Entrepreneurship and mutuality: social capital in processes and practices

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Social capital, which offers the broader theoretical construct to which networks and networking relate, is now recognized as an important influence in entrepreneurship. Broadly understood as resources embedded in networks and accessed through social connections, research has mainly focused on measuring structural, relational and cognitive dimensions of the concept. While useful, these measurements tell us little about how social capital, as a relational artefact and connecting mechanism, actually works in practice. As a social phenomenon which exists between individuals and contextualized through social networks and groups, we draw upon established social theory to offer an enhanced practical understanding of social capital – what it does and how it operates. Drawing on the work of Pierre Bourdieu and Robert Putnam, we contribute to understanding entrepreneurship as a socially situated and influenced practice. From this perspective, our unit of analysis is the context within which entrepreneurs are embedded. We explored the situated narratives and practices of a group of 15 entrepreneurs from ‘Inisgrianan’, a small town in the northwest of Ireland. We adopted a qualitative approach, utilizing an interpretive naturalistic philosophy. Findings show how social capital can enable, and how the mutuality of shared interests allows, encourages and engages entrepreneurs in sharing entrepreneurial expertise.

Keywords: entrepreneurship; social capital; social context; community; ethnographic; qualitative

1. Introduction

The importance of social capital for entrepreneurship is generally accepted, but concerns have been raised about our understanding of how social capital actually works in practice (Light and Dana 2013). Social capital processes of (re)production and (re)deployment in context too often become conflated with outcomes which may obfuscate the nature of the phenomena and what it does (Adler and Kwon 2002; Gedajlovic et al. 2013; Quibria 2003). This signals that questions remain about the nature of social capital, how it should be understood and how it actually ‘works’ (Anderson, Park, and Jack 2007; Lin 2001; Putnam 2000; Solow 2000; Westlund and Bolton 2003). Nonetheless, an appropriate starting point is the recognition that social capital is a social phenomenon, embedded in a network and that a social group is the milieu for social capital (Estrin, Mickiewicz, and Stephan 2013; Stam and Elfring 2008). Consequently, this study is motivated by recent calls for research to be driven towards understanding the workings of social capital in entrepreneurship (Gedajlovic et al. 2013). In

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paying attention to the social and cultural contexts (Bruton, Ahlstrom, and Li 2010; Jennings et al. 2013; Welter and Smallbone 2006; Zahra 2007), we examine two critical areas: (1) how does social capital work? and (2) how does it operate through the practice of entrepreneurship? Against this background, our research questions are broad but seek to extend knowledge and understanding about how social capital relates to entrepreneurship, the processes and applications and exploring its value for better or for worse (Batjargal 2003; Gedajlovic et al. 2013; Zahra 2007).

Our approach takes the view that the entrepreneur and the processes in which she or he is embedded are socially situated (Anderson and Starnawska 2008; Baker, Gedajlovic, and Lubatkin 2005; DeCarolis and Saporito 2006; Gedajlovic et al. 2013; Zahra and Wright 2011). Accordingly, we draw on social theory; specifically the work of Pierre Bourdieu (1990) and his concept of habitus (Light and Dana 2013; Patel and Conklin 2009) and Robert Putnam’s (2000) ideas around engaging with community. We argue that combining these perspectives provides a conceptual framework to understand the shaping and conditioning of entrepreneurial social capital practices. Habitus provides us with an appreciation of the (local) cultural context while Putman’s ideas help us to socially and spatially locate social capital.

Our study is part of the ‘social turn’ in entrepreneurial research that recognizes that entrepreneurial processes take place, are formed and shaped through social and cultural processes (Florida 2002; Johannisson 1988; Kloosterman 2000; Korsgaard and Anderson 2011; Polanyi 1968). Given this perspective and our research objectives, the unit of analysis is not an individual entrepreneur, but the social context in which entrepreneurs are embedded. Accordingly, we examine entrepreneurial practices and processes in a peninsular community in Ireland’s County Donegal, ‘Inisgrianan’, employing an ethnographic approach. Our engagement with this defined social and geographic context helps address criticisms about the cavalier use of the social capital concept (Gedajlovic et al. 2013; Lin 2001; Solow 2000). Indeed, an emerging body of qualitative research in the field of entrepreneurship demonstrates the depth of understanding which can be achieved through this approach (Dana and Anderson 2011; Light and Dana 2013; Light and Gold 2000; Marti, Courpasson, and Dubard Barbosa 2013).

This paper contributes to the understanding of entrepreneurship as a socially situated, collective practice (Johannisson 1988). It brings context back to the foreground, but it also reinforces the emergent understanding of entrepreneurship as a profoundly social practice (Ansari, Munir, and Gregg 2012). We show the roles, function and operation of social capital in the practice of entrepreneurship. Our novel theoretical contribution demonstrates social capital to be an enabler and basis for building a wider community capital – the collective capacity and intention to engage in constructing a common future (Westlund and Bolton 2003). At a practical level, we demonstrate how local boundaries exist and persist, and how even in depleted places like Inisgrianan a bounded sense of community and place often remains (Chesbrough 2003; Florida 2002; Johannisson 1988). Even so, by means of entrepreneurial agency, social capital enables and sustains entrepreneurial careers within the particular cultural orbit of the communities from which individuals emerge and sustain themselves (Marti, Courpasson, and Dubard Barbosa 2013). Indeed, entrepreneurs might even be perceived as building the basis of communities – and since communities are the building blocks of society, the patterns of entrepreneurship in communities may become critical. Importantly, we draw attention to community social capital as an outcome of shared values, concerns and a sense of place. Social capital is both means and end. In our study, economic processes are the outcomes of social capital formation and use.
2. Theoretical perspectives: social capital and embedded practices

2.1 Entrepreneurship and social capital

Entrepreneurship – the recognition and exploitation of opportunities – has until recently been viewed as a predominantly economic pursuit (Baumol 1990; Lee and Venkataraman 2006). However, as developments in the field have moved understanding forward, this has increasingly been complemented by the view that entrepreneurship takes place in real life, is contextually based in local communities and is therefore situated within a social context where entrepreneurs and organizations are embedded (Jack 2005; Johannisson 2000; Welter 2011; York and Venkataraman 2010; Zahra 2007). Maurer and Ebers (2006) argued that because embeddedness entails collective participation and mutuality, the social context and community surrounding entrepreneurship exerts a critical impact on competitive behaviour and performance. From this socialized perspective, entrepreneurship is an expression of the interaction among individuals, social communities and the whole of society (Welter 2011). Even Schumpeter (1934) felt compelled to talk about the Socialokonomik to recognize the social embeddedness of enterprise (McKeever, Jack, and Anderson forthcoming). Indeed, Stam, Arzlanian, and Elfring (2014) argue that entrepreneurship is the consequence of collective organizing and social interaction. Being socially situated, how entrepreneurs perceive and realize opportunities is influenced by their background, including the relations and circumstances which surrounded them (Anderson and Miller 2003; Dana 1995; Dodd, Jack, and Anderson 2013; Light and Dana 2013). But Leitch, Hill, and Harrison (2010) also point out how entrepreneurial venturing is reflected in the multiple social constructions where individual networks and collective forces interplay. The networks of relations in which entrepreneurs are embedded are seen to be important because they also provide the opportunity to create, use and maintain social capital (DeCarolis and Saporito 2006).

