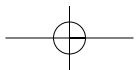
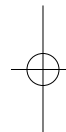
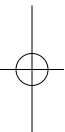


# Part 1

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## Studying Enterprise, Entrepreneurship and Small Business

The book is split into three main parts. Part II looks 'inside' the enterprise (Chapters 3–8). Part III focuses more on the 'outside', the broader context in which enterprising activity takes place (Chapters 9–11). Chapter 12 concludes the book. However, this part – Part I – comprises Chapters 1 and 2 and introduces the topic. The first chapter provides an intellectual overview of the major themes and topics we will look at throughout the book. Chapter 2 provides a map to studying enterprise, and explains the sort of tools – theories, methods, concepts, and so on – we will use.



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# 1

## Introduction

### Overview

This chapter has the following objectives:

- To explain the need for a contextualised appreciation of enterprise, entrepreneurship and small business.
- To demonstrate the growing contemporary importance of enterprise through a brief historical analysis of its development.
- To introduce competing perspectives explaining the rise of enterprise, entrepreneurship and small business.
- To explain the orientation, content and plan of the book.

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### Why 'Enterprise'?

Enterprise is becoming more and more an important part of our experience of life and work. Many students will find themselves, one way or another, having to 'create' their own jobs after graduation. Even within large organisations employees are increasingly being asked to work in entrepreneurial ways. Governments, corporations, even churches and universities all clamour to sing the praises of the enterprising spirit. My own university has 'entrepreneurs in residence' and 'professors of practice' that also run successful business ventures. You may even be taking a course where you are running your own business as part of your degree. Entrepreneurs like Richard Branson are seen as world heroes by many. Television shows make minor celebrities of minor entrepreneurs: putting aspiring innovators and chancers and their business ideas through the mill of questions and tests, for the voyeuristic pleasure of the viewer to see who has won, lost or made a fool of themselves. It seems that everyone has plans to be his or her own boss someday. Enterprise is everywhere.

If this is the first time you have studied enterprise, entrepreneurship or small business studies you won't know how different this book is from other textbooks that have come before. It's straightforward, thought-provoking and broad in its

intellectual outlook. Most enterprise or entrepreneurship texts are huge and heavy bricks of books, with an emphasis on facts and advice about how to run a business. This book is about enterprising people, the enterprising things they do, and the environment in which it all takes place: we are studying business, not learning how to run one.

This book could have been called an *Introduction to Small Business Studies* or *Entrepreneurship Studies*. The choice of the word *Enterprise* in the main title, and as the organising principle of the book is for good reason. As will become apparent there are a lot of different, sometimes contradictory, behaviours and forms of activity that can be described as enterprising. The study of enterprise encompasses the criminal *and* corporate, as well as the classical small business entrepreneur. It comprises of entrepreneurship, small business, micro-business, the self-employed and all manner of contexts in which these are found. Even whole organisations can be described as operating in an enterprising manner. In Chapter 2 we will learn that this breadth of meaning can cause a lot of debate and disagreement about what we really should be studying and researching under the banner of 'enterprise'. These thorny definitional and boundary issues can wait until later. What should be noted now is that the common factor between the classical entrepreneur, the criminal wheeler-dealer and the entrepreneurially-minded corporate financier is a go-getting, can-do attitude. They all share an ethos – a distinctive and habitual way of thinking and doing – about the role of the individual in the world, and the way to get on in it. It is looking at enterprise as a moral outlook that provides an occasional but uniting theme running through this text.

As I suggested above, the enterprise ethos is currently very popular and common in many parts of the world today. It wasn't always the case. Thirty years ago the Western nations thought the way to economic and social prosperity was through **economies of scale** and large organisations, where competitive pressures could be absorbed easily, and job security, and hence social stability, ensured. Weren't small firms supposed to die out, as the economy became more efficiently organised in large organisations? Thirty years ago much of the world didn't even have capitalist economies (communist China and Russia both had largely closed and planned economies). Thirty years ago it was rare for universities to have business schools, and where business was taught they did not offer courses in enterprise, entrepreneurship and small business. That you are now taking a course in enterprise reflects its perceived importance. This book will offer answers to why this is the case.

We will then need to have a small grasp of history to understand these changes. But there are many other subjects we'll have to engage with to understand our topic. We shall look at business studies sub-disciplines such as entrepreneurship and small business studies for sure, but we will also learn about economics, psychology, sociology, and management and organisation theory, even philosophy. This is another of the differences of this textbook from others in the area. We will look at enterprise from a broad intellectual perspective. The boundaries between things are often where all the interesting stuff goes on. It's the same with academic disciplines too.

