
1. Research in entrepreneurship: an introduction to the research challenges for the twenty-first century

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1.1 INTRODUCTION

Entrepreneurship as a field of research and small business has grown exponentially for more than half a century. One of the field's leading journals *Journal of Small Business Management*, is now into its 51st volume. The field has moved from barely a handful of journals 30 years ago (*Journal of Small Business Management*, *American Journal of Small Business* – now *Entrepreneurship Theory and Practice* and *Entrepreneurship & Regional Development*) to over 100 in the English language alone. More importantly, articles on entrepreneurship increasingly appear in the major journals of the Academy of Management (*Academy of Management Journal* and *Academy of Management Review*) and in other disciplines that a mere ten years ago would have never published a paper on small business or new ventures (consider the creation of *Strategic Entrepreneurship Journal* by the Strategic Management Society). One has only to consider the complex survey methodologies of the Global Entrepreneurship Monitor (GEM) project or the Panel Studies on Entrepreneurial Dynamics (PSED) to appreciate how far the field has spread in the last two decades. This complexity requires researchers to be fluent in a wide range of methodologies even if they prefer one approach to another. There are many books and primers on research methodology (Gartner et al., 2004). Likewise there are workshops and articles on how to use the data from the GEM and PSED studies.

While early studies were less sophisticated in statistical analysis, researchers today use highly complex methods. In the recent Babson College Entrepreneurship Research Conference in 2013 in Lyon, a noticeable number of the papers presented included the analytical technique in the title of the paper. Two justified questions are whether it is the technique that drives the research or are the research questions motivated by

2 *Handbook of research methods and applications*

researchers' curiosity to unravel some interesting phenomena within entrepreneurship.

Like many areas of research in business, entrepreneurship has had to struggle with legitimizing itself as a valid research arena. Today, it is certainly difficult to find many who would seriously doubt the relevance and importance of entrepreneurship research. Yet we still wrestle with the lack of unified definitions. However, many have begun to acknowledge that attempting to create a unified definition of entrepreneurship is not a very fruitful endeavor. What is important is to understand that entrepreneurship is contextual (Welter, 2011). Understanding the context in which entrepreneurship takes place is critical. Therefore comparative studies across different business contexts yield different research results – and there is nothing wrong with that. The world is varied!

So, why do we need yet another methods book? Handbooks on research methods, whether quantitative or qualitative, are legion. Nearly every discipline has a good set of its own. A quick search in Google Scholar proves the point: Research Methods in Entrepreneurship gives 27 7000 hits; in Management 4.8 million; in Business 2.5 million. With the prevailing publishing imperative implemented in universities worldwide, mastering research methods is a prerequisite for publishing. A primary reason for rejection of a paper is serious methodological flaws. Research questions do not match the chosen research method. The data do not offer answers to the research questions. Research questions do not reflect the contextual reality, or the focal theory does not link to the research question, or the interpretations of the results do not relate to the focal theory. And it is not just doctoral students who have problems with research methods. In 2011 the *Academy of Management Journal*, beginning with volume 54, number 3 (2011), launched an editorial series on how to publish in *AMJ*. When reading through the editorials one realizes that they give guidance not merely on how to publish in *AMJ*, but also give an excellent overview on how to conduct and write up good research (Colquitt and George, 2011; Bono and McNamara, 2011; Grant and Pollock, 2011; Sparrowe and Mayer, 2011; Zhang and Shaw, 2012; Geletkanycz and Tepper, 2012; Bansal and Corley, 2012). We do not think these editorials were written other than to emphasize that mastering research methods and being able to report what was undertaken could be substantially improved. It seems to us that research methods is an area that is challenging and difficult, yet highly rewarding when mastered.

