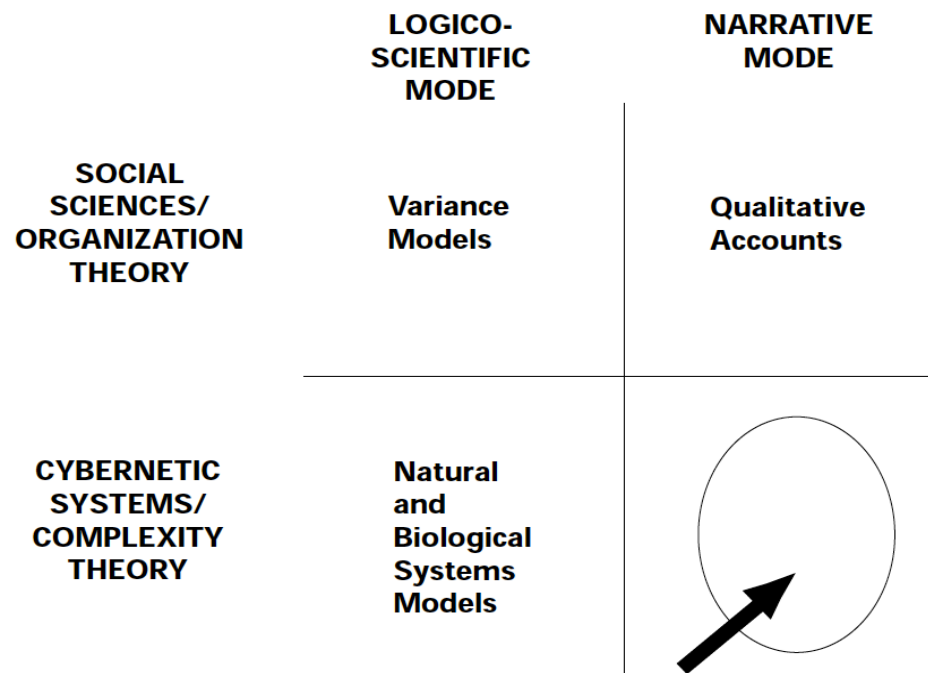


Figure 2. Framing the interpretive approach to complexity theory (Tsoukas and Hatch, 2001, p 984)

2.17. Responsive Processes

The following paragraphs are quoted from Stacey (2011) in providing a high-level, informal introduction to responsive process theory.

If you think from a systemic process perspective about what you are doing as leader or manager then you will believe that you can and should take an objective viewpoint from outside your organisation as a whole or the part of it that you are responsible for. From this viewpoint you will be concerned with designing, or at the very least, shaping, influencing or conditioning organisational process ...

However, if you take the alternative perspective on process, you will understand what you are doing as leader or manager as participating in relationships with other people. You will understand that there is no objective, external position in relationships, only the subjective-objective, involved-detached, participation in relating to others. You will understand your work as influencing, perhaps even manipulating, other people, not some abstract system or process, in order to get things done. You will understand what you are doing as processes of communication with others, as patterns of power relations between you, as choices based on ideological criteria: in short, as the politics of ordinary daily life ...

Moving from the systemic to the responsive perspective challenges the belief that 'you' can be 'in control' and directly change the whole. Instead, it invites you to reflect on what you are actually doing in the ordinary, everyday political activities of leading, managing and organising. (p 296-297)

Stacey (2011) explores many of the foundational theoretical roots of complexity, including cybernetics, general systems theory, autopoiesis, synergetics, far-from-equilibrium dynamics, chaos theory and complex adaptive systems. The author points out their various underlying assumptions, contributions and shortcomings. Drawing heavily on philosophies by Mead (1934), the author elaborates a set of theoretical tools and perspectives for understanding the process of human organising which the author terms *responsive processes*. The full treatment and development of responsive process theory by the author is exhaustive, and only its key attributes are outlined here.

Mowles, Stacey and Griffin (2008) explain *complex* responsive process theory (an earlier version of what Stacey, 2011, now refers to as *responsive process* theory) as follows.

We deny a separation between subjective and objective human experience of human action and draw attention to the inherently paradoxical and transformative nature of everyday experience. We claim to present a more radical understanding of complexity theories in relation to human action, a theory of complex responsive processes, which privileges communicative interaction, power relating and the spontaneous and improvisational nature of collective human action. (p 810)

To explain further, responsive processes are self-organising (in the same sense in which agents in complex adaptive systems self-organise) narrative themes built up of “protosymbols”, “significant symbols” and “reified symbols”.

An example of a “protosymbol” is that of hunger: when a child is born, it occasionally experiences pain or discomfort, which followed by crying (a gesture), receiving food (a response) and satisfaction comes to eventually hold the meaning “hunger”. A “significant symbol”, similar to the definition by Mead (1934), is a gesture which can potentially call forth the same response in oneself as in others. A “reified symbol” is one that tends to be used as though it has an independent reality, and tends to be recorded in written or verbal form – there is usually a delay between the making of such a gesture and its response.

Burke (2004) summarises the thirteen propositions of responsive process theory as follows (quoted from Burke, 2004, p 50-51).

1. Humans relate to each other in the medium of symbols, which are always gestures and responses interwoven with feeling states or emotions.
2. These symbols form themes that organise people’s experience of being together and being alone. The themes interact with each other in a self-organising way. Themes trigger themes that trigger themes so that they are continuously reproduced and transformed in relationships through conversation between people.
3. An individual mind is a silent, private conversation resonating with vocal, public conversations. Mind and group/society are the same phenomenon. They form and are formed by each other, at the same time, in an essentially self-referential

process. That process is reflexive in that people evoke, provoke and resonate with each other in ways that are both enabled and constrained by their own histories of relating.

4. The organising themes are dynamical. They may display stable attractors in which the same themes are continually reproduced in a stable way. They may also display the analogue of attractors at the edge of chaos in which there is both stability and change in their reproduction so that there is the potential for some kind of transformation. Conversation then takes a spontaneous free-flowing form.
5. The organising themes of one moment emerge from the interaction between themes of the previous moment and what so emerges may take propositional or narrative forms. Both are emergent but the former takes a more stable and often more persistent form while the latter form is more fluid and fleeting. Both forms of themes are expressed in conversation. Intention is an organising theme that emerges from conversation and organises experience. The intention of one is a gesture and its meaning lies in the response it evokes from others.
6. Relationships organised in conversation by propositional and narrative themes both enable and constrain what may be said, done and even thought. In other words, conversations configure, and are configured by, power relations between people.
7. Ideology is organising themes that either justify current power relations or justify undermining of these current power relations. Dominant ideology makes current power relations feel natural, while ideologies at the margin make opposition feel natural. Official ideology legitimises some kinds of conversation and banishes others. Unofficial ideologies are themes organising the relationships and conversations banished from the legitimate arena. They may either collusively support current power relations or potentially undermine them.
8. Ideological themes organising experience, whether official or not, binarise and polarise experience into sameness and difference, them and us, in and out.
9. People are usually unaware of how ideology polarises experience and makes differences seem natural in the interest of sustaining or opposing current power relations.

