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Editorial: Employment Relations Issues in Small and Medium Enterprises (SMEs)

Martina Battisti* and David Deakins**

The latest Ministry of Economic Development report, "SMEs in New Zealand: Structure and Dynamics", lists 474,415 small- and medium-sized enterprises (SMEs)[1] in New Zealand, representing 99 percent of the business population (Ministry of Economic Development, 2010). It is therefore understandable that the SME sector is often referred to as the backbone of the economy. In this issue the emphasis is on a relatively overlooked area of research; that is the *people* who own and operate these firms – the entrepreneurs or owner-managers – and *their relationships with their employees*, rather than the SME. Much of the research to date has focused on identifying characteristics of the firm (e.g. size, sector, performance and practices, etc), in an attempt to understand their survival, growth and failure (Massey, 2007). Yet the characteristics of the entrepreneur and owner/manager and SME labour force have attracted far less attention, which is surprising given that one of the defining characteristics of SMEs is their dependence on the entrepreneur or owner/manager as a leader, decision maker, manager and day-to-day operator of the firm (Storey and Greene, 2010; or Down, 2010). The other feature of SME research is the predominance of large scale, quantitative surveys which often fail to capture the complexities and diversity that constitutes employment relations in this sector (Curran and Blackburn, 2001).

Another criticism of SME research is the lack of theoretical development and focus (Sarasvathy, 2004; Blackburn and Kovalainen, 2009). One of the possible reasons for these drawbacks is the heterogeneous nature of SMEs and entrepreneurs and owner/managers, who are as diverse as the businesses they run. A number of commentators have begun to recognise this lack of theory and focus and have suggested that research in this area should concentrate just on key aspects. It is argued that instead of attempting to research the entrepreneur *and* the owner/manager *and* the SME sector, attempts should perhaps be made to identify commonalities within subgroups and differences between subgroups in order to develop more robust and differentiated theories (Curran and Blackburn, 2001; Sarasvathy, 2004).

Against the background of these debates, this special issue endeavours to unpack the "black box" of SMEs by presenting papers that examine employment relations within this sector. Applying a mainly qualitative research approach, the papers investigate the motivations of owner/managers in formulating behaviour and employee relations. The papers illustrate the need for additional conceptual developments in Human Resource Management (HRM) and employment relations that is targeted specifically at SMEs. At the margin, larger SMEs may share some of the attributes of larger enterprises but overall it is inappropriate to treat small firms simply as 'shrunken down' large firms and to apply a "large firm" theory (Massey, 2005). The papers also highlight the need to develop conceptual frameworks based on the experiences of entrepreneurs and owner/managers in the context of their business.

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[1] SMEs are defined as employing zero to 99 staff (Cameron & Massey, 2004)

Recognising that the discipline of employment relations is broad, this special issue focuses on three aspects: human capital; social capital; and personal health and wellbeing and draws on interdisciplinary approaches, theories and themes. This reflects the necessity for multiple approaches to the study of employment relations in SMEs. The papers also share a couple of characteristics. Firstly, they all focus on the entrepreneur or owner/manager as being distinct from the firm. Secondly, they are all exploratory in nature which is reflected in the use of qualitative methodology. However, the five papers are different in that each focuses on a particular group of entrepreneurs or owner/managers, namely women, indigenous and small dairy farm entrepreneurs/owner/managers, set within a variety of industries. Further, they are placed in different national and cultural contexts, for example, Scotland, Switzerland, Australia and New Zealand. It should be noted that three of the papers were first presented at the 2009 SEAANZ Conference in Wellington and form the basis for the special issue and this editorial.

The first two papers tackle the difficult and related subjects of wellness and work-life balance. In the first paper, Thierry Volery and Janine Pullich investigate entrepreneurs' perceptions and awareness of their own health and well-being and whether this is crucial for entrepreneurial success. Drawing on a multiple-case study of six high growth entrepreneurs, their findings indicated that the entrepreneurs interviewed had a limited awareness of their health and of the impact that their health status could have on the survival and success of their business. In the second paper, Josephine Bourke, Karl Pajo and Kate Lewis explore how women small business owners juggle their twin responsibilities of their business roles and caring for their elderly relatives and how this impacts on their business activities. Building on boundary theory, the authors found that despite the flexibility of self-employment, the often unexpected nature of elder care did in fact impacted on the ability of the woman participants to organize their roles and activities, thus resulting not only in feelings of both guilt and frustration but also resulting in decreased business performance.

In the next paper, David Deakins and Janette Wyper examine the dynamic nature of entrepreneurial learning by drawing on two case study entrepreneurs that have been tracked over a five year period, from venture formation to becoming global players. Using a critical incident approach, the authors demonstrate the importance of learning from the experience gained in critical events and the importance of having sufficient quality of networks and advice where previous experience is more limited. Their findings contribute to the understanding of transformational aspects of entrepreneurial learning and places importance on how entrepreneurs transform their experience into entrepreneurial knowledge.

In the fourth paper, Rachel Lowry and Graham Elkin explore dairy farmers perspectives on the capabilities required from farm assistance. Due to the changes in dairy farming technology, the capability profile of farm assistance has changed resulting in a shortage of skilled people. Results showed that although there have been changes in the skills required and a need for further training, dairy farmers were more concerned with the attitudes of dairy assistants than their skill level.

In the last paper, Dennis Foley sets out to explore the networking ability of two indigenous groups of entrepreneurs – Australian Aboriginal and New Zealand Māori entrepreneurs. The author argues that when the relationship between social and human capital attainment was addressed within the majority settler society business culture, the networking ability of indigenous entrepreneurs can differ.

Finally, we would like to thank all the contributors, referees and editors of the NZJER for their time, commitment and help in putting this special issue together.

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Healthy Entrepreneurs for Healthy Businesses: An Exploratory Study of the Perception of Health and Well-Being by Entrepreneurs

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Abstract

With this paper, we want to emphasise the importance of healthy entrepreneurs for sustainable business development. We contribute to the field of entrepreneurship and show how entrepreneurs assess their own health state. We contribute to the field of occupational health by explicitly focusing the social dimension of health besides the physical and mental well-being. Drawing on a multiple-case study of six entrepreneurs, we show that entrepreneurs' rarely perceive their health as a resource for business performance. Whereas the concept of physical well-being is relatively well understood by the entrepreneurs, they have a very limited awareness and understanding of the mental and social well-being dimensions.

Introduction

For many people, the opportunity to own and operate their own business is seen as the chance to realise one or more of a number of different opportunities: either to realise a dream, get adequate financial reward, work with family, or to focus on lifestyle aspirations. Such business operators are a significant group of any population. Estimates suggest that approximately 10% of the adult population in many industrialised countries are involved in running a small business venture (Reynolds et al, 2005). Setting up or running a small business is a rigorous activity, not only physically but also mentally. A clear separation of work and non-work is generally hard to achieve, and a normal work day can extend to 10 or 12 hours. This involvement also influences individual well-being. However, with a few notable exceptions (Boyd & Gumpert, 1983; Jamal, 1997) scant research has been conducted so far about the impact of business ownership upon individual well-being.

Depending on the perspective adopted, the individuals involved in business ownership have been identified in the literature as entrepreneurs, small business owner-managers, or self-employed. The term "entrepreneur" is usually used to describe a a person who sets up a business, taking on financial risks in the hope of profit (Gartner, 2001). Entrepreneurs typically invent new products or services and introduce them to the marketplace by launching a business venture. The small business owner-manager is someone who runs a small scale business, and the self-employed is a person working for oneself as a freelance or the owner of

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a business rather than for an employer. By definition, an entrepreneur is self-employed, but someone who is self-employed is not necessarily an entrepreneur. However, both entrepreneurs and small business owner–managers are the corner stone of their business ventures and they are required to be familiar with many of the same technical skills and business concepts (Schaper & Volery, 2007). Therefore, although we primarily focus on entrepreneurs in this article, we also included small business owner–manager and self-employed in the scope of the research.

This article is of an exploratory nature. We want to find out whether entrepreneurs are aware of health, according to the World Health Organization's definition of occupational health (WHO, 1986), and whether this resource is perceived as crucial for entrepreneurial success. We further investigate what determinants influence the physical, mental, and social dimensions of entrepreneurs' health, and how they maintain a positive life balance. We draw on a series of in-depth interviews with six entrepreneurs.

Health Dimensions

In medical terms, the most widely agreed definition of health is as "… a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity" (WHO, 1986: 2). MacIntosh, MacLean, and Burns(2007) remarked that the WHO definition of health is adequate for most purposes. It offers a holistic interpretation of health that is not rooted in a medical or pathological paradigm solely. In addition, it expresses health in functional terms as a resource that permits people to lead individually, socially, and economically productive lives. Nevertheless, the authors criticised that this definition does not consider the dynamic nature of health.

> "The notion of an individual as healthy if they exist in a state in which they feel well overlooks the reality that well-being is the result of a series of processes in which the individual interacts with other people and the environment." (MacIntosh et al., 2007: 207)

We support the view that health is a process rather than a static state. Furthermore, we would argue that health is created through the interaction of biological, psychological and organizational processes (Brief, Butcher, George & Link, 1993). To view individual health as a state may unduly limit our expectations of the opportunity to create both health and ill health within organisational settings. Health has been conceptualised in many different ways. Besides objective indicators for an individual's health state, such as the number of surgical operations a subject had undergone, the frequency of doctor visits, the number of times a subject had been hospitalised, and the total days spent in a hospital, self-assessed overall well-being serves as an overarching concept. Therefore, health involves more than not being ill. It involves actually feeling well and healthy (Daley & Parfitt, 1996).

The Influence of Working Conditions on Health

It is widely recognised that employees are affected by experiences, be they physical, emotional, or social in nature (Danna & Griffin, 1999). Within work and organisational psychology, there is broad evidence that individuals' evaluation of work conditions varies with their autonomy to shape these conditions. Numerous studies have shown that stressful

work situations, including high work demands and low control, are related to poor individual health and well-being (Kahn & Byosiere, 1992; Lee & Ashforth, 1996; Van der Doef & Maes, 1999). Therefore, working conditions should support individuals' engaging behaviours, that is to channel personal energies into physical, cognitive, and emotional labour (Kahn, 1992).

Various studies have shown the importance of positive social interactions at work and their influence on the human body (Heaphy & Dutton, 2008). Likewise, a healthy body is supposed to be a preliminary condition for social interactions and cognitive performance at work. This perspective builds on the established and relatively simple linkage between individuals' experiences of positive social interactions and salutary physiological processes and their relevance to organisational contexts. In this respect, Heaphy and Dutton (2008) pointed to the importance of 'physiological resourcefulness' as a form of positive health in which the body can build, maintain, and repair itself during times of rest and can more easily deal with challenges when they occur. Similarly, (Sonnentag, 2001: 198) remarked:

> "… an unfavourable work situation threatens or harms an individual's resources, such as well-being, health, and functioning in other life domains. For example, during the process of working long hours, vigour decreases whereas tension and fatigue increase. Subsequently, individuals will strive to restore their resources. To restore one's resources, one must invest additional resources."

The job demand-control-support model (Johnson & Hall, 1988; Karasek, 1979; Morrison, Payne & Wall, 2003; Van Yperen & Hagedoorn, 2003) has become a dominant model of the relationship between work and well-being. According to the model, employees working in jobs characterised by high job demands, low job control and low social support will experience a higher than average number of health problems over time than workers in other jobs. The model focuses on specific aspects in the complex psychosocial work environment to explain how individuals perceive and react to their job. Karasek and Theorell (1990) also stressed the importance of using a broader perspective for the relationship between work and health, and proposed a dynamic version of the demand-control model, which integrates environmental effects with person-based information such as self-esteem. One basic assumption of the job demand-control-support model is that the relationship between work and health is one-directional, such that work characteristics as measured at one point in time influence health at a later point in time. De Lange, Taris, Kompier, Houtman and Bongers (2004) criticise this view and suggests that work characteristics and health may also be explained by reversed causal relationships.

Overall, Ganster and Schaubroek (1991) noticed that there is indirect support for a detrimental effect of work stress on individual health and well-being. On the one hand, occupational studies show differences in health and mortality that are not easily explained by other factors than stress. On the other hand, within subject studies indicate a causal effect of work experiences on physiological and emotional responses.

Health and Entrepreneurship

Whilst management and entrepreneurship research has rarely addressed health-related issues, occupational health psychology has well established constructs and measures to assess employees' health status or degree of individual well-being. However, most recent studies in

this field do not question their implicit understanding of health. This seems to be problematic as most of the constructs heave been developed in a context where mostly employees of large organisations were under investigation. In addition, the influences of job characteristics have rarely been taken into account (Ferrie, Shipley, Marmot, Martikainen, Stansfeld & Smith, 2001; Jones, O'Connor, Conner, McMillan & Ferguson, 2007). The extent to which an organisation influences the individuals' health or well-being has traditionally lay outside the scope of management scholars. Integrating existing concepts and constructs in order to assess health-related issues seems to be a promising approach in the field of management sciences.

Only few studies investigated health-related issues in entrepreneurship, and their results are ambiguous at best. Eden (1975) conducted a pioneer study in the field by comparing national survey data for 1,902 members and 183 self-employed workers. While no major differences were revealed in respect to work values, the self-employed enjoyed more enriching job requirements for self-fulfilment, better physical working conditions, and more authority over other persons, and more resources with which to do the job were amongst the most highly prized features of job settings. On the surface, the self-employed reported higher job satisfaction, but Eden (1975) pointed out that this may in part be determined by the more autonomous work performed by the self-employed. When the jobs of the salaried were statistically adjusted to be equal in autonomy and control of working conditions to those self-employed, no significant difference in job satisfaction emerged. This suggests that salaried workers in participative structured jobs might be even more satisfied than the self-employed. Thus, self-employment, despite its numerous advantages, does not provide workers with the greater psychological benefits promised by the American dream.

That study, however, contradicted a similar report published by Naughton (1987) who found that entrepreneurs reported higher levels of job satisfaction and autonomy than salaried managers despite the fact that the self-employed spent significantly more hours on the job. In the mid 1990s, Jamal (1997) investigated the differences between salaried employees and self-employed people. He found that the self-employed experienced higher job stress, non-work satisfaction, and psychosomatic health problems, and spent more time voluntary organisations than non-self-employed. However, no significant differences were found in job satisfaction and mental health between the self-employed and salaried employees.

More recently, Stephan and Roesler (2009) found that entrepreneurs showed significantly lower overall somatic and mental morbidity, lower blood pressure, lower prevalence rates of hypertension, as well as higher well-being and more favourable behavioural health indicators in comparison to employees in a nationally representative sample in Germany.

Boyd and Gumpert (1983) used a different research design and investigated solely the health status of 450 entrepreneurs. Their study showed that entrepreneurs express a high job satisfaction. However, this comes at a price – at least once a week 60% of those surveyed reported back problems, indigestion, insomnia, or headaches. They identified four causes of stress amongst entrepreneurs: loneliness, immersion in business, people problems, and the need to achieve.

Overall, there is some evidence that on average, self-employed put in 20 to 30 percent more time at work per week than the salaried employees do. However, the few studies on entrepreneurs' health have yielded rather sketchy and contradictory findings. The contradictions are likely to occur due to the use of different reference groups and the reliance on self-reported health measures. In other words, it is very difficult to ask people about

subjective things like how healthy or happy they are. The answers change based on when and who you ask.

Method

In this paper, we use the WHO (1986) definition of health to investigate the physical, mental and social well-being of entrepreneurs. The research is of an exploratory nature and a multiple case study approach was adopted. The case study is a research strategy which focuses on understanding the dynamics present within single settings (Eisenhardt & Graebner, 2007). It is considered an appropriate strategy for answering research questions that ask 'how' and 'why' and that do not require control over events because such questions deal with operational links that need to be traced over time, rather than mere frequencies or incidence (Yin, 2003). This methodology is a potentially powerful means to examine many issues across many cases and avoid chance associations (Eisenhardt, 1991).

We used a theoretical sampling method to identify the cases. As opposed to probabilistic sampling, our goal was not the representative capture of all possible variations, but to gain a deeper understanding of analysed cases and facilitate the development of analytical frame and concepts (Glaser & Strauss, 1967). We purposefully chose six entrepreneurs from a population of high growth business ventures. These entrepreneurs had recently received various awards for their achievements in the field of entrepreneurship, innovation, or internationalisation. This sampling frame was chosen because these achievements are likely to affect the health and well-being of the entrepreneur. The six entrepreneurs comprised of two categories: younger versus older entrepreneurs on the one hand, and small versus medium-sized businesses on the other. All respondents were male, ranging from 35 to 57 years old. They had launched their own business venture and still actively involved in the operative management. All interviewees were married with children.

Data were collected through semi-structured interviews with the entrepreneurs. We received sixty-three responses out of a possible eighty-four. Twelve questions remained unanswered due to the interviewees' inability or unwillingness to answer the questions directly.

Findings

Work load and activities

Popular literature has long stated that entrepreneurs work long hours. This is not a myth. On average, the entrepreneurs in our sample worked 55 hours per week. This great quantity of work was performed with little free time for breaks, and the entrepreneurs activities were characterised by brevity and fragmentation.

Some of the entrepreneurs had regular working hours (e.g. they typically start their day at 8am and leave their office at 6pm) which still amount to 10 hours of work during a 'normal day'. However, the number of activities that often took place outside regular working hours – networking events, marketing and sales meetings, and exhibitions which often implied travelling to clients and partners – often overseas, quickly increased the number of working hours.

There were striking differences in the work-life balance of the entrepreneurs we interviewed. While two entrepreneurs (A and C) struggled by their own admission to keep a healthy work-life balance, the others had a rather positive assessment of their health and work. The positive work-life balance was typically reflected by a high level of job satisfaction arising from intrinsic motivation, varied tasks, a high degree of autonomy, and the possibility to follow tasks through from the beginning to their implementation. Entrepreneurs B, D, E and F enjoyed a high degree of autonomy and decision latitude: the large majority of their activities was self-initiated. This sense of freedom was reinforced by the mere fact that they could choose to leave their office earlier in the day or to take a day off – although they rarely chose to do so. As entrepreneur B remarked:

> "Being your own boss gives you a free hand to make decisions regarding the hours put in. You can be likened to a manager, but the difference between you two is the fact that you decide when to go to work. Working in the corporate world may not give you control over the timetable."

The situation of entrepreneur E, a wine merchant, was somewhat paradoxical. While this entrepreneur tremendously enjoyed his job and "couldn't imagine for a moment doing something else," he recognised that his work habits, such having drinks with clients and smoking, were not conducive to a healthy life-style.

> "I sometimes feel the strains of these bad habits, but honestly life is short and I really enjoy every second of it. My work is my passion, but I am able to keep my work and my private life separate. And I know when to take a break and spend some quality time my family and friends. That's why I've got a good work-life balance…"

All the entrepreneurs observed were living in a stable relationship. In addition, all of them had a family with several children for which they dedicated regular time (e.g. an entrepreneur stressed the importance to have dinner with his family every night, to put his children to bed and to spend regular holidays with his family; another entrepreneur made the commitment not to work during the weekends). In other words, entrepreneurs can preserve sufficient regular 'moments of freedom' despite their hectic work schedule. Further indications of a healthy life-style were; regular and balanced meals and regular physical training by the majority of the entrepreneurs observed.

Perception of health and well-being: The results of the semi-structured interviews

Entrepreneurs had a rather vague idea of health and its key dimensions. When asked to give a personal definition of health, their perceptions varied greatly and a range of definitions were offered, such as: "If you have the necessary energy to work. If you are able to work, then you are healthy. If you feel mentally vigorous." or "Being powerful and highly productive, no absenteeism or sick days." or "Being free of pain, which I'm not." or "To be able to perform all the tasks I planned without experiencing too much external pressure. Being able to have time out and enjoy doing nothing." There was a general perception that health is intrinsically related to the ability to perform their tasks as an entrepreneur. In addition, health was often described from the negative side —'sickness', 'pain', or 'pressure' are often mentioned in the definitions offered, thereby emphasising a pathological dimension of health.

One entrepreneur had a broader perception of health: "It's definitely more than the absence of sickness. We will never be totally free of sickness or deficiencies. The body must be able to balance. Health is the basis for a successful life and a successful business." This entrepreneur was also fully aware of the importance of his personal health to successfully run his company. A summary of the results describing the physical, mental and social dimensions of health and well-being is shown in Table 1.

There is a significant overlap between the perception of physical well-being and the definitions of health outlined previously. Here again, it is the negative side of well-being which is often mentioned ('exhaustion', 'pain', 'fatigue', and 'ache' are prevalent in the definition offered). Physical well-being is often mentioned in the context of (physical) performance, which can relate to work (e.g. "Having the energy to fulfill my obligations.") or to sport ("Being able to hike up a mountain."). The entrepreneurs perceive the main threats to their physical well-being as being long working hours and stress at the workplace. In addition, two entrepreneurs mentioned eating habits (unhealthy meals, drinking alcohol) as a potential cause of their suboptimal physical health status.

The entrepreneurs were quite aware of the measures which could improve their physical well-being. The measures identified were well-known for people to have a 'healthy life style' and they fall in three categories: sufficient rest, eating balanced meals, and exercising regularly. We see from Table 1 that only three entrepreneurs were able to formulate a definition of mental or psychological well-being. The definitions offered are vague at best, such as "Having a good mental ability, thinking fast, responding to people I come across in a way to understand them by putting myself in his/her position." or "Mind and soul must be in order, must be well structured. You feel strong if your inner world is cheerful." One entrepreneur offered a definition which, prima facie, has no direct relevance to mental health: "Being able to catch up with innovation and technical advances. Being a part of society, being informed about what's going on in the world." It was only after the entrepreneurs were prompted to describe the threats and opportunities to their mental well-being that a broader, meaningful perspective of this health dimension emerged.

All the threats mentioned by the entrepreneurs are in line with previous research about stress factors (Danna & Griffin, 1999; Jamal, 1997). The threats mentioned fall into the three main categories identified by Boyd and Gumpert (1983): loneliness ("There is nobody in the firm to whom I could fully delegate my tasks and duties. The job is somehow unnerving. There is a lot of strain"); immersion in business ("It is hard to relax and get away from business related problems. Sometimes I work too much"); and people problems:

> "I would like to test new approaches or find new solutions and products, but whatever I suggest it is not appreciated by my colleagues. I get the feeling that my decisions are not accepted by the co-owners of the business. But they would never state their opinions frankly. They just show their discomfort."

