



2007

New England Journal of Entrepreneurship, Spring 2007

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New England Journal of Entrepreneurship

Spring 2007

Volume 10

Number 1

From the Editors

Herbert Sherman, Joshua Shuart, Laurence Weinstein

Peer-Reviewed Research and Cases

Exploring the Effects of Corporate Venturing on New Business Creation

*By Salvatore Sciascia, Fernando G. Alberti, Riccardo De Vita, and Alberto Poli,
ERDC-Entrepreneurship & Regional Development Center Università Cattaneo*

Owens Sawmill: A Family Business Facing a Social Responsibility Dilemma

*By Dianne H. B. Welsh, University of Tampa, and David Rawlings, Bank of
America*

Featured Interview

Principles before Profits: An Interview with S. Truett Cathy

*By Miles Davis, Shenandoah University, and Leyland M. Lucas, Morgan State
University*

Minority and Women Entrepreneurs

Annotated Bibliography on Women Business Owners: A Diversity Lens

By Bonnie L. Betters-Reed and Lynda L. Moore, Simmons College

Book Review

Keystones of Entrepreneurship Knowledge. Rob van der Horst, Sandra King-Kauanui, and Susan Duffy, Editors (2005).

By James W. Bronson, University of Wisconsin-Whitewater



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New England Journal of Entrepreneurship

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ERDC-Entrepreneurship & Regional Development Center Università Cattaneo*

Owens Sawmill: A Family Business Facing a Social Responsibility Dilemma 25

By Dianne H. B. Welsh, University of Tampa, and David Rawlings, Bank of America

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Principles before Profits: An Interview with S. Truett Cathy 27

*By Miles Davis, Shenandoah University, and Leyland M. Lucas,
Morgan State University*

Minority and Women Entrepreneurs

Annotated Bibliography on Women Business Owners: A Diversity Lens 33

By Bonnie L. Betters-Reed and Lynda L. Moore, Simmons College

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Sandra King-Kauanui, and Susan Duffy, Editors (2005). 59**

By James W. Bronson, University of Wisconsin-Whitewater

New England Journal of Entrepreneurship

Call for Articles

New England Journal of Entrepreneurship (NEJE), published twice a year by Sacred Heart University's John F. Welch College of Business, is an invaluable forum for exchange of scholarly ideas, practices, pedagogy, and policies in the field of entrepreneurship and small business management.

The *Journal* is currently seeking original contributions that have not been published or are under consideration elsewhere. The scope of the articles published in *NEJE* range from theoretical/conceptual to empirical research, with maximum relevance to practicing entrepreneurs. The *Journal* will consider practitioner interviews, book reviews, experiential exercises, cases, and articles dealing with entrepreneurial education. The *Journal* appeals to a broad audience, so articles submitted should be written in such a manner that those outside of the academic community would be able to comprehend and appreciate the content of the material.

Format

Manuscripts submitted to *NEJE* should be written in Microsoft Word or saved in RTF (rich text format). All papers should be submitted electronically, via e-mail attachment, to herbert.sherman@liu.edu.

Accompanying each manuscript, as a separate file, should be (a) an abstract of the article (100 words maximum), (b) a biographical sketch of the author(s), and (c) a page with manuscript title and the order of authors as well as the primary author's name, mailing address, preferred e-mail, phone and fax numbers.

Authors' names should not appear anywhere in the manuscript including Word document properties.

Papers are to be double-spaced with one-inch margins. References should be included on separate pages at the end of the paper. Manuscripts should be no longer than 20 pages of text and 25 pages total, including abstract, text, tables or illustrations, notes, and works cited. Please consult APA style guidelines for all formatting details.

Copyright

The copyright of published articles will belong to the publishers of *NEJE*. Authors will be granted permission to reprint or otherwise use portions of their articles published in the *Journal* upon written request.

Review Process

All articles will be double-blind refereed. Authors will normally receive reviewers' comments and the editors' publishing decision in approximately 90 days of submission.

Submission

All snail-mail correspondence should be addressed to:

Herbert Sherman, Ph.D.
Professor of Management
Long Island University-Brooklyn Campus
School of Business, Public Administration
and Information Sciences
herbert.sherman@liu.edu

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Sample copies of previous issues are available from Joshua Shuart, Associate Editor, on a first-come, first-served basis. Please contact him via e-mail at shuartj@sacredheart.edu.

New England Journal of Entrepreneurship

From the Editors:

Looking back at the past year and a half of the *Journal* we have much to celebrate as well as hard work still ahead of us. Our associate editors and production staff are working to provide us with new and innovative topics for the *Journal* and we are hoping to have at least one special issue on social entrepreneurship as well as culinary arts and the hospitality industry. We are indebted to their hard work and effort, as well as the efforts of our reviewers whom the quality of the journal is highly dependent upon.

We are also making progress in forging alliances and relationships with professional associations who have shared interests and see some real synergy in our collaboration. Herbert Sherman, in conjunction with the then President-Elect of SBIDA, Kirk Heriot, conducted a small business/entrepreneurship case writing workshop at the recent USAS-BE/SBIDA conference in Orlando, Florida. The session was also cosponsored by The CASE Association (a regional affiliate of NACRA and meets with EAM, a regional affiliate of AOM), with selected embryo cases receiving stipends to facilitate case completion as well as receiving quick review at *NEJE* once submitted. All participants were invited to submit their improved cases to either CASE's meeting in May, SCR's or NACRA's summer meetings, or IBAM's October meeting in Reno.

We have also made good progress in cementing our relationships with IBAM. The editors have been asked to submit a panel session on teaching entrepreneurship through varied methods of the case approach for the upcoming conference and a separate special division of IBAM has been established to specifically deal with entrepreneurship (see the call for papers that is included in this issue). We are also cross-listing websites and calls for papers. We encourage our readers to become active members of IBAM and to use IBAM as a sounding board for teaching, research, and case writing. The success of this division is dependent upon the active involvement of our readership.

As anyone who has studied entrepreneurship knows, for every few steps we take forward we must unfortunately take a step or two back. I am deeply saddened to report that our Associate Editor for Book Reviews, Barry R. Armandi, SUNY@ Old Westbury, unexpectedly passed away in late 2006. Barry was not only supportive of the *Journal* but was a coauthor, mentor, and friend. Anyone who has known Barry has been deeply touched by his kindness, his keen intellect, and his desire to share himself with others. He will be sorely missed.

I must also unfortunately report that our once large cadre of reviewers has shrunk to rather alarming levels and this has hindered our ability to turn around manuscripts in a two-month time frame. We desperately need quality reviewers like yourself who are committed to further the study and practice of entrepreneurship and who are willing to take some time and effort out of their hectic lives in which to continue the *Journal's* fine heritage. I would ask that anyone interesting in reviewing for the *Journal* contact me immediately. Please attach your most recent CV to your e-mail.

This issue represents what we hope will continue to be the model for future issues of the *Journal* because it contains a good mix of articles including qualitative case research leading to conceptual development, a teaching case, an interview, an annotated bibliography, and a book review. The first article by Salvatore Sciascia, Fernando G. Alberti, Riccardo De Vita, and Alberto Poli, of ERDC-Entrepreneurship & Regional Development Center Università Cattaneo, entitled "Exploring the Effects of Corporate Venturing on New Business Creation" uses a grounded longitudinal case study research method to develop a series of models that depict the connection between entrepreneurial orientation (EO) and corporate ventures (CV) over time. The authors concluded that learning became a critical mitigating variable in determining what collateral emergent effects resulted from the interaction of EO and CV.

The next item, a short two-page teaching case "Owens Sawmill: A Family Business Facing a Social Responsibility Dilemma" by Dianne H. B. Welsh and David Rawlings (University of Tampa, Bank of America) places the reader in an ethical dilemma. Does the family opt to purchase a more modern saw, thereby allowing them to operate in a one-shift plant mode, and therein requiring these second-shift plant workers to work out in the field cutting, loading,

and hauling logs (the most hazardous job in the United States) or does the firm forgo profit and become less competitive by keeping the status quo? What would you do?

The theme of ethics is continued in the next article, an interview with S. Truett Cathy, founder and chairman of Chick-fil-A Inc., who run his enterprises based on his understanding of Christian principles. Miles Davis, of Shenandoah University, and Leyland M. Lucas, of Morgan State University, ask some probing questions in an attempt to not only define Mr. Cathy's formula for success but as to how he has infused his fundamental beliefs into his businesses operations.

Bonnie L. Betters-Reed and Lynda L. Moore of Simmons College in the next piece look at the collected academic work on women businessowners through several differing, nonmainstream perspectives to develop an annotated bibliography on women's entrepreneurial behavior from 1978-1998. This bibliography, even given the limitations noted by the authors, presents an excellent overview of the field and examines numerous journals that are "under nonbusiness disciplines . . . indicating that the topic itself was still a notable departure from mainstream business research and education thinking."

In our last offering, James W. Bronson, of the University of Wisconsin-Whitewater, reviews Blackwell Publishing's *Keystones of Entrepreneurship Knowledge* by Rob van der Horst, Sandra King-Kauanui, and Susan Duffy, editors (2005). This text contains previously published articles considered the "best" in their areas (fields of research, public policy, education, and service provision), seminal works in the field. He concludes that the book will serve as a valuable reference book for any professor teaching doctoral seminars and requiring a sound understanding of the field.

As always, we look forward to your comments and manuscript submittals. Please feel free to contact, Herbert Sherman, at herbert.sherman@liu.edu, if you have any suggestions, recommendations, or wish to become a reviewer or associate editor of the journal.

Herbert Sherman
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Long Island University
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Institute of Behavioral and Applied Management (IBAM)

IBAM President 2005 - 2007

Melody Wollan, PhD, PHR

Eastern Illinois University

600 Lincoln Avenue, Lumpkin Hall 3004

Charleston, IL 61920

mlwollan@eiu.edu

(217) 581-6034

On behalf of the Institute of Behavioral and Applied Management (IBAM), I would like to invite and ask you to consider submitting your research, cases, teaching ideas and experiences or other form of intellectual academic contribution to IBAM's 15th annual conference to be held in Reno, Nevada from October 4-6, 2007.

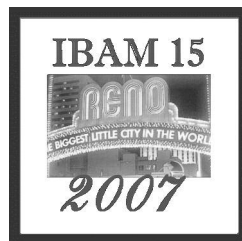
We realize you have limited budgets and many opportunities to invest your faculty research, teaching and development efforts and believe you'll find that IBAM provides a superb experience and value. IBAM has a 15-year tradition as a mid-sized conference (125-150 participants) where each individual is a valued member of our community and treated with respect, friendship, and a dedication to improving management through research, teaching, and our service to our profession. Whether it be as a tenure-track or annually contracted faculty, adjunct faculty, consultant, student or as a practicing manager, IBAM is the place for you.

IBAM encourages developmental works and offers a peer-review process of all work submitted, a *Proceedings* of the annual conference, Best Paper Awards in each division, and student scholarships for the best student papers at the undergraduate, masters, and doctoral levels. We work to provide offerings related to continuous development and discussion with engaged colleagues through social activities, paper presentations, workshops, and speakers. You will meet teaching and research-oriented colleagues from small private colleges and universities and public state four-year universities, and be treated as an equal. Past participating institutions and a description of our membership is available at our IBAM web site: <http://www.ibam.com>. In a 2005 survey of IBAM members, our culture of being friendly and collegial ranked #1, with "*great atmosphere for presenting research and helpful feedback*" ranked #2.

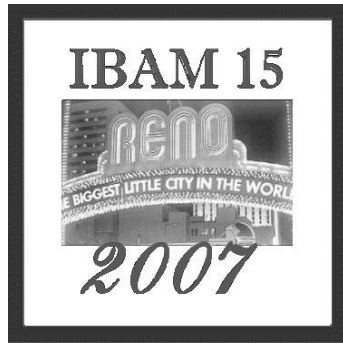
The submission deadline for IBAM 15 in Reno is March 30, 2007. We seek papers, panels, symposia, workshops, works-in-progress in our six divisions (identified in our Call for Submissions) for you to consider. Our Program Chair and Division Chairs are happy to assist you with any questions you might have about work for IBAM.

Please share this opportunity and Call for Submissions with your coauthors, colleagues and students and encourage them to attend IBAM with you this year. Log onto <http://www.ibam.com> and take a look at our organization, our upcoming Reno conference, and our *Journal of Behavioral and Applied Management*.

I look forward to seeing you in Reno!



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The Institute of Behavioral and Applied Management (IBAM) provides a forum for management educators, practitioners, and students to share their ideas, research, and experiences in a friendly and supportive environment. Session discussions are lively, informative and broad-based and are helpful to presenters and participants alike.

The IBAM conference is an excellent outlet for completed research, work-in-progress, and the sharing of experiences in a variety of management sub-fields through refereed paper sessions, symposia, workshops, and panel discussions. You will be warmly welcomed and we predict you will enjoy interacting professionally and personally in an atmosphere where you are a valued individual and colleague, not a member of a cast of thousands. Executives, managers, professionals, and students, please join us in 2007 at Reno's premiere Peppermill Hotel.

CONFERENCE INFORMATION

Submissions are considered for Best Paper awards in each division. In the Student Papers Division, a \$250 scholarship will be awarded to the Best Paper in each of our three student categories: PhD, Masters, and Undergraduate. Papers must be authored only by student(s) for eligibility of scholarship. All submissions are peer-reviewed. Papers accepted as Best Paper and Full Presentation will have the opportunity to be published in *IBAM 15 Proceedings* with page limitations. Work accepted as symposium, panel, workshop, or discussion papers (works-in-progress) may have summaries or abstracts published in the *IBAM 15 Proceedings*. Best Reviewer Awards are also recognized.

To serve as a reviewer, session chair, and/or discussant at IBAM 15, please contact the appropriate Division Chairs (listed below) or Program Chair:

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Albertus Magnus College
hfero@albertus.edu (203) 777-7100

Keynote Speaker: William R. Eadington, PhD

Dr. Eadington, an internationally recognized authority on the legalization and regulation of commercial gambling, has written extensively on issues relating to the economic and social impacts of commercial gaming. Dr. Eadington is a professor of economics and director of the Institute for the Study of Gambling and Commercial Gaming at the University of Nevada, Reno.



Featured Session

Getting Published: Lessons from the Editors!

Are you an editor, associate editor, assistant editor, or action editor for a management journal? Would you be interested in joining a panel at IBAM in Reno to share your experience to help others get published? If so, contact David Van Fleet, Editor, *Journal of Behavioral and Applied Management*, ddvf@asu.edu.

HRCI recertification credit hours for Reno 2007 conference are pending approval. In 2005 and 2006, IBAM conference programs were approved for 13.5 and 15 recertification credit hours toward PHR and SPHR recertification through the Human Resource Certification Institute (HRCI). For more information about certification or recertification, please visit the HRCI homepage at <http://www.hrci.org>.



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skimmel@belhaven.edu lipinski@rmu.edu

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Division 6: Special Topics

This year focusing on two separate topics:
Entrepreneurship and Quality Management

Jane Humble, PhD *Sean Quinn, PhD*
Arizona State Univ Providence College
Jane.humble@asu.edu squinn@providence.edu

In addition to traditionally themed work for the above divisions, we seek academic or practitioner papers, workshops, and panels (submitted to the appropriate divisions above) that address the following:

Bridging the Gap: Business Meets Academia. Are you interested in sharing your leadership development practices with others who research and publish on the topic? What do research experts say about the latest management trends?

The Female Executive: Endangered or Adapting? Have you conducted research on how effectively businesses are retaining or leveraging female executives? Why do women leave organizations and what can we do to retain them and their values?

Turning Science into a Commercial Idea. Have you published a book or series of articles that has been your ticket to success? Are you willing to share the tips and traps of turning research into an attractive business development tool?

CONFERENCE LOCATION & REGISTRATION

The Peppermill is located just two miles south of downtown Reno/Tahoe International Airport (free shuttle service between airport and hotel). It boasts 8 award-winning restaurants, 14 themed bars and lounges, and free nightly entertainment in Reno's best Cabaret! It has been voted Reno's best hotel casino and best rooms and suites. The Peppermill is casually sophisticated and stylishly relaxed. Their spectacular year-round heated Waterfall Pool and Spa complex is located at the base of its own mountain—complete with a computer driven wildlife show. Swim or relax in the steaming Jacuzzi. Overlooking the spa area is a well-equipped health club and sauna—complimentary to all hotel guests.

Additional Special IBAM Events: Student Lunch on Thursday, October 4, is sponsored by the IBAM Leadership. On Friday, October 5, a late-afternoon and evening IBAM trip to Lake Tahoe is being planned. Details will be made available prior to registration deadline on the IBAM web site.

IBAM's reserved block of rooms are at two rates: \$110 per night (Montego Bay Wing) or \$120 (Deluxe Tower) that are available on a first-come, first-serve choice when you register and reserve your room through IBAM's web site or by contacting Linda Hoffner of Cottonwood Travel at ctravelc@ctravelc.com or 1-800-223-6982.

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Conference fees include:

- Registration to the conference
- One-year membership in IBAM
- Presidential reception on Thursday night
- Continental breakfasts (3)
- Coffee breaks (4)
- Awards luncheon on Friday
- Proceedings
- One-year subscription to *Journal of Behavioral and Applied Management*
- Access to the IBAM list serve

Early registration rate (before August 1):

- Members \$295
- Students \$175
- Spouses \$95

After August 1, regular registration rates are: Member \$340, Students \$195, Spouse \$95. Spouses may attend the sessions, reception, breakfasts, and the awards luncheon.

Students need to provide a copy of current university registration/schedule. IBAM membership for those who wish to join, but not attend the conference is \$50 per year.

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Journal of Behavioral and Applied Management

IBAM sponsors the *Journal of Behavioral and Applied Management* (JBAM) and we invite you to consider submitting your work or serving as a reviewer in this outlet. Please contact JBAM Editor, David Van Fleet (ddvf@asu.edu). The journal and submission information for authors can be found at <http://www.ibam.com>.



IBAM CONFERENCE SUBMISSION GUIDELINES

1. All submissions must be entirely original and may not be under concurrent consideration or accepted for presentation or publication elsewhere. You may submit up to two papers and/or proposals to IBAM. This includes papers, panels, workshops, or symposium proposals that are coauthored.
2. Submissions should not exceed 24 pages (total), and they should include a 75-word abstract. Papers should be double-spaced with one-inch margins, typed in a 12-point font, and follow APA format, and will be considered for full presentation and discussion sessions. Panel, symposia, and workshops require a minimum of three presenters/panelists, and proposers should submit a three- to five-page proposal outline, along with a signed statement that all presenters intend to register for the conference. Work-in-progress can be submitted as a three-page proposal or full paper draft, and may be accepted for discussion sessions.
3. All work should be submitted for peer review process by uploading your word document or Adobe file by March 30, 2007 at the IBAM web site: <http://www.ibam.com> and following the instructions for submissions located at that site. *Please do not include a cover page to your text*; your cover page information should be typed into the IBAM web site with your submission, along with your coauthor(s) contact information, abstract, and any specific instructions that you might have regarding your submission. The uploaded document should be free of any identifying author indications, including clearing the "Properties" for authorship from your document.
4. All submissions are double blind-reviewed. The text of the paper should carefully avoid references to the author(s).
5. All papers accepted for inclusion in the *Proceedings* must follow the guidelines determined by its editor. Those guidelines will accompany letters of acceptance. Decision letters are sent by email around the middle of June.
6. All accepted program participants must register and attend the conference. Fees must be paid before the printing of the program (August 15, 2007) and cannot be returned after this date for any reason. Any work that is not represented by a registered author, coauthor, panelists, or participant will not be published in the *Proceedings* or considered accepted. At least one author must present the paper in person. All authors who attend the meeting must register for the conference.

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Exploring the Effects of Corporate Venturing on New Business Creation

Salvatore Sciascia
Fernando G. Alberti
Riccardo De Vita
Alberto Poli

One of the main problems of large firms is that they tend to lose their entrepreneurial orientation (EO) once they have grown. The launch of corporate ventures (CV) has been adopted by managers, and studied by scholars, as the means to create new businesses within large companies with a low level of EO. Extensive research on CV has been carried out to understand how these projects can effectively lead to new business creation. However, there are no studies on the effect of CV projects on new business creation after the project has ended. More specifically, scholars have overlooked the prospect that a CV project may continue to influence new business creation and how this is possible. This article explores how CV projects have an effect on new business creation after they end, if any. The discussion builds on the analysis of the case study of Riso Gallo, an Italian company operating in the rice industry, which developed a CV project between 1988 and 1996 to sidestep a poor EO.

The study of firm-level entrepreneurship, or corporate entrepreneurship (CE), is increasingly central in managerial studies (Dess et al. 2003). CE expresses the entrepreneurial behavior shown by existing organizations that create a new business, here intended as developing a new product, entering a new market or both (Sathe 2003). This behavior could encompass innovation, which means introducing something new to the marketplace (Sharma and Chrisman 1999). CE is one of the main issues in management studies, and much research has been carried out on identifying determinants and outcomes of this phenomenon (e.g., Barringer and Bluedorn 1999; Burgelman 1983, 1984; Guth and Ginsberg 1990; Jennings and Lumpkin 1989; Kanter 1985; Kuratko, Montagno, and Hornsby 1990; Miller 1983; Stevenson and Gumpert 1985; Zahra 1991, 1993). Such a wide research concern is due to the fact that, as a result of globalization, market uncertainty, and new technology, companies need to be very responsive, flexible, and agile (Sauer and Ruddle 2006).

In the field of CE, much research has been done on EO (e.g., Covin and Slevin 1988, 1989, 1991; Lumpkin and Dess 1996; Rauch et al. 2004; Wiklund 1999; Wiklund and Shepherd 2003). EO is a strategic orientation characterized by a tendency to seek product-market innovation as a

source of competitive advantage, a proactive posture in seeking change, and a moderate propensity to take risk (Miller and Friesen 1982). One of the main problems of large firms is that they tend to lose their EO once they have grown; thus the generation and sustainment of entrepreneurship in established companies is one of the main issues in management studies and practices. The launch of Corporate Ventures (CV) has been adopted by managers, and studied by scholars, as the means to create new businesses within large companies with a low level of EO. CV refers to "corporate entrepreneurial efforts that lead to the creation of new business organizations within the corporate organization" (Sharma and Chrisman 1999: 19). Extensive research on CV has been carried out to understand how these projects can effectively lead to new business creation (e.g., Block and MacMillan 1993; Burgelman 1983; Campbell et al. 2003; Chesbrough 2000; Kanter 1985, 1989; Kanter and Richardson 1991).

However, no studies exist on the effect of CV projects on new business creation after the project has ended. More specifically, scholars have overlooked the prospect that a CV project may continue to influence new business creation and how this is possible.

This study explores how CV projects have an effect on new business creation after they end. The discussion builds on the analysis of the case study of Riso Gallo, an Italian company operating in the rice industry. Riso Gallo developed a CV project between 1988 and 1996 to sidestep a poor EO.

The article offers a new way of thinking about the relationships between the concepts of new business creation, EO and CV, showing how CV projects not only have the main intended effect of allowing the company to create new businesses in the short run, but also have a collateral emergent effect in influencing new business creation after their end through the sustainment of parent company EO. This effect is made possible by the activation of an organizational learning process within the parent company. This learning process is oriented to the development of integrative, rather than technical, knowledge.

This article begins with a literature review on EO and CV to highlight the research gap and to develop the research question. It is followed by a methodological section, where

the research design, data collection, and data analysis are presented. The next section is devoted to the case study discussion with the lenses of EO and CV literature. The article concludes by discussing main findings, contributions, and possible future development of this study.

Theoretical Review

Research into the nature, antecedents, and effects of CE, here intended as new business creation within established organizations (Sathe 2003), has been rapidly growing during the last two decades (Ferreira 2001). Despite the development of the field, evidence supports the fact that scholars have not been consistent in attaching a label to the phenomenon they purport to study (Wiklund 1998). Labels such as entrepreneurship (Miller 1983), corporate entrepreneurship (Zahra 1991; Zahra and Covin, 1995), intrapreneurship (Kuratko et al. 1993; Kuratko, Montagno, and Hornsby 1990; Pinchot 1985), entrepreneurial posture (Covin and Slevin 1991), entrepreneurial intensity (Morris and Sexton 1996), and entrepreneurial orientation (Lumpkin and Dess 1996) have been used. Different labels have often been used to describe similar phenomena, and different concepts have been expressed with the same word. This section aims to clarify such a terminological confusion through the definition of the key concepts of this study: EO and CV. The literature review on the two concepts will highlight the research gap to be addressed.

