DEVELOPING A RESEARCH FRAMEWORK FOR CONTEXT SENSITIVE UNDERSTANDING OF ENTREPRENERSHIP REALITY: GROUND REALITIES OF RESEARCHING ASIAN ENTREPRENEURS

Abstract

Well-established popular theories focused on cognitive understanding of socio-economic change and the economic view based on the western social order, along with the complexity of South Asian society and culture, also hinder attempts to uncover the social reality of entrepreneurship. Socially- and culturally-bound social actors, social actions and social outputs in entrepreneurial activity requires context-sensitivity, expressed through cognizance of institutional characteristics, the interface between cultural values and business, and historical and cultural forces which impact on entrepreneurship. Successful theories of entrepreneurship in the South Asia need to be formed in the South Asia context, shaped by local culture and values. This paper, therefore, outlines the development of a research framework and a research process used to better understand links between society, community and entrepreneurial activity in the South Asian context. This process brought new insights of the interplay between social realities and the field of entrepreneurial activity.

1. Introduction

Entrepreneurial actions are involved with complex human interactions and embraced a range of artifacts and objective realities. As a result, some entrepreneurship researchers observe artifacts and objective realities in the physical world and view them as reality. Others take an open-system or environmental approach emphasising the impact of external environmental factors (socio-economic, political, educational, legal) on entrepreneurial practices and effectiveness. Both approaches result in socio-cultural realities being viewed as secondary influences on entrepreneurial behaviour. Failure to recognise socio-cultural realities is often attributed to reductionist approaches to knowledge and understanding of entrepreneurship. This paper discloses that socio-cultural values are of particular relevance to understanding entrepreneurship as a social phenomenon. The selection of an appropriate subjective ontology is required to understand the context fully. A qualitative research methodology and inductive holistic case study approach including grounded theory analysis are selected to explore peoples’ experiences and behaviour. This process brings new insights of the interplay between social realities and the field of entrepreneurial activity.
2. Transferability of knowledge of entrepreneurship in one society to another

The dominant ideology of entrepreneurship development in the South Asian and developing countries is mostly based on western viewpoints, with the tacit assumption that western ideology is universal. Normative western entrepreneurship and management theories are based on the rationality of logical positivism, but in practice, they have produced unexpected consequences of socio-cultural conflicts in South Asian context (Jayawardena, 2000; Wickramasinghe et al. 2001; Gamage et al., 2004, Chen 2008). Nanayakkara (1999) asserts that training institutions have failed to attract the participation of managers in key positions in organizations into training courses. From this perspective, management and work activities in an enterprise depend critically on socio-cultural values and indigenous management practices.

The validity and transferability of knowledge is questioned based on the utility and impact of such knowledge and cultural diversity. How many transferred ideologies actually take root and bear fruit in the South Asian developing setting is not precisely known. However, concerned researchers, trainers, and entrepreneurs have noted the failure of such “transplants” to lead to ongoing insights (Kao et al. 1999; Wickramasinghe and Hopper 2000, Gamage 2004). The functionalist, rational and positivist framework of the western paradigm does not enable an understanding from a socio-cultural perspective Gamage et al., (2004),) and also difficult to evaluate and understand cultural factors through the lenses of other cultures (Wickramasinghe and Hopper 2000). Different national cultural characteristics mean that the possibility of adopting mainstream entrepreneurial ideas, concepts and theories usefully between nations is highly unlikely because the culture of every day life is complex and not easily ignored. This limited returns to the application of western models of entrepreneurship reinforced the need for a new research approach to entrepreneurship which is described in this paper.

3. Entrepreneurship as a social phenomenon in theory generation
Entrepreneurship as a human activity is a social phenomenon and socio-cultural values are of particular relevance to understanding entrepreneurship (Moriano 2012). Entrepreneurial behaviour should identify the social processes because social actions (by entrepreneurs) are meaningful human behaviours (Weber cited in Runciman 1978) which cannot be separated from their social and cultural context (Armitage and Conner 2001, Gamage 2004, Douglas 2004). Thus, the entrepreneurial world is a channel through a well-integrated society and culture in which the value system becomes the crucial determinant of an individual’s actions (Hofstede et. Al. 2004), including economic actions. In this sense, studies of entrepreneurial activity must recognize the importance of human volition. Human inferences are shaped by culture (Cafagna 1960; Hutchins 1980; Hofstede 2001), the underlying contextual beliefs and value systems on which actions are based.