10. Another aspect of the social unconscious is the fantasies that groups and individuals develop around power relations and take into their silent conversations that are mind.
11. Official ideologies are sometimes maintained and sometimes undermined through processes of gossip and ridicule.
12. Change in individuals and groups means change in the themes organising the experience of being together and hence change in power relations.
13. The responsive nature of the processes of relating means that the evolution of relationships displays the paradox of predictability and unpredictability common in complex systems. Since any gesture could call forth a variety of responses, and those responses could provoke a variety of further responses, the possibility of predicting how they will unfold rapidly diminishes. Human responses are sensitive to small variations in gesture.

One important insight here is that there are no longer distinctions between parts and wholes in this theory, as it has taken on a fully process-oriented character. Even the framework itself is, by being conveyed in language, part of the process of organising. Although there can be considered an inside and an outside when thinking of a person, there is no inside or outside to “talking”, “running”, “playing”, and so on. This seems to fulfil the call by Steyaert (2007) for a more process-oriented theory of “entrepreneurship”, as well as the call by Bohm (1980) for a new way of looking at phenomena which frees one from the illusion of fragmentation. The phenomenon of individual mind becomes internal conversation with imagined others, which is merely extended into conversation with other minds, forming “the group”.

Incorporated in this framework is an acknowledgement of the power relations between individuals and groups, as covered in previous sections. For example, “shadow themes”, which sometimes take the form of gossip, often aim to undermine existing power relations (Keltner *et al.*, 2008). Propositions four, five and thirteen all highlight the relationship of the framework to both chaos and complexity theory.

Finally, attention is turned to the lack of application in the literature of responsive process theory at the time of this research.

2.18. Applications of Complex Responsive Process Theory

Mowles, Stacey and Griffin (2008) apply responsive process theory to understanding and changing organisational strategy in international non-governmental organisations (INGOs). In general, it seems as though the authors have only applied the theory of responsive processes to strategic management in existing organisations. Further than this, there are not many academic examples of the application of the theory. McKelvey (1999) pointed out that complexity science was already being “faddishly applied” by the popular press and consulting firms, indicating the urgency for academic study using complexity. A similar trend seems to be present with responsive process theory, as the vast majority of publications citing work by Stacey do not seem to be academic in nature, yet no academic examples challenging this work can be found at the time of this writing either.

Fuller, Warren and Argyle (2007) mention that, although the origins of complexity are in mathematics, researchers in organisational complexity have focused on language (the use of the word “language” by these authors seems to imply merely the “content” of language, and not the full richness of the gesture-response interplay described in previous sections) and the application of complexity concepts as metaphors towards understanding change and development. The alternative is given as computational modelling – referring to work by Stacey. The authors do note the value of the contributions by Stacey and do not discredit it.

Stacey (2011) and even other sceptical authors such as Bohm (1980) and Derrida (1967) do not simply focus on language in terms of its content. When discussing the various types of symbols constituting narrative themes, Stacey (2011) notes that protosymbols are visceral by their very nature. The author also does not downplay the value of computational modelling at all – in fact, the author finds computational modelling of heterogeneous complex adaptive systems to be of great value in understanding the dynamics of reflexive complexity.

Whether computational modelling in traditional computer systems will eventually allow accurate prediction of social interaction and group dynamics, including the degree of that accuracy, is yet to be seen, and does not look likely given the views of the authors reviewed in this study.

2.19. Conclusion

The literature reviewed for this study started with various philosophical, sceptical gestures toward the accepted modes of inquiry into social phenomena. It points out their foundations and underlying assumptions, while highlighting the new kinds of understanding that are possible when these fundamental assumptions are altered.

The major insights gained from the literature review are that, when thinking in terms of transformative causality and the process nature of reality, with an appreciation for complexity and emergence, as well as the significant role of power dynamics in shaping social influence, one could possibly think of the process of strategic entrepreneuring (and the “beginnings” of the process as nascent strategic entrepreneuring) in new ways. This notion is indicated in the discussion of the results of the study in later chapters.

At the time of this writing, no application of this theoretical framework to the study of entrepreneurship could be found. It is hoped, with its narrative mode of inquiry and poststructuralist leanings, combined with insights from complexity theory, that responsive process theory can be applied to understand the beginnings of a strategically entrepreneurial venture, thereby bringing new problems in the field of strategic entrepreneurship, and possibly entrepreneurship in general, to light.

The following chapters outline the specific research question that was addressed in this study, as well as a description of the methodology employed in addressing this question.

3. Research Question

One chief research question was posed: are there currently problems in the “coming into being” of strategically entrepreneurial ventures that lack descriptive tools as a result of the limiting paradigms employed in past research?

In coming to answer this question in the course of this study, attempts were made to show whether empirical evidence could benefit from descriptive theoretical tools from the responsive process framework proposed by Stacey (2011). This was attempted while also making use of insights gleaned from the other literature reviewed in this study.

4. Research Methodology and Design

4.1. Research Design

In order to answer the research question, it was necessary to establish the various narrative and propositional themes emerging from interactions between nascent entrepreneurs and their respective groups, as well as the interaction of those themes over time – this study was therefore conducted qualitatively, and this choice is further justified in this section.

With responsive process theory having a strong social constructionist leaning, taking into account that the various themes which Stacey (2011) and Mowles, Stacey and Griffin (2008) have observed in existing organisations cannot be said yet to exist in nascent entrepreneurship – it seemed appropriate to apply a methodology used in social constructionism.

Lindgren and Packendorff (2009), in a paper by the authors on the application of social constructionism to entrepreneurship research, suggest that, when social constructionist views are taken, the fieldwork approach and methodology makes it explicit that the researcher is part of the process (forming and being formed by the participants). According to the authors, such methodologies as participative observation, in-depth interviews, stories, ethnographies, narrative analysis, deconstruction and discourse analysis can be used. All of these tend towards being qualitative research methods.

Starks and Trinidad (2007) compare three types of qualitative research methodologies: phenomenology, discourse analysis and grounded theory. Phenomenology aims to establish how people make meaning of their experience. Discourse analysis attempts to understand how language is used to accomplish personal, social and political goals. Grounded theory, best articulated by Strauss and Corbin (1998), attempts to develop explanations of how social processes work within their context.

Burck (2005) compares the application of grounded theory, discourse analysis and narrative analysis in qualitative research in psychotherapy. According to Burck (2005): “Qualitative research situated within the social constructionist paradigm considers research data, such as the accounts of research participants, as ‘constructed’ within a particular research context, rather than as an objective reflection of ‘reality’” (p 242).

As per Burck (2005), grounded theory was designed to help researchers to identify important categories in the data and thus generate ideas and theories “grounded” in the data – this methodology is applicable to studies using both positivist and social constructionist paradigms. Discourse analysis can involve a grounded approach, and in the analysis the aims of a particular discourse are to be isolated (here referring to phenomena such as power-knowledge relations). Narrative analysis, according to Burck (2005), “focuses on the way individuals present their accounts of themselves and views self-narrations both as constructions and claims of identity” (p 252).

Stacey (2011), with focus on responsive process research, recommends a narrative research method, where the focus is on “telling the story” of what the participant thinks and feels, how participants interact with others in different contexts over time, the meanings being constructed and sense being made of emergent patterns of interaction across populations, and the iterative expression and co-creation of individual and collective identities.