Table 1: Overview of perceptions of physical, mental and social well-being by entrepreneurs

Entrepreneur and business profile	What does physical 'well-being' mean to you?	Where do you see threats to your physical well-being at work?	What does mental 'well-being' mean to you?	Where do you see threats to your mental well-being at work?	What does 'social well-being' mean to you?	Where do you see threats to your social well-being at work?
A 55 years 70 hours/ week married, 1 child 14 employees Turnover: €2.7m	Having the energy to fulfill my obligations. Being able to walk for quite a while without feeling exhausted. When I feel vigorous, when I don't have any backaches.	Working long hours; having irregular, big meals. Only three days of vacation per year. Not being able to relax, sleeping disorders. Only a few days off the job [living on the company site].	Being able to catch up with innovation and technical advances. Being a part of society, being informed about what's going on in the world.	I would like to test new approaches or find new products, but whatever I suggest it is not appreciated by my colleagues. I get the feeling that my decisions are not accepted by the co-owners of the business. But they would never state their opinions frankly. They just show their discomfort.	No clear statement. The entrepreneur mentions his wife, his daughter, and the extended family. Friends are also important. It would be nice to have some friends to go on holidays to improve my social well-being.	Bad communication patterns between me and the co-owners.
B 57 years 50 hours/week married, 3 children MBA 140 employees Turnover: € 20m	Being free of pain, having a good night's sleep, not feeling fatigued, being resilient and able-bodied.	Problems at work influence my physical well-being, strain and tension.	Having a good mental ability, thinking fast, responding to people I come across in a way to understand them by putting myself in his/her position.	I perceived my lack of hardiness, optimism, and self-esteem is a serious threat to my mental health	Keeping a close-knit family, cultivating friendships, trust in family and friends. Having a good reputation in society.	It's all about the time that is available to be spent with family and friends. Friends often miss out but they are no less important. Once there was a person I could not work with and that caused a lot of strain. When we finally decided to fire her, I felt this was better for the business and for me.
C 37 years 60 hours/ week married, 2 children apprenticeship, exec ed. 20 employees Turnover: € 3m	Being able to hike up a mountain. Reaching its peak with a small break every now and then. Due to my overweight I need too many breaks at the moment.	Overall, I struggle to keep a good work-life balance. I am 10 kilos overweight and have a high blood pressure.	Depression - the edge of darkness, the bane of the bold and restless. It strikes hard, fast and deep, and no one's immune	There is nobody in the firm to whom I could fully delegate my tasks and duties. The job is somehow unnerving; there is a lot of strain.	Being well integrated within a social network. Having good relationships with my family and friends.	None.
D 35 years 50 hours / week married, children apprenticeship 15 employees	Being free of pain, being resilient and powerful.	Long working hours, stress.	Mind and soul must be in order, must be well structured. You feel strong if your inner world is cheerful.	It is hard to relax and get away from business related problems. But by seeking help, I could stop being a victim of my own making.	None.	If an employee is not in line with me, I think that's a challenge. If we cannot settle on a task in the long run, that's a problem.
E 42 years 55 hours/ week married, children apprenticeship 4 employees	Being free of pain. When I wake up with backaches or a head ache I would prefer not getting up at all. Having a good night's sleep, which I seldom have.	Dining out, drinking wine and smoking is somehow part of the job [wine merchant], but it's definitely not healthy.	The absence of depression, anxiety, stress or burnout.	Confronted with the financial crisis I feel under considerable strain.	None.	I don't feel like I can fully trust my employees. There is no one to whom I could hand over the business.
F 54 years 50 hours/ week married, children apprenticeship 50 employees	I have to pay attention to the signals of my body. Everyone needs to find out what is good for him or her. We tend to ignore these signals.	None. The contrary. [owns his own health centre, works part-time as fitness instructor]	None.	None.	None.	There are people around me that can make me sick.

Stress, however, is not exclusively a reaction to unpleasant experiences, nor does it stop being a problem after one achieves financial success. The entrepreneur must carefully weigh long hours and personal deprivation against sizeable – but elusive – rewards. Two interviewees seemed to be well-aware of this tradeoff: "My job is not only about making money, it's my hobby as well" or "Being successful enhances my mental well-being. But being successful does not only imply gaining money. If someone calls and says our firm was recommended, or if one of our apprentices gets a good grade that means being successful too."

Once entrepreneurs acknowledge that stress is a problem they face, they can begin to do something about it. Two different approaches are suggested to reduce stress. The best antidote to immersion in business is getting away from it at all: one entrepreneur for example tries to do something that is different to his daily routine, i.e. going to see an exhibition. Another approach is to find satisfaction through other activities outside the company. One entrepreneur said in this respect: "In the evening I retreat and read the newspaper for about half an hour. I try to be positive about every challenge; I think every problem can be a chance." Another says: "I try to educate myself."

Social well-being is even less understood than mental well-being. Only three entrepreneurs (A, B, and C) were able to formulate a definition of social well-being. One entrepreneur says that social well-being essentially entails "Keeping a close-knit family, cultivating friendships, trust in family and friends, having a high reputation in society." Another entrepreneur made no clear statement, but he mentioned his wife, his daughter, and his extended family. He also stressed the positive role of friends.

Worryingly, employees and co-owners are mentioned by four of the six entrepreneurs as one of the major threats to their social well-being. One entrepreneur says for example: "I don't feel like I can fully trust my employees. There is no one to whom I could hand over the business." Another entrepreneur remarks: "There are people around me that can make me sick." Conversely, two entrepreneurs perceived their employees as a source of positive influence on social well-being: "Good employees, a good team which has a positive impact on the business and the customer relations," says one. Another entrepreneur points out: "My job and our team encourage me. We achieved a lot in recent years with the team. That is empowering and a confirmation that we are on the right track."

Just as with mental health issues, entrepreneurs try to cope with social issues by finding emotional support – having contact and/or interaction with others who show concern, listening, displaying empathy, or assisting in self esteem or the individual sense of mastery (Joudrey & Wallace, 2009). Three entrepreneurs mention social support as a form of interpersonal coping resources whereby one person helps another to enhance and improve their well-being. One entrepreneur says: "I try to meet with all stakeholders on a regular basis. I try to undertake as much as possible with my family, skiing with my children. My office door is always open for employees." Another mentions: "I try to balance work, family and friends. It's sometimes hard to find this balance." Yet another remarks: "I try to balance work, family and friends."

Conclusion

The purpose of this explorative paper was to get an insight into the nature of entrepreneurial work and to shed some light on the physical, mental and social well-being of entrepreneurs. Our findings indicate that entrepreneurial work is characterised by a heavy workload with little free time for breaks, and jobs characterised by brevity and fragmentation. The entrepreneurs observed worked on average 55 hours per week. They have a hectic work schedule, and high decision latitude. Hence, the two most frequent costs of business ownership are the overwhelming dominance of professional life and the personal sacrifices it entails.

Our findings also suggest that entrepreneurs have a limited awareness that their health is a resource which can influence their long term business performance. They define health from a negative side (i.e. not being sick) and perceive health as a means to perform their tasks. In general, entrepreneurs are mainly aware of the physical dimension of health and well-being, and able to identify the threats and opportunities pertaining to this dimension. They are less aware of the mental and social dimensions of health. Given the demand of starting and growing a business, entrepreneurs often feel that they are too immersed in their business and are, hence, deprived of outside activities. Consequently, stress is a major factor affecting the mental well-being of entrepreneurs. Consistent with previous research (Boyd & Gumpert, 1983), we found that stress arises from loneliness, immersion in business, and interpersonal problems with business associates and subordinates. A minority of entrepreneurs were aware of emotional support as a form of interpersonal coping and a way to improve their social well being.

A number of implications have emerged from the results of the present study. First, when a stressful, adverse situation arises in business field some preventive strategies such as enhancement of entrepreneur's emotional intelligence, strengthening cognitive and emotional regulation coping mechanism (positive perception, appraisal and expression of emotion, understanding and analysing emotion) may have a buffering effect on the stress. Also, cultivating interpersonal relations skills in managing others' emotions help people to regulate moods in positive direction and try to establish intimacy with them. Strengthening the internal resources such as hardiness, optimism, positive health and self-esteem will mediate the choice of coping strategies by altering the individual's cognitive appraisal process in such a way that the entrepreneurs are able to reframe or reinterpret adverse experiences in their business venture.

Furthermore, it is evident that entrepreneurs with such strong internal resources prefer relying on functional coping strategies such as acceptance, positive focusing, refocus on planning, positive reappraisal and putting into perspective to dysfunctional coping strategies such as self blame, or blaming others which may facilitate to transform cognitively negative event into a potential growth generating experience. From a health point of view, it is expected that the entrepreneurs who are engaged in problem-focused coping strategies generally demonstrate fewer indication of distress and maladjustment.

This study suffers from three main limitations. First, the small sample of entrepreneurs observed and interviewed makes it difficult to generalise the results. Second, we were able to provide only a 'snap-shot' of entrepreneurs' work load and their view on well-being. Third, interviews can provide self-reported answers which do not always reflect the reality.

Clearly, given the importance of entrepreneurship in today's economy, further research is needed addressing the well-being of the entrepreneurs who are the corner stone of so many business ventures. Future research about the health of entrepreneurs should, therefore, comprise larger, representative samples and be longitudinal. It would also be of interest to measure key physical health indicators (e.g. blood pressure, cholesterol, body mass index) and to control for key factors which have a well-known influence on well-being (e.g. age, education, smoking habits, and chronic diseases). We support the view that health is a process, not a static state. Furthermore, we would argue that health is created through the interaction of biological, psychological and organisational processes. As suggested by MacIntosh et al. (2007), this approach would allow a detailed and holistic view of the possible relationship between the individual health of the entrepreneur and organisational health.

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Elder care and Work-Life Balance: Exploring the Experiences of Female Small Business Owners

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Abstract

Many women seek self-employment as a way to better manage their work and family needs, particularly when they have children. However, the requirements of self-employment may compromise work-life balance in ways which are not always recognised. This is particularly true with elder care, because the general awareness of work-life balance issues for small businesses has not translated into understanding elder care. This exploratory study focussed on a small group of self-employed women with elder care responsibilities, finding that these women proactively managed their role challenges. However, the complex inter-relationship between such responsibilities, and the strategies utilised to both manage and mitigate their impact, was found to have implications for both the individual (in terms of identity and emotion) and the firm (in terms of performance).

Key words: work-life balance, small business, elder care, women, boundary theory

Introduction

The potential for self-employment to allow women to create solutions to address issues they face in managing both work and family responsibilities is well established (Heilman & Chen, 2003; Kirkwood & Tootell, 2008; Loscocco & Smith-Hunter, 2004; Wellington, 2006). Research in this tradition has frequently focused on the implications of self-employment for how women conceive their role (and identity) as a mother and how they manage their responsibilities in caring for children (DeMartino, Barbato, & Jacques, 2006; Marlow, 1997; Parasuraman & Simmers, 2001). However, with changing population and social trends, it may be that now (and in the future) women are likely to spend more time caring for the elderly than they do caring for children (Doressworters, 1994). New Zealand, like many other developed nations (Maestas & Zissimopoulus, 2010) has an ageing population[i], and statistics indicate that, alongside a marked increase in those aged over eighty (Department of Labour, 2007), an age group which often requires significant daily support, there is also a decreasing availability of non-working women, the group who previously provided much of the family care-giving in the community (Department of Labour, 2007; Merrill, 1997). Government policy, which favours 'active' or 'productive' ageing', also relies on family support to be successful (Gadson, 2003; Ministry of Social Policy, 2001) yet there appears to be little understanding of how these changes will affect working women, and more particularly, what the impact might be on female small business owners. This is a critical gap in understanding given that New Zealand has a business population that is dominated by small firms (97% of

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all enterprises employing fewer than 20 people) and 36% of the total number of self-employed are women (Ministry of Women's Affairs & Ministry of Economic Development, 2008). It is, therefore, important to explore more fully the challenges associated with elder care and the implications it may pose for female entrepreneurs looking to manage their lives and grow their businesses, especially given that one of the dominant reasons women enter self-employment is to find the flexibility that will allow them to better juggle their multiple roles (Smith, 2000).

Despite the growing likelihood of an increase in elder care responsibilities for many individuals, including small business owners, self-employed and other entrepreneurs; elder care issues have largely escaped the attention of researchers interested in the dynamics of work-life balance. Nevertheless, there exist a small number of studies that have highlighted significant personal and work-related issues for employees with elder care responsibilities (Davey & Keeling, 2004; Fast, Williamson, & Keating, 1999; Merrill, 1997). The present study extends this research through a small-scale, exploratory project that concentrates on examining the lived experience of elder care on the work-life balance of self-employed women. We were especially interested in documenting how female small business owners establish and negotiate boundaries between domains, how they seek to harmonise their multiple roles, and to understand the impact elder care responsibilities might have on their business. In addressing these questions, we also respond to calls for more in-depth, qualitative studies investigating the dynamics of work-life integration (see Kreiner, Hollensbe, & Sheep, 2009) and look to contribute to the embryonic body of knowledge pertaining to elder care and work-life balance – and specifically in relation to entrepreneurial women who own their own business. The remainder of the introduction and literature review is organised as follows; firstly, we provide a brief rationale for the relevance of studies investigating work-life balance issues for self-employed female entrepreneurs. We note that the potential impact of elder care has not been widely investigated before reviewing the only major New Zealand study that has addressed elder care and employment issues. We conclude with a discussion of boundary theory; highlighting two recent studies that provide useful theoretical concepts to frame our analysis.

Elder Care and Self-employment

While the relationship between work and non-work activities has sparked the interest of commentators and researchers alike for many decades now (Eby, Casper, Lockwood, Bordeaux, & Brinley, 2005; Kossek & Ozeki, 1998), it is also the case that work-family issues have been a particular concern of investigators engaged in entrepreneurship and small business research. Jennings and McDougald (2007) argue that investigations into the work-family nexus are highly relevant to entrepreneurial and small business scholarship for at least three reasons. Firstly, they note that there is a considerable body of research suggesting that many small business owners are motivated to start their new ventures by a concern to enhance congruence between their work and non-work lives. Secondly, there is also evidence that achieving work-life balance remains an important objective for many small business owners, and features prominently in assessments of the success of their start-ups. Finally, Jennings and McDougald (2007) note that numerous studies have demonstrated that elements associated with the family or non-work domain can influence activities and outcomes in the work sphere. Moreover, they go further and propose that aspects of the work-family interface may partially explain pernicious gender differences in the 'success' of male-headed and female-headed business ventures that have not been fully accounted for by existing theories.

More specifically, Jennings and McDougald speculate that female small business owners are likely to experience much greater levels of work-family conflict than their male counterparts, and are therefore more likely to respond by adopting coping strategies that inhibit business growth and development.

Consistent with Jennings and McDougald's thesis (2007), studies that have examined work-life balance issues for female entrepreneurs often identify care-giving roles (primarily those related to children) as being associated with increases in the intensity of work-life conflict and as affecting the intentions and practices of female small business owners (Kim & Ling, 2001; Stoner, Hartman, & Arora, 1990). What is notable, however, is that these studies have paid scant attention to the possible effects of elder-care responsibilities despite widespread acknowledgement of changing population demographics which suggest that older women will remain involved in the workforce for longer, while continuing to have increasing responsibility for elder care (Davey & Keeling, 2004; Ministry of Women's Affairs, 2008; Statistics New Zealand, 2005). This is not surprising given that the impact of elder care on work-life balance in general has attracted only limited interest (Murphy, Schofield, Nankervis, Bloch, Herrman & Singh, 1997; Nikzad, Zarit, Pearlin & Gaugler, 2005; Romoren, 2003). Moreover, much of the published research has concentrated on investigating health issues for the elderly, with only passing attention given to families and to the implications of elder care for the working care-giver or small business owner (Fast, et al., 1999; Gilhooly & Redpath, 1997; Matthews & Rosner, 1988; Merrill, 1997). Researchers who have addressed elder care issues from the perspective of the working carer have suggested that it might lead to a loss of income for care givers if they have to give up work (Bacik & Drew, 2006; Evandrou & Glaser, 2004; Wakabayashi & Donato, 2005), difficulties in making a return to the workforce if they take time out for care-giving (Merrill, 1997) and could contribute to personal health issues (Fast, et al., 1999; Kossek, Lautsch, & Eaton, 2006; Lee, Walker, & Shoup, 2001).

The major published New Zealand research that has investigated work-life balance issues for employees with elder care responsibilities sought information from participants employed in two large city councils (Wellington and Christchurch) (Davey & Keeling, 2004). It was estimated that elder care was a relevant concern for approximately 10% of the employees, and although this may not seem like a large number, most of the respondents reported that their involvement in elder care was ongoing and long-term. While attitudes towards care-giving were generally positive, many participants expressed concerns for what the future might hold and it was notable that those with greater commitments were much more likely to report negative attitudes, emotions and experiences. Crises associated with care giving were common, with many of the respondents indicating that these often necessitated taking time off work. Consistent with Jennings and McDougald's (2007) arguments for the salience of gender, women were much more likely to report greater levels of involvement in elder care (in terms of type of care, hours invested, and frequency) than their male counterparts, highlighting the importance of further studies that focus specifically on the experiences of women. Finally, although the two councils that served as case-study organisations for Davey and Keeling's study were generally perceived as supportive of their employees' efforts to manage work and elder care commitments and while care-giving responsibilities were not overly intensive, nonetheless, it was also evident that balancing work and elder care often resulted in considerable strain and stress. Noting the need for further research, Davey and Keeling (2004) suggested that investigations into the implications of elder care in a wider variety of workplaces would be useful.

Boundary Theory

Much of the existing work-family literature has focussed individuals' experiences of the work-family interface, and especially on conflict and negative spillover between role domains (Clark, 2000; Jennings & McDougald, 2007). This research stream tends to view the competing demands of the different spheres of life as incompatible and regards individuals' efforts to reconcile their various life roles as laden with difficulty and inherently problematic. Efforts to satisfy the responsibilities and expectations associated with different roles creates tension and strain and can lead to negative cognitions, emotions and behaviour spilling from one domain to another. Many of the researchers in this tradition are interested in quantifying strain, measuring the negative outcomes associated with conflict, and specifying the determinants of work-family interference (Eby, et al., 2005). However, the preoccupation with negative spillover and work-family interference has been criticised for overlooking possibilities for cross-domain enrichment and facilitation, for treating individuals as mostly passive recipients of environmental influences, and for objectifying the work and non-work spheres of life and encouraging the reification of work-life balance (Clark, 2000; Cohen, Duberley, & Musson, 2009; Frone, 2003; Lewis, Gambles, & Rapaport, 2007; Parasuraman & Greenhaus, 2002).

However, work-family researchers have also been interested in exploring individuals' conceptions of work-life integration and investigating how they cope with, transition between, or manage multiple role demands. Boundary theory has often been applied in this research tradition (Clark, 2000; Cohen, et al.,; Kreiner, et al., 2009; Nippert-Eng, 1996). It is generally accepted that conceiving and enacting boundaries around the different realms of our life allows us to impose a measure of order and assists us in making sense of the world (Ashforth, Kreiner, & Fugate, 2000; Nippert-Eng, 1996). Boundaries are useful because they set limits on the parameters of a given domain. A common approach amongst boundary theorists is to distinguish between boundaries that are strong (or thick) versus those that are weak (or thin) (Ashforth, et al., 2000; Kreiner, et al., 2009). Strong boundaries are evident when role domains are impermeable (that is, when domains cannot exert influence on one another) and when there is very little scope for flexibility or individual control. Strong boundaries both reflect and promote segmentation, and encourage individuals to view the realms of work and non-work as separate and quite distinct entities. In contrast, weak boundaries are those that are highly permeable (permitting cross-domain influence) and allow for considerable flexibility and autonomy. Weak boundaries both reflect and promote integration between domains, and encourage us to view the various spheres of life as interconnected.

Like others who have explored relations between the domains of work and non-work we use boundary theory as an orientating conceptual framework to inform our understanding of how our participants might create, maintain, and experience the different spheres of elder care and work (for examples see Clark, 2000; Nippert-Eng, 1996). We believe that boundary theory is an especially useful heuristic device as it places emphasis on the agentic, negotiated and socially constructed nature of efforts to differentiate, and to manage transitions between, various role domains. Boundary theory directs attention to how individuals attribute meaning to their various roles, how they negotiate with others to delineate domains, and the highly dynamic and situated nature of this process.

Two recently published qualitative studies utilising boundary theory provide helpful frameworks to guide our own research agenda. In the first of these studies Kreiner et al., (2009) drew on the experiences of Episcopalian clergy to develop a grounded model of work-home boundary work. They proposed that individuals have generalised preferences for the type of boundaries that they enact, but that preferences for either segmentation or integration interact with environmental affordances to create potential mismatches. Incongruence between an individual's desired level of segmentation or integration and what is experienced affects overall levels of work-home conflict both directly, and indirectly through perceptions of specific behaviors, events or episodes that violate boundaries. These specific boundary violations can either be intrusions, where efforts to maintain segmentation are unsuccessful, or they can be distance violations, where greater integration is desired in the face of segmentation. However, most relevant to our research is Kreiner et al's (2009) exploration and categorisation of various boundary work tactics that respondents use to address work-home boundary violations and to reduce work-home conflict. These tactics include a variety of interrelated behavioural, temporal, physical and communicative strategies that individuals adopt to respond to, and to preempt, the negative effects of work-home challenges. Because boundary work tactics appear to play a pivotal role in the experience of work-life conflict we felt they would provide a useful lens to interpret and better appreciate how female entrepreneurs actively negotiate and manage their elder care and work responsibilities.

Our study was also informed by the autoethnographic account of home-work dynamics presented by Cohen et al. (2009). They suggest a metaphorical framework for understanding work-life experiences that distinguishes between two broad groupings reflecting contrasting levels of control over the work-home interface. The first broad grouping, which they labeled 'maintaining order', entailed the purposeful use of strategies that enabled feelings of control and the exercise of personal agency. In contrast to traditional conceptualisations that view segmentation and integration as polar opposites and as reflecting quite distinct modalities for addressing relationships between home and work (see Nippert-Eng, 1996), Cohen et al (2009), instead, highlight how both are conscious strategies that can be used jointly to create a sense of orderliness. The second broad grouping, which Cohen et al (2009) labeled 'experiencing disorder', is distinguished by the occurrence of episodes and events that lead individuals to feel a loss of control over connections between the different realms. Experiences of disorder can range from relatively mild loss of control (seeping) to situations where control is perceived as virtually non-existent (overwhelming). Cohen et al (2009) note that a key characteristic further differentiating situations associated with an increasing sense of a loss of control is a corresponding escalation in the emotional intensity of the experience. The framework developed by Cohen et al (2009) shares many similarities with Kreiner et al (2009)'s model of work-home boundary work. More specifically, the purposeful strategies used to maintain order correspond to boundary work tactics and experiencing disorder is analogous to the concept of boundary violations. This suggests that focusing on these key features of the home-work nexus is appropriate. In addition, Cohen et al (2009)'s study highlights the potentially vital contribution of agency, control, emotions and identity to the lived experience of home-work dynamics.

Using qualitative and narrative approaches we concentrate on exploring how female small-business owners conceive of and manage their elder-care and business roles. We focus on the implications of elder care for business activities, elucidate common boundary work tactics and consider the role of emotions and identity. In so doing this paper responds to recent calls for more research on the work-home interface for entrepreneurs and the owners of small firms (Jennings & McDougald, 2007) and to appeals to broaden the work-family research

agenda to include more in-depth, qualitative studies that explore different dimensions of work-home conflict (Kreiner, et al., 2009).

Method

The study was small-scale and exploratory in nature (i.e. seeking to identify patterns and themes) (Collis & Hussey, 2003). The chosen data collection strategy was in-depth interviewing with key informants (Kvale, 1996). This choice was consistent with the type of study and research question, as well as being congruent with the interpretive perspectives underpinning the study (Schwandt, 2000). This approach allowed for an emphasis on the different voices, perspectives and experiences of the self-employed women who participated in the study.

A purposive sampling approach (Patton, 1990) was taken to identify self-employed women with elder care responsibilities who might wish to participate in the study. Recruitment strategies utilised included advertisements and e-mail invitations to lists of members of organisations (e.g. Chambers of Commerce). However, the most effective approach proved to be a combination of word-of-mouth and snowball sampling (Marshall & Rossman, 2006).

The interviews were semi-structured and focused on a number of themes including: the self-employment experience; multiple roles and overlaps/tensions between them; and, work-life balance needs and strategies. Interviews took place in a variety of locations and the choice of venue was made by the participant in order to alleviate any nervousness they might be feeling, and to ensure they felt safe when revealing their experiences to the interviewer. On average, the interviews were one hour in length. Informed consent was obtained via a written form and anonymity, along with other rights, was assured. With the permission of each interviewee, the interviews were recorded and transcribed in order to facilitate effective data analysis.

Data analysis was an inductive process that combined iterative cycles with processes of data reduction (Miles & Huberman, 1994) and focused on content and thematic analysis. Emphasis was given to the identification of patterns in the data and quotations from the interviewees have been used to illustrate and support the themes/ideas that are presented.

Participants

The participants in this research were eight women from the Wellington region of New Zealand[1]. These women owned a variety of businesses, predominantly in the service sector. Most of these ventures were micro-businesses, with only two employing additional staff. The participants had a wide range of business experience, including several who had just recently started new ventures and others who had been operating their business for many years. Most of the women reported ongoing involvement in elder-care for the last 5-6 years (for a summary see Table 1).

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[1] No real names have been used.