While research methods are important in any research, the entrepreneurship field faces yet another characteristic that makes it even more important to develop an ability and competence in conducting quality research. Entrepreneurship is multidisciplinary, not merely because it

includes small-business management, entrepreneurship and family business, but also because most of the field's leading scholars have been trained and educated in a wide range of disciplines other than entrepreneurship, such as management, finance, strategy, sociology, organizational behavior, social psychology, economics, anthropology, demography, political science, clinical psychology, accounting, marketing and industrial engineering, to name just a few. Each of these disciplines has their own perspectives – and convictions – of what constitutes appropriate research methodology and traditions. Yet they all aspire to be considered scientific in either the hard or soft sense of the term. Many of those researchers from the disciplines mentioned above come from the logical positivist tradition of empirical research.

Yet other research traditions exist in those fields as well. The wealth of theory and methods to support small business and entrepreneurial research can at times seem daunting to both appreciate and use appropriately. One telling example is the conviction that empirical research is synonymous with quantitative research conducted in the positivistic or post-positivistic research tradition. It is also the kind of research that predominantly gets published in North America (Amis and Silk, 2008). At the same time, those researchers who use qualitative research methods (case studies, ethnography, observations etc.) and follow an interpretative research tradition will argue strongly that their research is indeed empirical as well. Some researchers would call this researcher's bias. We would call it a preference to work in way that feels comfortable and is familiar. This is a perfectly valid reason by itself, but not valid as a basis for determining the quality of a study (Amis and Silk, 2008; Leitch et al., 2010).

Box 1.1 presents an outline of the core elements in any research process regardless of chosen method.

BOX 1.1 UNDERSTANDING THE RESEARCH PROCESS: THE ELEMENTS OF RESEARCH DESIGN

By Richard T. Harrison

Effective research design features a number of core elements, which are combined and integrated in different degrees and in different sequences, depending on the particular philosophical and methodological perspective taken in the research (Figure 1.1). Irrespective of the underlying philosophy of research design,

effective and convincing research includes attention to a number of key elements. Background theory refers to the wider disciplinary grounding of the research, signaling what is and is not important in terms of determining the focus of the study and the domain within which a contribution will be made. Within this, focal theory refers to the establishment and analysis of the nature of the problem and sets out exactly what is to be researched, moving from the general to the specific, creating hypotheses or research propositions in the light of the arguments and work of others, and indicating how this study will develop new propositions, data and conclusions that will advance the field. All research is undertaken within specific contexts, institutionally, spatially, temporally, socially, economically and culturally, and good research recognizes and makes allowance for context in the design process. Collectively, the background theory, focal theory and research context provide the basis for establishing the specific research questions that are the primary focus of the research: using the hourglass metaphor of Figure 1.1, these research questions are the nexus of the research process. However, to address these questions it is necessary to develop a data theory that proves the relevance and validity of the data used to address the research questions, recognizing that the appropriateness of the data will vary with the nature of the research project and the underlying philosophy of research adopted. It is at this stage that choices are made, for example, among qualitative (e.g. case study, interviews, action research), quantitative (survey, secondary data, experiments, quasi-experiments) and mixed-methods research designs. These choices will in turn determine the types of analyses undertaken, on the basis of which the researcher draws out a range of interpretations and implications that define the wider contribution of the research to the research field (the focal or background theory) or to the process of undertaking research in this field (data theory and analysis).

As represented, this model of the research process is linear, implying that there is a natural progression from the general (background theory) to the specific (research questions) and back to the general (interpretation and implications). In practice, however, no research process falls neatly into this linear representation. Rather, the process evolves and is adapted to each individual research project, and frequently operates cyclically, with stages being addressed in a different order or visited and revisited at different times in the process. However, there are variations in the

research process associated with different underlying philosophies (or ontological perspectives) of research that can be identified and that introduce some additional important elements into the research process.