Our text also emphasises the generic elements of the subject, downplaying the tendency for national and intellectual parochialism. Being British this has been

**Economies of scale** are the savings that organisations make because they can produce large numbers of things or provide services in the same standardised and repeated manner, using capital investment efficiently.

hard for me sometimes. Like most people I see what goes on in my backyard as crucially important. But as my overseas friends remind me, the United Kingdom doesn't have an empire anymore and isn't the centre of the universe: we live in a global space. Whilst different nations have particular types of enterprising environments (governments have different tax laws and different approaches to enterprise support, for instance), the commonalities between nations are stronger and more relevant than the differences.

If this is a set textbook for your enterprise course, then it is because your professor, lecturer or tutor feels that the book covers the range of the topics in a way which is appropriate to the aims of your degree. But textbooks can't do everything. This is not a book that will prove practically useful to working out how to run a business. There are hundreds, probably thousands, of books designed to do this. Hopefully you will also have an opportunity to take a course to see what running a business is like first hand. Maybe, like me (when I was younger I ran a very small independent music record label in London) you have already run your own business, or maybe you hope to do so.

If you have seen the value in getting a university education, you will no doubt see the value in studying enterprise in an academic way. It is not just entrepreneurs that the world needs. Many of you may build careers in IT, banks and other financial institutions, or in the public or voluntary sectors. In all of these careers understanding how enterprise works is important. The argument of this book is that enterprise is far more than simply the activity of entrepreneurs and small business owners. It is about the defining ethos or morality of our time. Understanding the implications, manifestations and context of enterprise is vital to being a knowledgeable and sophisticated worker citizen of the twenty-first century.

## The place of enterprise in the twenty-first century

The evidence is diverse, globally uneven and often contradictory, but that enterprise represents a significant and distinct facet of the developed world that in many ways is different from the past, is perhaps crushingly obvious. This section explores why this is the case and introduces some of the major themes covered in this book.

How about we start with a dictionary definition? Enterprise is: 'an undertaking or new project, *esp* when bold or dangerous; readiness, initiative and daring in undertaking; a business concern' (Chambers 1993: 561). We can see that in addition to its meaning a business entity – an enterprise – it also denotes an orientation: a way of doing things that is active, creative, positive, and occasionally dangerous. The word enterprise and enterprising can be ascribed to both individuals and collectives, such as organisations: both Bill Gates and Microsoft might be described as enterprising.

It is not surprising that we start with a dictionary definition. The language we use to explain ourselves is important. In the developed economies the processing of

knowledge and information – words and numbers, and even more words and numbers – have become the main drivers for economic and social change, replacing manufacturing and the primary industries which dominated the nineteenth and twentieth centuries. The importance of enterprise as a way of describing the character of these changes is essentially the point of this book.

One of its main themes is that amongst all the facts and statistics relating to the growth and importance of small entrepreneurial enterprises, or the facts and statistics showing that this growth and importance is over-emphasised, one central fact stands tall. What is definitely the case amongst all the hype and counter-hype, is that people everywhere talk and write about enterprise. This is interesting, and academics have for some time been researching why we talk and write so much about certain things and not other things. As it relates to enterprise the main location of these debates have been in discussion of the ‘enterprise culture’ (C. Gray 1998).

Originating in the early 1980s this debate focused on the political response in the US and UK to the earlier economic and social problems of the 1970s, and the desire of politicians to create environments that encourage people to take the economic initiative. Oil prices, inflation, interest rates and unemployment were all high in much of the West, and the resultant social instabilities created a mood for profound political change. The policies of Ronald Reagan in the US and Margaret Thatcher in the UK (Figure 1.1) were radical in many ways and sought to change the very purpose of government. The ethos of most post-Second World War Western governments had been to care for citizens, providing structures and environments to meet everyone’s needs as equally and fairly as possible. Some have called this period the ‘managed economy’ (Audretsch 2007: 7). Above all the state took a central role in organising many, if not most aspects of the nation, including nationalised industries. The problems of the 1970s were perceived as being caused by such a *statist* approach and the 1980s saw political programmes on both sides of the Atlantic which attempted to ‘roll back’ the state. These new political and moral outlooks saw society and the economy made up of individuals, not collectives. Government’s new role would be to enable and facilitate freedom of the individual. In exchange for protection of these rights, individuals would have to learn or be encouraged to be more self-dependent. They could no longer rely on the state for all their needs and direction. If the economies of nations were to be strong, individuals would need to be enterprising. A key policy element of this new direction was to re-regulate employment and corporate legislation in order to encourage more enterprising behaviour in the economy. As a result, it was hoped an entrepreneurial society (Audretsch 2007) would emerge.