Table 1: Description and background characteristics of participants

Name	No. of Employees (including owner	Business Style	Years in Business (approx)	Elder care involvement	Years in elder care
Dorothy	1	Self-employed	15	Mother	5
Stephanie	1	Self-employed	2	Mother	5
Jocelyn	1	Self-employed	9	Mother	5
Terri[2]	1	Self-employed	20	Mother	20
Mary	1	Self-employed	8	Mother	6
Jasmine	22 (including part-time)	Owner/Manager	3	Parents	6
Charlie	1	Self-employed	1	Father	6
Jackie	4 (plus contractors	Owner/Manager	6	Father	6

Most of the participants had already dealt with the loss of one parent at some stage and their surviving elder(s) were now requiring considerable assistance, with several in rest home care and others needing ongoing support from their family and also from external care providers. We briefly elaborate on the background of each participant below:

Dorothy is the only sister still available in her mother's home town, although she does have a brother who is within commuting distance. She visits her mother daily (she lives in a residential care facility) even though there are difficulties with increasing dementia. Dorothy's business is focussed on individual client interaction and she needs to be available when appointments are made.

Stephanie has a brother who is active in sharing their elder care responsibilities, although it appears that Stephanie is often the first point of call. Stephanie's mother is still in her own home which is about twenty minutes away. Stephanie has a fairly new home-based writing business which she is actively seeking to grow.

Jocelyn's mother used to live some distance away, but with encouragement from her adult daughters, has now moved closer to them. Sharing elder care responsibilities with her sisters, Jocelyn is a self-employed contractor who works as a policy analyst.

Terri has a successful business which requires her to be available for clients in the workplace. Terri's mother has recently moved into an apartment within a residential care complex, but still has her own home. Terri has been involved in caring for her grandmother and then her father, so has had considerable experience in managing elder care alongside self-employment.

Mary, the eldest in a large family, runs her own business as a consultant. Mary's siblings are very active in their care of their mother, who lives some five hours' drive away from Mary's own home, in a residential care facility. Mary contracts in the human resources industry, and is well-established as a service provider in this area.

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[2] Terri had been involved in caring for her grandmother and father before her mother.

Jasmine is the only sibling in her family still living in New Zealand, with both parents requiring support, and a business in its early years. Alone among the participants, Jasmine is supporting both parents, who live in their own home, in a smaller centre some five hours' drive away. Dealing with full-time employment to support the business development, Jasmine is partner in a medium-sized retail business.

Charlie manages the support of her elderly father who is in residential care in another city. Although Charlie has brothers located in the same city as her father, she nonetheless takes much of the care-giving responsibility herself. Charlie has recently started up her own business providing personal services, but also works part-time while she seeks to get herself established.

Jackie makes a special journey every Saturday to visit her elderly father, who lives alone. The journey is about an hour, and Jackie has a sister who lives closer, and who is usually the first to be called in an emergency. Jackie has a number of employees who work for her small consultancy business.

Results and Discussion

The aim of this exploratory study was to examine the lived experience of self-employed female business owners who also manage elder care. We do so by considering three vital aspects of this experience. Firstly, we consider the implications of elder care for the owner's business. Secondly, we elucidate boundary work tactics used to address challenges associated with managing elder care and a business at the same time. Finally, we consider emotional and identity-related aspects of elder care. We found these three aspects of the work-family nexus to be closely interconnected, often with reciprocal relationships. For example, decisions to limit business growth often had emotional and identity-related consequences, and simultaneously aspects of identity and the emotions associated with elder care could also shape owners decisions to prioritise elder care responsibilities. Likewise, boundary work tactics implemented to address boundary violations and work-home conflict associated with elder care and business responsibilities enabled our respondents to mitigate negative emotional spillover, and were often focused on providing opportunities or space for continued involvement in the work domain. We elaborate on the main findings in relation to each of these elements in the relevant sections below.

Elder Care and Business Performance

It is notable that many of our respondents sought to reconcile the competing demands of elder care and self-employment by prioritising the non-work domain and adopting strategies that were likely to restrict the performance and/or potential of their firm. Illustrative of this are several women who had elected to severely limit their business commitments, often at a time when business growth was eminently possible. For example, Mary, a contractor in human resources, indicated that in response to a crisis associated with her elder care responsibilities that she had completely relinquished her business for a significant period of time. Moreover, upon resumption of her business role she elected to only accept contracts that would allow her the necessary flexibility to provide care for her mother when it was required. Mary commented that she *"…had to factor Mum, and the fact that I might need to have time out or flexible time. I actually turned down some work."* and was matter of fact in her assessment of those lost opportunities to grow her business. Similarly, Dorothy, who had been successfully

running her own small business for many years, simply decided that she needed more flexibility and time to cope with her elderly mother. Accordingly, she limited the number of appointments she made with clients and over time gradually reduced her business to virtually nothing.

Other respondents were less extreme in their response to the demands of elder care, but nonetheless adopted strategies that were likely to be detrimental to business growth. For example, Terri, who chose to work a four-day week, estimated that losing a full day of appointments had cost her upwards of $20,000 in one year. Jocelyn, a business contractor, had also felt the impact of elder care, pointing out that the time she took off work to assist her mother directly impinged her income as the following quote illustrates *"I'm self-employed, so when I'm not at work I don't get paid."* Jasmine, who was involved in the establishment of a new business with her husband, had reluctantly decided to invest more time caring for her elderly parents. She was conscious that this decision had taken her away from her husband and their business at a critical time and was concerned that her husband had been trying to run the business with *"… absolutely no support from anybody for this.."*. While not able to specify the commercial effects as clearly, Charlie also noted that her developing business had been affected by her elder care commitments, with trips to tend to her elderly father living in another city requiring her to block out periods of time and to make herself unavailable to clients.

It was apparent that even for those women who were still strongly focused on expanding their business that elder care was perceived as a significant concern with potential to hinder continuing growth. For example, Stephanie was finding that her elderly mother was placing increasing demands on her for support and care. At the same time, Stephanie was keen to grow her client base and was mindful of the importance of reputation in the marketplace for her emergent business. Not wanting to turn down work and unwilling to advise clients of her need for flexibility, because as she indicated *"I'm at the stage in my business when I want to look pretty damn reliable"*, Stephanie was simply starting work earlier in order to free up time during the day to manage her elder care, a strategy that did not appear to be a sustainable in the longer term. Likewise, Jackie was aware of the importance of founder involvement and personal input as a factor in the success of her business, but also realised that maintaining this involvement was going to be challenging as her elder care responsibilities increased. Her dilemma is clearly captured in the following quote; *"you are part of the ongoing viability of that business, so I think that there is a cumulative effect over time that you keep having to sustain your business and put that energy in, but you've got an additional load that is increasing."*

Several aspects of our data are consistent with Jennings and McDougald's (2007) conceptual model of the likely effects of gender on entrepreneur's work-family interface experiences, coping strategies and business performance. For example, Jennings and McDougald suggest that female entrepreneurs are liable to experience higher levels of work-family conflict because they tend to own businesses in the retail and personal services industries, and that these client-centered businesses offer less opportunity for work schedule autonomy and flexibility. It is notable that the majority of women in our study operated businesses requiring considerable client contact and interaction, and that many explicitly commented on the strain that this imposed when also trying to meet the demands of elder care. Jennings and McDougald also suggest female entrepreneurs are prone to greater levels of work-family conflict as a consequence of gendered role expectations. That is, because women are generally expected to fulfill nurturing and care giving roles they are likely to feel more

pressure to assist with elder care and to feel that their business role is incongruent with care-giving responsibilities. This was evidently the case for several of our respondents, who despite having brothers who lived closer to the elderly parent had nonetheless assumed responsibility as the primary care giver. Other studies have also shown that women are much more likely to take up elder care duties than are men (Davey & Keeling, 2004).

The tendency amongst the women we interviewed to prioritise elder care and to scale back their business involvement is congruent with Jennings and McDougald's (2007) suggestion that female entrepreneurs are more likely to make accommodations within the work sphere rather than the family domain. This is not necessarily unexpected as extensive literature and empirical research describes how, for female entrepreneurs and small business owners, the decision to move to self-employment and to start their own business is often driven by a desire to enhance overall quality of life and improve work-life balance (Boden, 1999; Wellington, 2006). In pursuing this goal, women often adopt a strategy of compromise, settling for a capped growth environment and restricting their aspirations for business development (Loscocco & Robinson, 1991; Watson, 2003). However, whereas previous research has suggested that as childcare obligations decrease, women may look to develop their personal lives and business opportunities (Emslie & Hunt, 2009; Grady & McCarthy, 2008), we show that elder care responsibilities may also lead women to decide to limit or reduce their work commitments. This raises the prospect that for some female entrepreneurs the opportunity or time frame available for them to concentrate on expanding their business may be quite narrow.

Boundary Tactics, Agency and Autonomy

Our findings are consistent with a growing body of research that challenges conventional notions of individuals as passive recipients – simply reacting to the assorted stressors and tensions associated with efforts to integrate the various spheres of work and family (Clark, 2000; Cohen, et al., 2009; Kreiner, et al., 2009). The participants in this project were proactive agents whose attempts to gain control in their own lives underscores the complex and nuanced nature of work-home relationships, particularly when elder care is involved. Consistent with the propositions of Kreiner et al (2009) and Cohen et al. (2009) we found that the women we interviewed enacted a range of specific tactics to manage challenges associated with elder care and business ownership. These tactics appeared to be a critical vehicle through which the women were able to exert control, reduce uncertainty and unpredictability, and where necessary restore a sense of orderliness to the work-family interface.

Kreiner et al. (2009) classify tactics into several broad categories, reflecting a variety of behavioral, temporal, physical and communicative strategies that can be implemented proactively in anticipation of potential conflicts, and also reactively in response to specific boundary violations. Our respondents identified several of these tactics that they also used. One of the most commonly employed strategies was the behavioral tactic of actively 'using other people' as a resource to address boundary conflicts. Many of our respondents spoke of the significant contribution of spouses in supporting and assisting them to fulfill work-related and elder care role demands. Likewise, some participants used extended family networks to help with elder care obligations. For example, Mary mentioned how she coordinated with her siblings and used rosters to facilitate the care of her elderly mother. Others commented on the important contribution of professional care givers working in residential care facilities. In

other studies (see Davey & Keeling, 2004; Kreiner et al., 2009) mobilising support from managers and work colleagues has been mentioned as playing a crucial part in employee efforts to maintain work-home balance. However, this underlines the distinctive context of self-employment and small-business ownership where such resources may not be available or are more difficult to marshal.

Another behavioural strategy commonly used was that of 'invoking triage'. Kreiner et al. (2009) describe this as the ongoing process of prioritising competing demands from the different spheres of life. Entailing a kind of mental calculus carried out 'on the fly' it was used by our participants to diagnose the urgency of problems or issues and as a trigger for appropriate action. Stephanie articulated this strategy when she noted that she would often have to compromise her work because of her mother's needs, but she tried to do this only if it was urgent. She went on to comment *"For minor health issues, bog-standard sort of help, I'll juggle that – you know, get her to wait. If it's major, I would get the work to wait."* Of course, these decisions were not always easy and prioritising one domain often entailed costs for the other. Jasmine summed up this dilemma when she explained that her efforts to prioritise demands in the different domains was *"…sometimes to the detriment of the business and sometimes to the care that I would like to give to my parents, but most of the time you're able to manage."*

The salience of temporal tactics ('controlling work time' and 'finding respite') for boundary management was also obvious from the comments of our respondents. As Kreiner et al. (2009) note, individuals are able to make strategic choices regarding the use of time including when, and how much time is devoted to activities in different spheres. 'Controlling work/care time' was a commonly employed tactic used by our respondents that was manifested in several ways. For example, as already discussed, Mary enacted regular scheduling of her elder care duties via the use of rosters so as to minimise disruptions to work. Jocelyn protected her work time by refusing to take personal calls while at work while Terri's approach was to reduce her normal working week to free up an additional day to care for her mother. The second major temporal tactic identified by Kreiner et al, 'finding respite', was not often pursued by our participants. This is not to say that the prospect of ameliorating strain by taking breaks from work and/or elder care responsibilities was not recognised as important as the following quote from Jasmine makes clear; *"Occasionally, I will say to my husband that I've got absolutely no 'me' time. Absolutely no 'me' time"*. However, it seems to be the case that the intensive demands of self-employment and small business ownership coupled with the strong emotional ties and imperatives of elder care make it difficult for these women to truly get away or to take time off. The situation of Charlie illustrates this point. Her new business typically required her to work weekends, and during this establishment phase she was also undertaking separate paid part-time work to allow her to meet her own income requirements. Moreover, although her father was in residential care in another city Charlie often found that her father's needs were uppermost in her mind as the following quote reveals; *"It's because he does occupy my headspace. Not in a bad way, but just thinking, you know, I should be making more contact; I should be doing more proactive things. But you know, I just need to get ahead and build this business"*.

We found that the communicative tactics of 'setting expectations' and 'confronting violators' (Kreiner et al., 2009) were not used extensively. There were of course, some exceptions. For example, Mary typically made it a point to communicate her preferences and expectations for flexibility to clients before accepting work. However, this was quite unusual and communicating with key stakeholders regarding preferred levels of work-home integration or

confronting those that punctured boundaries were not tactics preferred by the women we interviewed. We note that negotiating boundary preferences can be more complex in the context of elder care as older persons are often supported by a number of external agencies and other providers that may not be as responsive to the desires of the care giver. Moreover, other family members are often significant actors and the dynamics of family relations, which can sometimes be fraught (Davey & Keeling, 2004), may make implementation of communicative tactics challenging. Finally, we observed that in some cases the elder person may have dementia or other conditions that make the effective use of communication tactics problematic.

Emotions and identity

While some researchers have been critical of approaches which emphasise the emotional links or connections between work and family (Clark, 2000), we observed that emotions were very much central to the lived experience of work-family conflict amongst the women we interviewed. In fact, one of the main reasons that participants experienced some difficulty in segmenting work and elder care appeared to be the high levels of emotional involvement associated with elder care. Emotions that were highlighted by the participants included guilt and frustration, sorrow and loss, and love and concern. Illustrative of the strong emotional connections is the following quote from Dorothy where she talks about the emotional fallout related to her mother's illness and gradual decline; *"I don't want to feel happy....I don't feel happy... I don't feel lively at times....I don't feel like talking at times, because I'm going through losing my mother."*

Feelings of guilt, frustration and inadequacy were also common amongst our participants. In some cases, efforts to juggle demands in both spheres meant that they felt that they were not giving enough to any of their roles. For example Charlie commented that *"I sometimes have feelings of guilt that I don't do either well."* In other cases, participants indicated that they would like to spend more quality time with their elders, but expressed frustration that instead they often ended up doing practical things such as providing transport to appointments or sorting clothing. In addition to feeling guilt and frustration at times, all participants mentioned feelings of sorrow, grief and loss. These feelings came from seeing the increasing dependence of their elderly parents, and having to come to terms with the eventual loss of beloved members of their families. Dorothy expressed this in the following way; *"You want to scream and cry and say 'life's really not that fair".*

Although there are situations that can arise where *"…gratitude can easily take on a taste of bondage…"* (Lewinter, 2003:359), the emotions around elder care were not all negative. Most participants indicated that they had strong feelings of love and gratitude towards their elders, and a desire to reciprocate the care provided to them in earlier times. Lewinter (2003) has commented on the value and importance of inter-generational reciprocity, but most work-life balance research has concentrated on negative spillover between the domains of work and home. In the following quote, Dorothy encapsulates the importance of reciprocity as she reflects on her decision to limit her business activity;

> *"…it's something I wanted to do, because she was there for me… She was always there for me, no matter what. And I feel that she sacrificed a lot of her time and her life for me, and it's my turn. It's something I want to do and I enjoy doing it".*

Unsurprisingly, since boundary work is intimately tied to identity (Cohen et al., 2009; Nippert-Eng, 1996), we found that the emotional aspects of elder care often sparked fundamental reappraisals of self-identity. For some of our participants the move from daughter to caregiver was a stimulus for them to reassess their relationship and role vis-à-vis their elderly parent. Jackie felt this change keenly as the following quote shows;

> *"It's very difficult, watching your parents lose their independence, and watching them struggle. To actually accept that there are certain things that they just can't do any more, and that you are going to have to help them do those things, or find someone else who can."*

Charlie was also conscious of how her relationship with her father had altered as a consequence of assuming care responsibilities. She commented as follows; *"I very much felt that change of role – that I became the parent, and it was like parenting a child in some ways"*. All of the women we interviewed indicated that their identity as businesswomen was salient for them, but some (like Dorothy) were clearly recasting themselves and constructing 'new' identities in response to the demands of elder care. For others, elder care appeared to have much less of an impact. For example, when asked how she viewed herself and her various roles Stephanie offered the following comment; *"I think of myself as a business woman who is a daughter. I don't want another care-giving tag (I was a mother for such a long time). She's pretty important, but I don't use it to define myself."*

Conclusion

All of the self-employed women in this research believed that they had achieved some form of balance in their lives. However, their pursuit of some quality of life and work-family balance appeared to involve what other research has noted as being significant personal negotiation and also compromise (Dallimore & Mickel, 2006). Work-family border theory suggests that, in seeking some balance in their lives, most people are proactive or enactive (Clark, 2000), yet while the participants in this project were trying to be proactive in managing their commitments, this appeared to demand daily confrontation with the various requirements of their activities. The often unexpected nature of elder care impacted the ability of the participants to organise their roles and activities, and appeared to force them into reactive behaviour in all domains.

The continual disruption of the efforts of these women to proactively seek some organisation in their lives was leading to lack of balance, and increasing feelings of guilt and frustration. The frustration alluded to in the women's stories show that they experienced difficulties in identifying their roles. They all found it difficult to move from a 'child' role to caregiver for an elderly parent. They also often found it hard to deal with the attitude of the border keepers – those people who influenced their ability to move between roles (Clark, 2000). There included the elderly themselves, but also formal caregivers, medical staff and others whose expectations of the family caregivers were often significant. Further research into these areas would be useful. Additional studies exploring the interface between elder care and self-employment for participants from a wider variety of cultural and economic backgrounds would also be valuable (Davey & Keeling, 2004; Te Pūmanawa Hauoroa, 1997). Although all the women who participated in this study indicated that they felt some measure of success, this appeared to be very much an individual perception tempered by the strategies they had adopted to manage their lives. Their feelings of success may have arisen from an

understanding that they had reached an acceptable compromise on a daily basis. The emotional cost of elder care was also profound, as all participants indicated that they carried their many roles with them, and usually responded immediately to the needs of their elder (often putting their own health issues second). It is also particularly interesting to note that, despite the increased flexibility of self-employment, every participant indicated that their business had been affected by their elder care responsibilities. The businesses were not going to grow and develop, and in some cases they were shrinking – the constraints of family commitments combined with the flexibility of self-employment may simply have contributed to the need to work longer and harder just to stay a small business.

Notes

[i] The number of New Zealanders aged 65 years and over (65+) has doubled since 1972, to 510,000 in 2006. The increase is expected to continue with the population aged 65+ years likely to exceed one million in the late 2020s and reach 1.44 million by 2061. The largest growth will occur between 2011 and 2037 as the baby-boomers move into this age group. From the late 2040s, the 65 years and over age group will make up about one-quarter of all New Zealanders, compared with 12 percent in 2006. (Statistics New Zealand, 2008)

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A Longitudinal and Dynamic Approach to Entrepreneurial Learning

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Abstract

The paper analyses in depth qualitative case material, in the light of previous research and in the context of a dynamic, longitudinal approach. The analysis takes a longitudinal approach to a small number of case studies that have been tracked over an extended period of time to yield insights into the nature of entrepreneurial learning over such a temporal period. It is arguable that previous research, even where qualitative case studies have been used, has been limited in terms of longitudinal and dynamic insights (Harrison & Leitch, 2005). The research has followed the development of the key entrepreneurs involved in the case studies from formation, through discontinuous growth periods, innovative product development, critical incidents, from local to global player.

The paper contributes to our understanding of the particular role of critical incidents in the process of entrepreneurial learning. It takes a dynamic framework approach to entrepreneurial learning (Cope, 2005) to examine the nature of entrepreneurial learning in two case study firms that have undergone considerable transformation from the development of technology-related products. The two case study firms have been the subject of a series of in-depth interviews over a period of five years, allowing unique insights into the nature of entrepreneurial learning over an extended period of time. The paper contributes to our knowledge by developing increased understanding of the process of entrepreneurial learning specifically through the tracking of small innovative and technology-based firms from start-up to global player over an extended period of time. The importance of entrepreneurial learning and knowledge acquisition in such growth has been highlighted recently by Fletcher (2010) and pointed to a research gap in longitudinal work in this area. This paper provides a contribution to that research gap.

Key words:

Entrepreneurial learning, internationalisation, technology-based small firms, longitudinal study

Introduction

This paper systematically reviews the academic literature and research evidence on entrepreneurial learning in order to place in-depth case study research in context and provide a basis for further research and investigation into the nature of entrepreneurial learning. Recently, several articles have attempted to provide conceptual frameworks to build upon earlier but limited research into entrepreneurial learning (Cope, 2005; Politis, 2005; Thorpe, Gold, Holt & Clark, 2006; Zhang, MacPherson & Jones, 2006). Each of these articles started from a premise that existing learning theories are not adequate for providing an explanatory conceptual framework for entrepreneurial learning. For example, Thorpe et al, (2006: 233) consider that "current learning theories often fail to adequately account for the social, historical and cultural contexts in which people learn". The paper will review these recent conceptual developments, the nature of previous research and reflect upon the case study analysis in the light of this literature. As the title of the paper implies, we consider it

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necessary to take a dynamic approach to understand the process of entrepreneurial learning. We concur with Politis, who considers that to do so (ie: understand learning) there is a "need to move away from static approaches to more dynamic ones" (2005: 400) In a recent paper, Kempster and Cope (2010) argue for dynamic entrepreneurial learning approach for explaining leadership in the entrepreneurial context.

In this paper, we examine case study evidence taken over a period of time where we have been able to track a small number of entrepreneurial case studies. These cases were originally developed to underpin new curriculum development, but have since been explored through repeated interviews as an interest as developed in the process of dynamic entrepreneurial learning. The case study entrepreneurs have been tracked from formation to global players. In terms of internationalisation, dynamic entrepreneurial learning helps us to understand knowledge acquisition of SMEs and the development of strategy (Jones, Dimitratos, Fletcher and Young, 2009; Fletcher, 2010). Research interviews have been analysed with the assistance of the QSR Nvivo software to shed further light on how entrepreneurial learning informs the actions of entrepreneurs in the selected case study firms.

In summary the paper aims to:
- Systematically review the literature on entrepreneurial learning to inform on-going case study research.
- Analyse selected case study material.
- Discuss the analysis in the light of the existing literature.
- Review the paper's contribution and identify further research issues.

## Review of the Academic Literature

The existing academic literature, as mentioned, has recently expanded as interest has grown rather belatedly in this area, which has an important contribution to make to explaining entrepreneurial behaviour. However, the literature can usefully be divided into the following three main areas:

1. From the application of theories of adult learning;
2. From the application of environmental and social explanations;
3. From applications of organisational behaviour and (hence) organisational learning theories.

These headings are used in this section to organise our review of the academic literature. Further illustration of this framework is provided later in Table 1 which provides a summary of the academic literature using this framework.

1. Application of Theories of Adult Learning

Despite the comment by Thorpe et al (2006) on the value of such theories for explaining entrepreneurial learning, much of the conceptual literature in this area draws upon and modifies theories of adult learning. Partly, this is because entrepreneurial learning is assumed to be experiential in nature. Politis (2005) considers that there is a need to consider how experience (gained) is transformed into knowledge. Cope (2006) considers that entrepreneurs adapt and develop new behaviours over a period of time so that there is a need to consider adult learning theories that allow for the cumulative nature of learning. Within this vein of experiential learning, Kolb's learning cycle (Kolb, 1984) has been adapted by a number of writers to explain the self-reflective nature of entrepreneurial learning over time, as illustrated in Figure 1 (Corbett, 2006; Cope, 2005).