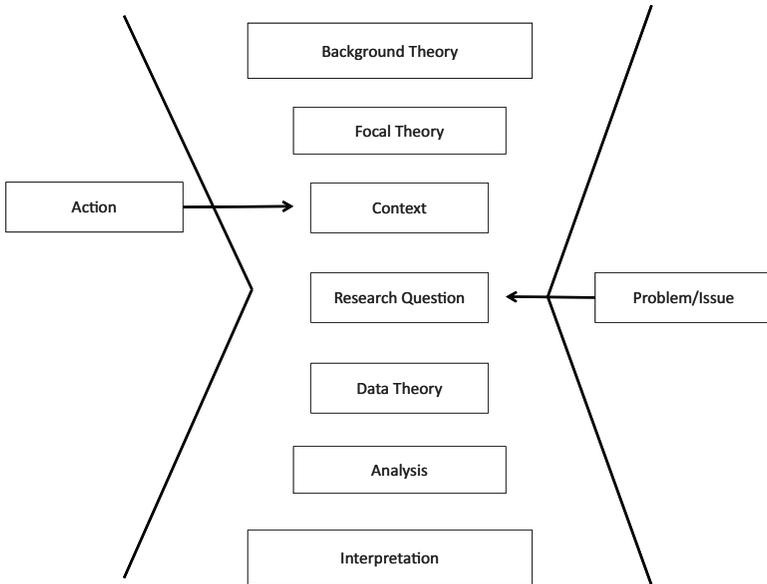


Figure 1.1 Core elements of the typical research process

Post-positivism is associated with an emphasis on explanation based on the hypothetico-deductive method, determinism, reductionism, measurement and theory testing. In this, the research process set out in Figure 1.1 is followed, or represented as being followed, in a broadly linear fashion, with a review of the current state of knowledge being used to derive research questions, the answers to which provide the basis for testing theory as the basis for developing the field. Context, in this tradition, plays a minor role: in the search for generalizable knowledge, context is something to be eliminated or taken into account through, for example, the specification of a set of dummy variables in the analysis. In other words, the data theory appropriate for a post-positivist research method specifies a specific position on the role of context in the research.

Constructivism, by contrast, is focused on developing an understanding of the research problem, through the recognition and analysis of multiple participant meanings (researcher and researched), with full account being taken of the social and historical dimensions of the research in the process of theory development. In this tradition, context is everything and cannot be overlooked or downplayed. As a result, a constructivist research process will start with context, deriving from this a series of research questions that are understood, articulated and refined within the context of the researchers' understanding of the relevant focal and background theory without being directly derived from these as in post-positivist research. Subsequent analysis and interpretation are used to throw light on the research context and thereby to propose developments in the focal and perhaps also the background theory.

Research undertaken from an advocacy or participatory worldview is characterized by a commitment to political action in the realm of practice, with an orientation to issues and to empowerment in a process that is collaborative between the researcher and the researched in a change-oriented process. This suggests an addition to the 'typical' research process elements set out in Figure 1.1. Specifically, the advocacy research worldview begins with action, defined within and defining the context for the research. This in turn defines the research questions, data theory and analysis protocols employed in the research. Typically, but not always, advocacy research engages with focal and background theory as part of the process of interpreting the findings and drawing out their implications, and in so doing contributes to the development of the field as well as the understanding of the domain of practical action.

Finally, research undertaken from the perspective of pragmatism is problem-centered, with a clear focus on identifying and understanding the consequences of actions. Philosophically and methodologically it is pluralistic, open for example to multidisciplinary research and to research drawing on diverse traditions, and it is fundamentally oriented, as is advocacy research, to understanding real-world practice. The starting point for the pragmatist research process is the problem or issue. This defines the research questions within a specific context, which are analyzed, interpreted and related back to focal and background theory in similar fashion as in advocacy research.