Entrepreneurial Orientation

The construct EO is receiving increased attention in the field of entrepreneurship, as it is believed to be at the heart of entrepreneurial strategy making (Dess, Lumpkin, and Covin 1997). EO is a type of strategic orientation. Strategic orientations are underlying philosophies that support the overall decision-making process and create an internal environment in which desired behaviors are supported and encouraged (Miles and Arnold 1991). In other words, strategic orientation is the business dimension that describes the factors driving the firm's formulation of strategy. Miller and Friesen (1982) identified two types of strategic orientations (or strategic postures): conservative and entrepreneurial. The conservative posture leads companies to pursue innovation only reluctantly, tending to emphasize existing routines and to formulate strategy driven by currently controlled resources (Stevenson and Gumpert 1985). Strategy in the entrepreneurial posture, on the contrary, is characterized by a tendency to seek product-market innovation as a source of competitive advantage, a proactive posture in seeking change, and a moderate propensity to take risk. A company is characterized by an EO when the firm's formulation of strategy is driven by the perception of opportunities (Stevenson and Gumpert 1985).

Thus EO is a multidimensional construct encompassing firm innovativeness, proactiveness, and risk taking. Innovativeness refers to the supportive tendency toward new ideas, novelty, experimentation, and creative processes, while departing from established practice (Lumpkin and Dess 1996); proactiveness is the propensity to anticipate and act on future market needs (Lumpkin and Dess 1996); risk taking is the willingness to commit large amounts of resources to projects characterized by highly uncertain outcomes (Miller and Friesen 1982).

We stress the difference between CE and EO. CE is a behavior, the content of the strategic choice (i.e., new business creation). EO is instead a determinant of CE: if high, it leads to new business creation. Such a distinction is still not clear in literature (Wiklund 1998), where the two concepts are often confused: several authors make reference to CE when they study EO. In fact, EO is difficult to measure; this explains why EO is usually measured by observing entrepreneurial behavior.

A company EO mirrors Stevenson and Jarillo's (1990) concept of entrepreneurial management, as "it reflects the organizational processes, methods and styles that firms use to act entrepreneurially" (Lumpkin and Dess 1996: 139). They shape a firm's overall capability to act in an entrepreneurial way, getting organizational members to create change and develop something new. This means that indicators of EO are those organizational features (structure and processes) helping organizational members to spot entrepreneurial opportunities.

Perhaps the most recurrent theme among scholars interested in EO concerns its positive implications on firm growth and performance (Dess, Lumpkin, and Covin 1997; Wiklund 1998; Zahra, Jennings, and Kuratko 1999). Indeed, EO is regarded as the *sine qua non* of firms that seek to succeed in today's volatile and extremely dynamic business environment (Wiklund and Shepherd 2003). Innovativeness, in its double form of product-market innovation and technological innovation, is an important component of firm competitiveness and success, as it represents a fundamental way for firms to pursue new opportunities (Lumpkin and Dess 1996). The firms' ability to seize and act on opportunities (proactiveness) has positive performance implications (i.e., first mover advantage; Barringer and Bluedorn 1999). In today's uncertain environment, managerial support for risk-taking strategies has proven successful, especially in the long run (Wiklund and Shepherd 2003).

Corporate Venturing

All the major companies have been entrepreneurially oriented at the beginning of their life cycle; however, as a start-up grows and matures, administrative practices suffocate the EO of the company. CV practices are often introduced to allow the company to be innovative in spite of a clear deficiency in

EO. To use a metaphor, if entrepreneurship is the “heart” of a company, CV has been often used as a “bypass” that can make the company innovative despite a loss of EO. The need for such a bypass was already indicated by Drucker in 1974: “The search for innovation needs to be organizationally separate and outside of the ongoing managerial business. [...] One cannot simultaneously create the new and take care of what one already has” (p. 799).

CV refers to “corporate entrepreneurial efforts that lead to the creation of new business organizations within the corporate organization” (Sharma and Chrisman 1999: 19). According to Block and MacMillan (1993), a project is a CV when it (1) involves an activity new to the organization, (2) is initiated or conducted internally, (3) involves significantly higher risk of failure or losses, (4) is characterized by high uncertainty, (5) will be managed separately at some time during its life, and (6) is undertaken for the purpose of increasing sales, profit, productivity, or quality. The outcome of a CV project consists in the development of “newstreams” (Kanter 1989), new areas of activities able to generate new flows of revenues, additional to the revenues generated by the “mainstreams,” or current areas of activities.

CV can be classified either as external or internal. External CV refers to “corporate venturing activities that result in the creation of semiautonomous or autonomous organizational entities that reside outside the existing organizational domain” (Sharma and Chrisman 1999: 19). Internal CV refers to “corporate venturing activities that result in the creation of organizational entities that reside within an existing organizational domain” (Sharma and Chrisman 1999: 20).

According to Kanter and Richardson (1991) four different types of CV programs can be identified: the “pure venture capital model,” which invests in companies started outside the parent company; the “new venture development incubator,” which manages ventures as independent entities, spawned either internally or externally; the “idea creation and transfer center,” which develops “newstreams” but passes them on to established operations to exploit; and the “employee project model,” a more entrepreneurial variant of employee involvement or suggestion programs.

As reported by Block and MacMillan (1993), in the 1960s and early 1970s, 25 percent of the Fortune 500 companies had a CV program. They were largely disbanded during the late 1970s. In the first half of the 1980s, corporations renewed their interest in CV and lost it again in the 1990s (Chesbrough 2000). During the dot-com boom, many large firms turned to CV, as in the cases of Ericsson, Nokia, Intel, Roche, Marks, and Spencer. According to Campbell et al. (2003), CV investment levels fell by 75 percent between 1999 and 2003, and many venturing units closed down, witnessing the existence of kind of “CV life cycle.” This contradicting history behind CV has made his study fascinating and challenging.

Research on CV has been carried out largely to understand the main factors determining the success of this kind of project, therefore adopting the venture perspective. Roles and activities have been studied within CV projects to identify those factors influencing the success of the process (see Burgelman 1983; Block and MacMillan 1993; Kanter 1985, 1989 as main studies). As a result of research activities, several business cases have been developed—mainly at Harvard Business School—and adopted within management courses all over the world (see Bouchard 2002 for an extensive review): Bell, Lucent Technologies, Nokia, Polaroid, Procter and Gamble, SAS, Siemens Nixdorf, 3M, and Xerox are some of the best known. Literature has remained on a descriptive and teaching level, mainly transferring to readers the experience of these large corporations in CV. More interest in the topic has recently been generated by publishing the research results of two projects carried out respectively by Harvard Business School (Shulman and Stallkamp 2004) and London Business School (Campbell et al. 2003).

Despite the extensive literature, research so far has not explored the effect of CV on future business creation once the CV projects have ended. Thus the following research question is posed: “How can corporate venturing projects affect new business creation after they end, if at all?”

The remainder of this article addresses this question, presenting the results of a case study.

Methodology

Complying with the nature of our research question and the aim of the article, the research design of this study relies on a case study approach (Eisenhardt 1989; Yin 1989), according to which several methods and empirical sources contribute to offer a holistic understanding of the phenomenon. The time span of the present study is 1980–2004. The overall design of the research is anchored around the study of three periods in the history of Riso Gallo: (1) up to the launch of the CV project called “Naturis” (1988); (2) the period between the launch and the end of the CV project (1988–1996); (3) after the end of the CV project (1996 onwards). The point of studying a set of periods longitudinally in time (Pettigrew 1979) is that they provide a transparent look at the evolution of the phenomenon of interest. For each period, we checked for triangulation of different data sources to obtain more robust evidence (Jick 1979).

The data collection process started in May 2002, with a retrospective data collection from 1980 to 2002. Data sources are reported in Table 1. Primary sources included semistructured interviews with the top management of Riso Gallo and Naturis. Nine interviews were conducted for a total of 18 interview-hours. Direct observation complemented data collected through interviews. Secondary sources included artifacts and documents from Riso Gallo and Naturis

Table 1. Case Study Data Sources**I. Primary Data****I. a. Interviews**

- 1 - Mario Preve, Riso Gallo President (1 interview, 2 hours)
- 2 - Cesare Preve, Naturis President (2 interviews, 2 hours)
- 3 - Flor Piepp Romero, Naturis R&D Manager (1 interview, 2 hours)
- 4 - Nicoletta Ballardore, Naturis Area Manager (1 interview, 2 hours)
- 5 - Daniele Bellucco, Naturis Accounting and Logistic Manager (1 interview, 2 hours)
- 6 - Claudio Carriere, Naturis Production Manager (1 interview, 2 hours)
- 7 - Francesco Rocchi, Naturis Managing Director (2 interviews, 2 hours)

I. b. Direct Observation

- 1 - Factory tour: Robbio plant, Riso Gallo office
- 2 - Factory tour: Rovigo plant, Naturis offices
- 3 - Personal contacts: Mario and Cesare Preve, outside the research setting

II. Secondary Data**II. a. Balance Sheets**

- 1 - Riso Gallo Balance Sheets (1997-2003)
- 2 - Naturis Balance Sheets (1997-2003)

II. b. Data on the rice industry

- 1 - Market survey on rice consumption in Italy ("Indagine integrata sul consumo di riso in Italia"), carried out by Enterisi, February 2001
- 2 - Rice: evolution of the market and its perspectives ("Riso: evoluzione di mercato e sue prospettive"), carried out by Enterisi, 29th October 2002
- 3 - Analysis of the Italian market of rice (June/July, 2003), carried out by Enterisi, August 2002

II. c. Internal reports

- 1 - Naturis budget 2004
- 2 - Naturis - "From quick cooking rice to innovative food ingredients," (Description of the evolution of Naturis strategy), June 2003
- 3 - Naturis marketing mix (strategic guidelines for marketing activities)

II. d. Websites

- 1 - www.naturis.it
- 2 - www.risogallo.it
- 3 - www.riviana.com
- 4 - www.riceweb.org (International Rice Research Institute)
- 5 - www.enterisi.it

II. e. Press releases

- 1 - Riso Gallo press release, 2001-2003
- 2 - Naturis press release, 2001-2003

II. f. Articles in newspapers and magazines

- 1 - "Riso Gallo: un anno di novità per il leader del mercato risiero" - Largo Consumo, October 1995
- 2 - "Riso Gallo" - Largo Consumo, October 1996
- 3 - "Sementi fatte in casa" - Il Sole 24 Ore, January 1997
- 4 - "Riso Gallo, il piatto si fa più ricco" - Il Sole 24 Ore, January 1997
- 5 - "La Riso Gallo riscopre le antiche varietà cinesi" - Il Sole 24 Ore, October 1999
- 6 - "Riso Gallo innova il mercato" - Mark Up, April 2000
- 7 - "Tutti ricchi i chicchi di F&P (Riso Gallo)" - Mark Up, December 2000
- 8 - "Riso pronto senza cucinare" - Tecnologie Alimentari, January/February 2002
- 9 - "Riso per ogni esigenza" - Surgelati Magazine, January/February 2002
- 10 - "La cottura che tiene e il piatto già pronto" - Il Sole 24 Ore, April 2002
- 11 - "I chicchiricchi della quarta generazione" - Il Sole 24 Ore, April 2002
- 12 - "Riso speciale precotto per insalate" - Food Industria, May 2002
- 13 - "Riso pronto Naturis" - Locali Top, May 2002
- 14 - "Oggi l'insalata di riso si fa senza pentola" - Fuori casa, May 2002
- 15 - "Risò, pronto senza cottura!" - Food Machines, May/June 2002
- 16 - "Naturis gioca con l'acqua" - Mark up, June 2002
- 17 - "Il nuovo riso che rinvieni in acqua fredda" - Bar Giornale, June 2002
- 18 - "Pronto senza cucinare il Risò di Naturis" - AL, 9, September 2002
- 19 - "Arriva il riso supersprint" - Burda, October 2002
- 20 - "Risò, il riso facile" - Nautica, October 2002
- 21 - "Tecnologia naturale" - Food Machines, July/August 2003
- 22 - "La Naturis di Rovigo regina del disidratato" - Il Sole 24 ore, October 2003
- 23 - "E io vendo riso ai Cinesi" - Panorama Economy, July 2006
- 24 - "Questioni di famiglia? No, di qualità" - Economia & Management, July-August 2006

II. g. Books

- 1 - G. de Felice "150 anni di chicchiricchi" - Riso Gallo S.p.A.

II. h. Pictures

- 1 - Photographic materials realized by Naturis Press Office and Weber Shandwick Italia

archives, catalogs, news clippings, journal and magazine articles, books, annual reports, budgets, and plans.

Data analysis followed an interaction process between theory and empirical evidence (Miles and Huberman 1994). We went back and forth between data and literature to interpret data collected and develop our findings. Data analysis followed a six-stage interaction between theory and empirical evidence. In the first stage, secondary data were collected to get a general overview of the case and evaluate its suitability for a study on CE. In the second stage we carried out interviews to verify the validity of data collected. After this, we started to analyze the relevant literature on CE with a major focus on EO and CV, obtaining a theoretical framework for continuing information acquisition (third stage). After a few months we completed our information gathering process, interviewing members of the management team of the parent company (i.e., Riso Gallo) and the CV project (i.e., Naturis) in their operating setting, and visited the companies for direct observation (fourth stage). Subsequently, we engaged in an iterative process (fifth stage) in which we went back and forth between data and literature to interpret data through the lenses of the literature. This brought us to the sixth stage, in which we developed a new way of thinking about the relationship between the concepts of new business creation, EO and CV.

The case study is presented dividing our analysis into three different periods:

1. Riso Gallo up to 1988;
2. Riso Gallo between 1988 and 1996: the launch of Naturis; and
3. Riso Gallo after 1996.

Case Analysis and Discussion ***Riso Gallo up to 1988 (period 1)***

Riso Gallo is a well-known Italian company that employs 150 people and has been operating in the rice industry for 150 years. Today it holds the Italian market leadership thanks to a market share of 26.2 percent that reaches a peak of 35 percent in the parboiled segment. In 2004 the company processed 120,000 tons of rice for a turnover of 100 million. The company plays an important role in the international market as well. Riso Gallo is part of an international group with subsidiaries in France, Switzerland, and the UK. More than 30 percent of Riso Gallo's production is exported all over the world, even to China and Japan. Riso Gallo is a family business, run since its foundation by the Preve family. The company CEO is Mario Preve, well known on the Italian press for being successful in such a mature industry.

Riso Gallo started its activities producing rice, a traditional product in the world diet. The company was founded in 1876 in Genoa. After some years it moved to the Pavia area in north-west Italy. This area has been well known for its rich variety

of rice since the Middle Ages. Riso Gallo used to sell its rice mainly in the north of Italy until the early 1950s. Then the company gradually expanded its market in the rest of Italy during the 1950s and the 1960s. The 1970s were characterized by the appointment of Mario Preve as company CEO in 1973, when he was 32 years old. Riso Gallo then had to face the Italian market decline and this led to market expansion in the rest of the world and to the need to develop entrepreneurial activities. Among the main innovations introduced by Riso Gallo, we may mention the introduction of parboiled rice in 1978. This kind of rice, commonly used nowadays, cooks more quickly than the regular one and keeps its consistency even if overcooked. These features are due to a technical treatment based on boiling, evaporation, and drying. This technology was not developed by Riso Gallo but was copied and adopted by the company. A company supplying the U.S. Army already produced parboiled rice in the United States. Nevertheless, the Preve family had the vision to apply this innovation to the Italian domestic market, thus reducing the common difficulties found in cooking rice properly. The Preve family acquired the innovative technology from the United States and started to sell parboiled rice. Nine years later, in 1987, Riso Gallo developed this technology further and launched "5 minutes," a kind of rice that can be cooked in only 5 minutes, one third of the cooking time of regular rice. The development of the technology was carried out within the production department, given that the company had no specific human resources dedicated to research and development. No formal research and development (henceforth R&D) procedures and budget were established at that time.

To summarize, before 1988 the company EO was low, resulting in very few new business creations based on imitation (only two innovations introduced in 112 years).

The adoption of this new technology brought about a slight growth in rice consumption, but the maturity of the industry was still evident. There was the need to develop a greater innovation to revitalize the market, but the management was aware of the fact that the company did not have the potential for that since its EO was low.

Riso Gallo between 1988 and 1996: The Launch of Naturis (period 2)

In the following years, given the market potential for fast-cooking rice, Riso Gallo decided to invest in this research line. In 1998, during an international food exhibition, Mario and Cesare Preve met Mario Gehring, a food technician, who was exploring the potential of dehydration for fast vegetable cooking at Puccinelli, the micro-firm he was working for. In 1998 Riso Gallo and Puccinelli decided to set up a joint venture called Naturis. It has been run since its foundation by Cesare Preve, the brother of Riso Gallo's CEO. A great deal of autonomy was given to the corporate venture to develop the

technology and apply it to rice to introduce a new product to the market.

Naturis was conceived as being a research-oriented company, organized to be ready to spot innovation opportunities. More precisely, Cesare Preve set up a venture characterized by a low level of formalization, no formal rules, continuous experimentation, and the explicit request for workers to abandon procedures and introduce variations in their operations. Power was delegated to all the relevant players in the company. Each person operating in Naturis was called on to contribute to the recognition and exploitation of opportunities. The remuneration system was based on the capacity of employees to create value: employees were rewarded for developing new ideas.

Naturis was structured in an organic way. To expand the possibilities of opportunity identification and to perceive any change in the external environment, Naturis promoted the development of a department devoted to the continuous scanning of the environment and the interface with Riso Gallo.

At the same time, within Naturis, Cesare Preve acted as a system integrator; he was involved in all the activities of the company, thus reducing barriers between departments. Moreover, he organized frequent, and apparently redundant, meetings aiming at creating commitment among all the employees. Additionally, a strong communication system was developed: Cesare Preve imposed a system of regular information reporting, so that everyone in the venture could be informed about the activities taking place in other departments.

In seven years Naturis was able to develop a new product for Riso Gallo that was launched in 1996: "Chicchi Conditi" (flavored grains), a line of "ready to cook" risottos. This product, which can be considered the main innovation of Riso Gallo, consists of a box of filled rice grains that, once cooked, turn into a perfect risotto. This means that the consumer just has to boil the product to obtain a meal, instead of spending time in a complicated cooking operation. The rice grain is filled during the production process thanks to its dehydration at specific temperature and pressure conditions.

Riso Gallo was able to introduce a very innovative product that relaunched rice consumption, opening up a brand new "ready to cook" risotto market. This innovation offers great value-added to consumers, allowing them to create a risotto more easily than ever before. The launch of this innovation was made possible thanks to the development of Naturis, a CV project that allowed Riso Gallo to create a new business despite a low level of EO.

Riso Gallo after 1996 (period 3)

Riso Gallo ended its CV project at the beginning of 1996, when Naturis became independent and was sold to Cesare Preve. Naturis, once autonomous, acted to explore the potential opportunities related to the dehydration process, thus

identifying new uses for precooked dehydrated rice besides the possibility of being filled. Naturis now operates in several business segments of the food industry, such as bakery, dry food mix, and frozen food. Recently Naturis has started selling its products directly to the end-user. "Risò" was launched on the consumer market in 2002: it is the first rice that can be prepared by just resting in cold water so that rice dishes can be prepared without heating elements or ovens.

After 1996, despite the end of its CV project, Riso Gallo seemed to be more entrepreneurially oriented than ever before. While completing and refining existing product lines, Riso Gallo developed a wide range of new products in the years following the end of the Naturis project, continuing to act in a very entrepreneurial way. "Risottate," an innovative risotto that can be cooked in the pan instead of being boiled, was launched in 2000. A year later Riso Gallo introduced "Arancini Siciliani," frozen fried rice balls. In 2004 Riso Gallo launched "Risotto Espresso," a risotto that takes 2 minutes to cook in the pan or in the microwave oven.

All these new businesses were created within Riso Gallo itself, without leveraging on its CV project any longer. Compared to the past, Riso Gallo's EO appeared greatly enhanced. This was witnessed by a few organizational changes introduced in the second half of the 1990s. Above all, Riso Gallo put its key employees in positions to better detect opportunities, rewarding them adequately. In particular, Riso Gallo established an R&D department in 1996, led by the former production manager and composed of six technicians totally dedicated to the research and development of new products. The R&D department was put at the heart of the company to be responsible for the future development of Riso Gallo. Human and financial resources are now allocated daily to projects of new business creation. The research input usually comes from the sales and marketing (S&M) department that identifies a customer problem or need. This is then passed to the R&D department, where a project leader is chosen from among the six researchers and a research team is built to find a technically feasible solution. During this phase the R&D team sometimes works with university partners and/or private research centers. Then, all the other departments are called on to evaluate the solutions proposed by the R&D department during meetings of the so-called "new product development committee." This committee means that the process of new product development is iterative among departments, so that any new business is an expression of the entire company.

The creation of the R&D department was not the only organizational change enacted by Riso Gallo. In 1996 the S&M department was divided into two parts and the two sons of Mario Preve were appointed to the management: Carlo to the Italian S&M department, while Riccardo to the overseas S&M department

In 1997, a more integrative communication system was adopted: a virtual knowledge area where information and data could be shared. Departments can now communicate faster and better, sharing files in real time, thus favoring knowledge sharing for faster opportunity recognition and for overcoming the problems related to its exploitation. Also starting in 1997, the remuneration system has been based on the capacity of employees to create value: employees are rewarded (up to the 20% more) for developing new ideas presented to the S&M department.

A greater integration among organizational departments has been developed as well. In 1999, the so-called “integration committee” was established to allow departments to interface better. Top managers of the different departments meet every two weeks to share ideas, problems, and experiences. The top management recognizes the need for a more intensive knowledge exchange to generate new business ideas better and faster.

All these changes did not lead the company to become more formalized, as can happen in growing firms. The top management recognized that formalization could obstruct the development of new business ideas. At the same time room was left for decentralization: the split of the S&M department into two different departments, the entrance of Mario Preve’s sons to the management team, the establish-

ment of the R&D departments, and the participation of every department in the R&D process bear witness to this concern. Decentralization was pursued on the basis of the assumption that it allows the most knowledgeable people to help the firm to innovate and anticipate future customer needs.

Findings and Conclusions

The case study analysis can be summarized as represented in Figure 1, where arrows express a positive relationship between concepts.

Before 1988, a low level of new business creation characterized Riso Gallo, since only two innovations were introduced in 112 years on the basis of imitative practices. This was due to a low level of EO: the company’s strategic orientation appeared to be more conservative than entrepreneurial.

During the second period, given the need to face the evident maturity of the rice industry and the low level of Riso Gallo’s EO, the company deliberately decided to set up a CV project (i.e., Naturis) to create new businesses. In eight years, a new business was developed thanks to the entrepreneurial efforts of Naturis.

