

Enterprise: Concepts and Issues

THE GLOBAL MANAGEMENT SERIES

Enterprise: Concepts and Issues

Norin Arshed and Mike Danson

(G) Goodfellow Publishers Ltd

(G) Published by Goodfellow Publishers Limited,
26 Home Close, Wolvercote, Oxford OX2 8PS
<http://www.goodfellowpublishers.com>

British Library Cataloguing in Publication Data: a catalogue record for this title is available from the British Library.

Library of Congress Catalog Card Number: on file.

ISBN: 978-1-910158-77-7

Copyright © Norin Arshed and Mike Danson, 2016

All rights reserved. The text of this publication, or any part thereof, may not be reproduced or transmitted in any form or by any means, electronic or mechanical, including photocopying, recording, storage in an information retrieval system, or otherwise, without prior permission of the publisher or under licence from the Copyright Licensing Agency Limited. Further details of such licences (for reprographic reproduction) may be obtained from the Copyright Licensing Agency Limited, of Saffron House, 6–10 Kirby Street, London EC1N 8TS.

All trademarks used herein are the property of their respective owners. The use of trademarks or brand names in this text does not imply any affiliation with or endorsement of this book by such owners.



Design and typesetting by P.K. McBride, www.macbride.org.uk

Cover design by Cylinder

Contents

	Acknowledgements	vi
	Biographies	vii
	Preface	x
1	Understanding Entrepreneurship: An introduction Mike Danson and Norin Arshed	1
2	Economic Theories of Entrepreneurship Julie McFarlane	15
3	Creativity, Innovation and Entrepreneurship Julie McFarlane	35
4	Diversity in Entrepreneurship Harveen Chugh and Michelle Nguyen	55
5	Social Entrepreneurship Linda McGilvray with Lloyd Parker, Patrick Quinn and Diarmuid Cowan	73
6	Corporate Entrepreneurship Lai Hong Ng	93
7	Family Business John Sanders	113
8	Entrepreneurial Leadership UmmeSalma Mujtaba	131
9	International Entrepreneurship and Growth Yen Tran and Spiros Batas	157
10	Exit: Failure and Success Jaydeep Pancholi and Norin Arshed	179
11	Enterprise Policy Norin Arshed and Mike Danson	197
12	Business Ethics Jane Queenan	213
	Index	229

Acknowledgments

We are grateful to all those who helped shape the text especially our authoring team who deserve special mention. Conceiving, writing and rewriting each contribution has stretched some to the limit and all to deliver with humour and patience a valuable and coherent set of chapters. We welcome your individual and collective efforts in meeting the tight, if not impossible, deadlines. To our colleagues at Goodfellow Publishers, we remain indebted for their encouragement, support and advice.

NA and MD

Dedications

We would like to thank our colleagues who helped in writing this book.

NA and MD

Biographies

Norin Arshed is Programmes Director for the Leadership and Organisational Performance suite of MSc programmes in the Department of Business Management at Heriot-Watt University. She is an economist by background with professional experience both in the public and private sectors. Her work concentrates on enterprise policy, in particular, the role and contribution from those closely linked to the formulation process (ministers and civil servants), whilst also examining how enterprise policy is implemented (national, regional and local economic development agencies), and how entrepreneurs/SMEs experience and utilize such policy initiatives. Institutional theory is the theoretical lens used to highlight the dynamics of the enterprise policy process in her work.

Harveen Chugh is a consultant in entrepreneurship for start-ups and growing companies. She specialises in working with HE students and graduates to provide mentoring and coaching. She has consulted to the UK government on the Sirius graduate entrepreneurs programme and she was formerly a Lecturer in Entrepreneurship and Strategy at Royal Holloway University of London. Harveen gained her PhD in entrepreneurship from Imperial College London and has published research on entrepreneurial learning, feedback and university start-ups. As an ethnic minority female of Indian origin, Harveen champions diversity in entrepreneurship and supports organisations such as Girls Talk London and London Geekettes.

Mike Danson is Professor of Enterprise Policy at Heriot-Watt University and has worked widely on issues about urban and regional economic development, island and rural economies and enterprises, demographic change, volunteering, Gaelic, microbreweries and poverty. He has published 13 edited books and over 200 papers. He has advised parliaments, governments, and such organisations as the OECD, European Commission, Scottish Enterprise. Mike was recently awarded the prize for the best book in regional studies and graduated with the first DLitt from the University of the West of Scotland in 2012. He is Treasurer of the Academy of Social Sciences.