Therefore, in-depth interviews, each of a maximum length of 60 minutes, and narrative analysis were used, this being a highly qualitative approach, which seemed suitable due to the exploratory nature of this research. These interviews were semi-structured and guided interviews. This was because it was necessary to guide participants occasionally to point out past conversations with relevant persons, and to explain the meaning which the participants associated with various stories in order to establish narratives – as per social constructionist philosophy.

After the interview process attempts were made to extract themes from these various narratives, which could be likened to a content analysis. These themes were then analysed from the perspective of responsive process theory.

4.2. Potential Shortcomings in the Research Design

It is important to note that, due to the reflexive nature of conversation, and due to social reality being constructed through conversation, it was difficult to ascertain the exact meanings and narratives created by the participants at the time of the events in the stories occurring.

By having to tell the story in a manner that forced the various story elements to be examined closely together, participants might have ascribed new meanings to the

stories. This provided the potential for new linkages to be formed between the different elements, or perhaps because the participants had not previously associated specific meaning with certain events and were then forced to construct this meaning in the retelling of the stories.

It would have been ideal to be able to follow newer, more provocative approaches suggested by Steyaert (2007), Steyaert and Landström (2011), Johannisson (2011), Campbell (2011) and Fletcher (2011) as they seem highly compatible with the theory being used in this study. These approaches mainly involve enactive research, or in other words, attempting to start a business and performing autoethnography. Stacey (2011) recommends making one or more researchers part of the phenomenon under investigation, as, from a social constructionist paradigm, the researcher is also an integral part of the process. Unfortunately, due to time, resource and risk constraints, this was not possible in this study. It is, however, recommended for future studies.

4.3. Population and Sampling

The population of interest consisted of all persons who were attempting, or have attempted in the past, to engage in nascent entrepreneuring (no distinction was made here between entrepreneuring and strategic entrepreneuring, as per the suggestion by Venkataraman and Sarasvathy, 2001). Essentially, those who have attempted to start a business, whether alone or with partners, constituted the population of interest. This did not include persons who have attempted corporate entrepreneurship. The context and dynamics of such entrepreneurship are quite different, and the various constraints imposed on this study would prevent such a sweeping study of entrepreneuring.

A sample of eleven participants who met these criteria was sourced from the business incubator located at the University of Pretoria in South Africa. This was a convenience sample due to time and resource constraints imposed on this study. In order to minimise the impact of the problems mentioned in the research design, all participants were in the process of attempting to start a business, or had recently started a business.

The sample contained several participants of African descent (with various tribal affiliations), one Chinese participant, and several Caucasian participants (of English and Afrikaans heritage). Participants were between the ages of about 20 and 25. One participant was female, and the remainder of the participants were male.

4.4. Potential Shortcomings in the Research Methodology

One shortcoming of the methodology is that, because of the reflexive nature of interaction, interviewing only entrepreneurs and potential entrepreneurs did not allow for a level of richness that would have been possible if the researcher were able to interview other significant people in the lives of those individuals.

Such a study, due its sheer scale and resource requirements, would unfortunately represent a tremendous challenge and was not attempted.

Another such shortcoming of the methodology was that, due to the participants all having been selected from a single incubator in a single geographic location, some of the richness in the variety of different perspectives available was most likely lost. Different themes might emerge in different contexts and with different age groups or demographic profiles. This would require that multiple similar studies be undertaken in different contexts, using different sampling methods, in the future.

4.5. Conclusion

This chapter describes the methodology employed in addressing the chief research question of this study and describes its qualitative approach with focus on early-stage entrepreneurs – a methodology amenable to the literature covered. A convenience sample of eleven participants was taken from a business incubator at the University of Pretoria, and potential limitations impacting this study are specified given the methodology and sample.

The results of this exploratory study are described and annotated, with insights gained from the literature review, in the following chapter, and then implications of these results are discussed in the chapter thereafter.

5. Results

Analysis of the research data was categorised within three pertinent themes: (1) *the individual*, (2) *the business idea*, and (3) *control*. Excerpts from the transcriptions are numbered sequentially for ease of reference from the text, and timestamps are included to indicate the interview to which the excerpt refers, this timestamp being the starting date/time of the recorded interview. Times are quoted in South African Standard Time (UTC+2), and the raw audio data and their corresponding transcriptions, labelled according to these times, can be provided upon signing a non-disclosure agreement to protect the identities and business ideas of these individuals.

Adopting a social constructionist philosophy, it is to be noted that the researcher is considered part of the process, and thus the views and insight of the researcher, especially regarding the context in which the study takes place, are outlined. These views are outlined in order to add richness to the construction, but are marked clearly as the views of the researcher.

5.1. The Individual

The first question, related to whom the entrepreneur (actual or potential, hereafter simply and interchangeably referred to as “the interviewee”) is, as a person, and what was it that contributed to the development of the entrepreneur. Several sub-themes emerged from this analysis.

5.1.1. Standing Out from the Crowd

On several occasions, it was noted that the interviewees hinted towards not conforming as easily to social pressures to be a particular “type of person” – either refusing the influence of a particular generalised other, or actively pursuing a sort of ideal or norm (most often constructed by an influential group).

1. “I want to be the right example to others ... I want to be the best person I can be ... Someone that people can look up to and say, ‘she’s on track’” (18 August 2011 12:01:17 PM).

Inherent in this example seems to be a desire for power of the kind described by Keltner *et al.* (2008) which is afforded to those who further the interests of the group. The researcher adds that being “on track” is a term that seems to be taken from religious influences on the interviewee, which include being part of a charismatic Christian church.

In the following excerpt, the interviewee seems to have had an innate desire to not be limited by external factors. It might have been that the “I” phase of the interviewee self (Mead, 1934), or the subject self, was quite strong, because a stronger “me”, or object self, limits one in terms of what is expressible or actionable.

2. “I like doing my own thing and I like being free – when I’m free I’m creative. I’ve seen, [and] my sister’s also like that, [that] if you put walls around us [you] [block] our creativity totally” (25 August 2011 02:14:47 PM).

As per the definition of the subject self by Mead, it is highly creative and is a source of novelty in individuals.

5.1.2. Being Part of the Crowd

Although the interviewees often mentioned wanting to stand out from the crowd, many of them considered themselves highly sociable – even ones who were historically introverted.

3. “I tried to make friends with everyone ... I think your social life is important ... You can’t just work ... Varsity came and I think I took advantage of the social side” (18 August 2011 12:01:17 PM).

This gains significance due to the propositions by Keltner *et al.* (2008) regarding power and social influence, especially the proposition relating to extraversion (or at least the appearance of extraversion) in personality in determining social influence. Also, from the propositions by Keltner *et al.* (2008), it is conceivable that the interviewee has an intuitive, perhaps even biologically built-in, understanding of the factors required to gain social influence.

5.1.3. Conversations from Family Life

Most of the interviewees had at least one family member whom they considered to be an entrepreneur.

4. “[My parents have] both been entrepreneurs, so I guess I got it from them – the entrepreneurial spirit” (18 August 2011 12:01:17 PM).

It would be of interest to know where the “entrepreneurial spirit” term originated and the history of the dissemination of the theme into society such that it could become a term that could be used in such a colloquial manner.

