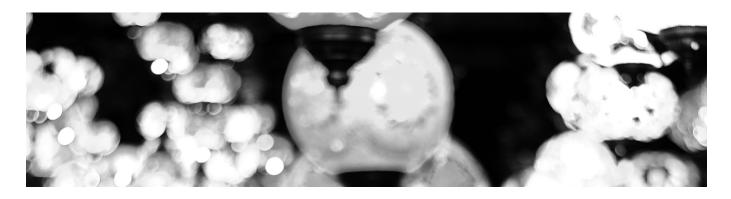
# The SAGE Handbook of Small Business and Entrepreneurship



Robert Blackburn, Dirk De Clercq and Jarna Heinonen





Los Angeles I London I New Delhi Singapore I Washington DC I Melbourne

SAGE Publications Ltd 1 Oliver's Yard 55 City Road London EC1Y 1SP

SAGE Publications Inc. 2455 Teller Road Thousand Oaks, California 91320

SAGE Publications India Pvt Ltd B 1/I 1 Mohan Cooperative Industrial Area Mathura Road New Delhi 110 044

SAGE Publications Asia-Pacific Pte Ltd 3 Church Street #10-04 Samsung Hub Singapore 049483

Editor: Delia Martinez-Alfonso
Editorial Assistant: Colette Wilson
Production Editor: Rudrani Mukherjee
Copyeditor: Sunrise Setting
Proofreader: Sunrise Setting
Indexer: Cathryn Pritchard
Marketing Manager: Alison Borg
Cover Design: Wendy Scott
Printed in the UK

At SAGE we take sustainability seriously. Most of our products are printed in the UK using FSC papers and boards. When we print overseas we ensure sustainable papers are used as measured by the PREPS grading system. We undertake an annual audit to monitor our sustainability.

Chapter 1 © Robert Blackburn, Dirk De Clercq and Jarna Heinonen 2018 Chapter 2 © Claire M. Leitch and Richard T. Harrison 2018 Chapter 3 @ Hamid Vahidnia, H. Shawna Chen, J. Robert Mitchell and Ronald K. Mitchell 2018 Chapter 04 © Kristina Nyström 2018 Chapter 05 © Maura McAdam and Danny Soetanto 2018 Chapter 06 © Stephen Drinkwater Chapter 07 © Judith van Helvert and Mattias Nordovist 2018 Chapter 08 @ Helen Haugh, Fergus Lyon and Bob Doherty 2018 Chapter 09 © Christian Lechner and Abeer Pervaiz 2018 Chapter 10 © Fokko J. Eller and Michael M. Gielnik 2018 Chapter 11 © Ivan Zupic and Alessandro Giudici 2018 Chapter 12 © Samuel Adomako and Kevin F. Mole 2018 Chapter 13 @ Michael H. Morris, Susana C. Santos. Christopher Pryor and Xaver Neumeyer 2018 Chapter 14 © Bjørn Willy Åmo and Lars Kolvereid 2018 Chapter 15 © Mark Freel 2018 Chapter 16 @ Rosalind Jones, Sussie C. Morrish, Jonathan Deacon and Morgan P. Miles 2018

Chapter 17 © Colin Mason 2018 Chapter 18 @ Marc Cowling and Catherine Matthews 2018 Chapter 19 © Anders Hoffmann David J. Storey 2018 Chapter 20 © John Kitching 2018 Chapter 21 © Erik Stam and Ben Spigel 2018 Chapter 22 © Zhongming Wang and Yanhai Zhao 2018 Chapter 23 © Niina Nummela 2018 Chapter 24 © Wafa N. Almobaireek, Ahmed Alshumaimeri and Tatiana S. Manolova 2018 Chapter 25 © Luke Pittaway, Louisa Huxtable-Thomas and Paul Hannon 2018 Chapter 26 © Thomas M. Cooney Chapter 27 © Ulla Hytti and Sirpa Koskinen 2018 Chapter 28 @ Aaron F. McKenny, Miles A. Zachary, Jeremy C. Short and David J. Ketchen Jnr 2018 Chapter 29 @ Anne Kovalainen 2018 Chapter 30 © Cristina Díaz-García 2018 Chapter 31 @ Bengt Johannisson Chapter 32 © Seppo Poutanen

Apart from any fair dealing for the purposes of research or private study, or criticism or review, as permitted under the Copyright, Designs and Patents Act, 1988, this publication may be reproduced, stored or transmitted in any form, or by any means, only with the prior permission in writing of the publishers, or in the case of reprographic reproduction, in accordance with the terms of licences issued by the Copyright Licensing Agency. Enquiries concerning reproduction outside those terms should be sent to the publishers.

2018

Library of Congress Control Number: 2017938473

British Library Cataloguing in Publication data

A catalogue record for this book is available from the British Library

ISBN 978-1-4739-2523-6

# Contents

List oj	Figures	13
List of	Tables	X
Notes	on the Editors and Contributors	xii
Ackno	wledgments	xxvi
1	Introduction Robert Blackburn, Dirk De Clercq and Jarna Heinonen	1
	Robert Buckburn, Birk Be Ciercy and Jama Hemorek	
PART	I PEOPLE AND ENTREPRENEURIAL PROCESSES	13
2	Entrepreneurial Leadership: A Critical Review and Research Agenda Claire M. Leitch and Richard T. Harrison	15
3	Entrepreneurial Action Research: Moving Beyond Fixed Conceptualizations Hamid Vahidnia, H. Shawna Chen, J. Robert Mitchell and Ronald K. Mitchell	38
4	Pre- and Post-entrepreneurship Labor Mobility of Entrepreneurs and Employees in Entrepreneurial Firms <i>Kristina Nyström</i>	60
5	Networks and Entrepreneurship  Maura McAdam and Danny Soetanto	74
6	Migrant Entrepreneurship Stephen Drinkwater	94
7	Entrepreneurship from a Family Business Perspective Judith van Helvert and Mattias Nordqvist	107
8	Social Entrepreneurship: Entrepreneurship and Social Value Creation Helen Haugh, Fergus Lyon and Bob Doherty	125
PART	II ENTREPRENEURSHIP AND SMALL BUSINESS MANAGEMENT AND ORGANIZATION	143
9	Entrepreneurial Strategy: A Contingency Review and Outlook for Future Research  Christian Lechner and Abeer Pervaiz	145
10	Perspectives on New Venture Creation  Fokko I. Eller and Michael M. Gielnik	166

