

What Exactly Is Entrepreneurial Spirit? A Conceptual Framework And Empirical Evidence

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ABSTRACT

The indispensable role of entrepreneurial spirit of individuals, firms and regions in building strong entrepreneurial cultures, sustaining global competitive advantage and promoting economic growth has been widely acknowledged, and researchers have identified some distinguishing characteristics of entrepreneurial spirit in individuals, firms and regions. However, there is a lack of integration of the theories, and gaps in the explanation of the process as to how entrepreneurial spirit is triggered, nurtured and sustained. This paper presents a comprehensive framework that synthesizes the diverse theories in the literature and presents an in-depth perspective of the process that leads to sustainability of entrepreneurial spirit, using data from twenty-three small and medium-sized firms in Australia. Findings are useful for effective policy planning and targeted support.

KEYWORDS

Entrepreneurial Spirit, SME, Innovation, Civic Entrepreneur, Knowledge Community, Social Capital

INTRODUCTION

The extensive literature on entrepreneurship, small business, innovation, networks and regional development is yet to address formally the crucial unseen hand that links them all – the entrepreneurial spirit. The available literature on entrepreneurial spirit, albeit scant, treats it as a ‘mythical concept with ‘different meanings and understandings by different groupings of society, which may be wholly or partly without foundation’ (Gibb, 2000). Whilst it is apparent that entrepreneurial spirit is multifaceted, it is not clear as to what contributes to the multidimensionality. The distinguishing characteristics of entrepreneurial spirit have not been formally examined. It is not clear how entrepreneurial spirit is triggered, nurtured and sustained in a firm, nor as to how this spirit spills over to communities and regions.

In this paper, we present a comprehensive framework that synthesizes the diverse theories in the literature. The framework illustrates the key role of the individual entrepreneur who acts as a pioneer

in initially sparking the entrepreneurial spirit, depicts the process that develops and sustains this spirit in the firm, identifies the pathway of the knowledge spill-over to the locality, and explains how entrepreneurial spirit in a region is created and sustained. We illustrate the application of this framework by using data from twenty three SMEs in Australia. The paper presents future theoretical directions and implications for public policy.

THEORETICAL DISCUSSION

There is an extensive volume of popular commentary on entrepreneurial spirit. At the time of writing, a search for the phrase ‘entrepreneurial spirit’ on Google identified 3,010,000 websites. A swift glance indicates that the term is associated with an individual, a firm, employees of a firm, groups of firms, localities, clusters, regions, economies, nations, and continents (for example, ‘Danish Entrepreneurial Spirit’, European Entrepreneurial Spirit’, etc). The units referred to are almost everything from large firms to small firms, schools, government offices, foundations, non-profits and charity organizations. Obviously, the concept of entrepreneurial spirit is fundamental to humanity itself.

The academic commentaries are far fewer in comparison. The Emerald database identified 296 items, and the ABI Inform database identified 143 (with the filter scholarly peer applied) that used the phrase ‘entrepreneurial spirit’ anywhere in the paper. The manifestations of entrepreneurial spirit in individuals and entities has been presented (Abdnor 1988; Weiss 1995; UNDP 2004; OECD 2004; Accenture 2002), and ways and means to promote entrepreneurial spirit discussed. The descriptions range from encouraging education among entrepreneurs (Botwinik 1990), promoting originality, action, passion, and adaptability in entrepreneurs (Duran 2004), supporting innovative employees and encouraging their agility (DeSimone et al 1995), promoting to employees the idea that the company is ‘theirs’ (Denton 1993), and, opening doors and providing opportunities for entrepreneurs (UNDP 2004). Few have attempted to define entrepreneurial spirit either as a macro or micro aspect. To Gilder (1984) it was ‘the source of all we are and can become, the saving grace of democratic politics and free men, the hope of the poor and the obligation of the fortunate, the redemption of an oppressed and

desperate world'. To Abdnor (1988), 'It is the spirit of adventure, the spirit of enterprise; the spirit that creates jobs and innovation in countries across the world; the spirit that breaks down social barriers and creates the opportunity for upward mobility for thousands of men and women'. Rae (2000) in his book 'The Entrepreneurial Spirit: Learning to Unlock Value' took a micro perspective and focused exclusively on the entrepreneurial spirit in an individual, while Karlsson and Larsson (1993) referred to entrepreneurial spirit of a region.

