THE EVENTS WHICH FACILITATE AND HINDER ENTREPRENEURSHIP

by

GRANT L. LEE

B. COMM., U.B.C., 1980

A THESIS SUBMITTED IN PARTIAL FULFILMENT OF

THE REQUIREMENTS FOR THE DEGREE OF

MASTER OF ARTS

in

THE FACULTY OF GRADUATE STUDIES

(Department of Counselling Psychology)

We accept this thesis as conforming
to the required standard

THE UNIVERSITY OF BRITISH COLUMBIA

JULY 28, 1995

© Grant L. Lee, 1995
In presenting this thesis in partial fulfilment of the requirements for an advanced degree at the University of British Columbia, I agree that the Library shall make it freely available for reference and study. I further agree that permission for extensive copying of this thesis for scholarly purposes may be granted by the head of my department or by his or her representatives. It is understood that copying or publication of this thesis for financial gain shall not be allowed without my written permission.

Department of Psychology

The University of British Columbia
Vancouver, Canada

Date
ABSTRACT

Entrepreneurship is very important primarily because of its role in providing jobs and economic growth in our society. By entrepreneurship, I am referring to "the launching and growth of profit making ventures through the use of innovative, risk-assuming management" (Fry, 1993, p. 27). My definition does not include intrapreneurship, that is, entrepreneurial activities carried on within an organization. Existing literature on entrepreneurship provides profiles and descriptions of entrepreneurs as well as differences between male and female entrepreneurs. However, there is a noticeable gap in the information available on the events which are instrumental in launching a new business. To address this gap, information on those critical events were elicited by conducting interviews with five entrepreneurs. In this study, an entrepreneur was defined as an individual who decides to start and is successful in a venture that leads to personal or monetary profit, [whether owning the business alone or with other partners] (Solomon & Winslow, 1988). Specifically, this study explored the critical events which facilitated and hindered entrepreneurial beginnings for five small-business entrepreneurs.

One hundred and eight events were elicited using the Critical Incident Method (Flanagan, 1954). These events were organized into 22 categories and several procedures were used to determine the reliability of the categories obtained. Event categories were then organized into six themes which facilitated and hindered individuals in becoming entrepreneurs. The six themes were: gained knowledge and competence, reflected upon career goals, experienced progress in work, overcame obstacles, received support, and received an entrepreneurial opportunity.

In this study, narrative accounts were analyzed to reveal how the events were dynamic. Three general patterns in becoming an entrepreneur were identified. One pattern was an
experience of transition in which there was a movement towards self-fulfilment through work. The second pattern was an experience of catastrophe, followed by recovery. The third pattern was one in which individuals capitalized on entrepreneurial opportunities.

The results of this study provide an incentive to further investigate actions which facilitate and hinder entrepreneurial beginnings. This type of research contributes to the development of a different type of model in launching a business, one which focuses on actions rather than on traits and characteristics. A model which focuses on action taking will not only help aspiring entrepreneurs, but will assist helpers in the field of career counselling.
TABLE OF CONTENTS

ABSTRACT ................................................................. ii

TABLE OF CONTENTS ................................................... iv

LIST OF TABLES ......................................................... xi

ACKNOWLEDGEMENTS .................................................. xii

CHAPTER I ............................................................... 1

Introduction .............................................................. 1

Purpose of Study ....................................................... 3

Rationale of Study ..................................................... 3

Research Strategy ...................................................... 4

CHAPTER II ............................................................... 5

Literature Review ...................................................... 5

Existing Profile of Entrepreneurs ............................ 5

Characteristics ......................................................... 6

Gender Differences ................................................... 9

Instrumental Factors in Becoming an Entrepreneur ........ 11

Work History .......................................................... 11

Support Systems ...................................................... 12

Role Models .......................................................... 14

Summary ............................................................... 15

Entrepreneurial Event Paradigm ............................ 15

Research Question .................................................. 17

CHAPTER III ........................................................... 19

Methodology .......................................................... 19
Research Design ................................................................. 19
Critical Incident Method ...................................................... 19
Limitation ........................................................................... 20
Narrative .............................................................................. 20
Participants .......................................................................... 21
Interview .............................................................................. 23
Analysis of Data .................................................................. 24
Summary of Procedures ......................................................... 27
CHAPTER IV ........................................................................ 28
Results ................................................................................ 28
Categories of Events .............................................................. 28
  Hired or Promoted as an Employee ..................................... 28
  General Learning about Business ........................................ 29
  Gained Entrepreneurial Type of Experience ....................... 29
  Had a Successful Entrepreneurial Experience .................... 30
  Observed Role Models ....................................................... 30
  Realized What was Personally Important ............................ 31
  Significant Loss .................................................................. 31
  Encouraged as an Employee .............................................. 31
  Influenced/Supported in Non-Entrepreneurial Decisions ......... 32
  Experienced Work Inactivity .............................................. 32
  Observed General Economic Conditions ............................. 32
  Deliberated About Career Options ...................................... 33
  Decided not to Work for Others .......................................... 33
Implications for Future Research ........................................... 72
Appendix A ............................................................................ 73
  Initial Letter of Contact ....................................................... 73
Appendix B ............................................................................ 74
  Study Participant Consent Form ........................................... 74
Appendix C ............................................................................ 75
  Listing of Events by Category .............................................. 75
    Hired or Promoted as an Employee ..................................... 75
    General Learning about Business ...................................... 75
    Gained Entrepreneurial Type of Experience ....................... 75
    Had a Successful Entrepreneurial Experience ..................... 76
    Observed Role Models ..................................................... 76
    Realized What was Personally Important ......................... 76
    Significant Loss ............................................................. 76
    Encouraged as an Employee ............................................. 76
    Influenced/Supported in Non-Entrepreneurial Decisions ........ 77
    Experienced Work Inactivity ............................................ 77
    Observed General Economic Conditions ......................... 77
    Deliberated About Career Options .................................... 77
    Decided not to Seek Employment ..................................... 77
    Offered Entrepreneurial Position ..................................... 77
    Deliberated About Becoming an Entrepreneur .................... 78
    Contemplated Entrepreneurial Options ............................. 78
    Influenced/Supported in Entrepreneurship ......................... 78
Encouraging Events Which Led to Entrepreneurial Position ............... 78
Re-organized Schedule ................................................................. 78
Researched a Specific Entrepreneurial Option .............................. 78
Acquired Resources to Start a Business ....................................... 79
Made Decision to Pursue Entrepreneurial Opportunity ................... 79
References ................................................................................. 80
LIST OF TABLES

Table 1: Summary of Procedures
Table 2: Participation Rate in Each Category
ACKNOWLEDGEMENTS

I would like to thank my three committee members (Drs. Cochran, Westwood, and Brown, and also to Dr. McCormick, for sitting in my defense as an external advisor). Special thanks to Dr. Cochran for his insight and guidance throughout the process.

I would also like to thank Ms. Charlotte Genschorek for her help, support, and encouragement.

Finally, thanks to my five participants for their willingness to be interviewed which made this thesis possible.
CHAPTER I

Introduction

Technological advancement is an emerging force in our culture (Beck, 1992; Handy, 1989; McDaniels, 1989). Its impact is far reaching, now resulting in widespread job loss. For example, the Conference Board of Canada (1993) surveyed businesses across the country and concluded that machines are replacing human labour which has resulted in job loss and unemployment. The impact of job loss is significant because work enables people to earn money to purchase basic needs (Livesay, 1982; O'Brien, 1986). Consistent with psychological theory, work may also be the vehicle which enables individuals to attain self-esteem, meaning, and personal identity (Adler, 1956; Erickson, 1963; Frankl, 1984; Maslow, 1954;). In an ideal world, those seeking work would have the opportunity to select jobs which are commensurate with their skills. In reality, however, jobs are scarce and unemployment rates high. For example, Smelser (1994) stated that from 1991 to 1993, the rate of unemployment ranged from 11 to 14% in British Columbia and the Yukon Territory. The unemployment rate calculation used by Smelser was: regular unemployment beneficiaries plus employable social assistance recipients divided by the number of people in the working population between the ages of 15 to 64.

In addition to the unemployed, other dissatisfied job seekers include the underemployed and those individuals who are unhappy with their jobs and/or careers. In all of these situations, entrepreneurship is a viable option for work (Allan, 1990; Brackley, 1994; Fry, 1993; Gould, 1986). By entrepreneurship, I am referring to "the launching and growth of profit making ventures through the use of innovative, risk-assuming management" (Fry, 1993, p. 27). My definition does not include intrapreneurship, that is, entrepreneurial activities carried on within an organization.
Fry (1993) stated that in 1991, approximately 1.3 million new businesses were initiated in the United States, even though it was a year of recession. Carroll and Mosakowski (1987) reported that in 1980, approximately 12% of the population in the United States was self-employed. These authors defined self-employment as individuals who operate their own incorporated or unincorporated businesses. A self-employed person is not to be confused with an entrepreneur. In this study, an entrepreneur is an individual who decides to start and is successful in a venture that leads to personal or monetary profit, [whether owning the business alone or with other partners] (Solomon & Winslow, 1988). The distinction is that entrepreneurs may work for themselves or with others in a partnership or joint venture, whereas being self-employed involves only one business owner.

Statistics relevant for the province of British Columbia have shown similar growth rates for new businesses. Brackley (1994) stated that: (a) in 1992 and 1993, self-employment accounted for over 40% of the increase in jobs, (b) for the period 1989 to 1993, self-employment accounted for over 50% of the increase in jobs in British Columbia, and (c) for the four year period ending in 1993, there was a 14% increase of 235,000 in self-employed individuals. Further, from 1989 to 1993 there was a 13% increase of 80,000 individuals in self-employed individuals in the province of Ontario. Self-employment, stated Brackley, is the only bright spot in an economy marked by recession. Based on these figures, a noted trend in our economy is that entrepreneurship is a primary source of job creation. The message is clear: the initiation of successful new businesses is essential to our economic health and development.

Very little information from empirical studies is available which helps aspiring entrepreneurs take a step-by-step approach when starting a new venture. Not knowing where to start and what to do are common problems when starting a business (Dyer, 1992). From
the view of new entrepreneurs and their helpers, what is needed is information on the events which facilitate and hinder the entrepreneurial process in its initial stages. In response to this need, the research question for this study was: what are the events which facilitate and hinder entrepreneurship?

**Purpose of Study**

By gathering reports from entrepreneurs, the aim of this study was to extract critical events which facilitate and hinder entrepreneurship, organizing them into categories, themes, and patterns. This exploratory investigation was intended to: (a) enhance awareness of the key events in becoming an entrepreneur, (b) contribute to the development of a model to facilitate entrepreneurship, (c) help career counsellors provide better service to individuals who want to become entrepreneurs, and (d) be a basis on which to revise the construction of career tests to include the possibility of becoming an entrepreneur.

**Rationale of Study**

There are several reasons for conducting a study which focuses on the events which facilitate or hinder entrepreneurial beginnings. First, the pattern of how one becomes an entrepreneur is not yet known. Most related literature describes traits and characteristics of entrepreneurs and/or problems encountered in managing their businesses. Very little is written about the actual experience of initiating new businesses and it appears that no one has attempted to identify the key events in that process. Events which occur in the initial stages of entrepreneurship are the experiences which result in people actually becoming entrepreneurs. In this study, initial stages included the time entrepreneurship was first considered to the time the new venture was actually implemented.

A second reason for conducting a study on entrepreneurial beginnings is the rapidly growing interest in self-employment. As noted, many individuals are turning to
entrepreneurship as a viable alternative for work. Job creation is very important to the economy; self-employment increases the number of people in the workforce. This growing interest in self-employment is not well understood and may be attributed to factors such as the impact of technology, a changing social environment, and changing social attitudes regarding work and the family. A study that enhances knowledge of a growing phenomenon is both interesting and worthwhile.

Third, information gathered may be useful in the development of counselling services through intervention programs and/or counselling strategies. Gaps in knowledge are apparent: existing career models and counselling approaches focus on how to secure work offered by others rather than promoting self-employment.

**Research Strategy**

A combination of the Critical Incident (Flanagan, 1954) and Narrative Methods (Mishler, 1986) were used in this study to obtain event categories and reveal patterns in becoming an entrepreneur. Concentrating on critical events ensured that the focus would not be limited. Rather, an exhaustive range of incidents which facilitate or hinder entrepreneurship would be obtained and organized into appropriate categories. Using narrative accounts enabled events to be understood in their proper contexts. Yin (1984) has shown that the case study approach is holistic and enables a better understanding of patterns involved in a person’s story.

These methods were utilized during an in-depth interviewing process, during which time the personal experiences of five entrepreneurs were obtained. Allowing individuals who experienced the transition to describe it in their own words was a crucial part of the process. Factors surrounding the events were described and elaborated to obtain contextual information.
CHAPTER II

Literature Review

There is very little information available on the events which facilitate and hinder entrepreneurial beginnings. Instead, existing literature contains information on the traits and characteristics of entrepreneurs, their lifestyles, and the problems encountered in managing their businesses. Various narrative or anecdotal stories of entrepreneurs are available but none of these focus on the events pivotal in launching a business. For example, Gould (1986) summarized the stories of 80 Canadian entrepreneurs but made no attempt to analyze them or extract common patterns and themes. Shapero and Sokol (1986) reported that only one of the hundreds of entrepreneurs that they interviewed took a step-by-step approach in launching a new business venture. No information was provided by these authors on what constituted this step-by-step approach.

Because no empirical investigations were found concerning events which facilitate or hinder starting a business, this chapter describes the existing profile of entrepreneurs. Factors which appear to facilitate or hinder are also presented. Information is also provided on an entrepreneurial event paradigm formulated by Shapero and Sokol (1982). This paradigm is a model which attempts to explain why individuals select entrepreneurship for their choice of work.

Existing Profile of Entrepreneurs

Historically, entrepreneurs have been perceived as the driving force in our economy, responsible for the innovation of new products, processes, and services in the marketplace (Desai, 1989; Hisrich, 1990; Schumpeter, 1934). Schumpeter stated that entrepreneurs are business leaders who have vision, drive, talent, and an uncanny ability to recognize opportunities. He further stated that entrepreneurs are innovators who raise productivity,
increase profits, and lead their countries towards economic growth and development.

It is important to recognize that there are different types of entrepreneurs. Dyer (1992) placed entrepreneurs into three categories: (a) technical entrepreneurs, (b) organization builders, and (c) deal-makers. Technical entrepreneurs, generally, have a technical skill. Examples include self-employed carpenters, lawyers, accountants, and computer consultants. Organization builders enjoy seeing their businesses grow in terms of customers, employees, and profits and stay in the business on a long term basis. Deal makers enjoy initiating new ventures but do not stay in their businesses on a long-term basis.