Lai Hong Ng is an Associate Professor in Marketing in the School of Management and Languages at Heriot-Watt University Malaysia. She has extensive experience in administration and teaching with a career that spans over 17 years across higher education institutions in Malaysia and UK. She teaches marketing and management courses to both undergraduate and post-graduate students. Her past research efforts have focused on services marketing, teaching and learning

and student experience. Currently researching on developing learning spaces for educating Gen-Z in HEIs and the behaviour of interacting parties in service encounters – an interdisciplinary research borrowing literatures from social psychology.

Michelle Nguyen is a Programme Manager for International Trade and Investment promotion in the UK. She has previously advised and worked on projects for the Irish Government and the European Parliament. Michelle has a varied professional background in establishing new ventures, conducting international business, building client relationships and delivering corporate training. She has worked across blue chip companies, family-run enterprises and business incubation environments. Michelle holds a BA (Hons) in Economics and Social Studies from NUI Galway and an MBS in International Entrepreneurship Management from University of Limerick. Michelle's particular areas of interest are investigation of the environment required for success, the psychology of entrepreneurs and acting as a connector within industry.

Julie McFarlane is Assistant Professor for the School of Management & Languages at Heriot-Watt University, teaching areas in business, marketing and enterprise. She recently completed a PhD in Entrepreneurial Business Models in the Creative industries at the University of Strathclyde's Hunter Centre for Entrepreneurship. Prior to her PhD, Julie received a MSc (with Distinction) in Innovation, Commercialisation and Entrepreneurship from the University of Stirling as well as a BA (with Honours) in Business Studies and Marketing, and has over 10yrs experience working closely with entrepreneurs. Julie also has an interest in dynamic business models, specifically the process of entrepreneurship in the music industry.

Linda McGilvray has over 20 years' experience of working within the private, public and third sectors. As well as lecturing in social enterprise and business planning she has gained much of her professional experience researching economic and social issues for Scottish regeneration agencies. Linda has also worked in the social enterprise sector and managed a WISE project called *true GRIT* in Glasgow, which was dedicated to providing market and social research services. Lloyd, Patrick and Diarmuid were students in HW's Social Enterprise class during 2014-2015 and their contributions to the subject of social entrepreneurship were formative in the development of Chapter 5.

UmmeSalma Mujtaba is a Teaching Fellow in Management and International Business in the School of Management and Languages based at the Dubai Campus. She is also undergraduate year 1 and 2 coordinator at the School of Management and Languages.

Jaydeep Pancholi is a PhD student within the School of Management and Languages at Heriot-Watt University, Edinburgh. His PhD thesis is investigating business strategy within the context of conflict zones, reviewing stakeholder influences on strategic decision and conflict resolution. Prior to this Jaydeep gained a BA (hons) in International Business and Marketing at the University of Strathclyde, Glasgow, including an exchange at Nanyang Technological University, Singapore, studying courses in management and culture. This was followed by work at a leading automotive manufacture in corporate fleet. Jaydeep's academic interests are rooted in his extensive voluntary work in personal development and corporate sustainability while being a trainer for a global NGO.

Jane Queenan is an Associate Professor in the Department of Business Management, School of Management and Languages at Heriot-Watt University. She lectures in Entrepreneurship and Business Ethics. Jane has many years of experience in the field of business development and founded and managed two successful consultancy practices prior to entering academia.

John Sanders is an Associate Professor in Management in the School of Management and Languages at Heriot-Watt University. He teaches strategic management courses to both undergraduate and post-graduate students. In addition, he teaches a small business management course to final year undergraduate students. Strategic fit within a University setting was the subject of his PhD. His past research efforts have focused on Internet portals, website quality, social networks and the market reach of rural small firms in Scotland and New Zealand.