The related domains of entrepreneurship, small business, innovation and regional development have extensive literature that has developed further due to the cross-fertilization among them. The currently prevalent notion on entrepreneurship considers that the primary role of entrepreneurs is to acquire knowledge and create social capital through innovation, risk-taking, pro-activeness, network expansion, team building, organization creation, and creation of knowledge communities. This perspective that the investments in new knowledge generate entrepreneurship endogenously, or the knowledge theory of entrepreneurship (Audretsch and Keilbach, 2004), is different to the traditional perspective that entrepreneurship is exogenously determined by DNA. Evolving research has also pointed out the 'inseparable nature of the relationship' between innovation and entrepreneurship, wherein '...innovation and entrepreneurship are not root and branch but one step at a time, a product here, a policy there, a public service yonder...' (Drucker 1985). Recent empirical evidence found that the symbiosis of entrepreneurship and innovation has the unique ability to impart flexibility and self-renewal to any activity thereby benefiting industry, society and public service (Velamuri 2002). Further, a spill over from business to society has been noticed by researchers, wherein a particular type of entrepreneurship that encompasses civic, social and cultural factors can create and nurture knowledge communities leading to the formation of social capital (Yamada 2004).

Entrepreneurial Spirit In Individuals And Firms

Every company in the world, no matter how large, started at one time as an idea (Duran 2004). The starting of a business or the origin of the initial idea has traditionally been attributed to a single individual entrepreneur. Thornberry (2001) used 'start-up' entrepreneur or 'parent' to refer to the

original founder of the idea. However, literature then presented an entrepreneurial team as a valid equivalent to an individual entrepreneur but later emphasized that with regard to the actual nurturing and implementation of the idea, an individual entrepreneur seems predominant. Shaver and Scott (1991 cf Cooney 2005) mention that a single person is still required in whose mind all of the possibilities come together, who believes that innovation is possible, and who has the motivation to persist until the job is done. Ensley et al., (2000) argued that entrepreneurial teams almost always have 'lead entrepreneurs' who clarify the firm's vision and craft the dream and strategy for the rest of the team to follow. Casson (1982 cf Cooney 2005) categorically stated that an entrepreneur has to be an individual and not a team, a committee or an organization since only individuals can make decisions, and an entrepreneur specialized in taking judgemental decisions.

The literature also discusses the notion of a 'functional' entrepreneur. Functional entrepreneurs are able to convince others in the firm to share the vision, through force of will and great effort (Kets de Vries, 1985). As Landman (2004) observed, only if majority of the population have a stake in the development, sustainability can be achieved. This is the central idea of the discussions on intrapreneuring (Pinchot, 1985) and 'entrepreneurial culture'. Mazzarol (2003) contends that owner-managers of small, fast-growing firms need to devote time to the development of vision and mission statements, and should seek to involve their employees in this process. However, Kets de Vries (1985) cautioned that dysfunction is inherent in entrepreneurship due to the entrepreneur's fear of success and failure, strong vision and obsession, high degree of independence and dependency on stakeholders, that they generally face a challenge to maintain a balance, causing specific negative factors to permeate the personality of entrepreneurs and dominate their behaviour. Beaver and Jennings (2005) call it the 'dark side of entrepreneurship'. Therefore, for our discussions on entrepreneurial spirit in individuals and firms, a *functional* entrepreneur is a necessity. Entrepreneurial spirit of a firm is the embodiment of the vision and will power of the entrepreneur in everyone else in the firm, making the firm respond exactly in the way the individual entrepreneur envisions it to. There is only one spontaneous echo in the firm - the voice of the functional entrepreneur. We call it the 'Voice of One'.