11	New Venture Growth: Current Findings and Future Challenges Ivan Zupic and Alessandro Giudici	191
12	Small Business Growth and Performance Samuel Adomako and Kevin F. Mole	220
13	The Nature of Entrepreneurial Exit Michael H. Morris, Susana C. Santos, Christopher Pryor and Xaver Neumeyer	242
14	Corporate Entrepreneurship  Bjørn Willy Åmo and Lars Kolvereid	259
15	Entrepreneurship, Innovation and Small Business Mark Freel	279
16	Entrepreneurial Marketing in Small Enterprises Rosalind Jones, Sussie C. Morrish, Jonathan Deacon and Morgan P. Miles	297
17	Financing Entrepreneurial Ventures  Colin Mason	321
18	Internal Financial Management in Smaller, Entrepreneurial Businesses  Marc Cowling and Catherine Matthews	350
PART	THI ENTREPRENEURIAL MILIEU	371
<b>PART</b> 19	Can Governments Promote Gazelles? Evidence from Denmark  Anders Hoffmann and David J. Storey	<b>371</b> 373
	Can Governments Promote Gazelles? Evidence from Denmark	
19	Can Governments Promote Gazelles? Evidence from Denmark  Anders Hoffmann and David J. Storey  Exploring Firm-Level Effects of Regulation: Going Beyond Survey Approaches	373
19 20	Can Governments Promote Gazelles? Evidence from Denmark  Anders Hoffmann and David J. Storey  Exploring Firm-Level Effects of Regulation: Going Beyond Survey Approaches  John Kitching  Entrepreneurial Ecosystems	373 391
19 20 21	Can Governments Promote Gazelles? Evidence from Denmark  Anders Hoffmann and David J. Storey  Exploring Firm-Level Effects of Regulation: Going Beyond Survey Approaches  John Kitching  Entrepreneurial Ecosystems  Erik Stam and Ben Spigel  Entrepreneurial Social Responsibility	<ul><li>373</li><li>391</li><li>407</li></ul>
19 20 21 22	Can Governments Promote Gazelles? Evidence from Denmark  Anders Hoffmann and David J. Storey  Exploring Firm-Level Effects of Regulation: Going Beyond Survey Approaches  John Kitching  Entrepreneurial Ecosystems  Erik Stam and Ben Spigel  Entrepreneurial Social Responsibility  Zhongming Wang and Yanhai Zhao  Bringing 'I' into 'E' – What Could It Mean? Reflections on the Past,  Present and Future of International Entrepreneurship Research	<ul><li>373</li><li>391</li><li>407</li><li>423</li></ul>

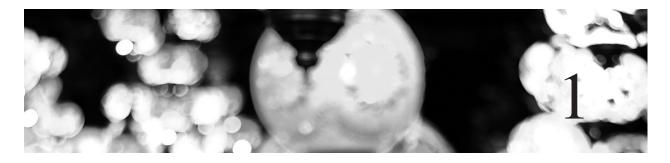
	CONTENTS	vii
26	The Use of Case Studies in Entrepreneurship Education <i>Thomas M. Cooney</i>	491
27	Enterprise Education Pedagogy and Redesigning Learning Outcomes: Case of a Public Reform School Ulla Hytti and Sirpa Koskinen	505
PART :	IV RESEARCHING SMALL BUSINESS AND ENTREPRENEURSHIP	519
28	In Search of Causality in Entrepreneurship Research: Quantitative Methods in Corporate Entrepreneurship Aaron F. McKenny, Miles A. Zachary, Jeremy C. Short and David J. Ketchen Jnr.	521
29	Qualitative Research in Entrepreneurship  Anne Kovalainen	542
30	Gender and Entrepreneurship at the Crossroads: Where Do You Want to Go? Cristina Díaz-García	560
31	Making Entrepreneurship Research Matter: The Challenging Journey to an Academic Identity  Bengt Johannisson	578
32	Critical Perspectives in Entrepreneurship Research Seppo Poutanen	594

Author Index

Subject Index

614

635



# Introduction

Robert Blackburn, Dirk De Clercq and Jarna Heinonen

For some decades now, the field of entrepreneurship and small business studies has been one of the most vibrant and expansive in business and management, as well as the social sciences more broadly (see for example Carlsson, Braunerhjelm, McKelvey, Olofsson, Persson, & Ylinenpää, 2013; Fayolle, 2014; Landström, Parhankangas, Fayolle, & Riot, 2016; Shane & Venkataraman, 2000). Indeed, one estimate is that the number of Social Science Citation Index (SSCI) journals covering the field has expanded from four in 2003 to around 16 in 2016. Other estimates are much greater depending on the definitions used.<sup>1</sup> Entrepreneurship and small business special interest groups (SIGs) are now part and parcel of most mainstream business and management conferences, including the Academy of Management, and there has been a burgeoning of specialist entrepreneurship-related conferences and workshops, such as the Research in Entrepreneurship and Small Business (RENT) and a variety of doctoral and postdoctoral activities ensuring sustainability.<sup>2</sup>