Characteristics

A number of studies have attempted to describe the personal characteristics of entrepreneurs (Brockhaus & Horwitz, 1986; Dyer, 1992; Fernald, 1988; Hisrich, 1990; Seiz & Schwab, 1992; Winslow & Solomon, 1987, 1989). Seiz and Schwab stated that, generally, entrepreneurs are persistent, have high needs for achievement, internal locuses of control, and are more resistant to standard procedures of operation. Winslow and Solomon described other prevalent characteristics: (a) self-belief, (b) realistic optimism, and (c) an orientation to action. Dyer posited that there must be an intense desire to compete and an ability to handle the stressors involved in creating and managing a business. Indeed, one entrepreneur stated that in his view, being self-employed meant coping with sleep disturbances, competing against others, and becoming a workaholic (Kalajian, 1988).

Innovation and creativity are well established attributes of entrepreneurs. They are able to identify and seize opportunities that others are unable to see (Bird, 1988; Fernald, 1988; Schumpeter, 1934; Whiting, 1988). In this manner, Bird stated that successful entrepreneurs are able to orient themselves in the present, yet envision future possibilities. Fernald profiled eight very successful entrepreneurs and found that all were able to provide a product
(or service) which was innovative or creative.

Brockhaus and Horwitz (1986) stated that most entrepreneurs have a university degree. This may imply that a high degree of intelligence is necessary. A related point is that entrepreneurs are able to identify and solve problems quickly (Dyer, 1992).

The willingness of entrepreneurs to take risks is well researched and documented (Dyer, 1992; Hisrich, 1990; Solomon & Winslow, 1988). An important distinction is that, generally, entrepreneurs bear risk but do not create it. Dyer believed that entrepreneurs are not gamblers, but individuals who accept mitigated risk. They bear such risks by doing their homework and retaining as much control as possible. Dyer provided an analogy of a ski-jumper who accepts the danger of ski-jumping but carefully checks his or her own equipment, inquires into the weather conditions, and practices for hours.

Generally, successful entrepreneurs take risks on self-initiated endeavours, and do not rely on the ideas of others (Cohen & Tapp, 1989; Kalajian, 1989). What is learned from others are potential mistakes; successful entrepreneurs avoid them and build their businesses on sound practices. One female entrepreneur interviewed by Hisrich and Brush (1986) stated that there are two types of risks: (a) financial, and (b) emotional. She stated that she experienced emotional risk when she launched new products because of her fear that her judgement and credibility would be questioned if products she endorsed were unsuccessful.

Stapleton and Murkison (1990) suggested that post-secondary education and other maturation experiences may affect how individuals assess risk. In their study of 445 entrepreneurs, they investigated the success rates of various entrepreneurial businesses. Findings showed that failure rates were lower for those whose ideas originated in adulthood than for those whose ideas were reached before the age of 20. Lipper (1988) suggested that the assessment of risk can be taught, which, if true, could lessen the failure rates of new
ventures.

In contrast to the findings presented, it is worth noting that not all research has concluded that entrepreneurs are risk-takers. For example, Brockhaus (1980) used a 12 part questionnaire and tested both entrepreneurs and non-entrepreneurs. This study concluded that general risk taking propensity is the same for entrepreneurs and non-entrepreneurs.

In a study designed to obtain a more complete picture of entrepreneurs, Solomon and Winslow (1988) asked 61 subjects whether they were risk-takers. The authors reported that subjects responded by emphasizing the importance of self-confidence, taking calculated risk, and being responsible, but not reckless. Samples of responses were provided by Solomon and Winslow. One individual stated that he was a risk-taker, but that his decisions were carefully weighed. A second individual stated that he would not take risks unless he could influence or control the outcome. A third person stated that he only took moderate risks but never recklessly. One other individual stated that he was very calculating. The authors failed to mention all of the responses of those interviewed. As a group, Solomon and Winslow found these individuals to be confident, independent, self-reliant, and optimistic. In Solomon and Winslow’s study, individuals defined success as the positive feelings experienced in seeing their projects grow and develop. They did not view success as the accumulation of wealth.

Solomon and Winslow's (1988) study is valuable because of their attempt to derive themes. Entrepreneurs were studied holistically rather than isolating their particular traits and characteristics. Their study, however, was limited. Interviews were rigid; subjects were not encouraged to elaborate on their responses. Additionally, when describing the results of the study, no information was provided on the history and background of the individuals interviewed. This type of information is important when considering possible limitations.
Gender Differences

Many researchers have studied the differences between male and female entrepreneurs (Crombie, 1987; Hisrich, 1990; Hisrich & Brush, 1986; Loscocco & Robinson, 1991). Hisrich stated that strong similarities exist as both male and female entrepreneurs tend to be independent, goal-orientated, and energetic. Differences appear in the areas of motivation, support systems, and problems encountered. For instance, Hisrich stated that in terms of motivation, men want to control their own destinies and make things happen. He speculated that these goals may be the product of past disagreements with bosses.

Female entrepreneurs tend to be motivated chiefly by independence and by a need to achieve (Hisrich, 1990). This may, in part, be due to negative work experiences. For example, they may have felt unappreciated or that their skills were underutilized. Crombie (1986) believed that these different motives are due to the socialization process. Society, he stated, requires females to take on caretaking roles which may result in short, truncated careers. Indeed, child raising and kin-keeping responsibilities may conflict with a woman’s career.

Support systems differ for male and female entrepreneurs (Hisrich & Brush, 1986). Men list external advisors such as accountants and lawyers as their most important supporters. In contrast, women list spouses, close friends, and business associates as their most valued supporters.

Women tend to enter service industries, whereas men are more likely to enter the areas of construction and/or technology. This may be due, in part, to such factors as interests, skills, prior work experience, and past education.

With respect to management styles, self-employed women are less confident, but more tolerant and flexible than self-employed males. These stylistic differences may result in
differing attitudes of how to run a business.

Hisrich & Brush (1986) stated that two common problems encountered by female entrepreneurs are: (a) obtaining credit, and (b) being stereotyped. With respect to obtaining credit, lending institutions may be interested in an entrepreneur's past financial record in business. Oftentimes, women will not have had these prior experiences. This lack of experience in financial matters and business negotiations may put women at a competitive disadvantage, if lenders consider them to be unsuitable to receive loans (Loscocco & Robinson, 1991). Being rejected for a bank loan may lead to self-doubt, making the process more lengthy and difficult. If bank financing is unavailable, female entrepreneurs will have to consider other alternatives, which include: (a) having another person co-sign their loans, (b) seeking a partner, or (c) using their personal savings. Indeed, obtaining bank loans for a business is very difficult for some women. Hisrich and Brush stated that, generally, when financing a business, men tend to receive capital from bank loans and women tend to use their savings.

With respect to sex stereotyping and its resultant discrimination, Hisrich and Brush (1986) reported that some women are not taken seriously by men in the business community. Being patronized or witnessing the preferential treatment of male competitors may be deflating, leading to anger and frustration.

Although the differences between male and female entrepreneurs are very interesting and, perhaps, accurate, they are not crucial factors in this investigation. This study focuses on the events which facilitate and hinder entrepreneurship and, as such, an emphasis on gender is inappropriate.

To summarize, the existing literature provides entrepreneurial profiles and information on gender differences. With respect to personal characteristics, entrepreneurs have been found
to be creative, confident, action-orientated, and realistic. Another prevalent feature is their willingness to bear risk. Differences have been found between male and female entrepreneurs. Females tend to be motivated by independence and the need to achieve. Males seem to want to control their own destinies and make things happen.

No information was found on events which facilitate and hinder entrepreneurship. However, information was found on general factors which have been instrumental for those who have become entrepreneurs. Although these factors were not events, it is useful to examine them since they were pivotal in the pursuit of entrepreneurship. These factors were as follows: (a) work history, (b) support systems, and (c) role models.

Instrumental Factors in Becoming an Entrepreneur

Work History

Whether paid or volunteer, individuals generally work for others before considering becoming an entrepreneur. Consistent with this notion is the wide acceptance that first-time entrepreneurs undergo a career transition (Dyer, 1992; Hisrich, 1990; Hisrich & Brush, 1986). Dyer asked a number of entrepreneurs about their previous work histories. Thirty percent stated that they were fired from their previous jobs. The other 70% started their businesses because of job dissatisfaction.

Job dissatisfaction, which may stem from boredom, a lack of challenge, or a lack of promotional opportunities, may motivate individuals to consider entrepreneurship. Brockhaus (1980) stated that conflicts with supervisors or co-workers are another common source of job dissatisfaction. Individuals may also feel inadequately remunerated. Baty (1981) reported that the most successful entrepreneurs are motivated by the opportunity to earn more money by working for themselves.

Solomon and Winslow (1988) asked 61 entrepreneurs about the circumstances which led
them to start their businesses. Generally, the authors reported that individuals wanted to work in an unfettered way and no longer wanted to work for others. Limited examples of responses were provided by Solomon and Winslow. One individual stated that he could not continue working for someone else's benefit. Another stated that he did not like others making judgements about his work performance. A third individual wanted direct contact and feedback from his clients. Another wanted credit for his ideas. Again, the authors failed to report the responses of all individuals interviewed.

Crombie (1986) asked individuals why they started their own businesses. Job dissatisfaction was the primary reason. They also wanted to be autonomous, to be consulted in the decision making process, and to feel appreciated.

Support Systems

Having the right demeanour and a good business idea do not, necessarily, guarantee success; research shows that support is also necessary. Two types of support systems appear to be essential in becoming an entrepreneur: (a) a moral support system, and (b) a business and professional support network. A moral support system of family and friends may be essential during difficult times and periods of loneliness (Bird, 1989; Hisrich, 1990). In a survey of 468 entrepreneurs, the spouse was found to be the most supportive person in the entrepreneur's life (Hisrich and Brush, 1986). It appears that spousal support (or support from a significant other) is important because of the excessive time spent working. If support and encouragement are not present, tension and worry may hinder entrepreneurial momentum.

Moral support may also refer to support needed by other family members since they are affected by the entrepreneur's actions. Entrepreneurs need to carefully consider the impact of working in their own businesses on their lifestyle and available time. Goals and potential
conflicts needed to be carefully considered and prioritized. For example, if free time and finances are devoted to the business, family members may be neglected.

In addition to moral support, entrepreneurs need information, resources, and sound business and financial advice to make effective business decisions. In the initiation phase of self-employment, a common problem is a lack of know-how (Dyer, 1992). A mentor who has experienced the trials and tribulations of starting and developing a business, may offer assistance in the initiation phase. Ideally, the mentor will be an entrepreneur in the particular business who understands the issues firsthand. In this manner, he or she will be able to help to highlight problem areas and recommend solutions.

Having a business advisor also helps when failure is experienced. Ideas and support will help the entrepreneur adapt and persist through such difficult times. Being able to cope is important; failure at some level is inevitable (Matson, 1990). Matson stated that it is the failures in our lives which teach us the virtues of modesty, perseverance, flexibility, and positive thinking.

Learning how to cope with a lack of both credibility and confidence has been reported as important in the initial steps of starting a business (Bird, 1989; Dyer, 1990). Not having credibility is common; it may be very difficult to persuade potential customers or clients to change suppliers. For example, these customers or clients will have suppliers of the goods or services in question and will not be interested in changing unless something newer, better, or cheaper is offered. Such issues are important and must be adequately addressed for a new business to prosper.

Besides mentors, a business and professional support network may be needed. This will include friends in the business, potential suppliers and customers, and business experts such as bankers or financial advisors, marketers, lawyers, and accountants. The need for these
various people will depend on the skills of the entrepreneur. For example, there may be a need for financial advisors who will be able to recommend various ways to obtain capital. These individuals can also help prepare detailed business plans which involve a description of the business, the management team, and projected expenditures and revenues. Having such a resource is essential as obtaining capital may be the most important issue when starting a business (Dyer, 1992). This is so because expenditures on materials, supplies, and consulting services are required prior to generating revenue from sales.

Marketing is important because entrepreneurs need to identify who will buy their product or require their services. A marketing plan may include selling strategies, sales and distribution plans, and advertising ideas. Advice from a lawyer and accountant may also be essential in starting a business (Bird, 1989). A lawyer is instrumental in investigating existing laws applicable to the particular business, structuring agreements, checking contracts, and attending to corporate matters. An accountant may help develop business plans, provide tax advice, and assist with book-keeping matters.

**Role Models**

Entrepreneurs are often inspired to start their own businesses by other entrepreneurs (Bird, 1989; Hisrich, 1990; Scherer, Adams, Carley, & Wiebe, 1989). This constitutes a classic example of vicarious learning as one individual is motivated by observing another start (and profit from) a new venture. This type of learning enables individuals to believe that, they too, can be successfully be entrepreneurs (Bandura & Roenthal, 1966).

Learning about entrepreneurship may have been a part of the individual's childhood environment. Hisrich and Brush (1986) surveyed 468 female entrepreneurs and found that the majority of their fathers were self-employed. Role models also exist within the community or cultural groups. Carroll and Mosakowski (1987) reported that the role models
of some Protestant entrepreneurs were people from their religious community.

For entrepreneurs in a highly specialized area (such as computer programming or law), there may have been important mentors during their initial learning period. In addition, the quality of training and work experience provided by others may be instrumental factors in considering self-employment (Brockhaus & Horwitz, 1986). For example, a lawyer who articles for an international law firm may be exposed to more issues of international law than a student who articles for a smaller firm. Presumably, receiving this training will enable that individual to handle more complicated cross-border issues.

Summary

In summary, three factors which have been instrumental for those who become entrepreneurs have been described. The first factor, work history, implies that employment with others precedes becoming an entrepreneur. Being fired or experiencing job dissatisfaction from past employment have led individuals to want to operate their own businesses (Dyer, 1992). Support systems and other role models were also reported as important factors. A support system was important during periods in which the responsibility of the business became overwhelming, from both a personal and business perspective. Role models provided inspiration and/or helped individuals learn.

Having discussed instrumental factors in becoming an entrepreneur, it is time to move onto an entrepreneurial paradigm, which attempts to explain why individuals select entrepreneurship as their choice for work. This model is relevant because it attempts to explain what led individuals to take action to become entrepreneurs, a closely related topic to the factors which facilitate and hinder entrepreneurship.

Entrepreneurial Event Paradigm

In an interesting attempt to explain why individuals turn to entrepreneurship as a choice
for work, Shapero and Sokol (1982) formulated an entrepreneurial event paradigm. In their work, an entrepreneurial event was defined as the initiative taken on and managed. Shapero and Sokol's model attempted to explain entrepreneurship by taking into account social, economic, political, and cultural contexts. It focused on answering two main questions: (a) what was it that led individuals to take action to become entrepreneurs, and (b) why was their choice entrepreneurship?