Figure 1: Kolb's Experiential Learning Cycle
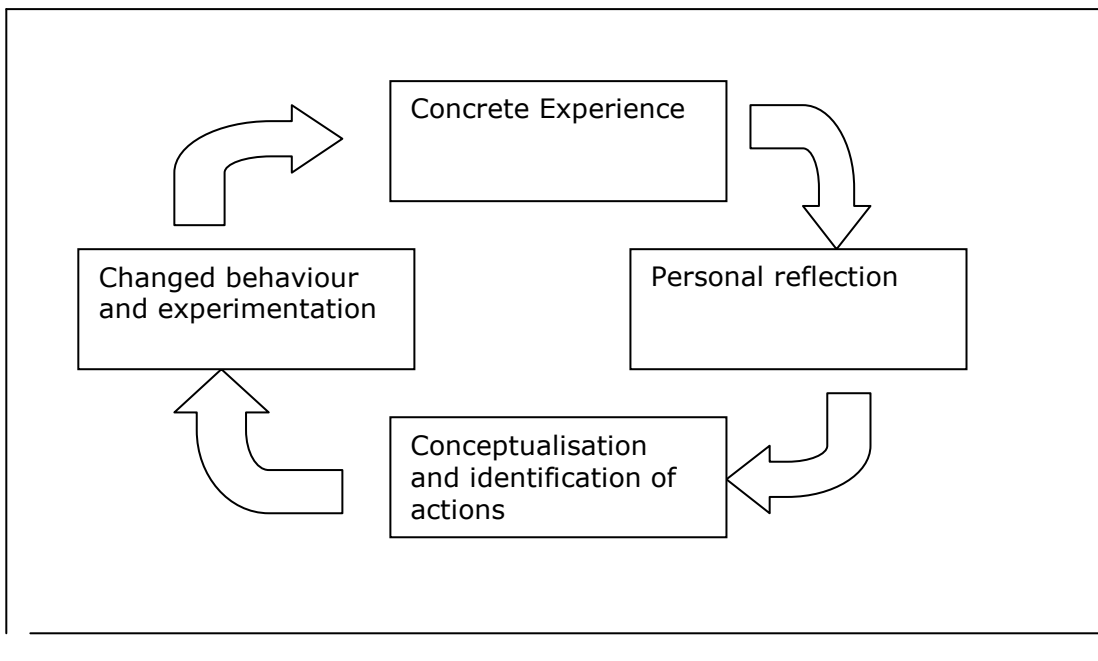
The insights provided by some writers is to examine the nature of the entrepreneurial learning experience and note how this differs through critical learning 'episodes' or 'events' (Rae & Carswell, 2001; Deakins & Freel, 1998). It is recognised that the experience provides an essential 'situated learning' context within which these developments have been formulated (Zhang et al, 2006). The importance of this situated learning experience in a temporal context has been emphasised recently by Politis (2006: 399), "[This] implies that the complex process by which entrepreneurs learn from past experience is of great importance to consider if we are to increase our understanding of entrepreneurial learning."

Thus, it is arguable that dynamic, rather than static and longitudinal, rather than cross-sectional or survey approaches are necessary to increase our understanding of entrepreneurial learning. In Rae's (2003) study, he focused upon the life stories of the interviewed entrepreneurs to understand how individual respondents learned to develop entrepreneurial behaviour. In a related paper, Rae and Carswell (2001) suggested that such 'learned entrepreneurial behaviour' could be identified through the dynamic nature of 'learning episodes', involving discrete extended periods of time in which entrepreneurs drew upon learning and reflection from experiences that have formulated their approaches and behaviour. Other writers have identified dynamic 'critical events' as the catalyst for learning and changes in entrepreneurial behaviour (Deakins & Freel, 1998). Cope and Watts (2000) and Cope (2003) have applied critical incident methodology to a longitudinal case study approach and claim that, although very diverse in nature, critical provide the basis for the development of 'higher-level' learning, where the concept of deep learning is the outcome of the experience of the identified critical events leading to changed entrepreneurial behaviour. However, Cope and Watts also conclude that, because of the complex and diverse nature of entrepreneurial learning; "in terms of theory building we are a long way from the development of sufficiently broad-based frameworks to illustrate this diversity" (2000:118). Kempster and Cope have undertaken recent work on entrepreneurial learning, but conclude that further work on the importance of dynamics of entrepreneurial learning is required and conceptual developments (of entrepreneurial learning) are still "embryonic" (2010: 9).

2. Environmental and Social Explanations

Environmental and social explanations of the nature of entrepreneurial learning identify behavioural factors affecting both the firm and the entrepreneur. Within these approaches, there are social constructionist theorists that recognise entrepreneurial learning as a product of the social environment within which the entrepreneur operates. These are not necessarily separate from the conceptual writers mentioned in the first category and elements of such approaches have been used by Rae (2000) and Cope (2003). However, another sub-category is those who place the emphasis and influence on external factors in the entrepreneurs' environment and include notably Gibb's (1997) stakeholder model of entrepreneurial learning in which the entrepreneur does not progress unless they 'learn' from stakeholders in the external environment. However, the emphasis of such approaches may also be on the nature of the individual entrepreneur to adapt and learn from their environment. For example, Thorpe et al. (2006) take a constructionist approach but that the ability of entrepreneurs depend on their 'maturity', a complex concept that indicates the extent of among other things the ability of the entrepreneur to self-reflect from their interaction with the environment.

More clearly within this approach are those writers who explain entrepreneurial learning from external networks and social capital approaches. For example, Taylor and Pandza (2003) have applied network theory and a number of writers have started to explore the influence of social capital on entrepreneurial behaviour (Rose, Cope & Jack, 2007). Lee and Jones (2008) have also identified the importance of the role of social networks for entrepreneurial learning at the start-up and early stage of business formation. The contribution of evolutionary theories (or organisations) have also been identified within this category, although such theories may perceive the entrepreneur as tied in, or path dependent, within their technological development (Nelson & Winter, 1982). However, such approaches do support the necessity of dynamic approach to entrepreneurial learning (Deakins & Freel, 1998).

3. Organisational Learning Theory Applications

Finally, in this section, we have separated those writers who have adopted organisational learning (OL) theories to explain small firm behaviour as these are less clearly situated within social constructionist and environmental approaches. Of course, OL theories stem from explanations of collective learning within large organisations (Easterby-Smith, Crossan & Nicolini, 2000), however, more recently Zhang et al have used an OL approach to explain learning processes on innovation within manufacturing SMEs and claim that: "[Our] findings confirm early studies on the importance of organisation-wide (intra-organisation) learning in innovative firms" (2006: 312). They also claim that the application of OL theories in SMEs helps to explain those that were 'innovative' compared to those that were 'stable'. A number of writers, including the present authors, have questioned the relevance of OL theories for explaining entrepreneurial behaviour, but an earlier study by Wyer, Mason and Theodorakopoulos (2000) have also argued that OL theories can provide insights into 'collective learning' within small firms.

Although we have used a framework of three categories to systematically discuss and categorise the published academic literature; it should be noted that there is considerable overlap and that a number of papers cover more than one of these categories, as illustrated and summarised in Table 1.

Table 1: Categorisation of the Academic Literature

Paper	Adult learning theories	Environmental and social	Organisational learning theories	Research evidence
Kempster & Cope 2010	✓			✓
Lee & Jones 2008		✓		✓
McPherson & Holt 2007 (review paper)				
Devins et al 2006		✓		✓
Thorpe et al 2006	√	√		√
Zhang et al 2006			√	√
Cope 2005	√	√		
Corbett 2005	√	√		
Politis 2005	√	√		
Cope 2003	√	√		√
Taylor & Pandza 2003		√		√
Rae & Carswell 2001	√	√		√
Cope and Watts 2000	√	√		√
Rae 2000	√	√		√
Wyer et al 2000			√	√
Deakins and Freel 1998	√	√		√
Gibb 1997		√		

The Nature of Previous Research Evidence

Despite the recent increase in the number of papers in the academic literature, the previous research evidence directly on entrepreneurial learning is limited and recent papers have been conceptual, aiming to provide a framework for further research or to set a research agenda (Cope, 2005; Corbett, 2005; Politis, 2005). Given some of the features of the nature of entrepreneurial learning, which have been discussed in the academic literature, it is not surprising that the investigations that have involved direct research evidence have been based upon largely qualitative approaches and with the main focus on entrepreneurial case studies. For example, Cope (2003) reported findings from six case studies and Rae (2000) reported narrative life stories from 12 interviews. However, more recent research has employed programmes of interviews or surveys; for example, Thorpe et al. (2006) report the findings of 44 e-mail 'postcard' responses and Zhang et al. (2006) discuss the analysis of 26 interviews.

A strong common feature of previous research has been the use of critical incident methodology to identify key learning events or episodes in that have been significant in entrepreneurial learning. This technique has been used by Deakins and Freel (1998), Cope and Watts (2000) and Zhang et al (2006). In addition, the research has been conducted within a social constructionist paradigm to investigate the reality of entrepreneurial experience, development and learning (see Thorpe et al. 2006, for discussion).

In summary, previous research has been characterised by similar approaches, by necessity, often have small number case design with interpretative methodologies and analysis.

Research Method

Our research methodology is no exception to previous investigations by adopting a social constructionist paradigm and a qualitative case study approach. Although with case study investigation, it is difficult to avoid the retrospective nature of the of the research interviews with the entrepreneur; by maintaining tracking studies of those cases that we have been able to track over a period of time, it is arguable that we have been able to develop and verify a realistic record of entrepreneurial learning. As commented upon by Rae "Given that learning is a continuing process, there is a need to follow people over a period of time rather than relying solely on perspective" (2000: 150). We have been able to achieve such tracking although the initial design of the research was to achieve the development of course and curriculum-based material. The initial interviews have been supplemented by further interviews to supplement the material on entrepreneurial learning. In addition, we have continued to use a 'critical incident' analysis which has previously been beneficial in gaining initial insights into the nature of the process of entrepreneurial learning, which is in line with previous research work in this area (Rae and Carswell, 2001; Cope, 2003).

The qualitative software QSR Nvivo has been employed to assist analysis but at this stage, it should be noted that this paper provides some first stage findings. A framework was utilised to provide guidance for analysis (see the following section), although this was not meant to be prescriptive and further work will allow a more 'grounded approach'. The intention is to continue to utilise the contacts established with identified case study firms for additional research interviews, which will be continued to achieve the tracking and provide a more complete dynamic and longitudinal analysis. The aim has been to achieve a comparative case study analysis as suggested by Yin (2003). Links with the key entrepreneurs in the case study firms have been carefully nurtured over a period of time, which has helped to overcome issues of access (Bryman, 2006). Repeated interviews with key entrepreneurs have enabled the verification and validation of research data (Easterby-Smith, Thorpe & Lowe, 2002).

For this paper, we focus on the discussion of two case studies. Uniquely, we have been able to track their development over an extended period of time, from inception through to global operations. Although technology-related issues are not the focus of this paper, both case study firms are technology-based and have had to deal with issues related to new product development, innovation and IP-related areas.

Discussion of Findings

We adopt a framework suggested by the lead author's previous research and work and by the academic literature to discuss the initial findings. This framework consists of the nature of entrepreneurial learning from three sources: from experience and critical events; from social and business networks and from the entrepreneurs' previous experience.

1. The nature of entrepreneurial learning from experience of critical events

Previous research work by the authors and from the academic literature has suggested that insights can be gained into the nature of entrepreneurial learning from the experience of significant critical events. In essence, the argument is that the entrepreneur is forced to reflect upon existing practice or strategy to consider alternative strategies and ultimately to change behaviour. Such significant critical events have concerned problems with employees, with customers, with accounting for liabilities such as taxation and the experience from dealing with new product markets. For example, with one of the

cases, one of the founding entrepreneurs commented on a critical incident with an employee in dealing with regulations as they sought to expand their operations in a new entry country, Italy:

> "One major incident [occurred] with an Italian employee where there was a total misunderstanding on who was responsible for what, which got us into significant issues with the Italian tax authorities, because he was supposed to pay tax – and he didn't, things like that make you much more wary".

The importance of reflection on the experience from critical events was also important for this founding entrepreneur who commented that issues would be mulled over during times when she and her founding partner could get together with some free time; one opportunity for this process was when they were travelling:

> "The best time for reflection is on a plane on a long haul flight, you have a chance away from the phones and everything else, to think what we have achieved so far, how we can achieve it differently, where we would like to go – and went on to consider...

> With the economy crashing in 2000, it made us think very hard about if we wanted to sell the business, but we decided we were too young – there was a lot of learning to do, lots of new processes to explore."

Both the case study firms became international players rapidly in their development so-called 'born globals', Fletcher, (2010) has pointed to the importance of the role of entrepreneurial learning in internationalisation. In both cases, technology and new product development was at the forefront of their development. In one firm, this meant several years of development of dedicated software development which was funded by the re-invested profits from the operation of an internet provider, whilst their development (R&D) arm was loss-making. During this stage, they took every opportunity to "learn from contacts, from seminars and from events". However, the founding entrepreneurs quickly learned that they needed additional assistance to break into "larger customers" and then global markets. Yet, despite attempts to talk to advisers, such as consultants and business angels, during a period a founding entrepreneur described as a "whirlwind of meetings", they considered that their development internationally was always a strategic aim to "create a global company", but learning came from 'experience', from dealing with overseas customers and contacts. When faced with a critical period of development, there was insufficient local experience that could provide advice; as one of the founding entrepreneurs commented: "They just do not have what it takes to grow a global company, that is my biggest gripe against the [local agencies], they do not have the right level of contacts to grow a global company".

The technological environment was significant for both of the case study firms in critical events that affected the process and nature of entrepreneurial learning. Both firms were in developments that required IP protection. The nature of having to obtain patents, across global markets and across time became critical events. For example, a founding entrepreneur commented on the experience of the expiry of protection from patents.

> "In the first 10 to 12 years of our existence, we had a patented product that was protected and therefore, we didn't have to deal with competition and one our biggest learning moments was when the patent expired – having to deal with competitors in the market place".

Overall, in comparison to alternative stimulants to entrepreneurial learning, the nature of critical events provides the basis for reflective 'deep learning' suggested by Cope (2003) and Rae and Carswell (2001), which in turn is the basis for a period of significant strategic change and entrepreneurial development.

2. The nature of entrepreneurial learning from social and business networks

It is arguable that a relatively under-researched area in entrepreneurial learning and development is the role of social networks and more specifically social capital (Lee and Jones, 2008). In both our case study firms, the role of social networks were important for their initial development but surprisingly, perhaps, these social networks continued to play an important role in the later strategic development of both the case study firms. The nature of the learning process that this involved was commented on by one of the founding entrepreneurs as providing support during the learning process:

> "At the start, all the people employed were all family and friends or people who knew – [the two founding partners]. Both had a wide social network, and it was them who came to start with and some of them are still with us today. They came in to do any job that was needed, there was no demarcation on what was done and we grew from there. So that was the learning bit. You had made your mistakes with friends".

In the second case study firm, which had more founding entrepreneurs (four), social networks were wider, but also more close knit. They received support from their close families at start-up, having given up promising careers in alternative occupations. Although the founding entrepreneurs were keen to learn from business networks, the role of social networks remained important during later phases of development of the firm, bringing in close contacts in their social community to provide development stage finance as they were seeking global expansion, yet without a direct advisory role "They are shareholders and do not have seat on the Board, we wanted hands off investors and they trust us to go forward-it is absolutely hands off. We said to them, here is the proposition, if you want to take part in it, that is the deal on the table". Such networks would seem to have diminished importance for entrepreneurial learning in this case, although the mentoring role may have been understated by the founding entrepreneurs. The role of social capital indeed can be contradictory, other research has suggested that acts as hindrance (or restriction) as well as a benefit at different stages and in different circumstances in entrepreneurial development (Deakins, Ishaq, Smallbone, Whittam & Wyper, 2007).

It is arguable that business networks are a more important influence on the nature of entrepreneurial learning. Within this category we include Gibb's stakeholder learning model which includes customers, suppliers and funders. For both sets of founding entrepreneurs from our two case study firms, events that brought them into contact with customers, competitors and suppliers, such as exhibitions and trade shows had important roles in the learning process. One founding entrepreneur commented:

> "In fact one of our bigger learning places is the trade shows. Trade shows and customers' plants. The [technical product] has so many applications in so many industries that we are very fortunate that that we get into different types of plant – we have a great bank of technical experience which enables us to find solutions or think of new products. That's been the main learning..."

Contact with funders through raising finance or with advisors on raising finance was a further area referred to by both sets of founding entrepreneurs at particular stages in their development, although in both cases, each had a distinct strategy towards raising external finance. In the first case, one firm, which had relied on their social networks for funds for their early stage development but delayed raising bank finance for five years until a contact with a business adviser, changed their approach and also increased their confidence to approach external funders.

> "It was an issue of confidence more than anything else – we believed in the product, believed in our skills and there was a buzz about high tech at the time. We employed X as an adviser,

you could say it was because of the employment of X as a financial adviser. He advised us to raise money, at the time it was the shortest route to raising finance."

The second case study firm also commented that: "There is one major learning curve that [the firm] has been through; raising outside finance." It appears that the mere experience of raising finance, especially venture finance, provides a learning curve, not just in preparation for dealing with the funder, but from new relationships and perhaps the imposition of new financial disciplines.

The entrepreneurial learning process was also influenced, in both firms, by the need to protect and patent the IPR involved in their NPD worldwide. For one of the case study firms, the learning experience had caused them to reflect and change strategy in line with the process suggested adult learning theory. For example one of the founding entrepreneurs commented from their experience that:

> "It has made us think very carefully about the stage we apply for protection. We decided that we applied too early, when we reviewed the whole IP issue – but we believe that it is worthwhile to do it, but we now do it later – big learning curve, but it has made us stronger".

In summary, both case studies demonstrated that networks and the interaction with 'stakeholders' had significant dynamic roles in the process of entrepreneurial learning over time. Their role varies temporarily and can affect the way that learning through time is transformed into knowledge and therefore, they do have a key role in the transformational aspect of entrepreneurial learning identified, for example, by Cope's (2005) conceptual paper. What would seem also to be significant is that entrepreneurs need to have a strategy that allows flexibility and reflection from this experience to absorb the knowledge gained from such contacts and experience.

3. The nature of entrepreneurial learning from the entrepreneurs' previous experience.

In the two case studies, the nature of previous experience of the founding entrepreneurs was very different, although in both cases, the way that the entrepreneurs adapted behaviour as a result of acquired experience was similar. In both cases, it was case of observing how others operated and learning from that. One founding entrepreneur commented on how their present strategy had been partly derived from previous experience.

> "He had worked for other companies and saw how they ran their businesses, but the way [the case firm] runs is probably different from other commercial businesses. It is because he wants to do it his way. He has a philosophy he believes very strongly in. Although what we make is very technical, this is a sales and marketing company, who sells technical products and develops technical products. He knows the sales business, he knows what customers want and how to negotiate with them and I think it is one of the biggest things - a lot of start up companies, start up entrepreneurs don't necessarily have sales skills. JK is a really, really good sales person and negotiator and because of that, and because of his technical knowledge as well, he is able to combine these two skills, but he has had to learn what sells any particular product, but he has a sales formula he uses and that is why we were able to get the product into the market relatively quickly."
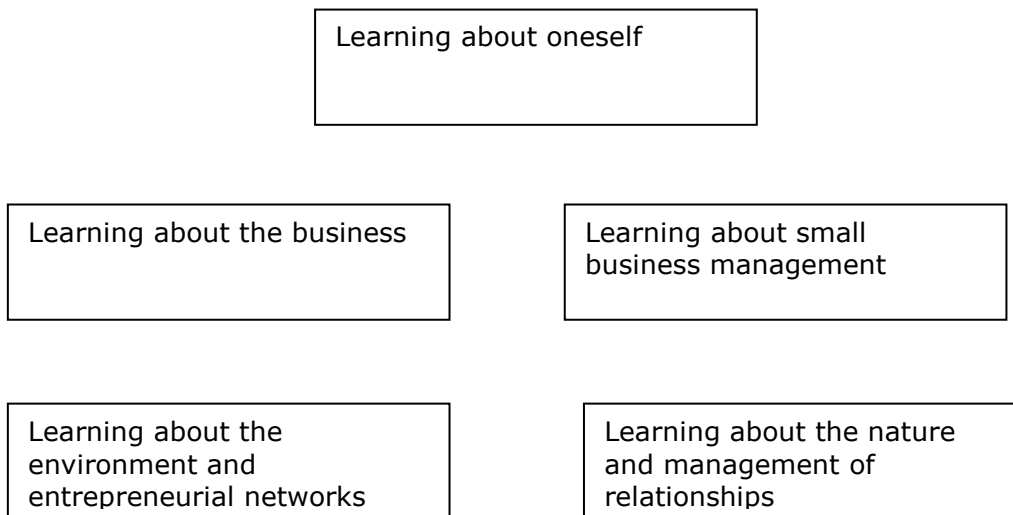
The second case study's founding entrepreneurs had little previous experience, being relatively young and moving from careers in different sectors. However, in terms of entrepreneurial development, there were distinct transformational stages that have been followed. The initial start-up was a small publishing company where the admitted objective was to gain and learn from business experience. A second stage was the formation of an ISP company, the objective being to gain revenues that could be

invested in R&D. This company was eventually sold once the founding entrepreneurs had gained sufficient knowledge and experience to break into global markets. It was the lack of preparation that forced the founding entrepreneurs to gain additional advice and experience eventually leading to the appointment of leading consultants. They considered at a critical stage when they were attempting to break into global markets and develop and protect IPR that: "Our biggest barrier to achievement is [getting the right] technology people – and getting [the right] global advisers." The nature of the rapid growth of this firm meant that there was little time to learn from experience, their networks, contacts and advisers became crucial to gaining additional knowledge and developing new global strategies.

Further Discussion and Conclusions

Given that this is a developmental paper, there is obviously the need for further research with additional insights to verify some of the conceptual papers discussed in our review of the academic literature, that have been a welcome addition to this literature. However, the discussion of the dynamic nature of the case study evidence, drawn from interviews conducted over a period of time, demonstrates in one case, the importance of learning from the experience gained in critical events and in another, the importance of having sufficient quality of networks and advice where previous experience as more limited. Networks may be part of the key to understanding the transformational aspect of entrepreneurial learning identified in the conceptual papers (Cope, 2005; Politis, 2005). The findings provide support for Cope's suggested five areas of significance for entrepreneurial learning illustrated in Figure 2.

Figure 2: Cope's Five Areas of Entrepreneurial Learning

Learning about oneself

Learning about the business

Learning about small business management

Learning about the environment and entrepreneurial networks

Learning about the nature and management of relationships

It is arguable, however, that from our discussion that although these five areas are reflected in aspects of the findings from the two case studies, they are insufficient to capture the full dynamic nature of entrepreneurial learning over time. For example, it is arguable that with technology-based companies there is a further dimension of entrepreneurial learning that is shaped by the nature of the technology and its uses in customers and by how to deal with the IPR process. It is arguable that this should be classified as an additional area. It is also arguable that some firms may grow very quickly as with one of our case studies and some areas are constrained and by-passed. Therefore, the nature of technology and the IPR process adds an additional dynamic learning dimension.

Our discussion of findings from the case study analysis also give some support to Politis' (2005) concept of the importance of the transformational aspects of entrepreneurial learning as illustrated in

Figure 3, which places a focus on how entrepreneurs transform their experience into entrepreneurial knowledge.

Figure 3: Politis' Transformational Concept of Entrepreneurial Learning
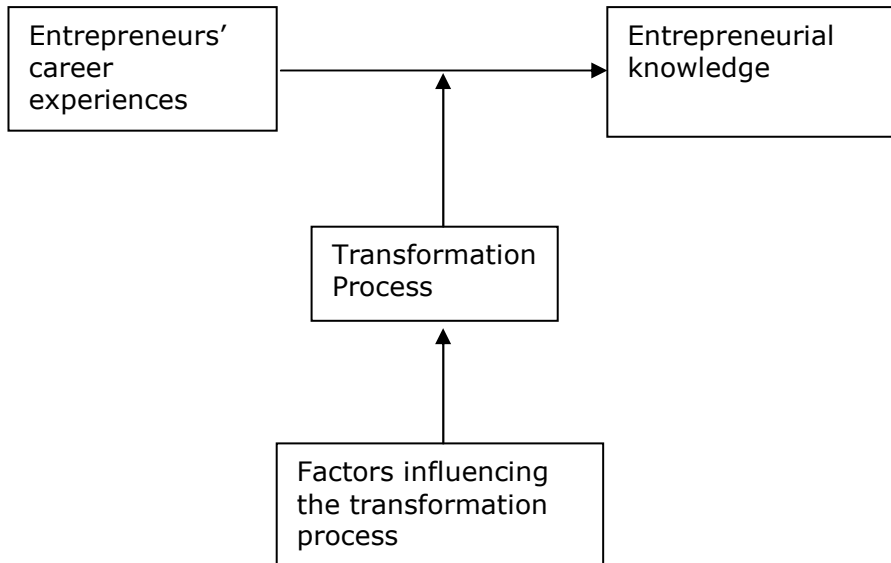
However, we argue that this is an incomplete representation of the entrepreneurial learning process. Although it is important to understand the factors affecting the transformation process, the model, as presented in Figure 3, does not include the initial trigger which leads to reflection and the transformation required to acquire entrepreneurial knowledge.