Whether we know more about the phenomena under study than we did decades ago remains debatable but we believe this is the case. Certainly we have witnessed the increasing number of publications in the form of books series and specialist and mainstream international journals, as well as growing levels of engagement of academics with practitioners and policy makers at national and supra-national levels (Blackburn & Schaper, 2012; OECD/European Union, 2015; Storey, 2014). With this expansion and legitimization has come a growing fragmentation of the field, or specialization in sub-fields, in deepening our knowledge and levels of theorizing. Hence, the field spans topics ranging from entrepreneurial characteristics to the entrepreneurial process and behavioral issues, social entrepreneurship, family business, the management and organization of small businesses, the significance of context and many more (see: Fayolle, Landström, Gartner, & Berglund, 2016a; Ferreira, Reis, & Miranda, 2015; Hsu, Wiklund, Anderson, & Coffey, 2016; Meyer,

Libaers, Thijs, Grant, Glänzel, & Debackere, 2014; Volery & Mazzarol, 2015; Hsu, Wiklund, Anderson, & Coffey, 2016; Welter & Gartner, 2016). In some instances, particularly when studying a new area, researchers continue to borrow and develop concepts and approaches from other disciplines whilst, in others, specific theories have emerged (e.g. Aldrich, 2012). Davidsson, for example, in his analysis of the field, reports its 'considerable growth in volume, quality, and theory-drivenness' (Davidsson, 2016: p. 17). Certainly, the field cannot be accused of being narrow, insular or experiencing ossification! We thus concur with Landström and colleagues (2016) that the field is highly heterogeneous and multidisciplinary and addresses the phenomena at different levels.

The goal of this *Handbook* is to take stock of past research in the broad field of entrepreneurship and small business as well as push the agendas forward. This should be of particular interest to postgraduate students, researchers, and public and private analysts. The timing of a handbook such as this is relevant, as entrepreneurship programs have grown significantly in the past decades and virtually every higher education institution in the world has entrepreneurship within their curriculum, in some shape or form, irrespective of socio-political-economic context (see Davey, Hannon, & Penaluna, 2016; Valerio, Parton, & Robb, 2014),<sup>3</sup> as well as discussion over the complexities of 'entrepreneurship education', both conceptually and in practice (Fayolle, Verzat, & Wapshott, 2016b; Neck & Greene, 2011), or its impact on entrepreneurship levels (e.g. Walter & Block, 2016). Early career researchers are often required to publish numerous journal articles in order to develop, establish, and maintain their academic standing. Researchers of entrepreneurship also increasingly come from different disciplines - including psychology, finance, marketing, sociology, engineering, medicine, anthropology, and other fields - and hence there is need to be knowledgeable of the history of the field, as well as have insight into

fruitful areas for further research. Combining past and existing research with future orientation particularly helps younger scholars to identify researchers with similar interests and supports them to find new interesting questions to be asked in order to secure the future of entrepreneurship studies. Moreover, public policy-focused organizations and trade associations have for some time now drawn upon entrepreneurship and small business researchers to independently and critically assess the impact of policy interventions, such as growth policies and taxation incentives, as well as analyze entrepreneurial activity levels and a growing list of other topics (see for example Acs, Astebro, Audretsch, & Robinson, 2016; Audretsch, Grilo, & Thurik, 2007; Bennett, 2014; Curran, 2000; Storey, 2014). Thus, a handbook such as this is also an essential tool to assist a varied set of stakeholders.

This brings us to the title of this *Handbook*. Of course, one of the earliest divisions in the field was the conceptual separation of 'entrepreneurs' from 'small business', essentially based on the observation of the different motivations of the people establishing an enterprise (Carland, Hoy, Boulton, & Carland, 1984). 'Small business owners' were classified as those that start the enterprise as an extension of the personality of the founder and the activities of the enterprise are inextricably bound with family needs. On the other hand, the 'entrepreneur' was regarded as one who starts an enterprise for the purpose of profit, or a risk taker, and the owners and managers utilize strategic management techniques. Such a separation is furthered by the argument that the domain should set out its boundaries in order to develop its own concepts as well as achieve external recognition. In examining the field as a whole, however, many empirical studies of 'entrepreneurship' involve analyses of human endeavor within new, small, or independent enterprises (e.g. Scase & Goffee, 1981). Furthermore, even when 'entrepreneurship' is in the foreground of articles and books, when the empirics of their studies are examined in detail, the

arguments relating to 'risk-taking' often appear to disappear into thin air. Indeed, this unraveling of entrepreneurs from the small business remains one of the Gordian knots of the field of study. Thus, although we recognize the significance of entrepreneurship as a focus of research, in the sense of new venture formation and risk-taking, we also recognize the importance of established and small firms, as well as the new areas of intellectual curiosity in the wider field.

In developing this Handbook, it has become even more obvious that the landscape of research has widened and deepened to include new and distinctive areas, such as entrepreneurial learning (e.g. Leitch & Vollery, 2017) and critical perspectives (e.g. Essers, Dey, Tedmanson, & Verduyn, 2017; Fletcher & Seldon, 2016), as well as to drill down into existing ones, such as family business (e.g. Hsu et al., 2017; López-Fernández, Serrano-Bedia, & Pérez-Pérez, 2016; Short, Sharma, Lumpkin, & Pearson, 2016), finance (e.g. Roberts, 2015; Short, Ketchen, McKenny, Allison, & Ireland, 2017), psychology (Brännback & Carsrud, 2017) and entrepreneurial 'exit' (e.g. DeTienne & Wennberg, 2016). The literature has also seen the production of more nuanced accounts and the utilization of a range of methodologies as sub-fields of study have emerged (see for example Shepherd & Patzelt, 2017), building upon earlier approaches to research (Curran & Blackburn, 2000; Davidsson, 2004). Furthermore, critical perspectives to entrepreneurship and small business research are becoming increasingly visible in conferences and publications, suggesting that 'mainstream' research (whatever is meant by that) has not been able to capture the phenomenon of entrepreneurship sufficiently.