The concept of social capital has clearly taken hold in the management arena and in the field of entrepreneurship (Cope, Jack, and Rose 2007; Galunic, Ertug, and Gargiulo 2012; Gedajlovic et al. 2013; Prashantham and Dhanaraj 2010). Originating in the fields of sociology and anthropology, it is now becoming accepted that social capital holds specific advantages for entrepreneurs and might even be critical to understanding the practice of entrepreneurship (Davidsson and Honig 2003; Light and Dana 2013; Stam, Arzlanian, and Elfring 2014). However, some researchers have been accused of using social capital as an explanatory peg on which to hang any informal engagements the entrepreneur might have (Dasgupta 2002; Gedajlovic et al. 2013). This is problematic because while some rightly portray social capital as offering advantages (Adler and Kwon 2002; Davidsson and Honig 2003; Gedajlovic et al. 2013; Nahapiet and Ghoshal 1998), others have found social capital suppressing entrepreneurship when a dominant group restricts outside access to information, influence and the benefits of the collective (Light and Dana 2013, 603). This has been further exasperated by perceptions which too often describe the manifestation of social capital rather than social capital itself (Anderson, Park, and Jack 2007).

As the broader theoretical construct to which networking and embeddedness relate, social capital is broadly perceived as an asset that exists in social relations and networks (Aarstad, Haugland, and Greve 2010; Burt 1992). It has been described as the ‘sum of the actual and potential resources embedded within, available through and derived from the
network of relationships possessed by individuals or social units’ (Nahapiet and Ghoshal 1998, 243) – an instrumental, enabling factor (de Clercq, Dimov, and Thongpapanl 2013). The dominant view is that social capital represents resources embedded in interpersonal networks which are accessed through social connections (Bourdieu 1990; Coleman 2000; de Clercq, Dimov, and Thongpapanl 2013; Kim and Aldrich 2005). As such, social capital is not something an individual can own or possess. Instead, it exists in and through ‘participation’ in the structure of relations and shared circumstances between and among actors (Putnam 2000), is accessed through social interaction and ultimately relates to membership and affinity to particular groups (Bowles and Gintis 2002; Dakhli and de Clercq 2004; Dana 2007; Davidsson and Honig 2003). While social capital allows entrepreneurs to identify opportunities (Eckhardt and Shane 2003), mobilize resources (Welter 2011) and build legitimacy (Elfring and Hulsink 2003), it is not itself based on market transactions (Coleman 2000; Khoury, Junkunc, and Deeds 2013). Social capital is based on social interactions and is facilitated through links and associations with others, trust, associability, interdependencies and, of course, networks that facilitate such interaction (Anderson, Park, and Jack 2007).

Social capital then is a prominent feature of entrepreneurship, especially when viewed as a socio-economic process (Adler and Kwon 2002; de Clercq, Dimov, and Thongpapanl 2013; Jaskiewicz, Combs, and Rau, forthcoming). Anderson and Miller (2003) argued that entrepreneurs draw upon the social in two distinct ways. First, because they are a product of their community and conditioned by that community, social capital will influence how they see and perceive opportunities. Second, each business forms part of a social web or community within which the economic elements are carried out (Granovetter 1985). In this view of entrepreneurship as connecting (Anderson, Dodd, and Jack 2010), social capital facilitates value creation by endowing better connected actors with privileged access to intellectual, financial and cultural resources (Bourdieu 1986). Stam, Arzlanian, and Elfring (2014) argue that the presence or absence of social capital is likely to influence both the aspirations and performance of the entrepreneur and the nature of the business.

So, for entrepreneurs, social capital exists in a social domain to which they identify and belong, and manifests in social interaction and mutuality; it is only by being engaged in its practice that social capital is understood, realized and deployed (Jack 2005; Sharma 2008). Embeddedness in community leads to the generation of social capital and involves a process which relies on aspects that facilitate co-ordination and cooperation such as networks, norms and social trust (Putnam 2000). So, while some economists might perceive social capital as an individual good or benefit (Becker 1976), it is actually collective because it resides within a network collective or community which shares common purpose and characteristics (Westlund and Bolton 2003). The nature of social capital lies in the way it operates to support and license entrepreneurial processes (Jack and Anderson 2002). Being embedded within the social structure of the community enables engagement with that community in a way that unlocks resources which can bring benefits. Nonetheless, there are limited detailed accounts of how the process of creating social capital operates, and the practices in which entrepreneurs engage in its creation (Kim and Aldrich 2005).

2.2 Habitus, community and embedded practice

To address these issues we employ two theoretical frameworks that provide a conceptual lens to view the research problem. Bourdieu’s (1990) idea of habitus and Putnam’s (2000) views around engagement with community are drawn upon to explore the workings of
social capital. Bourdieu’s (1990) notion of habitus incorporates the idea of inner strategic orientation, in which, instead of obeying rules, people have a practical sense, a feel for the wider game in which they are engaged. Bourdieu (1990) uses the term genetic structuralism to argue that the socio-economic context provides conditions which make certain choices and practices appropriate and usual. Through routines of socialization and homophily, communities create and recreate a shared understanding of how their shared context operates. For ‘locals’ this should mean that they are more able to act naturally within the structure to which they belong than outsiders or newcomers (Marti, Courpasson, and Dubard Barbosa 2013). This is because practices are embedded in the structures and routines of social capital, and when practices are understood and acquired they can underlie and condition all subsequent learning and social experiences (Bourdieu 1990).

While Bourdieu (1990) emphasizes the normal and taken for granted ways in which people’s practices and lifestyle choices are generated, Putnam (2000) shows how these individual practices and choices are situated in particular groups and communities. Yet despite the implicit tendency to reproduce patterns of practice, for Bourdieu there are no explicit rules that dictate behaviour, rather, ‘the habitus goes hand in hand with vagueness and indeterminacy’ (Bourdieu 1990, 77; Reay 2004). While the habitus allows for individual freedom, it also predisposes people in the same group towards certain ways of behaving, but these practices and conditions are fashioned historically through pressure from the social environment (Light and Dana 2013; Lukes 1982).

Habitus then represents the opportunity to explore current commonality and affinity as an outcome of shared past experiences and accumulated historical knowledge of the collective ‘yesterday’ (Durkheim 1933, 223). So, a habitus is socially created, co-created and recreated by its participants who provide the rules of engagement; it also operates with the actor’s understanding of what is going on (Anderson, Dodd, and Jack 2010). Habitus provides a lens for looking at why people behave and act in the way they do, the processes in which they are immersed, the practices in which they engage and how these might impact on the shape and form of entrepreneurial outcomes. In effect it acts as a platform, where what people do and how they understand the context in which they operate is formed (Anderson, Dodd, and Jack 2010).

As an aspect of cultural capital – the idea of habitus emphasizes the social reproduction of dispositions, lifestyles even across generations – grounded in everyday life – with an emphasis on the orientation of group members towards occupations and livelihoods which are appropriate and usual (Anderson and Miller 2003; Florida 2002; Light and Gold 2000, 92; Light and Dana 2013, 606). However, while Bourdieu’s ideas are sufficient at one level, alone they are unlikely to provide a broad enough explanation of social capital’s context specificity and link to communities which host entrepreneurship (Jennings et al. 2013; Marti, Courpasson, and Dubard Barbosa 2013). Like Jennings et al (2013, 2) we interpret communities as ‘enduring, but not explicitly instrumental, relationships among actors, often with geographic bounds’, but which can span from local and regional to transnational and global communities (Dejlic and Sahlin-Andersson 2006). As a way of remaining focused on entrepreneurial practices in more local community processes (Hallett 2010; Johannisson 2000), Putnam’s (2000) views on civic participation are particularly useful because they emphasize the importance of engaging with community and place (Anderson 2000; Florida 2002; McKeever, Jack, and Anderson forthcoming). As fields where entrepreneurs are located (Bourdieu 1990), communities have been described as ‘fishbowls’, complex institutional arenas and working spaces where people live and make a living (Bourdieu 1986; Hallett 2010; Marti, Courpasson, and Dubard Barbosa 2013, 10). Hence, Putnam’s (2000) focus on the moral dimensions of trust, identity and collective participation offers
scope to appreciate how the usualness of social capital operates in situated context to influence and (re)produce patterns of entrepreneurial practices.