In the third period the company was no longer characterized by the presence of a CV project, but its level of new business creation still remained high, with three new products introduced in 10 years. This was due to the fact that Riso

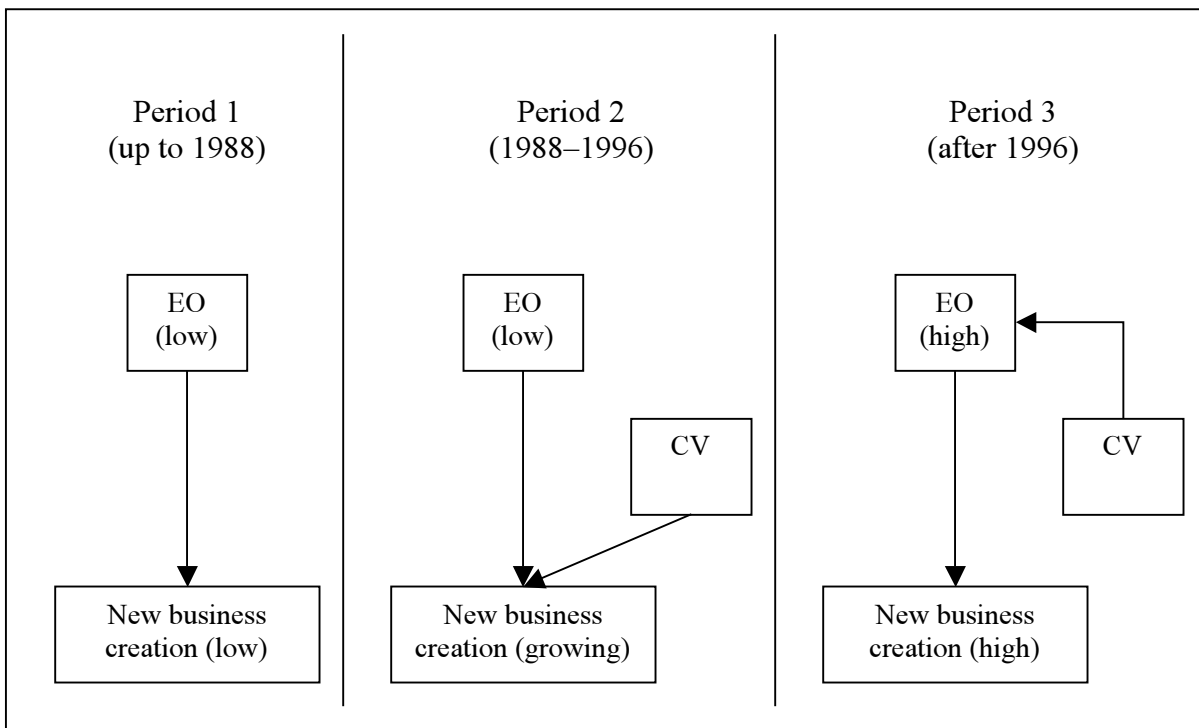


Figure 1. Entrepreneurial Orientation, Corporate Venturing, and New Business Creation in Riso Gallo (Personal Elaboration)

Gallo developed a high level of EO. We argue that the CV project played a strong role in developing the EO of Riso Gallo thus pushing the company toward future business creations and being a point of reference for changing strategic orientation. Mario Preve became aware of the need to be entrepreneurially oriented during the second period and then, during the third period, gradually developed Riso Gallo's EO, learning from Naturis how to be more entrepreneurial. He pushed his company toward an organizational learning process that allowed Riso Gallo to develop new knowledge, thus changing strategic orientation.

This learning process can be defined "experimental," since it occurred within the corporate context and generated distinctive knowledge. It differs greatly from "acquisitive" learning, that takes place when the firm gains access to and subsequently internalizes preexisting knowledge from its environment (Zahra, Nielsen, and Bogner 1999). Competitive advantages evolving from experimental learning tend to be more sustainable than those generated from acquisitive learning (Lei, Hitt, and Bettis 1996). The result of this learning process was the development of integrative knowledge, which is related to the way a company combines its resources and capabilities to create value. It differs from technical knowledge, which is concerned with insights about the properties of specific activities and is needed for new business creation in the short run (Kogut and Zander 1992). Technical knowledge is related to products, while integrative knowledge is related to organization. Riso Gallo learned how to shape its activities to further integrate its resources and competencies in novel ways. The learning process was not only related to the R&D activities, but encompassed the entire organization in terms of structure and mechanisms, afterwards oriented to new business creation.

We believe that much of the success of the above-mentioned learning process was also due to the fact that the parent company was a family business and that the leadership of its CV was given to a family member. The relationship between Riso Gallo and Naturis was more intense and regular than in other CV cases, given that the relationship between the two brothers, Mario and Cesare, was more intense and regular than that between other CEOs. This means that Riso Gallo could have observed the managing practices in Naturis in a closer way, catching every single element of the entrepreneurial management of its CV project that made it so innovative, proactive, and risk taking. The close relationship between Mario and Cesare led Mario to spend much time in Naturis, having contact with Naturis managers and researchers, learning in detail what being entrepreneurially oriented means. Moreover, giving Cesare the possibility of expressing his entrepreneurial spirit in Naturis led Mario to acknowledge the importance of being entrepreneurial and to see how to do it.

We believe that the "family model" of this CV project

solved the trade-off between CV operative autonomy and control: Naturis received the autonomy needed to work on its new business creation project with positive results, but Riso Gallo was able to informally monitor its CV having total access to Naturis' organizational climate and procedures.

Case study results can be then generalized toward theory building. As Figure 2 shows, the main effect of CV consists in developing new business creation in established companies whose EO is low. This effect comes from a deliberate learning process oriented to the development of technical knowledge. Nevertheless, CV could also have a collateral effect, not identified in literature, consisting in ensuring future business creation through a positive impact on the parent company's EO. This second effect is difficult to detect, since it is not evident in the short run. Moreover, it is unexpected and—differently from the main one—it is emergent. The collateral effect comes from an experimental learning process that leads the company to develop new integrative knowledge.

This emergent effect reshapes the relationship between strategy and structure in CE processes. So far, CV has been seen as a deliberate strategic choice oriented toward business creation through the foundation of a new organizational unit. On the basis of the results of the present case study, organizational change can lead strategic orientation to change, through a mimicking process that induces the parent company to learn from its CV project.

We also argue that a CV project, as in the above-presented case, could be used as an effective way to cope with a pervasive force in organization (i.e., momentum). Miller and Friesen (1980) have shown the presence of this force, which means that past practices, trends, and strategies tend to keep evolving in the same direction. A CV project, as in the case of Riso Gallo, can be adopted as a way to stop the administrative momentum and restart, thanks to a new business creation, a new strategic direction guided by entrepreneurship.

This study has explored the effects of a CV project on new business creation, finding that CV can sustain new business creation even after its end, through a positive influence on the parent company's EO. This influence is provided by the activation of an experimental learning process that leads to the development of integrative knowledge. We have shown that CV could foster new business creation more than expected not only directly in the short run, but also indirectly in the long run. Thus the effect of CVs on new business creation after their end is collateral (since it is not the main one), emergent (since it is not deliberate), and indirect (since it comes through a positive impact on EO).

Using the metaphor of the "heart" introduced above, CV appears to be not just a "by-pass," but also a "medicine" able to bring the "heart" back to functioning. In the Riso Gallo case, Naturis helped the "heart" to "beat" again autonomously; that is, it made Riso Gallo become more entrepreneurial.

This article contributes to the development of the firm-level entrepreneurship field, since it studies a phenomenon beyond the usual time span and identifies a new relationship between two core concepts in the research field: EO and CV. Despite extensive research on CV processes, scholars have not investigated the effects of CV projects on new business creation after their end, overlooking the possibility that CVs could play a role in reinforcing the EO of parent companies. At the same time, this study attempts to shed some light on one of the emerging issues in CE: the relationship between CE, organizational learning, and knowledge (Dess et al. 2003). We argue that CV can activate a short-term learning process resulting in the development of technical knowledge, but also a long-term learning process consisting in developing integrative knowledge.

Moreover, the present study opens a new line of research in firm-level entrepreneurship, given that such a relationship between EO and CV has not been even identified before. On the one hand, theoretical research could explore the conditions in which such a relationship exists or not, as well as investigating those factors that moderate the relationship itself. On the other hand, future empirical research on these topics may assess the proposed conceptual relationship in the empirical domain. To this end, further in-depth case studies may allow us to further refine the proposed relationship, while survey studies may develop and test hypotheses from our suggestion. Further empirical evidence will help the development of practical fallouts for managers to use CV projects not just to overcome low levels of EO but also to restart the entrepreneurial momentum and foster EO for new business creation.

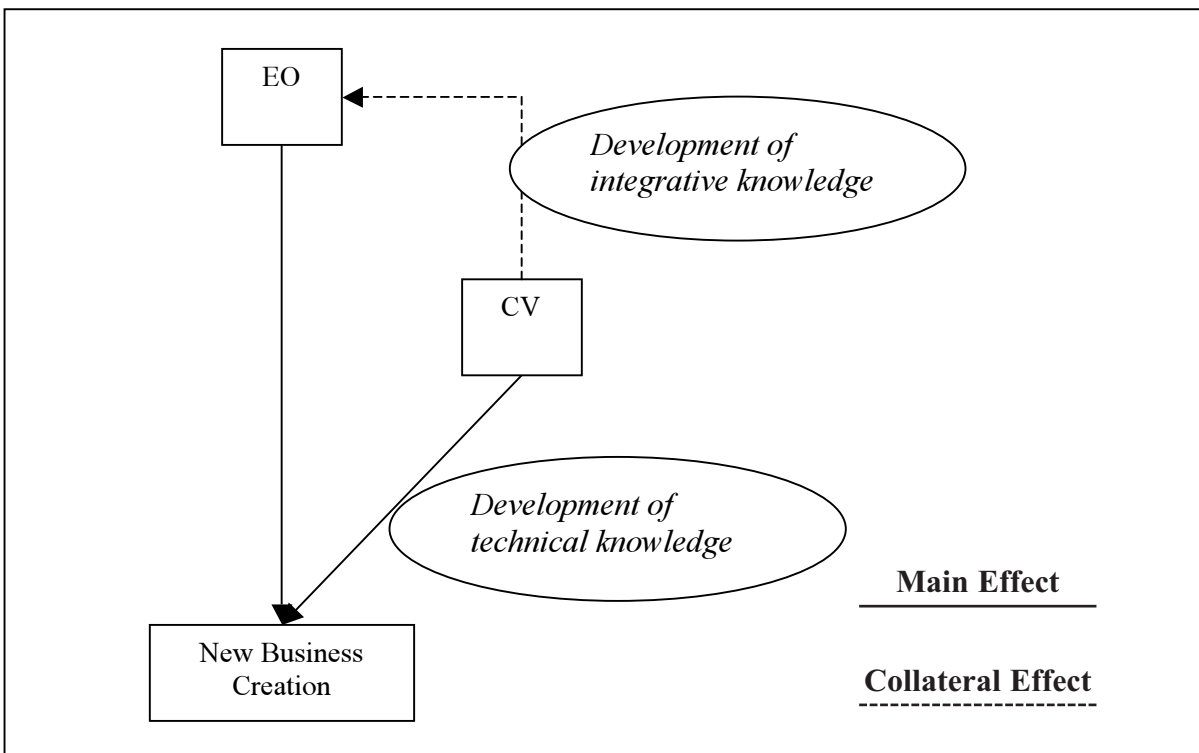


Figure 2. Effects of Corporate Venturing on New Business Creation and Entrepreneurial Orientation as Learning Processes (Personal Elaboration)

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About the Authors



SALVATORE SCIASCIA, Ph.D., teaches strategic management at both Università Cattaneo-LIUC in Castellanza and Università IULM in Milan (Italy). His research interests fall within the field of entrepreneurship, family business and regional development.



FERNANDO G. ALBERTI, Ph.D., is assistant professor of small business economics at Università Cattaneo-LIUC in Castellanza (Italy). He also teaches small business economics at Università degli Studi di Milano Bicocca in Milano and entrepreneurship and regional development at Università della Valle d'Aosta in Aosta (Italy). His research interests fall within the field of entrepreneurship, family business and regional development.



RICCARDO DE VITA (rdevita@liuc.it) is a PhD student in entrepreneurship at Università Cattaneo-LIUC.



ALBERTO POLI teaches entrepreneurship at Università Cattaneo and management control at Università degli Studi di Milano Bicocca. His research interests fall within entrepreneurship education and business planning. He is managing director of Full Integrated System, an outsourcing company based in Milan.

Case Study

Owens Sawmill: A Family Business Facing a Social Responsibility Dilemma¹

Dianne H.B. Welsh

David Rawlings

T*his is a real case involving an SME that produces southern hardwood finished lumber. The family business faces a social responsibility dilemma in terms of displaced workers and limited job opportunities in the surrounding labor market if they purchase a new saw that would modernize production, improve profitability, and eliminate 50 percent of their labor costs. The most logical employment for these workers would be a cutter, loader, or hauler of logs, which have been determined to be some of the most dangerous jobs in the United States. This case requires students to examine the decision-making process of a modest family business in a small, cohesive community and the ramifications of these decisions, as well as issues concerning technology and production improvements, displaced workers, social responsibilities, and the rights and responsibilities of employers and employees.*

A small, family-owned sawmill is seeking to improve profitability. Scott and Beth Owens have the opportunity to purchase a new saw that is capable of cutting the same amount of wood in one shift as the current saw can cut in two shifts. Additionally, as employees become more proficient with its use, productivity will drastically improve. The couple must quickly decide whether to purchase a new saw or continue using the old saw because they have a short window of opportunity to sell the old saw, which will bring additional revenue. Normally, this type of saw is difficult to sell. Capital investments are difficult to recoup in this industry because the investment costs must be spread out over far fewer units of production than other types of sawmills ("Economic Choice" 2003).

If the new saw is bought, it allows Owens Sawmill to reach or exceed its usual two-shift production in only one shift. Therefore, the second shift will be eliminated. The most likely opportunities for those who work on the second shift will be out in the field as a cutter, loader, and hauler of logs. This job has been determined by safety officials to be the most dangerous job in the United States. The fatality rate for this position is the highest of any position—26 times greater than the national average (Christie 2003). While the Owens' are legally obligated to provide a safe environment for their employees, do they have a social responsibility?

Personal Background

Owens Sawmill was founded and is currently owned by Scott Owens and his wife, Beth, of Arlington, Kentucky. Both are very involved in the day-to-day operations and share in making decisions. The two form the upper management of Owens Sawmill.

Scott was born in Spokane, Washington, where his mother raised the family while his father, Tom, worked in Alaska. Scott played on his high school basketball team and graduated in 1980, at the age of 17. After graduation, he joined his dad in Ketchikan, Alaska. His father was on one of the first teams that went into the Alaskan wilderness to initiate construction of the road system. Scott's job was to drill and blast rock to clear land for road construction. His job was seasonal, so he returned to Washington State when operations shutdown during the winter months where he attended community college for one quarter and decided it was not for him.

By 1982, his father had moved to Kentucky and Scott joined him to operate a farm. He soon met his future wife, Beth, in the same town. Beth was the only girl in a family with three boys. Beth's family owns a horse farm that specializes in quarter horses. She attended community college and completed an associate's degree while working part time at a local hospital and volunteering at Hospice. Scott soon realized that agricultural employment did not pay well, so he returned to Alaska in 1983 to work on road construction. When he returned to Kentucky that winter, he had saved enough money to build a home for him and his wife. In 1988, Scott's father started logging so Scott bought a truck and a loader and was cutting, loading, and hauling the logs to the mills with his dad. Scott soon realized that there was more profit to be made by cutting the logs into lumber himself rather than just delivering the logs to another lumber mill. Owens Sawmill was born.

Scott and Beth received a government loan in 1989 for \$30,000 at 5 percent interest with the requirement that he hire four employees. They also borrowed \$30,000 from a local bank and purchased a mill and land in Arlington, Kentucky, where they erected a building from which the business still operates. Scott ran the daily logging operations, while Beth performed the bookkeeping and administrative functions. After six months, they realized that not

enough lumber was being cut to pay their expenses. Therefore, a second shift was implemented and four additional employees were hired so they could double production without increasing their fixed costs, such as insurance and loan payments. As production increased, the company paid off its loans and became profitable. In 1992, they formed an S Corp. for tax purposes and to reduce their personal liability.

The Owens' expanded their operation over time by purchasing large tracts of forest land. Scott deploys his cutting crew to the tracts of land where there is demand for a specific type of wood. His crew cuts, loads, and transports the logs to the mill. Most of the same employees also work in the sawmill producing the finished lumber, which is then sold. The average tenure of the Owens Sawmill employees is 10 years, ranging from 5 to 17 years. The Owens' are contemplating starting a family and they would like to hire at least part-time help to assist Beth with the bookkeeping and office management duties. Beth enjoys her interaction with the employees and their families and considers this part of her life's purpose. Scott is 43 years old and Beth is 35 years old. Their current savings total around \$50,000 and they have under \$5,000 in their retirement accounts.

Industry Background

The National Hardwood Lumber Association releases a weekly Hardwood Market Report that separates hardwood lumber into three price categories: Northern Hardwoods, Southern Hardwoods, and Appalachian Hardwoods. The Kentucky area has Southern Hardwood. A 12-foot red oak log with a small end circumference of 24 inches will yield a total of 300 feet of usable lumber. A sawmill will purchase this log for about \$0.70 per foot, making the log worth about \$210. From this \$210, the money is split evenly between the landowner and the logger. This same 300-foot log will result in about 420 feet of lumber due to the scaling methods used. The lumber will then be separated into grades that determine the prices paid for the lumber.

The new technologically advanced saw is estimated to increase productivity by 25 percent, resulting in approximately \$30,000 more profit per year. The core of the employee base would remain intact if the technologically advanced saw was purchased. The job loss will be minimal; ranging from four to six displaced employees. The highest performing employees with the best accident records and the longest tenure would be retained. The laid-off employees may be offered employment in the future if Owens Sawmill keeps to its strategic long-term expansion plan.

Endnote

1. The teaching note for this case study is available upon request to Dianne Welsh at dwelsh@ut.edu.

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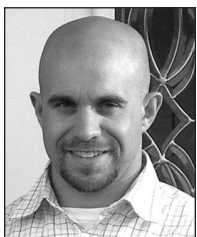
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About the Authors



DIANNE H.B. WELSH (dwelsh@ut.edu) is the James W. Walter Distinguished Chair of Entrepreneurship, Professor of Management, and director of the Florida Entrepreneur and Family Business Center at the Sykes College of Business at the University of Tampa. A recognized scholar in international entrepreneurship and franchising, Dr. Welsh is coeditor of the first comprehensive volumes on global franchising in emerging and industrialized markets. She is the author of more than 100 published manuscripts that have appeared in the *Academy of Management Journal*, *Journal of International Business Studies*, *Entrepreneurship Theory & Practice*, *Journal of Business Venturing*, *Journal of Small Business Management*, and others.



DAVID RAWLINGS (raw1123@excite.com) holds a B.B.A. with a major in management and a concentration in entrepreneurship from John Carroll University in suburban Cleveland, Ohio. He wrote the case during his senior year of undergraduate study based on a true dilemma his cousin was facing. He is a customer assistance account manager at the Bank of America in Beachwood, Ohio.

Principles before Profits: An Interview with S. Truett Cathy

Miles Davis, Ph.D.

Leyland M. Lucas, Ph.D.

Recent attention has been given to organizations that claim to run on faith-based principles. Activities such as at work bible study groups, charitable giving, and the individual practices of the owners are often the focus of such discussions. In such discussions little attention has been paid to those who not only hold strong religious views, but have chosen to put those views into practice—even when it may not appear to make good business sense.

Since 1946, S. Truett Cathy, founder and chairman of Chick-fil-A Inc., has run his enterprises based on his understanding of Christian principles. Starting with his first restaurant, the “Dwarf Grill,” which he opened with his brother Ben in 1946, continuing when he opened the first “Chick-fil-A” in 1967, and even as he finished the remodeling of the companies headquarters in 1997, S. Truett says he tries “to glorify God by being a faithful steward of all that is entrusted to us and to have a positive influence on other people. . . .” In fact, this purpose is engraved in a bronze plaque that rests at the entrance to Chick-fil-A’s corporate headquarters in Atlanta, Georgia.

In practice, this purpose has lead S. Truett to never have his businesses open on Sunday, a time in the quick service industry that normally generates 20 percent of revenue. It has caused him to shut down another restaurant venture, Markos in Florida, rather than serve alcohol, which most patrons wanted. Despite his staunch adherent to principles that seem to run counter to “good business sense,” S. Truett Cathy has built a successful, privately held organization that operates in 38 states, has more than 1,300 franchisees, and generates over \$2 billion a year in revenue.

In the following interview, S. Truett offers his perspective on why focusing on principles is more important than focusing on profits and what he thinks it takes to succeed in business and in life.

NEJE: Mr. Cathy, unfortunately we’re starting the tape after you just explained to us your past. But the first question that people always ask and I’m curious about is, “How did you do it?” What would you say are the fundamental elements of your success?

S. Truett Cathy: I’m writing a book right now, *How’d You Do It, Truett?*

NEJE: Well, give us a preview of the book?

S. Truett Cathy: All right, number one is you got to want to.

If you don’t have that, nothing else is going to work. Not I’m trying to want to. I’d like to be good golfer. . . I’d like to be a concert pianist. I grew up in the Great Depression, you never experienced that, few people have. But I’ve lived in times of poverty; I’ve lived in times of plenty. We might have experienced times of plenty, but especially we learned from poverty. We struggled to have a place to live, as well as food for our table, and I never had anything that I really haven’t had to work for. It wasn’t just given to me. What little bit of money I had, I had to share with my family. Starting off at age eight, going in a restaurant, we started buying Cokes, six for a quarter, do you remember that? You could buy Cokes six for a quarter.

NEJE: No, I’m not quite that old.

S. Truett Cathy: Well few people do. But that was the beginning, I realized then I could make six cents a bottle. So for a quarter I would buy those [sodas] and turn around in the neighborhood and make five cents on the turnaround. Then we went back and got more and more and more, and then finally had the resources and went to the Coke truck and bought 24 Cokes for eighty cents. We’d sell those 24 Cokes for five cents a piece, get the eighty cents we spent, plus forty cents. So that’s, to me, a big difference back then. The first thing I did as a result was to buy a bicycle. I paid \$4 for it. It didn’t have any fenders, but it had round wheels and a big frame. I had never bought anything in my life that I appreciated more than that bicycle because I had to buy it and had to earn it to get it—it wasn’t going to be a gift.

So those are some experiences I’ve learned from. And I went from that to selling magazines. Then I had a paper route that I carried for seven straight years. During that time that I learned the importance of taking care of the customers. You put the paper behind the screen door, keep the dog from chewing it up, [and] put it up on the rocking chair. At that period we had an evening newspaper competition and I was always challenged by being the winner of the pocket knife, a tee shirt, or maybe a trip to Jacksonville Beach. I was challenged by that, I always achieved certain goals that I had set for myself to be a winner. I never got excited about school, but I got excited about working. I was drafted into the Army right after I finished high school, so I didn’t get to go to college but that never bothered me. I never liked school anyway. I am glad to work and I do today. You couldn’t work and be this old unless you’re doing your very best. It’s when we do less than what we could do, or are expected to do [that causes problems].

Ofentimes I say there are three pieces to success, and this works for everybody, under all circumstances. Number one is you got to want to. If you don't have that, nothing else is going to work. Number two, you got to develop the skills and the know-how. And three, you got to do it. Many people have a lot more talent than they exercise. They go to school and learn all these things, and blow it when they get out there and they're not willing to pay the price that they need to pay. It takes a lot of "want-to" in life—a lot of "want-to." You got to *really* want to. I had to be able to do whatever it took to achieve the goal that I'd set for myself. After getting out of the service, my brother and I pulled our resources and came up with \$4,000. A loan company said if I'd sell an automobile I had, I'd get a loan for \$6,600, so at that time back in 1946, we went to buying part of the of "Dwarf Grill" and the lot next to it. The lot was about 50 by 150 [feet], and was right near a Ford plant. We invested a total of \$10,600—first into the property then into building a building. That's the kind of debt that we're committed to and it was a strong commitment. I was single so I got my room right next door to the restaurant. I was available 24 hours a day, six days a week. I was totally committed and that makes the difference in business life, as well as home life, and your relationship to the Lord. In commitment, you see strange and unusual things happen when you're truly committed to something.

NEJE: How would you look at the issue of talent versus luck in the story of Chick-fil-A?

S. Truett Cathy: Well, there's no such thing as luck. People say it's luck, and I say the harder you work the luckier you get. It will always be the harder you work the more successful you will be. But being brought up in a boarding house where my mom's bread was limited to feed the family, they had seven rooms in the rented house and two meals a day. And at an early age I learned how to shuck corn and scale fish, wash dirty dishes, set the table, and go shopping for my mom. That was a learning experience for me. Coming from that background, I guess food would probably fit in. There was a competence that I learned in the boarding house days. And I like to eat as well. I used to have a hobby of baking cakes on Sunday afternoon. Mom would let me take a recipe and go to the store if I'd clean up afterwards.