Hence, we choose to use the title *Small Business and Entrepreneurship* to signal that this *Handbook* seeks to contribute to the field broadly defined. This provides the advantage of allowing new perspectives in the field whilst also facilitating further in-depth analyses of more mature sub-fields.

Set against this fertile research context, working with leading authors in their subject areas, we have aimed to produce a series of chapters that contribute empirically, conceptually, and methodologically to the discussion in the field. Of course, no publication can be exhaustive and cover all the challenges of this widening field. However, the book is truly multi-disciplinary, not restricted to one perspective or level, and approaches entrepreneurship and small business from various angles, using a variety of methodological stances, levels of analyses, and contexts. Classifying the field and its sub-fields is something of a challenge but we have sought to group the chapters into what we regard as having common areas of interest. Even so, we would not regard these sections as hermetically sealed from each other. Collectively, however, the chapters seek to provide a state-of-the-art on specific topics, established and new, and provide suggestions and platforms for future research.

### **CHAPTER OVERVIEWS**

The book is divided into four parts.

Part I discusses issues related to *people* and entrepreneurial processes, focusing on how people, either as individuals or in groups, and their activities shape the nature of entrepreneurship activities in a variety of different ways.

Part II covers issues related to *entre*preneurship strategy, development, and organization, providing contributions on the genesis of business development and the various ways in which small firms develop and the different ways in which entrepreneurship manifests itself in terms of organizational forms.

Part III focuses on the broader *entrepre-neurial milieu* in which firms are embedded, entailing issues with respect to government, internationalization, and education.

Part IV focuses on issues related to *research methodologies* and trends in entrepreneurship research.

# Part I: People and Entrepreneurial Processes

In Chapter 2, Leitch and Harrison provide a comprehensive review of research on entrepreneurial leadership. They identify five areas of concern, which in turn imply paths for further improvement: the incomplete ways in which entrepreneurial leadership has been informed by theories from either entrepreneurship or leadership; the lack of an overarching theory of the entrepreneurial leadership concept; the multitude of definitions; shortcomings in the measurement tools that have been used to assess the entrepreneurial leadership concept; and the limited understanding of how entrepreneurial leadership capability can be developed and enhanced. They suggest that entrepreneurship scholars with an interest in leadership could draw from recent developments in the field of leadership in order to generate expanded insights into the concept, for example by applying critical post-heroic perspectives and conceptualizing entrepreneurial leadership as a socially constructed and contested construct.

In Chapter 3, Vahidnia, Chen, Mitchell, and Mitchell focus on the potential dynamism of entrepreneurial action as far as it relates to and can be informed by insights offered by entrepreneurial cognition research. They argue that fixed conceptualizations hinder theory development and research on entrepreneurial action. They suggest how a socially situated cognition perspective can be used to help research on entrepreneurial action move beyond fixed conceptualizations-based explanations and better capture the dynamism associated with entrepreneurial action. They conclude with a discussion of methodological approaches that can be used in future research.

In Chapter 4, Nyström provides an extensive literature review on the pre- and postentrepreneurship labor mobility of both entrepreneurs and employees in entrepreneurial firms. In terms of the labor mobility of entrepreneurs, she discusses research on individual characteristics and how these characteristics influence the performance of the entrepreneur and firm. She also highlights that relatively little is known about the post-entrepreneurship employment activity of entrepreneurs and how their previous experiences might have an impact on their future labor market careers. In terms of the labor mobility of employees in entrepreneurial firms, the author discusses recent literature on the individual characteristics of these employees, and points to the need for further examinations on how employment with an entrepreneurial firm is valued in the labor market, as well as what the future labor market performance might be of individuals who have been displaced from an entrepreneurial firm.

In Chapter 5, McAdam and Soetanto provide an in-depth discussion of the role of networks in the entrepreneurial process. They discuss the theoretical roots of the concept of entrepreneurial networks and the many benefits that accrue from network access, yet they also discuss the disadvantages or dark sides of networking. They offer several future research directions that challenge critical assumptions in extant network research. For example, they call for more research on the dynamic nature of networks, and the contextual influences on network development across different categories of entrepreneurs. They conclude with several case studies that illustrate how entrepreneurs can modify their network relationships during the entrepreneurial process.

In Chapter 6, Drinkwater examines the highly topical subject of the relationship between entrepreneurship and migration by first discussing the different ways in which these terms have typically been measured in the literature. He then provides evidence on the role of migration in entrepreneurship, using recent data for the UK, and provides a comprehensive discussion of how entrepreneurship in different groups of migrants might be affected by different factors. He concludes with various policy implications and recommendations for future research.

In Chapter 7, van Helvert and Nordqvist discuss entrepreneurship from a family business perspective and explain how the family business context impacts entrepreneurial activity. They discuss various relevant features of family business and how they connect to entrepreneurship. They provide particular attention to factors such as socio-emotional wealth, governance, values, organizational identity, trust, and conflict, which are each relevant to entrepreneurial activity in family businesses. They also distinguish the dynamics of family business from those of their non-family counterparts. They conclude the chapter by proposing various avenues of future inquiry on family business in relation to entrepreneurship.