Entrepreneurial Spirit In A Region

The spill- over factor: the civic entrepreneur

Does the 'survival' and 'growth' of individual firms translate into growth of the region and economy? Regional growth can be said to emanate from SMEs only when they serve as agents of change through innovative activity (Audretsch, 2000), as many small firms that are not involved in innovation, survive merely by operating in niche markets (Rothwell, 1986). But, as Gilder (1984) observed, 'it is the spontaneously acting entrepreneurs with no assurance of demand or markets that provide the hands that lift up an economy'. In 1997, Henton, Melville and Walesh introduced the concept of a 'civic entrepreneur' stating that the 'best entrepreneurs take care of their own businesses and their communities..., forging powerfully productive linkages at the intersection of business, government, education, and community and operating at the grassroots level to create collaborative advantages that enables their communities to be globally competitive'. They have a 'keen sense of giving back the firm and individual level wealth and experience to the larger community, for mutual long-term gain' (Ibata-Arens 2004). The networking activities of these entrepreneurs are not compulsory but voluntary (see Curran and Blackburn, 1992:92-93). de Bruin and Depuis (2003) refer to this as 'community entrepreneurship'. Gilder (1984) appears to be have the civic entrepreneur in mind, when he stated 'entrepreneurs who hoard their wealth... or revel in vain consumption or retreat to selfish isolation betray the very essence of their role and responsibility in the world and to that degree they are no longer entrepreneurs or capitalists but relics...' Thompson (2002) used the term 'social entrepreneur', to refer to individuals who listen to the 'voice of the community' and respond in meaningful ways. It is in this manner, 'that the entrepreneur constitutes a bridge between society as a whole and the profit-orientated institutions' (Cole, 1959).

The creation of knowledge communities and social capital

From the above discussions, it is easy to imagine as to how the civic entrepreneur transfers the knowledge inside the firm boundaries, to the outside community. Nahapiet and Ghoshal (1998) cite Kogut and Zander (1996) proposed 'that a firm be understood as a social community specializing in the speed and efficiency in the creation and transfer of knowledge'. Nahapiet and Ghoshal (1998) define knowledge as 'knowledge and knowing capability of a social collectivity, such as an

organization, intellectual community, or professional practice', and mention that the key mechanisms for creating knowledge are new combinations either by combining elements previously unconnected, or by developing novel ways of combining elements previously associated, and, exchange, which involves learning and shared experiences.

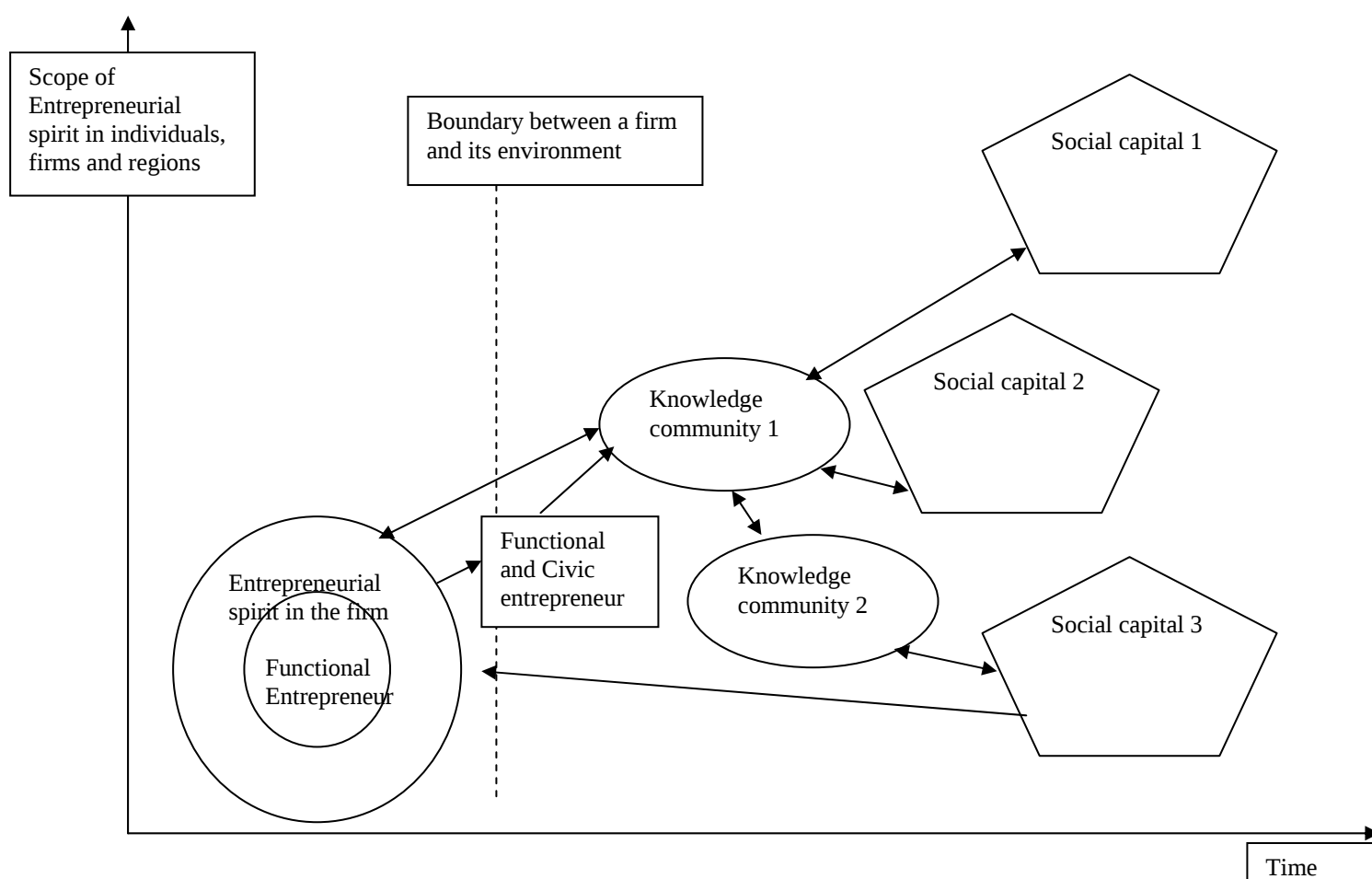
As Markley and Macke (2003) queried, 'how do communities build social capital? 'When the interactions between firms are repeated, they develop structures. A continuity of structures effectively creates knowledge as between 'cognitive partners resulting in knowledge creation architectures' (Corno et al 2000). These structures or 'sum of actual and potential resources embedded within, available through, and derived from the network of relationships possessed by an individual or social unit' (Nahapiet and Ghoshal, 1998) is in essence 'capital', or, 'social capital'. The social capital in a region has been acknowledged as a base or a business incubator for 'start-ups' and 'novice' entrepreneurs (Totterman and Sten 2005; Carter and Ram 2003; Wright et al 1998; Westhead et al 2005). Silicon Valley created a regional advantage in this manner. But, it is possible that in each knowledge community, the common languages, experiences and cultures grow deeper and intimate, characterized by a high level of cooperation and commitment among the partners, with a risk of closure to the outside environment (Corno et al 2000). Researchers (Blackburn 2003, Yamada, 2004) have observed that not every experience, learning and knowledge creation can be easily transferred between different regions and cautioned the 'particular characteristics of a region, must be examined closely to ascertain the transferability and relevance to other areas' (Blackburn, 2003), due to the unwillingness to transfer business secrets, transaction costs and the need for power and control Johannisson (2000). Yamada (2004) hypothesized that there exists a reciprocal relationship between knowledge communities and social capital, stating that one nurtured the other. Therefore, in summary, a reciprocal relationship exists between a knowledge community and an individual firm, and between a knowledge community and another knowledge community. A reciprocal relationship exists between knowledge communities and social capital, and between a firm and the social capital. However, it is difficult to postulate a relationship between two social capitals, or social capitals in different regions.