God designed that we would want to be somebody and see something through in our lifetime. It never comes natural, that's for sure. Character is not a burden, but we blow it. You see people a lot of times that have a lot, *a lot* of potential and blow it simply by making the wrong decision. If you make a good decision, if you make it wrong or not, this might be the thing that results. But you see that today. It doesn't come overnight, it doesn't come easy but it will happen. And you can accomplish anything if you really want to.

If you don't have that much, I agree it's just not going to happen and I guess I feel like I never planned Chick-fil-A, it just came about. I say, take advantage of unexpected opportunities and you don't recognize them sometimes until it's too late. You look back and you wish you'd done this or done that, but you just go through life one time, you don't have a chance to go back and redo it.

There's no shortcut to success. It's true you're due to gain through the errors that you make. The shortcut is to observe what's worked in life through times and try to imitate it. Don't think you have to be around the drugs, alcohol, and sex just to see what it's like because you can look at relatives, and see what they've done, mistakes they've made. I got a good lesson in my Sunday school lesson about life. I was always taught that the truth is in the Ten Commandments. I mean, people have trouble with lying. It's like even our [past] president, Bill Clinton, he did a bad thing but the worst of it is he lied, under oath, about what took place. You can't lie and lie, it's a sin with God. Another chief executive officer of the largest company of the world, Lockheed, lied about things. The president and CEO of RadioShack, who was doing a good job for the last five years, was dismissed because he lied on his application. On his application he put down degrees he earned in college, but he never attended college. So still I believe firmly in the Ten Commandments; they're important to us and we need to give attention to that.

NEJE: How does our changing world impact today's entrepreneur, especially in a quick service restaurant? And what I mean by that is do demographic shifts in the United States—such as the aging population or a more diverse population—mean that your stores will at one point say, "Eat More Tacos?" Or do geographic shifts, that the world is getting smaller, mean that maybe you'll go international to sustain the great growth of Chick-fil-A?

S. Truett Cathy: We went to 37 states, and we made the mistake of going to South Africa and building three places there. It was at five years and hadn't made any money; it cost us to keep the doors open. We had the opportunity to renew our leases from those five years or pull out. And so we pulled out. Our area's right here in the United States and our neighboring states in the union. It's tiny but our goal is to expand in areas that we already recognize, rather than going into unknown territories.

NEJE: Please explain why you say that it was a mistake going to South Africa.

S. Truett Cathy: It's the fact that we were losing money. We couldn't get the merchandise and paper goods there properly labeled. People there were used to having Coke with maybe one piece of ice, if they wanted ice. We fill the cup up with a

half a cup of ice, and they told us they were getting gypped. Because they were the customer, you put fresh ice in it. We told them iced tea and Coke taste better with ice. We had to prove our point; we had to educate the people. The economy wasn't bad, and there was no competition to speak of. But nevertheless, we had a bunch of great employees. They were all excited, but nonetheless, it just wasn't practical.

NEJE: *What business would you start today, given our changing world? Would you do Chick-fil-A all over again?*

S. Truett Cathy: Sure I would. I think it was God's gift to have that. I always thought about having a chain of restaurants until I had two, but I realized then that I had one too many. If I just have one I can do a better job. I was trying to go back and forth to operating two restaurants, so it was a big issue for a long time, running something else and Chick-fil-A. You can tell me and explain that we started off as something not much, the difference is our concept. In the beginning shopping malls would not talk to you about fast food. They didn't want the smoke fumes tainting things inside. So we had the shopping mall concept. It was a new concept; Chick-fil-A itself was brand new. We introduced and educated people about our boneless chicken breast sandwich.

NEJE: *Did you create the idea of a quick service store in a mall?*

S. Truett Cathy: I created that. And I saw that we did a lot of things different. We're actually closed on Sundays, we're neat. I've been doing it for 60 years and it's never changed. It's the most important decision I've made. A man asked me, "How do you figure that because 20 percent of sales are generated on Sunday in fast food?" I replied, "Well, number one it honors God. And secondly, it also attracts the kind of people who appreciate a Sunday off." We weren't so sure if it worked or if not, but we had that opportunity and family is very important. America has a great quality of home life as well as a faith in the Lord. And so we offer this and that's the reason we employ 500 people and we only have a 3.5 percent turnover. And personally, that's unheard of in anything, particularly in the food business.

NEJE: *Why do you think that your turnover is so low? What is it that you're doing?*

S. Truett Cathy: Giving people Sunday off is just one of the factors. We employ a lot of mothers. We give them Saturday and Sunday off, we think of the family. We got high school and college people working on Saturdays, so we got the housewives who work all week and get off on Saturday and Sunday which is a great offer to them. They'll stay with you. The environment we offer them is inviting. We try to go with the scriptures and treat them like we want to be treated. Of

course, it would be nice for them to give me the time off, when you work 24 hours a day for six days you're ready for a break. And you find that equipment needs to be rested a little while too. So it's worked out to our advantage that we're closed on Sundays.

NEJE: *You're well known for your emphasis on character and principles based on biblical teachings in running a business. Do you think that having that sense of character and principles presents unique challenges in the business world?*

S. Truett Cathy: You have to have principles. It should change the world of business. But business people are more interested in the bottom line than we are in people. We're a private company, so we're more concerned about the people. The bottom line takes care of itself. But more people see what that bottom line looks like. Earnings generate more profit. So we have a special privilege where we use our resources to do some very unusual things.

NEJE: *Mr. Cathy, do you think it's harder to maintain those principles in 2006 than in 1946, when you started your business?*

S. Truett Cathy: I don't. You just have to make up your mind as to whom you're going to try to please. Shopping malls are normally open on Sunday and there are a few instances in which we were denied to go in there because of the fact we're closed on Sunday. You don't earn much money like that. We feel like people appreciate you living up to what you trust to be. I teach Sunday school to 13-year-old boys. I asked them one time, "How would you feel if I was to open my cash register today on Sunday while trying to be a success. One little boy said, "You would be a hypocrite." When I went to school, it was required in public school to bring a Bible verse to school on Monday morning. From those, they would give you one Bible verse for the week. When I was in third grade, my Bible verse was inspected, my name was up on the board and Proverb 22:1 was written out: "Well the good name would rather be chosen than great riches." I asked my 13-year-old boys, "How many of you would like to have a million dollars?" All the hands went up. Mom is getting new dresses; Daddy could have a new pick up trucks and shot gun shells; you're getting a go-cart and mini-bike.' And I said, "Let me tell you something better than that . . . the good name, with a good reputation." And my little boy said, "Well suppose you got a good name." And I said, "No, you have to reearn it everyday. It's nothing you can buy; it's something you have to earn. The way I figure it, and I find this very true, I don't know how much of that caused me to try to maintain a good name. But in the food business you have to remember to do things right all the time, not just sometimes. Because if you get disappointed one time, that's

the end of that 25 times. If you get disappointing quality of food or are mistreated by an employee, you're likely to never go back again. And certainly not go around cheerleading for Chick-fil-A after that experience, ever. So we have to things to make it right every time.

NEJE: *How do you convey those core values of your faith to your management team?*

S. Truett Cathy: We have an annual seminar that lasts four days and the last few have had more than 3,000 people. We provide outstanding speakers, motivators. We also try to help them in their home life because I can't expect a person to do their best in business when they've got problems at home. One reporter wrote an article on us offering counseling services to families. That opened up a whole group of newscasters on radio and TV wanting to know more about us. That's unusual for a company that cares for its people and their homes. And they said, "Why did you do it?" I said you can't expect a person to run a business who's got severe problems at home; it's just not going to happen. It is important that you try to maintain a stable home life, as well as stability in your business. Make it a place you want to stay. We have very few leaving the group for reasons that are uncontrollable.

NEJE: *You often hear talk now of what is called "corporate social responsibility." There are some who emphasize that it's the shareholders and those who say it's the stakeholders and I just wonder, what are your views on corporate social responsibility?*

S. Truett Cathy: You should be honest to your stockholders. Look at it the way they practice in the Navy where the captain's always the last one to depart from the ship. If you got a sinking ship, it is the captain who leaves last. I felt that in business it's the same way, you got to be responsible to the stockholders—unlike a business owner I heard about. He took his money and left the company in bad shape. He shouldn't have walked off, leaving his business in trouble. He did all he could to leave the scene. You should take care of the stockholders, those who invest their life savings in it and trust in the company. They shouldn't be disappointed by the person they're trusting in, with mistake and no protection really, but that's the stock market. But it gets back to biblical principles. Treat others like you like to be treated, be honest and be truthful. These are the basic things that are expected of an individual.

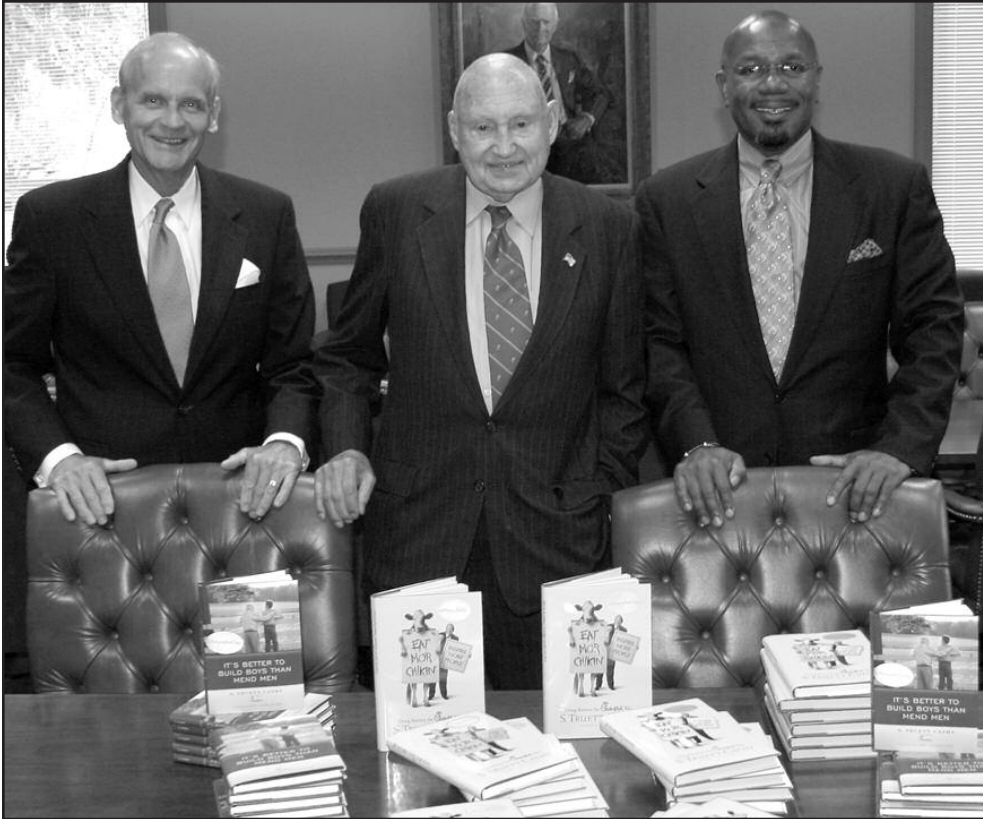
NEJE: *I also know from your book Eat Mor Chikin: Inspire More People that one of your principles is to be a good steward.*

S. Truett Cathy: Right. It's very true. I think all we have is promised to God anyway. All we have is a gift from God. We practice tithing and other things like being a good neighbor

and treating others like we'd like to be treated. Chick-fil-A has been leading too and there are a lot of things we do besides cooking chicken. We have just awarded \$20,000 to young persons who work for us. If they have been working for us for 2 years and work 20 hours a week, we give them a \$1,000 scholarship. We've awarded \$20,000 every year, which have totaled \$20,000,000. And it adds up. We build foster homes. We have 12 foster homes, and we have a scholarship program for employees. We've taken over what was previously a private boarding school for eighth to twelfth graders. The school was closed. We looked into it and we were amazed that the 28-acre land, started back in 1902 by Martha Berry, got the support of great people like Henry Ford, Emily Vanderbilt, and Franklin Roosevelt. The facility supplied the resources that allowed us to rebuild the campus. We recently took over a dairy farm there, converted it into a family enrichment program for families who need a shot in the arm. We encourage them to stay together. We are running a Pro-Dad's Day in Tampa, Florida. We're going nationwide with it, and urging fathers to spend the day with their son. We are encouraging them to come to Chick-fil-A to eat and sit and talk with each other. The dad plays into the stability of the homes and spending time with the children. Many times children don't hear from the fathers unless they're scolding them about something. Just talk to them, talk to them about anything they want to talk about. But don't just talk to them when you are scolding them and getting after them. Find times when you can encourage them. That makes all the difference.

NEJE: *I have three last questions. One, in retrospect, what do you consider your greatest contribution to the organization and to entrepreneurship?*

S. Truett Cathy: Well my family is very important to me. I have 3 dedicated children, dedicated to the Lord, but on top of that they have a giving spirit. I'm very excited how they treat Chick-fil-A. I have 12 grandchildren. I was just awarded the first, second, and third generation down in Saint Petersburg. I feel like I've been thrown some wealth, but I've got money that I can use for myself. But also I've got some other business investments that I use to help be successful in these certain situations. I see young people grow up and they're high school and college students now working on the staffs who are career persons. And we have, as I mentioned, 65 percent of operators [franchise owners] out there who grew up in Chick-fil-A. We raised them. For some of them it's the only job they've had. And 15 boys I had in my Sunday school class over a period of years made a career at Chick-fil-A. There's nothing wrong with working hard as young people. You have to work. And if you like to work, there's nothing wrong with liking to work. So it's been satisfying to me to have so many young people that want to choose a career in Chick-fil-A. And the quality of people who we have here on



S. Truett Cathy (center), founder and CEO of Chick-fil-A, recently shared some of his inspirational writings on a giving spirit with Dr. Randy Boxx (left), dean of the Harry F. Byrd Jr. School of Business at Shenandoah University, and Miles Davis, associate professor of management and director of the Institute of Entrepreneurship in the Harry F. Byrd Jr. School of Business.

our staff makes my job much easier. It's a pleasure to come to work with the atmosphere that's created here. So I feel Chick-fil-A brings good. I think we honor God in the things we're trying to do.

NEJE: *When you retire from Chick-fil-A, what would you like to say is your greatest legacy to the organization?*

S. Truett Cathy: I think the greatest contribution would be the fact that we're closed on Sunday. We've done that for 60 years. And there are times when you mention Chick-fil-A, yeah, that's the place that's closed on Sundays. And it gives us opportunity to explain well sure, you can't go eat at Chick-fil-A because they're closed on Sunday to respect the Lord's Day. 'Honor the Lord's Day and keep it holy.' It's a special day that the Lord has given Man. We need that day off, it's to honor God. We just need a day off to think about the little things that are important. And that's the bottom line.

NEJE: *My last question, when people hear the name of your organization, what do you want them to think of?*

S. Truett Cathy: I think it would be of a quality operation where you have people who care about them and who practice going that second mile for the customer. That's where you get people who are totally dedicated to Chick-fil-A. They're your cheerleaders, it's that kind of advertisement that you sell by. The general public is more important than adver-

tising over the TV or radio, we have don't have the advertising budget. We're the largest company I have seen without advertising on TV or radio, but I think we have the loyalty of the employees and we have loyal customers. They're our cheerleaders out there telling people about the great experience they had a Chick-fil-A.

We have maintained a good reputation as far as service. Occasionally someone has gotten disappointed but we do everything we possibly can to correct the situation. I'll send a letter of apology along with a book; the operation will sometimes send flowers to that customer or some other things. We ran into a situation in the Carolina's where a lady had driven 200 miles and she had another 200 miles to go. She got to Chick-fil-A and realized she had left her pocketbook. Of course we didn't charge her anything for food, but she didn't have gas money to get back to where she came from and the operators were aware of that. The employees collected \$23—\$1 a piece—and gave it to the lady. It was an unusual thing that we can do that other people will not do. They could do, but won't. It's a business of serving people.

Editor's Note: The growing area of spirituality research and theory in the study of management often presents opinions and references that are not commonly shared by all members of the academy. The *New England Journal of Entrepreneurship* does not endorse nor does it disavow the views of contributors to the Journal.

About the Authors



MILES K. DAVIS (mdavi3@su.edu) is an associate professor of management at Shenandoah University and is director of the Institute for Entrepreneurship at the Harry F. Byrd, Jr. School of Business. He teaches courses on entrepreneurship, organizational behavior, and management, and the capstone business and strategy courses in the undergraduate and graduate program. Dr. Davis' research interests include managing planned change in organizations; leadership; entrepreneurship; and, ethic, moral, and spiritual issues in organizations. He has had refereed journal articles published in each of these areas and is associate editor of the *New England Journal of Entrepreneurship*.

Before becoming a university professor, Dr. Davis was a principal with EDS' E.Solutions Consulting organization, where he was responsible for worldwide delivery of organization transformation, business process reengineering (BPR), strategic planning and management, and change management consulting services to major corporations and government agencies. Dr. Davis continues to consult to companies worldwide, with a particular emphasis on small and family-owned businesses.



LEYLAND M. LUCAS (llucas@moac.morgan.edu) is an associate professor of management in the Earl Graves School of Business & Management at Morgan State University. He received his Ph.D. in organization management from Rutgers University. Dr. Lucas has published papers in *Entrepreneurship Theory & Practice*, *International Journal of Technology Management*, *Journal of Knowledge Management*, *The Learning Organization*, and *Journal of Applied Management & Entrepreneurship*. His research interests include organizational search, knowledge management, opportunity recognition, minority and women-based entrepreneurship, and innercity entrepreneurship.

Annotated Bibliography on Women Business Owners: A Diversity Lens

Bonita L. Betters-Reed
Lynda L. Moore

When we take the lens of race, ethnicity, gender, and class to the collected academic work on women business owners, what does it reveal? What do we really know? Are there differing definitions of success across segments of the women businessowner demographics? Do the challenges faced by African American women entrepreneurs differ from those confronting white female entrepreneurs? Do immigrant female women businessowners face more significant institutional barriers than their counterparts who have been U.S. citizens for at least two generations? Are there similar reasons for starting their businesses?

Women-owned businesses are one of the fastest growing sectors of the U.S. economy, growing at twice the rate of male-owned businesses (see Table 1). In 1996 13 percent of women-owned businesses in the United States were owned by women of color. Those 1,067,000 minority women-owned firms employed nearly 1.7 million people and generated \$184.2 billion in sales (Center for Women’s Business Research, 2004).

	1997	2004	% Change 1997-2004
# of Firms	923,403	1,427,820	54.6
Employment	777,999	1,258,710	61.8
Sales \$(000)	84,666,144	146,973,258	73.6

Between 1982 and 1997 minority-owned businesses grew at a rate faster than nonminority-owned businesses. (Lowery 2005).

Despite these impressive statistics, women-owned businesses and women entrepreneurs are still treated as a marginalized monolithic group in the entrepreneurial research. We know very little about the difference among groups of women and their businesses. This lack of information about women businessowners, their success stories, and the growth of their businesses results in unfounded and erroneous assumptions about strategies, policy, education, and resources needed to support advancement. Research on women businessowners and their enterprises must be responsive to diversity among women, particularly issues of race and class, and it must be informed by the greater knowl-

edge base found across social science and other disciplines. It stands to reason that the “mainstream” research and literature, long dominated by white male (and more recently white women) lacks diversity of perspective and relevance for our increasingly multicultural society.

In our 1992 article, we addressed the issue that advancement for women has been for white women and not women of color. Our emerging research has arisen out of the need to examine the basic assumptions underlying the dominant research paradigm. In our recent article (2006), we propose an alternative paradigm—the multicultural lens—through which entrepreneurial research should be conducted. This multicultural lens takes into account the integration of class, socioeconomic, racial, and ethnic issues. None of these aspects of culture can be excluded as each one of them influences an individual’s perspective. Likewise, none of them can be considered apart from the others as though they were “singular, static entities” because “being singular, they are defined by what they are not, and being static, they are defined as if they could not be otherwise” (Minnich 2004, 12). Instead, they must be “recast as complex, ongoing, historically created processes that we can study . . . as mutually and intimately coconstructing.”

Our historical analysis reveals that the early work on entrepreneurs within the business literature lacks an analysis on women of color. Most of the entrepreneurial literature tends to compare women with men; the assumption being that women as a group—and by implication men as a group—are monolithic and therefore the same assumptions apply equally to all of them. For example, a dominant assumption perpetuated by the literature is that all entrepreneurs approach their business with the same conception of success, one consistently represented in economic terms. Monolithic assumptions are problematic because they prevent the researcher from discerning the different ways that each entrepreneur in her own right is influenced by the confluence of race, gender, social class, religion, family history, etc. In her 1992 analysis of research on race, Nkomo raised a similar issue with respect to the absence of any recognition by researchers of “the different sociohistorical experience of African Americans or other racial minorities in the United States” (500).

The research by C. G. Brush (1992) was conducted to address the disparity in the available research on women entrepreneurs relative to their growing presence in the field as entrepreneurs, but the diversity perspective is missing.

Although not encompassed by their review of current research on women, J. Starr and M. Yudkin (1996) did mention the need for a diversity analysis in future research.

To locate research on women of color, we had to look at other disciplines such as sociology and psychology. Such disciplines tend to have little impact on mainstream management research, although this is beginning to change. The concept of entrepreneurship arose from a Westernized male-gendered discourse (Ahl 2003). While progress has been made with respect to redefining entrepreneurship to encompass the perspective of women, there is a continuing tendency to assume that the Caucasian perspective represents an entrepreneurial “true north.”

We anticipate that our analysis, by having surfaced gaps in the research, will raise the level of awareness regarding the fact that “research texts are not innocent, objective reflections of social reality. They are coproducers of reality” (Ahl 2003, 1). As such, we intend that it may serve as a stimulus for researchers to “break out” from the dominant paradigm and to begin engaging in groundbreaking research through a multicultural lens.

Conceptual Underpinnings

Thomas Kuhn’s historical analysis of scientific revolutions is apropos here. He describes “conceptual boxes supplied by professional education” (1962, 5), and the idea that researchers attempt to fit what they observe into these conceptual boxes. What does not fit is filtered out or rejected because it contradicts the paradigm defined by the discipline. This applies not only to the “discoveries” themselves, but to the selection of problems/questions to be researched and the methods utilized in researching them; all of these must fall within the realm of legitimate scientific inquiry as defined by the dominant paradigm. Significant shifts in perspective are enabled only via the existence of an alternative paradigm that can explain both sets of phenomena: those explained by the dominant paradigm and those that cannot be explained by it. And it is just such paradigm shifts which not only enable new discoveries and new knowledge, but which give rise to a whole new set of research questions and methods.

The particular theoretical framework that informs the research within a discipline is itself informed by “the values embedded in every discipline” (Better-Reed, Moore, and Hunt 2006) and has a deterministic influence on the outcome and conclusions of the research. What variables the

researcher chooses to measure and the method she selects for measuring them are both motivated and constrained by the protocols of the discipline, and these are in their turn influenced by the societal and cultural framework within which the discipline functions (Fagenson 1990; Gould 1996; Kuhn 1962). And as Fagenson points out: “The methodology chosen, in turn, biases the pool of conclusions that can be reached about the study” (267).

Add to all of this the increasing pressure on researchers to contribute to their discipline. It then becomes easier to understand why the protocols of the discipline along with the threat of losing credibility with one’s peers can serve to constrain, inhibit, and circumscribe researchers, particularly the newly initiated, who may otherwise be inclined to “break out” of the dominant paradigm and engaging in research from a wholly new perspective. “. . . researchers asking interdisciplinary questions or looking at entrepreneurs not considered ‘legitimate’ run the risk of editorial rejection, which perpetuates a limited and inaccurate view of the discipline” (Better-Reed, Moore, and Hunt, 2006).

Scope and Limitations of the Review

The historical review covered the range 1978–1998, a 20-year interval. With only a couple exceptions, we included only academic journals in our review in which we were able to locate 109 articles spanning 38 different publications (see Table 2). The exceptions were working paper series that resembled academic journal publications and in many cases were the precursors of journal articles. Many of the articles were located under nonbusiness disciplines particularly in social sciences or gender studies, indicating that the topic itself was still a notable departure from mainstream business research and educational thinking. Although the review results in significant breadth, it lacks depth which is likely consistent with the early stage of development of the field of women business ownership. Unfortunately, this lack of depth has resulted in a rather fragmented portrayal with no common themes emerging from the review.