5. “My dad had a building business for about ten years ... My mom started a gardening service ... Then they opened a pizza franchise – that was a bit stressful ... because they were [working on] two different businesses at once and my dad had to get really involved, [even doing] deliveries because people let him down. It was a very stressful industry ... [If] your parents are stressed, you’re stressed ... [I] was little, but I knew that there was tension ... I won’t ever go into the food industry or a franchise” (18 August 2011 12:01:17 PM).

This intensely visceral experience recounted by the interviewee could be seen as a clear example of protosymbols (the “stress” and “tension”) and their resulting significant symbols (Stacey, 2011; Mead, 1934) triggering a conversation in the mind of the interviewee – “I won’t ever go into the food industry or a franchise”.

6. “So [my dad has] been in a lot of industries and he’s mostly been in leadership positions ... I’m also going to be a business leader, either own my own business or run a business as an MD or CEO or whatever. So I learnt that from him and he’s taught me since I was little about business, what business is all about, how you should do it. I remember when we were, I think I was nine or ten, my sister and I started our first little business” (18 August 2011 12:01:17 PM).

A father figure seems to often be a powerful one in the life of a child, sometimes almost godlike, and this is intuitively so because of the helplessness of the child at a young age. Parents can often make use of reward and/or coercive power (French and Raven, 1959) to convince a child to accept social influence. Much admiration, however, was sensed, at the time of the interview, from the description by the interviewee of the father, indicating that the father had, at least to some extent, become a role model (referent power, as per French and Raven, 1959, or identification, as per Kelman, 1958). It is not clear as to whether the admiration was there in the childhood of the interviewee, but the admiration at the time of the interview definitely gave legitimacy to the conversations embedded by the father of the interviewee and triggered by speaking of the father.

An important point to note about excerpt 6 from the interview is the visceral exposure (protosymbols) of the interviewee to the process of entrepreneuring from a young age in what seems to be described as a safe environment, under the supervision of an “expert”.

7. “As my dad taught me: generalists hire specialists ... As a generalist, I can’t do all those [specialised] things [such as accounting or law], but I can get people to do [them] for me and build a team around me, then I can manage them” (18 August 2011 12:01:17 PM).

Excerpt 7 shows a particularly important narrative: “generalists hire specialists”. It would seem as though this conversation has become a highly relevant one for the interviewee in a variety of contexts, where meaning has been progressively attached to it over time.

Other interviewees displayed similar experiences, listed in the following excerpts.

8. “My father used to own a restaurant ... [a] small business ... for, say, four or five years ... It wasn’t a franchise, they went on their own ... [My] dad was also in the military back then, so I think my mother basically ran the place while my dad was away ... My sister also then started a small business” (25 August 2011 01:21:28 PM).

5.1.4. Conversations with Significant Groups and Individuals

Each of the interviewees are involved in at least several groups which are significant to the individual and influence the thinking of the individual by way of conversations (Mead, 1934).

9. “[With regard to South African] English [people] I think sometimes I feel ... that they think a little bit bigger or they think out of the box and they’re willing to do new things ... And [with regard to South African] Afrikaans [people] I enjoy the discipline and respect ... – that culture of respecting your elders, and family’s important” (18 August 2011 12:01:17 PM).

In this conversation two stereotypes of South African population groups, namely Caucasian English-speaking and Afrikaans-speaking people, are indicated. The interviewee identifies more closely with the English-speaking group, which is apparently more open-minded and less conservative than the Afrikaans-speaking group, and these stereotypes seem to influence the interviewee significantly.

10. “Robert Kiyosaki, John Maxwell on the business side – they are big role models [for me]” (18 August 2011 12:01:17 PM).
11. “I’m always reading those ‘Rich Dad, Poor Dad’ books or the autobiographies from Virgin [by] Richard Branson” (25 August 2011 01:21:28 PM).

Excerpts 10 and 11 show examples of authors who have influenced some of the interviewees. The interviewees seem to attribute legitimate, referent, expert powers to these authors, with whom they have never personally met, but have engaged with their writings and reputations.

5.1.5. The Entrepreneur

Several different perspectives emerged from the interviews as to what an “entrepreneur” actually is – this being a social construction by society. Some of the interviewees identified with their constructions of an entrepreneur, but one in particular did not:

12. “... I’m not an entrepreneur ... [The] definition that I have of [an] entrepreneur is [a] new product developer, and that’s not me. I’m more [focused] on ... business turnaround” (25 August 2011 02:14:47 PM).

The interviewee from excerpt 12 claims to not be an entrepreneur because the definition by the interviewee of an entrepreneur is someone who develops new products or services – an idea which originated from the general talk during the undergraduate studies of the interviewee in the field of entrepreneurship. It does not seem as though an entrepreneur was explicitly defined as such, but it is certainly the impression that was constructed for the interviewee through interaction with peers during the studies.

Interestingly, the interviewee from excerpt 12, out of most of the early-stage entrepreneurs interviewed in this study, seems to have had the most “entrepreneurial” success thus far, in terms of sourcing business opportunities, gathering resources towards addressing the opportunities, and making profit from successfully addressing them, as per the definition of an entrepreneur by Nieman and Nieuwenhuizen (2009). For example, the interviewee identified a struggling hair salon and restructured the finances and marketing mechanisms for the salon such that the salon started making a profit, and then took a share of the profit.

Later on, when asked what sort of person the interviewee is, the same interviewee mentioned the following:

13. “I would say I’m a person that takes on any opportunity and if I don’t know how to take it on [show me and I will be able to take it on]. I see myself as someone with characteristics that other people don’t have in terms of leadership and business” (25 August 2011 02:14:47 PM).

The conception of object self of the interviewee, the constructed self, incorporated an aspect of the definition of what it is to be an entrepreneur, even though this conflicted with the implied definition by the group of what an entrepreneur should be.

The perspective of another interviewee is given as follows.

14. “It’s a person that’s really self-sufficient, independent, and at the same time [has] freedom. I see a lot of people going into their jobs and into work, which is very much a nine-to-five basis ... I just don’t really want that” (25 August 2011 01:21:28 PM).

The same interviewee from excerpt 14 was asked whether there were any significant examples of entrepreneurs who stood out to the interviewee, to which the response was:

15. “I’ve got a good mate that I study with ... He’s an example of where I think I want to be in life – I think he’s got his [fingers] in a number of pies ... I see him doing a lot in his day – achieving a lot. And [he is] also someone that I can see becoming highly, highly successful. That’s also something ... I want ... one day” (25 August 2011 01:21:28 PM).

Having had first-hand experience with someone who was considered an entrepreneur (the individual to whom the interviewee is referring was engaged in running eight separate small businesses while studying the same degree as the interviewee), the interviewee seemed to have picked up on a variety of protosymbols in the daily activities of the entrepreneurial friend. These protosymbols seem to have been organised into particular themes: “[fingers] in a number of pies”, “achieving a lot”, “highly successful”. Within the context of the study, having “[fingers] in a number of pies” is a cliché used to refer to those attempting to address a number of opportunities simultaneously. Its use as a cliché is also interesting, because it highlights an emergent theme in conversation in society.