The degree of sustainability in social capital appears to be lesser than the sustainability inherent in knowledge communities.

A FRAMEWORK FOR DESCRIBING ENTREPRENEURIAL SPIRIT IN INDIVIDUALS, FIRMS AND REGIONS

The discussions above can be synthesized into a comprehensive framework presented in Figure 1. The framework depicts the main actors and their relationships, namely, the functional entrepreneur, the functional and civic entrepreneur, entrepreneurial spirit in a firm, the time bound progressive nature of entrepreneurial spirit formation, and the self-sustaining nature of entrepreneurial spirit in a region.

Figure 1. A Framework For Describing Entrepreneurial Spirit in Individuals, Firms and Regions



The x-axis of the figure depicts that the formation of entrepreneurial spirit is a progressive as well as a developmental process. A functional entrepreneur at the firm level creates and sustains the entrepreneurial spirit in that firm. The civic entrepreneur operates on the boundary creating the spill

over. Over time, knowledge communities are created, leading to the development of social capital formation. This provides a base for creating and nurturing further knowledge communities, start-ups and novice entrepreneurs – the reciprocal relationship between entrepreneurship and social capital. The expanse and depth of the spread of entrepreneurial spirit will depend on the active support, as the sustainability in the social capital is less than that of the knowledge community. The y axis in the figure depicts the scope and spread of entrepreneurial spirit. The figure echoes Gilder (1984): ‘The enterprise is an aggressive creation, not a reaction. When it is *successfully* launched, all the rest of society- government, labour, other businesses- will have to react. In a sense, entrepreneurship is the creation of surprises. ...it is a world where *service of others*-solving their problems and taking on new ones for yourself-is the prime source of leadership and wealth... giving is the rule of highest returns’ (words italicized for emphasis).