We suggest a refinement of earlier work, which placed emphasis on critical events as triggers for transformational change, to include the additional concept of transformational change as suggested by Politis' article. This is represented as Figure 4 and gives a more dynamic and cyclical model of entrepreneurial learning.

Figure 4: A Dynamic Model of Entrepreneurial Learning
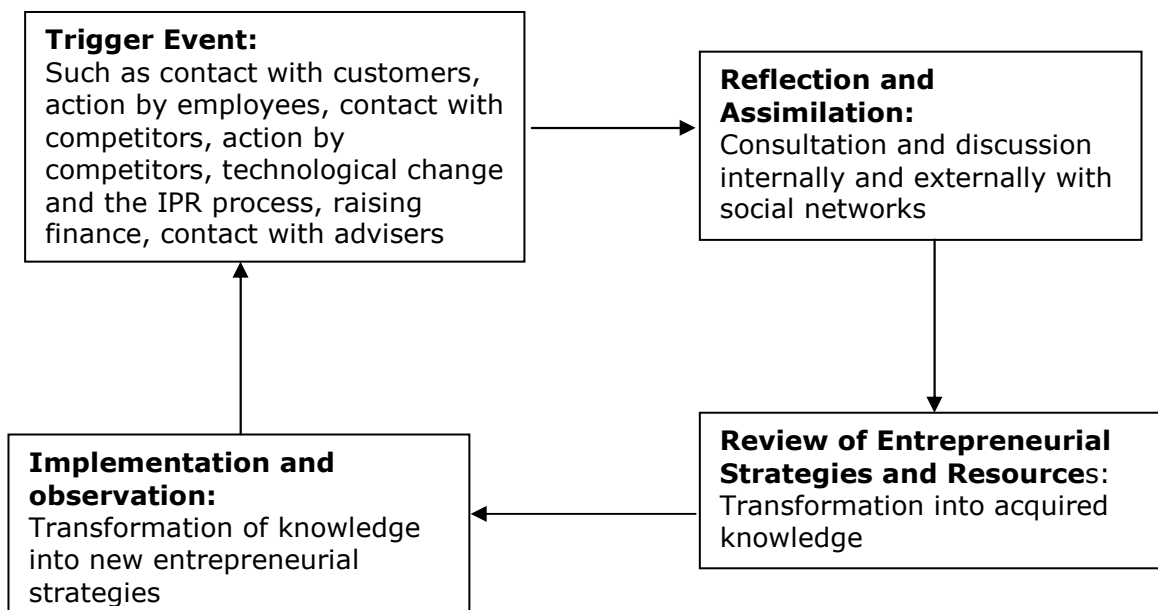
The emphasis in this model is still on experiential learning through trigger events. Further research is required on how entrepreneurs are able to transform the information acquired and successfully reflect on this cyclical process. We will then be able to gain better insights to the dynamic nature over time of the process of entrepreneurial learning.

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Using the Human Capability Framework and Opinions of Dairy Farmers to Explore the Shortage of Dairy Assistants in the New Zealand Dairy Industry

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Abstract

This article uses the Human Capability Framework (Department of Labour, 1999) to explore dairy farmers' perspectives on the failure to match labour capacity (supply of labour) and labour opportunities (demand for labour) in the New Zealand dairy industry. A severe matching failure is reported by dairy farmers (both in terms of numbers of people, and in the knowledge, skills and attitudes (KSA) of dairy assistants). This gap was explored through structured interviews focusing on the KSAs required by dairy farmers. The results focus attention on a gap in terms of personal characteristics (attitudes) rather than knowledge and skills. The education and training provision in the industry was also examined and a number of changes identified which might reduce the gap and facilitate the growth of the industry.

Introduction

The New Zealand dairy industry has been an important part of the economy since the early 1800s. The industry employs approximately 34,000 people, equivalent to 31,500 full-time employees and produced almost 20% of total merchandise exports and 33% of the world dairy trade (Dairy Insight, 2007). Moreover, the dairy industry has expanded considerable since the 1980s, driven by the economic growth in New Zealand's Asian markets and the emergence of dairy consuming middle classes in these countries. By 2020, the Chinese middle classes will increase in number by 200 million and will begin to consume dairy products. The expansion in the industry (both in volume and in new technology) has fuelled demand for new and differently skilled staff. Dairy farmers report extreme and growing difficulty in appointing and retaining dairy assistants. This may slow the development of the industry and the New Zealand economy.

Dairy farming is becoming a complex process that is heavily reliant on the knowledge, skills and attitudes (KSAs) possessed by those who work in the Industry (Dairy Insight, 2007; Valentine, 2005). The increase in demand for skilled labour has not been met by a corresponding increase in labour supply. This is despite periods of less than full employment in New Zealand. Anecdotal evidence from farmers suggests they are becoming frustrated with the shortage of skilled farm workers, which acts as an obstacle to expanding milk production. Little research has been done into this pressing need (Clark, 1998).

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We briefly explore five areas:

1) The Human Capability Framework as applied to the dairy industry.
2) The changes within parts of that framework that have led to the lack of sufficient capacity in the New Zealand dairy farming industry.
3) An exploration of dairy farmers perceived needs with respect to dairy assistants.
4) The performance gap between the current level of capability and opportunities.
5) Farmers' views of New Zealand's formal agricultural training for dairy assistants in New Zealand as a matching mechanism.

## The Human Capability Framework (HCF)

Tipples (2004) wrote about the launching of the Department of Labour's Human Capability Framework at the ninth New Zealand Labour, Employment and Work Conference in 1999 as a surprise to many. He says it was put forward as an important research model that was to guide a range of different government employment and social policy. The Department of Labour (1999) noted that the term capability is about the ability of people to do things – not just the capacity but the opportunity to do things as well. Sen (cited in Tipples, 2004) suggested that the use of the framework moves discussion beyond the human capital ideas. This human capital literature is difficult for some people as it may be seen to imply the commoditisation of people and treating them as economic objects or things. The framework was claimed to be a more open and holistic and realistic for research. Bartley, Dupuis & de Bruin (2001) crystallises this by saying the HCF allows a view of individuals that is less mechanistic and sees them as embedded in social relations that can lead to choices that are not necessarily economically rational. He subsequently used the HCF to explore future dairy farm employment (Tipples, Wilson, Edkens & Sun, 2005).

Figure 1: Human Capability Frameworks Components (Department of Labour, 1999:4)
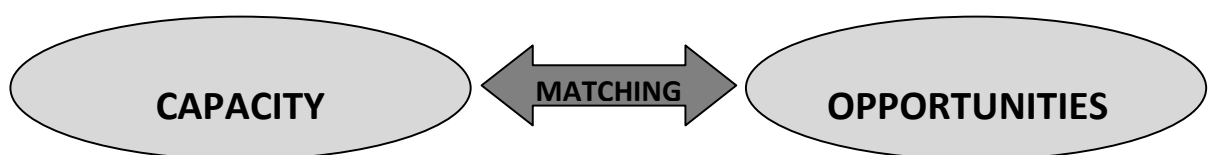
Tipples (2002) defined capacity as to do with the knowledge skills and attitudes that people have to bring to the labour market. Opportunities are the alternatives available to people to profit from their capacity and matching processes link people's capacity to the opportunities. Each of these processes is unpacked in Figure 2 (Department of Labour, 1999). In 2010, the framework remains on the Department of Labour website as central to the labour market policy of the government.

Figure 2: Elements of the human capability framework (Department of Labour, 1999, p. 19)
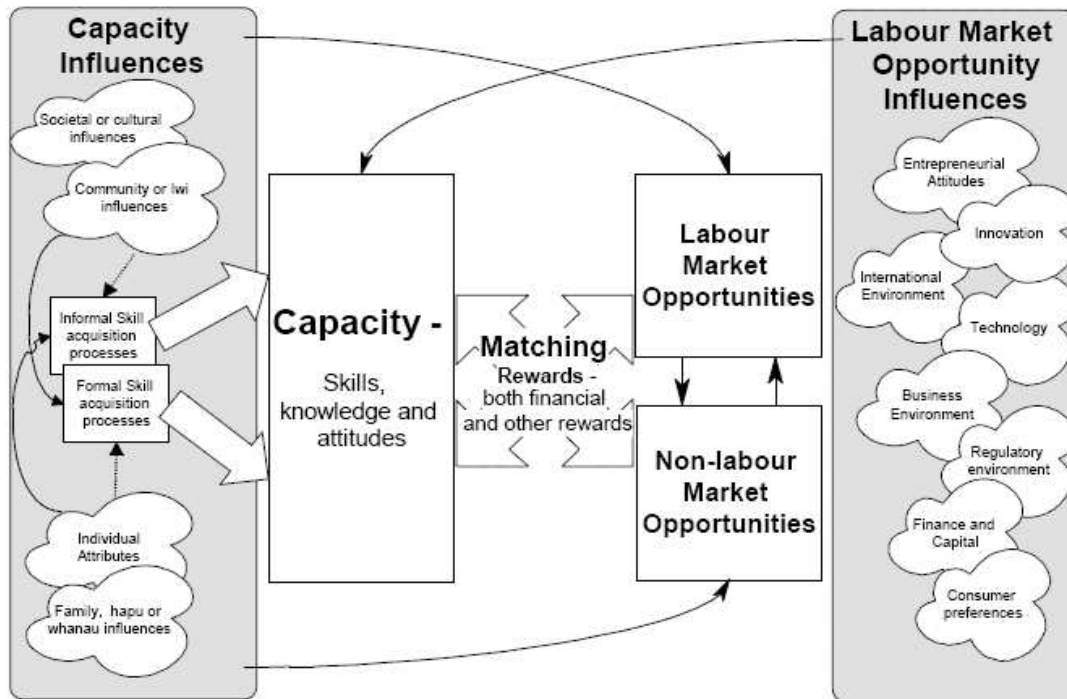
Changes to the Labour Market Opportunities in Dairy Farming

Many changes impacted on the labour market opportunity and are identified through the HCF when applied to the dairy industry. A large number have occurred in the past 20 years, particularly in the past 10 years. Most of the changes have been outside the immediate control of the farmer. The HCF identifies eight influences that have changed the opportunities available in the industry: entrepreneurial attitudes, innovation, the international environment, technology, the business environment, the regulatory environment, finance and capital and consumer preferences. These categories clearly overlap. Our study explored an overlapping subset of these: technology (with some innovation included), the macro business environment (including capital, finance and the international environment), the regulatory environment and international factors.

Technology has played a pivotal role in the development of the New Zealand dairy industry since the mid-1980s and is likely to continue to do so (Clark, 1998). Developments are evident under the broad areas of information technology; animal health and communication methods. Technological advances have provided farmers with lower production costs, increased productivity and greater financial success (El-Osta and Morehart, 2000). Some economists also

suggest that such changes were a major determinant of the structural change within the global dairy industry, which has seen a shift towards fewer and larger dairy farms (Cochrane, 1965; 1979, as cited in El-Osta & Morehart, 2000). New Zealand dairy farmers are now able to access milk quality test results and synchronise herd records using the internet (Livestock Improvement Corporation, 2006); prevent the spread of harmful disease (Rosenberg & Cowen, 1990); and spend less time milk harvesting (Clark, 1998). Innovation has led to an increase in the technical efficiency of dairy farms, suggesting that farmers are adopting more advanced levels of technology and becoming better at using it (Jaforullah & Whiteman, 1999). The discovery of low-fat milk producing heifer cows (MSNBC, 2007) has also led to a new level of specialisation.

When technology changes in any business, the capacity (or KSAs) needed by employers change, which in turn requires some form of response in terms of a matching of the supply to the new demands. Typically this is in the form of training and development (Delahaye, 2005).

The macro-economic environment, with its concerns with inflation, interest rates, the recession (Bartol, Tein, Matthews & Martin, 2003) has affected the cost and availability of finance and capital. The mid-1980s marked the start of an era of economic reform in New Zealand dubbed "The New Zealand Experiment" (Barnett & Pauling, 2005). 1984-1996 was marked with the liberalisation of the economy, with the removal of interest rate and foreign exchange controls; the floating of the exchange rate; deregulation of the labour and financial markets; and the sale of a number of state-owned assets (Barnett & Pauling, 2005). All of these changes impacted upon the dairy industry, including the abolition of subsidies to agricultural producers and tariffs on agricultural imports (Barnett & Pauling, 2005). Some of these things required change which came about through innovation and a growth in entrepreneurial attitudes.

The New Zealand dairy industry came through the large scale changes of the 1980s relatively unscathed due to prior efforts in the 1960s and 1970s by the New Zealand Dairy Board (NZDB) to develop and consolidate markets for their products in Asia and Europe (Stringer, 2000) and to provide a united and coherent governance structure that allowed the dairy industry to flourish under a neo-liberal arrangement. This resulted in an increase in farm conversions to dairy and the intensification of the dairy process over the last two decades (Barnett & Pauling, 2005).

Economic and political changes have consequences for how farmers manage their business. Dairy farmers were no longer protected from outside forces with subsidies or tariffs. This revolutionised the farming structure and forced farmers to consider their farm as a business, rather than a way of life (Reid, Gray, Kelly & Kemp, 1999). This led to a shift towards larger farms and the increased costs associated with entering the industry. Larger dairy farms require more land, cows and capital to make them profitable as well as time to complete various farm tasks (Clark, 1998).

Legal-political regulatory factors also impact on the opportunities for the industry. They include the influence of government and the legal system. National legislation such as The Resource Management Act 1991; The Employment Relations Act 2000; and The Dairy Industry Restructuring Act 2001, (which saw the creation of Fonterra), were all important because they provide the foundations that ultimately guide the behaviour of New Zealand dairy farmers and

also impacted upon desired capability (the KSAs of dairy farm assistants) (Lamm & Rasmussen, 2004; Barnett & Pauling, 2005). There are also government policies that impacted the New Zealand dairy industry such as an immigration policy that seeks to reduce the skilled labour supply shortage within the industry. Essentially it was an attempt to raise capacity. Within the government agencies which provide services and monitor whether dairy farmers are complying with laws and regulations at local, regional and national levels there have been a number of significant regulatory changes (Bartol et al., 2003). This means that farmers are more involved with local and regional governments, the Ministry of Agriculture and Fisheries and the Department of Labour.

The final element in the change of labour market opportunity was international trends, which fuelled expansion and drove the demand for more human capability. Three key changes have been identified – China's booming dairy market, with dairy products becoming recognised as an essential part of any healthy diet; a growing market for high protein foods and global warming. There is increasing demand for New Zealand dairy products. Global animal diseases such as Foot-and-Mouth lead to a premium on clean green New Zealand dairy production (Cheung & Grant, 2006). Each of these changes has the ability to affect demand for New Zealand dairy products, driving up the demand for skilled farm assistants.

Capability Influences

The capability (level of KSAs) in the potential work force is very significant. Societal, cultural, community (iwi) and whanau (family) influences surround the availability of the capability. The macro-environment has a socio-cultural element, concerned with the attitudes, values, norms, beliefs and behaviours that characterise a given geographic area (Bartol et al., 2003). There were three areas of change; changes to family, community changes, and the changes in the nature of dairy farming models – particularly the growth in technological sophistication and size.

One change reported in the literature suggests a reduction of the skilled rural labour supply Dairy (Dairy Insight, 2007; Penno, 1999; Reid et al., 1999; Tipples et al., 2005). In the early 1980s, prior to the economic reforms that transformed New Zealand and the dairy industry, the family who owned a farm were able to provide all the labour that was required (Penno, 1999). Dairy farming was a family business! This is no longer the case (Reid et al., 1999). As average herd and farm size have increased (Livestock Improvement Corporation, 2006), so too has the demand for skilled dairy farm labour (Reid et al., 1999). This has not been matched by supply. Part of this supply problem can be attributed to social changes, which include both the women and children of dairy farmers seeking careers away from the home (Reid et al., 1999). Whereas in the past, women have helped their husbands by working on the dairy farm, they are now pursuing other employment opportunities, as are their children. This change is important because their absence from the industry removes from the dairy farm employer an important source of skilled labour. This is recognised in the HCF as growing non-labour market opportunities. In fact they are different and non-dairy farming opportunities that reduce the pool of potential employees by giving a choice of occupation.

There has been a shift to larger farms. Larger farms tend to have a completely different social structure to smaller dairy farms and as a result, the involvement of family changes (Fairweather, 1994). This shift from a 'family' to an 'industrial' farm, has also seen greater levels of labour specialisation; a more businesslike approach taken by the dairy farmer; an increased importance of labour; and less scope for family involvement (Gilbert & Akor, 1988, as cited in Fairweather, 1994). It is no longer adequate to have a family member who is able to help out on the weekends because due to larger properties, farm employment structures have altered, rendering it more difficult for them to fit into the farm labour pool even when they are available (Fairweather, 1994). This is a profound change in small rural communities and on family farms. The informal skill development methods where are children and young people learned how to be a farmer from infancy are declining. They are particularly lacking where the farmer is older, less technologically switched on and more specialised knowledge is required. The 'learn on the job from the experience of a lifetime' approach is unlikely to work as well as it did in the past.

As labour becomes a more significant and specialised component of the dairy farming system, so too does the need not just to have more people and for them to stay, but to have employees who are equipped with the necessary qualitative capability (KSAs). With increased levels of worker specialisation on larger dairy farms, it may become necessary to have employees who are familiar with the knowledge and skills required for a smaller number of tasks. This can have major implications for the need to develop capability.

Fonterra (the dairy corporate which accounts for more that 90% of the milk produced) is the dominant customer but some registered companies such as Westland and Tatua exist. Changes that have occurred include the merging of dairy co-operatives under the Dairy Industry Restructuring Act 2001 and the introduction by Fonterra of a tactical milk pricing regime in areas such as Waikato in an attempt to fight competition (Barnett & Pauling, 2005). Fonterra inevitably has a huge impact on the industry.

The conversion of sheep and beef farms into dairy properties as this industry becomes comparatively more profitable changes the capacity required (Reid et al., 1999). As more farms are converted into dairy properties the desired skill set changes as the capabilities required for a dairy farm are different to those needed on a sheep or beef farm

There have been a number of changes leading to an increased gap between the demand for and supply of skilled dairy farm employees. The national labour market is aging, more diverse and more female. There has been an absolute decline in the rural population (Dairy Insight, 2007). Traditionally, employees in the dairy industry have been male, ethnically European workers aged between 15-35 years (Dairy Insight, 2007). Statistics New Zealand projects that between now and 2016, there will only be a small increase in the workforce, but that this long-established source of farm labourers will at best remain static (Dairy Insight, 2007). Tipples et al (2005) suggested that future capability is compromised by a small and declining number of entrants from a more urban and ethnically diverse pool of potential staff. Retention rates were poor and the number of people reaching competence inadequate. He suggested more mechanisation and once a day milking may help matters. We roughly trace changes that have lead to a human capital shortage in the industry in Figure 3.

Figure 3: A developing human capital capability and opportunity gap
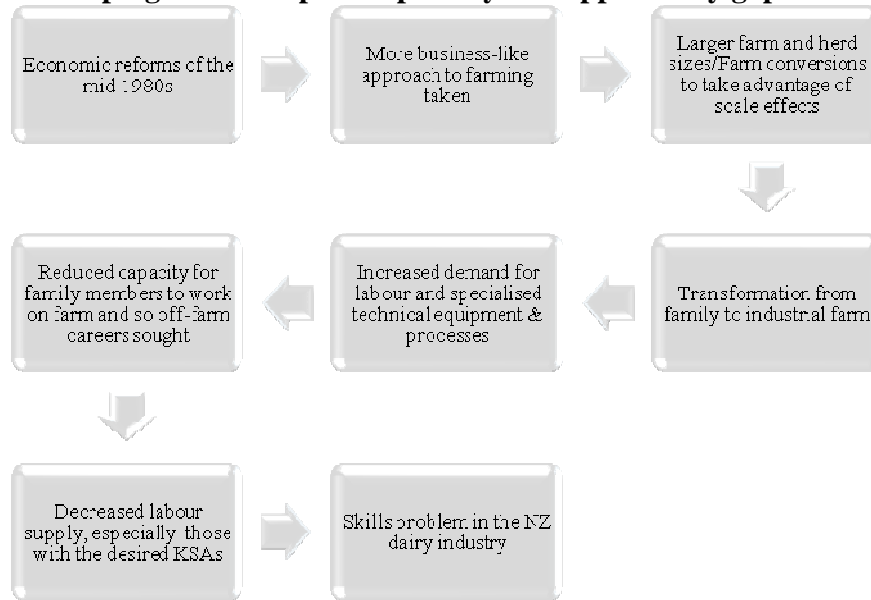
The Study

Twenty-four dairy farmers participated in this study. A snowballing sampling technique was used, described (Saunders, Lewis & Thornhill, 2003 as a non-probability sampling procedure in which subsequent respondents are obtained from information provided by initial respondents. One participant lead to another and a research sample was built up. In order to ensure we had a national sample, we asked 28 farm consultants operating in different geographical areas to suggest farmers in their area who met the criteria for inclusion. This initial contact produced seventeen names and contact details of New Zealand farmers who were then contacted and asked to suggest the names of other farmers until thirty participants were found. Participating farms had to be dairy farms (according to the categorisation used by Jaforullah & Whiteman,1999) and employ at least one farm assistant. A pilot study involved four dairy farm owners to validate the interview structure. Interviews were used to collect the information because they allow for the complex social organisation of farms and the variation between properties to be captured, while still allowing for the research questions to be answered (Fairweather, 1994). The dispersion of farms throughout New Zealand made face-to-face interviews difficult. Some interviews were carried out face-to-face, some by telephone. Semi-structured interviews were used because they allowed for the creation of questions that would fulfil research objectives while still providing scope for the discussion with each farmer to develop accordingly (Saunders, Lewis & Thornhill, 2003; Silverman, 2000). They allowed for

additional questions to be asked that were in line with the development of the interview and information being collected, so that a richer source of data was gained.

The interview had three parts. Part one of the interview concerned the things farmers sought when seeking dairy assistants. In the second part of the interview we conducted a formal training needs analysis (TNA) for the dairy assistants on the participating farms. A task analysis approach was using job analysis, job description, and person specification information provided by Dexcel (2003). This was supported by information collected from New Zealand Career Services (2007) and discussions with dairy farmers. Employers were also asked to describe what frustrated them most about the current performance of their farm assistants and the things that they were unable to do. The third part of the interviews collected data from dairy farm employers in regard to formal training and development programmes in New Zealand for dairy assistants. In particular, they were asked what they liked and disliked about current programmes; suggestions for improvement; whether such programmes prepared farm assistants for working in the dairy industry; and whether the design of these programmes has kept up with changes in the industry.

Results

Participating dairy farm employers were first asked to identify the most important things that they look for when employing a farm assistant. Employers made sixty references to characteristics which are shown in Table 1. We have shown them as first, second and third order priorities.

Table 1: First, second and third order characteristics desired of dairy farm assistants by dairy farm employers. (First order ≥ 11%; second order 6-10%; third order ≤ 5%)

First order Characteristics	Second order Characteristics	Third order Characteristics
Overall personality (15%)	Can perform farm tasks/experience (10%)	Takes pride in work (1.7%)
Honesty (13.3%)	Willingness to learn (6.7%)	Communication skills (3.3%)
Reliable (13.3%)	Gets along with me (6.7%)	Can follow instruction (1.7%)
Positive attitude (13.3%)	Wants to be in industry (6.7%)	Punctual (1.7%)
		Conscientious (1.7%)
		Consistent (1.7%)
		Personal values (1.7%)

The most commonly looked-for characteristics for a dairy farm assistant are personal attributes such as honesty, reliability, overall personality and a positive attitude. Their ability to perform farm tasks and the amount of previous experience on a dairy farm appeared to be less important. This is shown in the division of those characteristics according to frequency into first, second and third order characteristics.