Culture is manifested throughout a society and it is through culture that entrepreneurship operates. Thus culture can be cited as an explanatory variable in entrepreneurial behaviour (Morrison 1998, Begley and Tan 2001). Culture’ seems to carry a wide meaning covering many aspects of a society (Nanayakkara 1999a). For Cafagna (1960) culture refers to any socially inherited element in the life of humans, both material and spiritual. The social values, norms, perceptions and expectations generated by the culture are interwoven into the business styles and functioning of the South Asian entrepreneurs. This evidence for the research that aimed at examining the entrepreneurship phenomena on the same western theoretical tracks and methodology (objective rationalism and hypothetic deduction) appear to be incapable of explaining the deep-rooted socio-cultural, ethno-religion, and political contextual setting, which triggers the problem of blind faith in western models by policy makers and practitioners in the South Asian context.
The usefulness and endurance of a theory is determined by the way the theory is generated. Established social theories, including Weber’s theory of bureaucracy and the Marxist theory of power which were inductively developed from social research, suggest that it is not possible to completely separate those theories from the society. Therefore, research into entrepreneurial behaviour in developing countries should consider cultural issues (Gamage 2004, Douglas, 2004) and identify the social processes. Naturalism must choose the subjective view as in the empirical world, man is subjective, not objective, except when he is likened to one by himself or by another subject (Matza 1969), and consequently it must combine the methods with the distinctive tools of humanism - experience, intuition and empathy. Thus, the paradigmatic disposition chosen to consider entrepreneurial activity should encompass the social world (subjective elements) of the entrepreneur’s actions as well as the physical (objective) elements, as illustrated in Figure 1. The ‘physical world’ includes resources, systems of management and environmental factors (state policies, legal and technological systems) which are objectively defined as ‘artefacts’. ‘The social world’ includes social, cultural and political ideologies which are meaningfully and subjectively interpreted.

4. A possible bottom-up research approach to entrepreneurial reality

If people matter in entrepreneurship, then the cultural context of people must have an impact on the practice of entrepreneurship in different societies. Therefore, a socio-cultural analysis of entrepreneurial activity is ethical and unlike the more traditional models and theories that focus on economic reality or personality traits of the individual entrepreneur (Gamage 2004, Covin and Slevin 1991), it requires holism which has the potential to lead to a satisfying alternative paradigm for entrepreneurial reality.
4.1. The world is subjective

A study of the socio-cultural realities affecting entrepreneurial performance includes social actors embedded within the social system. Social actors, both the entrepreneur or other groups of people involved with him/her. Human beliefs, values and attitudes are neither measurable nor precise; it is more useful to think of them as meaningful in the world. Their meanings are multiple, changing, and contextual - universality and generalization are secondary to the world of meaning. Human interactions involved in entrepreneurship are characterized by diverse minds, psyches, emotions, thoughts, feelings, senses, attitudes, beliefs, views, self, individuals, ideas, motivations, consciousness, experience, education, skills, training and behavioural patterns. This implies that the meanings which underpin entrepreneurial actions could be explored through the form of multiple mental constructions, socially and experientially from the actor’s point of view.

**Figure 1** - The entrepreneurial realism: social world and objectivity reality
4.2. Subjective realism
Reality is socially constructed and anthropocentric. Social actions involve frequent discontinuities and change in the real life context; thus there are multiple realities (Denzin & Lincoln 2003). Social actions are a representation of each individual’s socio-cultural constructions, and their perceptions: the research task is to seek to understand the subjective realism rather than to impose objective rationalism (Mason 1996). It is important that the researcher not have preconceived beliefs in exploring social realities. Wickramasinghe and Hopper (2000) identify the risk that “cultural dimensions are predetermined by researchers independently from observations in cultural settings, enabling researchers to ‘nicely pack’ their ‘facts’ into the typology ‘box’”(p1). Interpreting and understanding the meanings of social reality through close interaction with the knower and the known (Denzin and Lincoln 2003) requires active interaction between the researcher and the individual or community who is experiencing the phenomenon.

4.3. Inductive holism
It is necessary to understand the actor’s feelings, attitudes, meanings, values and beliefs through the actor’s own interpretation of their real life experiences. The inductive and holistic study of human experience requires qualitative methodology to explore the inward and outward interactions of entrepreneurial experience. The researcher must live in the context, seeking to understand the actor’s feelings, attitudes, meanings, values and beliefs through the actor’s own interpretation of their real life experiences.
Holistic case studies appropriate to the phenomenon (Glaser and Strauss 1967; Mintzberg 1989, Mintzberg, Raisinghani et al. 1976; Burgelman 1983; Patton 1990; Yin 1994; Merriam 2002) hold the key to discovering theoretical understanding from empirical data in relation to entrepreneurship in the South Asian context. The exploratory case study approach explores the question, ‘why has it (phenomenon being researched) occurred’?, (Eisenhardt 1989) through bottom-up translations of actions consistent with the beliefs and values of the actors involved as illustrated in Figure 2.
The inductive case strategy is as relevant because the behaviours of entrepreneurs and their performance could not be controlled (Glaser & Strauss 1967; Yin 1994). Using detailed stories of small rich informative case studies enable the researcher to gain a relatively complete picture (Eisenhardt 1989a) of the range of entrepreneurial experiences.