The same interviewee, upon mentioning influences such as Robert Kiyosaki and Richard Branson, had the following to say about such figures:

16. “... I look at their lives and where they started out, and I like to be inspired by these stories. I do think it’s a difficult thing to be – it’s very often not the safe option to go on your own. But I feel these guys [are] very bold in their decisions, and also that they make it work irrespective of what situation they’re in – that’s what I like” (25 August 2011 01:21:28 PM).

At the time of this writing, there were many popular culture stories available via popular media (books by both of these authors were ubiquitous in South African book stores, for example) whose theme seems to resemble: “they came from humble beginnings, and now they have made a success of themselves”, referring to a select few individuals. The theme here, which seems to be emanating from society, is one of: “regardless of your background, if you work hard, are alert to new opportunities, and are bold in your decision-making, you can become highly successful”. Apart from the material gains accompanying this success, it seems to afford those individuals a significant amount of power and social influence, as can be seen by how the interviewee *identifies* (French and Raven, 1959) with the successful individuals without having ever met them.

As such, it would seem as though the interviewee was striving towards this sort of power, but did not mention the power explicitly, as in the culture of the interviewee it was not socially acceptable to explicitly desire power. This seems largely due to the social memory of the incredibly negative impact of those who have abused power (Keltner *et al.*, 2008). “Success” however, was a more socially acceptable theme to the interviewee at the time of the interview.

5.1.6. Questioning, Clarity and Coaching

One interviewee made the following comment after the interview regarding the interview process itself.

17. “When someone asks you something, you don’t even know you believed it until you’ve said it ... It gives you focus ... clarity” (13 October 2011 12:38:12 PM).

This particular comment leaves room for a tremendous amount of investigation into the complex phenomenon of mind. The discussion returns to this note in a later section.

Another interviewee spoke of working at a local business clinic to assist those who cannot afford formal business training.

18. “... Businesses fail because they have a lack of knowledge, and instead of telling them how they failed, rather before they spend the resources, guide them through the process ... I don’t like talking to people – preaching ... I rather believe in pro-active learning and taking them through the process” (25 August 2011 02:14:47 PM).

The interviewee seems to be speaking of an entrepreneurial coaching process, where relevant knowledge is given to the “coachee” at the relevant times, being more successful, in the experience of the interviewee, than purely theoretical or academic exercises.

5.2. The Business Idea

In the recollections of the development of the business ideas of the interviewees, most of which were still in their formative stages, the following themes became evident.

5.2.1. Identifying the Need

One of the interviewees asked about the business idea that the interviewee aimed to implement responded with the following:

19. “... What it is essentially, it’s sort of a link for students seeking part-time jobs ... It hasn’t been done before – it’s just what I identified [as having] a huge demand ... [For example] sports coaches – an hour and a half a day, that kind of thing. Au pairs and information work” (25 August 2011 01:21:28 PM).

When asked how the idea came about, the interviewee responded as follows:

20. “I’ve been going back to [Pretoria] Boys’ High [School] to coach [rugby] for the last three years ... And also I tutor accounting for some of the boys at my hostel that I used to attend ... So I really find that such easy money – it’s an hour here, an hour there. And you know, being a student I’m always broke – so I thought that’s a good way just to [get] money for beer every now and then ... Also, being a student now, it might just give me a bit of an edge with access to all these students on campus” (25 August 2011 01:21:28 PM).

Importantly, it is to be noted that, at the time of the interview, the business idea was only in its formative stages, and had not yet progressed to being operational. There are, however, a number of significant insights that can come from this excerpt.

One major insight is taken once again from the conceptualisation by Mead (1934) of the “generalised other” – the interviewee had, over time, built up a generalised other called “the student”, which represented the one target audience for the idea. Understanding the need for the idea seemed to originate in the ability of the interviewee to imagine experience from the perspective of “the student”, where the interviewee was considered part of that group. First-hand visceral experience, or protosymbols, had allowed for the formation of significant symbols, allowing for the interviewee to speak on behalf of “the student”.

The need, identified as needing “money for beer”, seemed to the interviewee to be one with which many students could identify. As such, the interviewee sought to simplify the manner in which students satisfy that need, as searching for part-time jobs (a proxy need) was identified as a scattered process which could benefit from there being a single point of interface to addressing that need.

5.2.2. Strategy versus New Product Development

The interviewee from who did not identify with the construction of “the entrepreneur” (excerpt 12) mentioned the following.

21. “... there’s an oversupply of businesses in every industry in South Africa. It’s because they see [people] making money ... [and jump onto] the bandwagon ... They don’t know about business strategy. They don’t know how to formulate something that [has] a better competitive advantage than their local competitor” (25 August 2011 02:14:47 PM).

The interviewee seems to be speaking, from first-hand experience, of there being a lack of strategic behaviour in South African businesses. Of importance here is the interviewee intuitively understanding the value of the strategic or advantage-seeking behaviour necessary to build a profitable business (Hitt *et al.*, 2001), especially when there is market saturation.

5.3. Control

22. “I think my entrepreneurial spirit started with leadership – I wanted to be in control, I wanted to accomplish something” (8 September 2011 04:34:22 PM).

This particular interviewee made mention of the desire for “control” several times during this interview, which was most likely a signalling towards a desire for power and influence, but it is rather interesting that this word was used.

Sarasvathy (2001) speaks of effectuation being based on the logic of control, and the researcher notes that many of the interviewees seemed to be making use of the broad process of effectuation: each interviewee would find the various means at the disposal of that interviewee, guiding the interviewee towards constructing goals in the form of a desired organisation.

6. Discussion

As per the chief research question, the aim of this discussion of the results is to construct questions that, especially from the theoretical base presented in the literature review, could lead to new insights in the field of strategic entrepreneuring.

It is to be noted that all nouns (such as “groups” and “individuals”) used by the researcher are to be considered as convenient abstractions of reality for the purposes of description. All content and conceptualisation is recommended to be re-levated (Bohm, 1980) to the context of the reader.

6.1. The Individual and Influence

6.1.1. The Subject and Object Self

As per the conceptualisation of the subject and object phases of the self by Mead (1934), Da Silva (2007) notes that historical figures such as Socrates, Jesus and Buddha had very strong subject, or “I”, phases of selves, and so exerted a tremendous amount of influence on their various groups with whom the individuals interacted.

The desire on the part of the interviewees for uniqueness, to stand out from the crowd or peers, and for influence, coupled with the desire to be social, is a rather perplexing one. It is certainly understandable that some of the most influential people in society today have been highly individualistic – the late Steve Jobs of *Apple* being one such example.

The “I” phase of self seems only partially available to the senses because it cannot view itself – any reflective viewing of the actions of oneself becomes a viewing of the “me” phase. When observing another person, the “I” phase of the other is only partially available to the observer, as one cannot see what is happening inside the mind of the other (and the other can naturally not see their “I” phase). This would imply to the researcher that the “I” phase is something rather mysterious, and beyond complete analysis. Bohm (1980) seems to refer to this aspect of the self as being part of “the immeasurable”.

Naturally, not all individuals having a very strong “I” phase of self become great entrepreneurs – the examples of Socrates, Jesus and Buddha serve to corroborate this –

but it is entirely possible that, should an entrepreneur have a very strong “I” component, that entrepreneur might become highly influential in the group.