The bibliography itself is presented in alphabetical order by author with each reference listing in standard APA format. Wherever possible an annotation for each bibliographic entry indicates to what degree the foregoing or other related diversity questions are answered. Following each article reference is a summary of the study and its findings, its significance to our analysis, and what we perceived to be its limitations.

Table 2. Range of Journals with Article Frequency

<i>Journal</i>	<i>Articles</i>
<i>Frontiers of Entrepreneurship Research</i>	29
<i>Journal of Small Business Management</i>	21
<i>Family Business Review</i>	7
<i>Entrepreneurship Theory and Practice</i>	7
<i>Journal of Business Venturing</i>	5
<i>A Leadership Journal: Women in Leadership-Sharing the Vision</i>	2
<i>Gender and Society</i>	2
<i>Journal of Development Entrepreneurship</i>	2
<i>Journal of Managerial Psychology</i>	2
<i>Leadership and Organization Development Journal</i>	2
<i>Monthly Labor Review</i>	2
<i>The Sociological Review</i>	2
<i>Academy of Management Review</i>	1
<i>Academy of Management Journal</i>	1
<i>American Sociological Review</i>	1
<i>Annual Review of Sociology</i>	1
<i>Boston University Working Paper Series</i>	1
<i>Entrepreneurship and Regional Development</i>	1
<i>Ethnic and Racial Studies</i>	1
<i>Feminism and Psychology</i>	1
<i>International Studies of Management and Organization</i>	1
<i>Journal of Business Ethics</i>	1
<i>Journal of Comparative Family Studies</i>	1
<i>Journal of Contemporary Business</i>	1
<i>Journal of Economic Issues</i>	1
<i>Journal of Marriage and the Family</i>	1
<i>Journal of Small Businesses and Entrepreneurship</i>	1
<i>Journal of Vocational Behavior</i>	1
<i>Journal of Women and Aging</i>	1
<i>National Journal of Sociology</i>	1
<i>Research Report: Jesse H. Jones School of Business, Texas Southern University</i>	1
<i>Rural Sociology</i>	1
<i>Sex Roles</i>	1
<i>Social Forces</i>	1
<i>Sociological Perspectives</i>	1
<i>Wellesley Center for Research on Women</i>	1
<i>Work and Occupations</i>	1
<i>Wisconsin Small Business Forum</i>	1

Bibliography

Aldrich, H. E., and Waldinger, R. (1990). Ethnicity and entrepreneurship. *Annual Review of Sociology*, 16, 111-136.

Using a literature review, this study examined various approaches to explaining ethnic enterprise, using a framework based on three dimensions: an ethnic group's access to opportunities, the characteristics of a group, and emergent strategies. The common theme that emerged from the study: "Ethnic groups adapt to the resources made available by their environments, which vary substantially across societies and over time." The study indicates that there is a reciprocal relation between ethnicity and entrepreneurship and the recommendations regarding research include: a more careful use of ethnic labels and categories in the research, a more multigroup, comparative approach, and more process-oriented research designs.

Limitations: no analysis of gender or class

Significance: challenges, resources/barriers

Allen, K. R., and Carter, N. M. (1996). *Women entrepreneurs: Profile differences across high and low performing adolescent firms*. (Summaries). Retrieved June 5, 2006, from *Frontiers of Entrepreneurship Research 1996 Edition* at Babson College Web site: <http://www.babson.edu/entrep/fer/papers96/summ96/allen.html>

This study was conducted as a mail survey, the participants being member of NAWBO who had responded to a previous NAWBO survey for the purpose of determining those factors contributing to high or low success. The researchers found that those factors contributing significantly to success were (a) capital, obtained "preferably through commercial business loans and private sources," (b) "a personal banking relationship," and (c) "a focus on profit and growth." Those factors that did not impact either high or low performance were (a) education, (b) marital status, and (c) "having dependent children at home."

Limitations: no analysis on race, ethnicity or class

Significance: success definition (traditional economic), challenges, business start-up, business sustainability

Also, G.A., and Ljunggren, E. (1998). *Does the business start-up process differ by gender? A longitudinal study of nascent entrepreneurs*. (Summaries). Retrieved June 6, 2006, from *Frontiers of Entrepreneurship Research 1998 Edition* at Babson College Web site: http://www.babson.edu/entrep/fer/papers98/V/V_A/V_A.html

This study was conducted using interviews that were constructed to determine whether differences exist between nascent female and male entrepreneurs with

regard to the probability of succeeding in the set up of a business, and with respect these other factors: (a) which start-up activities they carry out, (b) the time they use to carry out the activities, and (c) the sequence of activities. The conclusions of the study were that although there are differences in start-up processes, these “do not lead to different probabilities of succeeding in establishing the business.”

Limitations: no analysis on race/ethnicity or class

Significance: Business start-up, business sustainability

Alvarez, S. A., and Meyer, G. D. (1998). *Why do women become entrepreneurs?* (Summaries). Retrieved June 6, 2006, from Frontiers of Entrepreneurship Research 1998 Edition at Babson College Web site: http://www.babson.edu/entrep/fer/papers98/V/V_C/V_C.html

This study was conducted by questionnaire for the purpose of determining the values underlying the decision of women to become entrepreneurs. The researchers begin with the hypothesis: “...women entrepreneurs start their own businesses not because they lack business options but because it is a vehicle that allows women to use, satisfy, and maintain high level skills.” The women in the study “appeared to be highly educated and could obtain employment elsewhere.” Their motivation for starting a business arises from the fact that the corporate world often does not enable them to pursue goals and values such as participatory decision making, flexible and interactive job design, equitable distribution of income, and interpersonal and political accountability.

Limitations: no analysis of race, ethnicity or class

Significance: business start-up

Amatucci, F. M., and Young, F. (1998). *Critical success factors for immigrant entrepreneurs: A cross-cultural longitudinal study*. (Poster Summaries). Retrieved June 6, 2006, from Frontiers of Entrepreneurship Research 1998 Edition at Babson College Web site: http://www.babson.edu/entrep/fer/papers98/IV/IV_G/IV_G.html

This study was conducted via interviews of immigrants, one immigrant entrepreneur from each group—Italian, Asian Indian, Dominican, Cambodian, Russian—who had been in business for a minimum of five years. The in-depth interviews were conducted using a semistructured questionnaire along with open-ended questions, with multiple visits being made to each entrepreneur. The entrepreneurs were queried about their history within their country, the circumstances of their emigration, and the setup of their business and the challenges they encountered from start-up to the current date. The limitations of the study are that race, class, and gender are not specifically addressed.

Limitations: no analysis of gender or class

Significance: definition of success, challenges, discrimination effects, barriers/resources, business start-up, business sustainability

Bermasek, A., and Stanfield, J. R. (1997). The Grameen bank as progressive institutional adjustment. *Journal of Economic Issues*, 31 (2), 359–366.

This article describes a program for Bangladeshi women—particularly those from the lower economic class—that enables them to obtain loans for the purpose of starting up microenterprises. The women who want to apply for loans are required to form groups prior to applying for the loan. The group provides a sense of solidarity with other women facing the challenge of structural oppression. The crux of the article is that economics can be a means by which women in Bangladesh become empowered and achieve independence.

Limitations: no discussion on how the businesses are doing

Significance: definition of success, challenges, effects of discrimination, barriers/resources, business start-up, business sustainability

Birley, S. (1989). Female entrepreneurs: Are they really any different? *Journal of Small Business Management*, 27 (1), 32–37.

This study utilizes Cooper’s model “to analyze the factors which influence the initial entrepreneurship decision and to develop a theory to apply to female entrepreneurs” (p. 33). Influences on entrepreneurship decisions and experiences are categorized by the model as: antecedent influences, incubator organization, and environmental factors. The antecedent category looks at the entrepreneur’s own personal background, the incubator organization considers the organizations at which the entrepreneur worked prior to establishing her own business, and the environmental factors category explores such factors as “prevailing economic conditions, role models, and access to support services.” The researcher concludes that Cooper’s model is equally applicable to both female and male entrepreneurs. However, she points out that factors influencing entrepreneurship are “situationally and culturally bound” (p. 37). The fact that the number of women-owned businesses is increasingly significantly is a reflection of changes within society itself, and should not be attributed to gender differences in skill or motivation.

Limitations: no analysis of race, ethnicity or class

Significance: challenges, barriers/resources, business start-up

Brush, C. G. (1991). Antecedent influences on women-owned businesses. *Journal of Managerial Psychology*, 6 (2), 9–17.

This was a longitudinal study conducted over a six-year period, the intent of which was to determine those antecedents connected with the growth and survival of the business. Those antecedents that were found to have the most influence on survival are: "previous experience in the field of the venture, financial skills, strength in dealing with people, and idea generation, combined with market opportunity motivation . . ." This research also supports other findings suggesting that the key skills needed in expanding a venture may not be gender based.

Limitations: no analysis of race, ethnicity or class

Significance: definition of success (implied), challenges, resources/barriers, business sustainability

Brush, C. G. (1992). Research on women business owners: past trends, a new perspective and future directions.

Entrepreneurship Theory and Practice, summer, 5-30.

This study entails a literature review for the purpose of evaluating the status of the research, the manner in which the research has been conducted to date, and the gaps existing in the research. The findings suggest, among other things, that there are certain assumptions guiding the research. For example, that women-owned businesses are less important than men-owned businesses, that women-owned businesses are the same as men-owned businesses, and that theories developed in researching male-owned businesses should apply equally to female-owned businesses. The researcher concludes, among other things, that it is important to study women entrepreneurs separately to expand our understanding the concept of entrepreneurship.

Limitations: no analysis of race, ethnicity or class

Significance: points specifically to the need to diversify the entrepreneurial research lens

Brush, C. G. (1997). Women-owned businesses: Obstacles and opportunities. *Journal of Developmental Entrepreneurship*, 2(1), 1-24.

This was an exploratory study using a written survey and a focus group with the intent of determining the most significant obstacles and opportunities encountered by women in running a business. The most significant obstacles emerging from the study were: not being taken seriously, child/dependent care, growth/expansion capital, and entrepreneurship education/training, while the most significant opportunities were: technology, management style, and employee policies.

Limitations: no analysis on race, ethnicity or class

Significance: effects of discrimination, barriers/resources

Brush, C. G., and Bird, B. J. (1996). *Leadership vision of successful women entrepreneurs: Dimensions and characteristics*. (Summaries). Retrieved June 5, 2006, from Frontiers of Entrepreneurship 1996 Edition at Babson

College Web site: <http://www.babson.edu/entrep/fer/papers96/summ96/brush.html>

The intent of this study was to explore "the content of leadership vision of 60 successful women entrepreneurs," and examine "the relationship of personal and company characteristics to vision." These findings were then compared to results from a previous study that utilized the same survey instrument. The data collected from the survey were used to run descriptive statistics, factor analysis, and correlations. To be eligible for selection for the survey sample, women had to meet these criteria for success: "an appearance on a media listing such as 'Working Women Magazine's Top 50 Women Entrepreneurs,' or a similar regional or city published list." The researchers findings: ". . . the dimensions of vision of successful women entrepreneurs are characterized by 'innovative realism,' in particular, flexibility, innovation, action-oriented, integrated, changing and inspirational." Compared to similar research on men, "women define their vision differently than their male counterparts." The findings suggest that "experience, in the form of tenure in a position and organization, is important to vision implementation." The findings of this study were determined by the particular economic definition of success that was utilized, and that had another definition of success been utilized, the results may have been quite different.

Limitations: no analysis on race, ethnicity, or class

Significance: business sustainability

Carr, D. (1996). Two paths to self-employment? Women and men's self-employment in the United States. *Work and Occupations*, 23(1), 26-53.

This study performed an analysis of 1980 Public Use Microsample Data and compared females with males to determine if the reasons for starting a business were different for these two groups. The researcher found that although for women, their "family characteristics . . . are significant predictors of women's self-employment," this does not seem to be the case for men. Also emerging from the study is that "human capital characteristics, including education, age, [and] past work experience are significant predictors of both women's and men's self-employment status."

Limitations: no analysis on race, ethnicity or class

Significance: business start-up

Chaganti, R. (1986). Management in women-owned enterprises. *Journal of Small Business Management*, 24, 18-29.

An exploratory study using in-depth interviews, this study analyzes management styles, organizational structures, the hiring/training of women employees. Additionally, the researcher provides describes two models of management: feminine and entrepreneurial.

Varying definitions of success emerged from the study such as fulfillment, desiring to be the “best in their business,” growth, profitability. Among reasons for starting the business were, “actual and potential disenchantment with job opportunities,” goals that are linked with the entrepreneur’s values and are more complex than mere flexibility or money-making. The researcher concludes that these reasons are similar to business start-up reasons provided by men.

Limitations: No analysis on race, class or ethnicity

Significance: Success definition, business start-up, business sustainability. Also interesting is the assumption that “feminine” and “entrepreneurial” are not to be equated. This raises the fundamental question about the perspective from which the designation “entrepreneurial” has been traditionally defined.

Chaganti, R., and Parasuraman, S. (1996). A study of the impacts of gender on business performance and management patterns in small businesses. *Entrepreneurship Theory and Practice*, 21 (2), 73–75.

This study, based on a mailed survey with a structured questionnaire, examines gender differences in performance, goals, strategies, and management practices. Results showed that women-owned business had significantly smaller annual sales. Employment growth and ROA were similar between men and women. Women’s ratings for achievement and financial goals were significantly higher than men’s. Women businessowners emphasize product quality to a great degree than men, although there were no differences on customization.

Limitations: no analysis on race, ethnicity or class

Significance: success measures, characteristics

Cheng, L., and Espiritu, Y. (1989). Korean businesses in black and Hispanic neighborhoods: A study of intergroup relations. *Sociological Perspectives*, 32 (4), 521–534.

This study examines the reasons why Korean entrepreneurs in Los Angeles experience more hostility from black entrepreneurs and clients than from Mexican entrepreneurs and clients. The researchers propose the “immigrant theory” as being the most adequate to describe this phenomenon. This theory suggests that lack of hostility between Mexicans and Koreans is linked to their shared status as immigrants. The hostility of blacks arises from the fact that they perceive the Koreans as being intruders, as stepping onto “turf” that belongs to blacks because they were here first.

Limitations: no analysis of gender

Significance: challenges, effects of discrimination

Coleman, S. (1998). Access to capital: A comparison of men and women-owned small businesses. Retrieved June 6, 2006 from, *Frontiers of Entrepreneurship 1998 Edition* at Babson College Web site:

http://www.babson.edu/entrep/fer/papers98/V/V_B/V_B.html

This study examines the factors that determine access to credit for small businesses. The analysis was conducted using existing data from the 1993 National Survey of Small Business Finances conducted by the Federal Reserve Board and the Small Business Association. The sample included privately owned small businesses having fewer than 500 employees. The findings indicate that while gender per se cannot directly explain differences in credit terms and amounts between female and male entrepreneurs, there are other factors—age and size of business for example—that are generally strong predictor of access to capital. Since women-owned businesses are generally smaller and younger than those owned by men, both their interest rates and their collateral requirements tend to be higher.

Limitations: no analysis of race, ethnicity or class

Significance: challenges, barriers/resources, what might we expect to find in study comparing white women with women of color, white men with men of color, and then comparing women of color with men of color?

Cromie, S., and Birley, S. (1992). Networking by female business owners in Northern Ireland. *Journal of Business Venturing*, 7 (3), 237–251.

This study, conducted using questionnaires, explores the differences and similarities between the networks established by men and women entrepreneurs. More similarities than differences emerged overall from the analysis, although some differences were noted between cultures in a comparison of network members (United States, Italy, Sweden) who do not share the gender of the entrepreneurs.

Limitations: limited ethnicity analysis and none on class

Significance: challenges, characteristics and resources/obstacles

Cromie, S., and Hayes, J. (1998). Towards a typology of female entrepreneurs. *The Sociological Review*, 36(1), 87–113.

This study proposes three entrepreneur typologies that emerged from the analysis of information using psychometric scales and interviews which included open-ended questions. The criteria for the sample: “aspiring and very recent entrepreneurs in the Belfast area . . . [who] were either in the process of launching their business or had been trading for six months or less” (p. 97). Briefly, the three typologies were composed of the following: (1) innovator—very few have children, started business to get away from non-challenging positions routinely occupied by women; (2) dualist—all have children and the “desire simultaneously to fulfill two roles,”

wanted flexibility in raising children, were satisfied with previous careers having “made good career progress, mainly in traditional female occupations,” (p. 102) but did not have the desire to go further; and (3) returning—all had children and were returning to work after an interval to raise children, “looking to entrepreneurship to allow them to escape an undesirable situation” (p. 105).

Limitations: no analysis on race, ethnicity or class

Significance: definition of success, business start-up; use a study like this to compare with similar experience within the United States.

Dallafar, A. (1994). Iranian women as immigrant entrepreneurs. *Gender and Society*, 8(4), 541–562.

Using both surveys and case studies, this article examines the experience of a specific immigrant community in the Los Angeles area. The findings are that the Iranian women entrepreneurs use their social networks both within their community and beyond, and that access to resources within the ethnic community are determined by gender.

Limitations: no analysis on class

Significance: discrimination effects, barriers/resources

Dant, R. P. (1996). Participation patterns of women in franchising. *Journal of Small Business Management*, 34(2), 14.

Through the analysis of patterns emerging from information contained in a database, these studies test several hypotheses regarding the patterns characteristic of women franchisors. In brief, the hypotheses and conclusions are: (1) The participation of women in female-image franchise industries will be greater than their participation in male-image industries, and more men will be found to participate in male-image industries than female-image industries. Conclusion: While gender appears not to be an obstacle for men, it does appear to have an impact on the franchises women choose to operate. (2) Consistent with the general statistics on women businessowners, women will have a greater participation in certain industry sectors (for example, personal services) than others (such as construction). Conclusion: women are underrepresented in general, regardless of sector. (3) The women-owned franchise systems will be significantly smaller than are male-owned franchise systems. Conclusion: women appear to be associated with comparatively smaller franchise systems.”

Limitations: no analysis on class or race

Significance: points out need to research women entrepreneurs’ perceptions of the obstacles encountered in what society represents as male-image industries, are such obstacles tangible or perceived?

Dean, S. M. (1992). Characteristics of African American family-owned businesses in Los Angeles. *Family Business Review*, 5(4), 373–395.

The intent of this study was to research stereotypes about African American family business. Questionnaires were utilized to collect the information, and the criteria for the sample specified that it must be a family-owned business with at least 50 percent African-American ownership, and at least one family owner-manager. Emerging from this research is that assumptions about the lack of formal policies and procedures, succession planning, and ineffective conflict resolution processes were not supported. Other pertinent conclusions are: “. . . the data failed to support the assumption that a positive relationship exists between the importance of church and religion and the importance of personal needs of the owner-managers” (p. 389); and “. . . African American family businesses can be described as closed systems, primarily inwardly focused. They are focused on the individual success of the firm and not on political social, or community issues” (p. 391). The study also describes issues of importance and satisfaction to the respondents.

Limitations: no analysis on gender

Significance: definition of success, challenges, discrimination effects, the study, by its omission of gender, brings to light the gaps arise when considering race apart from gender and vice versa.

DeCarlo, J., and Lyons, P. R. (1979). A comparison of selected personal characteristics of minority and non-minority female entrepreneurs. *Journal of Small Business Management*, 17(4), 22–29.

The purpose of this study was to evaluate minority and nonminority women entrepreneurs to determine those characteristics that differ between them. The information was collected using a questionnaire and the comparison included both demographic data, and information regarding the value placed on specific personality characteristics—achievement, support, recognition, independence, conformity, benevolence, autonomy, aggression, leadership—by each of the groups. The data suggest that there were more similarities between minority and nonminority entrepreneurs than there were between minority entrepreneurs and the total female population.

Limitations: treats each group monolithically, although there are likely vast differences within the groups, particularly among the minority group

Significance: success definition may be implied by personality characteristics

de Pillis, E. G. (1998). *What’s achievement got to do with it? The role of national culture in the relationship between entrepreneurship and achievement motiva-*

tion. Retrieved June 7, 2006, from Frontiers of Entrepreneurship Research 1998 Edition at Babson College Web site: http://www.babson.edu/entrep/fer/papers98/IV/IV_A/IV_A_text.htm

Limitations: no gender or class information

Significance: Challenges could be implicated within the historical/cultural context, e.g., the sense of shame associated with business failure in Ireland. This is a good example of how history and culture influence perceptions and create unique challenges

Devine, T. J. (1994). Characteristics of self-employed women in the United States. *Monthly Labor Review*, 117(3), 20-35.

This study identified those demographic characteristics most common to women entrepreneurs, and compared these with the characteristics most commonly found among male entrepreneurs. The researcher utilized statistics from the Department of Labor spanning the years 1975 through 1990, the interval during which there was a significant rise in the number of female entrepreneurs. Among the findings are those indicating that women entrepreneurs are more likely to be white, married, over 35, and to be covered by somebody's else's health insurance.

Limitations: although race is accounted for in terms of numbers, there is no separate analysis on race or ethnicity

Significance: the prevalence of certain characteristics and the absence of others could indicate underlying challenges, obstacles and/or issues of access to resources, and discrimination

Dolinsky, A. L., Caputo, R. K., Pasumarty, K., and Quazi, H. (1993). The effects of education on business ownership: A longitudinal study of women. *Entrepreneurship: Theory and Practice*, 18(1), 43-54.

This study uses a national longitudinal sample of women to examine variations in the likelihood of entering, staying, and reentering self-employment by level of education. Using data from the National Longitudinal Survey of Labor Market Experience, the study tests two rival hypotheses: (1) the theory of the disadvantage worker posits that "individuals who possess limited wage-labor skills (or face discrimination) are apt to earn higher incomes being self-employed than working for wages"; and (2) the liquidity constraint theory posits that "less-educated individuals are less likely to have accumulated assets and hence are more likely to face liquidity constraints that make it relatively difficult to pursue entrepreneurship." The researchers' findings are that there is an association between level of education and all three self-employment factors—entry, duration, and reentry, with higher levels of education being associated with a higher propensity to all three. Additionally, the findings

support the liquidity constraint theory.

Limitations: no information on ethnicity, race or class although class could be inferred from level of education

Significance: barriers/resources are inferred from liquidity constraint theory finding, business start-up, business sustainability. Additionally, since educational level is generally linked to cultural background, the cultural influence is implied

Dolinsky, A. L., Caputo, R. K., and Pasumarty, K. (1994). Long-term entrepreneurship patterns: A national study of black and white female entry and stayer status differences. *Journal of Small Business Management*, 32(1), 18-25.

Using data from the National Longitudinal Survey of Labor Market Experience, this study analyzes variations between black and white female entrepreneurship, including variations in the probability of entry and the probability of staying. "To date no study has exclusively focused on black female entrepreneurs, let alone directly compared their experience with that of their white counterparts." The findings are that "black women are far less likely to enter entrepreneurship than whites, but once they do, they are marginally less likely to stay." These findings shed some light on one of the theories of entrepreneurship—the theory of disadvantage. According to this theory, those with limited skills are more likely to enter self-employment, and since "a disproportionate number of blacks have limited marketable wage skills," they could be expected to be more likely to opt for entrepreneurship. However, the results of this study indicate that there may be other factors involved including discrimination from customers, less familial support, fewer assets, etc.

Limitations: no information on class, no gender comparison

Significance: challenges, effects of discrimination, barriers/resources, business start-up, business sustainability

Entwisle, B., Henderson, G. E., Short, S. E., Bouma, J., and Gengying, Z. (1995). Gender and family businesses in rural China. *American Sociological Review*, 60(1), 36-57.