Though the failure of the European communist states and the marketisation of communist China seemed to underline the fundamental error of state centralism, the extent to which both the original diagnosis of failure in the 1970s and the prescription of enterprise as the solution to the problems are true, remain debated to this day. The state has certainly not disappeared and remains central to the social and economic management of all nations. It is also true that economic activity is freer than it once was. But an enterprise culture, at least taken narrowly in the sense of people depending on themselves for work, is only partly the case, and not in the sense of the majority running their own small businesses. Large corporations still dominate



Figure 1.1 Margaret Thatcher (UK Prime Minister 1979–1990) and Ronald Reagan (US president 1981–1989)

economies, the majority of people in work are still employees, and government in the US and the rest of the world still have a profound effect on business. It is however certainly the case that in terms of how people perceive and talk about work and the economy notions of enterprise dominate.

What though is the nature of the evidence for the rise of enterprise? Surely the facts and statistics will speak for themselves? If only it were that simple. A famous historian once wrote, ‘a fact is like a sack – it won’t stand up till you’ve put something in it’ (Carr 1972: 11). As you’ll know from watching or listening to the news, the same facts and statistics often get used to make different and opposing arguments. They are inert, and need effort to be of use. The same happens in research. So although many of the numbers produced regarding small firms, self-employment and levels of entrepreneurship show the increasing growth of small-scale economic activity and definite shifts in the composition and balance of the workforce and economic structure, the issues remain complex and contested. This is because statistics don’t seem to resolve debates on their own, and can be marshalled, presented and analysed in many ways. The bare facts still need to be interpreted and understood in relation to their social and economic contexts: you still need a theory; a point of view; a reason for explaining why something is morally or economically or socially or politically more or less important, better or worse.

An example of these complexities – and one which points to various debates of forthcoming chapters – can be seen in the story of research into job creation. Jobs – where they come from, why there are not enough and their changing characteristics – have been at the centre of many debates in the social sciences concerned with work and business. This is because they are often seen as indicators of a healthy economy and society.

**Unit or level of analysis** refers to the level or scope of the thing we are looking at. If we are interested in finding out something we need to be clear that an explanation at one level is consistent and sensibly comparable with the other. It is not sensible to seek explanations about the nature of economic activity by just looking at individuals: there are likely to be many different levels – individuals, the enterprise or firm, groups of organisations or networks, government activity, global actors (the World Bank), and so on – that could plausibly have an effect. Bad judgements in comparing and forming units of analysis are common and should be thought about carefully. Different academic disciplines often can't 'talk' to each other because of assumptions they make about the relevant unit or frame of analysis.

Until the 1980s it was thought that large corporations and public organisations created most jobs. An influential study in the US by David Birch (1979) began a change to all that, and has spurred a continuing debate. His research into job creation in the 1970s concluded that small and medium sized firms created 80 per cent of the net new jobs. The significance of this is that if you see job growth as a good indicator, then clearly economic policies emphasising the support of larger corporations was misplaced. Similar research followed Birch's study and eventually a new academic and political orthodoxy was established which also claimed to show that networks of smaller enterprises were also where much of the innovation in the economy took place.

More recently the orthodoxy that Birch initiated has come under scrutiny from a number of different quarters. Bennett Harrison in particular has synthesised criticisms of the new logic and has argued that the whole 'small firms myth' simplifies and detracts from the realities of a corporate dominated economy (1994).

Harrison argues that Birch's study was flawed from the start and better statistical research indicates that there has not been a growth in the numbers of jobs created by small firms. Though the criticism of Birch's methods may be something of a straw man (see Kirchoff and Greene 1998), his broad-ranging assertion that the focus on small firms obscures more important changes which have occurred to the power relationship between smaller and larger organisations, is less easily dispensed with. Harrison and many others, argue that large organisations today practise *concentration without centralisation*. What he means is that big firms have decentralised, but because they engage in lean and flexible production methods, with small numbers of core workers and dispersed peripheral employees (either directly employed or subcontracted through small or other large firms) the control over their resources is still maintained. This power over their widely dispersed activities is facilitated by new information technologies and by new management methods. For example, a large corporation will control its outlying or subcontracted suppliers by maintaining a supplier quality partnership, whereby the supplier must provide products or services at a certain quality level, and provide certain information to the corporation in direct information transfers: the control is held by the corporation despite the supplier being a separate enterprise.