The most frequently cited desirable characteristic was the farm assistant's overall personality. 'Personality' is the "relatively stable pattern of behaviours and consistent internal states that explain a person's behavioural tendencies" (McShane & Travaglione, 2007: 52). Personality is

important because it helps to determine how we interact with one another or in this case, how the farm employer and the farm assistant work together.

So, whereas one might expect that dairy farm employers are looking for a farm assistant displaying an all-round balance of appropriate knowledge and skills, they actually place more of an emphasis on attitudes.

The Training Needs Analysis: Knowledge, Skills and Attitudes

While accepting the importance of personal characteristics to farmers, we used a formal framework based on published material and our first enquiries of farmers to investigate the knowledge and skills part of capability. From a task analysis, eighty six different tasks were specified by employers as important. Within these five tasks stood out: milking (referred to by 21%), feed management (17%), animal health (16%), farm and vehicle maintenance (16%) and stock work (14%).

Knowledge Required

Results suggested that the top four things for a dairy farm assistant to know (in order of importance) are a knowledge of pasture management; knowledge of how to milk cows; knowledge of animal health; and a knowledge of farm routines, which includes specific processes that a dairy farm might follow and the reasons for doing so. This list is significant because it relates well to the important tasks previously identified. For example, milking was seen to be an important task for farm assistants and this is supported by them needing to have knowledge of how to milk cows, animal health and farm routines.

One of the most interesting findings was that farm assistants needed to have knowledge of farm specific routines, which is something that can only be gained once the assistant is on a particular farm. This is an important finding because farm-specific knowledge cannot be formally taught to farm assistants.

Table 2: Important knowledge for dairy assistants

Types of knowledge	Frequency mentioned
Knowledge of pasture management	10 (16.4%)
Know how to milk cows	9 (14.8%)
Knowledge of animal health	8 (13.1%)
Knowledge of farm routines	7 (11.5%)
Know how to drive farm vehicles	5 (8.2%)
Maintenance knowledge	4 (6.6%)
Feed management knowledge	4 (6.6%)
Safety knowledge	4 (6.6%)
Know how to ask questions	4 (6.6%)
Know how to operate machinery; know how to ask listen; knowledge of milk quality; know how to take responsibility for tasks.	Less than 5%

Skills

Skills have an important place in the role of a dairy farm assistant according to dairy farm employers. Eighty-three references were made to skills by dairy farm employers. They considered driving (16.9%) and stockman skills (14.5%) to be the most important for farm assistants to possess. Once again, this confirms the earlier findings, which require farm assistants to be able to drive around the farm and work with animals!

Table 3: Important skills in the role of a dairy farm assistant from the perspective of dairy farm employers

Types of skills	Frequency mentioned
Driving skills	13
Stockman skills	11
Maintenance skills	9
Other	9
Milking a cow	8
Administering medication	7
Communication skills	6
Machinery skills	6
Literacy skills	5

Space prevents discussion of the theoretical model (Dexcel, 2003) since it contains 11 major categories and 60 elements listed by KSAs. However when compared with the list of skills in the theoretical model for the role, there were a large number of these that dairy farm employers did not mention. However, driving and stockman skills are evident in the majority of the tasks listed in the theoretical model, which suggests that they are important. The identification of these skills as being important is significant because it pinpoints the type of things that need to be included in training and development programmes targeted at the New Zealand dairy industry.

Attitudes

Important attitudes in the role of a dairy farm assistant were also sought by farm employers, the results of which are shown in Table 4. In total, employers made seventy-four references to different attitudes.

In this long list, five attributes stand out from the others as being more significant – reliability, honesty, commitment, an ability to think for themselves; and a positive attitude.

Table 4: Important attributes in the role of a dairy farm assistant from the perspective of dairy farm employers

| Aptitude	Frequency mentioned
Reliable	16
Honest	12
Committed	7
Thinks for themselves	5
Positive attitude	5
Motivated; gets along with others; commonsense; team player; efficient; hard-worker; adaptable/flexible; responsible; calm; punctual; willingness to learn; confident; respectful; takes pride in their work; sense of humour; focus	Less significant attributes (I.e. mentioned by less than 5 employers)

The Gap

Employers made 32 references to key shortcomings in dairy assistants. 25.7% of these were concerned with farm assistants who ignored tasks that needed doing, while a further 20.8% refer inability to do the unasked tasks and to think for themselves as an issue. These problems are interesting, given that they are not actual knowledge or skills problems identified formally.

Results regarding this current performance gap can be combined with earlier findings, to produce a model providing an overall summary of the performance gap in New Zealand dairy farm assistants. Figure 4 shows the most important tasks in the role of a dairy farm assistant in the outer ring of the diagram. In the middle is the performance gap, in that farm assistants are unable to do the unasked things and ignore those that need doing. In other words, farm assistants are doing the tasks that are asked of them, but are not being proactive while they are completing one task, being able to incorporate other dairy farming skills to complete others simultaneously. For example, if a dairy farm assistant is getting the cows in (fulfilling the task of milking) and fails to check and therefore fix the water-trough which is leaking water (the task of farm maintenance), then this is a problem in the eyes of dairy farm employers.

Results from this study again suggest that employers want an all-round dairy farm assistant who is able to combine a number of important tasks together and while doing one, still be able to complete others. This is important because if this is what employers in the New Zealand dairy industry desire, then formal training and development organisations need to design their programmes to cater for such needs.

Figure 4: The performance gap within New Zealand dairy farm assistants from the perspective of dairy farm employers
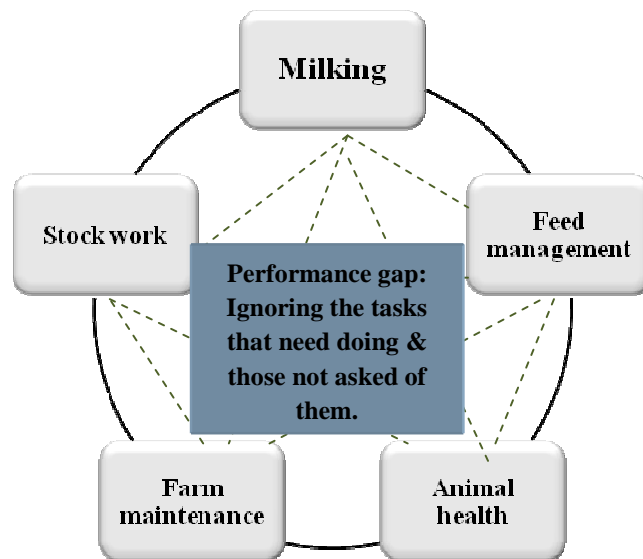
Dairy Industry Formal Education and Training - A Matching Opportunity

52% of dairy farm employers had no formal agricultural qualifications. 42.9% of farm assistants also had no formal qualifications, although the majority of this group were studying towards an Agriculture Industry Training Organisation Certificate. This suggested that formal agricultural qualifications were not necessary in the past for success in the New Zealand dairy industry, as represented by those that own their own farms. Given that many farmers gained their skills before the development of substantial training regimes their remarks and views may apply more to the past than the present. Trade Certificates were phased out in the 1990s with the introduction of industry training organisations by the New Zealand Government (Agriculture Industry Training Organisation, 2004).

Participating farms allocated no more than 10% of their total expense budget towards the training and development of their farm assistants. 54.2% of participants quoted that they allocated 0.0% of their budget towards this area. Despite this majority, this study found that some dairy farm employers do pay for the training and development of their staff.

Overall, this suggests that New Zealand dairy farm employers do not contribute much financially towards the formal training and development of farm assistants. This suggests that either the costs of attending formal courses outweighs the benefits; that formal training and development is perceived to be the responsibility of the farm assistant; or there are other more favoured and less costly ways to train farm assistants.

The state of formal training and development was evaluated through the collection of information (opinions) from dairy farm employers. This is reflected in the force field analysis of the results shown in Figure 5.

Force field analysis was developed by Kurt Lewin for therapeutic use in the 1930s (French & Bell, 1984). It allows thinking about an issue and what drivers (the upward arrows) would improve things if they were not held back by the restrainers (the downward arrows) It shows the status quo as a line part way up a scale. In this case, it is a scale of satisfaction with industry education. The horizontal line represents the overall result and is located halfway along the satisfaction scale, due to the presence of both positive and negative feelings from dairy farm employers, creating an 'in two minds' feeling. They were ambivalent towards the state of formal dairy farm training and development in New Zealand.

Figure 5: Force-field analysis of dairy farm employer opinions regarding the state of dairy farming education and training in New Zealand
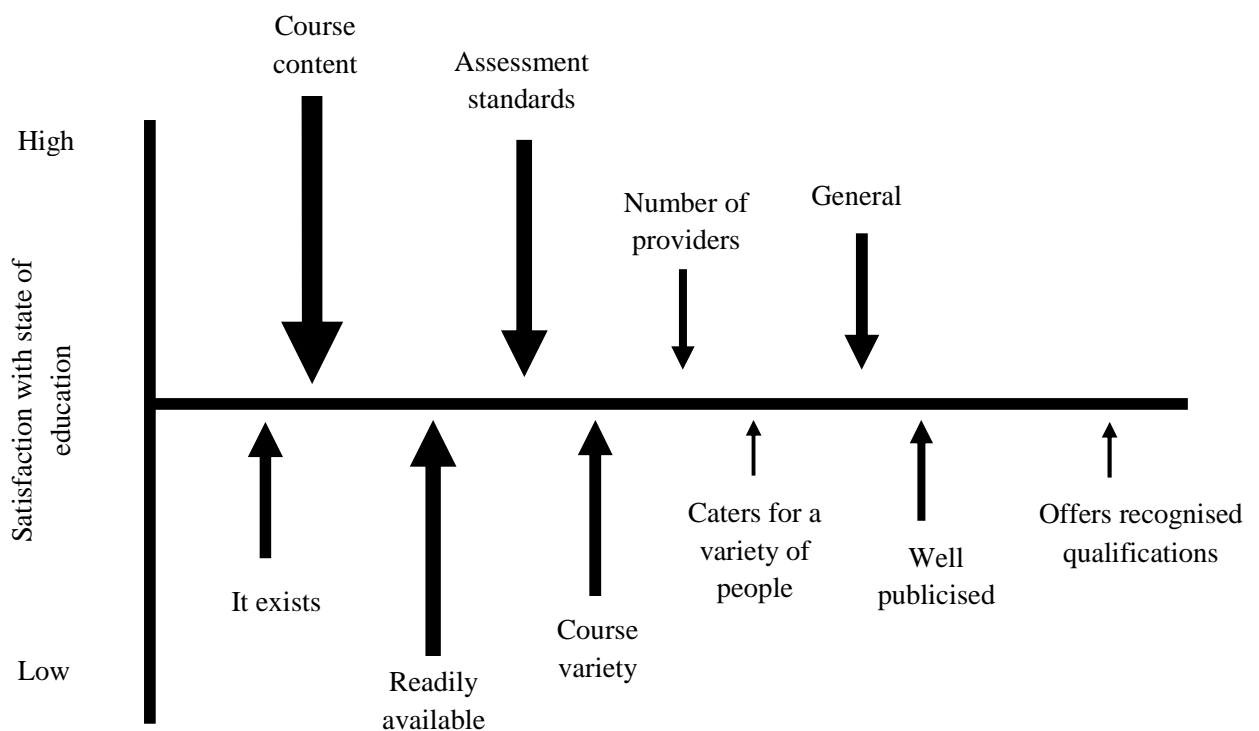
In this graphical illustration, the upward arrows represent positive forces that will increase the level of satisfaction that dairy farm employers have with training and development. Downward arrows portray the negative forces that drive down these levels. The different widths and lengths of the arrows symbolise the different strengths of each factor, so the more popular the answer was from farmers, the thicker and longer the line was.

The positive forces identified in this study were that formal training and development programmes exist; they are readily available; there is a large amount of variety in the types of courses available; they cater for a wide variety of people; they are well publicised; and they offer recognised qualifications.

The feeling that course content of training programmes is inappropriate was the most common answer from dairy farm employers. By pinpointing these positive and negative forces, opportunities for improving satisfaction levels towards formal training and development can be taken by either capitalising on the positive forces, or mitigating the negative ones.

One of the interesting findings was that New Zealand dairy farm employers were satisfied with the processes associated with the courses, rather than their content. This is significant because when one refers back to the force field analysis, formal training and development programmes' course content was something that dairy farm employers were unhappy with. 'Course content' refers to the types of KSAs that are taught (as part of capability) within such programmes and, in particular, refers to the differing amounts of theoretical and practical training that these provide. Employers felt that courses were getting away from the basics; they taught trainees to have too much of a reliance on technology; there is little emphasis on the importance of commonsense in dairy farming and the standards of assessment are inappropriate. These negative points are worthy of note because they need to be mitigated if dairy farm employer satisfaction levels with formal training and development programmes are to be increased. To discover ways this could happen, dairy farm employers were asked to make suggestions for improvement

Of the 49 suggestions made for improvements to formal training and development programmes, the most common suggestion made was to include more practical training in them. This supports the earlier finding that dairy farmers are unhappy with the current course content of these programmes. Dairy farm employers do not think that there is a large enough practical component, which is significant given that many of them consider dairy farming to be a job that can only be learnt by doing. This has repercussions for dairy industry training providers because to earn employer credibility, they need to be providing courses that have the practical component integrated into it, to teach trainees how to actually be a dairy farmer.

Conclusions

We have used the Human Capability Framework to identify the changes in the environment that have led to a gap between capacity and opportunity in the dairy interest. While some of these changes are likely to be one-off adjustments, the world has changed and there is a critical shortage of people and skills likely to hold the industry back.

Although there is a shortage of people – the need is to not only address the shortage of people but to build the right attitudes rather than the current an emphasis on knowledge and skills. Our study made it clear that although there have been some changes in the skills required and a need for further training, dairy farmers were more concerned with the attitudes of dairy assistants than the skills required. While the tasks have not changed greatly there has been a significant

change in that more and more dairy assistants are unable to, or chose not to, carry out tasks unasked of them. One suggestion we make is that the continual breaking down of the job to smaller and smaller components has led to what is regarded by educationalists as reductionism, by which we mean the assumption that if you know all the component parts you know a whole job and can be successful at it.

Further research could now explore how to develop rounded aptitudes and characteristics in the industry.

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The function of Social (and Human) Capital as antecedents on Indigenous entrepreneurs networking

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Abstract

A possible knowledge gap in entrepreneurship literature became evident during a comparative qualitative study of two Indigenous groups of entrepreneurs; Australian Aboriginal and New Zealand-Aotearoa Māori entrepreneurs. When the relationship between networking and social and human capital attainment was addressed within the majority settler society business culture it would appear that the networking attributes of Indigenous entrepreneurs differ. This suggests that the underlying social and human capital attainments are unique to their individual cultures. Possible differences between the attainment of social and human capital is directly related to the ongoing impact of colonial practice which has directly influenced the networking ability of the Indigenous entrepreneurs and their business positioning within comparative markets. This paper seeks to provide discussion and preliminary data for future modelling and development of human, social, financial and natural capitals for Indigenous entrepreneurial success.

Introduction

Indigenous enterprise development has been a catch cry for successive governments around the globe that strive to repair the poverty and social injustice that have been forced on Indigenous people under the tyranny of colonial dominance combined with the desire among many of the world's 300-500 million Indigenous people to rebuild their communities or to provide for their families (University of Minnesota 2003; Peredo, Anderson, Galbraith, Hoing, & Dana, 2004). Within this process, all too often, government practice is short-term, reactionary, lacking empirical evidence to support economic and social policy. It is proposed, if in this work we can understand the inter-relationship between human and social capital and Indigenous entrepreneurial activity, then Indigenous driven research may assist program development to deliver rigorous Indigenous economic reform for Indigenous business based on socio-cultural understanding. As Brough and Bond have argued, a problem exists whereby;

> "…the deficit-based, non-Aboriginal ideologies surrounding Aboriginal identity and communities, social capital can be in danger of simply being added to a long list of shortfalls in Aboriginal resources … Poor social capital becomes a marker

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of inactive citizenship … it is not long before the inferior characteristics of Aboriginal social formations once again become the source of scrutiny from a 'superior' non-Aboriginal position" (Brough & Bond 2009: 248-9)

This is compounded by the limited research in Australia into social capital (Brough & Bond 2009) and this is why Australia and its near neighbour Aotearoa (New Zealand) have been chosen for this study. The aim of this project is a comparative analysis that examines Indigenous networking, levels and types and any connection between human capital and social capital. Understanding Human capital is important from the Indigenous standpoint as the majority of our Aboriginal youth still only obtain a primary level education (Australian Bureaus of Statistics 2008). Prior to 1972[i] most of the authors' own generation were institutionally un-educated – educated only to be labourers, unskilled people with nominal human capital. When you are socially stratified at the sub-terrain of human society; the difficulty of the climb up, out of poverty and freedom from welfare dependency is then exacerbated. If we can understand how successful Indigenous entrepreneurs overcome this colonial impediment and multi-generational manufactured social phenomena then, as mentioned previously, we can better inform the policy maker.

Previous studies (Evald, Klyver & Svendsen 2006; Foley, 2005b; 2006) have shown that cross-cultural interaction and the legacy of colonisation can impact on the Indigenous entrepreneur's day-to-day operations. An important finding of this research, which has to date received little attention – an exception being the Australian Taxation Office (2009), is the possible relationship between human and social capital and environmental factors such as discriminatory practices and racial stereotyping in business. This social impediment, when combined with reduced levels of business expertise (when the Indigenous entrepreneur is compared to settler society) and vastly inadequate financial resources both in savings and access to borrowings, is the environment within which Indigenous entrepreneurs operate (Australian Taxation Office, 2009; Foley 2008a) highlights the difficulty that the Indigenous entrepreneur faces. Social norms and cultural practice shape business practices and decision-making processes, and these are the key attributes to social capital for mainstream settler society (Burt 2005; Keast, Brown & Guneskara 2009; Putman 1993). Yet for the Indigenous entrepreneur little is known.

Literature Review

The wealth of literature on social capital is described as a slippery concept (Jones, 2005), and those who use it are often accused of adopting questionable means of measurement without sufficient regard to the theoretical underpinnings to ensure its validity or reliability. A lack of theoretical precision has led to general confusion about what is social capital (Durlauf, 1999; Portes, 1998; Stone, 2001). It seems that it has also been so widely applied that it is often referred to as an elastic term, or umbrella that can account for a wide range of socially based phenomena (Keast et al, 2009). It is acknowledged that there is no consensus on the aspects of interaction, validity and merit that the label 'social capital' describes (Grootaert, 1998), however, it does deserve investigation, especially when applied to Indigenous economic development.

A comprehensive literature review is beyond the scope of this paper so a focused review of literature will be applied. A solid knowledge base exists in the literature about social networks and entrepreneurship (see Hoang & Antoncic, 2003 and O'Donnell, Gilmore, Cummins & Carson, 2001) and it is generally accepted that social networks can have a strong influence on entrepreneurial activity, influencing the decisions which entrepreneurs take and their chances of success (Davidsson & Honig, 2003; Evald et al, 2006; Greve, 1995; Jack & Anderson 2002; Jenssen, 2001; Jenssen & Greve, 2002; Jenssen & Koenig, 2002). Entrepreneurs obtain resources from those in their social networks (Greve & Salaff, 2003; Jenssen, 2001; Jenssen & Koenig, 2002) and it is the composition of an entrepreneur's network that determines available resources. Different social networks provide different resources. However, this paper does not address social networking, for to do so would complicate the key issues, and it will be evident that the Australian Indigenous entrepreneur has two distinct social networks in the early stages of the business lifecycle; the cultural – community, family kinships, and the business networks that are within the dominant 'settler society' society. The Māori social networks between family and business are more homogenous – blurred somewhat, so that business networks are an extension of cultural networks.

Developed social networks for the Indigenous Australian incorporating both cultural and business networks appears to be a stage *after* the entrepreneur acquires satisfactory levels of human and social capital, possibly related to a mature phase of the business life-cycle (and the subject of future research).

To discuss the function of social (and human) capital as antecedents on Indigenous entrepreneurs networking in general, it is important to understand the distinct relationship between human and social capital in the Indigenous scenario.

What is Social Capital?

Social capital can be a set of horizontal associations between people consisting of networks and associated norms that have an effect on the productivity of those involved, limited to positive associations in the development of participants (Grootaert, 1998; Putman, 1993). From an economic perspective, social capital can be framed in the context of the distribution of knowledge. Leibenstein's (1968) X-efficiency theory focused on the role of information and the inefficiency of dissemination, acquisition and collection of information that leads to gaps in knowledge within networks of people, thus creating entrepreneurial opportunities. Yet, how do you measure it as "… there has been little agreement in its measurement, or in terms of which elements of social capital are core to the concept, and which are peripheral (Onyx, Bullen & Edwards, 2009: 152)

The complexities of measuring social capital were partly addressed in Australia when Onyx and Bullen (2000) developed a scale of social capital aimed at the community structure. Their more recent work involves the examination of empirical data of casual paths towards social capital development. Significant findings indicate social agency and

trust as the most important casual factors (Onyx, Bullen & Edwards, 2009). These findings, however, are based on the examination of community participation linking to family, friendship and neighbourhood connections without ethnic sample data or specifically analysis of the individual. The findings suggest that communities differ in their social profile and the factors contributing to "social capital development also vary from community to community" with "historical factors" influencing the process (Onyx, Bullen & Edwards, 2009: 166). They espouse firstly that, "the structure of social capital is remarkably stable across communities and groups" and secondly "it is possible to identify plausible causal paths to the development of social capital" (Onyx, Bullen & Edwards, 2009:168). This research appears unrelated to this paper, however, their need to identify the implications of the causal paths in the development of social capital is indirectly the very aim of this paper. Before we address these issues further, exploration is required defining social capital.

A simplified entrepreneurial scholarly definition of social capital is "… investment in social relations with expected returns in the marketplace" (Lin, 2001:19). This definition reflects the entrepreneurial school of scholarship writings on social capital (Bourdieu, 1983; Bourdieu and Kreckel, 1983; Burt, 1992; Coleman, 1988; Lin, 1982; Portes, 1998). Burt (2000), however, distinguishes two classes of model of social capital. One is based on network closure as a contingency factor essential to realising the value in agency and is derived from the writings of Bourdieu and Coleman (1991). The second focuses on structural holes and advantage through social structure that accrues through brokerage or combination of resources (Burt, 2005). When this literature is applied to Indigenous entrepreneurs, social capital is the complex interaction of networks that channel and filter information about the Indigenous entrepreneur's cultural identity — the complex brokerage or combination of resources described by Burt (2005). This controls the allocation of the meagre resources that are available to Indigenous entrepreneurs (Foley, 2000). If social capital shapes behaviour (Fernandez-Kelly & Schauffler 1994), one would expect a positive interaction with cultural values; hence the stronger the presence of social capital, the result is an increased level of cultural values. Correspondingly, the utility function of a 'relationship good' that is found within culture ensures that it is consumed only with others and is trust-intensive in both its production and the corresponding consumption of the relational good (Antoci, Sabatini & Sodini, 2009).

It would seem that the stronger the presence of social capital within Indigenous groups then the stronger the level of cultural values. This is **a** positive foundation that enables policy makers to build a platform from which to understand Indigenous economic development. Yet in doing so, it is important to include Schuller's (2007) argument that social capital cannot be reduced to economic capital alone. For the values of social capital may depend on human, financial and natural capital and social capital are, indeed, capable of producing positive outcomes beyond economic advantage such as improved health, good educational outcomes, lower incarceration and crime rates and a stronger community overall (Halpern, 2005). These are findings commensurate with the author's previous publications on the social impact, or 'outcome' of successful Indigenous entrepreneurs (Foley, 2000; 2003a; 2005ab; 2006; 2008abc).