This, combining a Bourdieusian perspective with the ideas of Putnam presents a way of understanding how the interactions and practices of social capital are conditioned and shaped by the habitus of community in which social capital is produced and reproduced – and within which the practice of entrepreneurship takes place (Bruton, Ahlstrom, and Li 2010; Jennings et al. 2013; Johannisson 1988; Patel and Conklin 2009). Accordingly, the entrepreneurial role becomes one of ‘agency in context’ (Marti, Courpasson, and Dubard Barbosa 2013); through embedding and enacting community and the cultural capital that lies within, social capital is (re)produced and (re)deployed. At a local community level, social capital then can be conceived as a relatively bounded condition of mutuality that creates fertile conditions which help and allow things to happen in a particular way – within the prevailing ‘rules of the game’ (Barth 1969, 15; DeCarolis and Saporito 2006); a catalyst which through entrepreneurial agency facilitates change. Therefore, social capital, how it works out and is practiced, is influenced by the ways of community and context (Anderson and Miller 2003; McKeever, Anderson, and Jack 2014) – but for entrepreneurship this happens through entrepreneurial agency (Gedajlovic et al. 2013). It is this dialectic which is the focus of our interest. We ask: (1) how does social capital work? and (2) how does it engage with the practice of entrepreneurship?

3. Method

To explore the workings of social capital, we located our study in the ‘fishbowl’ of Inisgrianan, focusing on the social interactions of people living together and getting things done (Marti, Courpasson, and Dubard Barbosa 2013, 10). Our qualitative approach was appropriate because our objectives were to understand social capital from the way people lived their lives ‘how and why’ rather than measuring ‘how many’ (Gartner and Birley 2002; Oinas 1999; Pratt 2009). We used the theory as the underpinning framework for both asking questions and to explore how the data informed the questions we were asking (Gartner and Birley 2002). Thus, we do more than merely describe; we try to provide explanations about how social capital works in shaping and conditioning patterns of entrepreneurship.

3.1 Context

In understanding situated social processes it is important to describe our context (Pratt 2009). The specific location chosen to explore the workings of social capital is a small town and surrounding community in Ireland’s County Donegal which we call ‘Inisgrianan’. Situated on an Atlantic facing peninsula, it has a long history as a British garrison and in more recent times was the manufacturing base of an American clothing manufacturer. The community could be described as depleted (Johnstone and Lionais 2004), tired from its past troubles, passed over in post-industrial modernity, but nonetheless possessing a unique local identity and sense of purpose. In 2011, the town had a population of 3452 which formed the civic and business centre for the area’s 30,000 inhabitants. This location was chosen because its size and location creates a natural and ideal social and geographic crucible for analysing social interactions between entrepreneurs and their social context (Uzzi 1997; York and Venkataraman 2010). Koestler’s (1964) view is that the smallness of such an area should make social patterns easier to analyse, which in other places might appear confused by density and diluted by size (Jack and Anderson 2002).
Leitch, Hill, and Harrison (2010) argue that ‘social research requires that the questions asked and the designs employed are shaped by the researcher’s underlying ontological and epistemological assumptions’ (69). Thus, our work was itself contextualized in an interpretive paradigm. Our framework for data collection and analysis was developed from the literature review. Phenomenological interviews were used (Cope 2005; Thompson, Locander, and Pollio 1989), and the long interview technique outlined by McCracken (1988) produced a broad view of the topic under investigation. The content and form of the emerging data determined the direction and length of the interviews.

A thorough understanding was gained by drawing on additional ethnographical techniques. We gathered a rich body of contextual information from a wide range of sources which helped to support and guide the research, and also broaden understanding about the situations respondents were immersed in. To achieve this, the field researcher immersed himself in the local area and culture of the community. Being born into a local family provided privileged access to a rich network of contacts and information about the history and background of each respondent (Denzin 1979; Denzin and Lincoln 1998). Staying locally meant he could observe respondents in context, and in the collective in which they were immersed. Events like the Sunday mass, going to watch the local football team and cycling on the popular seaside path provided a natural way to watch and participate in community interactions. In Inisgrianan, as in most of peripheral Ireland, it is customary to briefly greet even strangers – this can often lead to an impromptu chat about the weather or something that might be happening in the area (Arensberg and Kimball 1968).

Understanding and engaging in these nuanced practices allowed a better appreciation of the respondents’ world (Hoepfl 1997; Patton 1990). This also provided a resource for the comparison and verification of emerging research themes and helped address the broader theoretical issues (Eisenhardt 1989). Field notes were a key aspect of the fieldwork, but writing up often meant escaping to any convenient private place immediately after the engagement – restroom, alleyway, garden or car – to carefully account for relevant elements of what was seen, said and the detail around these engagements, including mood, posture and appearance. Alongside patterns, links and photographs, field notes helped to determine how the local and business community fitted together (Granovetter 1985).

Our main source of data was phenomenological interviews with local entrepreneurs (Cope 2005). The key goal was to generate an inductive and emergent theory, reflecting the phenomenological desire to understand and describe entrepreneurs ‘living’ in and through social capital. Geertz (1973) explains this in terms of understanding things from the point of view of those involved rather than explaining things from an outsider’s point of view. For this purpose, conscious effort was made to omit the use of theoretical language from conversations. For our respondents the research was about ‘how they ended up in business’ and ‘how business worked in Inisgrianan’. A key aim was to discover how entrepreneurs understood the social aspects of their careers as opposed to seeing if emerging data fitted with the expectations of the literature. In line with phenomenological inquiry, no specific theories or hypotheses were developed prior to engagement with respondents. In line with academic protocol, an appreciation was developed of the wider literature of entrepreneur-ship, embeddedness and social capital (Clarke 2011). This process helped develop meaningful research questions that could be connected back to the literature. In agreement with Cope (2005), maintaining a distinction between data and existing theory was a challenge. In the end a balance was struck between pre-understanding of theories in the literature and maintaining an unbiased openness towards the phenomenon.

Thompson, Locander, and Pollio (1989) have argued that the phenomenological interview is perhaps the most powerful means of attaining an in-depth understanding of
another person’s experience. Due to the in-depth nature of the interviews, ethical concerns were addressed at the outset. Each respondent was told about the general topic of the research, why the researcher was undertaking it, that conversations would be audio-taped and that respect for their confidentiality was of the highest priority. These first conversations laid the foundations and drew out key initial themes in the data – these included ‘childhood upbringing’, ‘family employment traditions’, ‘school experiences and attainment’, ‘career choices’ and ‘access to entrepreneurship’. While a purely phenomenological approach advises letting respondents lead the interview process – experience, time and resources dictated that these types of broad topics were developed so that later interviews could mine and develop these in more fine grained detail (Clarke 2011).