According to the model, actions leading to an entrepreneurial event begin with a positive or negative work-related incident. This displacement gives rise to change. Examples include being bored, reaching middle age, or emigrating to a new location. As alternative courses of action are considered, perceptions of desirability take place, which means that there is an openness to be an entrepreneur. Shapero and Sokol (1982) stated that this openness leads to perceptions of feasibility. Feasible, in this context, appears to mean whether the business idea is viable and whether it can be financed. If the ideas are feasible, actions are taken and the entrepreneurial event takes place.

Shapero and Sokol (1982) stated that entrepreneurial events result from interacting situational and cultural factors. In a culture that values entrepreneurship, programs and funding would be available for those interested in starting new businesses. In this manner, an entrepreneurial climate would be created and fostered by societal values. Indeed, there are many who believe that entrepreneurial climates can be created (Bruno & Tyebjee, 1982; Winslow, 1990). If this is true, entrepreneurship can be facilitated by society at large.

This paradigm is a refreshing effort to explain how new businesses are launched. It focuses on reasons why it takes place and does not concern itself with the attributes of entrepreneurs. However, there are several weaknesses in the model. First, terms are not well-defined and therefore confusing. Second, the paradigm title is misleading; the model
does not focus on events, it focuses on the reasons one considers entrepreneurship. A more appropriate title would have been: An Entrepreneurial Paradigm. Third, the paradigm remains untested, which raises concerns about its validity.

**Research Question**

Entrepreneurial research has been largely descriptive as entrepreneurs' characteristics, differences, and similarities have been well documented. Using this research to predict critical events in launching a business is very difficult and speculative at best. For example, the need to achieve might lead to events which involve setting goals, preparing business plans, or accepting challenge. The entrepreneurial trait of persistence might suggest events which involve saving money, or asking for help. Unfortunately, it is virtually impossible to anticipate events based on traits and characteristics. To guess would not be useful.

In reviewing the literature, very little information was available on the key incidents and actions taken by entrepreneurs which were instrumental in them launching their businesses. Because no other study concentrated on events, it is not possible to list and discuss events which have led to entrepreneurship. Identifying the events which enable individuals to move forward or not move forward in the entrepreneurial process is a new way to study entrepreneurial beginnings. Such a study is beneficial for many reasons. First, the unit of interest is the event, not the entrepreneur. The focus is on the events they experienced and their actions, and not personality traits which have been extensively researched. Second, events are experienced by all entrepreneurs. Therefore, the study is not tied to a particular type of individual. Third, a holistic view of individuals is obtained, providing a context in which to understand elicited events.

It will be interesting to identify these pivotal events, providing a new way to understand how new businesses are formed. This study is both exploratory and exciting, addressing a
gap in vocational research. The research question of this study was: What are events which facilitate and hinder entrepreneurship?
CHAPTER III

Methodology

The aim of this study was to identify events that facilitate and hinder entrepreneurship as prior research on entrepreneurial behaviour had not identified such events. Because of this lack of knowledge, a method had to be used which allowed for the discovery of a full range of events. This was taken into account when designing this study; the methodology used enabled critical events to be identified and analyzed for commonalities. Specifically, a combination of the critical incident (Flanagan, 1954) and Narrative methods (Mishler, 1986) were used. This chapter describes the research methodology, participants, the interview questions, and how data was analyzed.

Research Design

Critical Incident Method

The critical incident method is an inductive research strategy which allows individuals to report what facilitates or hinders the aim of a particular activity (Flanagan, 1954). It is appropriate in an exploratory study where the goal is to generate descriptive, qualitative data in an area which is unchartered (Proulx, 1991). When using the critical incident method, incidents are categorized to provide an answer to the question of what facilitates and hinders the activity in question. According to Flanagan, a critical incident is an activity or event that is sufficiently complete in and of itself to permit inferences and predictions to be made. An incident is considered critical when it occurs in situations where the purpose of the act seems clear and where the consequences are definite enough to leave little doubt concerning its effects. In this study, an incident was considered critical if it was important enough to allow the individual to move forward (or not move forward) in the entrepreneurial process.

When using the critical incident method, Flanagan (1954) stated that the interviewer
should ask three questions: (a) what led up to the incident, (b) what actually happened that was helpful or hindering, and (c) why was it helpful or hindering. In this study, such questions allowed facilitating and hindering critical events to be disclosed from the perspective of entrepreneurs. Because the aim of this study was to obtain a wide range of facilitating and hindering events of the initial stages of entrepreneurship, the critical incident method was both appropriate and useful.

**Limitation.** One limitation of the critical incident method is that derived categories may lack context. Environmental and external contexts are important when determining how events impact decision making (Amundson, 1993). In his Interactive Model of Decision Making, Amundson emphasized that understanding the context of a situation helps make sense of how events flow together. Since the purpose of this study was to understand how these events facilitated and hindered entrepreneurial beginnings, understanding the pattern of events was vital. For example, if capital financing was a facilitating event in entrepreneurship, it would be important to know how and when it fit into the entrepreneurial process. To take the pattern of events into consideration, narrative accounts were analyzed.

**Narrative**

The narrative interview provides a way to elicit a story or an account of an event or series of events in a chronological sequence in one’s life (Mishler, 1986). In this study, there are several reasons why elicited incidents were better understood by using the narrative approach. First, the initiation of businesses is, generally, described in a chronological sequence. Second, the entrepreneurial experience lends itself to a narrative format as the experience can be viewed as a cohesive set of events rather than as an isolated set of elements. Third, there may be patterns in the entrepreneurial process; narratives are in a format where evaluation can be systematic and where relationships can be identified and
analyzed.

Participants

Because the study was exploratory in nature and delved into an area of entrepreneurship not previously researched, it was not necessary to select participants with the goal that findings would generalize to other entrepreneurs. Instead, the study focused on the particular experiences of the participants selected rather than their various traits. Five participants were recruited through a network of personal contacts. Subjects were selected using three criteria: (a) they experienced becoming an entrepreneur, (b) they already commenced their own businesses (ensuring that they were not in the transition phase of becoming an entrepreneur), and (c) they were able to reflect upon and articulate their experiences in English.

As noted in Chapter 1, an entrepreneur is an individual who decides to start and is successful in a venture that leads to personal or monetary profit (Solomon & Winslow, 1988). All five individuals in this study met this definition. All were small business persons and considered successful because their businesses had been in operation for a period of at least four years. None were intrapreneurs, as previously defined in Chapter 1, because they did not start businesses within an already established operation. Three were self-employed entrepreneurs, working alone, while the other two worked in a partnership with another person. With respect to the issue of starting a new venture, there was a wide range of experience reported by the five participants in this study. Some started on their own initiative; some decided to proceed because attractive offers were received from others. In both situations, individuals experienced critical events which were integral in the process of launching a new business.

The five subjects chosen in this study ranged in age from 30 to 40 years. Four were
males and one was female; all live in the province of British Columbia (BC). J. is a single, Chinese male born and raised in Vancouver. He has a law degree, is 37 years old and has two brothers and one sister. J.'s father was a self-employed insurance salesman. J. started out as a self-employed lawyer and today puts business deals together for Canadian and overseas business-persons.

R. is a Caucasian male, born and raised in Vancouver. He has a law degree from the University of Victoria, is 38 years old, married, and has three children. R. operates his own real estate development company in Victoria. At the time he started his business, R. and his wife had no children.

K. is a single, Caucasian female in her mid-thirties. She was born and raised in Vancouver and currently works as a television film producer. She has a university degree in international politics. K.'s father was a developmental program producer for the Canadian Broadcasting Corporation (CBC), creating ideas for television.

W. is a single, Chinese male born and raised in Vancouver. He attended university for one complete year (but never finished his degree), is 35 years old and has two younger sisters. He currently owns and operates six retail pet stores. Finally, P. is a married, Chinese male who was born and raised in Toronto. He does not have any post-secondary education, is 36 years old and owns a Mr. Submarine restaurant in Vancouver. At the time that he started his restaurant business, P. was single. J., R. and W. were acquaintances of mine and K. and P. were referred to me by friends. It is noted that the five participants in this study were not perceived as extraordinary individuals and did not fit the typical entrepreneurial profile as portrayed in the literature.

Efforts were not made to control for gender. However, participants were deliberately selected to represent different types of businesses. This particular strategy was designed to
increase the external validity of the events obtained. Distortion is decreased when many people report the same kind of events, even though they stem from vastly different experiences (Ladd, 1992; Yin, 1984). For example, if two or more individuals reported that one facilitating event included the presence of a moral support system, it would be more likely that this event had validity.

Appendix A provides a copy of the initial contact letter. Appendix B contains a copy of the letter which was returned by the subjects to confirm their participation in the study. All interviews were audiotaped, with the consent of participants.

**Interview**

The interview focused on eliciting events contained in the individual's story which were relevant in he or she becoming an entrepreneur. The interview was conducted with the following goals: (a) to ensure individuals adopted a collaborative role in the study, (b) to ensure individuals were made to feel comfortable so that they would talk freely, and (c) to ensure that there were no leading questions to avoid influencing what was being reported.

To introduce the interview the following was stated:

The objective is to develop a meaningful understanding of how you became an entrepreneur. The purpose of this interview is to elicit, from you, specific events which were critical in your experience of becoming an entrepreneur. When I use the word, entrepreneur, I mean it as the launching and growth of a profit-seeking business venture through the use of innovative, risk-assuming management. I am interested in any event that was instrumental or hindering in starting your own business up to the time that your business commenced. A significant event is something that happened which either led to or impeded an action relevant to commencing your business. Please note that I am not asking for opinions, but for specific events that happened to you. Do you have any
questions?

Following this orientation, participants were asked to draw a lifeline of their initial entrepreneurial experiences to help them recall the key events or incidents. The lifeline technique facilitates the recollection of key events and happenings in one’s life and allows previously unconnected events to be grouped together to reveal patterns and connections between people, places, and/or things (Goldman, 1992; Waterman, 1991). Goldman states that it is a very powerful in a self-assessment exercise as it enables a client to become aware of his or her interests, needs, and values. Here, the lifeline exercise was used for two reasons: (a) it allowed individuals to think of the incidents in a chronological sequence, and (b) it helped the participants organize their thoughts and identify significant or noteworthy events.

Following the lifeline, I stated, "Let’s take the first event and go through all of them in order. Just like a story, tell me what happened that significantly helped you become an entrepreneur. What is the first incident?"

During the course of the interview, I ensured that: (a) the event was identified, (b) there was an understanding of how the event facilitated or hindered, (c) there was an explanation of what led up to the incident, (d) there was a description of how the event turned out, (e) there was an understanding of the circumstances around the event, and (f) there was a clear understanding that I was only interested in events up to the time that operations of their businesses commenced.

**Analysis of Data**

Data was analyzed by extracting key events in the entrepreneurial process. Facilitating and hindering events were extracted from each interview in the order they were reported. Each event was captured in a short phrase and recorded on a three by five index card.
Recorded information included the following: (a) the source of the event, (b) an explanation of what happened, and (c) a description of the outcome which explained why the event was facilitating or hindering. Cards were organized according to who was interviewed. Each event was numbered according to its chronological position in the participant’s story. Whether it was facilitating or hindering was also noted on the index card.

After all critical events were recorded for each participant, they were amalgamated and then categorized into similar groups. Each group was given a category name. For example, there were two events: one described receiving training for work and the other described researching and reading. Both were sorted under the category, General Learning about Business. All cards were re-sorted by category name. The thesis supervisor then scrutinized the category names and each event contained in the categories. Strict attention was paid to the content of information contained on each card to ensure that the information was thorough, understandable, and accurately described. It was very important to ensure that the cards were sorted into the same event category by both the researcher and the thesis supervisor. This process continued until there was a consensus by the researcher and thesis supervisor for each of the above items.

As a reliability check for the event categories, a Masters student in the Department of Counselling Psychology (with experience in career counselling and familiar with the critical incident method) was given a sample of index cards and asked to sort the cards into the appropriate categories. A proportionate sample of 50 events was used, meaning that if 10 of the 108 events were contained in General Learning about Business (roughly 10%), five events (10% of the sample of 50) from that category were chosen for the sample. The sample of 50 index cards were re-written and contained information on the source of an event, the event itself, and the outcome which resulted. The judge was provided with a brief
description of the existing 20 categories at that time, ensuring that there was a clear understanding of what they meant. The judge was asked to read each of the cards and then place them into the categories that seemed most appropriate. Flanagan (1975) stated that a 75% level of agreement would indicate that categories are reliable.

In this study, an 88% agreement was obtained. Following this reliability check, changes were made based on the recommendations of the independent judge to improve the derived categories. In the end, 22 categories emerged from the analysis.

Next, general outcomes were documented for each of the 22 categories by examining the events contained therein. Themes were then extracted by clustering categories into groups based on their commonality. In constructing the themes, it was important to ensure that the specific events fit the description of the name given to the theme since they were the underlying basis for the event categories. For example, acquiring legal skills was included in the General Learning about Business category and managing a franchised restaurant was placed in the Gained Entrepreneurial Experience category. Both these events and the event categories shared the commonality of acquiring knowledge or gaining experience, and as such, the name given to the overall theme was Gaining Knowledge and Competence. This name was considered appropriate because it accurately described each of the specific events, and more generally, the two event categories. The purpose of this procedure was to cluster events into themes, enabling them to be described more broadly.

Finally, the reported events were chronologically listed for each participant and individual accounts were written by the researcher. An analysis of the pattern of events was made based on the critical events reported in the narrative accounts. The following issues were considered during the analysis of the narrative accounts: (a) when did the event arise? (b) did the event lead to or arise from another event? (c) did the event occur throughout the process?
(d) what was the role of the event? (e) why was the event critical? and (f) what were the circumstances surrounding the event?

Patterns which were similar and dissimilar in nature were noted. Distinct patterns were described and appropriately labelled and then reviewed by the thesis supervisor. Confidence was enhanced by having each participant review his or her narrative account. Each individual was asked to assess whether the written account accurately portrayed what he or she intended to communicate and whether their material had been distorted through additions or omissions. Changes obtained in the feedback process were re-written into the narratives as appropriate. Questions are also asked to ensure that the events were reasonable, ensuring validity.

**Summary of Procedures**

Table 1 provides a summary of the procedures used in this study.