METHODOLOGY

Individual SMEs are the unit of analysis in this study. As Kimberly and Evanisko (1981) mentioned, one method of moving toward a general understanding of a concept is through intensive analysis in one particular sector of the economy, as the concentration of research focus will help to identify and isolate factors that clarify the nature of the phenomenon of interest, in this case, entrepreneurial spirit. To identify an SME, this study adopted the general definition of SME used by the Australian Bureau of Statistics (2002) for manufacturing firms and is based on employee numbers. Accordingly, a business with less than 20 employees is a Small business, and a business with 20 to 199 employees is a Medium-sized business. The Dun and Bradstreet (DNB) Business Who’s Who database was used with the filters “Manufacturing” and ‘Victoria’, and ‘0-199 employees’. This yielded 1092 firms which were taken as the population frame from which a stratified proportionate sample was drawn at random. During the allocated time-period of two weeks for data sourcing, 42 firms were contacted of which 23 agreed to be interviewed, translating into a response rate of 55%. The face-to-face interview was conducted by two researchers, and lasted approximately two hours. The interview location was usually

the participants' firm, and the interviews were audio-taped. (Refer to Appendix 1 for background details of the sample).

The study presented in this paper is part of a larger study that investigated the overall strategy process and life cycle of the SMEs. The respondents were asked to explain the trajectory of their firm from the start of the enterprise. Pioch and Byrom (2004) cite researchers who have stressed the usefulness of using the 'tell me about ... approach' when interviewing small business decision-makers. The life-story approach is a recognized research method and the study of narratives has become a recognized approach in social science (Rae 2000). Mitchell (1997 cf Rae 2000) used oral histories as 'expert scripts' since 'entrepreneurship is a profession susceptible to expertise', concluding that this method helped to demystify the entrepreneurial process, besides presenting the perspective of the entrepreneur. A semi-structured interview schedule with major topical items such as firm, customers, infrastructure, and innovation was used merely to act as a guide. The interviews were transcribed, checked for accuracy, and the dominant themes were captured using the software QSR N6.

FINDINGS AND DISCUSSION

Entrepreneurial Spirit In Individuals And Firms

The original founder of the business that was started 'from scratch' was more often a team of two as found in 10 cases, or an individual (2 instances). In the remaining 11 cases, individual entrepreneurs took over an existing business or idea and either transformed it through frame-breaking innovative ways to position them as pioneer firms operating in niche markets in Australia (6 cases), or engaged merely in incremental innovations and operated in less crowded markets (5 cases). Family played a vital role in team entrepreneurship and comprised mainly of in-laws, followed by brothers, and then partners. The non-family comprised of co-workers or professional friends. In 19 out the 23 cases, although in varying degrees, the innovations and the knowledge was shared and disseminated with all employees within the firm. Innovation was not exogenous but endogenous to the firm's operations, encompassing products, processes and administration. Once set in motion by the entrepreneur or the

team, the sources of innovation emanated from multiple sources, such as, family members, customers, suppliers, and employees. The business was visualized as a long-term sustainable operation. The themes that emerged from the data and selected examples are presented below.

Gilder (1984) stated, 'entrepreneurial pioneers play the role of 'revolutionary science' launching wholly new ventures that can transform the economic environment.' Says John. "So I decided we had to do something different and I spent a lot of time thinking up different things and despite not having any formal training in engineering or textiles, I would ask why can't I do this? And if they say to me, you can't do that then I say, well why not? So I do it my way and in a lot of cases it worked". So too for Tim, "I am always thinking. Anything, wherever you can change, try something, and change it, because there must be another way of doing it easier, more economical, and not as boring". Stopford and Baden Fuller (1993) term outcomes from such a mentality as 'frame-breaking change'.

Dees (1998) states, 'where others see problems, entrepreneurs see opportunities'. While Tim was an apprentice at the trade school, he observed that his fellow apprentices were interested only in easy tasks and quick money. Tim recognized an opportunity, and decided to manufacture large castings that were difficult, time-consuming and involved hard work. So too, as Drucker mentions an entrepreneur always searches for change, responds to it, and exploits it as an opportunity. Says Tim, "I could see that there was eventually going to be a big market in the plastic industry" so decided to target that industry too right from the beginning. Says Jean with reference to his opportunity seeking, "As you can see, again, this (the choice of concentrating on the confectionery business) was not a huge decision and there was no planning; only a reaction to the situation. I merely follow the river. When the river gets tumultuous I try to find an oak". Mike echoes this emergent strategy process. "Up until four years ago I was taking advantage of opportunities as they came and growing with it".