This study evaluates rural household businesses to "determine the effects of gender on household business involvement and labor allocation" (p. 40). The researchers frame the analysis by describing the history of reforms in China which have had a considerable impact on the patterns and distribution of industrial and agricultural labor throughout the country. The analysis was undertaken using data from the China Health and Nutrition Survey conducted 1989 in which several thousand households in eight provinces were interviewed; "data were gathered using instruments at the individual, household, and community levels" (p. 41). The findings

are that both the composition of the household and the educational level of household members are influential factors. Because the activities associated with a household business are often compatible with women's traditional role in caring for small children and elderly family members, the "presence of young children or elderly persons increases the likelihood of business involvement" (p. 46). Although educational level is a strong predictor of likelihood of running a household business, at all levels of education, men are more likely than women to be engaged in the household business, while women tend to be more involved in agricultural activities. The researchers attribute this at least in part to patrilocal marriage arrangements whereby women leave their natal village once they are married and move in with the husband's family. This arrangement has a disempowering effect as it results in social disarticulation for the woman, while jealousy and rivalry in her new network of relations is likely to result in a downplaying of any skills she may have acquired in her natal village.

Limitations: no information on ethnicity or class, although perhaps class could be inferred from educational level

Significance: effects of discrimination, business start-up, the influence of culture especially as it pertains to the marriage arrangement

Espinal, R., and Grasmuck, S. (1997). Gender, households and informal entrepreneurship in the Dominican Republic. *Journal of Comparative Family Studies*, 28(1), 103-128.

This study examines female and male microentrepreneurs to determine the interplay of gender on the impact that such businesses have on the households of the owners, particularly as it relates to power relations within the household. The study arises out of the researchers' perception that development policy tends to ignore the impact of such policies on women, often stripping them of economic decision-making capacity within the household. The methodology consisted in a survey of microentrepreneurs in Santiago, the sampling was stratified by gender and by the size of the business. The researchers found that gender plays a significant role in the "structuring of the informal economy." While women tend to be concentrated in particular businesses—clothing production, sales, food production—men tend to be distributed more equally amongst a wider range of businesses. Controlling for educational levels, amount of start-up capital, and duration of the business, men still succeed in accumulating more capital and in generating higher monthly incomes than women. The researchers attribute this to the fact that the women contribute significantly more of their income to their house-

holds than do the men. Additionally, men attribute their success in business to support from the family while women tend to view the family responsibilities as a deterrent to running the business because it consumes so much of their effort.

Limitations: no information on class, success restricted to the economic perspective

Significance: barriers/resources, race/nationality, effects of discrimination

Essed, P. (1994). Contradictory positions, ambivalent perceptions: A case study of a black women entrepreneur. *Feminism and Psychology*, 4(1), 99-118.

This article consists in a case study undertaken for the purpose of exploring "black neo-conservatism and the contradictory position of the black middle class in the matrix of domination systems" (p. 99). The study was conducted using an open-ended interview with an African American business woman to determine her perspective on her own success and her role within the black community. The researcher presents an analysis of the interviewee's arguments in terms of the problems of race, class, gender and social inequality. The findings are that labels such as "conservatism" are problematic because the picture that emerges from is far from this simple. On the contrary, it is both complex and contradictory. Equally noteworthy is the discussion of the interaction between race and gender, what the researcher as termed "gendered racism" (p. 108).

Limitations: no other interviews to which this can be compared

Significance: barriers/resources, effects of discrimination, analysis of the interaction between race and gender points up the inadequacy of dealing with either of these as separate phenomena

Fabowale, L., Orser, G., and Riding, A. (1995). Gender, structural factors, and credit terms between Canadian small businesses and financial institutions. *Entrepreneurship Theory and Practice*, 19(4), 41-65.

This study analyzes data obtained from a 1990 survey by the Canadian Federation of Independent Businesses to determine if the terms of bank credit differ between female and male entrepreneurs. Although the findings are that bank issuance of credit is not gender-based, the women entrepreneurs felt they had been treated disrespectfully and unjustly. These findings are supported by the findings of other research. The discrepancy between the practice of the banks and the perception of the female entrepreneurs can be explained by the fact that bank loan officers base credit issuance on the structure of the business itself, and women entrepreneurs have smaller business, lower sales volume, a narrower range of collateral, than men entrepreneurs.

Limitations: no race or class information

Significance: challenges, effects of discrimination in terms of the traditional economic definition of success that poses barriers to access to capital for women entrepreneurs

Fagenson, E. A. (1993). Personal value systems of men and women entrepreneurs versus managers. *Journal of Business Venturing*, 8, 409-430.

The purpose of this study was to explore the assumptions about significant differences between male and female entrepreneurs. The assumptions regarding the differences between entrepreneurs and managers was also explored. Using the a survey, individuals were asked to rank order their personal values. While the findings indicate that there are significant differences in the values held by entrepreneurs vs. those held by managers, the differences between male and female entrepreneurs were insignificant; they share more in common than do female managers and female entrepreneurs.

Limitations: no analysis of race or ethnicity

Significance: provides insight into underlying false assumptions that may be responsible for some of the challenges that female entrepreneurs encounter, therefore, characteristics and success factors

Fagenson, E. A., and Marcus, E. C. (1991). Perceptions of the sex-role characteristics of entrepreneurs: Women's evaluation. *Entrepreneurship: Theory and Practice*, 15(4), 33-48.

This study examines the perceptions of women with regard to the "sex-role stereotypic characteristics of the successful entrepreneur." The perceptions of women working in firms run by women were compared with the perceptions of the women working in firms run by men. The study was conducted using a survey that was distributed to women attending a business conference in New York City. The researchers predicted that the results would reveal that women working in a female-headed firm would assign a greater value to those attributes traditionally labeled as "feminine," and that those women working in a male-headed firm assign greater value to those attributes traditionally labeled as "masculine" than women who work in a female-headed firm. The findings support the first hypothesis but not the second one. In their perception of what constitutes a successful entrepreneur, women in both types of firms assign greater value to the masculine attributes. Evidence that perceptions of the successful entrepreneur are masculine may lead others to adopt the view that men have more chance of succeeding at entrepreneurship than women. This could in turn impact the ability of women to gain access to credit, and it may color the perception of those who do business with women entrepreneurs.

Limitations: no class, ethnicity or race information

Significance: it provides an example of the distortion in the research lens that arises from using a concept, entrepreneurship, which has arisen from a male-gendered discourse

Fasci, M. A., and Valdez, J. (1998). A performance contrast of male and female-owned small accounting practices. *Journal of Small Business Management*, 36(3), 1-7.

This study evaluated the profitability of female-owned practices with male-owned practices, with "small" being defined as an "individual CPA who owns his/her own practice with fewer than five professional employees." The study was conducted using a questionnaire. The researchers found that there is an association between gender and profitability ratio, that "when controlled for other relevant factors," men-owned firms are likely to have a higher profit ratio than women-owned firms. This association however is linked with the business philosophy or intent of the owner. The data show significantly lower profit ratios for those who indicated that flexibility (presumably to balance family and professional responsibilities) was their primary reason for starting the business; 95 percent of these respondents were women.

Limitations: no information on class or gender

Significance: definition of success from traditional economic framework, challenges, business start-up
Fischer, E. (1992). Sex differences and small business performance among Canadian retailers and service providers. *Journal of Small Business and Entrepreneurship*, 9(4), 2-13.

This study analyzed gender differences and determined whether these differences are good predictors of differences in performance. Using surveys, business owners were queried regarding levels of education, experience, and motivation. The findings suggest that none of the variables conventionally assumed to impact performance differences in male-run vs. female-run businesses are good predictors of performance differences. The researchers suggest that other factors must be examined to determine what accounts for the differences in performance.

Limitations: no analysis on race or ethnicity

Significance: definition of success, business start-up
Galbraith, C., Robinson, S., and Stiles, C. T. (1998). *Entrepreneurial spin-offs from American Indian reservation gaming: A comparative study of Southern California Indian tribes*. (Summaries). Retrieved June 7, 2006, from Frontiers of Entrepreneurship Research 1998 Edition at Babson College Web site: http://www.babson.edu/entrep/fer/papers98/III/III_B/III_B.htm

This study explored the relationship between entrepreneurial behavior and the economic environment

produced by casino gambling. Are there diverse entrepreneurial activities arising from the casino environment, or does this environment tend toward economic homogeneity? The researchers visited seven Indian gaming operations in California and conducted surveys. The findings indicate “little evidence of entrepreneurial activity in the primary market...outside the casino activity.”

Limitations: no analysis on women

Significance: discrimination effects, challenges, barriers and resources

Galiano, A. M., and Vinturella, J. B. (1995). Implications of gender bias in the family business. *Family Business Review*, 8(3), 177-188.

Using interviews, this study analyzed the experience of women in family-owned businesses located in the New Orleans area. The findings indicate that women are treated differently than men within the family business. Especially where succession planning is concerned, women are not encouraged to prepare themselves to take over the business.

Limitations: no information on race or ethnicity

Significance: challenges, effects of discrimination

Gillis-Donovan, J., and Moynihan-Bradt, C. (1990). The power of invisible women in the family business. *Family Business Review*, 3(2), 153-167.

This study highlights significant roles that many women play within the family business but for which they do not receive visibility and/or credit. By bringing these factors to light, the researchers intend to contribute to consultants' understanding of the complex issues that impact both the family and the business.

Limitations: no specific analysis of race or ethnicity

Significance: challenges, effects of discrimination, barriers/resources, characteristics

Glas, M., and Petrin, T. (1998). Entrepreneurship: New challenge for Slovene women. (Summaries). Retrieved June 7, 2006, from Frontiers of Entrepreneurship Research 1998 Edition at Babson College Web site: http://www.babson.edu/entrep/fer/papers98/V/V_D/V_D_text.htm

This study examines the motivations of women who decide to become entrepreneurs and compares the financial performance of women-owned businesses with men-owned businesses. The study was conducted by analyzing the 1995 database of financial reports of incorporated businesses and a questionnaire. The results of the research are that women-owned businesses are generally smaller, they tend to be more concentrated in service business, and they export less than men-owned businesses. Motivations for business start-up included dissatisfaction with current situation, the desire for independence, and the desire for social recognition and personal satis-

faction; these were considered more important than growth and profit. These women were also found to have educations well above the population average and their businesses were supported by family members.

Limitations: no class information

Significance: non-traditional definition of success, business start-up

Goffee, R., and Scase, R. (1983). Business ownership and women's subordination: A preliminary study of female proprietors. *The Sociological Review*, 3(4), 625-648.

This study examines the motivations leading to entrepreneurship and the obstacles encountered including attitudes. Using semistructured interviews, middle-class female proprietors in the United Kingdom were queried about their reasons for business start-up and the difficulties encountered in both start-up and sustainability. Among the reasons cited for business start-up: to escape the top-down managerial control of the workplace, to escape the subordinate role of housewife and find a venue for independence and self-expression, as a “last resort” because of the impossibility of receiving adequate compensation in the workplace. Additionally, some of the women “consciously regarded their actions as attempts to combat male dominance in a more general sense” (p. 634). In other words, “political rather than economic considerations can be paramount in the decision to set up the business” (p. 635). Among the obstacles cited: difficulty in obtaining credit, active discrimination by bank loan officers, the necessity of behaving in certain expected ways toward employees and customers (e.g., maternal, charming), husband's expectations that they continue to take full responsibility for maintaining the household. Despite the difficulties encountered, “proprietorship demonstrates to many women the potential of strength through self-determination; herein lies its most radical and liberating influence” (p. 643).

Limitations: no information on race or ethnicity

Significance: challenges, characteristics, effects of discrimination, barriers/resources, business start-up, business sustainability

Gold, S. J. (1998). Refugees and small business: The case of Soviet Jews and Vietnamese. *Ethnic and Racial Studies*, 11(4), 411-438.

Using interviews, this study examines the both the experience of refugee entrepreneurs and their motivations for business start-up. As refugees, this group generally has access to benefits that are unavailable to regular immigrants. Some motivations for business start-up: a means of community support and involvement, a legacy to pass on to the children to mitigate their struggles in getting started, as a means of independence from the mainstream U.S. culture. As regards the theory

of disadvantage, little evidence was found “to indicate that small business is a direct alternative to unemployment . . . businesses that were created by refugees short on skill and resources, solely for the purpose of creating a job for oneself, were very likely to fail.” Even some who had the skills to acquire a job in the wider economy preferred to start up their own businesses. For Vietnamese women, the running a business is facilitated when husband holds a job in the larger economy; the two are seen as complementary. Among the advantages that both refugee groups share are investment funds, access to ethnic labor markets and ethnic consumer markets.

Limitations: no class information and does not specifically address gender

Significance: challenges, business start-up, business sustainability, comparison of two ethnic groups and how their history/culture impacts their experience as refugees in the same country

Greene, P. G., and Johnson, M. A. (1995). Social learning and middleman minority theory: Explanations for self-employed women. *National Journal of Sociology*, 9(1), 59-84.

This study assesses the motivations for women’s entrepreneurship within the context of two sociological perspectives: the middleman minority theory and the social learning theory. Using data from the 1972-1990 General Social Survey and the 1990 Current Population Survey, the researchers found that women “whose fathers were self-employed are more likely to self-employed” (the social learning theory), and that women entrepreneurs “are disproportionately located in middle positioned economic roles” (middleman minority theory). These findings are significant in that they provide additional insights into the mechanisms through which women enter the labor market.

Limitations: no information on race or ethnicity

Significance: business start-up

Gundry, L. K. (1997). The leadership focus of women entrepreneurs of start-up and early growth stages. *A Leadership Journal: Women in Leadership—Sharing the Vision*, 2(1), 69-77.

This study assesses the women-owned businesses in a large Midwestern city at two stages of the business to determine the owners’ perspectives on what they perceived it was necessary to know to bring their businesses to the next level. “Entrepreneurial and organizational characteristics associated with firms in both stages of development were measured.” The researchers collected information via a questionnaire that was completed by women entrepreneurs upon their visits to a business development center to which they are associated. The intent of the

researchers was to examine the implications their findings would have for understanding the business life-cycle of women-owned businesses and for designing entrepreneurship education programs. Among the findings are that many women continue to hold down fulltime jobs during the start-up of their businesses, minority women were more likely to receive start-up capital from family and/or friends although they continued to express a relatively greater need for obtaining external sources of credit.

Limitations: no information on class

Significance: challenges, characteristics, business start-up, business sustainability

Haber, S. E., Lamas, E., and Lichtenstein, J. H. (1987) On their own: the self employed and others in private business, *Monthly Labor Review*, May, 17-23.

The authors analyze data found in the survey of Income and Program Participation conducted by the Bureau of the Census and learn new information about business owners as distinct from the self-employed, as well as the businesses they own. Data analyzed by gender revealed that more women than men were engaged in casual and side businesses, and men worked full time at businesses to a greater extent than did women. Two-thirds of male business owners were substantially engaged in a business, compared to about one-third among female businessowners. Females also earned less per year and were at the low end of the range of reported annualized earnings, \$3,700 (females) to \$24,000 (males).

Limitations: no information regarding ethnicity/race or class, analysis of government report

Significance: resources/barriers

Hisrich, R. D. (1984). The woman entrepreneur in the United States and Puerto Rico: A comparative study. *Leadership and Organizational Development Journal*, 5(5), 3-9.

This study compares women entrepreneurs in both regions according to the type of business, demographic characteristics, personal characteristics, and the entrepreneurs’ self-perceptions. A survey was utilized that included women in 18 states and Puerto Rico. The researcher found more similarities than differences between the entrepreneurs in these regions. Entrepreneurs in both areas “rated themselves highest in people management and product innovation, and lowest in financial skills.”

Limitations: no information on class

Significance: business start-up and sustainability may be inferred from personality characteristics and self-perceptions

Hisrich, R. D. (1986). Characteristics of the minority entrepreneur. *Journal of Small Business Management*, 24(2), 1-9.

Using a questionnaire, this study examines characteristics including motivation for starting the business, management skills, educational background, personal characteristics, social environment, etc. The findings are that the profile of the average minority entrepreneur includes: "... was a first-born child ... came from a lower middle-class family ... married with children ... has blue-collar father ..." listed achievement, opportunity, and job satisfaction as strongest motivators for starting the business. The data on skill level suggests that training is needed to acquire management techniques.

Limitations: no specific race, class or gender information

Significance: business start-up, business sustainability

Hisrich, R. D. (1991). Women entrepreneurs in the People's Republic of China: An exploratory study. *Journal of Managerial Psychology*, 6(3), 3-13.

This study examines the "nature and background" of women entrepreneurs in two regions of China—Beijing and Guangdong province. Utilizing a survey of women entrepreneurs deemed to be successful in their enterprises, the researcher found that most of the women are "relatively older in age, have professional and technical education, and are loyal to the government." The most significant problem cited by the entrepreneurs the need for country-wide reforms in principles and policies.

Limitations: no information on class, no comparisons by gender

Significance: challenges, barriers/resources, business sustainability

Hisrich, R. D., and Brush, C. G. (1983). The women entrepreneur: Implications of family, educational, and occupational experience. *Frontiers of Entrepreneurship Research*, 255-270.

This analyzes various characteristics of women entrepreneurs for the purpose of developing a profile of the typical female entrepreneur. Demographic characteristics were solicited via a mail survey whereby women in 18 states were contacted. Among the characteristics the researchers indicate in their profile of the typical women entrepreneur are: "is the first born; from at least a middleclass family; has a college degree with a liberal arts major; is married with children; has a spouse who is supportive and in a professional or technical occupation," etc. Additionally, it was found that the generally high level of education coupled with the strong desire to achieve resulted in frustrating work experiences within the corporate setting, thus providing one of the incentives for starting up a business. A lack of general business and financing skills made it challenging for these women to obtain start-up capital and to sustain their businesses.

Limitations: no analysis of race or class

Significance: challenges, barriers/resources, business start-up, business sustainability

Hisrich, R. D., and Brush, C. G. (1984). The woman entrepreneur: Management skills and business problems. *Journal of Small Business Management*, 22, 30-37.

This study analyzes the perceptions of women businessowners regarding their own assessments of their management skills and the business challenges and problems they have encountered. Women businessowners in 18 U.S. states were surveyed. The findings indicate that where management skills are concerned, women perceive themselves as being strong on the people and ideas side, but weak on the financial side. The most significant challenges tend to be in the area of general business/finance skills with many women citing difficulty with being taken seriously when attempting to obtain start-up capital and credit.

Limitations: no information on race or ethnicity

Significance: challenges, effects of discrimination, barriers/resources

Hisrich, R. D., and Brush, C. G. (1985). Women and minority entrepreneurs: A comparative analysis. *Frontiers of Entrepreneurship Research*. 566-572. Wellesley, MA: Babson College.

This study formulates a profile of the woman entrepreneur and the minority entrepreneur. A questionnaire was utilized to determine demographics, types of businesses, skills, personality traits, problems and challenges encountered, etc. The findings indicate that both women and minorities "...lack business training" and encounter difficulty in start-up capital/credit for business start-up. Problems encountered by minority entrepreneurs later on in the life of the business included: "obtaining lines of credit, lack of management experience, lack of experience in financial planning," etc. Additionally, some difficulties pertaining to personal relationships not considered significant at business start-up became increasingly significant later on.

Limitations: no gender information within the context of the minority grouping, and no information on breakdowns of race/ethnicity

Significance: challenges, barriers/resources, business start-up, business sustainability

Hisrich, R. D., and Brush, C. G. (1986). The woman entrepreneur: A comparative analysis. *Leadership and Organizational Development Journal*, 7(2), 8-17.

This study assesses the characteristics of women entrepreneurs in the United States, Puerto Rico, the Republic of Ireland, and Northern Ireland. Using a survey, information was collected on demographics, educational level, type of business, the entrepreneurs perceptions of their

personality traits and management skills. Among the differences are: women in the Republic Ireland tended to be younger and have a lower educational level than women from the other areas; the U.S. women were concentrated in the service industry. The researchers conclude that many of the differences “can be attributed to individual economic environments.” The findings were used by the researchers to provide recommendations for “aspiring women entrepreneurs.”

Limitations: no breakdown within regions by race

Significance: challenges, business sustainability, the impact of the regional economic environment

Hisrich, R. D., and Brush, C. G. (1987). Women entrepreneurs: A longitudinal study. *Frontiers of Entrepreneurship Research*, 187–189.

This study assesses the particular challenges encountered by women entrepreneurs, particularly with respect to their efforts to sustain and grow the business. Using extensive questionnaires that included a variety of question types, the researchers analyze personal characteristics, management skills, family background, and also look at the success rate and growth of the businesses. Among the questions they explore are: “How successful are the ventures they create? Do women entrepreneurs grow their firms in an aggressive manner? Do the businesses continue to have increasing sales and profits?... Have there been any changes in major business problems since the venture was started? To what extent to women entrepreneurs plan?” Some of the findings indicate: demographically, they are typically the firstborn child of middle class parents, among the motivations for starting a business are the need to achieve, the desire for independence, the most significant start-up issue cited was discrimination in attempts to obtain financing.

Limitations: no analysis on race, ethnicity, class

Significance: success definition using conventional economic paradigm, challenges, barriers/resources, business start-up, business sustainability

Hisrich, R. D., and Fulop, G. (1994). The role of women entrepreneurs in Hungary’s transition economy. *International Studies of Management and Organization*, 24(4), 100–117.

This study examines the challenges of entrepreneurship for women within the context of a transition to a market economy. The information was collected using a survey instrument. The reasons for starting the business, in order of importance: “Opportunity, independence, money, economic necessity and job satisfaction (tied), achievement, status/prestige, power and career/security.” The women “rated themselves low on all management skills—finance, management, marketing, innovation, operations, and planning.” Like women entrepreneurs

elsewhere, these women faced challenges in obtaining start-up capital. They expressed a need for entrepreneurial consulting and advisory services as well as Western business courses.

Limitations: no information on class

Significance: challenges, barriers/resources, business start-up, business sustainability

Hisrich, R.D., and O’Brien, M. (1981). The women entrepreneur from a business and sociological perspective. *Frontiers of Entrepreneurship Research*, 21–39.

The intent of this study was to “understand more about the demographic characteristics, motivations, and business problems of women entrepreneurs. Most of the available demographic studies on entrepreneurs have focused on male entrepreneurs. Using in-depth interviews that included both open-ended and closed-ended questions, the researchers collected information demographics characteristics, motivations, and business problems of women entrepreneurs. The findings suggest that women face barriers in obtaining credit and in overcoming negative stereotypes. These and other problems were shown to be more closely related to the type of business than to either background or educational level.

Limitations: no analysis of race or ethnicity

Significance: business start-up, challenges, discrimination effects, barriers/resources, business sustainability

Hisrich, R. D., and O’Brien, M. (1982). The women entrepreneur as a reflection of the type of business. *Frontiers of Entrepreneurship Research*, 54–77.

This study compares women entrepreneurs in traditionally female industries to those in traditionally male industries. Utilizing a questionnaire, the researchers found that there were three aspects of the business that differed between these types of businesses: the nontraditional businesses had more educated owners, higher gross receipts, and “were financed more internally” (p. 61). The key motivations, in both cases, for starting the business: “had an idea for a product or service, desire for financial independence, desire to use a talent or skill, and desire to be one’s own boss.” The main challenges encountered were financing problems and issues dealing with people.

Limitations: no information on race or class, the study would have been more meaningful had the researchers provided a separate analysis of the motivations and the challenges/obstacles for traditional business and nontraditional business

Significance: challenges, business start-up, business sustainability

Hisrich, R. D., Brush, C. D., Good, D., and DeSouza, G. (1997). Performance in entrepreneurial ventures: Does gender matter? (Summaries). Retrieved June 7, 2006, from

Frontiers of Entrepreneurship Research 1997 Edition at Babson College Web site: <http://www.babson.edu/entrep/fer/papers97/sum97/hisb.htm>

This study examines the factors that influence business performance and assesses the similarities and differences by gender. A cross-sectional national survey was conducted with businesses being identified according to function (service and manufacturing) and gender. Although the findings indicate an overall similarity between women- and men-owned businesses, some of the differences were: Women gave themselves a higher rating on people skills, women found it more difficult to obtain capital/credit, "a higher percentage of women were satisfied with the way they did their job compared to men," ... and, a shorter business break-even period was experienced by the women entrepreneurs.