3.2 Sample

Participants were ‘purposefully’ sampled (Gartner and Birley 2002; Pratt 2009). ‘Purposeful’ meant seeking out information-rich cases for study. According to Patton (1990), this technique rests on allowing knowledgeable individuals with an intimate understanding of a particular context and phenomenon to choose interesting and informative individuals, capable of articulating their experiences in the most illuminating detail. With this in mind, respondents were chosen by drawing on the knowledge and guidance of family, friends and a well-respected local entrepreneur. As outlined in Table 1, 15 respondents were recruited. It is not claimed that this sample is representative of the diversity of individuals who can be labelled entrepreneurial. It is felt, however, that enough variety was included to allow for an interrogation of the nature of social capital among entrepreneurs in Inisgrianan.

First interviews generally lasted between one and half and three hours. These initial interviews were guided by those who advise getting to know and building rapport with each respondent by engaging them in a biographical discussion (McCracken 1988; Silverman 2005). Opening discussions usually took place over the ritual of a cup of tea or coffee on arrival. While first interviews were searching, roving and directed by respondents, a loose interview schedule was distilled to reflect and guide the core issues and themes to emerge (Charmaz 2006). The interview schedule proved to be useful in two ways. First, it provided a sense of confidence in having covered all parts of the developing theory with subsequent respondents; second, it provided freedom from having to think ahead (and remember themes) (Silverman 2005). This facilitated a focus on the respondent, and enabled attentive listening and note taking as answers unfolded. Coaxing comments like ‘That’s interesting, can you expand a little more on that?’ were used to develop more insightful descriptions of experiences (Bryman 2001). Subsequent interviews with the same entrepreneur generally lasted between one and two hours. Recording the interviews allowed the research team to focus on the interview, the direction of the conversation and to think about the meaning in what respondents were actually saying (Easterby-Smith, Thorpe, and Lowe 1991; Hoepfl 1997). This approach helped ensure that the information received reflected respondents perceptions. The interview schedule was updated regularly with refining questions intended to keep the overall interview process up to date with the emerging theory. Table 1 provides an overview of the respondents, the nature of their entrepreneurial activity and historical events that led to entrepreneurship.

3.3 Data analysis

Like previous interpretative work in entrepreneurship (Leitch, McMullan, and Harrison 2013), the constant comparative method was inductively used for data analysis. This
technique is similar to the analytical element of grounded theory (Alvesson and Sköldberg 2000; Glaser and Strauss 1967; Silverman 2005). Eisenhardt’s (1989) guide to data analysis is to first sift through all data, eliminating material which is less relevant and drawing together the most important elements. The next step consists of searching the

| Name  | Age | Family background and education                                                                 |
|-------|-----|-------------------------------------------------------------------------------------------------|
| John  | 60  | John has three older brothers. His family were textile factory owners. He attended grammar school and studied agri-marketing at university. He married a local schoolteacher and lives in a large town house inherited from his uncle.                                      |
| Ryan  | 47  | Ryan has one sister. His father was a civil servant and his mother was a schoolteacher. He attended grammar school and studied business and economics at university. He lives on the outskirts of town in a renovated farmhouse. |
| Paddy | 79  | Paddy has 12 siblings. His father was a docker and his mother stayed at home. He attended comprehensive and studied carpentry from age 15 and emigrated at age 20. He lives about half a mile from Brian.  |
| Brian | 64  | Brian has three siblings. His parents ran a small bed and breakfast. He attended boarding school but had to leave early due to parental illness. He lives next door to the family hotel and self-catering complex. |
| Martin| 39  | Martin has four brothers. His father worked as a driver and mother in a school canteen. He attended comprehensive and became an apprentice joiner at 16. He lives on the farm where his wife was born. |
| Des   | 58  | Des has three brothers. His family ran a local bakery. He attended grammar school and studied philosophy at university. He built a house on land which he bought from Ryan. |
| Raymond| 78  | Raymond has two sisters. His family ran a drapery business. He attended grammar school and studied medicine at university. His wife is a commercial artist and they live in a residential part of the town centre. |
| Eugene| 68  | Eugene has two sisters and a brother. His father was a builder’s storeman. He attended comprehensive and became apprentice joiner at 16. He lives on a house built on the site of the original family home. |
| Hugh  | 63  | Hugh has two sisters. His parents died when he was 12. He never returned to school but took a job to support his siblings. He lives in a secluded farmhouse 3 miles from the town centre. |
| Tony  | 48  | Tony has one brother. His family ran a pub and bookmakers. He attended comprehensive leaving at 16 to join the business. He lives across from the pub. |
| James | 55  | James has one brother. His family owned a farm. He attended comprehensive and left at 16. He took over the farm when his father became ill. He lives in a house built where the farm joins the main road out of the town. |
| Ben   | 50  | Ben has one brother and one sister. His family ran a bike shop. He studied art at comprehensive and on leaving went to work for local newspaper. He lives in a house built on the site of his wife’s family farm. |
| Joe   | 56  | Joe has one brother. His father and mother were factory workers. He attended grammar and studied business and accountancy at university. He lives in a quiet leafy street overlooking the river at the bottom of the town. |
| Anthony| 72  | Anthony has two brothers. His family ran a farm. He attended comprehensive and left at 16. He emigrated to England at age 17 but returned at age 23. He lives in a house which his wife runs as a summer bed and breakfast. |
| Danny | 49  | Danny has two bothers and one sister. His family owned a small farm. He attended comprehensive and left at 16. He emigrated to England but returned at 25. He lives in a small cottage on the edge of town close where his wife is able to look after her aging parents. |
remaining data for patterns (Halinen and Tornroos 1998). Large amounts of data were generated. This was sorted before the analysis took place.

The sorting process meant transcribed interviews along with collated field notes and observations were synthesized and then organized around themes which fitted our interests. Independently, the research team sorted raw data into categories (Eisenhardt 1989) and potential themes were arrived at through discussion and comparison of notes about incidents and experiences, observations and responses. By continually reflecting upon and comparing with others within emerging categories, descriptive themes were then considered more conceptually and sorted into explanatory themes (Wolcott 2001) by asking ‘what is really going on here’ (Bruton and Ahlstrom 2003; Halinen and Tornroos 1998). These explanatory themes identified in the data and also present in the literature were embeddedness, engagement and outcomes. These themes emerged from data and reinforced the literature. So, throughout the analysis process, emergent ideas were constantly held up against the literature and so we were heavily reliant on the constant dance between theory and literature (Anderson, Dodd, and Jack 2010). This constant comparative approach to data analysis (Alvesson and Sköldberg 2000; Glaser and Strauss 1967; Silverman 2005) involves an iterative reviewing of the data with emerging categories and concepts. This is a typical analytical approach for understanding entrepreneurship in context (Hill et al. 1998; Human and Provan 1997; Jack 2010). For this study, this process helped to improve description, understanding and explanations. It also helped build confidence in our interpretations.

4. Findings

In this section a discussion of the data and findings from the study are presented around three key themes in the data. The first contextualizes our respondents’ journey into entrepreneurship. In doing so, it describes their role and engagement with community through their social ties and local embeddedness. The second looks at how norms and obligations of community membership shaped the social capital that informed entrepreneurial practices. The final theme looks at the outcomes of these social practices that form the social capital that resides in the locality and how local preferences and obligations can lead to outsider incongruence.