How does this benefit the large enterprise? If a large corporation out-sources 50 per cent of its activity, reducing the numbers of people it employs directly by half as well, it might create a number of new enterprises (or create new business for existing ones). These new companies will employ people, but perhaps at lower wages and with lower benefits than the previous jobs in the corporation. The net effect has been an increase in productivity for the corporation and a reduction of the total labour and resource input cost. On the surface this looks as though both more wealth and more jobs have been created, but it might mean that all the corporation has done is shift the more costly and risky elements of its activity to other parts of the global economy. Whatever way you interpret this, it is clear that it is driven by the needs and behaviour of large business, and not the behaviour of entrepreneurial individuals creating more enterprises. The enthusiasm for all small firms (as a distinct **unit of analysis**) as a universal engine of economic growth is misplaced.



The job creationists' argument emphasises the *numbers* of jobs created by small firms, and in particular high-tech, high-growth firms, and downplays the more *structural* arguments about where the power to shape the economy lies. These arguments turn on the analytical frame of analysis: one on aggregate numbers of specific entities – 'SMEs' – the other on structures and relationships of all entities.

**Activity**

Read the short article on this topic from the *Washington Post* at <http://www.webcitation.org/5jLAXBUSf> [.]



**Fenderco case study**

**Paul, entrepreneur and owner-manager of Fenderco, is talking with Simon (researcher and current author) over a beer one night:**

In retrospect it was a big mistake to take on the manufacturing plant. Before we bought Steel Applications we simply contracted them to make all of our fenders. Their business was going through some problems and David, the managing director, made us what looked like a really attractive proposal. I always loved going there seeing the designs I had drawn up being turned into real things. It was great talking to these guys – they were so skilled and knowledgeable – and I learnt a great deal about what works in the real world. I had always quite fancied being the owner of a manufacturing business. So anyway, John, my business partner at Fenderco, thought it was a good idea too and we did the deal. In most respects nothing really changed. The relationship was the same, but we, Fenderco, were now the owners. We didn't get overly involved in the management of the business; David continued as the MD. Changes we'd agreed as part of the deal were made and for a while things did improve.

Then we went through our own bad patch and orders slowed down for a while. The rise in the price of rubber hit us quite hard. Steel Applications was a better business in lots of ways, but if anything it was even more reliant on our business than before. Then there were the new welding regulations following that dreadful passenger walkway collapse at Fishguard harbour: seven or eight people died and the welding standards were ultimately at fault. I am glad we weren't behind that contract: we would have probably done the job in the same way. It was tough that winter any which way. We should have taken on a more hands-on approach from the start. We should never have bought it. The crunch came and David phoned me up out of the blue saying that unless we lay some people off the business would likely go under. It was really scary. Honestly I'd never really thought about the implications before. Fenderco only employed Will, Mark and Joan at our offices in Maltonbury. Then it just hit me. The responsibility of it all: 18 grown men relying on me for their livelihood. I feel pretty bad about what happened. We just couldn't commit Fenderco to keeping the business afloat and we had to wind the business up. David handled it mostly and a new business started up almost immediately, but with less staff. We weren't financially

involved in this new company. They still do the majority of our manufacturing work. I was pretty naïve about it all. I've lost all my romantic feelings about running a manufacturing business; employing that amount of people is just too much of a headache.

### Activity

- 1 What does this passage reveal about Paul's attitude to growing Fenderco?
- 2 Why might employing people be a headache and something some entrepreneurs avoid if they can?
- 3 Why can a business like Fenderco still grow without employing manufacturing, distribution and installation functions directly? Does this approach create more or less jobs for the economy as a whole?
- 4 In terms of level or unit of analysis discuss in groups different single level explanations (individual, firm, industry, and society/economy) for the failure of Steel Applications under Fenderco's management. Which is the most convincing explanation and why? Then look at multi-level explanations and individually ascribe percentages to each of the four levels: e.g. 50 per cent individual, 30 per cent firm, 10 per cent industry, and 10 per cent society/economy. Give reasons for the weightings, compare with others in the group and come to a consensus.

So if the economic dominance of small firms is a myth, why has it become so pervasive and persuasive? Harrison doesn't deny the importance of enterprise as such. Rather he tries to place its growing importance as a way of describing the world by emphasising the underlying historical, political and ideological reasons for the prominence of enterprise. The reality of the small firm is more complex and mundane.

Harrison also dispels some of the other myths that have grown up around the small firm. There is a perception that smaller firms are better, more harmonious places to work than larger organisations. Research that we will explore in more detail in Chapters 5 and 6 shows that many small enterprise workers lack representation from unions and work in businesses that are less able to adhere to best practice in environmental and health and safety. They generally provide less pay and poorer conditions, and are often found at the margins, providing lower skill peripheral labour for larger firms.