**Summary of procedures**

<table>
<thead>
<tr>
<th>Step 1</th>
<th>Step 2</th>
<th>Step 3</th>
<th>Step 4</th>
<th>Step 5</th>
<th>Step 6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Select sample</td>
<td>Interview co-</td>
<td>Extract facilitating and</td>
<td>Group events</td>
<td>Perform reliability</td>
<td>Describe narrative</td>
</tr>
<tr>
<td></td>
<td>researchers</td>
<td>hindering events from</td>
<td>into event</td>
<td>procedures on derived</td>
<td>account for each</td>
</tr>
<tr>
<td></td>
<td></td>
<td>data</td>
<td>category</td>
<td>categories and arrange</td>
<td>individual to observe</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>categories in themes</td>
<td>the flow of events</td>
</tr>
</tbody>
</table>
CHAPTER IV

Results

In this study, one female and four male entrepreneurs were interviewed and critical events were solicited. In total, 108 events were obtained from the interviews which were organized into 22 categories. Of these 108 events, ninety-seven facilitated entrepreneurship and the other 11 hindered it. This chapter describes these results, in detail, and is organized into three sections. Categories are described in the first section. Methods used to establish the validity of the categories are discussed in the second section. Finally, derived event categories are examined in the final portion.

Categories of Events

This section describes each of the 22 categories of events, including examples of incidents and an indication of the range and variation within each. In addition, a statement of the general pattern of outcomes for each category is described. Finally, information on the number of facilitating and hindering events in the category are provided.

Before describing the results, three points are noted. First, all incidents contained in a category include their opposites. For example, Encouraged as an Employee is a category that includes events in which individuals were either encouraged or discouraged. Second, events were categorized so that specific categories took precedence over general ones. To illustrate, if an individual was fired from his or her job and that loss was significant, the event was placed in the Significant Loss category rather than the Hired (or fired) or Promoted as an Employee category. Third, Appendix C provides a listing of the events by category and Chapter V provides a listing of events chronologically by participant.

**Hired or Promoted as an Employee (8 facilitating, 1 hindering)**

This category captured incidents in which individuals were hired or promoted as
employees. These events were experienced prior to the time that they became entrepreneurs. As employees, individuals received remuneration for the work that they performed. Events ranged from being promoted to Vice-President to being hired for the first time. Specific examples of events included: (a) J. being hired as an articling law student, (b) R. being hired by a private corporation to be its legal advisor, and (c) K. being elected to serve as a member of the Finance Committee of a restaurant. As with all categories, opposite events were included. For example, one event reported in this category was J. not being hired. Being hired or promoted generally provided opportunity to gain business experience whereas not being hired or promoted resulted in being discouraged and/or becoming motivated to search for new work.

**General Learning about Business (12 facilitating, 0 hindering)**

The general learning about business category referred to individuals acquiring knowledge or gaining business experience. However, it did not include events having to do with gaining entrepreneurial experience. This was the largest category and illustrated the importance of learning, either by studying or by gaining experience. Incidents ranged from reading and researching law cases to taking a one year course on hotel management. Specific examples included: (a) R. observing how to start a new oil and gas home service business, (b) K. reading books on film-making, (c) K. learning how to draw up legal contracts for non-union actors, (d) K. learning how to set budgets for films, and (e) W. learning about products sold at his mother's retail pet store. These learning events enabled these individuals to gain knowledge or acquire skills, make business contacts, or become interested in a particular work activity.

**Gained Entrepreneurial Type of Experience (6 facilitating, 0 hindering)**

This category encompassed a very specific type of learning. It involved operating a
business in which individuals gained experience in managing and operating commercial undertakings. Generally, some type of risk was assumed and individuals had the power to make decisions. Examples of decisions included the consideration of goods or services to be sold or provided, and the hiring or firing of employees. Events ranged from operating a Mr. Submarine’s franchise to producing a documentary film. Specific examples of events were: (a) R. managing the business operations of a large company with 800 employees, (b) K. operating a new catering division for a restaurant, and (c) K. producing a promotional film which celebrated the 75th anniversary of the University of British Columbia (UBC). Gaining entrepreneurial experience enabled knowledge to be gained and enhanced self-confidence.

**Had a Successful Entrepreneurial Experience (2 facilitating, 0 hindering)**

Two of the participants made a distinction between gaining entrepreneurial experience and the success which followed. As such, this category is an extension of the previous category but is distinct because of the significance that the experience was a successful one. The two incidents reported were: (a) K. being successful at completing an independent film project, and (b) P. making money at operating the franchised restaurant in Vancouver. The outcomes of these successful experiences were increased self-confidence from being competent, and receiving respect from others in the business.

**Observed Role Models (3 facilitating, 0 hindering)**

Observed role models is a category which involved the vicarious observation of respected others. It did not include receiving advice or support and was not limited to observing entrepreneurial role models. The three facilitating events included in this category were: (a) J. observing a brother start his own business, (b) R. observing two former university classmates manage their own sports clothing store, and (c) R. observing two friends make an $800,000 profit on the disposition of a real estate investment. Individuals who observed
positive, successful role models became inspired to achieve.

**Realized What was Personally Important (4 facilitating, 1 hindering)**

This category included incidents in which individuals became fully aware of some aspect of their selves. This realization was significant enough to be reported as a meaningful event. Events ranged from wanting to work in the film industry as a producer to wanting to live in a smaller community. Specific examples included: (a) J. realizing that he had an interest in orchestrating business deals rather than just documenting them legally, (b) W. wanting to do what was best for the family, and (c) P. wanting to stay in the city of Vancouver despite an attractive job offer to return to Toronto. The events either provided self-insight or motivated individuals to integrate their interests or values into their lives.

**Significant Loss (5 facilitating, 0 hindering)**

Events included in this class included the experience of a loss which was devastating. To illustrate, three of the events concerned the loss of jobs. Working was very meaningful to these individuals and that loss was very deflating and hurtful. Because of the significance of the loss expressed by the co-researchers, these events were included in a separate category. The other two incidents included in this category were the loss of a mentor and the death of a friend. After the initial hurt and/or feelings of embarrassment, individuals re-considered their career goals.

**Encouraged as an Employee (7 facilitating, 1 hindering)**

Encouraged as an employee included events in which individuals were (or were not) given hope and confidence while working as employees. Being encouraged (or discouraged) included receiving praise, being given a pay raise, and receiving negative feedback. Events ranged from being given a pay increase to $110,000 per year to being criticized by the company President. Specific examples included: (a) J. being told by a partner of a law firm
to act more like a student than an owner of the firm, (b) J. not receiving any positive feedback from colleagues for a memorandum written on business development, (c) R. working long hours and feeling unappreciated, and (d) R.’s feelings of disillusionment when he was not included in decisions. Outcomes included being re-inforced in their jobs (positively or negatively), or realizing they had no job security.

**Influenced/Supported in Non-Entrepreneurial Decisions (2 facilitating, 2 hindering)**

Participants reported specific experiences in which they were supported (or not supported) by friends or relatives for a particular decision. This category did not include being supported in entrepreneurship since that was a distinct category. Examples ranged from being supported to leave a high paying job to being asked to remain in Vancouver by a girlfriend (rather than return to Toronto). Two other examples included in this category were: (a) R. being supported by his spouse to leave the law practice to accept a job in private industry, and (b) P. receiving the blessing of his parents to remain in Vancouver. This category yielded outcomes which ranged from being comforted and encouraged to being worried and pressured.

**Experienced Work Inactivity (5 facilitating, 0 hindering)**

This self-explanatory category involved experiences of inactivity as individuals did not work. Examples ranged from taking a four week vacation to being at home, out of work. Four of the five events were ones in which co-researchers felt idle and restless due to their unemployed status. Outcomes included re-evaluating career goals, becoming worried and depressed, and becoming motivated to be productive.

**Observed General Economic Conditions (3 facilitating, 1 hindering)**

There were four incidents reported in which individuals noticed the impact of economic conditions on their career aspirations. Examples ranged from being told that business was
slow during a job interview to seeking work in the film industry. This latter example related directly to American companies coming to Vancouver to make films due to the low value of the Canadian dollar. The two other events were: (a) J. finding out that law firms were not hiring until their businesses improved, and (b) K. being told that the Canadian Broadcasting Corporation was laying off broadcast-journalists. These events resulted in individuals either becoming encouraged or discouraged in their search for work.

**Deliberated About Career Options (5 facilitating, 1 hindering)**

Deliberated about career options is a category in which individuals considered various career alternatives. Individuals were unsure of their career path and contemplated whether to seek employment, self-employment, or return to school for additional training or education. Generally, the events involved a broad consideration of the field of work to be entered together with possible work opportunities. For example, K. considered whether to enter into the business of film production and international journalism. Examples ranged from seeking advice to considering how to re-enter the work force. Specific events included: (a) W. considering a career in politics, and (b) P. researching the educational requirements to become an architectural draftsman. Outcomes were that individuals accepted or rejected a particular career alternative.

**Decided not to Work for Others (2 facilitating, 1 hindering)**

This self-explanatory category involved the decision not to work for others. Wanting to work for others, the opposite dynamic, was also included in this category as one individual wanted an employed position with an international law firm. The events were very clear as individuals stated their views on working for others. The outcome for those not wanting to be employed by others was to become interested in self-employment.
Offered Entrepreneurial Position (3 facilitating, 0 hindering)

There were three events in which individuals were offered entrepreneurial positions. Examples in this class ranged from being asked by an employer to take control of a franchise to being asked by a family member to start a film production company. The other incident included in this category was W. being asked by his father to take over and manage six retail pet stores. Being offered entrepreneurial positions resulted in being provided with an opportunity to become entrepreneurs.

Deliberated About Becoming an Entrepreneur (6 facilitating, 1 hindering)

Included here were incidents which involved the contemplation of becoming an entrepreneur as individuals deliberated whether or not to proceed with their entrepreneurial ideas. This category did not include deliberating among self-employment options as those events were placed in a separate and distinct category. Examples ranged from self-contemplation to having discussions with friends and family. Specific examples were: (a) J. assessing whether he would be competent enough to practice law as a sole proprietor, (b) W. considering whether he would enjoy working in the pet business, (c) W. considering the consequences of dropping out of university. Outcomes included an increased readiness or confidence to try self-employment and the recognition of opportunity.

Contemplated Entrepreneurial Options (1 facilitating, 0 hindering)

This category contained one event in which R. deliberated among his self-employment options. Although there was only one incident, it was regarded as very important as it followed a decision to not work for others. This category was distinct from the Deliberated about Becoming an Entrepreneur category because R. had decided to try self-employment and the deliberation phase was over. The outcome was that R. made a decision which he carefully considered.
Influenced/Supported in Entrepreneurship (2 facilitating, 2 hindering)

There were a number of events in which participants were supported (or not supported) by friends or relatives in their entrepreneurial aspirations. This type of support was very specific and as such, was distinct from being supported in other more general decisions. Examples ranged from feeling supported to being told that a romantic relationship would end if self-employment was undertaken. Specific incidents were: (a) J.'s parents permitting him to live rent free at a family owned triplex, (b) R. feeling pressured because of his wife's perception that self-employment was unstable, and (c) W. being encouraged by his mother. Outcomes ranged from being comforted and encouraged to becoming worried and pressured.

Encouraging Events Which Led to Entrepreneurial Position (3 facilitating, 0 hindering)

This category included events in which individuals were (or were not) given hope and confidence to accept an entrepreneurial type of position. This category was distinct from the Deliberating Whether to Become Self-Employed category because these events had to do with feeling inspired and motivated to become an entrepreneur. Events ranged from P. being given incentives to take over a Mr. Submarine franchise to assurance being provided by J.'s family that they could provide him with business contacts who needed legal work. Outcomes were increased confidence and increased readiness to attempt entrepreneurship.

Re-organized Schedule (2 facilitating, 0 hindering)

In this category, K.'s schedule was re-organized so that she had the time to meet other goals. In one situation, K. stated that she had to create time to search for a new career. In the other situation, K. re-structured her time to enable herself to earn money to pay for basic needs. At the time, K. was working on a documentary film project but her fees from the film were not payable until the project was completed. Earning money on the side enabled her to buy food and pay her rent which, in turn, allowed her to complete her film project.
Researched a Specific Entrepreneurial Option (3 facilitating, 0 hindering)

Incidents which involved researching what would be required to become an entrepreneur in a particular business were included in this category. It did not include general deliberation since those events were included in the Deliberating about Becoming an Entrepreneur category. Events ranged from examining six retail pet stores for their financial feasibility to exploring what was necessary to become a self-employed lawyer. The other event included in this category was P. finding out the specific requirements to purchase a Mr. Submarine's restaurant. Outcomes included an increased readiness to try self-employment and an increased knowledge of the business in question.

Acquired Resources to Start a Business (6 facilitating, 0 hindering)

This category included events involving the acquisition of assets and/or financing. These types of events were important as assets were purchased which enabled the business to commence. Examples ranged from being granted a franchise to acquiring real estate. Specific examples included: (a) J. being offered free office space, (b) R. obtaining a bank loan to finance the real estate purchase, (c) W. and his father obtaining a loan in the amount of $125,000 to purchase inventory and supplies, and (d) P. obtaining money from his parents to pay the franchise fee.

Made Decision to Pursue Entrepreneurial Opportunity (7 facilitating, 0 hindering)

Events included here were those in which individuals decided to pursue entrepreneurship. Generally, this was the culmination of various and often numerous deliberating events. Events ranged from a tentative decision to try self-employment to a complete and unwavering commitment. Specific events were very similar as all co-researchers made the decision to become entrepreneurs. Outcomes included readiness, commitment, excitement, and careful optimism.
Reliability of the Categories

Event categories should be reliable and valid. Although it is not possible to obtain absolute certainty, a high degree of reliability is important to ensure that the categories are trustworthy and usable. Additionally, there must be some assurance that the incidents gathered and categories formed are complete, accurate, and practical. This section describes how these issues were addressed.

Reliability of Categorizing Incidents

One way to review the reliability of categories is to obtain the agreement of an independent judge. That is, if an independent judge was provided with the events and event categories, would that individual categorize the events in a consistent way? Flanagan (1954) suggested that the percentage agreement of a category scheme should be at least 75%.

As previously noted in Chapter 3, prior to this reliability test, there were 20 event categories. In testing the categories for reliability, a proportionate sample of 50 was used. The independent judge was given a brief description of the categories and asked to read each of the 50 re-written index cards and sort them into the appropriate categories. As the procedure commenced, the judge read the cards and commented that a few of the cards were too brief and did not contain sufficient information to understand the particular event. At this point, the researcher reviewed the cards and five were re-written and clarified to provide extra detail. The judge took about one hour and 15 minutes and of the 50 events, 44 were in agreement. This 88% agreement indicated that the categories were sound and trustworthy.

The researcher spoke to the judge to obtain feedback on the discrepancies and to determine if changes were warranted. The feedback and ideas were excellent and well-received, and four changes were made. First, one of the categories, Structured Tasks, was vague and not fully understood. Following some discussion, the name of the category was
changed to Reorganized Schedule. This new name was clearer and fit all the events which were categorized there. Second, the Learning to Start One's Own Business category was confused with Gained Entrepreneurial Type of Experience. The events which were to be captured in the former category were ones in which participants researched a particular entrepreneurial opportunity. Again, after some discussion, the name was changed to Researched a Specific Entrepreneurial Option. This new name was clearer and captured all events which were categorized in that category.