**Figure 2-** A possible bottom-up approach to entrepreneurial reality

### 5. General form of research questions

Within an ontological framework of subjective realism of entrepreneurship will be an inductive exploratory study (cf. Patton 1990; Yin 1994; Merriam 2002), which does not conform to any existing hypotheses (cf. Kuhn 1998). The necessary research questions must be general (Glaser and Strauss 1967, Glaser 1998) and based on ‘why’ questions (Baron 2004). Although the emphasis of questions can be changed or modified throughout the field study (see Bulmer 1978), these questions simply guide the study towards exploring persuasive stories (Hopper et al. 1995) through an integrative process to understand the interface between exogenous factors, the unique elements of the existing local culture, and entrepreneurial performance. The aim is a substantive
theoretical understanding emerging from the data (Strauss and Corbin 1998; Merriam 2002; Patton 2002) to bring new insights to the field of entrepreneurial activity.

6. Searching for cross-case patterns

Within-case analysis and searching for cross-case patterns are significant in the building of theoretical understanding, as it facilitates observing the patterns of behaviour of different cases and identifying the similarities and dissimilarities in the building of relationships through a constant iterative process (Glasser 1998). Figure 3 illustrates the process. The inductive data generation strategies (such as open interviews, observations, participation and analysing artefacts) provide opportunities to explore emerging themes, based on grounded theory techniques with triangulation of data sources. The role of the researcher is to act as an empathizing participant who does not influence the behaviours of entrepreneurs, thereby affecting their performance. Because the experiences of another

Figure 3: The process of identifying social meanings attached to themes
person cannot be fully understood (Patton 2002) and their interpretation is time consuming, the researcher must make decisions in relation to the research strategy and the unit of analysis. Should the researcher study a narrow range of experiences for a larger number of entrepreneurs or a broader range of experiences for a smaller number of entrepreneurs? For generating theoretical understanding, the number of cases is not so crucial; even a single information rich case can indicate a general conceptual category (Glaser and Strauss 1967; Eisenhardt 1989). However, theory generation by comparative analysis requires a multitude of carefully selected cases (Glaser and Strauss 1967) in which practicable and ethical selections are considered (Mason 1996). Theoretical saturation in practice often combines with pragmatic considerations such as time and money to dictate when case collection ends (Eisenhardt 1989; Strauss and Corbin 1998).

7. Active involvement of three phase analysis

The process is an iterative and interpretive methodology (Walsham 1995). Ongoing theoretical comparisons and reflection through exploration of an initial focus problem were employed as a tool to stimulate researcher’s thinking about emerging themes and sub-themes neutrally rather than naming or classifying themes without a thorough examination of the elements in the data. As a result, theoretical understanding slowly emerge from evidence through an incremental approach.

Themes emerging from the empirical data require further iterative processes to explore the foundation value sets (social meanings) underpinning particular actions. The foundation value sets discovered are interpretations of socio-cultural realities in the context, based on understanding how entrepreneurial behaviours fit in the society and culture. The literature about the historical origins of religions and politics also contribute to understanding the deep-rooted reality of behavioural patterns and actions within society. Figure 4 outlines the deep rooted social cultural process that leads to insights into entrepreneurial performance in a cultural sensitive approach.
Figure 4- Steps towards uncovering deep-rooted social reality

8. Ensuring Reliability and Validity

Data triangulation is pertinent to this type of study about human activities (Yin 1994; Merriam 2002). Figure 5 illustrates how method triangulation could be used to generate data in this study. Data collection processes should include interviewing not only the entrepreneur, but also his/her family members involved in the business, as well as employees, in addition to attending meetings, looking at secondary documents, and some participant observation. Investigator triangulation may be employed to get different viewpoints of a critical situation, to see deviations between proposed and actual actions, and to avoid the researcher’s biases. The three round field study (Bulmer 2000; Merriam 2002) is more appropriate. The first round establishes social contacts and built awareness of background information in the field; the second round involved in-depth investigation and the final round is used to ensure reliability and validity through replicating and checking on comparative evidence either internally (within a study), externally (outside a study), or both. In this approach, human aspect and the concept of culture are elusive and all-embrace a holistic understanding.
Figure 5 - Possible means of triangulation

9. Conclusion

Understanding of socially and culturally bound social actors, social actions and social outputs in entrepreneurial activity must be subjective. This includes: a) institutional characteristics, b) the interface between cultural values and business, and c) historical and cultural forces which impact on entrepreneurship. Our conclusion is that this has to be explored through bottom-up translations of actions consistent with the beliefs and values of the actors involved. This lead to the need for a qualitative methodology to ground the reality of human behaviour embedded in deep-rooted cultural and social contexts. Thorough interpretation of holistic case studies that are capable of capturing the actors' viewpoints brings appropriate insights to the field of entrepreneurship. The research process successfully conceptualise the association between cultural characteristics and entrepreneurship and in turn help to overcome the deficiencies of normative well-known western approach.
References


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