After Birch claimed so much for small firms others started to explore the benefits of small enterprise, and found that when many different firms were concentrated in an industrial district in a dynamic network the impact for innovative economic and technological development could be profoundly positive. As a result of this particular and specialised form of innovative network of enterprises, many people started to believe and promote the idea that small firms in general are inherently innovative as a form of business. This tail wagging the dog type thinking has been common among those who uncritically enthuse about small firms, and this book aims to cut through some of these myths. In Chapter 9 we will look at enterprise and innovation in its more complex detail.

What does all this criticism mean to how we study small firms and enterprise? Should we not bother looking at small firms at all? No. Small firms are very important – if we include the self-employed, most people still work in smaller enterprises – but it is better to look at them along with their broader economic, political and social contexts. Other research has put this more directly and argues that if you only look at small firms that is all you will see (Scott and Rosa 1996). Later, in Chapter 2 we will look in more detail at how the way we look at the different actors (small and large firms, governments, consumers and so on) and their roles affects the interpretations we make. By over focusing on the small enterprise as a unit or level of analysis we run the risk of ignoring other more important factors.

Other types of analyses critical of orthodox enthusiasms for enterprise rhetoric look at government and corporate behaviour in promoting enterprise and ask what the motivations might be. Most developed nations are currently carrying out policies which would support Birch's analysis, but these same governments also help structure the economy in a way which supports corporate behaviour in the way that Harrison describes. And anyway, governments do not an economy make. We live in a global economy, both in terms of the internationalisation of markets, but also in terms of its regulation. Indeed, if support for job creation via smaller enterprise was so fundamentally part of government activity and had been successful in creating new dominant economic structures, why is it that there is so much vociferous opposition to the power, lack of accountability and scope of large corporations? If Harrison is right, and by and large this text agrees with his more sceptical approach to the hype surrounding enterprise, the responses of governments in promoting small firms in particular and enterprise more generally need to be explained. We look at government support more directly in Chapter 11.

What these debates indicate is that reality is complex and that the place of enterprise in the twenty-first century is more diverse than simply looking at it as a function of job creation. Enterprise is not just about numbers of people running their own business. There are too many public servants and too many corporate employees who are behaving, talking and being asked to manage their work in entrepreneurial ways. Any look at the recruiting literature of the major corporations will show that they too promote an enterprising way of talking and doing (Barrett 2003).

As a result, some scholars – we will meet them later – have sought to combine the analyses of the culture of enterprise, with an explicit emphasis on the language of enterprise. This shift to an interest in how people talk and write about what they are doing is not just restricted to enterprise studies. The turn towards language has been adopted in many social sciences, and for good reasons. Not only has the world itself become more organised around communication, information and textual knowledge, but also serious debates about the nature of knowledge have been raging in many social sciences. Put simply the answers that traditional social science research tends to produce – generally information based on counting things – do not seem to answer some of the questions that people want answers to. As famous anthropologist Clifford Geertz has written: 'It is not worth it [...] to go round the world to count the cats in Zanzibar' (1973: 16). The new approaches – both the theories and the research

**Discourse** is simply verbal expression in speech or writing, but in social science refers to something similar to ideology: Abercrombie et al. (2000: 99) define it as 'a body of language-use that is unified by common assumptions'. Hence a discourse of fatherhood and a discourse of enterprise both assume particular ways of talking and thinking that are historically and culturally specific. That is, the way of talking and thinking about fatherhood (entrepreneurship, small firms etc.) is different in America today from what it was in eighteenth-century Britain.

**Narrative** is distinct from discourse in that it implies an active constructing or intentionality at creating a story of one form or another. Human beings use narratives as a way of ordering and giving meaning to

methodologies they imply – seem to offer a way to understand the meaning behind the bare facts, and a variety of different theoretical approaches have emerged to compete with (but also to complement) the more traditional. Are cats important in Zanzibar? Do they have any religious significance? Why do people keep cats in ... etc.? We will look at the **discourse/narrative** approaches in more depth at various points in the text. For now it is enough to say that they argue that the language that people have available to use to describe and control activity is vitally important in understanding enterprise activity.