4.1 Access to entrepreneurship

While respondents were successfully engaged in different types of business activities, what united them was that they were members of the same community and had all connected with their entrepreneurial journey at the intersection between personal circumstances and established sets of local relationships. Within this pattern two groups emerged: (1) those who had been born into and significantly grown family businesses (John, Brian, Des, Tony, James and Anthony) and (2) those born to waged workers who had started new businesses (Paddy, Martin, Raymond, Eugene, Hugh, Joe, Dan and Jim).

As an example of the first group, Des explained how he had gone off to university, but spent his summers working in the family bakery. After graduation, he returned to Inisgrianan just as a long-term employee retired: ‘My father was sort of desperate, he didn’t even say, I seen he was stuck. I worked during the holidays so I knew what was what.’ Likewise John, whose family had manufactured leisurewear in the town for 70 years explained that
At the age of say 16 I had a strong interest in farming. It was tempered by some careers officer who said it’s unlikely that you are going to be a farmer as your family is in business . . . and the three of us ended up in the business.

This group had formative experience in established family businesses and ‘knew what was what’ in those businesses. In a way which demonstrated how this worked, Brian, whose parents became ill when he was 15 told us; ‘I came back [from boarding school] and just started to extend it a bit every year.’ Among this group who Hugh described as those ‘whose daddies were there before them’, family circumstances were clearly important in how they became connected to their respective opportunity contexts. In these instances, opportunities might be better understood as expectations to take over when appropriate. This was clear when James’s father became ill: ‘for nine months he was bad with Jaundice, there was no income’. This group used the words ‘nostalgia’ and ‘heritage’ to describe their feelings towards taking over what John called ‘the family silver’; ‘It was expected that you would come in and that is what happened’ (Tony).

With no history of family business, the second group also described being introduced to their career paths and fields of business, but through alternative avenues. The cases of Martin and Eugene provided insight into how this typically worked. Martin’s parents worked as a delivery driver and canteen lady while Eugene’s father was a storeman in a builder’s yard. Both admitted a disinterest in formal education; ‘I wasn’t interested in the academic route’ and ‘I just wanted to make a living with my hands’; preferring instead to attend the local technical college and vocational training centre. While attending these courses, apprentices spent most of their time with local builders who had come through the same institution; ‘I served my time with Eugene, he was sore on you for the first year but you were on your own after that’ (Martin). This freedom led to apprentices experimenting with self-employment and taking on local contracts individually and in partnership; ‘I then went self-employed during my apprenticeship. I built a house for a client while I was working there. The last six months there were boys gathering up in the yard to go to my job’ (Martin). Likewise, Eugene told a similar story; ‘I was always jobbing or moonlighting. I had a small workshop at home. Then I went into partnership [with a fellow apprentice] doing subcontract joinery work.’ Interestingly, Eugene went to school with Martin’s father and Martin did his apprenticeship with Eugene’s son. While the family members of this group might not have been particularly skilled business people, they provided space for home workshops, contacts in the community, support and an understanding of how particular fields like construction and more physical industries worked based on their employment experience. As sons of a docker, driver, storeman and factory worker, these supporting activities demonstrated how close-knit families could help despite not possessing any great physical assets or financial wealth (Davidsson and Honig 2003).

As outlined in Table 2, respondents were all exposed to a process of socialization into a social web or platform of interaction within which business was being conducted and entrepreneurs operated. Each had been linked onto career or opportunity paths in ways which seemed natural and even ordinary to them; ‘I knew I could do it’ (Des). Paddy, Anthony and Martin used the phrase ‘it’s what everybody did’ to describe their introduction to and progression within construction. The habitus was structuring actions by generating local frames of reference – shared understanding of which practices were usual and orthodox, based on commonly held inclinations and dispositions (Lounsbury 2007). In this sense, they demonstrated examples of the seemingly normal and taken for granted ways in which opportunities and choices were generated and framed in Inisgrianan. As explained by Joe:
| Name     | Industry sector       | Entrepreneurial journey                                                                                                                                                                                                                                                                                                                                 |
|----------|-----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| John     | Manufacturing and brewing | Had experience in the family business; after university he worked for a national distribution company. He and his brothers took over the business when their father retired.                                                                                                                                             |
| Ryan     | Milk distribution and property | Bought a milk distribution business after graduation; developed a range of commercial and private projects; recently elected as county councillor for the area.                                                                                                                                                                                |
| Paddy    | Property and hospitality | Worked in England and West Indies on large reconstruction projects. Returned home to establish own reconstruction firm during the Northern Ireland conflict.                                                                                                                                                                   |
| Brian    | Hospitality            | Took over the family bed and breakfast at 15 due to family illness. He went on to develop a hotel and self-catering business. He was also active in developing the local community owned golf course.                                                                                                                     |
| Martin   | Construction           | Started firm during his apprenticeship in a home workshop. He started out selling fitted kitchens but recently diversified into providing repair and renovation services to large home insurers.                                                                                                                  |
| Des      | Baking                 | Had experience of working in the family bakery. He took over the business with his wife just as his father retired. Has diversified into ‘bake at home’ products.                                                                                                                                                 |
| Raymond  | Health Services        | Was chief medical officer with a multinational company; left there to establish a local medical practice. He has been the main public health resource in the community for 30 years.                                                                                                                             |
| Eugene   | Property               | Established a subcontract joinery business after apprenticeship; developed a range of domestic and commercial properties locally. Later developed land purchased during the conflict.                                                                                                                                            |
| Hugh     | Hospitality            | Developed a run-down pub/restaurant; breeds horses and is chair of local football club. Turning point was when a major shopping centre was built directly across from his pub.                                                                                                                                 |
| Tony     | Hospitality            | Worked in and took over the family pub and bookmakers. Spent a lot of time in the company of his parents and uncle. He went on to develop a wholesaling division with his son.                                                                                                                                 |
| James    | Construction           | Took over the farm when father was ill. Grew his excavation business to support the wider family and keep the farm going. Much of his work comes from the local community.                                                                                                                                 |
| Ben      | Printing               | Had experience in his father’s bike shop. Started own business after working for local newspaper and being made redundant.                                                                                                                                                                                                                             |
| Joe      | Business Services      | Worked in regional economic development; established own consultancy due to redundancy. He has been referred to local clients by those businesses he used to work with.                                                                                                                                 |
| Anthony  | Construction           | Worked in construction in England. Returned home to get married and established firm. They availed of a government grant to extend their house to provide B&B accommodation. Has recently sold a number of premium local sites.                                                                                                                   |
| Danny    | Fabrication            | Worked in construction in England to save to get married. Returned and established firm with his brother. Now delivers a bespoke metal fabrication and mobile welding service.                                                                                                                                  |
You would know a particular wave .... But you will see them around the town. So there is solidarity there .... they grew up, went through school, maybe university together and they made their mark on their own town together. So why wouldn’t they be seen to stick together.

Collectively, respondents were accumulating individual and shared histories and track records as they were oriented towards appropriate careers and livelihoods. In doing so they were developing an appreciation and taste for business, and accumulating an ability to understand and participate in situations and circumstances that initiated their decision to follow entrepreneurship. However, these decisions were clearly linked to factors related to the social context – they were not random choices – and it was as though they were drawing on those aspects of the social context that allowed them to build a common understanding and agreement about how things worked in that community.