If we accept that positive social capital development is attributable to positive social attributes (Halpern, 2005) then we need to define social capital from the Indigenous entrepreneurs' standpoint. Commencing with the well known Naphapiet and Ghoshal's (1998:243) definition of social capital as a platform, which is:

> "the sum of the actual and potential resources embedded within, available through, and derived from the network of relationships possessed by an individual or social unit. Social capital thus comprises both the network and the assets that may be mobilized through that network"

When we begin to understand the impact of continuous colonisation (Pearce, 2010:14) on the Indigenous entrepreneur that is touched on in the following case studies and based on the authors previous research in the specialised area of urban based Indigenous entrepreneurs, then a definition of social capital from the Indigenous standpoint would be:

> "For the Indigenous entrepreneur social capital is the sum of the actual and potential resources, both embedded within and available through their own socio-cultural networks, that to a large degree is subject to colonisation and the contemporary socio-cultural environment within the dominant society. The dominant society determines the Indigenous entrepreneur's ability to function outside of or within structures of cultural oppression, often born of negative stereotypes. Social capital is also subject to both 'material' and 'relational' functions within a varying trust-intensive relationship between the subject parties".

If you are Indigenous, social capital is a variable dependent (Halpern, 2005; Schuller, 2007) subject to the levels of 'social inclusion' within the wider 'settler' society which is in the two case studies the dominant culture. It is important to remember that Bourdieu (1986) was among the first to discuss social capital as a concept in other than economic terms, encompassing elements that include trust, common values, norms and social resources within a social structure. We have taken this to include both 'material' and 'relational' functions within a varying trust-intensive relationship (Antoci et al, 2009). Indeed, social capital is "iterative" as the more it can be developed then the more can be developed (Onyx et al, 2009:166). The specific definition of social capital used in this paper is a development of this concept based on Indigenous entrepreneurs obtaining resources from their social networks that allow them to survive within a post-colonial environment, which will differ from country to country and possibly region to region depending on the social carnage that is the direct result of aggressive colonisation practices (Reasons & Pavlich, 1995). For the nascent Australian Indigenous entrepreneur, financial capital and natural capital and to an extent developed human capital within their own cultural 'kinship' networks is very low to non-existent (Foley, 2008c; Fryer-Smith 2002). The emphasis in this discussion is that the Australian Aboriginal entrepreneur is forced to develop social capital connections from *outside* of their own cultural base (Foley, 2008c).

Before closing this section, it would be remiss of me not to repudiate one of the urban myths held by some within the Academy. Not all Aboriginal people have access to strong kinship systems and networking alliances through 'community' associations as commonly believed. My research over the last 15 years (Foley, 2000; 2003a; 2005ab; 2006; 2008a) has revealed that the majority of Australian Indigenous people have relatively low social and human capital within their Indigenous personal networks that are applicable to commercial 'business' undertakings. In traditional (pre-European contact) Aboriginal social networks through complex kinship, relations were well established. However, the impact of colonisation, dispossession and urbanisation has resulted in the destruction of many cultural ties and traditional practices (Fryer-Smith, 2002). Traditional kinship based levels of social and human capital are diminished to unrecognisable levels in the colonised urban environment (Fryer-Smith, 2002). In an entrepreneurial context, the urban Indigenous business person is forced to seek social capital, business assets and human capital in business expertise from within the dominant settler society networks through a shared relationship (Klyver & Foley, 2010; Ottoson & Klyver, 2008).

In conclusion, it is important to recognise that the majority of literature, to date, on social capital has been based on the loosely defined and conceptualised "virtuous cycle" (Onyx et al, 2009: 166) called the 'community' which in reality is, "… largely [a] white, middle-American notion … romanticised, ethnocentric ideal" (Brough & Bond, 2009: 248). Having stated this as the foundation or basis of much of the known social capital research to date, it is also despairing to read that it would appear that social capital as a concept in Australia is in decline, reminding "us of the unfortunate resemblance between scholarship and fashion" (Brough & Bond 2009: 247). It is not surprising to read that there has been "… limited research into the nature of social capital and its meanings for Aboriginal [people]" (Brough & Bond, 2009: 249). It is important that the reader recognise that this paper qualifies the individual Indigenous entrepreneur and is seeking to understand qualitatively social capital issues impacting on the Indigenous entrepreneur, **not** 'community' issues. This paper is striving to achieve scholarship that Altman, Biddle and Hunter (2008) write of, in that it is seeking a new discourse emphasising "evidence-based" over "anecdote or ideology" (2008:18). The lack of evidence based research has plagued Indigenous research and neo-conservative assumptions (Brough & Bond, 2009)

The Influence of Human Capital on Social Capital

It is the author's belief that if we are to discuss social capital regarding Indigenous entrepreneurship, then we should include a consideration of human capital literature, as one has an impact on the other (Ottoson & Klyver, 2008). Social capital is, to some extent, predicted by human capital (Boxman, Degraaf & Flap, 1991; Ottoson & Klyver, 2008) as, while we acquire human capital, social capital is co-produced. Classical sociological literature links the two as complements (Rooks, Szirmai & Sserwanga, 2009). To take education as an example, it not only creates human but also social capital (Fedderke, De Kadt & Luiz 1999; Ottoson & Klyver, 2008). Human capital, in economic terms, generally describes a person's productive attributes. In entrepreneurial terms, it is

measured by classifying the elements of human capital that include the investment in education, the cost of attaining management skills and training, acquiring industry knowledge, obtaining entrepreneurial knowledge and skills, the cost of business start-up experience, and how these can be translated into increased economic returns on the investment (Becker, 1993; Dyke, Fisher & Reuber, 1992). To extend this, some scholars (Greve, Benassi & Sti, 2006; Ottoson & Klyver, 2008) postulate that entrepreneurs need the investment in human capital to take advantage of social capital.

As mentioned in the introduction, for Indigenous Australians the ongoing colonisation process until the late 20th century ensured human capital was only developed in education that relegated Indigenous Australians to menial labour and transient existences (Connell et al, 2007). These educational policies are seen as a major contributing factor to the enforced welfare dependence of Indigenous Australians, a history that continues to contribute to socio-economic disadvantage (Beresford and Partington 2003).

Understanding this aspect of Australian history, we must then consider the development of Aboriginal human capital in relationships that matter based on people's happiness or overall well-being. The individual's social sphere will influence their economic position and action (Antoci et al, 2009). Antoci et al state that "… a social environment rich of participation opportunities which allow people to meet frequently, creates a fertile ground for nurturing trust and shared values" (2009: 4). Social interactions are a vehicle in the diffusion of information and trust that impacts on economic activity, creating social well-being (Smith, 1763/1978).

Accepting that social capital emerges from the norms, networks and relationships of the social structure (Coleman, 1988), we must consider ethnicity as a distinct form of social capital constructed on people's cultural endowments, obligations and expectations, information channels and social norms (Giorgras, 2000; Zhou & Bankston III, 1994). The hypothesis is that colonisation destroys or subjugates most if not all Indigenous nations, and eradicates whole generations, destroying the complex Indigenous social networks that pre-existed the colonisation process and obliterating Indigenous educational practices. Hence, the human capital that once existed to nourish and endow the resource base of Indigenous social capital would evaporate following ongoing processes of genocide, denial of language, destruction of habitat, incarceration (including on missions and reserves), which would ensure that any attempt to resuscitate social capital would be difficult and dependent on the benevolence of the dominant – 'settler' – society. This paper allows the reader to gain an 'insider' view into Aboriginal society through the pen of the Aboriginal researcher. How this is achieved is explained in the methodology.

Methodology

Exploring phenomena in theoretically sparse fields involves moving from empirical data outward toward generalised theory and is referred to as an inductive process (Eisenhardt, 1989; Glaser & Strauss, 1967; Strauss & Corbin, 1990). For this research, a cross-comparative case study approach has been applied (Yin, 2002; Eisenhardt, 1989) to

emerge theory through the empirical examination of data. Two representative independent groups of minority/dominant contextually located cultural case-studies were contrasted. These were characterised by 60 Indigenous Australian, and 25 Māori entrepreneurs. Each study involved a range of data collection techniques such as review of official documents, review of mass media documents, society observation, interviews with experts, and interviews with the entrepreneurs.

Grounded theory (Strauss & Corbin, 1990; 1998) provided a useful base that informs the study. However, the research departs from the strict application of grounded theory by adopting a semi-structured interview format with the individuals representing each case study to attain commonality in key data sets and strengthen validity, consistency and reliability (Weiss, 1994). A two-step process was then used to analyse the one-on-one interviews with Indigenous entrepreneurs who were representative of the minority/dominant cultural cases and the official and media documents, observations and expert commentary. First, substantive coding (open coding and constant comparative coding) was used (Glaser, 1992) and second, theme analysis was applied to collate and contrast the findings between the representative data sets of the two individual countries.

Due to the relative low number of Indigenous entrepreneurs and the specialised methodology required in identifying them and gaining their participation in research, it was considered that a quantitative research approach at this point of time would not be rigorous or effective. Instead, this research employed qualitative methods to explore, in relative simple parameters, the existence and use of social capital by examining the networking activity of Indigenous entrepreneurs in contrasting cultural environments. An important contribution is the use of Indigenous Standpoint Theory (IST) (Foley, 2002; 2003bc) that features an epistemological process that respects Kaupapa Māori epistemology (Smith, 1999). IST is flexible and applicable for numerous Indigenous if not all-Indigenous nations. It is deliberately emancipatory and not a blanket clone of existing discourses. The theory has arisen from discussions with Indigenous peoples of several lands, from Indigenous academics, the 'educated', the non-educated in western formal schooling (but well versed in Indigenous knowledge), and seniors including 'Elder' Indigenous advisers.

The Australian study is ongoing and is based on several prior research projects (Foley, 2000; 2003a; 2005ab; 2006) spanning a period of approximately 10 years. It involves sixty 'snowball selected' urban Indigenous entrepreneurs from geographical regions ranging from Hobart to Darwin. The participants covered a broad range of industries, several of them far removed from the art, craft and tourism ventures that are stereotypically associated with Indigenous business activity. This included entrepreneurs in the motor vehicle industry, trade and retail in the building industry, manufacturing and service industries. Selective review was undertaken to reduce industry concentrations of participants.

The Aotearoa research is also ongoing, however, for the purposes of this paper, only case studies undertaken from July 2007 until January 2008 are included. Participants were all from the North Island in a geographic area that included the Northlands, East Cape, down

to Napier and Hawkes Bay, and across to Taupo and its surrounds. Snowball sampling was also applied with 25 participants selected, representative of a broad range of industries that included financial services, manufacturing, transport, information technology, and engineering, hospitality - tourism that included bed and breakfasts, motels and established tour operations.

Participants were sole traders, partnerships, and registered corporations. Interviews involved individuals, partners, families or senior corporate partners. No trusts, Indigenous 'community' type groups or Indigenous groups established on a communal basis were studied. Participants were stand-alone commercial operators.

For the purposes of this paper the specific research question investigated is: *How does social and human capital influence the networking of Indigenous entrepreneurs?*

The research question findings are explained briefly in the following case study summaries and further summarised in Table 1 below.

Comparing the case studies

On analysis of the data and comparing the two separate Indigenous groups, five key indicators of discussion emerged from the case studies. These are: cultural links with networking; the existence of second generation entrepreneurs; education levels; role of family; the business relationship between social and business spheres. The comparative data is summarised in Table 1 and explained in more detail in the following discussion sections.

Table 1: Comparative analysis of the cases

	Australian Indigenous entrepreneurs	Māori entrepreneurs
Cultural links with networking	Weak. Subject to acceptance in dominant society. A necessity.	Very strong. Culturally accepted, interwoven within existing belief systems. An extension of daily practice.
Whether second Generation entrepreneurs	16% of total	Some 80% family members
Education levels	Approx 75% tertiary	Approx 20% tertiary
Role of family	Negligible, most cases negative.	Very important and Supportive.
Business Relationship between social and business spheres	Separated. Dependent on the dominant society, therefore there is a power imbalance	Highly integrated. Numerous relationships, some very personal, they take an avid interest in their networking partners

Case study 1: Australian Indigenous Entrepreneurs

To better understand the research findings, let us first understand some brief demographics of Indigenous Australia. The Indigenous Australian population represents only 2.4 percent of the whole (Australian Institute of Health and Welfare, 2003), some 500,000 people of whom:

- 160,000 live and work in cities in towns, and are relatively well educated enjoying a wide range of occupations. Proud of our culture, they enjoy mainstream living standards and participate fully in Australian society. Their children have educational opportunities on a par with suburban middle class Australia.

- 250,000 (approximately half of the population) existing on the fringes of towns and cities or in the major city ghettos. They are the low labour force participants, suffering high unemployment and high welfare dependency with poor education and poor health. They often live in overcrowded derelict public housing with their everyday life prone to violence, substance abuse and societal dysfunctions. Their children have poor access to education opportunities.

- 90,000 live in some 1,200 'homeland' settlements established in remote Australia from the 1970s. These are the most deprived group, usually totally dependent on welfare, with generational gaps in western education delivery, appalling health in sub-standard housing, poor sanitation, even lack of access to clean water in some instances. They live in conditions normally associated with third world countries and suffer preventable diseases that in some cases are worse than third world conditions (Hughes, 2007: 3).

The entrepreneurs subject to this study were found predominantly within the first group, which we could loosely refer to as middle class Aboriginal Australia, and the nascent entrepreneurs within the second group. These are the impoverished, the 'necessity entrepreneurs' who see entrepreneurship as the conduit that enables them to escape the 'welfare rut' (Martin, 2004). Aboriginal entrepreneurs considered networking to be an essential business activity. However, in the Australian study, networking did not take place within other minority groups or their own. Networking was predominately, in fact, exclusively undertaken with the dominant society of Anglo-Australia, or better known as 'settler society'. There were no alternatives for these entrepreneurs. The reality is it was a necessity as their creditors were non-indigenous, their debtors were non-indigenous, and the business environment in general is dominated by the non-indigenous.

One of the most important factors influencing entrepreneurs during their years in business is their identification of role models and networks (Hisrich & Peters, 2002). Now consider, only 16 percent of participants in the Australian study were second-generation entrepreneurs; the remainder had no history of family members in business. The majority of Australian Indigenous entrepreneurs were the first in their respective families to display entrepreneurial tendencies that led to business activity. On entering business,

many felt culturally, spiritually and physically isolated as they were participating in an activity in which they had limited to no previous family history. Their experience conclusively illustrated limited business acumen and reduced social capital. Networking was a key contributor to their survival; however, it was networking involving non-indigenous business people. Most drew on the experiences and the skills of non-indigenous mentors who helped them establish key industry contacts that arguably would not have been possible previously due to negative 19th century stereotypes and discrimination. Networking opportunities with Indigenous peers were non-existent as the entrepreneurs worked within a business environment managed by non-indigenous people. One respondent's Indigenous staff worked in reception or low-level menial positions as the participant felt that the expertise and knowledge that they needed could only be found within the non-indigenous sector. This was a common situation as Indigenous businesses were forced to find expertise outside of the Indigenous community. Necessity drove them to network with mainstream business contacts. The ability to network across cultural and/or racial barriers was essential; however, the more experienced entrepreneurs confirmed that this arose only after years of experience and exposure to the mainstream 'settler society' business world. In general it was only when they became established and successful that they could invest in training Indigenous staff outside immediate family or well-qualified non-indigenous staff to take on more senior/specialist key roles within their businesses. This indicates an initial 'substitutability' of social capital outside of their Aboriginal networks similar to the findings of Rooks et al, (2009) in Uganda – a substitutability not found nor apparently necessary in the Aotearoa case studies. Luthans, Luthans and Luthans (2004) found that when human capital development is aligned with the corporate strategy of the business there is a positive impact on corporate performance. In Australia, this was being adopted in older, well-established businesses, and was evident in the Aotearoa case studies.

The Australian sample highlighted widespread racial discrimination. Female Indigenous entrepreneurs faced additional problems when dealing with male trade suppliers, as many did not seem to want to listen to or communicate with them. The female entrepreneurs recognised the importance of networking, but they were possibly precluded from reaching their full potential due to a general lack of social inclusion be it race and/or gender discrimination.

Networking enabled the participants to develop and make use of relationships with suppliers and other organizations and provided increased opportunities to build credibility, a positive image and customer access (Zhao & Aram, 1995). Building credibility and a positive image were important, especially when one had to confront discrimination within the business world. Networking provided role models, industry advice, the sharing of experiences, and access to suppliers and customers (Dollinger, 2003; Kuratko & Hodgetts, 2001). It is seen as a strategic and a purposeful activity by Indigenous entrepreneurs to gain entry into markets that are non-indigenous, but it is a difficult social decision for the Indigenous entrepreneur to make, to immerse themselves within the dominant society as many in this study received a negative backlash from their Indigenous peers as a result.

How did social capital influence the networking of Australian Indigenous entrepreneurs? The high levels of tertiary/vocational education in the Australian group in comparison with the other studies would indicate that educational attainment was important to access the settler society's social capital. The act of colonisation in Australia was one of open frontier slaughter, of mass killing nothing short of genocide that has reduced Aboriginal populations and social structures to a mere shadow of their former positions. The survivors of the slaughter in most cases were forcibly removed from their lands and placed in missions. This was followed by generations of Government intervention that attempted to 'breed out' the Aboriginal, and there was an almost total disruption to Aboriginal society that has impacted on cultural values (Reynolds, 1981; 1989), thus reducing Indigenous social capital levels. Negative racial attitudes, the lack of social inclusion combined with a lack of business role models, low numbers of second generation entrepreneurs, and a history of racial segregation also support the hypothesis that existing Aboriginal entrepreneurs have limited Indigenous social capital, and therefore the reliance on the social capital of the dominant (settler) society takes precedence in business start-up, as the literature suggests (Fernandez-Kelly & Schauffler, 1994; Grootaert, 1998; Putman, 1993).

Piazza-Georgi (2002) argues that the process of acquiring capital requires an investment, especially in building human capital by obtaining education, and then investing less time in social capital. In the Australian Aboriginal example, the investment is also a development in social capital as there are few pre-existing levels (if any) available to the Indigenous entrepreneur. The difference between the subjects of Piazza-Georgi's (2002) work and those covered in this paper is that his entrepreneurs are not the minority within a dominant society. Bruderl and Preisendorfer (1998) believe that entrepreneurs who lack other sources of capital (including human and financial) will mobilise resources through their core social network. This study shows that in the Indigenous Australian scenario it is in fact the settler society 'social network' that provides other sources of capital. It would appear that for Indigenous Australians social and human capital (and financial for that matter) are entwined, with one generating the other – subject of course to the social inclusiveness of the dominant settler society and its social policies. This is a difficult concept to measure but can be deduced in the comparative analysis of case studies from the two societies.

Case study 2: Maori Entrepreneurs

Based on the data gathered, networking and networking skills of the Māori entrepreneur were essential business attributes and an extension of their cultural life skills. One in seven New Zealanders are Māori, 14 percent of the total population (Statistics NZ, 2002). Most Māori continue to live in northern regions with nearly approximately 90 percent in the North Island and around 60 percent concentrated in the Northland, Auckland, Waikato and Bay of Plenty areas. 'Business networking' is an extension of their existing skills in the interaction with *whanau* (family) and appears effortless and natural; this is supported by the New Zealand Global Entrepreneurial Monitor 2005 study (GEM) (Frederick & Chittock, 2005) which concluded "social-cultural norms such as positive

and confident attitude assist in meeting social-economic expectations" (Reihana, Sisley & Modlik 2007:637). Even in the absence of support from traditional social networks, such as in the case of the urban Māori or the entrepreneurial Māori, they create their own networks and develop new forms of social institutions (Barcham, 1998; Walker, 1995).

The history of colonisation for Māori is very different from that of Australia. In the early years, Māori were allowed economic independence, in fact the survival of both the fledgling New Zealand colony and the Australian colony in Sydney was dependent on Māori commerce and agricultural skill as the Maori enterprise fed and maintained the fledgling settler economies (Petrie, 2006). Māori were the innovators and the leaders in commerce, adopting the plough, flour mills, and boat construction, becoming owners of numerous ocean-going vessels; they were conversant with international trade and intensive land-use management practices (Petrie, 2006). Economic decline commenced in the 1840s for a myriad of reasons. The overall loss of military power in the 1860s and the rapid loss of traditional lands ensured that by the end of the 19th century Māori were facing an ever-decreasing economic base (Maaka, 1997) which was not reversed until the 1980s and 1990s when there was a reversal of government policy (Barcham, 1998). The population during the 19th century also followed a rapid decline, a similar fate with other Indigenous peoples colonised by the British (Petrie, 2006). The establishment in 1985 of the now defunct Mana Enterprises programme to assist Māori into business was the beginning of several government and Māori initiatives to promote Māori economic development (Jones, 2007).

The New Zealand study showed that the relationship between power and communication (Orbe, 1998) within the Māori culture is a key factor. Māori display an ability to deal with all layers of society, their businesses are positioned across niches to access resources necessary to exploit opportunities (Waldinger, 1985), showing the applicability of cultural theory to the dominance of a culturally accepted group with a resultant power and communication ability over both Pakeha (non-Māori New Zealanders) and their peers (Orbe, 1998). From the observer's position, the Māori in effect have no peers other than the participants in the economic and cultural circle of Māoridom. Their strong utilisation of Māori resources and networks is synonymous with aspects of Ethnic Enclave theory (Portes & Bach, 1980). This is not suggesting that all Māori entrepreneurs follow Ethnic Enclave theory in their lack of conformity with mainstream (New Zealand 'settler') society; rather, it is their ability to resource goods, services, labour and markets in both mainstream, Māori and other-minority markets that is their strength. Non-Māori in general however, are the consumers of Māori products or services. It is important to understand that New Zealand is multicultural, having the world's second highest proportion of immigrants in its workforce. The census of 2006 showed that only 67 in every 100 New Zealanders were of European ethnicity.

Māori entrepreneurs did not normally experience discrimination in their business pursuits; when specifically asked, they said that only when racism was physical or exclusionary was it apparent. In business undertakings, none had specific examples; rather, their experiences were in the social services, education or in dealing with

government institutions. Racism (or social exclusion) in New Zealand was thought to be more covert than in Australia.

How does social capital influence the networking of Māori Indigenous entrepreneurs? Very few Māori entrepreneurs had tertiary education; the existence of second-generation entrepreneurs was very high, and it would appear they had suffered the least social destruction in the colonisation process. Social capital in business appeared highest in the Māori case studies when compared with the Australian. Gaining an education and thereby increasing human capital was far less important, as social capital levels were already high – as shown by Coleman (1988), social capital in the family and community promotes the formation of human capital, with the two complementing each other (Burt, 2001).

Conclusion

The importance of networking is universally accepted in literature as a key prerequisite to business success and entrepreneurial activity. This paper provides the reader with a new perspective on aspects that involves Indigenous networking. The existence and relationship between social and human capital combined with the historical legacy of the impact of colonisation influences the capabilities and networking environment of the Indigenous entrepreneur. The study of Indigenous entrepreneurship is more than a research area based in Management studies; it is a diverse research area requiring the understanding of several literature bases.

This paper illustrates Indigenous Australian entrepreneurs experience reduced social capital that results in active social networking in the settler society culture (or dominant society) as a necessity in their basic business functions. The role of the family was negligible to negative, they were dependent on racial acceptance and social inclusion (a fragile sociological relationship), and they experienced little diversity in their networking while their business relationships were often that of dependence, with a distinct separation between social and business networking interactions. Education attributes became important in order to access the settler society's social capital resources.

Māori displayed a solid cultural and social capital base. Networks were culturally accepted, the family role was supportive, and a dynamic networking interaction ensued with strong economic motivators. Networking was diverse and well-maintained, entrepreneurs taking an avid interest in their networking relationships which are culturally supported. In general, networking relationships were highly integrated between both their social and business spheres. In Māori the attributes of formal education was less important in comparison to the Australian, with it being least important in the strongest cultural and social capital base of the Māori. Yet the high levels of formal education for the Indigenous Australians (a group that statistically experiences very low educational achievement in both K-12, trade and tertiary), indicating that their human capital and corresponding social capital required formal education to supplement the lack of pre-existing human and social capital levels that the other group enjoyed. Based on supplementary questioning it would appear that education was not for any formal

business content, rather it provides many attributes, the most important appearing to be the skill in dealing with people especially the 'settler society'.

The practical implication of this research is an increased understanding of the business environment for policy makers, for Non-Government Organisations (NGOs), business support organisations and the Indigenous entrepreneurs themselves. In Australia organisations such as Indigenous Business Australia, the premier 'business' funding body, can now begin to understand sectors of their lending portfolio that will enable them to work with educators to ensure the development of social capital and understand the dependency in Australian business circles on the dominant society and the corresponding impact of racial attitudes. If we can understand how business relationships are stimulated or reduced by the presence of varying levels of social capital, then we can and will assist the Indigenous entrepreneurs in their business planning and economic development.