The first question for further research is posed as follows.

How does one develop a stronger “I” phase of self?

Following from this, a broader question is posed relating to the consequences of following such a path.

What societal consequences are experienced by having a stronger “I” phase of self, and can there be generalisation in such a question?

Fromm (1942) notes that life is a trade-off between being an individual and being part of a community – there are certainly advantages and disadvantages to both approaches.

Within the context of strategic entrepreneurship, due to entrepreneurs often acting according to the “me” phase of self, which is constructed in social interaction, it seems that the emergence of a new venture is powerfully influenced by the society in which the entrepreneur lives. Linking this to the concept of emergence, and its complexity theory implications, with consideration for the two fundamental assumptions made by Keltner *et al.* (2008) with regard to the functions of social influence, another pertinent question is posed.

To what extent are new ventures merely emergent products of present-day society as opposed to consciously willed, innovative creations?

In other words, to what extent does the venture, and its corresponding resource allocation towards addressing an opportunity, emerge from the “me” phase of the entrepreneur(s), and thus from society because the “me” is constructed in interaction with society, as opposed to the purely creative “I” phase of the entrepreneur(s)?

6.1.2. Family Influence

As per the results, family influence seems to be quite prominent in having a favourable attitude toward entrepreneurship among the interviewees. With the conceptualisation of the “I” and the “me” from Mead (1934), one major research question is posed under this sub-theme.

To what extent is the entrepreneur who has entrepreneuring family influences acting according to the “I” or “me” phases of self?

In other words, to what extent is the entrepreneur, who comes from a family that looks upon entrepreneuring favourably and promotes it, acting in a truly original manner as compared to conforming to the expectations of one of the most fundamental, primary groups known to the entrepreneur?

6.2. The Organising Theme

The description of the causal chain of events in excerpt 20, and thus the “sales pitch” (which, in itself is a narrative) envisaged by the interviewee would possibly resemble the following: “make use of the proposed service to be able to find a part-time job coaching rugby or au pairing or doing information work, which would afford you the opportunity to buy beer.”

The interviewee noted that “coaching rugby” “au pairing” and “doing information work” as well as “buying beer” are simple examples of things that “the student” could or would do. Implicit in the expression of the pitch by the interviewee is potential *generalisation* – not all students would only want to buy beer, perhaps they would want to buy clothing or other such goods or services, and not all students would only either coach rugby, au pair or do information work, perhaps they would work as bartenders. This would likely originate from the understanding that focus on a very precise sales pitch during business execution and signalling to the market limits the number of potential customers that could be addressed, and thus the potential profits from the business.

It would seem as though, as one generalises the sales pitch to larger and larger target audiences, one requires the appropriate terminology to refer to a grouping of the target audience needs. For example, a generalisation of part-time rugby coaching, au pair work and information work could take the form of “part-time work”. However, this might be too broad a generalisation as there is a large variety of jobs that could fall within that description, so narrowing of the generalisation would possibly occur to one resembling “part-time, ad hoc, contract work amenable to students.”

Eventually, this generalisation, the result of what would seem to be a heuristic search, most likely in interaction with potential clients in the form of protosymbols, significant

symbols and reified symbols, would form the overarching narrative in the organising process towards fulfilling the need. It could perhaps become a mission statement of sorts to future employees in guiding the daily activities of employees in serving clients. Other narratives regarding work life for the employees would possibly be connected to this narrative over time.

This example is one constructed by the researcher, and it would be important to continually interrogate this process, perhaps in the following form.

What are the key factors involved in developing a generalisation which is accurate (in terms of its understanding of the target audience) and stable (in terms of its propagation through the organisation) enough to facilitate the organising process for long enough to profit from collectively addressing the target audience need?

It can be conjectured that, as the needs and composition of the target audience shift over time, this organising narrative would also need to shift.

6.3. Employee Organising

Considering the possibility that this narrative would become the over-arching theme for the organising process for all employees, the following question becomes important.

What are the key criteria for a central organising narrative that will allow for a coherent understanding of the reason for the organising process in each and every employee?

In a non-academic context, but something which seems to have benefited numerous entrepreneurs in practice, Kawasaki (2004, p 6) speaks of a “mantra” which is defined as a very clear, concise, simple statement that informs all employees as to what the purpose of the organisation is and what it does on a daily basis. This seems to be an extension of the traditional concept of a business mission statement. It would be of interest to perform an academic investigation into the long-term patterns of organising triggered by such a “mantra” or if there are other forms of organising narratives that would be of practical use. It is intuitively appealing to have a very simple, concise statement of what an organisation does as opposed to a long, complex one that would be restrictive and subject to misinterpretation.

Of course, it might be that existing new ventures make use of organising narratives of varying degrees of clarity to each of its employees, and so the following research question is posed.

What forms of organising narratives have historically been, and are currently being, applied towards facilitating the organising process, and what are the corresponding patterns of organising facilitated by these different narratives over time?

The second half of the aforementioned question might be very difficult to ascertain, especially where there are large numbers of employees involved. Here, it is most likely that insight from the complexity sciences, as per the literature review, might be of use.

6.4. Entrepreneurship and Leadership Coaching

As was mentioned in the results, with specific reference to excerpt 17, the interviewee commented that the questioning process of the interview itself gave the interviewee further focus and clarity on the intended business venture.

Apart from bolstering the idea that truly objective observation is not practically possible, this raises important questions about the development of a coherent organising theme in a potential venture. Kline (2007), in writing on the topic of coaching in the business context, notes the power of incisive questioning in unlocking individual potential.

The chief question is posed in this regard as follows.

What are the effects of leadership or business coaching of would-be entrepreneurs on the organising process and its resultant patterns?

It is conjectured that such coaching would allow for a more coherent, stable organising process through interrogation of contradictory internal narratives, as the coherency of the conversations in the mind of the individual would be increased, and thus patterns of action would be more coherent with these conversations.

6.5. The Explicit Desire for Power

Looking at the explicit desire of one of the interviewees for “control” (excerpt 22), and thus most likely social influence, as opposed to the desire of another interviewee towards, what seemed to the researcher to be, setting an example for others and indirectly exerting social influence (excerpt 1), another question is posed.

What is the organisational patterning, over time, set in motion by entrepreneurs whose explicit desire is social influence, as opposed to those whose desire takes on a more altruistic stance of only furthering the interests of, or seeking what is best for, the group?

To the one extreme, where power is explicitly desired, it can be conjectured that aspects from such perspectives as the mechanistic systemic perspective are appealing to such individuals in that they seem to promise holistic control and thus influence. To the other extreme, where the desire for power is given up in favour of only furthering the interests of the group, it is imaginable that different sorts of patterning will be evident, and perhaps different mental frameworks are necessary for navigating such patterning. The mechanistic systemic perspective, as discussed in the following section, could possibly be limited in its long-term ability to further the interests of any group.

Both approaches could at least in the short-term result in the affordance of power to the individuals. Should one, however, desire power for selfish gain, and the group deems the resultant activities of the individual as not furthering the interests of the group, according to the principles developed by Keltner *et al.* (2008) the group will most likely attempt to find means to undermine the power of that individual.

Note that this question could be generalised further to encompass not only patterning triggered by entrepreneurs in organisations, but by any other individual in relation to any social group.