These patterns and probabilities of situational influence between the social context and individuals came across as manifestations of the social context generating expectations of the types of practices which were appropriate and inappropriate, orthodox and prohibited within the prevailing conditions of the community (Bourdieu 1990). John described these tacit understandings as ‘the things that textbooks can’t teach you’. Like Anderson and Miller (2003), we found that the nature, depth and extent of these social and historical ties were an influencing and configurating element in how opportunities were contextually skewed, framed and understood by each entrepreneur. This was based on membership of local families and attending local schools which influenced the ways in which opportunities were perceived and resources secured within these ongoing, even institutionalized networks (Jennings et al. 2013). Eugene did not stop Martin inviting his tradesmen to moonlight because he knew his dad; likewise John’s career teacher influenced him away from a degree in farming to marketing because he knew his dad. So, social practices, or more precisely the embeddedness of actions and choices, coupled with common understanding and agreement could be seen to subtly shape and condition what was and what was not possible. In this way we see the local habitus at work. The rules of the game became more transparent for our respondents through participation, but entrepreneurial possibilities were also informed and shaped by existing practices and actors. John described his approach as ‘an imperfect copy’ of how his father used to do things, while Martin told us that he did things ‘a bit like Eugene, he made it [running a business] look easy’. So we see the habitus informing without necessarily dictating the appropriateness of choices and practices in the local context (Harker 1984; Özbilgin and Tatlı 2005). This influence was set in what Putnam (2000) sees as a general taste for association among socio-economic peers which is enacted through participation in all aspects of community.

From the experiences described so far it would seem that social context and ongoing sets of circumstances provide the milieu in which this process of social capital exists and operates. What seems consistent in the narratives of all entrepreneurs was what James referred to as ‘a mixture of factors coming together’ which led to connection with their particular opportunity nexus (Shane and Venkataraman 2000). This idea of sense making, operating within and influencing a mixture of social and economic factors led us to identify a second theme of how respondents were making ongoing use of, and engaging with a business context and community to make their enterprises work on a very practical level. This theme provided the opportunity to begin deriving a deeper understanding of the types of reciprocated actions and interpersonal understandings which led to the creation, recreation and maintenance of a relatively bounded condition of productive mutuality (Light and Dana 2013). What the narratives of respondents show is that the social context shapes and influences economic possibilities and perhaps even bounds the economic realities of individuals.
4.2 Norms, obligations and practices and the shaping of social capital

In all cases, respondents were able to describe a variety of practices involved in operating among what they saw as their local entrepreneurial ‘counterparts’ and ‘peers’. The following statements illustrate some of the ways in which respondents were joining in with the local business community to facilitate and sustain entrepreneurship. The language and tone of the comments provide an appreciation of the types of opportunities and resources which were embedded in these relationships. It also demonstrated the boundedness of their world view and preference for maintaining what came across as a modest local-centric status quo. In all of our cases, entrepreneurs were able to describe some of the cooperative practices involved in running a local business. In response to a question of how location affected his business, Eugene explained that he and another builder had an ‘arrangement’,

Kevin’s son was up this morning looking for plastic bends. We happened to have it and it’s great if it works like that. When you go above six inch sewers you can’t get them locally without ordering. It can be holding up a lot of work.

In response to the same question Brian told us that ‘if the other hotels are short of something, a barrel of Guinness, they get it off us and we get it off them. We have a great working relationship. That is what keeps business [alive] in the area.’ When quizzed about this very close local cooperation, John explained:

While we may be competitors we would be using similar machines. We would share technology if they were stuck for mechanics. You are both manufacturers who share a lot of similar problems. There would be a lot of favours and good harmony locally.

This good harmony even extended to the informal recruitment practices; ‘You would look to see where they came from. You would say before I do something here I’ll check. You might ring your counterpart and say will this leave you in the lurch?’ When asked for an example of how these relationships worked at a practical level Martin explained that

We would turn down jobs. We have to be seen to be on the side of the insurance company … we went to a leak into a swimming pool. When we arrived Steve [the loss adjustor] said to me I hate this boy. We helped the loss adjustor turn the claim down even though we got no work out of it.

These types of actions and practices led to an appreciation that our entrepreneurs were demonstrating the existence of a locally bounded business community, a clique even, and their membership of this. But this only existed through understanding the practices through which it was shaped.

These normative practices show that entrepreneurs were benefiting from mutual cooperation. What is also interesting is how the benefits described are at once individual and collective in nature. These views and activities demonstrate relatively bounded business practices, and a particularly local view of the world (Bourdieu 1990). Martin’s assistance in turning down the insurance claim shows social capital and interpersonal mutuality shaping business outcomes based on shared actions in context. This supports Putnam’s (2000) outlook on social capital as relating to what people actually do for and with each other rather than what they own individually. In terms of the returns generated by this mutuality, Anthony explained, ‘By doing some of these things [thinking more socially about situations] I will get more in the long run.’ Reading these statements with Bourdieu (1990), the entrepreneurs in Inisgrianan were interested in investing in useful relationships to a point of social institutionalization, where mutuality and the long run outweighed any explicit focus on short-term economic maximization. As members of the same community, and having no intention of moving, they seemed to be constructing and maintaining social barriers or boundaries which insulated their ‘local arrangements’ from
outsiders. Yet it also provided insight into how these social investments were adhering participants into the structure and process of ‘local arrangements’ (Bourdieu 1990; Maurer and Ebers 2006; Putnam 2000).

Comments also signalled that this condition of shared mutuality and membership of the structural context required an understanding of a variety of implicit etiquettes and protocols. When quizzed on this topic Des explained a need for consistency of practice – which he called ‘policy’. He explained in detail that

Every customer gets a bottle at Christmas. You don’t give any one more than the other . . . it’s a small place and the other might hear about it. So it’s policy that you always give the same irrespective of size.

Des was also able to give a negative example, one which demonstrated a lack of understanding of local ways. He explained that

 Normally every year when it would come to Christmas time the suppliers would have given you a bottle. One year a rep came in and said we are doing away with the bottles. He gave us . . . instead. I just turned around and said you know what you can do with . . . It wasn’t about the bottle I’m not saying I’m a mad dog Christian.

So, ‘it wasn’t about the bottle’, the bottle was merely an artefact, a token of the social process.

This clash of values again served to reinforce a perception of the boundaries surrounding Inisgrianan and where unique sets of practices were enshrined in unspoken ‘policies’, sets of mores, values and obligations which went without saying because they came without saying (Bourdieu 1990). This links to our final theme related to the outcomes of these practices and how they shaped boundaries and led to ‘outsider incongruence’. This captures in more depth the moral hazards perceived in relationships and situations characterized by the absence of social capital.

4.3 Outcomes of locally embedded practices

During conversations, respondents described what came across as sporadic and less congruent interactions with outsiders which were characterized as less trusting and even suspicious (Granovetter 1985). For example, Andrew explained, ‘If they came out of the phone book or they just saw your name on the side of a machine I would be wary about it generally. I would be happier if I was referred to somebody local.’ Likewise, Ryan admitted to being cautious in dealing with strangers from outside the area ‘it makes me much, much more risk averse’. In many ways the tone of these conversations seemed to change, reinforcing an appreciation of the boundary where the Inisgrianan platform started and ended (Putnam 2000). When asked about this cautiousness and preference for dealing with the locally familiar, several comments pointed to negative past experiences which had impacted individual entrepreneurs or friends they had dealings with. Des commented:

They [supermarkets] give you a contract and tie you to the contract. Then a couple of years down the line they want a better price from you. If you can’t match that price you are out on your ear. Friends of mine lost everything . . . left high and dry.