Third, there was discussion concerning the Gained Entrepreneurial Type of Experience category. Several events included in this category were successful entrepreneurial experiences. The key point in examining these events was their successful nature, not the actual experiences of entrepreneurship. Splitting these two categories into two distinct categories logically illustrated this point. Since the successful experiences equally facilitated entrepreneurship, a new category was formed entitled: Had a Successful Entrepreneurial Experience.

Fourth, the category of Supported or Influenced was split into two separate categories for refinement. One of the new categories was Influenced or Supported in Entrepreneurship and the other was Influenced or Supported in Non-Entrepreneurial Decisions. This arose because the act of being supported or influenced in entrepreneurship seemed different from being supported or influenced in other types of decisions. Because of the study's focus on entrepreneurial beginnings, it was concluded that it would be better if there were two distinct categories.

Two other discrepancies arose due to a lack of understanding of the words used to capture the event. For example, the judge did not understand that the phrase "overseeing all operations". If this phrase had been understood with reference to a type of entrepreneurial
experience and not a general type of learning, there would have been agreement in its categorization.

**Participation Rate for Categories**

The critical incident method groups similar events reported by participants. This lends credibility to the categories formed since different people are reporting the same kind of event. For example, all participants reported that they experienced a general learning about business. This agreement indicated that the category was sound and well-founded. Table 2 lists the frequency of events which were found within each category together with percentage agreements. Percentage agreement is the participation rate for each category and is calculated by dividing the number of participants who reported the event by the number of total participants.

The high percentages shown in Table 2 indicate that there is a high level of agreement within each category whereas the low percentages indicate a low agreement. Low percentage agreement does not mean disagreement, rather, it means that not all participants experienced an event grouped in that particular category. Twenty of the categories contained events reported by at least two individuals. Two categories Contemplated Entrepreneurial Options and Re-Organized Schedule contained events which were reported by only one participant. A re-examination was made to determine if the events in these categories could be classified elsewhere. However, the events did not fit into any other category. The vividness of the incidents described made it clear that the category should remain intact so it was decided that both categories would be preserved.

The categories here should not be considered conclusive; rather, they should be considered tentative. More research is required before these categories can be considered for
Table 2

Participation Rate in Each Category

<table>
<thead>
<tr>
<th>Categories of Events</th>
<th>Frequency</th>
<th>Participation Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hired or Promoted as an Employee</td>
<td>9</td>
<td>80%</td>
</tr>
<tr>
<td>General Learning about Business</td>
<td>12</td>
<td>100%</td>
</tr>
<tr>
<td>Gained Entrepreneurial Type of Experience</td>
<td>6</td>
<td>60%</td>
</tr>
<tr>
<td>Had a Successful Entrepreneurial Experience</td>
<td>2</td>
<td>40%</td>
</tr>
<tr>
<td>Observed Role Models</td>
<td>3</td>
<td>40%</td>
</tr>
<tr>
<td>Realized what was Personally Important</td>
<td>5</td>
<td>100%</td>
</tr>
<tr>
<td>Significant Loss</td>
<td>5</td>
<td>80%</td>
</tr>
<tr>
<td>Encouraged as an Employee</td>
<td>8</td>
<td>40%</td>
</tr>
<tr>
<td>Influenced/Supported in Non-Entrepreneurial Decisions</td>
<td>4</td>
<td>40%</td>
</tr>
<tr>
<td>Experienced Work Inactivity</td>
<td>5</td>
<td>60%</td>
</tr>
<tr>
<td>Observed General Economic Conditions</td>
<td>4</td>
<td>60%</td>
</tr>
<tr>
<td>Deliberated About Career Options</td>
<td>6</td>
<td>60%</td>
</tr>
<tr>
<td>Decided not to Seek Employment</td>
<td>3</td>
<td>60%</td>
</tr>
<tr>
<td>Offered Entrepreneurial Position</td>
<td>3</td>
<td>60%</td>
</tr>
<tr>
<td>Deliberated About Becoming an Entrepreneur</td>
<td>7</td>
<td>60%</td>
</tr>
<tr>
<td>Contemplated Entrepreneurial Options</td>
<td>1</td>
<td>20%</td>
</tr>
<tr>
<td>Influenced/Supported in Entrepreneurship</td>
<td>4</td>
<td>80%</td>
</tr>
<tr>
<td>Encouraging Events Which Led to Entrepreneurial Opportunity</td>
<td>3</td>
<td>60%</td>
</tr>
<tr>
<td>Re-organized Schedule</td>
<td>2</td>
<td>20%</td>
</tr>
<tr>
<td>Researched a Specific Entrepreneurial Option</td>
<td>3</td>
<td>60%</td>
</tr>
<tr>
<td>Acquired Resources to Start a Business</td>
<td>6</td>
<td>80%</td>
</tr>
<tr>
<td>Made Decision to Pursue Entrepreneurial Opportunity</td>
<td>7</td>
<td>100%</td>
</tr>
</tbody>
</table>

n = 108 events

Note: Frequency indicates the number of events reported within a category, while the percentage shown for the participation rate is calculated as the percentage of participants who indicated an event within that category.
practical use by researchers and theorists.

**Examination of Event Categories**

This study has examined events which facilitated and hindered entrepreneurial beginnings for five participants. One hundred and eight critical events were extracted and organized into 22 event categories. In reflecting upon the categories and events contained therein, there were a number of resemblances to support general themes. In this context, general themes were clusters of event categories which seemed to fit together based on commonality. The purpose of extracting themes was to obtain a higher level of event categories which described the events more broadly. Understanding these general themes helped highlight pivotal events in the entrepreneurial process. They were also very helpful in the process of analyzing the narrative accounts which will be discussed later.

This section describes the underlying themes that were common to all participants, providing an understanding of the key elements involved in the entrepreneurial experience. The rationale for each theme is described in order to understand how categories and their events were grouped into themes. These themes provide an increased awareness of how the events, as a whole, led to entrepreneurship. Six themes are noted and each is described below with examples of specific events or, where appropriate, the more general event category.

**Themes**

**Gained Knowledge and Competence.** This theme involved becoming competent by studying or gaining knowledge from experience. Here, learning experiences included direct practice, comprehension by reading, and vicarious observation. Gaining knowledge and competence was important as it served as the foundation upon which individuals gravitated towards entrepreneurship. Entrepreneurs in this study had some type of skill, knowledge, or
expertise that they used in their businesses so this theme was both logical and reasonable. Included in this theme were those events grouped into the categories in which there were experiences of: (a) a general learning about business, (b) an experience of becoming an entrepreneur, (c) researching specific options, (d) observing respected role models, and (e) realizing the impact of general economic conditions.

**Reflected Upon One's Career.** This theme took into account those experiences in which individuals reflected upon their work and career. Such deep reflection included thought, deliberation, and decision making which led individuals to sort out their priorities, interests, values, and goals. Reflection was a very important step for all of the participants as understanding the self and examining (or re-examining) goals were an important part of the process. This theme included events grouped into the following categories: (a) significant loss, (b) realized what was personally important, (c) experienced inactivity, (d) deliberated about career options, (e) decided to seek employment, (f) deliberated about becoming an entrepreneur, (g) contemplated entrepreneurial options, and (h) decided to pursue entrepreneurship.

**Experienced Progress in Work.** In this study, there were experiences of progress with respect to work activities. Experiencing success, both in task and in financial terms seemed to pave the way for individuals to want to work for themselves. This forward movement was important and very instrumental in the entrepreneurial process. This theme included those events included in the categories of being encouraged at work, and being hired or promoted. Similarly, other positive events clustered in this theme were experiences of encouragement and experiences of entrepreneurial success. This theme also included the opposite dynamic, that is, being discouraged at work. Results indicated that experiencing progress in work motivated individuals to reach for new levels of success.
**Overcame Obstacles.** In this study, K. reported, at times, that she lacked time and/or money, so she re-arranged her affairs to permit her immediate goals to be met. As such, this theme involves action taken to remove impediments and obstacles in order to achieve primary goals. This theme was important because K. did not abandon her wish to become an entrepreneur. For example, earning extra money allowed her to pay for basic living expenses which enabled her to continue her entrepreneurial but very low paying activities.

**Received Support from Others.** In this study, many individuals received emotional and tangible support from others. Being supported emotionally allowed them to feel encouraged and motivated to continue with their primary activities. Being provided with tangible support meant that something concrete was acquired which enabled entrepreneurial activities to be pursued. Examples of being provided with tangible support included being given money and being provided with free office space.

**Received an Opportunity.** This self-explanatory theme involved the offer of an entrepreneurial position. Results indicated that receiving an opportunity was crucial as it provided individuals with a practical possibility to commence their businesses. Talent, drive, and know-how could not have been crystallized unless an opportunity existed.

After the themes were constructed, each was scrutinized by the thesis supervisor. Strict attention was paid to the names of themes and the rationale for the groupings. The thematic construction was discussed and changed where appropriate, until there was a consensus by the researcher and thesis supervisor.

Based on this analysis, six themes were extracted: (a) gained knowledge and competence, (b) reflected about one’s career, (c) experienced progress in work, (d) overcame obstacles, (e) received support from others, and (f) received an opportunity. Moving on, an analysis of the narrative accounts is provided in the next chapter to determine whether there were
experiential patterns in becoming an entrepreneur.
CHAPTER V

Narrative Accounts

The previous chapter introduced 22 categories of events that facilitated and hindered entrepreneurship. These were grouped and organized by their commonality into six themes. However, identifying static categories and themes are not sufficient; what is needed is an explanation of how events contained in the categories are dynamic. Understanding the flow of events will give them clarity and more prominence. This chapter examines the story of each participant in an effort to provide additional meaning by analyzing events in context. To effectively describe the story of each subject, a list of his or her critical events are provided in time order and followed by a brief narrative. A short commentary emphasizing the pivotal events concludes each narrative.

**Person J.**

The 20 events described by J. are listed chronologically as follows:

1) Hired as an articling law student.
2) Acquired the skills to become a lawyer.
3) Reprimanded by his employer for having a cocky attitude.
4) Realized that he was intrigued by business deals.
5) Wrote a memorandum to all the firm's lawyers outlining business development ideas; his ideas were not well received.
6) Disturbed by how partners of the firm generated business.
7) Told that he would not be hired after his articling period.
8) Sought work with other law firms.
9) Observed that Canada was in a recession.
10) Did not get hired by another law firm.
11) Experienced work inactivity.
12) Realized recession was hindering job search.
13) Experienced work inactivity.
14) Brother became an entrepreneur.
15) Provided office space by his brother.
16) Deliberated about becoming a self-employed lawyer.
17) Researched what becoming a self-employed lawyer would involve.
18) Brother suggests that he become self-employed.
19) Supported by family to become a self-employed lawyer.
20) Made decision to become a self-employed lawyer.
Narrative

J. attended law school with the goal of obtaining business experience and then becoming self-employed in some type of business. J. began his one year articling period at a medium-sized law firm in Vancouver. He was excited at beginning his career; training at the law firm was his first experience in business. J. liked working but immediately noticed that it was technical. His work involved researching technical provisions of the law and ascertaining how they fit with the facts of a particular situation. During this period, J. developed his skills as he read legislation and cases, and prepared various legal documents as required.

As is common with law students, J. had to impress his superiors if he wanted to be hired after his articling period was completed. Being hired involved more than working hard and performing well; it required fitting-in, getting noticed, and getting along with staff and clients. In this respect, J. recalled three discouraging incidents. One incident was when a partner of the firm called him into his office. The partner said that, although he would make a good lawyer, J. was behaving like he owned the firm. Another incident was when J. took a professional development course on marketing law practices. J. became very interested and intrigued with business development and on his own accord, wrote a memorandum to all professional staff summarizing the contents of the course. Other than a few terse comments, no one showed any genuine interest. Related to this point was J.'s observation that existing partners had married or were marrying into wealthy families. These families owned profitable companies who were being provided with legal work by the partnership. These various incidents made J. feel as if he did not belong.

Despite these events, J. continued to work hard. Unfortunately, the partners at the firm decided that J. would not be offered a full-time position. None of the partners, however,
told J. of their decision and with approximately five months left in his articling position, it was announced at a firm social event which students would be retained. Needless to say, J. was embarrassed and humiliated when he learned that he had not been re-hired.

J. was motivated to gain business experience and sent out resumes to various law firms expressing an interest in taxation and Pacific Rim work. Five firms were interested but no job offers ensued. J. soon realized that the country was in a recession and that it would be very difficult to find a job. After his articling period was completed, J. became unemployed. One firm told J. that they would be interested in his services when more work became available. This provided J. with hope for employment. Nevertheless, it was very difficult for J. to be home everyday; he felt unproductive and lacked an identity. Without any work, J. began to re-evaluate his career goals and contemplated practising law on his own.

In the meantime, J.'s older brother had just earned his Chartered Accountant designation and left his job at a large public accounting firm to work as a self-employed accountant. He rented office space and purchased necessary supplies. He offered J. free office space and the use of supplies and equipment. These resources provided J. with an opportunity which inspired him to seriously consider self-employment. Next, J. contemplated whether he would feel comfortable practising law as a sole-practioner. He felt that he was a competent lawyer but had always thought that he would need post-articling experience. Nevertheless, he researched the requirements to practice law as a self-employed practitioner. To his surprise, the cost of the practice licence and liability insurance was affordable, in the range of approximately $5,000. In addition, J. had few monetary responsibilities as he lived rent-free in a family owned triplex suite. J. discussed the possibility of self-employment with his family and was encouraged; an abundance of family contacts were recommended who might require legal services. With this support and no where else to turn for work, J. decided to
become self-employed.

**Commentary on the Pattern of Events**

J. turned to self-employment because of a lack of other viable alternatives with respect to work. Clearly, he did not want to become self-employed immediately after his articling period but had no other choice. He was motivated to work and was not happy being unemployed. There were no job opportunities and future prospects seemed dim due to poor economic conditions. The turning point for J. was being offered free office space by his brother. These available resources gave him an opportunity to become self-employed. After that, J. experienced a number of contemplating and deliberating events concerning whether or not he should take the opportunity. With the support of his family and a burning desire to become productive, J. decided to pursue work as a self-employed lawyer instead of working in a legal firm for others. It was a forced decision and J. admits, that at the time, it was not his first choice of action.