Enterprise is not just about words though. We have seen that since the 1970s the behaviour of large corporations has changed. Economies of scale were not producing the same amounts of profits. Like governments, big business was in trouble. Large organisations began to restructure themselves, creating flatter hierarchies (and less managers), and smaller autonomous business units responsible for producing their own profits (which has created more entrepreneurial managers). These new forms of large fragmented organisations employed less and less people, as new technologies and new lean and mean techniques for managing their activities such as subcontracting, outsourcing and just-in-time stock inventory, were introduced. Labour laws changed: either to encourage these new corporate behaviours, or as job saving responses to corporate regime shopping (moving activities to cheaper labour cost areas and/or more liberal legal environments). There has been a fundamental decline in primary and secondary industry and a rise in the tertiary or service (or knowledge) economy. The increasing global interconnectedness of financial institutions and markets has meant that these political responses – generally called neo-liberalism – to the economic stress of the 1970s and 1980s remain a dominant political ethos today, though the recent crash may be the start of a new era.

Changes have not just occurred at the structural level. The nature of individual and social behaviour has also changed. The exact relationship between cause and effect between large structural changes to the economy/society and individual behaviour is a complex problem, but clearly there is a relationship. People are different now compared to what they were in the past: they think and behave differently. The beliefs, attitudes and moral outlooks are different, and the choices and opportunities available to make decisions about are also different. Watch any film about everyday life from the 1960s and you will see what I mean: that's why we find them funny or strange.

### Home-based exercise

**Watch a black and white film set in the mid-twentieth century one afternoon, read up about the film on IMDB ([www.imdb.com](http://www.imdb.com)) or wikipedia (<http://www.wikipedia.org>), and note down your thoughts about the type of work people are doing, the characters' attitude to the work and how it is represented in the film. Alternatively talk to your grandfather/grandmother about their work when they were young. In class if time allows show clips from the film from YouTube ([www.youtube.com](http://www.youtube.com)) and discuss the differences between work in the mid-twentieth century and today.**

Social attitudes to work, government, even the nature of what it means to be an individual have changed. For most people the differences with the past are not startling but they do exist. Work is still central to establishing a sense of identity for many. Many of us are free to create **portfolio/boundaryless careers** in a world which requires our skill and effort in short bursts on transient projects. Or, if we are less well educated we are likely to have to choose between different periods of fleeting and low-skilled casual employment. For both, work is punctuated with periods of 'leisure'. This type of work isn't as secure as the 'jobs for life' of the past. As a result, along with an increasing need for self-reliance comes a greater degree of personal risk. Taken as a whole, work and the relationships surrounding it are becoming increasingly transitory. Concepts such as employee loyalty and commitment are declining in importance: it is the individual that must make his or her own way in the world. And this way of working is having profound social consequences. If the popularity of self-help and therapy books and the rise in mental health problems are anything to go by, not all individuals are necessarily happy with all the flexibility, freedom to choose, self-regard and self-achievement on offer in the enterprise society.

It's not just at work that enterprising individualism rules. As consumers we find ourselves at the focal point of a whole range of competing pressures for our attention. We are told that we are unique and important individuals. As internet consumers, where as the saying goes, the world is at our fingertips, we become active, enterprising agents/consumers, looking for ever-cheaper and more specialised products and services. Aside from the new markets and enterprising opportunities that these new individual horizons provide for us, there is also some disquiet about the relentless focus on the individual that our enterprising world presents to us.

Contemporary philosophers and social scientists from a variety of stances argue that some of the problems of the modern world are attributable to the excessive regard for individualised values that the enterprise society represents and promotes. What is seen as good or leading a good life – one that is valued and attractive both individually and broadly as an aspiration in society – revolves too much around individual, material and achievement-based values; values that the ethos of enterprise seems to encourage and support.

We will not resolve these debates. However, it is instructive that we have engaged with it here at the beginning of this book. I wanted to highlight early on that the stuff of enterprise studies is not a parochial backwater of business studies. Nor is it a defined and agreed upon fixed body of knowledge. Studying enterprise in this book does not make its subject boring through erecting tight and closed boundaries: narrow views makes for narrow understandings. An eclectic and critical approach is vital to produce thorough useful knowledge. Let's see what the rest of the book has in store for us.

experience, either for themselves in the form of self-narrative, or for communicating to others.

**Portfolio/boundaryless careers** are employment biographies or histories where people do a number of related (or unrelated) things in their lives, which may include paid and professional employment, but might also include being self-employed, running a business, or even volunteering or taking time out to travel. More and more we need to construct and present convincing 'stories' that link the various activities of our careers to potential employers. In itself this is a more self-reliant and enterprising form of work.

## Plan and style of the book

The book is organised in three main parts, I to III. Part I looks at the different ways in which enterprise has been researched, studied and taught, and shows the

advantages in studying it in the broad way I have suggested above. Parts II and III make a distinction between the human activity that goes on inside the enterprise (the hard work, rewards and challenges of managing and working in enterprises) and how that fits into the broader social, economic and organisational contexts outside the enterprise. Then in the final chapter we have a conclusion which restates and summarises the insights generated and the approach taken throughout the book.