This strength of feeling was also highlighted by John who had been adversely affected by similar arm’s length dealings:

They would come along and give you these beautiful orders. You would be seeing this as great business and you’re whacking away and then a quality problem. Now maybe there was a quality problem, maybe there wasn’t. You had done nothing wrong but they were looking for a way to get out of it or the price down.
The outcome of these experiences was a general cautiousness, even distrust of the non-local. When asked for an example of how this affected his business, Anthony explained that this often meant turning down large and potentially lucrative contracts: ‘they wanted it built on a turnkey basis, I said just because its x, they aren’t God. They are a customer who has a requirement.’ In what he called ‘pure market settings’, Anthony explained, ‘I have told them I’m not going to invest in a contract when you can up sticks because you don’t like the colour of my shirt.’

This distrust was in stark contrast with his feelings towards a locally based company of similar scale, where he had a good working relationship and understanding of what he called his ‘counterpart’, a word also used by John, Brian and Paddy. Anthony explained:

“Now there is a contract in place, and to be honest with you it’s a fairly, unprofessional type of arrangement ... he knows we will deliver and we are content with that. If there are problems along the way we deal with them.”

These comments highlighted that a key outcome was a continuing asymmetry between insiders and outsiders to the Inisgrianan business community. In the language of Putnam (2000) entrepreneurs were demonstrating their allegiance and trust in the local. These examples further demonstrated a perception of moral hazards and provided an illustration of how social capital works is provided by virtue of the types of practices and incidents which can occur in its absence. Ryan concluded that the entrepreneurs he ‘preferred to deal with’ shared an understanding and trust which involved giving each other ‘a reasonable margin, a reasonable living’. However, comments like ‘You have to adjust your expectations’ (Brian), ‘It doesn’t take much to keep me’ (Anthony) and ‘It doesn’t cost that much to live around here’ (Martin) led to the appreciation being ‘reasonable’ meant acceptance of a constrained margin and conservative living standards. In fact, these were key aspects and outcomes of the local game.

This led to an appreciation that a key facet of social capital is the mutual perception and expectation that individuals will participate in and be part of each other’s future dealings. In Inisgrianan, outsider incongruence was being sustained through insider practices which maintained the outer boundary or periphery of the local network pool. References made to family, friends, employees and entrepreneurial counterparts provided a glimpse of the mutual relationships where entrepreneurs perceived social capital. What seems apparent is that within these local contexts, social capital can be understood as contained and contextually grounded by the extent and depth of associations, and so in the case of the majority of respondents was linked closely to place (Florida 2002). Because outsiders found it difficult to fully comprehend what was going on within the behavioural protocols that respondents ‘were steeped in’ (Ryan). If seen as an attempt to test or nullify the findings as extreme cases, the findings also describe the extent of the habitus; the expected rules of the game and the importance of reciprocity in habitus. They also point to what happens when social capital is absent.

5. Interpretation and analysis

Analysis of the findings shows entrepreneurship to be a social process whereby resources and opportunities are understood in context through social interactions and shared practices. In Inisgrianan, it can be seen how the choices and practices of entrepreneurs are heavily influenced by shared values, norms and socialized understandings. The narratives of respondents capture the nature of social capital and show how through process and practice entrepreneurs recognize values and norms.
Social capital is demonstrated in the meanings entrepreneurs attach to their choices and practices; why they do what they do – and why they do not always pursue the ideal of profit maximization. The data show that social capital is generated and maintained between individuals when shared mutuality occurs (Putnam 2000). Through ongoing interaction and dealings, social capital can be seen to operate as a mechanism for maintaining shared access to the privileged benefits and resources of community. This conditions the actions of entrepreneurs, the practices and processes in which they engage and the situations in which they are embedded. But, what is also evident is that the richness and depth of this condition influences, as well as limits, the choices and practices of individuals. Hence, the presence of social capital is both an enabler and a retardant – it appropriates and conditions practices for better or worse (Gedajlovic et al. 2013). Nonetheless, when mutuality is absent, the entrepreneurial process is seen differently, more explicitly contractual. This is evident in the case of the big corporation asking Anthony to assume the risk of financing the building of their factory, and his retreat demonstrates absence of mutuality and shared understanding about doing business. This supports the view of Jennings et al. (2013), who describe how a shared set of local cultures, values and institutions can positively enhance opportunities for entrepreneurial interaction based on a framework of trust and mutuality. However, it also demonstrates how the ‘fishbowl’ effect we encountered can limit individual and collective ambitions and impact on the scale and dynamism of entrepreneurship in a community (Marti, Courpasson, and Dubard Barbosa 2013).

In small isolated communities like Inisgrianan, entrepreneurs might be understood participating and engaging with all aspects of community, simultaneously using and maintaining all aspects of the community’s capital, but nonetheless influenced by this participation. Individuals may have a high or low propensity to develop social capital, but they can only do so within social interaction – in the business, at the football or over a beer in the local pub (Putnam 2000). However, to engage in the practice the entrepreneur has to be immersed in the context and community to understand and recognize the practice of engaging (Jack and Anderson 2002; Welter 2011). Engaging allows the entrepreneur to appreciate the often unarticulated rules, norms and procedures that are associated with that role and practice. Social capital must be instantiated in an actual human relationship, it is the norm which influences social interaction, and the norm of reciprocity may exist in potential dealings with all people but is actualized only in dealings with friends (Light and Dana 2013).

Bounded practices were discussed by all respondents in terms of shared understandings and ways of doing things within the cultural parameters of Inisgrianan, their particular context. This reflects what Bourdieu (1990) terms ‘doxa’, that which goes without saying because it comes without saying, and by which the structure apportions and recognizes credibility and legitimacy. In this sense, entrepreneurial social capital represents access to resources through mutuality, embeddedness and shared understanding of both the explicit and implied rules of the social and cultural game (Bourdieu 1990). So, mutuality could be viewed as the medium though which opportunities and value are constructed, pursued and generated, and habitus could be seen to facilitate an insider’s perspective of the appropriate practices within a particular game. In peripheral communities where survival is often equivalent to success, maximization is of a different set of values. In such places it becomes about keeping the game going and (re)distributing the benefits locally (Anderson 2000). So, the shared practices outlined here are part of and bounded by a habitus which generates a limited repertoire of possible choices, actions and reactions, enabling individuals to draw on a limited range of courses of action. Examples
like Des’s awareness of giving gifts consistently at Christmas led to an appreciation that these actions were part of the repertoire of social practices in a particularly depleted community with a weak economy (Johnstone and Lionais 2004). Nonetheless, the findings here are consistent with the views of Bourdieu (1990) that similarity and mutuality will not always produce a perfect fit between actual actions and what is expected or normal within the structure. However, they will be significantly more likely to be normal than for outsiders or newcomers (Kreiser, Patel, and Fiet 2013).

The habitus and the way it is developed through engagement and social interaction in the context of community provide structure and content. In this way, habitus twinned with participation in community represents a conceptual framework for tracking and analysing how and why entrepreneurs ended up in their present situation; who they have drawn upon along the way, the influence of this on entrepreneurial outcomes and, critically, the process of creating entrepreneurial social capital and a way to understand its practice. Respondents were engaged in navigating within a habitus, using and maintaining actors and organizations. Yet, to those who are engaged with the practice of social capital and who are embedded in the process of social capital this takes place in a manner which is natural, unforced and in most cases unquestioned. This demonstrates the instrumental role that social capital plays in entrepreneurship, but this also enables us to explain why it is an enabler and the sort of circumstances in which it can work. Our findings show that it portrays both inclusion but also exclusion and that shared values and meanings encourages certain practices while inhibiting others. We explain this as the condition of social capital.