The entrepreneurial spirit is kept alive with a determined drive, passion for creation and courage, underscored by capability. Tim's innate drive to be the best kept him abreast of the latest global technology due to which he decided to manufacture castings that required superior technological

knowledge. Explains Tim, “there are no formulas; it is all in my head”. When Jean comes across a new product, packaging or marketing process, his thoughts are on how to adapt it for his use. “So that is what I do... I intellectually manufacture. I create recipes”, says Jean. Lance states, “I enjoy working. I can’t stop. I like to create things. I like too many challenges as long as I can succeed beating the challenge and winning the challenge.” Sally said to herself, “I have quite a good creative talent and the capability; so I need to find a product that is creative and unique in style”. To Carter, “Yes, it was very risky... starting off on your own with a wife and kids”. Brad adds, “the desire to succeed, win; (others in my firm) don’t lie awake at night because the bank is looming in the background and you need to somehow generate the cash”. Danny concurs, “At one stage there were three generations of our family relying on the product to eat”.

Is this entrepreneurial spirit prevalent in the firm? What are the distinguishing features? In the case of Tim’s firm, the entrepreneur, his wife and two sons work closely as a team. “When customers bring in an idea, a drawing, or a pattern, at least two of the family members look at it, develop independent drawings on it and the best option is chosen after discussions. We always try to think of different ways of increasing production” Tim explains. Similarly, “when we are pouring (the plastic mix) into the mould all of us are present there as it requires a high degree of team effort and precision”, says Tim. His wife, sons, customers, suppliers and staff contributes to ideas on an on-going basis. He benchmarked his firm with the best firms in USA which fed ideas and new knowledge constantly and ensured his firm a pioneer status in Australia. The culture within the firm is critical for sustaining the spirit. Mike elaborates, “at the start of the day I hope my staff have a really good day as well and whilst we are having a good day we will get the job done. I want everyone to be happy in their job.”

In contrast, in 4 firms, innovation was limited largely to incremental product innovations from the entrepreneurs only. There was no evidence of innovation in processes or administrative areas, nor the involvement of others. The entrepreneurs did not discuss and share the tacit or explicit knowledge with others in the firm. They did not receive new information from the external environment. The frequency of innovation depended solely on the entrepreneur’s choice. As Brad explains clearly, “we

had the consultants in and they'd say that the problem with this company is its all driven from you two blokes, from top down...our employees haven't got the same desire to succeed; to win".

Garvin (1993) mentions that knowledge acquisition involves the intra-organisational processes that facilitate tacit and explicit knowledge creation, codification and transfer from individual members to the organisation; knowledge distribution relates to the processes by which new information from different sources are shared. As Han, Kim and Srivastava (1998) mention, a firm is likely to encounter more innovativeness in a customer-oriented culture compared with a less customer-focused one. Literature mentions that organisations manage the innovation process by learning through externally focused activities like benchmarking, technology brokering and environmental scanning, or through internally focused activities such as intranets, databases and cross-functional teams designed to facilitate knowledge management (Adams and Lamont 2003).

Entrepreneurial Spirit In The Region

The data was analysed for the presence of civic entrepreneurship, presence of knowledge communities and social capital. Outsourcing emerged as a primary source of knowledge community creation with all 19 firms engaging in it in varying degrees. Tim actively participates in an informal but personal network of local firms to whom he outsourced the machining and finishing of the castings. Sally outsourced everything from paper sourcing to embossing for her custom stationery and held on only to the initial customer design and final delivery. The presence of civic entrepreneurship emerged as the next important factor. Tim's firm placed a high priority on educating their customers about the right choice of the product and even take them through the foundry to help them understand better. Sometimes the customers are given a tour of the foundry to help them understand the product and aid the correct choice of product. Rodney states, "We feed off our customers and we give our customers ideas as well". The networks were very wide and international for these functional and civic entrepreneurs. Gavin believes that the spill-over of knowledge occurs during the domestic and overseas visits to trade fairs and industry specific meetings and networks. "It is for this reason we used

to travel together with our wives. In America, every year they hold a convention and not only their wives and husbands but children will go too and it is one huge festival”.