6.6. Systems Thinking

From the literature review of systems thinking and contrasting it with responsive process theory (Stacey, 2011), it seems as though systems thinking is based on a desire for holistic control of an organisation.

6.6.1. Re-levance of the Systems Language

As per insights gleaned from Derrida (1967) and Mead (1934), the researcher is lead to question the nature of systemic thinking and the form that it takes in organisational reality.

A simple, practical example of organisational design from a systemic perspective would most likely include a reporting structure or organisational chart, as well as incentive schemes to ensure that employees, as “parts of the system”, perform according to the over-arching organisational design, with its various inputs and outputs.

The manifestation of this in organisational reality takes place in communication, such as daily politics in the office (Stacey, 2011), or perhaps printed organisational chart diagrams handed out to employees, or job descriptions sent via electronic mail. The organisational chart gives legitimate power (French and Raven, 1959) to those “higher up” than oneself in the design, and thus facilitates certain patterns of power plays between employees.

Centralised control in the systemic perspective says that those “higher up” in the organisational chart can dictate who should be hired for a particular position. If, however, the assumptions made by Keltner *et al.* (2008) are correct, then “the group” will find ways to either further legitimate the established power relations, or undermine them by way of gossip and ridicule.

The powerful example by Roderick (1993) of a grocery list is recalled here, where language can function in the radical absence of the speaker. This example can be likened to the organisational design: this design, the “system”, constituted in language (whether this is in the form of protosymbols, significant symbols or reified symbols), becomes the occasionally revised remnant of the intentions of the original authors of the design. Notably, as per the insights of Derrida, one cannot read the original intentions of the author in the design, especially in the absence of the original author, and the design is therefore always subject to potential misreading. The researcher hypothesises that, in organisational life, this takes the form of what is commonly known as *unintended consequences*.

A question of primary significance is posed as follows.

Where is the practice of organisational design, and thus systems thinking, re-levant (in the sense gained by reading Bohm, 1980)?

6.6.2. Pervasiveness

Excerpt 22 shows the desire of one interviewee for control. Thinking of the parents and various prominent business figures whose examples and teachings have influenced these interviewees, and, in turn, the influences of those influential figures, it is entirely possible that this could have, at some point, been informed by the systemic perspective. Thus, several lines of inquiry emerge. The first of these questions is as follows.

To what extent is the desire for control a prominent factor in the process of historical and present-day entrepreneuring, and to what extent, if any, is this informed by systems thinking?

Should systems thinking already be an influential theme in present-day organising (and thus entrepreneuring), a follow-on question is posed for future research purposes.

What are the long-term patterns of organising set in motion when the organising process is founded on systemic thinking?

6.6.3. Alternative Modes of Organisational Thinking

With regard to the systemic thinking paradigm, a final question is posed for research purposes in the hope that the results of the inquiry could inform prescriptive measures for assisting entrepreneuring individuals.

What alternative patterns are possible in the process of human organising, and what are the perspectives and narratives informing those patterns, especially considering the potential for diversity in the perspectives and organising narratives within individuals themselves, in an “organisation”?

6.7. Entrepeneuring and Influence

The two chief questions posed by Moroz and Hindle (2011) are again brought to the fore.

1. What exactly do entrepreneurs do that is distinct from managerial functions?
2. How do they do it?

It is the opinion of the researcher that it seems to have been forgotten that at some point in history, “commerce”, as the theme is currently understood, did not exist. As per Watson (2005, p 71), the first coins were only developed between 640 BC and 630 BC. The concept and practice of “entrepreneurship”, therefore, must have emerged at some point in history as well (admittedly, trade between people does seem to have preceded the development of currency, however any claims as to the existence of entrepreneuring behaviour at that time, as the behaviour is presently understood, would most likely be dubious).

It would also seem to the researcher that the relatively vague concepts of “entrepreneur”, “entrepreneurship” and “entrepreneuring” could simply be considered to be themes (in protosymbols, significant symbols and reified symbols) emerging in society at the time of this writing to refer to a relatively stable, often repeated pattern of human activity.

A theme which seems to have been running for much longer throughout human history is that of power, or social influence. Should the assumption by Keltner *et al.* (2008), that power is afforded to those who further the interests of the group, be correct, could “what entrepreneurs do” or the process of entrepreneuring, simply be one of the present-day themes (“paths”, “channels” or “avenues” carved out in the broader societal patterning) at the disposal of individuals to seek out power and influence? Could “management” be yet another theme in this pursuit? And could “entrepreneuring” and “managing”, upon closer examination of their composition, be heavily interacting themes in this pursuit?

As such, is it not conceivable that the process of entrepreneuring several hundred years ago was quite dissimilar and distinct to that which takes place presently? Is it not also conceivable that the process of entrepreneuring could, in the future, take on some other form, or even be replaced completely by some other patterning more amenable to the interests of the group?

Does the study of entrepreneurship, or entrepreneuring, then lose significance? The researcher is of the opinion that it does not. However, content generated in the pursuit of knowledge of such a dynamic process within society, which seems to be governed by deeper laws than previously investigated, needs to be continually re-levated to allow for practical application of relatively stable principles within those contexts. The theory, in

the spirit of deconstruction (Derrida, 1967), will forever more be in need of “tidying up”.

In fact, it seems rather paradoxical to attempt to attribute a static definition (with ink on paper) to something which, by its very nature, is dynamic, and is moving and being moved by dynamics both small and large.

How then shall we proceed?

The suggestion of the researcher is: with open eyes, inquiring minds and an appreciation for one another.

7. Conclusion

7.1. Purpose

The research problem, in response to the call by Moroz and Hindle (2011), was that there seemed to be a lack of coherency and validity in contemporary process-oriented models of entrepreneurship (referred to in this study as *entrepreneuring*), and thus new models were required.

Towards developing models with greater validity and usefulness to both academics and practitioners, this study aims to construct a set of questions to form the basis for future studies. These questions are informed by newer paradigms in organisational research as well as data from qualitative, exploratory interviews.

As per Venkataraman and Sarasvathy (2001), the strategic, or advantage-seeking, dimension of *entrepreneuring* cannot be ignored, and so is understood in this study only as *strategic entrepreneuring*. The eventual result of this questioning is hoped to be the development of new, context-dependent models or frameworks to better understand the process of strategic *entrepreneuring*. This questioning took place within the context of the nascent aspect of the process of strategic *entrepreneuring*.

Subsequently, the aim of this study was met, having developed numerous questions for further research, and the findings are summarised in the following section.

7.2. Findings and Future Research

The major finding in this study is that the deeper, longer-running dynamics of social influence seem to not have received the attention these dynamics deserve in the literature, and serve as a rich over-arching theme in which the more detailed theme of strategic *entrepreneuring* can be seen to take place. As such, with insights from complexity theory, the researcher believes that it is possible in future to develop more coherent, useful models, with an understanding of their contextual sensitivities. These models can more broadly encompass what is currently understood as the process of strategic *entrepreneuring*, and possibly even the broader process of human organising.

The implicit finding of this study is that the philosophical paradigms employed provide an extremely rich set of tools and perspectives for understanding the data. These tools can be considered, on the basis of this study, far richer than the tools that other simplistic models of entrepreneurship could provide, although the level of detail in the provided frameworks can become rather incredible.