Research on the Indigenous cultures of Australia and Aotearoa within such a short paper involves generalisations and limitations. Perhaps the key finding of this paper is that Australian Indigenous entrepreneurs are embedded in a minority culture which must interact simultaneously within the dominant settler society culture if they are to survive in business. The level of this interaction, and the power imbalance within entrepreneurial networking that correlates to the entrepreneur's level of social capital demands further detailed study. This opposes Onyx et al's finding that social capital is "remarkably stable across communities and groups" (2009: 168). This, together with the marked difference in education attainment in the Australian group highlights that compared to Aotearoa, indicates the need for a different interpretation of literature across disciplines, to understand a complex issue – the relationship between human and social capital in a post-modern, allegedly post-colonial world. The casual paths to the development of social capital in the Indigenous situation are dependent on historical factors; the impact of colonisation, removal, limited to no intergenerational business expertise, discrimination, limited financial reserves that result in a casual path in Australia that is dependent on non-indigenous mentors, financiers and business partners and so on. The significant findings by Onyx et al, (2009) indicating social agency and trust as the most important casual factors are the same as those by Bourdieu (1986), for it would appear the trust, common values, norms and social resources within the social structure of 'settler society' form the Indigenous Australian entrepreneurs business social capital structure. This includes both 'material' and 'relational' functions within a varying trust-intensive relationship as supported by Antoci et al, (2009).

The Australian Aboriginal business sphere within the dominant society will influence their economic position and actions (Antoci et al, 2009), the direct casual path as defined by Onyx et al (2009). In effect, this is the "… social environment rich of participation opportunities which allow people to meet frequently, creates a fertile ground for nurturing trust and shared values" (Antoci et al, 2009: 4). Yet the Māori social interactions are so different as the Māori trust and shared values comes not only externally from settler society it also comes from within their own Indigenous and family networks indicating as Onyx et al (2009) would write as their (Māori) social capital is stable, within their own cultural and economic spheres even though they endure colonial

practices. It is the social interaction of the non-indigenous business community in Australia that creates a vehicle in the diffusion of information and trust that impacts on the Aboriginal entrepreneurs economic activity, creating social well-being (Smith, 1763/1978). Further analytical and quantitative research needs to be undertaken to more fully test and confirm these ideas; however, this paper provides a foundation from which academic debate can proceed to understand the relationship between human and social capital and its impact on Indigenous entrepreneurs.

Notes

[i] The policy of 'Exclusion on Demand' was not removed from the New South Wales Teacher's Handbook until 1972. Equitable education was denied to Indigenous Australians throughout New South Wales for 70 years. Other states implemented similar frameworks that excluded Indigenous Australians based on the pretext of racial inferiority. (Connell, Campbell, Vickers, Welch, Foley & Bagnell, 2007).

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Chronicle October, 2009 - January, 2010

October 2009

The upcoming November election provided a platform for political parties to trumpet their employment policies. The *Press* reported an announcement by Minister of Labour Trevor Mallard that the Government planned to introduce requirements for businesses to give staff minimum notice periods and payouts if they propose to lay off workers. Mr Mallard said that options for a statutory minimum for compensation and notice would go out for public consultation in early 2009. This announcement came amongst predictions of a sharp rise in unemployment due to the world financial crisis.

The *NZ Herald* reported on the National Party's proposal to introduce a 90-day trial period for new employees in firms that employed fewer than 20 people. The National Party's Employment Relations Spokesperson Kate Wilkinson claimed that New Zealand was the only country in the OECD (apart from Finland) that did not have a trial period for new staff. She said that a trial period would give smaller employers confidence to take on new employees with the knowledge that if they didn't work out, they could be dismissed. The article went on to note that the proposal would affect most of the country's companies as 350,000 (96.8 per cent of all firms) employed 19 or fewer full-time staff. Wilkinson also suggested that Small Medium Enterprises (SME) lacked the human resource capacity to make good employment decisions and that the policy would give them the confidence to take on people. She concluded that the policy included enough safety mechanisms to protect people from being exploited by bad employers.

In a response to this announcement, Minister of Labour Trevor Mallard called on the National Party to clarify its position on whether new teachers would face 90-day trial periods or not after conflicting comments from two spokespersons. The National Party's Education Spokesperson Anne Tolley had previously said that teachers would not be included in the policy but subsequently, at a Council of Trade Unions election forum, Employment Relations Spokesperson Kate Wilkinson said that teachers would be included.

The celebration of Labour Day was foreshadowed by a *Dominion Post* article which said that more New Zealander's than ever were working in excess of 50 hour' a week. This level was exceeded only by South Korea in the developed world. Reasons given for working longer included changing economic conditions meant that households could not survive on one income. Business NZ's chief Executive Phil O'Reilly said that workers could not continue "slogging away day after day" but until they started thinking smarter and productivity increased, the 40-hour week would be a dream for many. Council of Trade Unions' President Helen Kelly cited research that stipulated that those working in excess of 50 hours fell into two categories. The first group of workers worked long hours to make ends meet, and the second group of workers earned a good wage but were part of a work culture that caused them to work long hours.

The *Press* reported that junior doctors had finally ratified their collective employment agreement which featured an 8.68% pay rise. This brought to an end a protracted dispute that had lasted for 15 months and led to doctors to take strike action in May and June 2008 (see May and July Chronicles).

The *Dominion Post* reported in early October that Wellington bus drivers were again threatening strike action. After another round of negotiations, a new offer was made by the employers which included a cash payment of $300 plus a new pay offer of a 7.5% rise, and this new offer was accepted by the drivers. The *Taranaki Daily News* reported that workers at Fitzroy Engineering in New Plymouth threatened to strike if their pay negotiations did not reach a satisfactory outcome. However, they accepted a 6.5% pay increase over 12 months, which constituted a significant cut on their initial demand of up to 15 per cent.

Fast-food giant McDonald's featured prominently in the media during October. The *Timaru Herald* reported that union employees at all five McDonald's outlets at Auckland Airport took industrial action in an attempt to gain pay equity with their union colleagues at KFC, Starbucks and Pizza Hut. The Secretary of the Unite union Matt McCarten claimed that members who went on strike and protested at the airport were harassed by security staff and police, and the union's organiser was threatened with a trespass notice. The *Waikato Times* suggested that McDonald's employees in Hamilton had asked their customers not to eat at McDonald's at all. The workers wanted McDonald's to lift its minimum pay rate from $12 per hour to at least $12.80 per hour with allowances to pay for length of service. A McDonald's spokesperson was quoted as saying that the company supported the right to strike but there were many ways workers could earn more money and the company preferred to give pay increases on performance rather than service.

McDonald's featured again in a *Press* article with a report that the Kaiapoi outlet was going to appeal an Employment Relations Authority decision that awarded $15,000 to a teenage worker (see September Chronicle). The Authority ruling found that the employee had been constructively dismissed after joining a union. The same franchise received further publicity in the *Press* when the union representing another employee claimed that the employee was forced to finish her shift despite her foot being run over in the restaurant car park. A Unite union organiser Joe Davis said the 17-year-old girl was working on the drive-through when her foot was run over as she delivered food to a parked car. She suffered a swollen foot but her manager told her she still had half an hour until her shift finished and made her carry on.

A *Dominion Post* article claimed that high staff turnover at the Accident Compensation Corporation was attributed to a "bullying culture" and a massive workload. This was despite a Department of Labour investigation in 2004 into complaints of overwork, stress and bullying. Figures showed that since May 2007, 630 staff had resigned (out of 2600) and that since 2003, 56 personal grievance cases had been taken by staff members. The turnover rate of around 25% per annum did not compare favourably with comparable government agencies such as Housing New Zealand and Auckland District Health Board who had around 15% staff turnover. In the article, a former employee was quoted as saying that there was definitely a "bullying culture" and the management approach was "dictatorial".

According to the *Dominion Post*, the Supreme Court had agreed that it would hear the case of unlawful discrimination of a senior Air New Zealand pilot who was automatically demoted when he turned 60. The pilot went from being a Boeing 747 captain and flight instructor to the lower rank of first officer when he turned 60 in September 2004. The appeal would be against a Court of Appeal decision that age discrimination was not the reason the man lost rank and was moved to a lower-paying job (see July Chronicle). The appeal was seen as having the potential to clarify the way discrimination issues are defined and decided.

The *NZ Herald* reported that an Auckland school teacher, who took a case to the Employment Relations Authority claiming he was repeatedly bullied by other staff, was so difficult to work with that his dismissal was entirely justified. The teacher claimed that his workload was intolerable and maintained that he was bullied by other staff. It was also asserted that his dismissal was in retaliation for having complained to the Ministry of Education about college management. The Authority found that the teacher's workload was not "out of sync" with other teachers and that he was given adequate support which included an extra day off a month. It was also found that he was not bullied by his colleagues, but rather that they acted in an "entirely predictable" way in frustration at the way he behaved towards them. The Authority added that the teacher appeared to have little insight into the effects of his behaviour on those with whom he interrelated with.

The *NZ Herald* featured an article detailing the impact of casualisation on sectors of the workforce and gave the example of a Middlemore Hospital kitchenhand employed by Spotless Services. The employee worked on average 20 to 30 hours a week for four years but was still a casual worker. The worker said that although she was working 40 hours at the moment, it was 'off and on' and that she needed secure work to support herself, her sick husband and four children. The article went on to say that despite nine years of Labour-led governments, her experience was commonplace. The Service and Food Workers Union suggested that the trend toward using casual workers had become a serious problem. In response, the Minister of Labour Trevor Mallard had drafted legislation which would give Labour Department inspectors the power to determine whether 'casual' employees were, in fact, really permanent employees (see June Chronicle). The bill would also provide a code of employment practice for casual workers, and would require that unionised workers in labour hire companies to be paid at least as well as unionised workers employed directly by an employer that hires the labour hire company.

November, 2009

The *Herald on Sunday* reported that small and medium business owners welcomed the news that the 90-day probation period policy was likely to be implemented by the newly elected National government (see September Chronicle). Employment Relations Spokesperson Kate Wilkinson indicated that the new government had not set a time for implementing the policy but an indication would be given once parliamentary roles had been announced.

Both the *NZ Herald* and the *Waikato Times* reported that The Dairy Workers' Union had given Fonterra notice of a strike planned to begin on 17 November 2008. The union was seeking an 8% increase but the employer had offered 5% plus a 2.5% lump sum payment. The National Secretary of the New Zealand Dairy Workers' Union James Ritchie said the collective bargaining agreement, which covered about 4,500 people, was historically the most serious negotiating situation the union had with Fonterra. It was later reported in the *Waikato Times* that the parties had reached a settlement after two days of negotiations. The agreement still required ratification by the members before the strike notice would be withdrawn. Fonterra claimed that the offer was a fair and appropriate agreement that would give security for both sides in the current turbulent economic and financial climate.

An ongoing dispute at Ports of Auckland flared up again with the *NZ Herald* reporting that the Ports of Auckland Company had received notice only an hour before its annual Christmas party of a one-day strike by members of the Maritime Union. The union withdrew the notice after a technical error, but Branch President Denis Carlisle said another strike notice would be issued. Predictably, the reaction from Ports of Auckland management was that the strike notice was "disappointing, unnecessary and provocative" in difficult economic times. The Maritime Union claimed that it was the company that was being provocative by making it increasingly difficult for the union to hold meetings for its members.

There was further unrest at McDonald's with a report that unionised workers were planning to burn an effigy of Ronald McDonald at a meeting in Auckland (see October Chroncile). Unite union members were taking part in a meeting to mark both Guy Fawkes day and to emphasise anger over work and pay conditions. Unite's National Director Mike Treen was quoted as saying that "...young, angry workers are telling the world's biggest fast food company that we're not lovin' low pay and unfair rostering..." According to Mr Treen, low pay and irregular work hours were among the main concerns but McDonald's Communications Manager Kate Porter claimed that McDonald's had already agreed to the demands for secure work hours and that the planned strikes were an attempt at "news grabbing".

The *Waikato Times* reported that Hamilton bus services were disrupted by a 24-hour drivers strike after a breakdown in pay talks between bus company Go Bus and drivers who were members of the Northern Distribution Workers Union (see September Chronicle). Drivers indicated to Go Bus that they would not accept cash fares but, in turn, Go Bus responded that this refusal was not acceptable and that it would lock out the union drivers. However, within a week the drivers ended the five-day strike and accepted a 5.6% pay increase. Union Secretary Karl Andersen said the bus drivers had to settle for an offer of $14.27 per hour but would have preferred $15.50 an hour.

The ongoing case of the leading medical specialist wrongly dismissed after trying to e-mail photographs of his genitals to a female friend remained in the news with *Dominion Post* recorded his successful appeal in his battle for a costs award in the Court of Appeal. The Court determined that he could remit his appeal for costs back to the Employment Court, after a previous judgment that awarded no costs. The doctor was dismissed after pictures of his penis were found on his work computer. He was reinstated to his $200,000 position by the Employment Court in November 2005

after a ruling that he had been unjustifiably dismissed. Subsequently, the doctor claimed more than $195,000 in costs which was rejected by the Employment Court. The Court of Appeal concluded that the judge failed to deal separately with the issues of remedies and costs.

In a sign of the times, the *Dominion Post* suggested that corporate chiefs and businesses were hiring bodyguards and extra security to protect themselves from disgruntled employees who had lost their jobs. The article claimed that the fallout from the financial crisis had made several chief executives hire round-the-clock protection as sacked or redundant workers threatened both them and their families. In one case, a bodyguard maintained protection of a chief executive for several weeks, while another monitored the movement of a former employee.

Although there was an economic downturn it was highlighted in media reports that a number of initiatives were being used to prevent staff layoffs. Helene Higbee, director of a specialist remuneration consultancy, informed that while most of her clients were looking at making staff redundant, some were doing their best to retain and redeploy people. These actions included redeployment of staff into other areas, a freeze on hiring new staff, not replacing staff as they leave as companies try to do more with less. Budget reviews also looked at ways to trim spending such as calling travel halts. However, the reality for unions was that redundancies were increasing at a great rate. The President of the National Distribution Union claimed that the union had been "right up to our necks" in redundancies.

December, 2009

There was extensive coverage in the mainstream media regarding the introduction of the 90-day probation period amendment to the Employment Relations Act. The *Dominion Post* informed in early December that the National-led Government looked set to introduce a 90-day probation period for new employees into Parliament under urgency. The introduction of the Bill was predicted to run into "stiff opposition" and was seen as a test of the relationship between the National Party and the Maori Party. There was no select committee hearing required because the changes were signalled in the election campaign and the Bill introduced in 2006 by Wayne Mapp went before a select committee. This lack of "public debate" drew criticism from the union movement who called it an attack on worker's rights. Former MP Laila Harre claimed that this was "the first step to wind back workers' rights and protections". She further criticised the push to pass the bill before Christmas as "ideological" and that it was "unashamedly backing bad bosses against vulnerable workers".

Later in the month, the *Dominion Post* and the *Press* published articles suggesting that the Government could extend legislation which would allow the 90-day probation period to cover all employers. The explanatory notes to the Bill stated that "[c]onsideration could be given to evaluating the outcomes of this legislative change with a view to extending it to cover all employers in future." Minister of Labour Kate Wilkinson was quoted as saying that the Government was open to such an extension.

There were further media reports on the operation of the Employment Relations Authority when an article appeared in the *NZ Herald* which criticised the operation of

the Authority. The article cited the Parentline / Maxine Hodgson case (see September Chronicle) and added that reform of the Authority was high on the government's agenda. The article suggested that the Minister of Labour Kate Wilkinson was planning to make the Authority keep records of its proceedings, allow the cross-examination of witnesses and make it act more "judicially"'. One senior employment law practitioner commented that legal costs had crept up and that taking a case to the Authority could be more expensive than taking a similar case to the Employment Court. The Head of the Authority James Wilson said that the increased costs were partly due to a 2004 amendment to the Employment Relations Act allowing dismissal on the grounds of what "a fair and reasonable employer would have done in all the circumstances". According to Mr Wilson, hearings that lasted more than a day had increased 50% since the law change. Unions and employers generally felt that the system was working well but just needed "tweaking" with Tony Wilton, of the Engineering, Printing and Manufacturing Union (EPMU), claiming that compulsory mediation and the use of the Authority had made resolving employment disputes much less costly.

A further *NZ Herald* article on the Auckland waterfront dispute which began in late 2006 after the collective agreement expired claimed that it was "lumbering into another year" (see October Chronicle). An Employment Relations Authority investigation into claims breaches of good faith by both parties had been adjourned until 2009. The article stated that that the port company appeared "unenthusiastic" about the Maritime Union's latest proposal and that prospects of a settlement looked shaky.

The *Nelson Mail* highlighted that an Auckland bar manager was awarded nearly $36,000 in compensation and lost wages. The woman was demoted from her job as a bar manager one week after she informed her employer that she was pregnant. She was then dismissed a month later after she was accused of lying about her work hours.

A high profile television personality Craig Busch, also known the "Lion Man", lost his claim for temporary reinstatement at the Zion Wildlife Park in Whangarei, according to the *NZ Herald* and the *Dominion Post*. The articles reported that Mr Busch had been dismissed for alleged serious misconduct, including allegations of major breaches of safety protocols, inappropriate behaviour in the workplace, performance issues, failing to keep proper training records and causing loss of revenue through cancelling tours. What made the case more sensational was that he had been dismissed by his mother and that some of his fellow staff members had threatened to resign if he was reinstated.

The Unite union received further media coverage after accusing research company Digipoll of victimising union members at its Hamilton call centre. The *Waikato Times* reported that the union has instructed its lawyers to file a claim in the Employment Relations Authority citing bullying, intimidation and workplace segregation. The union attacked Digipoll owner Dr Gabriel Dekel, calling him "psychopathically anti-union". The article featured Dr Dekel's response where he denied that he was anti-union, but he also argued that his line of work was not suited to unionism, with client demand erratic and with many of his workers "otherwise unemployable". Dr Dekel said the union did not acknowledge "the uniqueness" of his operations and, if forced, he would outsource all his jobs to call centres overseas.

In yet another case of workplace bullying, the *NZ Herald* recorded the unsuccessful claim of an employee dismissed for bullying a fellow worker. The man claimed that he was dismissed because his employer wanted to avoid the cost of making him redundant. The Employment Relations Authority found that his employer Auckland firm Buckley Systems (BSL) was justified in sacking the man because of his abusive and aggressive behaviour towards his fellow worker. The behaviour included pouring yellow or brown coloured primer paint on the man's overalls to make it appear he had soiled himself, making loud and sudden noises to cause fright and filling his gloves and facemask with tuna, as well as smearing it on some of his equipment. The harassment escalated to physical assault and the employee eventually resigned. An exit interview revealed the extent of the victimisation. The company investigated and the perpetrator was dismissed for serious misconduct. The Authority concluded that "an employer acting in a fair and reasonable manner" would have dismissed the man.

A *Dominion Post* article published an analysis of the Employment Relations Authority and its decisions which had been conducted by the Employers and Manufacturers Association (EMA). The analysis of awards over the past five years showed that complainants in Wellington were consistently awarded the highest compensation for the hurt and humiliation involved in unjustified dismissals. The Wellington payouts averaged $8,536 in 2007 while Christchurch averaged $6,630 and Auckland $5,526. The analysis identified Wellington member Denis Asher, as making the highest average awards of all the 17 members in 2004, 2005 and 2006, although he was eclipsed in 2007 by Maria Urlich of Auckland. Auckland lawyer Eska Hartdegen was quoted as saying that the variations showed that authority members were "a law unto themselves". The EMA had said in previous annual surveys that compensation claims were "a gravy train still picking up speed", with the number of personal grievance claims taken to the authority rising from 340 in 2004 to 436 in 2005 and 515 in 2006. However, the latest analysis showed that the number of claims had dropped to 416 in 2007.

January, 2010

There was a dearth of reporting on employment relations in January 2010. Apart from the focus on further changes to employment relations legislation, most reporting concerned disputes before the Employment Relations Act.

Reform of employment relations legislation remained on the agenda. A *NZ Herald* article suggested that the Government needed to go further in overhauling the Employment Relations Act if New Zealand was to survive the recession. Once again, there were claims that restrictive employment law was one of the major hurdles for small to medium enterprises (SMEs). A survey conducted by a coaching company, the Results Group, claimed that 94% of all the businesses surveyed stated that "unworkable employment law" was the primary issue they faced. The announcement of an employment summit by Prime Minister John Key was seen by the Minister of Labour Kate Wilkinson as a forum which could "offer a good opportunity for businesses and unions to raise their primary concerns and promote any initiatives, particularly with respect to productivity and employment opportunities".

The *NZ Herald* suggested that the primary school teachers' union, the NZ Educational Institute, was taking its "first shot" at the recently passed 90-day employment trial period. The union wanted to omit the trial period provisions from the kindergarten teachers' collective agreement with the Ministry of Education. The union sought an agreement from the Ministry of Education and various kindergarten associations that a 90-day trial period was "neither necessary nor desirable". The National Secretary of the NZEI Paul Goulter stated that the Ministry of Education needed "to realise that law change did not just deprive workers of personal grievance rights, but had a significant effect on the labour market".

In yet another employment issue involving McDonald's (see November Chronicle), the *Sunday Star Times* reported that a disagreement over payment of $10 worth of McDonald's burgers had escalated into a year-long employment dispute costing thousands of dollars. Daniel Gledhill, an employee at McDonald's branch in Mana (Porirua), won his case for unjustifiable dismissal before the Employment Relations Authority. However, the Authority told both parties that they should have been able to settle the dispute themselves. Gledhill, who had worked at the McDonald's branch for three years and had a clean work record, was dismissed in October 2007 for giving away $10 worth of fast food to friends. He took a personal grievance, claiming that he felt pressured to give the food away, but intended to settle the bill after his shift finished. However, he only paid the staff discount rate of $4 and accepted that he should have paid the full amount. Gledhill was not awarded any remedies as his actions had contributed to the employment dispute. It was found that the McDonald's branch did not conduct a reasonable inquiry into the incident and did not have hear evidence before dismissing Mr Gledhill.

Both the *NZ Herald* and the *Waikato Times* reported on the case of a breakfast radio announcer from Tokoroa who claimed unjustifiable dismissal after a public "bust-up" with his manager. The employee was unsuccessful in his claim for reinstatement and compensation. The man was dismissed after he loudly challenged the mayor of Tokoroa at a public meeting while dressed in clothing that identified his employer. The man's manager said she was embarrassed by his actions as local people recognised him and associated him with working at the radio station. The Employment Relations Authority found that the man's conduct outside of working hours did impact on his employment and his behaviour was "manifestly injurious to the interests of the employer" and could bring his employer into disrepute.

The *Dominion Post* reported that the Defence Force was ordered to pay $100,000 to a doctor who was dismissed after raising concerns about her ability to treat patients in a naval decompression chamber. The treatment of the doctor was labelled as "callous, hasty and rash" by the Employment Relations Authority. The Doctor had met with her then manager to express concerns about her own work in the hyperbaric unit, stating that she believed it was not safe for her to continue working as she was not adequately trained nor qualified. Hours later she was dismissed on the grounds that her duties could be altered only by mutual agreement. Additionally, it was claimed that the doctor was not an employee because she worked under an independent contractor agreement. However, the Authority ruled that, although the doctor worked under an independent agreement, the nature of the employment meant that an employment relationship existed. The Defence Force was ordered to pay her $81,072

in lost wages, plus a further $20,000 compensation for "emotional trauma and distress".

Another employment dispute involving a high profile personality reached the media. Real-estate agent and former television star Michael Boulgaris was ordered by the Employment Relations Authority to pay back $163,635 in unearned commission. An Authority ruling determined that Mr Boulgaris, who had a major role in the 'Location, Location, Location' TV series, had to pay back the money to Wensley Developments Ltd who had employed him as a salesman in Queenstown. The dispute focussed on a $535,000 commission paid in advance. Mr Boulgaris had only earned $339,990 when he resigned. Boulgaris claimed that he did not owe on the pre-paid commission as his employer had misrepresented what he would earn. The Authority found no merit in his argument.

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