In contrast, Brad and the three other firms do all the manufacturing in-house and nothing except freight is outsourced. Their need to contribute to the knowledge community and draw on the social capital is limited as they believe that their firm’s success rests entirely on their capacity to innovate. This also allows the firms to sustain with limited networking, one that is confined to suppliers and customers.

CONCLUSIONS AND IMPLICATIONS FOR THEORY AND PUBLIC POLICY

The comprehensive organization of the relevant variables in one framework as presented in this paper identified the distinguishing features of entrepreneurial spirit in individuals, firms and regions and explained the progressive and developmental process of formation of entrepreneurial spirit in firms and regions. The vital role of a functional entrepreneur at the firm level in initially sparking the entrepreneurial spirit is illustrated, the distinguishing features presented, and the process of creating sustainability of spirit demonstrated in the ‘voice of one’. The spirit within a firm can be gauged by the presence of a close-knit team usually with cross-functional expertise, high degree of knowledge sharing by the entrepreneur or team, high degree of codification of the knowledge, and dissemination of the knowledge, and culture that values employees and nurtures them. Civic entrepreneurship is shown to create knowledge communities that nurture one another, and the firm. The maturing knowledge community leads to social capital formation, which in itself becomes a base for creating and nurturing further knowledge communities.

The knowledge communities are the centres nurturing entrepreneurial spirit. From the perspective of framing public policy, this paper aids in understanding targeting of support. As Heikkinen (2003) observes, ‘The entrepreneurial spirit and attitude includes qualities such as courage, visionary skills, action orientation, and self confidence. These qualities cannot be taught, they can only be learned’. In the same vein, the discussions confirm Audretsch and Keilbach’s (2004) statement that ‘entrepreneurs

are not necessarily made, but are rather a response – and in particular a response to high knowledge contexts that are especially fertile in spawning entrepreneurial opportunities. The framework confirms that the fertile environment is the entrepreneurial spirit in the region fuelling the knowledge communities and social capital. Since the degree of self-renewal in knowledge communities is higher than social capital, and since knowledge communities arise endogenously, external bodies should actively engage in supporting the building the social capital and refrain from intervening in knowledge capital creation. Cooper and Folta (2000) queried ‘What are the characteristics of organizations more likely to serve as ‘seed organizations’ or incubators from which entrepreneurs then spin –off?’ The functional entrepreneur and the pioneer entrepreneurial firm have effectively served as the seed for entrepreneurship through their active outsourcing and voluntary networking. Markusen et al (1986) observed that even potential competitors locate themselves in close proximity to a pioneering firm.

Funding for travel, domestic or overseas, for the purposes of building personal contacts, especially in the early phase of the business will increase the spontaneity of innovation networks. van Dijk and Sandee (2002) have stressed the importance of travel for entrepreneurs as a mechanism for positively influencing entrepreneurial learning. Shane (2003) cites researchers who found evidence that prior knowledge about markets makes it easier for people to recognize demand conditions. Besides providing knowledge of new markets, travels and tours promote understanding of the differences between markets which is crucial for the discovery of opportunity.

The paper has provided a starting point towards recognition of a fundamental and vital concept, and portrayed the complexity and dynamism that permeates the phenomenon of entrepreneurial spirit in individuals, firms and regions. The discussion provided in the paper can be used as a template to identify functional entrepreneurs and functional civic entrepreneurs, possibly through narratives and discursive approaches (see Hjorth and Steyaert, 2004) life story interviews (Rae, 2000), and phenomenological interviews (Cope, 2005).

Further research with larger samples across all sectors, not just manufacturing, will provide a much more holistic picture of entrepreneurial spirit in the region.