In Chapter 8, Haugh, Lyon, and Doherty provide a discussion of the phenomenon of social entrepreneurship, with a particular focus on the relationship between social value creation and opportunity identification and exploitation. They seek to accomplish three objectives with their chapter. First, they review the rise to prominence of social entrepreneurship and the associated definitional and contextual debates. Second, they summarize the principal research findings with respect to social value creation and opportunity identification and exploitation. Third, they identify several critical topics that can advance knowledge and theory development in the area of social entrepreneurship.

## Part II: Entrepreneurship and Small Business Management and Organization

In Chapter 9, Lechner and Pervaiz provide an in-depth discussion of the literature at the

nexus between entrepreneurship and strategy. They draw from the notions of liability of newness and smallness to define entrepreneurial strategy and discuss the transferability of this concept to different contexts. They also discuss the relationship between entrepreneurial strategy and strategic entrepreneurship, and propose that cross-fertilization between the two concepts provides a fruitful avenue for future research. They further relate this discussion to concepts such as corporate entrepreneurial orientation, and new venture strategy.

In Chapter 10, Eller and Gielnik provide an overview of different perspectives that have been used to explain new venture creation, namely, the psychological, team, resource, and institutional perspectives. They suggest that a more complete understanding of new venture creation requires an integrative model that combines these different perspectives into one single theoretical framework, and they underscore the central role of entrepreneurial action in this framework. They argue that the predictive value of empirical studies on new business creation can be significantly enhanced by combining theories that operate at different levels of analysis.

In Chapter 11, Zupic and Giudici provide a state-of-the-art literature review on new venture growth, and categorize this research into three topics: high-growth firms, antecedents of firm growth, and the growth process. They provide suggestions for how research on growth can move forward, including a reorientation from a focus on 'changes in amounts' to the processes underpinning firm growth, a combination of quantitative and qualitative studies, the leveraging of 'big data', and a clearer explanation of how various stakeholders can benefit from growth research.

In Chapter 12, Adomako and Mole provide complementary insights on the study of business growth. They discuss Penrose's view of firm growth, and highlight the different ways in which business growth has been

measured, distinguishing between absolute and relative changes, and viewing growth as a process. They discuss different theories of business growth, including integrated models that explain the factors that drive business growth, as well as stage models that view business growth as a series of phases that a firm passes through during its life-cycle. They then elaborate on the different modes of business growth, as well as its drivers and constraints. They conclude by pointing out different areas of harmony and contention in the literature, from which they suggest several opportunities for future research.

In Chapter 13, Morris, Santos, Pryor, and Neumeyer review and critique the extant literature on entrepreneurial exit. They discuss the various definitions and conceptualizations of exit and associated constructs, and the major theories that are helpful in framing research on entrepreneurial exit. They identify key findings regarding the antecedents, processes, and outcomes surrounding an exit, and pinpoint several challenges in advancing our understanding of the exit phenomenon. The chapter concludes with a discussion of the priorities for ongoing research in the area of entrepreneurial exit.

In Chapter 14, Åmo and Kolvereid provide an extensive review of literature on corporate entrepreneurship, defined as entrepreneurship within established organizations. They develop a comprehensive model of corporate entrepreneurship, outlining different processes (strategic entrepreneurship, corporate entrepreneurship), antecedents (entrepreneurial orientation and entrepreneurial insight), context factors (managerial, organizational, and environmental) and outcomes (innovation, performance). They propose that future research in the realm of corporate entrepreneurship should be specific about the phenomena that are studied, provide precise definitions of core concepts, state its assumptions explicitly, and be clear about research context in order to compare research findings across studies.

In Chapter 15, Freel provides a critical review of literature on innovation in

the context of SMEs. He argues that much of the research on the innovation in and by small firms has suffered from using a somewhat narrow perspective of innovation, by focusing on technology changes and applying rather static approaches. He argues, for example, that insufficient attention has been devoted to the importance of the individual entrepreneur and manager in the processes of small-firm innovation. He proposes that future research should acknowledge the ubiquity of innovation in small firms, put more emphasis on resource construction and deployment instead of resource stocks, and recognize the importance of organizational and social contexts in the process and outcomes of small-firm innovation.

In Chapter 16, Jones, Morrish, Deacon, and Miles provide a comprehensive overview of extant literature on the interface between marketing and entrepreneurship, with a focus on marketing in new or small firms. They discuss several relevant topics such as small firm marketing, entrepreneurial marketing orientation, entrepreneurial networks, and internationalization. They also highlight several areas of future research in the realm of entrepreneurial marketing: the role of entrepreneurial networks in internationalization, the application of entrepreneurial marketing concepts to emerging markets, and the relevance of entrepreneurial marketing for social entrepreneurship. They conclude by pinpointing different research opportunities with respect to entrepreneurial research methods and designs.

In Chapter 17, Mason uses the funding escalator as the binding framework to provide a comprehensive review of research on the financing of entrepreneurial ventures. He first discusses the main sources of finance used by entrepreneurial firms as they progress through different stages of development, and explains the role of government intervention in filling critical gaps in the funding escalator. He then elaborates on some of the fundamental changes in the practice of entrepreneurial finance that were caused by the

dot.com crash and the 2008 global financial crisis. He argues that scholars must address current developments in the market for entrepreneurial finance, such as crowd-funding and business angel groups, in order to be relevant and impactful.

In Chapter 18, Cowling and Matthews provide an in-depth overview of research on the internal financing context for SMEs. They discuss how and why internal financial management is critical to the success and survival of smaller businesses, and emphasize the role and nature of SME financial management practice. They discuss why entrepreneurs often have a preference for internal over external funds. They point hereby to pecuniary factors such as lack of collateral and the relative price differential between internal and external funds, as well as to non-pecuniary factors such as the desire to maintain control and independence. They emphasize the need to investigate in more detail how and why smaller firms are capable, or incapable, of financing their daily operations, in order to fully understand their situation when they present themselves to external financiers.