Yen Tran is an Associate Professor of Strategy, Innovation and Entrepreneurship. She completed her PhD at Copenhagen Business School (Denmark) and Stanford University (USA), obtained her MBA at Asian Institute of Technology (Thailand) and Ohio State University (USA) and her BBA at Hanoi Foreign Trade University (Vietnam). Her research has been internationally recognised at world-class conferences (the Academy of Management Conference) and published in world-class journals such as *R&D Management*, *Management International Review*, *Long Range Planning*, *International Business Review* and the *Academy of Management Best Paper Proceedings (USA)*. Her research area is within international entrepreneurship, capability development, knowledge management and new venture creation particularly in emerging markets. She also is an active member of the Academy of Management (USA).

Preface

Entrepreneurship throughout the world is awakening a revolution that is reforming and revitalising economies at all levels, with the establishment of both new ventures and the growth of existing businesses as crucibles for change. This rising recognition of entrepreneurship and entrepreneurs means they have become global phenomena over the last 25 years, whereby entrepreneurship is seen as a key driver of economic and social development. The entrepreneurial process underpinning these developments can be found in business start-ups, in growing enterprises and in multinational corporations and so the study of entrepreneurship has generated considerable interest from academics as well as policy makers and practitioners. To improve national competitiveness and promote resilience, governments are seeking to increase business start-up rates and improve the contribution of growing firms to employment and economic growth. For scholars, the importance of entrepreneurship to employment, innovation, productivity and income growth has led to increasing numbers of researchers investigating and contributing to the field.

This book introduces many of the terms, theories and practices in the fields of entrepreneurship and enterprise. It covers their origins and development and addresses their drivers, barriers and evolution into new areas of business and economic activity. Academics continue to debate and dispute what defines an entrepreneur, often using the terms self-employed, small business owner, small business owner/manager and entrepreneur interchangeably (Lundstrom and Stevenson, 2005). While the term 'entrepreneur' is French in origin, a literal meaning might translate as 'one who takes between' (Deakins, 1996). In the literature and practice fields today entrepreneurial behaviour has been extended beyond the individual running their own business into groups operating within larger companies. To understand how entrepreneurship is being applied across the economy, it is necessary to explore these different dimensions and these are offered in different chapters and studies reported here.

The confusion between entrepreneur, enterprise and small business confounds these definitional problems. Defining the term 'small business' is very difficult anyway, since there are conflicting ideas upon which factors to base the analysis as Storey (2002, p. 8) comments: 'there is no single, uniformly acceptable, definition of a small firm'. Definitions from the Bolton Report of 1971 are regarded by many to be of dubious value to a sector that has changed in complexion, composition, contribution and structure over the last few decades (Storey, 2002).

In more recent times, entrepreneurship has become a media favourite and is showcased in such spectacles as 'The Apprentice' and 'Dragon's Den' and individuals such as Mark Zuckerberg, Richard Branson and the likes of Jay Z are held in high esteem as enterprising celebrities. Despite this enhanced interest and profile, however, many would still claim that they do not know any entrepreneurs. Do you? Are any of your close relatives entrepreneurs, as family businesses are a significant part of the overall enterprising economy? Data on entrepreneurship, enterprises and SMEs (small and medium enterprises) have improved with the expansion of this sector of the economy, but the business structure does not fully reflect the diversity of society. So why might many women, young people, the unemployed and those living in social (rented) housing not have recognised that they knew an entrepreneur and why are they so under-represented amongst small business owners? These features of the 'entrepreneurial class' are examined in various chapters of this book to give some insights into the barriers, challenges and policies active in different and contrasting economies.

There is a significant degree of overlap between the characteristics of successful entrepreneurs and successful firms with leadership, creativity and innovation featuring in both academic studies and practitioner strategies. Each of these is introduced and analysed in this collection both in their entrepreneurship and wider economic and business contexts. Again there are benefits to both the individual and the company in research and practice from an appreciation of the transferability of the skills, attributes and behaviours underpinning these elemental factors.

Norin Arshed and Mike Danson

References

- Deakins, D. (1999), *Entrepreneurship and Small Firms* (2nd ed.), McGraw-Hill, Maidenhead.
- Lundstrom, A., & Stevenson, L. (2005). *Entrepreneurship Policy – Theory and Practices* (ISEN International Studies in Entrepreneurship). Birkhäuser: Springer.
- Storey, D. J. (1994). *Understanding the Small Business Sector*. Croatia: Thomson.