**Person R.**

The 25 critical events described by R. were as follows:

1) Observed two ex-classmates from University operate their own sports clothing store.
2) Decided that he wanted to live in a smaller city than Vancouver.
3) Mentor at law firm left the law practice for another job.
4) Discouraged at work because of a very high work load.
5) Experienced work inactivity during a four week vacation.
6) Learned about the business operations of a large family owned company he was representing in a lawsuit.
7) Gained insight into the business from the owner of the company.
8) Was hired by the company he was representing.
9) Supported by his wife in his decision to leave the law practice.
10) Observed the owner start a new company division.
11) Was treated with disrespect by the children who worked in the family owned business.
12) After the business was sold, he was promoted to Vice-President of business operations by the new owners.
13) Employer gave him a raise to $110,000 per year.
14) Gained experience managing the operations of the company.
15) Advised two friends on a real estate transaction and observed that they made $800,000 on the deal.
16) Was not consulted in company decisions.
17) Criticized by company President.
18) Fired and lost high-profile and well-paying job.
19) Did not work.
20) Decided not to work for others.
21) Contemplated several self-employment options.
22) Decided to pursue his own business in real estate development.
23) Concerned as his wife was worried about the instability of self-employment.
24) Arranged to purchase real estate property from his former employer and offset a portion of the cost with his severance package.
25) Obtained bank financing to purchase the real estate property.

Narrative

After completing an undergraduate degree in commerce at UBC in 1978, R. decided to enter law school. The summer before starting law school, R. remembered purchasing running shoes in a store called Superstar. What was significant for R. was that two owners were from his commerce graduating class. R. was inspired that two of his former classmates were now successfully managing their own business.

R. attended law school at the University of Victoria but decided to article at a very prestigious firm in Vancouver. R. took the bus to work daily and despite having been raised in Vancouver, decided that he wanted to work and settle in a smaller community. Lifestyle had become such a priority for R. that he declined attractive job offers in Vancouver. R. accepted a job in Victoria where he specialized in commercial litigation. R. had a mentor there and learned his skills from this well-respected senior litigator. A very important event occurred for R. when his mentor accepted a position in Saskatchewan as the Head Constitutional lawyer for the Attorney General. R. was shocked that his mentor would leave a successful practice in Victoria for another job. His mentor’s decision to leave led R. to begin thinking about his own career goals. R. began to constantly ask himself whether he liked his job and whether he wanted to practice law for the rest of his life.
R. worked very hard for the next year. In 1987, he and his wife decided to vacation in New Zealand for four weeks. During this time, R realized that he had been working far too much and that he was unhappy with his lifestyle. He began to think about his career options and considered self-employment as an option. When he returned from holidays, his firm had been hired by the largest company in Victoria to represent them in a lawsuit. R. met with the owner and learned all about the company's businesses. Within one month, the owner offered R. a position with the company. R. was thrilled; this was his chance to learn how to run a business from a well-respected entrepreneur. R. accepted the position and in the next few months, worked with the owner in launching a new division of the company. This learning experience was invaluable as R. learned how to start a new business.

Within two years, however, the owner sold the business. The new owners promoted R. to Vice-President of business operations and increased his salary to $110,000 per year. Despite the high salary and prestigious position, R. found the new owners difficult. Their business decisions were reckless and the company's debt level soared. At the same time, R. helped two friends with some real estate legal work. When the property sold, R.'s friends made a profit of $800,000. Needless to say, R. was impressed and inspired.

Back at work, R. was feeling an enormous pressure. Company profits were dropping and R. felt he was losing control because the owners were making decisions without consulting him. R.'s increasing discomfort culminated one Friday afternoon when the President, in an intoxicated state, criticized him for one and one-half hours over performance matters. R. was humiliated and nearly quit on the spot. However, he did not do so because he still felt dependent on his salary and knew that quitting would mean that he would not receive severance pay. For the next two months, R. carried on working but half-expected to be fired so he began to contemplate other work he could do. When he was fired, R. felt relieved as
the tension and pressure had become unbearable.

Staying at home allowed R. to contemplate his new career direction. He immediately considered self-employment for two reasons. First, he no longer wanted to work for others, and second, he was confident that he could be a successful entrepreneur. R. contemplated various self-employment options ranging from operating his own gas station to developing real estate. R.'s wife was worried about the instability of self-employment and supported him as best she could. R. decided that he wanted to develop real estate and began to think about a property owned by his former employer that was perfect for development. He offered to purchase the property at its market value less the amount owed to him in severance. After intense negotiations, the company agreed to sell the property. R. obtained the bank financing and purchased the property.

**Commentary on the Pattern of Events**

After law school, R. began his career as a lawyer at a prestigious law firm in Victoria, B.C.. When his mentor left the firm, R. began to consider his own career goals. This process led to R.'s decision to want to own and operate a business of his own. Eventually, he left the law practice to work in a business. This led to a number of varied experiences which ranged from learning how to operate a business to being fired. Becoming self-employed was a natural progression in R.'s career. He had gained valuable entrepreneurial experience as Vice-President of a large company and he felt that there was no reason why he could not operate his own business. Just as important for R., was his desire to make his own decisions and be free of company politics. Clearly, he did not want to work with others. All these experiences made R. ready and willing to run his own business.

Clearly, R. had the desire and competence to be a successful entrepreneur. What he needed was an opportunity to fulfil his dream. Because of his wife's concerns, R. did not
want to take any unnecessary risks. Acquiring the real estate property from his former employer and offsetting a portion of the cost with his severance package was a key event facilitating entrepreneurship. Once this was accomplished, the last hurdle was obtaining a bank loan to fund the purchase of the property. R. was eventually able to secure the money required which enabled him to purchase the real estate property.

**Person K.**

K. described 27 events as follows:

1) Hired as employee at a prestigious restaurant after completing her University education.
2) Promoted to manager of the restaurant, after only two weeks.
3) Elected to the Finance committee of the restaurant.
4) Began a catering business for the restaurant and gained experience operating a business from its inception.
5) Realized that she did not want a long-term career at the restaurant and began to consider other career options.
6) Structured her duties at the restaurant to search for a new career.
7) Conducted informational interviews with broadcast journalists and considered a career in international journalism.
8) One of her friends suddenly died.
9) Found out that the CBC was laying off broadcast journalists.
10) Considered a career in film industry in 1986 after talking with a business associate of her father.
11) Noticed that due to the low value of the Canadian dollar, American companies were coming to BC to make films.
12) Decided to volunteer at the UBC film school (in 1987) to learn how to make films and to meet others at the same grass-roots level.
13) Read and researched things she did not understand about making films.
14) Realized that she loved the film industry.
15) Accepted a managerial job with a post-production company.
16) Learned about post-production work for feature films, documentaries, and television from well-respected professionals.
17) Produced a film project.
18) Succeeded at managing the film project.
19) Hired with three others to produce a promotional film.
20) Quit her job at the post-production company to work on two independent projects with two other people.
21) After one of her partners quit, K. gained more experience.
22) Accepted another job while continuing to work on the independent projects at night and on weekends.
23) Met a well known Los Angeles film producer and learned more about budgeting for
films.
24) Gained experience writing contracts for non-union actors.
25) Asked by her father to work with him in their own business.
26) Contemplated offer as she has never worked with her father before.
27) After respective responsibilities were sorted out, K accepted offer.

Narrative

K. had just completed a university degree in International Politics. She did not have any related work so she accepted a hostess position at a prestigious Vancouver restaurant. Within two weeks, K. was promoted to manage the restaurant. A short time thereafter, K. was elected to the finance committee of the restaurant where she learned about financial matters. Next, K. started a catering business for the restaurant during which she learned how to start a business. Her experiences were valuable as her successes contributed to her growing self-confidence. She worked approximately two years before deciding that she needed to embark on a different career path. Her first action was to re-arrange her work schedule at the restaurant so that she could search for a new career.

K. first considered a career in journalism and conducted a number of informational interviews. Around this time, an unexpected tragedy arose for K. as a friend suddenly passed away. The death shocked K. as she struggled with the issue of mortality. A period of self-reflection occurred as K. re-evaluated her life and goals.

K. was still interested in journalism but found out through her father that journalists were being laid off by the CBC. This discouraging news led her to consider work writing films. She understood that American companies were coming to Vancouver to make movies because of the cost savings. Witnessing the growth in this industry, K. decided to volunteer at the UBC film school to learn about film making and to meet others in the field. During this period, K. made various contacts and learned about film making. K came to love films even though it was a male dominated industry. She was delighted when an opportunity arose to
manage a post-production company. At this time, she left the restaurant as her new career began to flourish. The post-production company was used by most film makers who came to Vancouver and K. met all types of people. She also learned about post-production work for feature films, documentaries, and television films. Due to internal disagreements, the three owners of the post-production company decided to pursue their own projects. One project was left with the company and K. was given the responsibility to produce it. She took charge and produced her first film. The project was very successful and her confidence skyrocketed. She also noticed that others began to take her work seriously. While continuing her duties at the post-production company, K. and three others began producing a documentary film project which promoted the 75th Anniversary of UBC. As this project was completed, K. decided to leave her position with the post-production company and start her own projects.

Following a short vacation, K. began another film project with two others. Halfway through, one individual left the project for a better opportunity. K. and her partner's responsibilities increased. For example, one of K's new duties was to raise $140,000 to finance the production costs of the project. Around this time, K. began to run out of money for rent and food. She re-organized her schedule so that she could work part-time. For a five month period, K. worked as an assistant to the producer on a feature film called *Look Who's Talking Too* while continuing with her own project at nights and on weekends. Her work on this feature film enabled her to learn about contract law as one of her duties was to sort out the contracts of non-union actors. She also met a well-respected producer who taught her about setting budgets and avoiding cost-overruns. As her work on these projects came to a close, her father approached her to work with him. He had just retired from the CBC and had been asked by BC Films to develop two film projects. He asked K. to work
with him as a co-producer where her responsibilities would be financially orientated. She was very flattered as her father was a well-respected creative film producer. However, she did not accept immediately. She sat down with him to set out their respective responsibilities. For example, K. did not want to be working as his employee. They agreed to work together as partners in an entrepreneurial business. For K. the timing of the opportunity was perfect and once the details were worked out, she accepted her father’s offer.

Commentary on the Pattern of Events

K.’s entrance into the world of entrepreneurship was carefully planned. She began her work at the restaurant where she learned many different aspects of business management ranging from starting a new catering division to learning about financial matters. Stimulated by her achievements at the restaurant and the death of her friend, K. thoroughly researched her new career. Pursuing a career in films resulted from recognizing that there was growth in that industry. Volunteering at the UBC film school was a calculated move which enabled her to meet people and learn how to make films without paying costly tuition fees.

The next series of events were ones in which K. learned how to produce films. She gained valuable experience and became respected and confident. As her skills and competencies increased, K. became motivated to leave her position with the post-production company because she felt unappreciated and wanted a chance to reap the financial benefits of her own hard work. After working on a number of independent productions, an opportunity arose when her father asked her to work with him as a co-producer.

Person W.

The 15 critical events described by W. were as follows:

1) Worked part-time at his father’s pet wholesale business and learned all about the
business (products, suppliers, and clients).

2) Worked part-time at his mother’s retail pet store and learned about inventory and managing a store.

3) Dad’s company was owed $500,000 by a bankrupt client who owned 6 retail pet stores; his father said that if he agreed to manage them, he would acquire the six stores; a decision needed to be made within weeks.

4) Began contemplating the offer and realized that his father was asking him for help, which had never happened before.

5) Thought about his interest in politics and a possible career in that field.

6) Thought about having to leave UBC without completing his degree in political science.

7) Thought about the fact that help was available from his father.

8) Thought about the fact that his mother had experience in operating a retail pet store.

9) Did not see any comparable career path.

10) Did not think that he "could screw up".

11) Contemplated a career working in the pet industry.

12) Visited the six stores to examine their location, staffing, inventory levels, and whether they were financial feasible.

13) Concluded that the six stores were financially feasible.

14) Told father that he would accept the offer.

15) Father obtained financing in the amount of $125,000 which enabled the six stores to be purchased.

**Narrative**

W. was very interested in politics. In 1987, he was in his second year of Political Science at UBC. He was also very active in the B.C. Liberal Party and worked closely with John Turner. At the same time, W. had worked part-time for both his mother and father since high school. His father owned and operated a pet wholesaling company and his mother owned a retail pet store. It was here that W. learned all about the pet industry.

In March of 1987, one of his father’s clients was arrested for smuggling heroin. The client owned six retail pet stores and total debts owed to W’s father was $500,000. As an unsecured creditor, the company of W.’s father would likely remain unpaid. W.’s father thought of acquiring the six stores and asked W. if he was interested in managing them. Most noteworthy, was the fact that a decision had to be made within weeks because others were also interested in purchasing the stores.
Over the next week W. considered this offer, experiencing a number of deliberating events. First, W. knew that if he accepted, he would have to drop out of university immediately. Second, a career in politics would not be possible if he was managing six retail pet stores. At the time, he was one of three minorities in the Liberal Party and knew he would have excellent opportunities for work in the world of politics. Third, W. was struck by the fact that his father asked him for help. His father had always helped him and W. had never actually had the chance to reciprocate. W. soon realized that he wanted to help his family in any way he could. In addition, W. already liked the pet business. What was also very attractive (and terrifying) was that W. would be able to make his own business decisions. His father was busy running his own company and his mother did not want to operate more stores. Given that advice was available from both parents and that he felt competent, W. could not contemplate failure. As his readiness increased, W. visited the six stores to determine whether they were financial feasible. Each store was examined for its location, staffing situation, inventory level, and past profitability. W. became very optimistic about the future profitability of all six stores and was encouraged to accept the offer. It was, at this point (approximately one week after the offer) that W. decided to accept his father's offer. The last step was to arrange financing since the stores needed working capital. A loan agreement in the amount of $125,000 was arranged and W.'s business began.

Commentary on the Pattern of Events

Clearly, W. was offered an entrepreneurial position, unlike J. and R. who sought out their own opportunities. At the time, he was a second year university student who was very interested in politics. Following his father's offer, W. contemplated his opportunity. Critical events primarily involved contemplation and deliberation. W. considered his career options, interests, and values. His family was very important to him which was a very key
factor in his decision. He felt competent, was motivated and supported, and believed he would be successful. These factors combined with a great opportunity resulted in W. becoming an entrepreneur.