1.2 RATIONALE FOR THIS VOLUME

The idea for this book came from several discussions with colleagues, many of whom have contributed with chapters in this book, about problems we increasingly saw in manuscripts we were asked to review and that resulted in rejections. In essence, chapter authors were asked to develop contributions on topics that have frustrated them when reviewing submissions to journals or in directing doctoral dissertations. This book may be seen as an edited volume on research methodology and philosophy that focuses on topics often ignored or inappropriately used in research in this expansive field called entrepreneurship. Most existing methodology discussions typically focus on general issues in quantitative or qualitative approaches. This volume, however, steps back to ask more fundamental questions that every researcher in entrepreneurship, small and family business should ask before engaging in data collection. The various authors in this book address issues such as theory development, borrowing and testing in entrepreneurship, as well as determining if progress in research has been made and how to measure that progress. Many address how to make research both practical and theoretically useful. We were also very keen to ensure that this book would include scholars outside the North American research tradition, to bring out the European research tradition. We see this as important as there has for some time been an ongoing debate in Europe (RENT Conference 2012 and pre-conference to Babson College Entrepreneurship Research Conference 2013 – both held at École de Management, Lyon, France) of the state of entrepreneurship research. Are we asking the right questions? Are entrepreneurship scholars relevant to practicing entrepreneurs? Are entrepreneurship scholars using the *right* methods (italics added by authors to signify first the somewhat strange idea that there should be a *right* one and, second, evidently these questions would not be asked unless there were a collective concern)?

From a quantitative perspective the book examines experimental methods in small-business research and the issues of scale development, control variables and language issues in cross-cultural research. One chapter argues for the relevance of qualitative approaches in entrepreneurship research; one chapter takes the reader through ethnography; and the book concludes by opening up a discussion around the practice of entrepreneurship: how do we study what entrepreneurs really do? It will be clear that this book sees research on small business, entrepreneurship and family firms as an interactive, iterative process and a question of tying research to actual practice.

1.3 OVERVIEW OF THE VOLUME

The book begins with David Deeds, offering advice on how to conduct good empirical studies. While some may argue that there are other forms of empirical studies than merely quantitative studies, we specifically encouraged the author to keep this focus. This reflects a view shared by a majority of entrepreneurship scholars, yet, as the author points out, the quality is often not good, because of some serious flaws in the research process. In their chapter, Ed McMullen and Tom Kenworthy challenge the practice of borrowing theories from other disciplines without adequately understanding those theories. They see this as a growing problem. Next, Linda Edelman, Tatiana Manolova, Candida Brush and Scott Latham emphasize that researchers should consider how they are advancing work in the field. This is followed by a discussion on experimental methods by Kelly Shaver, a noted experimental social psychologist. This chapter is supported by the contribution that follows, by Leon Schjoedt, Maija Renko and Kelly Shaver on multiple and single-item measures. Concluding the focus on quantitative methods is the chapter by Leon Schjoedt and Barbara Bird. They remind readers that, in any research, qualitative or quantitative, control of extraneous variables is critical and should be rigorously performed.

The focus then turns to an issue that is critical not only in survey work, but also in international entrepreneurship work and in more qualitative approaches. In their chapter, Malin Brännback, Stefan Lång, Alan Carsrud and Siri Terjesen look at language and culture in the context of cross-cultural studies. The next chapter addresses the importance of qualitative research beyond the foundational perspective or a positivist view found in the widely cited article of Eisenhardt (1989) or in texts by Yin (1984). As this volume brings together quantitative and qualitative scholars, it is important to consider carefully the reflections offered by Richard Harrison and Claire Leitch in their chapter. This is followed by a discussion by Karin Berglund and Caroline Wigren on an investigative approach almost totally ignored in entrepreneurship, which should also be helpful in looking at entrepreneurship in emerging economies and in minority communities.

Finally, Bengt Johannisson argues that the field exists to support entrepreneurs and small firms. In his chapter he gives the researcher a participant-observer status in the research process.

In conclusion, this book is designed to be thought provoking and to build on existing research traditions that make small business, entrepreneurship and family business a resource-rich arena for research. This volume is not a substitute for in-depth knowledge of either qualitative or quantitative approaches, but should be seen as one that enriches existing knowledge.

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