Along the way we will look at a diverse range of concepts, theories and subjects including most of what you would expect in a textbook on enterprise, entrepreneurship and small business. We will also look at subjects that get ignored: criminal entrepreneurs big and small; what happens to an organisation when there is too much entrepreneurship; the significance of the ageing population of Western nations; the global diversity of enterprise including the world's ethnic and Indigenous entrepreneurs. Why? Because a view of enterprise that sees only the archetypal fat, white, balding male entrepreneurs of small manufacturing firms, is not tenable today, if it ever was. We need to see enterprise in all its glory and all its ugliness. We need the whole picture.

The variety of academic disciplines looking at enterprise is very broad. This is because people are interested and excited by different things, have different problems to solve and different views about the world: some want to count cats, others understand why they are important. Chapter 2 concludes Part I and sorts out the mess a fair bit and defines what enterprise is about, what the different academic tribes think, how where you live in the world might have a bearing on how you view enterprise, and introduces the different theoretical approaches to the subject. It summarises the arguments in favour of using the concept of enterprise broadly, and elaborates on the advantages for the student and the field more generally. I argue that the use of enterprise creates a far more multi- and interdisciplinary subject of study: more challenging, engaging and more appropriate for an expanding and exciting field.

Chapters 3 and 4 start Part II, which looks 'inside' enterprise: both at the level of the organisation, the level of the individual and the processes of 'entrepreneurship' (Steyaert 2007). Chapter 3 looks at how both the enterprise and the entrepreneur have attracted the attentions of many writers from economic traditions. Their ideas are explained and critically assessed. There is more to the enterprise and the entrepreneur than economics can tell us and different traditions from other areas of the social sciences, such as psychology and sociology are discussed to produce a much fuller picture of the entrepreneurial process in Chapter 4.

Chapters 5 and 6 look at the people who actually manage and work in smaller and entrepreneurial enterprises. Firstly, we look at the distinctive characteristics of managing smaller and entrepreneurial enterprises. This includes an assessment of research looking at both internally (training, discipline, control and so on) and externally (relations with suppliers/customers) focused activity. Secondly, we look at the distinctive aspects of working in smaller/entrepreneurial enterprises. This could mean quite a narrow focus on employee relations research, but in Chapter 6 we will look at a broader range of material. Both chapters emphasise

the particular importance and implications of the informal social relations that constitute the employment relationship in smaller/entrepreneurial enterprises.

Earlier I suggested that even if you were to work all your life in a corporate environment it was likely that there would be much talk and exhortation to be enterprising, to take the initiative, to be an entrepreneur. This is so common a feature of organisations these days that people who run sections or business units within corporations as if they were independent businesses have their own name: they are intrapreneurs. Chapter 7 addresses intrapreneurship, and the implications of working in the entrepreneurial corporation, both for the individual, for the organisation and the rest of society.

Though this is not a *how to* book any text in the enterprise studies area needs to have an appreciation of the practices of financing, marketing, networking and strategy and growth. Chapter 8 reflects on these management processes and the contexts in which they take place.

Chapter 9 begins Part III and discusses the economic contexts of enterprise, which are crucial to any sophisticated understanding. As earlier chapters will have shown, enterprise is not an isolated set of activities, but a complex web of individual and collective initiatives contingent on a variety of structural and environmental factors. This chapter deepens the preceding analysis and locates enterprise in the pattern of market relationships that has emerged in the last few decades. We will ask further questions of the more glib notions of enterprise which are touted as economic panacea for all the world's ills. The chapter is in two parts, the first of which will focus on flexibility, globalisation and changing organisational relationships, and the second takes a look at the relationship between enterprise, innovation and technology. Both sections will present evidence which seeks to deflate the sometimes gung-ho rendition of enterprise, and shows that, as with much else in life, there are diverging views regarding the reality, relevance and wisdom of seeing enterprise, in whatever form it takes, as a universal curative.

Chapter 10 looks at the social contexts and diversity inherent in enterprise. The shifting social mores of developed nations are assessed for their impact on the propensity and manner in which people engage with enterprising activity. Specifically, changes in class, family and gender structures are examined. The characteristics and impact of immigrant, ethnic and Indigenous enterprise; the persistence and development of family enterprise; the influence of religion; the characteristics of illicit or criminal enterprise; and the shifting generational demographic of enterprise (the impact of ageing populations) are also considered. Though not exclusively so, much of this chapter is discussed using the concept of marginality.