Limitations: no information on race, ethnicity, class

Significance: success definition, challenges, discrimination effects, business start-up, business sustainability

Hisrich, R. D., Koiranen, M., and Hyrsky, K. (1996). *A comparison of men and women entrepreneurs: A cross-national exploratory study*. (Summaries). Retrieved June 7, 2006 from, Frontiers of Entrepreneurship Research 1996 Edition at Babson College Web site: <http://www.babson.edu/entrep/fer/papers96/summ96/hisrich.html>

This study examines the perceptions of entrepreneurship to determine if they differ between women and entrepreneurs and men entrepreneurs. A survey was conducted that included entrepreneurs from Northern Europe, the United Kingdom, Ireland, North America, and Australia. The researchers utilized a combination of descriptive statistics and factor analysis to analyze the data. In general, women's perceptions of entrepreneurship were found to be more positive than men's. On attributes such as insolence, selfishness, and hardness, the means for women were lower than for men. "Women scored higher than men in the area of stereotypical entrepreneurial variables (such as activeness, inventiveness, desire to experiment, creativity, effectiveness, working hard, and taking responsibility)."

Limitations: no information on class, race, ethnicity

Significance: business start-up and sustainability may be inferred

Hokkanen, P., Lumme, A., and Autio, E. (1998). *Gender-based non-differences in bank shopping and credit terms*. (Summaries). Retrieved June 9, 2006, from Frontiers of Entrepreneurship Research 1998 Edition at Babson College Web site: http://www.babson.edu/entrep/fer/papers98/V/V_E/V_E.html

"The purpose of this study is to contribute to an improved understanding on how women business own-

ers finance their business." A survey was issued to a sample of women-owned businesses and a corresponding sample of male-owned businesses within a single sector in Finland. The researchers analyzed the data to look for patterns in bank shopping and loan characteristics for each gender. Although the findings indicate very little difference between the genders in banking practices as well as in the size of the loans granted, the researchers point out that Finland has a much longer history of gender equality than many other countries. It would therefore be a mistake to conclude that there is not a continuing need for policy initiatives specifically tailored to female entrepreneurs.

Limitations: no information on class, race, ethnicity

Significance: barriers/resources

Hollander, B. (1990). Women, family, culture, and family business. *Family Business Review*, 3(2), 139-151.

This article explores how family culture impacts the role of women in family businesses. Particular attention is given to how the culture impacts the decision process, and how this in turn may either limit or enhance the options that women have within the business. The approach is to examine family culture in terms of structure, rules, roles, and triangles. The authors conclude that "family businesses are extensions of the family's culture, dynamics, and biases, many of them gender related. . . Family cultural processes can establish perceptions of who should be doing what in the family and the family business" (151).

Limitations: no analysis on race, ethnicity, or class

Significance: barriers, discrimination

Holmquist, C. and Sundin, E. (1990). What's special about highly educated women entrepreneurs? *Entrepreneurship and Regional Development*, 2, 181-193.

The study examines the influence of high levels of education on the motivations that women entrepreneurs provide for launching their own business. Utilizing a questionnaire, the researchers sampled both female and male entrepreneurs in Sweden, and results were compared between three groupings: highly educated women (in Sweden this is greater than 12 years), women entrepreneurs not considered highly educated, and men entrepreneurs not considered highly educated. In general, the findings indicate that nonhighly-educated women and men entrepreneurs share similar motivations for starting a business (e.g., higher turnover, more customers, create one's own job), whereas some of the motivations cited by the highly-educated women entrepreneurs differed (e.g., develop oneself and one's employees) to offer and important service.

Limitations: no information on ethnicity (i.e., ethnic communities within Sweden)

Significance: class could be inferred from educational levels, business start-up, business sustainability

Huq, A., and Richardson, P. (1997). Business ownership as an economic option for middle-income educated urban women in Bangladesh. (Summaries). Retrieved June 9, 2006, from *Frontiers of Entrepreneurship Research* 1997 Edition at Babson College Web site: <http://www.babson.edu/entrep/fer/papers97/sum97/huq.htm>

This study examines the motivations for starting a business and the challenges and difficulties encountered. Both actual entrepreneurs and potential entrepreneurs were included in the survey, which entailed an open-ended questionnaire. The findings are that some of the most significant challenges encountered by women in Bangladesh are: inadequate capital, inadequate support from family and from promotional agencies in the form of finance, training, information, "a negative social attitude towards women in business, . . . lack of security and freedom of mobility of women." Among the reasons for starting the business: "desire for independence—to be one's own boss, to raise economic returns for the family, to develop a flexibility that caters for the combination of family responsibilities with gainful employment, and to make use of idle time." The question was raised as to what or who constitutes a women entrepreneur because in many of the nontraditional sectors in Bangladesh, women were "fronting" for their husbands.

Limitations: since the study focused solely on middle-income women, there is no information on how class might influence entrepreneurial motivations and problems

Significance: challenges, discrimination effects, barriers/resources, business start-up, business sustainability

Kalleberg, A., and Leicht, K.T. (1991). Gender and organizational performance: Determinants of small business survival and success. *Academy of Management Journal*, 34(1), 136-161.

This study examines attributes of businesses such as type of industry and organizational structure in the attributes of the entrepreneurs to test several hypotheses regarding the relationship between these attributes and business survival and success. Utilizing the yellow pages of the telephone book as a sampling frame, telephone interviews were conducted. The results indicate that there is no relationship between gender of owner and the likelihood of going out of business, no relationship between the size of the business and the likelihood of going out of business, and that earnings growth was also indifferent to the gender of the owner. The only factor found to determine business survival was the age of

the company, the older the business the more likely it is to survive.

Limitations: no analysis of class or race, analysis focused on one small region of the country

Significance: contradicts findings in many other studies that show women-owned businesses tend to have lower earnings growth than men-owned businesses

Kaplan, E. (1988). Women entrepreneurs: Constructing a framework to examine venture success and failure. *Frontiers of Entrepreneurship Research*, 643-653.

This study identifies "key research and theoretical issues in understanding why women make the transition to entrepreneurial careers." Analyzing data from a survey conducted by a state-wide organization of women entrepreneurs, the researcher found that younger women chose entrepreneurship due to disillusionment with the corporate life, and they were desirous of more autonomy and to make more money. Older women chose the entrepreneurship route as a means of workforce reentry. On the whole, the younger women had higher levels of education and more business-related skills, they were also more likely to engage in planning and goal setting than the older women. Because this was a retrospective study, it was not possible to determine the impact of these factors on business success or failure. Future research involving a longitudinal study to examine "how these businesses evolve over time" (p. 653) is needed.

Limitations: no analysis of race or ethnicity, although class may be inferred by educational level

Significance: success definition, business start-up, business sustainability

Kean, R. B., Van Sandt, S., and Maupin, W. (1993). Successful aging: The older entrepreneur. *Journal of Women and Aging*, 5 (1), 25-42.

The impetus for this study is the growing phenomenon of aging persons with inadequate means for supporting themselves. Using a combination of interviews and case studies, the researchers examine motivations, attitudes and attributes contributing toward successful adaptation to life changes. Five significant themes "associated with successful aging of older entrepreneurs" emerged from the analysis: "autonomy, independence, self-reliance, personal effectiveness, and intergenerational support."

Limitations: no analysis of race, ethnicity or class

Significance: definition of success, challenges, effects of discrimination, barriers/resources, business start-up, business sustainability, a look at how age impacts the entrepreneurs' perspectives, it would be interesting to conduct a similar study controlling for race/ethnicity, and class

Kolvareid, L., Shane, S., and Westhead, P. (1993). Is it equally difficult for female entrepreneurs to start businesses in all countries? *Journal of Small Business Management*, 31, 42-52.

This study analyzes and compares women entrepreneur and male entrepreneur perceptions of the business start-up environment in three different regions—the United Kingdom, Norway, New Zealand. Utilizing survey data collected in 1986 by the Society for Associate Researchers in International Entrepreneurship (SARIE) project and controlling for country, the researchers findings indicate that most of the differences in perception were country-based rather than gender-based. The only significant gender-based difference was with respect to the “perception of political uncertainty within the country, with women rating the uncertainty significantly higher than men.”

Limitations: no analysis of class, race or ethnicity within each region

Significance: it may be possible to infer gender-based challenges, barriers/resources from perceptions of political uncertainty

Leahy, K. T., and Eggers, J. H. (1998). *Is gender still a factor in entrepreneurial leader behavior?* (Poster Summary). Retrieved June 9, 2006, from Frontiers of Entrepreneurship Research 1998 Edition at Babson College Web site: http://www.babson.edu/entrep/fer/papers98/V/V_F/V_F.html

This study evaluates differences in leader characteristics controlling for gender, educational level, and management experience and differences in organizational situations controlling for type of industry and management phase to determine “the extent to which they could be used to predict differences in leader behaviors.” The sample was extracted from a database compiled from a previously conducted (1994) management and leadership behavioral survey. The results of the analysis indicate that a “leader’s personal impact” is influenced by organizational situation and that a “leader’s task focus, formal communication, and information processing” is influenced by leader characteristics. “Contrary to popular belief, female entrepreneurs are better at task focus,” while men and women entrepreneurs scored equally well on the relational skills; these findings refute popular notions regarding men’s superior task focus skills and women’s superior relational skills. Although women rated themselves lower on information processing skills than men, the researchers raise the possibility that the perception may not be in line with the reality, since “recent figures have shown that ... female-owned businesses are catching up with their male counterparts.”

Limitations: no analysis by race, ethnicity or class

Significance: challenges, discrimination effects, and barriers/resources could be inferred by women’s perceptions of their information processing skills

Lee-Gosselin, H., and Grise, J. U. (1990). Are women owner-managers challenging our definitions of entrepreneurship? An in-depth survey. *Journal of Business Venturing*, 9, 423-433.

This study consists of an in-depth exploration of women entrepreneurs representing three industrial sectors in the Quebec city area. Using detailed surveys with subsequent in-depth interviews, the researchers explored the characteristics of the business owners along with their businesses, their respective perceptions of what constitutes success, the challenges encountered in establishing the business, and the vision they have for “the future of their firms.” Emerging from the analysis is a theme that suggests that traditional definitions of entrepreneurship need to be revisited and challenged. The future for their firms—a “small and stable business”—that these women envision is one that they value, one that “seems to represent an innovative adaptation to their professional, social, family and personal demands,” and one in which they “seek recognition for what they do.”

Limitations: no analysis of race, ethnicity or class

Significance: definition of success, challenges, barriers/resources, business start-up, business sustainability, challenge to prevailing definitions of entrepreneurship

Longstreth, M., Stafford, K., and Mauldin, T. (1988). Self-employed women and their families: Time use and socio-economic characteristics. *Journal of Small Business Management*, 25 (3), 30-37.

This study explores the allocation of time devoted to entrepreneurial, recreational and household activities for women entrepreneurs from two-parent, two-child households. Using information gleaned from time diaries kept by the women and a questionnaire on “personal and family characteristics,” the researchers conclude that the desire to combine family responsibilities with paid work likely accounts for the relatively high number of female entrepreneurs who spend only part-time managing the business. It is thought that the relatively lower profitability of women’s firms may also be influenced by this desire.

Limitations: no analysis on race, ethnicity or class

Significance: barriers/resources can be inferred from the low contribution of husbands to matters of hearth and home

Loscocco, K. A. (1997). Work-family linkages among self-employed women and men. *Journal of Vocational Behavior*, 50, 204-226.

Using in-depth interviews, this study examines how men and women entrepreneurs view their work-family

connections. The findings indicate that for women, the family life tends to impinge on the work life, whereas for men, the work life tends to impinge on the family life. Although both men and women value flexibility, the women put more emphasis on flexibility that enables balance between work and family life.

Limitations: no analysis of class, ethnicity, race

Significance: challenges, barriers/resources, discrimination effects

Loscocco, K.A., and Leicht, K.T. (1993). Gender, work-family linkages, and economic success among small business owners. *Journal of Marriage and the Family*, 55, 875-887.

This study examines the linkage between family and work for female and male entrepreneurs. Two different models are utilized for the study, one which emphasizes similarities between the genders and another which "assumes deeply rooted institutional and individual bases of gender difference." Analysis of a three-year panel survey indicates that "there is considerable gender similarity in the processes through which business and individual characteristics affect personal earnings..." In some of the factors that are critical to business success, women are at a disadvantage. The family situation directly impacts the success of the business with family characteristics being less of a predictive factor in business earnings for married men than for married women. Another interesting finding is that "single mothers earn more from their businesses than do married men."

Limitations: no analysis of race, ethnicity or class

Significance: definition of success, challenges, highlights issues in the broader cultural context (i.e. home and family) that function as barriers to women

Loscocco, K.A., and Robinson, J. (1991). Barriers to women's small-business success in the United States. *Gender and Society*, 5(4), 511-532.

This study entails a literature review, the purpose of which is to integrate the fragmented information already available to provide insight on why women entrepreneurs are having difficulty achieving parity with men entrepreneurs with respect to the success of their businesses. The researchers conclude from their findings that many women entrepreneurs bring with them the disadvantages they encountered in the corporate world, and that the types of businesses they establish tend to be in those industries that have been bypassed by white males and which do not tend to yield the turnover/receipts that traditional "male" industries yield. The researchers believe that the significant increase in the number of women launching their businesses is to be attributed to the fact that "women... find most of their business opportunities in female-typed fields, suggesting that the major-

ity of opportunities have opened up in areas that encourage white women to enter" (p. 527).

Limitations: no analysis on race, ethnicity, or class

Significance: success definition (assumption about parity with men is based on traditional economic definition of success), challenges, barriers/resources

Loscocco, K.A., Robinson, J., Hall, R. H., and Allen, J. K. (1991). Gender and small business success: An inquiry into women's relative disadvantage. *Social Forces*, 70 (1), 65-85.

This study explores the factors underlying the tendency of women-owned business to generate lower sales volumes than male-owned businesses. Data for the study was obtained via a mail survey sent to members of the Smaller Business Association of New England (SBANE). The researchers found the most significant predictive factor of sales volume and level of income generated to be the size of the business. This accounts for differences in women-owned vs. male-owned businesses since, on average, men-owned businesses are larger than women-owned businesses. Other contributing factors to the gender discrepancy in sales volume is the women's lack of experience relative to men and along with their propensity to establish businesses in industries that are not traditionally as profitable as those established by men. The researchers suggest that future research should look for explanations of business size discrepancy to determine why women-owned businesses are generally smaller.

Limitations: no analysis of race, ethnicity or class although there are class implications given that the sample consisted largely of highly educated entrepreneurs

Significance: definition of success (traditional economic), challenges, barriers/resources

Masters, R., and Meier, R. (1988). Sex differences and risk-taking propensity of entrepreneurs. *Journal of Small Business Management*, 26(1), 31-35.

This study examines risk-taking propensities for entrepreneurs and managers and compares female entrepreneurs with male entrepreneurs and entrepreneurs with managers. The Choice Dilemma Questionnaire was mailed to a representative sample of entrepreneurs and managers in the Midwestern United States. The findings indicate that there are no significant differences in risk-taking propensities between women entrepreneurs and men entrepreneurs. It was also found that no differences exist between managers and entrepreneurs. "The finding on male versus female entrepreneurs departed from findings published prior to the 1970s."

Limitations: no analysis on race, ethnicity or class

Significance: the change in women's risk-taking propensities from the 1970s may be indicative of cultural/societal paradigm changes

McGrath, R. (1992). More like each other than anyone else?

A cross-cultural study of entrepreneurial perceptions. *Journal of Business Venturing*, 7(5), 419-430.

The objective of this study was to examine the idea that there exists a common set of perceptions among all entrepreneurs about themselves and others, and that this set of core beliefs may be linked to entrepreneurial behavior. Survey responses from entrepreneurs in nine countries were analyzed. The findings indicate that “there are a core set of perceptions” held by entrepreneurs that transcend country/cultural differences.

Limitations: no analysis on gender or class

Significance: the pervasiveness of the core set of beliefs may be indicative of the influence of the particular discourse out of which the notion of entrepreneurship originally arose

Mescon, T. S., Stevens, G. E., and Vozikis, G. S., (1983/1984, Winter). Women as entrepreneurs: An empirical evaluation. *Wisconsin Small Business Forum*, 2(2), 7-17.

This study examines women entrepreneurs in the real estate business in the state of Arizona. Using questionnaires, the researchers examine descriptive data along with assessing responses to the Rotter’s Locus of Control Scale. Among the findings are that a large percentage of the women started their business at age 30 or after, more than half had fathers who were also entrepreneurs, and most funded their business from their savings with a very small proportion relying on banks for financial support. On the Rotter Scale, the findings indicate that women entrepreneurs reveal stronger entrepreneurial tendencies than has traditionally been assumed.

Limitations: no analysis of race or ethnicity

Significance: business start-up, business sustainability, barriers/resources, challenges

Miskin, V., and Rose, J. (1990). Women entrepreneurs: Factors related to success. In *Frontiers of Entrepreneurship Research*, 27-38.

This study analyzes differences between female and male entrepreneurs particularly as they relate to profitability. The findings from the survey indicate that although there are gender differences, these were not good predictors of profitability. Those factors influencing profitability were quite different between the two groups. For example, “neither previous experience nor ownership is significantly related to profitability of women respondents even through previous ownership is significant for male entrepreneurs” (p. 35). The study also includes information that may reflect socialization differences between women and men.

Limitations: no analysis of race, ethnicity or class

Significance: definition of success (traditional econom-

ic), challenges, resources/barriers, business sustainability
 Moore, D. P. (1990). An examination of present research on the female entrepreneur—suggested research strategies for the 1990’s. *Journal of Business Ethics*, 9 (4/5), 275-281.

This study evaluates the research currently available to isolate gaps and inadequacies and to make recommendations for future research. The researcher finds the current research to be fragmentary and focuses on only “small segments of the female entrepreneurial population,” and points out the need for the further development of an appropriate research paradigm. Among the other gaps uncovered during the review of the literature is that the methods and tools often employed are those that were “developed in other areas and are neither reliable nor valid.” Most of the sample data has been collected by questionnaires, and the researcher recommends that “a sound case approach applied across a number of entrepreneurs in a uniform way should lead to a wealth of information on the entrepreneurs from which theory can evolve” (p. 279).

Limitations: no emphasis on minority women or on the significance of culture and class in developing the new research paradigm

Significance: the omissions of the researcher highlight the need for bringing race, ethnicity, culture, etc. into the discussions about an appropriate definition of an entrepreneurial and regarding the development of a research paradigm that encompasses all of these

Neider, L. (1987). A preliminary investigation of female entrepreneurs in Florida. *Journal of Small Business Management*, 25, 22-29.

This study examines the characteristics of female entrepreneurs within the context of previous research that has analyzed three these three areas: personal characteristics of the entrepreneurs, issues/barriers that they encounter, and the organizational characteristics of their business. The researcher frames the study by discussing some of the findings of previous research in these three areas. A combination of interviews, psychological tests and observations of some companies was utilized to obtain the data. The findings are that the most significant problems encountered are “reluctance to delegate responsibility” and tension resulting from the conflicting demands of the personal life with career goals and goals for the business. The most significant strengths were found to be “high energy levels” and the “ability to influence others.” From an organizational standpoint, “the firms ... tend to be relatively unstructured. Most of these companies are run rather leanly, and their founders are reluctant to consider external funding sources. The women entrepreneurs make all major decisions them-

selves." In comparing the results of this study with others, the researcher found entrepreneurial motivations and behavior to be similar for men and women.

Limitations: no analysis of race, ethnicity or class

Significance: challenges, barriers/resources, business start-up, business sustainability

Nelson, G.W. (1987). Information needs of female entrepreneurs. *Journal of Small Business Management*, 25(1), 38-44.

This study consists in an assessment of the entrepreneurs' perceptions of the information most needed at the point of launching their business. The sample chosen for the study were women who were considered "disadvantaged" in terms of their work experience and their level of education. The study was conducted by asking women to rate listing of information needs that were gleaned from previous studies, the point being to rate them according to their "start-up value." The findings indicate that the highest ranked information needs are in the area of "networking, accountants, and business and professional organizations." All of these were anticipated by the researcher. What was not expected however, is the high ranking given to "advice of a significant other."

Limitations: no analysis of race, ethnicity or class

Significance: business start-up

Nelson, G.W. (1989). Factors of friendship: Relevance of significant others to female business owners. *Entrepreneurship: Theory and Practice*, 3 (4), 7-18.

This study consists of an exploration of the "identity, characteristics, and business contributions of persons designated significant others," the intent being to determine what stands out as the most significant determinant for consulting significant others for assistance in establishing and maintaining the business. The findings indicate that the decisions to consult significance others for assistance with the business are generally quite practical, they are based on the capacity of such persons to provide assistance.

Limitations: no analysis of race, ethnicity or class

Significance: business start-up, business sustainability

Olm, K. and Carsrud, A. and Alvey, L. (1988). The role of networks in new venture funding of female entrepreneurs. A continuing analysis. *Frontiers of Entrepreneurship Research*, 658-659.

This study explores the role of business networks in obtaining formal funding for launching a business. The particular impetus of the study comes from other research indicating that although women perceive difficulties in obtaining such funding, there is evidence of "a high degree of cooperation exhibited by banks in the funding process for women-owned businesses." A survey instrument was utilized to collect the data. The results of

this research confirmed the findings of other research that banks and lending institutions do not exercise bias in loan issuance where women entrepreneurs are concerned. The most significant finding was that women increased their chances of obtaining formal funding relative to their access to alternate (informal) sources of funding; the more informal funds they had access to, the more likely they were of obtaining funds from formal lending institutions.

Limitations: no analysis of race, ethnicity or class

Significance: challenges, barriers/resources

Olson, S. F. and Currie, H. M. (1992). Female entrepreneurs. Personal value systems and business strategies in a male-dominated industry. *Journal of Small Business Management*, 30, 49-57.

This study analyzes the association between core values and the strategic planning that men and women entrepreneurs undertake with regard to their businesses. The results indicate that women tend to align their strategic planning more closely with their core values than do the men. While the researchers maintain that the decisions of women entrepreneurs are more "emotionally-influenced" than men, this assertion may be misleading as it suggests that women do not deliberate over their planning and decisions as rationally as do men.

Limitations: no analysis of race, ethnicity or culture

Significance: business start-up, business sustainability

Pellegrino, E., and Reece, B. (1982). Perceived formative and operational problems encountered by female entrepreneurs in retail and service firms. *Journal of Small Business Management*, 20 (2), 15-24.

This study examines the perceptions of women entrepreneurs in Roanoke Virginia with respect to the challenges of business start-up and operation. Utilizing interviews, the researchers found that most of the women encountered few serious obstacles in launching their businesses. Operational issues were cited in the form of financial management, record keeping and advertising, but the respondents did not view their gender as being a significant determinant of the problems they encountered.

Limitations: no analysis of race, ethnicity or class

Significance: challenges, barriers/resources, business start-up, business sustainability

Price, C. and Monroe, S. (1992). Educational training for women and minority entrepreneurs positively impacts venture growth and development. *Frontiers of Entrepreneurship Research*, 216-230.

This longitudinal study, the intent of which was to determine the impact of entrepreneurial training programs on business success, was conducted using questionnaires and interviews to determine the success of

the Premiere “Fast Trac” programs. Such programs were introduced in 1986 in the effort to counteract the increasing failure rate of many of the minority-owned businesses. The findings indicate that these training programs which include “writing sound business plans, counseling, networking, capital/financial planning” have proven to be highly effective in mitigating high risk business ventures and stabilizing and growing them.

Limitations: no analysis of class, and no separate analysis of women as minorities

Significance: challenges, resources/barriers, business start-up, business sustainability

Ramsey, V.J., Williams, J. H., and Mendez, K. (1994). *Research on minority-owned businesses: Review, critique and future direction*. (Research report). Houston: Jesse H. Jones School of Business, Texas Southern University

This study consists of a critique of the research “on minority-owned businesses” utilizing all articles on the subject contained “in the three major small business and entrepreneurship journals.” The findings indicate that very little is actually known about such businesses largely because the little empirical research is based on methodologies that are problematic (e.g., samples were not representative of the population of minority entrepreneurs, and the nonempirical studies focus more on programs to assist minority entrepreneurs than they do the actual businesses). The researchers recommend that a more comprehensive literature review be undertaken, that new theories and models be developed in which to ground the research, that more “in-depth research” (p. 11) be engaged in. They also emphasized the need for a nation-wide database that is more representative of the population of businessowners.