**Person P.**

The 21 events described by P. are listed chronologically as follows:

1) Rejected a career as an architectural draftsman after researching the educational requirements.
2) Took a course on hotel management.
3) Was hired by a Mr. Submarine restaurant in Toronto.
4) Offered an opportunity to manage a franchised restaurant in Vancouver as an independent operator.
5) Company provided him with a number of incentives to accept position in Vancouver.
6) Family did not support P.’s decision to move to Vancouver.
7) Decided to accept entrepreneurial position in Vancouver.
8) Gained entrepreneurial experience.
9) Succeeded at operating the business.
10) Lease for store was terminated by lessor and P. loses the restaurant.
11) Girl friend asked P. to remain in Vancouver after Mr. Submarine offered him a position in Toronto.
12) Decided to stay in Vancouver.
13) Mother and father supported P.’s decision to remain in Vancouver.
14) Experienced work inactivity.
15) Decided to re-enter work force.
16) Decided that he did not want to work for others.
17) Decided that he wanted to operate his own Mr Submarine’s restaurant.
18) Parents agreed to lend him the money to purchase the franchise.
19) Investigated the cost of a franchise and looked for a suitable location for his restaurant.
20) Girl friend threatened to end their relationship if P. proceeded with the franchise purchase.
21) Franchise application granted which was funded by a $100,000 amount received from his parents.

**Narrative**

Following high school in Toronto, P. was very interested in an architectural drafting career. However, he rejected this when he found that it would take at least eight years of education and work experience. Not knowing what to do, P. took a one year program in hotel management. He enjoyed working in the food industry and was hired by a Mr.
Submarine's restaurant. It was here that P. gained valuable business experience. His employer thought very highly of him and when the company re-acquired a franchised restaurant in Vancouver, they asked P. to manage it as an independent operator. Their offer was loaded with incentives. For example, P. was told that there would be a reduction of overhead charges; this virtually guaranteed him a higher income than if he remained in Toronto. Although his parents wanted him to stay in Toronto, P. decided that it was too good an opportunity to reject. The thought of moving to Vancouver and running his own restaurant as an owner-operator was very attractive.

Indeed, W. was very successful operating the restaurant and made more money than he had predicted. Unfortunately, within three years, the landlord in Vancouver terminated the lease and P. lost the restaurant. Mr. Submarine offered him another job in Toronto but P. did not want to return. He had made a life for himself in Vancouver and his girlfriend did not want to move to Toronto. P. decided to remain in Vancouver despite being unemployed.

For a period of time, P. did not work. As his savings dwindled, P. became motivated to re-enter the job market. Because he had experience operating a business, P. did not want to work for someone else. To do so would be deflating since he enjoyed making his own decisions. Based on his knowledge and experience with Mr. Submarine, P. thought about purchasing his own franchise. He called his parents and asked for the money which would enable him to do this. Without knowing the exact amount, P.'s parents agreed to loan him the money. P. then investigated what it would cost and began to search for a suitable location. Things became more difficult as P.'s girlfriend threatened to end the relationship if he proceeded because she did not want him working day and night at the restaurant. Nevertheless, P. had decided that this was what he wanted and shortly thereafter, purchased the franchised restaurant.
Commentary on the Pattern of Events

There were three important events in P.'s choice to pursue entrepreneurship. First, he was offered a position to operate a Vancouver-based restaurant as an independent operator. Moving there allowed him to escape parental pressures and meet a woman that he liked. Accepting the offer also enabled him to experience success in running a business and make more money than he would have made had he remained in Toronto. Additionally, he loved the freedom of making his own decisions.

The second event involved career goal reflection. Like R., P. had very high career goals but did not want to work for others; to do so would have seemed like a step in the wrong direction. Not even his girlfriend's threat of ending the relationship deterred him from wanting his own restaurant.

The third factor in becoming an entrepreneur was being able to obtain the $100,000 necessary to purchase a franchise. P. had the talent and motivation to become self-employed, but without this loan, no opportunity existed. This money bought him an opportunity, enabling him to start his own business.

Examination of the Narratives

An examination of the six identified themes and pivotal events in the narrative stories revealed three distinct, independent patterns in becoming an entrepreneur. In all cases, initial events were significant in determining the particular pattern of experience. This significance was portrayed in the captions used to describe the patterns. The three patterns found were as follows: (a) transition and actualization, (b) catastrophe and recovery, and (c) opportunity and capitalization. A description of each pattern of experience follows together with examples of pivotal events contained in that pattern. Although a person might experience one distinct pattern, it should be noted that they are not necessarily exclusive.
For some, two or three of the patterns may have been experienced.

**Transition and Actualization**

This pattern involved stories of gradual development and maturation which culminated in becoming an entrepreneur. Very noticeable, in this pattern, were movements by individuals to change their lives so that their actions were congruent with their goals. To begin, there was an initial period in which individuals worked as employees. During this time, individuals gained knowledge, made contacts, became competent, and experienced progress in their careers. Having these successes not only led to personal growth and development but sparked new questions. Such things as career and life goals were then contemplated. For all, career goals were very important. This pattern was experienced by R., K., and P..

More specifically, R. began a period of reflection when his mentor left the law firm. K. began her reflection period after her success at the restaurant. P.'s reflection period commenced when he moved to Vancouver, away from parental pressures.

This period of learning, progression, and contemplation continued until a triggering event was experienced which led individuals in a different career direction. For R. and P., external events were instrumental. R. was fired and P. lost his Vancouver restaurant when his landlord terminated the lease. For K., it was an internal decision, that is, the realization that she loved producing films. This realization combined with her work successful work experiences led to her decision to work in the film industry.

Once the external or internal event transpired, individuals carefully contemplated their next step. R. and P. made conscious decisions not to seek work as employees, preferring self-employment. K. began to work with others to produce independent films. She slowly stepped out of her employer's shadow by increasing her involvement in independent film projects. She become so motivated that obstacles in her pathway of success were removed.
R., K. and P. selected entrepreneurship because of their skills and confidence, their willingness to bear risk, and because it seemed to be the next logical step in their career path. Developmentally, it was as if becoming an entrepreneur was a step towards career fulfilment. For example, both R. and P. stated that it would have been regressive to work for others. K. stated that it did not make sense to work for others and allow them to benefit financially from her efforts. In all cases, employment was a fall-back position if entrepreneurship did not work out.

The last event for all three individuals was having an opportunity to become an entrepreneur. K. received an offer from her father. R. and P. had to obtain the necessary resources to start their own businesses, essentially creating their own opportunities. For example, R. acquired a parcel of real estate property from his former employer and P. acquired a franchised restaurant.

**Catastrophe and Recovery**

This pattern is described as the experience of a disastrous event followed by a period of recovery. It began with one or a series of sudden negative events that resulted in the end of a particular career path. Examples included being fired or humiliated. After the shock, the individual was left wondering what to do. This series of negative events led to a questioning of self-worth and eventual depression. Such questions included: (a) what do I want? (b) can I find a job? (c) what kind of job can I find? (d) how long will it take me to find a job that I want? and (e) what are people thinking about me? A period of recovery began when the individual recognized the loss, and began reflecting upon his or her future by considering possible courses of action. This inevitably involved reflecting upon and re-considering career goals.

J. best illustrated this pattern although a portion of R.’s story also fit this framework. J.
experienced a number of negative incidents during his period of employment with the law firm. Not being re-hired was a devastating blow to J. as was not being able to secure employment with another law firm. These series of negative events led J. to contemplate his options. A period of inactivity pushed him to re-consider his career goals and contemplate self-employment. A pivotal event for J. was the tangible support received from his brother. Office space and supplies provided J. with an opportunity to work as a sole-practioner.

Not to be overlooked was the training that J. received during his articling period. This provided him with the necessary confidence that he would be able to successfully practice law as a sole-practioner. Additionally, in J.'s situation, there was a relatively low amount of financial risk in attempting self-employment as he was single and had very few financial obligations.

**Opportunity and Capitalization**

The pattern here was that an unexpected but attractive offer to become an entrepreneur was received. Receiving an offer of this magnitude ignited a series of reflecting and contemplating events for certain individuals in this study. This led to the consideration by individuals whether their needs would be met if they accepted the opportunity. Various issues considered were: (a) the clarification of career goals, (b) the contemplation of other viable alternatives, (c) the reflection of perceived competencies, (d) the assessment of success or failure, and (e) the assessment of whether they would gain financially. Eventually individuals accepted, capitalizing on the opportunity presented.

W. best illustrated this pattern of experience although K. also received an unexpected offer. W.'s father made him the offer one month before his university final exams. Accepting the offer meant having to leave university and forego a burgeoning political career. Instrumental factors in W.'s decision to accept the offer were strong family values
and the likelihood that he would be successful. Additionally, he was very familiar with the
pet industry and was told that he would be given free reign in making his own decisions.

Summary

Each narrative has been examined to provide information that adds detail to the 22 event
categories and six clustered themes. Events are shown in context as the narrative stories are
examined from beginning to end. The three patterns of experience are as follows: (a)
transition and actualization, (b) catastrophe and recovery, and (c) opportunity and
capitalization.

Having explained the three patterns, it is necessary to document the events which were
common to all narratives. To begin, all individuals stressed the importance of acquiring
 skills, knowledge, and gaining business experience throughout the process. Progress in these
work positions was a very important factor as these work experiences resulted in enhanced
skills and feelings of competence which, in turn, led to a solid foundation of self-confidence.

Another common event was the contemplation of career (and life) goals. Generally, this
deliberation took place after a period of employment and work experience. For all, career
aspirations were very important. Contemplating career goals and experiencing success at
work were also common events experienced. Although triggering events differed, all co-
researchers reported a deliberation of whether to become an entrepreneur. One factor which
was common in the deliberation process was the anticipation of success or failure.
Generally, this fear of failure was overcome by a belief that stemmed from support and/or
past successes. Being supported meant that there was advice available from others or that
emotional support was available. Receiving these types of support increased the likelihood
that entrepreneurship would be undertaken. To illustrate, W. felt supported because he could
easily access his mother and father's expertise. J. was emotionally supported by his family
as they encouraged him to become a sole-proprietor practising law.

The self-confidence from past successes significantly influenced individuals to proceed with self-employment despite their doubts. Self-belief is a psychological concept consistent with Bandura's (1977) notion of self-efficacy. Bandura stated that expectations of personal efficacy can influence an individual's behaviour, effort, and persistence. In this situation, if people believe that they can be successful, they will be more ready and willing to bear the associated risks of launching their own businesses.

It is noted that, although, emotional support was received, it was not seen as vital in the decision to become an entrepreneur. What was critical, however, was the receipt of an opportunity. Whether it was the acquisition of necessary resources or financing, opportunity gave individuals the practical possibility to start their own businesses. W., and K. received an unsolicited opportunity whereas R. and P. had to create theirs. J. experienced both in his story; following his brother's offer of free office space, he took the necessary steps to open his own law practice. For those who created their own opportunities, additional steps included researching the costs of start-up, ascertaining assets to be acquired, and planning how to finance the acquisition of assets.
CHAPTER VI

Discussion

Summary of Results

The main result of this study is a categorization of events that facilitate or hinder becoming an entrepreneur. Using an interview method, 108 critical events were elicited and organized into 22 categories. A smaller number of categories could have been constructed to encompass events. However, in an exploratory study, it seemed more prudent and potentially fruitful to establish categories that were reasonably specific rather than general, avoiding the loss of perhaps significant detail.

Based on the high rate of agreement that an independent judge demonstrated in sorting events into categories, it appears that the category system can be reliably used to typify events. More broadly, the categories provide a reasonable organization and reflection of events. Further, the participation rates indicate that, generally, categories were formed upon the basis of reports from more than one participant. With the exception of the categories of Contemplated Self-Employment Option and Reorganized Schedule, categories were formed upon the basis of commonality among independent reports, providing some assurance of objectivity. While more research would be needed to extend the category system for broad application, the tests conducted suggest that it is a trustworthy reflection of the events that the participants reported. As noted, the aim of the study is not to generalize the category system to a population at this time, but to provide illuminating cases for theory development and counselling practice.

Limitations

The categories established in this study are limited in two major ways. First, when critical events are obtained from self-report (rather than, say, observational methods), events
are limited to what a person is aware of and capable of articulating. There might be other events of significance that persons did not attend to or did not clarify enough for coherent articulation.

Second, since events were elicited through interviews, there is a possibility that the interaction between investigator and participant created biases that limited the kinds of events elicited. Participants seemed to be at ease during the interviews and seemed willing to express details of experience, but still, there might have been subtle influences that biased participants to reveal or omit, emphasize or neglect experiences. While considerable care was taken to avoid blatant forms of bias, such as leading questions, the possibility of bias must be acknowledged.

**Implications for Theory**

The resultant categories tend to support previous research. For example, the importance of work history was evident in the results of the study. As noted in the review of literature, being fired or experiencing job dissatisfaction may motivate individuals to consider entrepreneurship (Baty, 1981; Brockhaus, 1980). This was evident in the Significant Loss and Hired (or Fired) and Promoted as an Employee categories as these experiences spurred reflection and deliberation. In addition, being fired was an integral part of the Catastrophe and Recovery pattern and being dissatisfied at work was part of the Transition and Actualization pattern. Observing role models and receiving support were also factors reported in the literature (Bird, 1989; Hisrich, 1990). In this study, receiving support and observing role models were reported events. More generally, these factors were evident within several categories (e.g., Observed Role Models, Influenced and Supported in Entrepreneurship, and Influenced and Supported in Non-Entrepreneurial Decisions). In summary, the presence of work history, role models, and the influence of support systems
indicates that previous research supports the validity of the categories.

The relation of the categories to previous research on personality characteristics of entrepreneurs is more tenuous. For example, it would be difficult to infer most categories of events (e.g. significant loss) from personality characteristics such as internal locus of control, realistic optimism, or creativity. Perhaps, the major reason for the discrepancies between personality characteristics and categories of events is that they involve different models. Investigations of personality attempt to develop a model of an entrepreneurial personality to determine why people became entrepreneurs. However, the present study was an investigation of events to determine how participants became entrepreneurs. This type of investigation leads to a model of how a particular kind of action (i.e. launching a business) is formed. The major implications of this study is that it establishes a basis for the development of an action model of entrepreneurial beginnings.

According to Ricoeur (1984), the concept of action involves a network of terms that specify, among other things, a motive that accounts for why someone does something, a goal towards which one strives, circumstances that help or hinder, other people who support or thwart efforts, an agent who is responsible for actions, and outcomes that are taken as movements towards or away from an ideal end. Accordingly, categories of events provide a useful basis for developing an understanding of the action of launching an entrepreneurial venture. Namely, how was the motive to become self-employed formed? How was the goal of a specific venture formed? What circumstances helped or hindered? How did other people help or hinder? What did the person do to take responsibility or facilitate becoming an entrepreneur? What outcomes moved a person toward or away from becoming an entrepreneur? Below, brief answers to these questions are sketched upon the basis of the categories identified in this study.
The motive to become an entrepreneur emerged from positive and/or negative experiences. Positively, participants were provided an opportunity, inspired by a role model, or strengthened by successful performances in work. Negatively, participants experienced discontent in work that generated yearnings for another way of making a living. For example, experiences of inactivity, boredom, or confinement stimulated desires for productivity, excitement, and freedom. These experiences were strong enough to lead participants to reflect more broadly and deeply on their situation (e.g. where they were going, what they really wanted, how they might change the course of their life).