Chapter 11 looks at how governments around the world adopt a stance to enterprise activity. In the main governmental activity is subsumed within broader economic and social policy, which, even in the freest of the free market economies, has profound and significant impacts on how people go about doing business. In recent decades in the developed economies and in the previously planned economies of Eastern Europe, governments have to varying degrees and for a variety of reasons supported specific policies targeted at enhancing enterprise. In certain

countries enterprise support 'industries' have emerged. This chapter seeks to characterise different approaches to enterprise support, and explain the generic reasons for and against adoption of such policies, and the broader political, economic and social trends underlying their adoption.

Finally, Chapter 12 restates and summarises the main themes of the book.

Before we get started proper I should say something further about the style of the book. In lectures I will often see students unloading their bags of the many brick-sized encyclopaedic textbooks they have to carry, and I wonder at the necessity of all those strained shoulder muscles. This text is meant to counter this trend. True knowledge and learning is not about amassing facts, it is about developing an understanding and confidence to be able to use and apply knowledge. It's about relating what you are learning to the experiences of your own life: the life already lived and the life to come. I presume that you are already active participants in the world: people who use knowledge to do things for yourself and for other people. If you are studying this book for a course and you don't say 'hey, this sounds interesting' or 'hey, this is making me think about the world and *my* life in a different way', or 'hey, this means something to me', then really you should think about why you are studying it, or why you are studying business studies (or whatever it is) at all. Life is too short to be doing things for boring reasons. Be enterprising!

I do not shy away from an intellectual and properly social scientific style. It seems to me that other fact-obsessed texts are demeaning to your intelligence. If there are some difficult but pertinent ideas we have a look at them. Hopefully this is done in an accessible and clear way. I have \* (no cross that out, a better simpler word is 'tried') to make sure the writing is in plain accessible English.

Each chapter draws on different and appropriate literatures. The sources I have selected do not come exclusively from the small business and entrepreneurial academic journals, because often the best and most interesting work is done elsewhere in the core disciplines of economics, sociology, and management and organisation studies more generally. The chapters are not swamped with distracting references and superfluous theories and concepts. Instead at the chapter ends there will be a list of suggestions for further reading. These will normally be the articles or books which have inspired or provoked the central ideas of the chapter.

Another reason why the book is not swamped by academic references is because the nature of studying a topic is different from researching it. Academics tend towards very narrow interests, and as a consequence tend also to get a little precious about their interpretation of facts, or view of particular topics, theories or concepts. This causes a lot of argument and debate, which is obviously and generally a Good Thing. If you are trying to get to the bottom of something, it's a good idea to make sure all views, facts, theories and concepts are considered carefully. Many of the details of these debates are fought over very technical and theoretical issues which occasionally exist as much to support the egos of the academic experts, obscure the flaws in their argumentation and keep non-expert opinion out and thus preserve their expert status, as they do to advance understanding of the specific issue. Underlying this flippancy regarding academic research is a serious



point, which we will return to elsewhere in the book. The world is not simple and straightforward. It is made up of people with different views, interests and reasons for believing in things in particular ways. Part of the point of this book is to point these differences out; to outline the choices if you like. But I am not suggesting that I am some omnipotent and objective guru who sits neutrally above all the arguments. I too have a perspective, and obviously it will structure and inform this book. I have tried to avoid going into the details of these debates which are found in the journals that academics publish their research. Instead, research into enterprise is drawn upon judiciously and presented in a way that makes the key issues obvious and accessible.

The perspective presented in this book is one that cautiously welcomes the moral perspective that enterprise – in all its diversity – brings to human relations. It neither rejects and lambastes, nor heaps hyperbole on individuals or organisations that seek to label their activities as enterprising. What it does is ask you to consider carefully and thoughtfully the place of enterprise, entrepreneurship and small business in the twenty-first century. Some of the conclusions about the moral nature of enterprise that I draw might be somewhat surprising, or at times somewhat difficult to grasp (I said accessible and clear, not free of complexity), but our exploration of enterprise will definitely involve you considering your own outlook on the world: this is not the book for you if you prefer the rote learning of uncontroversial facts.

So, let's get to work!

### Summary

The basis for studying small business and entrepreneurship under the banner of enterprise was explained. The growing significance of enterprise was discussed in its historical context. Different arguments used for the importance of small and entrepreneurial organisations were presented. The plan and style of the book were outlined, and each chapter briefly described.

### ■ ■ Further reading ■

Harrison, B. (1994) 'The small firms myth', *California Management Review* 36(3): 142.

Kirchhoff, B.A. and Greene, P.G. (1998) 'Understanding the theoretical and empirical content of critiques of US job creation research', *Small Business Economics* 10: 153–169.