## Part III: Entrepreneurial Milieu

In Chapter 19, Hoffmann and Storey examine the key features of entrepreneurship policy and the specific role of business advice. They argue that the provision of publicly funded business advice to new and small firms is best theorized in a principalagent framework in which the contract between the principal (central government) and the agent (the advice deliverer) is critical. The authors use the case of Denmark, and specifically Growth Houses, to illustrate this theoretical backdrop and to illustrate the important role played by an evolving policy context, whereby new information and changed circumstances lead to revisions of the principal-agent contract. They conclude with various implications for providers of other comparable policies.

In Chapter 20, Kitching discusses the effects of government regulation on entrepreneurship. He argues that government regulation should not merely be treated as a burden that imposes compliance cost or constraints on entrepreneurial action and performance. He demonstrates some of the conceptual and analytical limitations arising from using survey data to investigate how regulation impacts entrepreneurial action at the level of the firm. He discusses the usefulness of applying institutionalist approaches to the study of regulation, and presents an analytical framework on how regulation shapes, but does not determine, entrepreneurial action at the micro level. He provides various methodological considerations and concludes with different implications for researchers, theory development, and policy.

In Chapter 21, Stam and Spigel provide a critical review of the emerging literature on entrepreneurial ecosystems, conceptualized as a set of interdependent actors and factors that might be coordinated in such a way that they enable productive entrepreneurship within a particular territory. They discuss the relationships between ecosystems and relevant concepts such as industrial districts, clusters, and innovation systems. They present an integrative model that connects the functional attributes of entrepreneurial ecosystems with entrepreneurial outputs and welfare outcomes, and conclude by offering several implications for research and policy.

In Chapter 22, Wang and Zhao address the challenges of investigating corporate social responsibility, entrepreneurship, and small firms. They find that entrepreneurs' ethical behavior, social entrepreneurship practice, and sustainability face new challenges and as such require appropriate responses. They argue that new conceptual frameworks are needed if CSR is to be understood and developed in the field.

In Chapter 23, Nummela highlights the specific features of international entrepreneurship research. She identifies various areas that can serve as a bridge for scholars interested

in advancing entrepreneurship, international business, and international entrepreneurship research. She emphasizes the need to account for the constant flux of temporal and spatial contexts when studying the phenomenon of international entrepreneurship, as well as the need to investigate the local roots and networks of entrepreneurs. She argues that the research fields of entrepreneurship and international business both offer opportunities for developing a deeper theoretical understanding of the mechanisms of how and why international ventures grow or fail, and she calls for an important role of international entrepreneurship scholars in this regard.

In Chapter 24, Almobaireek, Alshumaimeri, and Manolova explore the external and internal growth challenges of new and small ventures in the context of emerging economies. They provide a review of the literature on new and small business growth in emerging economies, and complement this review with illustrative evidence from field work and a large-scale nationally representative study on the state of small business in Saudi Arabia. The evidence of this study shows that the association between external challenges and growth in emerging economies is stronger in early stages of small firm development, while the association between internal challenges and growth is stronger in later stages. They conclude their chapter by offering various suggestions for future research and discussing implications for public policy and managerial practice in the emerging market context.

In Chapter 25, Pittaway, Huxtable-Thomas, and Hannon summarize recent studies on entrepreneurial learning in order to highlight their implications for the design of educational programs. They summarize key concepts and empirical contributions, with a particular focus on expanding the understanding of 'situated' social and contextual learning. They highlight critical concepts such as dynamic temporal phases, forms and characteristics of learning, and they lay out the underlying principles of each concept. They then present various conceptual and empirical contributions

to the topic of entrepreneurial learning. They conclude by highlighting the implications of current thinking on the design of development programs for entrepreneurs, and offer insights into future developments and lines of inquiry in entrepreneurial learning.

In Chapter 26, Cooney discusses the use of case studies in entrepreneurship education, and the benefits of writing and teaching case studies. He explains the background to the case study approach and highlights the benefits that such a teaching approach can offer to both students and educators. He also explores how case studies can be used most effectively in the classroom, and what the challenges are for instructors who design and write their own cases. He concludes by discussing the current and future position of the case study approach as a form of pedagogy.

In Chapter 27, Hytti and Koskinen discuss how enterprise education pedagogy can be implemented in compulsory education and how it can positively affect students' school motivation and learning. They expand the applicability of entrepreneurship education, by emphasizing entrepreneurship pedagogy as a way forward from viewing entrepreneurship education merely as content that is related to new venture creation. Based on an account of one reform school that followed the principles of enterprise education pedagogy, the authors provide concrete examples of how to implement such pedagogy in an extreme classroom context. They suggest that the development of self-regulation skills is an appropriate new metric (i.e. learning outcome) for enterprise education pedagogy and related assessments. They conclude by discussing the opportunities and challenges for teachers who experiment with entrepreneurial teaching methods.

## Part IV: Researching Small Business and Entrepreneurship

In Chapter 28, McKenny, Zachary, Short, and Ketchen discuss the challenge of assessing

causality in entrepreneurship research. They argue that this challenge is informed by the complexity of entrepreneurial phenomena, as well as by research design issues with respect to incomplete control over alternative explanations. They also posit that relatively little is known of how well entrepreneurship scholarship is performing in terms of methodological decisions that impact the ability to make causal claims. To illustrate their arguments, they focus on the causal relationship between corporate entrepreneurship and firm performance, and they discuss this relationship based on three criteria: the independent and dependent variables must co-vary, the independent variable must temporally precede the dependent variable, and alternative explanations must be eliminated. Based on their discussion of numerous articles on corporate entrepreneurship, they provide an interesting set of guidelines for how future entrepreneurship studies can make a stronger case for the presence of causality.