The specific goal of becoming an entrepreneur required a translation of motive into concrete terms. The motive to become an entrepreneur was specified as a definite goal to launch a particular business. The movement from abstract to concrete or general to specific was forwarded most prominently by learning about particular businesses (researching, discussion, experiencing) and more broadly, by considering economic conditions and learning how to become an entrepreneur. Many events concerned planning such as mobilizing financial support and setting a budget. Planning accompanied goal setting. To the extent that the participants could establish a viable plan, they also established a definite goal to strive forward.

In general, other people facilitate entrepreneurship through providing personal support (e.g. encouragement, advise, knowledge, etc.) or resources (e.g. office space, money, contacts, etc.). Through the actions of others and of the aspiring entrepreneur, circumstances are altered or appreciated differently to be more favourable to entrepreneurship. For example, an opportunity might be identified, a schedule re-organized, or a financial resource acquired. While others contribute greatly, the individual is not swept into entrepreneurship solely by force of changing circumstance. Rather, on numerous
occasions, the person is cast back from situations to reflect, decide, plan, and then, to act. As the person cycles repeatedly from reflection to action, a sense of responsibility or ownership grows, often resulting in a final, major decision to actually launch a business.

The outcomes of critical events are precisely those that help crystallize the components of action. For example, when a mentor left, it led R. to reflect upon what he really wanted, partially clarifying a motive to become self-employed. Through events, individuals gained motives, a goal, confidence, support, resources, a plan, and an opportunity.

The varying patterns of narrative indicate that events do not follow a common order. Ordinarily, for example, one might expect a motive to be established before a particular goal is set. However, W. received a definite offer before a motive was formed. In this case, the offer of an entrepreneurial opportunity stimulated a clarification of motive. Regardless of varying patterns, the commonality among participants was evident at a more basic level. Each person was able to clarify important motives, specify a goal, mobilize a support network to gain access to needed resources, gain confidence, and assume a sense of responsibility for the venture.

In summary, an examination of critical events sheds new light on entrepreneurial beginnings. With more research and evidence, perhaps an action-based model for launching a business can be formulated. At the very least, these results constitute an exploratory basis for developing such a model, giving hope to those who do not fit the prototypical entrepreneurial profile.

**Implications for Practice**

This study has several implications for practice. First, it has described the events critical in becoming an entrepreneur, providing a basis for understanding the way self-employment action is formed. Understanding the components of this action will help counsellors work
with and guide individuals through the steps of a complex pathway. For example, motives and goals of individuals considering self-employment could be clarified in situations of ambiguity. Similarly, life and career goals, interests, and values could be identified. Formulating a viable plan to commence self-employment or helping to remove obstacles might help in other circumstances. Prompting clients to seek help from experts in the field could also be important. Whatever the circumstance, counsellors need to assess the situation and design counselling programs which would be most beneficial.

The maps of entrepreneurship could be used to teach career counsellors about the process of entrepreneurial beginnings. Unless counsellors have had experience at starting a business, it is doubtful they understand the process enough to convey it to others. In fact, this study demonstrates that the real experts in launching a business are existing entrepreneurs. Counsellors need to learn from these individuals to better serve their clients. For example, this study has indicated that understanding prior work experiences of individuals is essential. These prior experiences may have led individuals to consider self-employment (e.g. being fired or was bored with career) and as such, must be taken into account by counsellors when designing their interventions and strategies. Group counselling would also benefit some; participants could share information, ideas, and encourage each other.

Entrepreneurial maps could also be used as the basis to design programs on how to start a business. These types of courses, based on empirical research, would be useful to those interested in starting their own businesses.

Finally, it is noteworthy that a common event reported in this study was understanding business. Educators could use this information, implementing business courses to teach young teens and adults business skills to better prepare them for entrepreneurial futures. Combining theoretical learning with practical work experience would be very beneficial.
Such programs would enhance adult development, increase self-esteem, and instill a sense of self-competence.

Implications for Future Research

The results of this study provide empirical information on events leading to entrepreneurship by emphasizing the critical incidents which led to the start-up of new businesses. Further research is required to validate the categorial events obtained in this study before they are used by theorists and counsellors. A survey or questionnaire could be formulated to test whether the events, themes, and patterns are valid and reliable. In addition, a counselling program could be designed (based on the findings) and empirically tested. As an example, for those recently fired or laid off, a group counselling program could be designed to normalize the catastrophe and help with recovery by offering new hope in becoming self-employed.

A study which focuses on any one of the three entrepreneurial patterns could be developed extending the findings of this investigation. For example, an investigation of the pattern of Transition and Actualization could be helpful for those interested in leaving their jobs to try self-employment. Additionally, a study which focuses on the experiences of males or females, exclusively, would be very interesting and helpful since it would be gender-specific.

Based on the five participants in this study, the entrepreneurial process is not as mysterious as is portrayed. Perhaps, it can be suggested that most anyone can become an entrepreneur, giving hope to those who do not fit the entrepreneurial profile. This study suggests that becoming an entrepreneur may involve experiencing critical events that lead individuals to gain motivation, goals, confidence, support, resources, plans, and opportunities.
Appendix A

Initial Letter of Contact

Dear ____________:

I am conducting a study on entrepreneurship. In today's everchanging job market, many people are concerned with job creation and becoming an entrepreneur is a viable option in our culture. The purpose of this study is to obtain detailed descriptions of the experience of becoming an entrepreneur. For this purpose, I am interested in finding individuals who have experienced the transition into entrepreneurship and are willing to be interviewed and asked questions about the period when entrepreneurship was first considered to the time that the new business commenced. The study is being conducted for my Master's research thesis project under the supervision of Dr. Larry Cochran (604-822-5259) at the University of British Columbia.

Your involvement in the study will provide you with an opportunity to reflect upon your experience and to examine it in greater depth. I hope that being involved in the study will be an interesting and useful experience.

The extent of your participation involves being interviewed by me and reviewing a summary of a written narrative of the interview. Participation will require approximately two to four hours. All responses received from you will be remain confidential. Your name will not be identified and your responses will not be tied to you in the results portion of my study. Your involvement is entirely voluntary and you are free to withdraw at any time.

I have attached a letter of consent. I would appreciate it if you would return it to me in the attached envelope by October 31, 1994. Following your consent, I will contact you by telephone to arrange a convenient time for the interview. If you choose not to participate, I would like to thank you for your consideration. If you have any questions about the study, please feel free to call me at 604-876-1778. Thank you for your time and interest!

Your's truly,

GRANT LEE

Enclosure
Appendix B

Study Participant Consent Form

Research Project: Factors Which Facilitate or Hinder Entrepreneurship

This study is being completed as a Master’s thesis by Grant Lee (604-876-1778) under the supervision of Dr. Larry Cochran (604-822-5259) in the Department of Counselling Psychology. This study is about the experience individuals have when they become entrepreneurs. Participation will involve an interview and a review of a written summary of the interview. This will take a total of approximately two to four hours.

All interviews will be audiotaped and the tapes will be erased at the end of the project. Interview material will be transcribed and all identifying information will be deleted to ensure confidentiality. You are free to ask any questions concerning the project. Please note that you may refuse to participate or withdraw from the study at any time.

By signing this document, you are agreeing to participate in the study and are acknowledging that you have been given a copy of this consent form.

__________________________  ______________________________
Date                                               Signature of Participant
Appendix C

Listing of Events by Category

Hired or Promoted as an Employee

1) J. hired as an articling law student.
2) J. was not hired by another law firm.
3) R. was hired by the company he was representing to work on their legal issues.
4) After the business was sold, R. was promoted to Vice-President of business operations by the new owners.
5) K. was hired as employee at a prestigious restaurant after completing her University education.
6) K. was promoted to manager of the restaurant, after only two weeks.
7) K. was elected to the Finance committee of the restaurant.
8) K. accepted a managerial job with a post-production company.
9) P. was hired by a Mr. Submarine restaurant in Toronto.

General Learning about Business

1) J. acquired the skills to become a lawyer.
2) R. learned about the business operations of a large family owned company he was representing in a lawsuit.
3) R. gained insight into the business from the owner of the company.
4) R. observed the owner start a new division on oil and gas home services.
5) K. decided to volunteer at the UBC film school (in 1987) to learn how to make films and to meet others at the same grass-roots level.
6) K. read and researched things she did not understand about making films.
7) K. learned about post-production work for feature films, documentaries, and television from well-respected professionals.
8) K. met a well known Los Angeles film producer and learned more about budgeting for films.
9) K. gained experience writing contracts for non-union actors.
10) W. worked part-time at his father’s pet wholesale business and learned all about the business (products, suppliers, and clients).
11) W. worked part-time at his mother’s retail pet store and learned about inventory and managing a store.
12) P. took a course on hotel management.

Gained Entrepreneurial Type of Experience

1) R. gained experience managing the operations of a company with over 800 employees.
2) P. gained entrepreneurial experience.
3) K. began a catering business for the restaurant and gained experience operating a business from its inception.
4) K. produced a film project.
5) K. produced a promotional film with three others.
6) After one of her partners quit, K. gained more experience.

Had a Successful Entrepreneurial Experience
1) K. succeeded at managing the film project.
2) P. succeeded at operating the business.

Observed Role Models
1) J.'s observed his brother become an entrepreneur.
2) R. observed two ex-classmates from University operate their own sports clothing store.
3) R. advised two friends on a real estate transaction and observed that they made $800,000 on the deal.

Realized What was Personally Important
1) J. realized that he was intrigued by business deals.
2) R. decided that he wanted to live in a smaller city than Vancouver.
3) K. realized that she loved the film industry.
4) W. realized that his father was asking him for help, which had never happened before.
5) P. decided to stay in Vancouver and not move back to Toronto.

Significant Loss
1) J. was told that he would not be hired after his articling period.
2) R.'s mentor at law firm left the law practice for another job.
3) R. was fired and lost high-profile and well-paying job.
4) A friend of K. suddenly died.
5) Lease for store was terminated by lessor and P. loses the restaurant.

Encouraged as an Employee
1) J. was reprimanded by his employer for having a cocky attitude.
2) J. wrote a memorandum to all the firm's lawyers outlining business development ideas; his ideas were not well received.
3) J. was disturbed by how partners of the firm generated business.
4) R. was discouraged at work because of a very high work load.
5) R. was treated with disrespect by the children who worked in the family owned business.
6) R.'s employer gave him a raise to $110,000 per year.
7) R. was not consulted in company decisions.
8) R. was criticized by company President.
Influenced/Supported in Non-Entrepreneurial Decisions

1) R. supported by his wife in his decision to leave the law practice.
2) P.'s family did not support his decision to move to Vancouver.
3) P.'s girl friend asked him to remain in Vancouver after Mr. Submarine offered him a position in Toronto.
4) Mother and father supported P.'s decision to remain in Vancouver.

Experienced Work Inactivity

1) J. experienced work inactivity.
2) J. experienced work inactivity.
3) R. experienced work inactivity during a four week vacation.
4) R. did not work.
5) P. experienced work inactivity.

Observed General Economic Conditions

1) J. observed that the country was in a recession.
2) J. realized recession was hindering job search.
3) K. found out that the CBC was laying off broadcast journalists.
4) K. noticed that the due to the low value of the Canadian dollar, American companies were coming to BC to make films.

Deliberated About Career Options

1) K. realized that she did not want a long-term career at the restaurant and began to consider other career options.
2) K. conducted informational interviews with broadcast journalists and considered a career in international journalism.
3) K. considered a career in film industry in 1986 after talking with a business associate of her father.
4) W. thought about his interest in politics and a possible career in that field.
5) P. rejected a career as an architectural draftsman after researching the educational requirements.
6) P. decided to re-enter work force.

Decided not to Seek Employment

1) J. sought work with other law firms.
2) R. decided not to work for others.
3) P. decided that he did not want to work for others.

Offered Entrepreneurial Position

1) K. was asked by her father to work with him in their own business.
2) The company of W.'s father was owed $500,000 by a bankrupt client who owned 6
retail pet stores; his father said that if he agreed to manage them, he would acquire the six stores; a decision needed to be made within weeks.

3) P. was offered an opportunity to manage a franchised restaurant in Vancouver as an independent operator.

**Deliberated About Becoming an Entrepreneur**

1) J. deliberated about becoming a self-employed lawyer.
2) K. contemplated offer as she has never worked with her father before.
3) W. thought about having to leave UBC without completing his degree in political science.
4) W. thought about the fact that help was available from his parents.
5) W. did not see any comparable career path.
6) W. did not think that he "could screw up".
7) W. contemplated a career working in the pet industry.

**Contemplated Entrepreneurial Options**

1) R. contemplated several self-employment options.

**Influenced/Supported in Entrepreneurship**

1) J. was supported by family to become a self-employed lawyer by allowing him to live rent-free at a family rental suite.
2) R. was concerned as his wife was worried about the instability of self-employment.
3) W.'s mother had experience in operating a retail pet store.
4) P.'s girlfriend threatened to end their relationship if P. proceeded with the franchise purchase.

**Encouraging Events Which Led to Entrepreneurial Position**

1) J.'s brother suggested that he consider self-employment.
2) Following a review of the financial operations, W. concluded that the six stores were financially feasible.
3) P.'s company provided him with a number of incentives to accept entrepreneurial position in Vancouver.

**Re-organized Schedule**

1) K. structured her duties at the restaurant to search for a new career.
2) K. accepted another job while continuing to work on the independent projects at night and on weekends.

**Researched a Specific Entrepreneurial Option**

1) J. researched becoming a self-employed lawyer.
2) W. visited the six stores to examine their location, staffing, inventory levels, and
whether they were financial feasible.
3) P. investigated the cost of a franchise and looked for a suitable location for his restaurant.

**Acquired Resources to Start a Business**

1) J. was provided office space by his brother.
2) R. arranged to purchase real estate property from his former employer and offset a portion of the cost with his severance package.
3) R. obtained bank financing to purchase the real estate property.
4) W.’s father obtained financing in the amount of $125,000 which enabled the six stores to be purchased.
5) Franchise application granted which was funded by a $100,000 amount received from P.’s parents.
6) P.’s parents agreed to lend him the money to purchase the franchise.

**Made Decision to Pursue Entrepreneurial Opportunity**

1) J. decided to become a self-employed lawyer.
2) R. decided to pursue his own business in real estate development.
3) K. quit her job at the post-production company to work on two independent projects with two other people.
4) After respective responsibilities were sorted out, K accepted offer.
5) W. told father that he would accept the offer.
6) P. decided to accept entrepreneurial position in Vancouver.
7) P. decided that he want to operate his own Mr Submarine’s restaurant.
References


Conference Board of Canada (1993). Fragile expansion underway (Executive Summary), Ottawa.