The possibility for complete generalisability of any theory, given the nature of reality from the perspective of the chosen paradigms, is also questioned, but the provided frameworks do seem to allow for broad enough thinking to potentially encompass any culture or context. With that in mind, there at least exists the possibility to recognise patterns within the detail, which could perhaps provide relatively stable generalisations for long enough to provide practical benefit for practitioners.

From the discussion of the results, a number of questions for future research were extracted and are summarised here.

7.2.1. The Subject and Object Self

Making use of the “I” and “me”, or subject and object, phases of self developed by Mead (1934), from observations in the data, the following questions were posed.

- 1. How does one develop a stronger “I” phase of self?*
- 2. What societal consequences are experienced by having a stronger “I” phase of self, and can there be generalisation in such a question?*
- 3. To what extent are new ventures merely emergent products of present-day society as opposed to consciously willed, innovative creations?*

7.2.2. Family Influence

Again employing the paradigm put forward by Mead (1934), noting the impact that family had on a number of the interviewees, the following question was posed.

- 4. To what extent is the entrepreneur who has entrepreneuring family influences acting according to the “I” or “me” phases of self?*

7.2.3. The Organising Theme

Through the lens of responsive process theory developed by Stacey (2011), based on that of Mead (1934) but making use of insights from the complexity sciences and process-oriented philosophies, the basic narrative describing a business idea is isolated from the data. Inherent in the example is the concept of generalisation: moving from a very specific definition of the value the entrepreneur intends to add, towards a more general definition, the aim of the exercise being to increase the number of potential clients for the business and/or to better serve the needs of those clients.

It is maintained that this heuristic process of generalisation is somewhat significant in some entrepreneurial contexts, as the generalisation assists towards forming a central organising theme around which daily activities in the business are organised. This theme could possibly have been explicitly defined, or it could possibly be an emergent phenomenon from the daily running of the business, or perhaps both. The following question is thus posed.

5. *What are the key factors involved in developing a generalisation which is accurate (in terms of its understanding of the target audience) and stable (in terms of its propagation through the organisation) enough to facilitate the organising process for long enough to profit from collectively addressing the target audience need?*

7.2.4. Employee Organising

Following from the earlier understanding of the process of target audience generalisation and the central organising theme, two more questions regarding the relationship between the central organising theme and the employees of the venture are posed. The second of these questions could possibly benefit from computer simulation such as is seen in the complexity sciences.

6. *What are the key criteria for a central organising narrative that will allow for a coherent understanding of the reason for the organising process in each and every employee?*
7. *What forms of organising narratives have historically been, and are currently being, applied towards facilitating the organising process, and what are the*

corresponding patterns of organising facilitated by these different narratives over time?

7.2.5. Entrepreneurial and Leadership Coaching

Following from remarks of two interviewees, there does seem to be something inherently powerful in the process of incisive questioning, and thus perhaps coaching, in clarifying conflicting internal narratives. It was hypothesised that such questioning or coaching could potentially simplify the organising narrative, which would have emergent effects on future organising patterns. The effects of this, however, are to be determined in future research.

8. What are the effects of leadership or business coaching of would-be entrepreneurs on the organising process and its resultant patterns?

7.2.6. The Explicit Desire for Power

Comparing what seemed to be different underlying motives towards entrepreneurial of two interviewees, it is imaginable that one might, at one extreme, desire and seek after power and influence, and at the other extreme desire only that which is best for the group (the target audience, society, and so on) – both desires could, in the short-term, result in affordance of power by the group. The long-term emergent patterning of social interaction in these differing underlying desires, however, is questioned.

9. What is the organisational patterning, over time, set in motion by entrepreneurs whose explicit desire is social influence, as opposed to those whose desire takes on a more altruistic stance of only furthering the interests of, or seeking what is best for, the group?

It is conjectured that, according to the power principles set out by Keltner *et al.* (2008), an individual whose explicit desire is power is more likely to engage in activities which favour selfish gain, and if the group sees those activities as not furthering the interests of that group, means will be found to remove power from that individual.

7.2.7. Systems Thinking

Stacey (2011) points out fundamental flaws in systemic thinking when applied to the process of organising human effort, and attention was drawn to similar calls by such

authors as Derrida (1967). From the desire of one interviewee for control, as well as what seems to be a promulgation of this flawed perspective in the literature, the following questions emerged.

- 10. Where is the practice of organisational design, and thus systems thinking, re-levant (in the sense gained by reading Bohm, 1980)?*
- 11. To what extent is the desire for control a prominent factor in the process of historical and present-day entrepreneuring, and to what extent, if any, is this informed by systems thinking?*
- 12. What are the long-term patterns of organising set in motion when the organising process is founded on systemic thinking?*
- 13. What alternative patterns are possible in the process of human organising, and what are the perspectives and narratives informing those patterns, especially considering the potential for diversity in the perspectives and organising narratives within individuals themselves, in an “organisation”?*

7.3. Research Implications

As indicated in the discussion, the primary questions posed by Moroz and Hindle (2011) themselves were questioned in this study, where the researcher recommends understanding the process of entrepreneuring as a convenient, relatively stable channel in the present day in the deeper, longer-running theme and patterning of power and social influence in society. As such, its process-oriented nature is far more clearly understood and a great deal more potential is evident for understanding the process of entrepreneuring within this context.

Further research along these lines will benefit tremendously from an in-depth reading and critical interrogation of the literature surveyed in this study.

7.4. Recommendations for Nascent Entrepreneurs

The most prominent contribution to nascent entrepreneurs highlights the need for a paradigm shift away from systems thinking towards responsive process thinking. The

systemic paradigm, when applied to thinking in organisations, perpetuates the illusion that one can truly stand apart from “the organisation” and design its fate and workings by way of intricate hierarchies, strict input and output mappings, narrow job descriptions and stifling incentive schemes. This is especially true as more people join the organisation, and as markets begin to shift more rapidly in an increasingly interconnected business environment.

Instead, entrepreneurs are urged to rethink the concepts of control and predictability when attempting to “architect” an organisation – one is, after all, dealing with human beings, and not cogs in a machine. Rather shift attention towards the nature of the organising process, paying heed to how this is accomplished in language and power plays in everyday interactions.

Finally, a plea is made for entrepreneurs to move on from a place of wanting to control the lives of others, letting go of that desperate clinging to “their business idea”, towards empowering others. The entrepreneurs are then to watch the creativity of those people unfold as they create *real value* for themselves, others, and the entrepreneurs themselves, and enjoy being initiators of such powerful motion.

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Appendix – Interview Questions

The following questions were asked of participants during the interview in order to answer the fundamental research question.

1. *Tell me about who you are (your background, upbringing, important influences, significant events in your life, and the meaning you attach to them, and the types of social groups in which you would include yourself).*
2. *Tell me the story of how you have come to start/attempt to start your business, including the significant people and events that have influenced you along the way.*

These questions are of an open-ended nature, designed to stimulate discussion and exploration of participants' individual narratives. Participants were guided, as per the methodology, to focus on the subjective meanings (including triggered emotional states) that were attributed to the various events within the narratives.