In Chapter 29 Kovalainen uses the term 'qualitative research strategy' as an umbrella concept that connects different qualitative methods. She discusses the different meanings given to qualitative research, the different methods used, and the overall content with a focus on entrepreneurship studies. She points out the strengths and pitfalls in using a qualitative research strategy, particularly in relation to issues in entrepreneurship. She concludes the chapter by providing various insights into future methods in entrepreneurship research, with a particular focus on the promise of qualitative research in entrepreneurship studies.

In Chapter 30, Díaz-García provides a critical examination of the main methodological approaches that have been used in studies of female entrepreneurship. She first discusses the dominant epistemological and ontological approaches that have been used in the study of gender in entrepreneurship. She then explains the benefits that can be derived from feminist and sociological approaches. Based

on this analysis, she provides various suggestions for fruitful future research.

In Chapter 31, Johannisson discusses the possibility of a paradigm shift in entrepreneurship research. He identifies three critical issues that suggest the need for changing our understanding and modes of researching entrepreneurship: entrepreneuring is not about instigating change but temporarily arresting it; entrepreneuring is a processual phenomenon that crosses boundaries in time and space; and entrepreneuring is a multicolored science. The author then reports a bibliometric analysis that maps how entrepreneurship research presents itself in relation to management studies, a field that is usually considered to embrace entrepreneurship. He considers entrepreneurship research as an entrepreneurial practice and argues that such enactive research is an appropriate methodology to capture the notion of entrepreneurship. He further argues that the entrepreneurship research community can strengthen its identity by promoting 'originality' as another dimension of quality in research, besides the established two dimensions of rigor and relevance.

In Chapter 32, Poutanen introduces certain critical perspectives in entrepreneurship research in relation to what is called 'mainstream' entrepreneurship research, while also acknowledging the blurring and constantly moving boundaries of 'mainstream' and 'non-mainstream' research. He discusses some methodological criticisms and flaws in entrepreneurship studies as well as the narrow ideology of entrepreneurialism. The author presents the 'avant-garde' of critical entrepreneurship research, which builds on complex ontological theories of processualist reality and unties 'entrepreneurship' from its narrow economy- and business-centered meanings. He also argues that the bold reconceptualization of 'entrepreneurship' in relation to 'creativity', for example, could offer opportunities for fruitful dialogue between the avant-gardists and more conventionally oriented researchers of entrepreneurship.

#### Notes

- 1 Estimates can vary. For example, Harzing has 13 journals listed with 'Entrepreneurship': http://www.harzing.com/download/jql\_subject.pdf, whilst Google Scholar lists 20: https://scholar.google.co.uk/citations?view\_op=top\_venues&hl=en&vq=bus\_entrepreneurshipin novation, and in his analysis of core publications and related fields, Katz lists up to 129 journals: https://www.slu.edu/eweb/connect/for-faculty/infrastructure/core-publications-in-entrepreneurship-and-related-fields#RefereedScholarlyJournals.
- 2 Assessments of the quality of research in higher educational institutions, such as the UK HEFCE's Research Excellence Framework, also report on the growing quality and volume of work in the field (HEFCE, 2015).
- 3 Estimates of the number of entrepreneurship programs or courses in universities worldwide prove difficult to find because of the scale of the task this would involve and the spread of courses beyond business schools into other disciplines such as engineering and the arts (see for example Honig & Martin, 2014). However, based on our gleaning of many national higher education situations, we would stand by our contention that most universities have embraced some form of program.
- 4 One argument may be that 'entrepreneurship', because of its overtones of risk-taking and dynamism, may be a more attractive term to use than 'small business', with its potential image of 'mom and pop' or less dynamic economic entities.

#### **REFERENCES**

- Acs, Z., Åstebro, T., Audretsch, D., and Robinson, D. T. (2016). Public policy to promote entrepreneurship: A call to arms. *Small Business Economics*, 47(1), 35–51.
- Aldrich, H. E. (2012). The emergence of entrepreneurship as an academic field: A personal essay on institutional entrepreneurship. *Research Policy*, 41(7), 1240–1248.
- Audretsch, D. B., Grilo, I., and Thurik, A. R. (Eds) (2007). *Handbook of research on entrepreneurship policy*. Edward Elgar, Cheltenham.
- Bennett, R. J. (2014). *Entrepreneurship, small business and public policy*. Routledge, London and New York.
- Blackburn, R. A., and Schaper, M. T. (Eds) (2012). Government, SMEs and entrepreneurship

- development. Policy, practice and challenges. Gower Publishing, Oxford.
- Brännback, M., and Carsrud, A. L. (Eds) (2017). Revisiting the entrepreneurial mind: Inside the black box: An expanded edition. Springer, Cham, Switzerland.
- Carland, J. W., Hoy, F., Boulton, W. R., and Carland, J. A. C. (1984). Differentiating entrepreneurs from small business owners: A conceptualization. *Academy of Management Review*, 9(2), 354–359.
- Carlsson, B., Braunerhjelm, P., McKelvey, M., Olofsson, C., Persson, L., and Ylinenpää, H. (2013). The evolving domain of entrepreneurship research. *Small Business Economics*, 41(4), 913–930.
- Curran, J. (2000). What is small business policy in the UK for? Evaluation and assessing small business policies. *International Small Business Journal*, 18(3), 36–50.
- Curran, J., and Blackburn, R. (2000). *Researching the small enterprise*. Sage, London.
- Davey, T., Hannon, P., and Penaluna, A. (2016). Entrepreneurship education and the role of universities in entrepreneurship: Introduction to the special issue. *Industry and Higher Education*, 30(3), 171–182.
- Davidsson, P. (2004). Researching entrepreneurship. Springer, New York.
- Davidsson, P. (2016). The field of entrepreneurship research: Some significant developments. In Bögenhold, D., Bonnet, J., Dejardin, M., and Garcia Perez de Lema, D. (Eds) Contemporary entrepreneurship: Multidisciplinary perspectives on innovation and growth. Springer, Cham, Switzerland, 17–28.
- DeTienne, D., and Wennberg, K. (2016). Studying exit from entrepreneurship: New directions and insights. *International Small Business Journal*, 34(2), 151–156.
- Essers, C., Dey, P., Tedmanson, D., and Verduyn, K. (Eds) (2017). *Critical perspectives on entre-preneurship: Challenging dominant discourses*. Routledge, London and New York.
- Fayolle, A. (Ed.) (2014). *Handbook of research on small business and entrepreneurship*. Edward Elgar, Cheltenham.
- Fayolle, A., Landström, H., Gartner, W. B., and Berglund, K. (2016a). The institutionalization of entrepreneurship: Questioning the status quo and re-gaining hope for entrepreneurship research. *Entrepreneurship & Regional Development*, 28(7–8), 477–486.