Limitations: no discussion or recommendations about analysis by gender or class

Significance: clarifies deficit in the research

Rosa, R., and Hamilton, D. (1994). Gender and ownership in UK small firms. *Entrepreneurship Theory and Practice*, 18(3), 11–28.

This study arose out of a perceived need to address the tendency to assume that women entrepreneurs are generally sole owners, when in fact the reality is that many women partner with other owners. Using interviews, the researchers evaluate male and female entrepreneurs in the U.K. in three different industrial sectors. The findings suggest differences in the ownership profile of women and men entrepreneurs in terms of the frequency of partnership, the type of partnership and the extent (i.e., number of owners) of the partnership. For example, “female respondents tend to be significantly associated with just one other owner, while male respondents are much more likely to be associated with

four or more other owners” (p.23).

Limitations: no analysis on race, ethnicity or class

Significance: barriers/resources (implicit)

Rozier, C.K., and Thompson, M. (1990). Female entrepreneurs in a female-dominated health profession: An exploratory study. *Journal of Development Entrepreneurship*, 3(2), 149–163.

This study examines patterns in the decisions of female physical therapists to start a business. It is of particular interest because physical therapy is a female-dominated profession, and yet a significant majority of physical therapy practices are owned by male physical therapists. The study was conducted using unstructured, in-depth interviews. The findings indicate that many of the women had prior management experience and dissatisfaction with their career served as an impetus for starting a business. They expressed a desire for more autonomy to do things their own way, they experienced a conflict regarding standards, and had “been thwarted in their ability to do the kinds of things they knew needed to be done.”

Limitations: no analysis of race, ethnicity or class

Significance: challenges, barriers/resources, business start-up, business sustainability

Scherer, R., Brodzinski, J.D., and Wiebe, F. (1990).

Entrepreneur Career Selection and Gender: A socialization approach. *Journal of Small Business Management*, 28(2), 37–43.

The study examines the influence of socialization on decisions to enter into entrepreneurship. Data was obtained from students who were involved in a career decision making process. The findings indicate more males have career aspirations that include entrepreneurship than females do. “Contributing most to this difference is the expectation of entering into an entrepreneurial career.” Another predictor of aspirations for entrepreneurship is self-efficacy, while education and training seem to have little bearing on the decision. The researchers conclude that “cultural conditioning may have the greatest impact on channeling women away from the entrepreneurial decision.” This points to the need to providing venues through which women can gain confidence in their own competence to succeed at running a business.

Limitations: no analysis of race, ethnicity or class

Significance: barriers/resources

Schwartz, E. B. (1976). Entrepreneurship: A new female frontier. *Journal of Contemporary Business*, 5 (1), 47–76.

This study examines characteristics and attitudes of women entrepreneurs and men entrepreneurs. The findings indicate that women and men entrepreneurs are quite similar in terms of their makeup. The challenges

most often confronted by the women in the study were discrimination in gaining access to credit. They also tended to underestimate the operating costs of the business and the costs involved in marketing the product or service. The primary factors motivating women to launch their own businesses was a desire for independence, and a desire for job satisfaction and a sense of achievement.

Limitations: no analysis of race, ethnicity or class

Significance: challenges, discrimination effects, business start-up, business sustainability

Scott, C. E. (1986). Why more women are becoming entrepreneurs. *Journal of Small Business Management*, 24, 37-44.

This study examines the reasons for launching a business within the context of two hypotheses that have been posited as reasons why there has been such a significant growth in the number of women entering entrepreneurship: in the corporate environment women find themselves unable to get into the upper ranks of the business; entrepreneurship provides them with the flexibility they require for raising children. Two studies were conducted via the use of surveys, one involving both women entrepreneurs throughout the state of Georgia, and another one involving both female and male entrepreneurs in the Atlanta area for purposes of comparison. Among other things, the findings suggest that the "challenge of entrepreneurship" may be more important to women than to men, while for men, "being the boss" is more important. Men seemed to be more surprised by the difficulties encountered in entrepreneurship than women. Most of the women relied on the business to provide a primary source of income.

Limitations: no analysis on race, ethnicity or class

Significance: challenges, barriers/resources, business start-up, business sustainability

Sexton, D. L., and Bowman-Upton, N. (1981). Female executives and entrepreneurs: A preliminary comparison. *Frontiers of Entrepreneurship Research*, 40-46.

This study analyzes and compares the psychological characteristics of women entrepreneurs and women executives. Although other similar studies have been conducted in the past, they have generally focused on males. Using surveys, the intent of the researchers was to determine whether popular myths about the psychological differences between entrepreneurs and executives can be substantiated. The findings suggest that, contrary to the myth, there are more similarities between the two than there are differences.

Limitations: no analysis of race, ethnicity or class

Significance: business start-up, business sustainability

Sexton, D. L., and Kent, C. A. (1990). Female and male entrepreneurs: Psychological characteristics of their role in

gender-related discrimination. *Journal of Business Venturing*, 5(1), 29-36.

This study examines the psychological traits of women and men entrepreneurs who have similar growth-oriented businesses. The findings suggest that there are fewer differences than there are similarities. The differences came out in energy levels and in risk taking, with women scoring lower than men in both of these areas.

Limitations: no analysis of race, ethnicity or class

Significance: challenges

Smeltzer, R. R., and Fann, G. L. (1989). Gender differences in external networks of small business owners/managers. *Journal of Small Business Management*, 27(2), 25-32.

This study examines several questions related to both the manner of obtaining information and the types of information sought after by women and men entrepreneurs outside of their businesses. The key question compares the "personal information sources" sought after by women with those sought after by men. Subsidiary questions deal with the extent to which men and women consult impersonal vs. personal sources of information, and the types of information sources, both personal and impersonal, sought after by both. Semistructured interviews were utilized to gather the information. The findings suggest that female entrepreneurs network as much for information as they do to seek out social support. While men participate in networks informally, women tend to formalize their participation in networks and usually network with other women.

Limitations: no analysis of race, ethnicity or class

Significance: challenged, barriers/resources

Smith, N. R., and McCain, G., and Warren, A. (1982). Women entrepreneurs really are different: A comparison of constructed ideal types of male and female entrepreneurs. *Frontiers of Entrepreneurship Research*, 68-77.

Using a scale constructed to measure entrepreneurial types, this study compares the attitudes and behaviors of female and male entrepreneurs with two patterns of entrepreneur that "represent the extreme types of a range which were found to be related to the manner in which they operate their firms." The Crafts-oriented entrepreneur tends to be rigid and while the Opportunistic entrepreneur tends to be more adaptable. The information was obtained via a mail-in questionnaire to entrepreneurs in the San Francisco area. The findings suggest an Opportunistic entrepreneur pattern of behavior and attitudes for women, while they suggest a Crafts-oriented entrepreneur pattern for men.

Limitations: no analysis of race, ethnicity or class

Significance: it raises the question of what really constitutes an 'entrepreneur'; how is an entrepreneur to be defined?

Smith, P. L., Smits, S. J., and Hoy, F. (1992). Female business owners in industries traditionally dominated by males. *Sex Roles*, 26(11-12), 485-496.

This study examines and compares characteristics of female and male entrepreneurs within the construction, manufacturing, and wholesale distribution businesses. Surveys were utilized to obtain "demographic, personality, and job-related" information. The findings suggest female entrepreneurs were less likely to be married than males; female-owned businesses were not likely to be established as long as male-owned businesses; female entrepreneurs generally had less industry experience than male entrepreneurs; the proportion of female hires was likely to be much higher in female-owned businesses.

Limitations: no analysis of race, ethnicity or class
Significance: challenges, barriers/resources

Srinivasan, R., Woo, C. Y., and Cooper, A. C. (1994).

Performance determinants for male and female entrepreneurs. (Summaries). Retrieved June 9, 2006, from *Frontiers of Entrepreneurship Research* 1994 Edition at Babson College Web site: <http://www.babson.edu/entrep/fer/papers94/raji.htm>

This study evaluates determinants for firm survival and determinants for firm growth for female and male entrepreneurs. The study was conducted over a three-year period using surveys distributed to members of the National Federation of Independent Businesses "who reported that they had recently become business owners." The findings suggest that survival determinants are similar for female and male entrepreneurs. The differences are revealed in the determinants for growth with "motivational variables" playing "a more significant role for the women." Additionally, their probability of growth seems to be enhanced by being in a professional industry.

Limitations: no analysis of race, culture or class
Significance: success definition, business sustainability

Stallings, S. L. A. (1992). Research note: the emergence of American Indian enterprise. *Family Business Review*, 4(4), 413-416.

This study examines the characteristics of entrepreneurs within the Native American population. Data from the "1987 Survey of Minority-Owned Enterprises" published by the U.S. Bureau of the Census is utilized. The findings suggest that a significantly lower percentage of businesses are Indian-owned than non-Indian owned with a ratio of 9-to-1; the government program for capital grants to Indian-owners is underfunded by one-third to one-half of the actual need.

Limitations: no analysis of gender
Significance: challenges, barriers/resources

Starr, J., and Yudkin, M. (1996). *Women entrepreneurs: A review of the current research*. Wellesley, MA: Wellesley College, Wellesley Centers for Women.

This study consists of an extensive literature review for the purpose of adding to the profile of women entrepreneurs and establishing a solid foundation of knowledge on which to base policies, training, funding priorities, advice, etc. In their review the researchers "profile some of the recent trends and portray the economic impact of women-owned businesses." The findings indicate areas of research warranting further research, including: comparisons of the careers and career paths of women executives and women entrepreneurs, functional and operational issues in women-owned businesses, impact on business size on problems faced and solutions developed by women entrepreneurs, needs for training, products, and services.

Limitations: does not include a profile by race or ethnicity

Significance: business start-up, sustainability, challenges, barriers/resources

Stevenson, L. A. (1986). Against all odds: The entrepreneurship of women. *Journal of Small Business Management*, 24, 30-36.

This study analyzes previous research on entrepreneurs, and evaluates both the type and methods of the research, along with the findings and the limitations. The findings suggest that although women emerge as better-educated, this is mainly in liberal arts, not business. Marital status emerges as significantly different between female and male entrepreneurs, with more men married than women. Women indicate that they are generally expected to carry on with all the household responsibilities in addition to running the business. They generally receive little support from husbands in running the business, while men entrepreneurs tend to get uncompensated, support from their wives, and find that their family life does not generally conflict with their business goals. The researcher points out that the limitations of this research are that it tends to be male-centric, that the male entrepreneur has been established as the norm against which female entrepreneurs are compared. Additionally, the methodology is problematic in that it has consisted largely of standardized questionnaires that have a stereotypical bias. Studies conducted in this detached manner miss the uniqueness of women entrepreneurs that would emerge during an in-depth interview process.

Limitations: no analysis of research regarding race, ethnicity or class

Significance: challenges, barriers/resources, business start-up

Stoner, C. R., Hartman, R. I., and Arora, R. (1990). Work-home role conflict in female owners of small businesses: An exploratory study. *Journal of Small Business Management*, 28 (1), 30-38.

Using surveys, this study examines "the content and nature" of the conflict the work role and the home role as experienced by women entrepreneurs in Illinois and California. The findings indicate that a majority of women do experience significant conflict between running the business and the role they have in the home. Many felt that they came home far too exhausted to engage in their personal interests. The researchers also found that those women who reported lower satisfaction with their marriage also reported a higher level of work-home role conflict. There is also a relationship between business satisfaction and life satisfaction.

Limitations: no analysis of race, ethnicity or class

Significance: challenges, barriers/resources

Tan, W., and Fock, S. (1998). *Coping with growth transitions in Asian family business: Key success factors in Singapore*. (Summaries). Retrieved on June 12, 2006, from Frontiers of Entrepreneurship Research 1998 Edition at Babson College Web site: http://www.babson.edu/entrep/fer/papers98/VI/VI_C/VI_C_text.htm

Using in-depth case studies entailing semi-structured interviews, this study examines five Chinese family businesses located in Singapore that have successfully transitioned into at least the second generation of the business. The findings suggest that it was adherence to cultural, family values that was one of the determining factors in the successful outcome of these ventures. This contradicts the assumption in the literature that Chinese must jettison their family values and cultural heritage to run a business successfully. Another key success factor was that the second generation of business owners sought the involvement of outside professionals.

Limitations: no analysis on gender or class

Significance: challenges, barriers/resources

Tigges, L. M., and Green, G. P. (1994). Small business success among men- and women-owned firms in rural areas. *Rural Sociology*, 59(2), 289-310.

This study examines the factors that determine success for men and women entrepreneurs in rural Georgia. The information was obtained using interviews. The findings indicate men-owned firms tend to have higher sales and income than women-owned firms. The most important determinants of success are the organizational characteristics of the business: firm size, corporate status, and industrial sector. "Though significant, the owner's gender is less important than these organizational characteristics."

Limitations: no analysis of race, ethnicity or class

Significance: barriers/resources, business start-up, business sustainability

Van Auken, H. E., Rittenburg, T., Doran, M., and Hsieh, S. (1994). An empirical analysis of advertising by women entrepreneurs. *Journal of Small Business Management*, 32(3), 1-10.

This study examines the advertising means and methods utilized by female entrepreneurs in both the business start-up year and the current year. Using a nationwide survey, the researchers compare these results from a similar study conducted previously. Similarly to the previous study, the results indicate that the advertising methods utilized in the start-up year are key determinants of those utilized in the current year. The current study revealed a higher percentage of entrepreneurs utilizing referrals, community events, the telephone directory, and fliers than the previous study indicated.

Limitations: no analysis on race or ethnicity and class

Significance: business start-up, business sustainability, and challenges, though not explicitly analyzed, can be implied

Watkins, J., and Watkins, D. (1983). The female entrepreneur: Her background and determinants of business choice—some British data. *Frontiers of Entrepreneurship Research*, 271-288.

Using semistructured interviews this study analyzes various characteristics of a group of women and a group of men entrepreneurs in the U.K. with the intent of determining the factors underlying the business choice. The findings suggest that the type of industry that women tend to choose are those that are stereotypically labeled as "feminine." While in some cases the choice is a conscious one, there are indications that often the choice is involuntary due to structural restrictions confronted by women both in terms of equality of opportunity and in terms of prior education.

Limitations: no analysis on race, ethnicity, or class

Significance: challenges, effects of discrimination, barriers/resources, business start-up

Weeks, J. R. (1997). Styles of success: The thinking and management styles of women and men entrepreneurs. *A Leadership Journal: Women in Leadership - Sharing the Vision*, 2(1), 109-124.

Using a management assessment tool and focus groups, this study evaluates the management styles and the types of thinking for a small group of women and men entrepreneurs across six U.S. cities. The findings suggest that although men and women entrepreneurs are similar in many respects, there are areas of significance difference between men and women, particularly with regard to their decision-making styles. Whereas men tend to rely more on logic, women rely more heavily on

intuitive decision-making and tend to be more balanced in terms of right- and left-brain thinking.

Limitations: no analysis on race, ethnicity or class

Significance: success definition

Women's World Banking. (1995). *Innovative banking for microbusiness: Report on the WWB capital access initiative for low income entrepreneurs in North America*. New York: Brown, V.S.

This study analyzed the experience of low-income, moderate-income, and above-moderate-income women entrepreneurs using a mixed-methods approach: a mailed questionnaire and focus groups. The methodology utilized was a mailed questionnaire and focus groups. The research team found that "although the quantitative survey revealed that women in the lower income category were more pessimistic about their business venture than above-moderate-income women, low-income women who participated in in-depth interviews and focus groups had high aspirations for their businesses and were looking for opportunities to expand and grow. Many of them had overcome considerable business obstacles to get to the point of owning their businesses and these women displayed in unwavering commitment to their ventures. In contrast, many of the participants in the focus group of higher income women entrepreneurs seemed to want to keep their businesses at a comfortable level. (p. 11). Among the greatest challenges for the low-income and moderate-income women were lack of access to credit and "patronizing account officers." Among the low-income women, poor personal credit histories served as a major obstacle to acquiring small business loans.

Limitations: no analysis of race or ethnicity

Significance: Challenges, effects of discrimination, barriers/resources

Wong, B., McReynolds, B. S. and Wong, W. (1992). Chinese family firms in the San Francisco Bay area. *Family Business Review*, 4(4), 355-372.

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"The study examines the role of ethnicity and kinship in the economic adaptation of Chinese family firms in the San Francisco Bay area." These firms have adapted and succeeded through kinship ties and traditional values. The researchers gathered information utilizing participant observations, interviews and "in-depth conversations with a small group of key informants" (362). The researchers conclude: "Any attempt to study ethnic entrepreneurship must recognize the complicated and continually changing relationships between various ethnic cultures and the larger economic, political, and social environments in which they exist" (369).

Limitations: no separate analysis of women

Significance: business start-up, business sustainability, barriers and resources, effects of discrimination

Young, N. (1998). *The structure and substance of African American entrepreneurial networks: Some preliminary findings*. Retrieved June 12, 2006, from *Frontiers of Entrepreneurship 1998 Edition* at Babson College Web site: http://www.babson.edu/entrep/fer/papers98/IV/IV_D/IV_D_text.htm

The study examines the challenges encountered by African American entrepreneurs in their attempts to launch and sustain a business. The researcher points out that while many such studies have focused on the deficiencies in human and financial capital, more light can be shed on the topic by focusing on the social structure. Structured interviews were utilized to obtain the information. The findings suggest that "the ability of many African Americans to recognize entrepreneurial opportunities is conditioned by their positions in the social structure. . . ." Additionally, the researcher found that African American entrepreneurs tend to establish much smaller networks.

Limitations: no analysis on gender or class

Significance: barriers/resources

- Bettters-Reed, B. L., L. M. Moore, and L. M. Hunt. Forthcoming. A conceptual approach to better diagnosis and resolution of cross-cultural and gender challenges in entrepreneurial research. In A. Fayole, ed., *The Handbook of Research in Entrepreneurship Education*, Forthcoming, Cheltenham, England: Edward Elgar.
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About the Authors



BONITA L. BETTERS-REED (Bonita.Bettters-Reed@Simmons.edu) is a professor of management at the Simmons College School of Management in Boston, Massachusetts, where she teaches courses in leadership, organizational behavior, diversity management, change and negotiations. Dr. Bettters-Reed has been involved in a variety of family businesses and a director of Bettters International Food Corp. since 1980. She is a past president and a fellow of the Eastern Academy of Management.



LYNDA L. MOORE (Lynda.Moore@Simmons.edu) is an associate professor of management at the Simmons College School of Management, where she teaches courses in diversity, gender and leadership, organizational behavior and globalization. Recent research focuses on the role of women in global family business and is forthcoming in *Global Compendium of Family Business Models*.

Drs. Moore and Bettters-Reed, also faculty affiliates of the Simmons SOM Center for Gender and Organizations (CGO), have been research partners for more than 20 years and have over 60 presentations and publications in the field of diversity management and entrepreneurship. Some of their work has appeared in the *Journal of Management Development*, *Organizational Behavior Teaching Review*, and *Journal of Behavioral and Applied Management*. Invited chapters appear in the *Handbook of Research in Entrepreneurship Education*, *Teaching Diversity: Listening to the Soul, Speaking from the Heart*, and *Woman Power: Managing in Times of Demographic Turbulence*. In 1998 they were corecipients of the SBA Women in Business Advocate of the Year Award for Massachusetts and for New England.

Book Review

Keystones of Entrepreneurship Knowledge

James W. Bronson

Rob van der Horst, Sandra King-Kauanui, and Susan Duffy, ed., *Keystones of Entrepreneurship Knowledge*, Malden, MA: Blackwell Publishing, 2005. 463 pages.

K*eystones of Entrepreneurship Knowledge*, edited by Rob van der Horst, Sandra King-Kauanui, and Susan Duffy, has been published in celebration of the 50th anniversary of the International Council for Small Business (ICSB). The editors offer what they believe to be “the best 20 articles ever published about entrepreneurship and small business” (viii). The strength of the volume lies in the commentaries of the associate editors. Each of the book’s chapters starts with an introduction by two associate editors. The associate editors provide a rationale for the selection of that chapter’s articles and the continuing relevance of those articles to research on entrepreneurship and small business. The best of the introductions offer a framework that links the chapter’s articles.

Organization of the Book

Following a brief statement on the state of the ICSB and an introduction, the book is organized into four chapters, each of which represents one of the ICSB’s research foci:

- research,
- public policy,
- education, and
- service provision.

The chapters are comprised of an introduction followed by five previously published papers. The volume concludes with a history of the ICSB.

Best Papers in the Field of Research

In the introduction to this chapter, J. Hanns Pichler and Roy Thurik discuss the differentiation between entrepreneurship and small business. They also present a brief treatment of entrepreneurship in theory and practice over the past century. The five selected articles cover the role of risk in entrepreneurship, the typology and classification of ventures, the relationship between entrepreneurial orientation and performance, and the effect of entrepreneurship and small business on the economy and society. The papers do an admirable job of tracing the evolution of entrepreneurship theory up to 1996. If there is any criticism of this

chapter, it is that the paper by Kihlstrom and Laffont, “A General Equilibrium Entrepreneurship Theory of Firm Formation Based on Risk Aversion” (1979), is difficult to grasp without a modest background in econometrics.

Best Papers in the Field of Public Policy

Introduced by David Story and Lois Stevenson, this chapter provides an overview of the rationale for public policy pertaining to entrepreneurship and its potential effects on small, medium-sized, and entrepreneurial enterprises. The selected articles cover

- a critique of public policy intervention and the need to evaluate thoroughly the impact of intervention,
- the role of public policy in fostering entrepreneurial actions in the face of market failure,
- recommendations for best practices in public policies promoting entrepreneurship, and
- future directions for public policy research with a special emphasis on the United States.

The introduction and selected articles make a strong case for the need for a systematic program of research on the effects of public policy on small, medium-sized, and entrepreneurial enterprises.

Best Papers in the Field of Education

This chapter, introduced by Kevin Hindle and George Solomon, may be described as the history of entrepreneurship education in U.S. institutions of higher education. Article coverage includes a history of entrepreneurship education, the current state of entrepreneurship education, a broad treatment of entrepreneurship pedagogy and pedagogical methods, and the measurement and ranking of entrepreneurship programs. The articles in this chapter do an excellent job of tracing the history of entrepreneurship education and capturing the breadth of U.S. institutions providing some form of entrepreneurship education. Readers may be disappointed if they expect to find information on the design and content of programs in entrepreneurship.

Best Papers in the Field of Service Provision

In their introduction, Colin Dunn and Michael Schaper make an argument for the need for relationship management between small and medium-sized enterprise (SME) managers and their external advisors. Trust appears as the dominant factor governing the ability of external advisors to successfully

support SME managers. Research in Britain indicates that SME managers place a greater value on advice received from private advisors compared to that received from government sources. Research conducted in Canada shows that managers of rapid-growth firms prefer to seek advice from peer networks. One article, based on research in Australia, finds that service providers fail to understand the needs of small businesses. A Norwegian study argues that it is the quality of the relationship between the service provider and the small firm that determines the usage of the service provider. Lastly, a U.S. study finds that adequate outside assistance increases the survival rate of start-up firms. This chapter is comprised entirely of papers that are both current and empirical; it is the only chapter to take a serious look at research from outside the United States.

Conclusion

If a readings book is to create value, that value must be in

the selection of articles and the rationale behind the selection. *Keystones of Entrepreneurship Knowledge* does meet the criteria for creating value. First, the associate editors, as recognized authorities on their chapter's topic, have selected what they believe to be the five most important papers on the topic. Second, the introductions by the associate editors add to the book's value by delineating the topic's central themes and the article's role in establishing those themes. Finally, there is the question of convenience. It is simply convenient to have many of these papers immediately at hand.

This book is likely to be used by professors teaching seminars at the doctoral level. In this context, the chapters on research, public policy, and service provision will prove particularly instructive. *Keystones of Entrepreneurship Knowledge* will also take its place on many shelves as a reference, where it will provide useful insights into its chapter's topics.



About the Author



JAMES BRONSON (bronsonj@uww.edu) is an associate professor at the University of Wisconsin-Whitewater. Prof. Bronson's teaching and research interests include strategic management and small business performance. His research appears in such publications as the *Journal of Business Research*, *Journal of Small Business Management*, and the *New England Journal of Entrepreneurship*.

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John F. Welch College of Business
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