APPENDIX 1

Firm #	Type of Customer	No of employees	Turnover (\$ mn)	Industry	Line of business	Major themes from NVIVO analysis
1	B2C	30	5	Candy and other confectionery	Manufacture and distribution of confectionery	ES limited to one founder; product innovation only; intellectual manufacturing; ad-hoc; family members not involved; capped growth
2	B2B	15	N/A	Motor vehicle parts and accessories	Manufacture and export of electric cooling fans for automobiles, electric condenser fans	ES limited to two partners; product innovation only; enthusiasm and constancy; pioneering; continuous innovation; high growth; civic entrepreneur
3	B2B	20	1.5	Non-ferrous Foundries	Manufacture non-ferrous castings	ES evidenced firm-wide; product, process and administrative innovation; pioneering; continuous innovation; high involvement from 3 family members; high growth; civic entrepreneur; social capital
4	B2C	50	6.5	Orthopaedic, Prosthetic and Surgical appliances and supplies	Manufacture and wholesale skin care and toiletry products	ES limited to hired manager; product innovation only; systematic procedures to maintain growth; no family involvement
5	B2C	18	N/A	Leather and Sheep-lined clothing	Manufacture of hats and Australian souvenirs	ES evidenced firm-wide; product, process and administrative innovation; pioneering; continuous innovation; high involvement from 4 family members; moderate growth
6	B2C	37	N/A	Household Furniture, not elsewhere classified	Manufacture, retail, wholesale, import, export baby equipment and nursery furniture	ES limited to one founder; product, process and administrative innovation; pioneering; planned innovation when required; no family involvement; high growth; civic entrepreneur; social capital
7	B2B	11	N/A	Cordage and Twine	Manufacturing of ropes and cords for various purposes	ES limited to two partners; product innovation only; enthusiasm and constancy; pioneering; continuous innovation; no family involvement; high growth
8	B2C	30	N/A	Sanitary Paper Products	Manufacture of paper products	ES limited to founder; product innovation only; pioneering; continuous innovation; no family involvement; high growth
9	B2B	50	N/A	Laminated Plastics Plate, Sheet and Profile Shapes	Manufacture and retail of aluminium products	ES limited to two partners; product innovation only; enthusiasm and constancy; pioneering; continuous innovation; high growth

10	B2B	42	N/A	Bolts, Nuts, Screws, Rivets and Washers	Manufacture linear bearing systems, recirculating ball screw nuts and screw	ES limited to four partners; product and process innovation only; pioneering; continuous innovation; high growth
11	B2B		N/A	Industrial Commercial Machinery and /equipment	Manufacture and wholesale roller doors and shutters	ES limited to two family members; product innovation only; pioneering; continuous innovation; moderate growth; intention to sell business
12	B2C	29	N/A	Die-Cut Paper and Paperboard and Cardboard	Manufacture and Wholesale office filing systems	ES evidenced firm-wide; product innovation only; pioneering; continuous innovation; high growth
13	B2B	60	30	Industrial Trucks, Tractors, Trailers and Stackers	Manufacturer and importer of metal components for caravans, motor homes, trailers & accessories, including power garden equipment	ES limited to two partners; product innovation only; pioneering; ad-hoc innovation; high growth
14	B2B	15	N/A	Plastics Pipe	Manufacturers of chemical processing equipment	ES limited to two partners; product, process and administrative innovation; pioneering; continuous innovation; high growth
15	B2B	32	5	Inorganic Pigments	Manufacture and wholesale coloured master batches and specialty preparations and compounds for the plastic and rubber industries	ES limited to two partners; product and process innovation only; enthusiasm and constancy; pioneering; continuous innovation; high growth
16	B2B	111	35	Fluid Power Valves and Hose Fittings	Manufacture and wholesale control and automation products	ES limited to founder; product innovation only; pioneering; continuous innovation; high growth
17	B2B	38	5		Manufacturer and wholesaler of glass microspheres	ES limited to founder; product innovation only; pioneering; ad-hoc; moderate growth; civic entrepreneur; social capital
18	B2B	23	3	Fasteners, Buttons, Needles and Pins	Manufacture, retail, wholesale plastic jewellery, belt buckles and fashion accessories	ES limited to founder; product innovation only; extensive product innovation; enthusiasm and constancy; pioneering; continuous innovation; moderate growth; product has low margin high volume, high competition

19	B2B	14	N/A	Plastic Products, not elsewhere classified	Manufacture chair bases and castors and moulds for tooling products	ES limited to three partners; product innovation only; pioneering; continuous innovation; high growth
20	B2C	N/A	4	N/A	Identification products	ES limited to founder; product and process innovation only; pioneering; ad-hoc; product has low margin high volume, no competition; maintains growth
21	B2B	N/A	N/A	N/A	Food process engineering and project management services, consultancy	ES limited to founder; product, process and administrative innovation; pioneering; continuous innovation; moderate growth; not interested in internationalisation as the project management structure is difficult to manage
22	B2C	11	N/A	N/A	Custom made luxury invitations and greeting cards	ES limited to two partners; product, process and administrative innovation; enthusiasm and constancy; pioneering; continuous innovation; high growth; domestic market has high potential
23	B2B	10	1.5	Rubber and Plastics Footwear	Manufacture rubber mouldings	ES evidenced firm-wide; product innovation only; pioneering; continuous innovation; high growth

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