- Fayolle, A., Verzat, C., and Wapshott, R. (2016b). In quest of legitimacy: The theoretical and methodological foundations of entrepreneurship education research. *International Small Business Journal*, 34(7), 895–904.
- Ferreira, M. P., Reis, N. R., and Miranda, R. (2015). Thirty years of entrepreneurship research published in top journals: Analysis of citations, co-citations and themes. *Journal of Global Entrepreneurship Research*, 5(17), 1–22.
- Fletcher, D., and Seldon, P. (2016). A critical review of critical perspectives in entrepreneurship research. In Landström, H., Parhankangas, A., Fayolle, A., and Riot, P. (Eds). *Challenging Entrepreneurship Research*. Routledge, London 131–154.
- HEFCE (2015). Research Excellence Framework 2014: Overview Report by Main Panel C and Sub-panels 16 to 26, UOA 19, pp 53–69. http://www.ref.ac.uk/media/ref/content/expanel/member/Main%20Panel%20C%20 overview%20report.pdf
- Honig, B., and Martin, B. (2014). Entrepreneurship education. In Fayolle, A. (Ed.). *Handbook of research on small business and entrepreneurship*. Edward Elgar, Cheltenham, pp.127–146.
- Hsu, D. K., Wiklund, J., Anderson, S. E., and Coffey, B. S. (2016). Entrepreneurial exit intentions and the business-family interface. *Journal of Business Venturing*, 31(6), 613–627.
- Landström, H., Parhankangas, A., Fayolle, A., and Riot, P. (Eds) (2016). *Challenging entre-preneurship research*. Routledge, London and New York.
- Leitch, C., and Vollery, T. (2017). Entrepreneurial leadership: Insights and directions. *Interna*tional Small Business Journal, 35(2), 147–156.
- López-Fernández, M. C., Serrano-Bedia, A. M., and Pérez-Pérez, M. (2016). Entrepreneurship and family firm research: A bibliometric analysis of an emerging field. *Journal of Small Business Management*, 54(2), 622–639.
- Meyer, M., Libaers, D., Thijs, B., Grant, K., Glänzel, W., and Debackere, K. (2014). Origin and emergence of entrepreneurship as a research field. *Scientometrics*, 98(1), 473–485.
- Neck, H. M., and Greene, P. G. (2011). Entrepreneurship education: Known worlds and new frontiers. *Journal of Small Business Management*, 49(1), 55–70.
- OECD/European Union (2015). The Missing Entrepreneurs: Policies for self-employment

- and entrepreneurship. Organisation for Economic Co-operation and Development Publishing, Paris.
- Roberts, R. (2015). *Finance for small and entrepreneurial business*. Routledge, London and New York.
- Scase, R., and Goffee, R. (1981). *The real world of the small business owner*. Croom Helm, London.
- Shane, S., and Venkataraman, S. (2000). The promise of entrepreneurship as a field of research. Academy of Management Review, 25(1), 217–226.
- Shepherd, D. A., and Patzelt, H. (2017). *Trail-blazing in entrepreneurship*. Springer International Publishing, Cham, Switzerland.
- Short, J. C., Ketchen, D. J., McKenny, A. F., Allison, T. H., and Ireland, R. D. (2017). Research on crowdfunding: Reviewing the (very recent) past and celebrating the present. *Entrepreneurship Theory and Practice*, 41(2), 149–160.
- Short, J. C., Sharma, P., Lumpkin, G. T., and Pearson, A. W. (2016). 'Oh, the places we'll go!' Reviewing past, present, and future possibilities in family business research. *Family Business Review*, 29(1), 11–16.
- Storey, D. J. (2014). Understanding the small business sector: Reflections and confessions. In Braunerhjelm, P. (Ed.) 20 years of entrepreneurship research from small business dynamics to entrepreneurial growth and societal prosperity. Swedish Entrepreneurship Forum, pp. 21–33.
- Valerio, A., Parton, B., and Robb, A. (2014). Entrepreneurship education and training programs around the world: Dimensions for success. World Bank Publications, Washington DC.
- Volery, T., and Mazzarol, T. (2015). The evolution of the small business and entrepreneurship field: A bibliometric investigation of articles published in the International Small Business Journal. *International Small Business Journal*, 33(4), 374–396.
- Walter, S. G., and Block, J. H. (2016). Outcomes of entrepreneurship education: An institutional perspective. *Journal of Business Venturing*, 31(2), 216–233.
- Welter, F., and Gartner, W. B. (Eds) (2016). A research agenda for entrepreneurship and context. Edward Elgar, Cheltenham, Northampton, MA.