Historically embedded associations and the development of an appreciation of dominant and appropriate practices, we see as manifestations of habitus being acquired through socialization ‘from structuring to restructuring’ as understood by Bourdieu and Wacquant (1992, 134). Appreciating that habitus is both created by power, expresses power relations, and is the basis of how much or how little power a person has at their disposal, entrepreneurs are aware of their place in the structure, and ‘use’ mutuality and credibility to extract and manipulate value for entrepreneurial objectives. But in our case this could only be achieved in situated context – in Inisgrianan, the community where our entrepreneurs live and have committed. Habitus therefore provides a way of comprehending how social capital and embedded resources can combine within the bounds of a community.

While it would seem that social capital is generally a useful thing, in the sense that it may create a richly interactive environment, it is not a resource as such. The condition of social capital enables interactions which, in turn, may provide the mechanism that allows the entrepreneur to tap into resources that enable entrepreneurship to take place. Norms and values do not constitute social capital, but are characteristics of the mechanisms of the processes of social capital. Cultural values provide an introduction onto the platform and a guide to the expectations of behaviour and practice within social capital. Respondents here show that social capital may be an asset, but it cannot be owned or borrowed. It can only be (re)produced and shared within the confines and conjunction of social interactions (Leitch, Hill, and Harrison 2010).

6. Conclusion

This research was concerned with the questions (1) how does social capital work? and (2) how does it operate through the practice of entrepreneurship? This study shows that social capital exists in a social domain and manifests in social interaction, but it is only through engaging in its practice that social capital is understood and can be realized (Nahapiet and
Social capital represents an ability and means to engage with others, yet it also ensures that interactions are structured. But whether social capital is productive or detrimental to enterprises depends on the context, upon the social milieu rather than upon the medium. The insights from the entrepreneurs of Inisgrianan demonstrate that in such places social capital is an emergent and ongoing process based on participation, belonging and mutual understanding. This study demonstrates that at a local community level social capital is a bounded medium and condition of mutuality, the extent and depth of which impacts on the way resources are articulated, given value, obtained and exchanged (Granovetter 1985). While it is a socio-relational artefact produced in interactions, it resides within a network of connections to the social context. Social capital provides a platform where mutuality is constructed and valued, and which informs and conditions social interaction. Conforming to the properly understood ways of carrying out business, that is by ‘adhering to’ the dominant etiquettes and protocols of the habitus, entrepreneurs are ‘allowed’ to develop and maintain mutuality, credibility and legitimacy within the collective.

Our theoretical contribution is in showing social capital to be an enabler and basis for building a wider community capital – the collective capacity and intention to engage in constructing a common future (Jennings et al. 2013; Lyons et al. 2012; Marti, Courpasson, and Dubard Barbosa 2013). Social capital is therefore the outcome of the practices of embedding. It is both process and outcome. We recognize how local boundaries exist and persist, and how in places like Inisgrianan the bounded sense of community and place often remains despite the ideal of openness aspired to by policy-makers (Chesbrough 2003; Florida 2002; Johannisson 1988). Therefore, in communities, social capital is a critical part of the entrepreneurial process. What this study suggests is that economic processes in this community are the outcomes rather than the instigators of entrepreneurship. It is much more than merely a facilitator for entrepreneurship. It is instead an integral part of the entrepreneurial process because it is both a means and an end. By looking at the process aspect of social capital as practices, this work shows social capital operating at a group level, a shared basis for interaction which impacts and conditions entrepreneurial outcomes. Hence, the function of social capital is both structure and process, or bridging and bonding (Coleman 2000). According to de Clercq, Dimov, and Thongpapanl (2013) social capital always involves membership, social belonging and participation. So, membership and social position within a community substantially affects access to resources and opportunities. This study supports these views, and also extends them as it shows how the habitus can produce benefits, but as a bounded entity it can also restrict interaction between insiders and outsiders to the habitus, even restrain the activities within (Gedajlovic et al. 2013).

By applying Bourdieu’s idea of habitus and Putnam’s notion of community it is clear that the nature of social capital is about the outcomes of social interaction and engagement in a social process. Within the norms and modus operandi of their habitus, entrepreneurs invoke trusting responses from others that allow them to co-create and enact visions of future realities, thereby changing the habitus itself (Anderson, Dodd, and Jack 2010). Habitus and community are appropriate lenses to use when looking at social capital and entrepreneurship in local and regional context because it allows for an appreciation of history, past dealings, routines, rituals and possibilities for entrepreneurial events (Hindle 2010; Johannisson 1988; Johnstone and Lionais 2004). In places like Inisgrianan it might also help explain why the pace of change is slow, and why outside developers find it hard to operate in the town and surrounding area.

In terms of research approach, it is only by using a qualitative approach and inductive analysis that the complex processes, actions and dynamics of social capital can be truly
understood in context. Our ethnographic approach was critical for understanding the realities which entrepreneurs in Inisgrianan face. So, although social theorizing may tell us much about macro changes, it is only by analysing the actions of entrepreneurs, their realities and social context, that deeper understanding of the breadth of the entrepreneurial process can be developed.

For policy-makers, there are implications of this work, especially in terms of economic development initiatives. This research demonstrates that policy-makers need to remain cognizant of the constraining forces of community social capital when designing interventions. It also shows that rather than a one size fits all strategy, policy should be geared towards working in conjunction with communities and the entrepreneurs who operate there. While resources may be available from outside, it is locals who understand the circumstances and habitus of the community, including priority issues and the nature of change that is required.

For practice, this research shows the benefits social capital can bring to entrepreneurs both individually and collectively. While each entrepreneur has to recognize the benefits of engaging in the practices of local social capital, they also need to be aware that being overly focused on small, almost parochial benefits can often come at the much larger cost of ignoring or excluding sources of external resources and opportunity.

In terms of directions for future research, we purposefully chose to examine social capital in a relatively small and isolated Irish community. While we see overlap with the work of Anderson and Jack (2002) in Scotland and Light and Dana (2013) in Alaska, it would be useful if future work examined these further and in different parts of the World. We feel it would also be useful if future work purposefully identified how the processes and practices we identify here might be opened up to possibilities beyond the community. Much work remains to be done to look at the role and position of the entrepreneur in the community, and how this can be compromised by the habitus of the community. So, it would also be interesting to reflect more closely on how the concept of social capital relates to the cultural capital of place and community. This could be linked to considerations of more prosperous communities and the consequences of their differing attitude to enterprise. This would allow for a more complete mapping of context. It would also provide an opportunity to look further at the relationship between social capital and cultural capital and how these aspects might attribute to ‘being’ and/or ‘becoming’ an entrepreneur.

Finally in addressing our research questions, we realize that there are limitations to our study in that it focused on one small community, in one country, in a single region and with a limited number of respondents. However, our intentions were to explore in-depth the situated practices and experiences of respondents in context. We feel justified in the research questions posed and confident in the approach which allowed us to achieve this. We have shown how social capital worked through entrepreneurship. However, we appreciate that this relationship might not always work in the way portrayed here.

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