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Interactive entrepreneurship: 
Entrepreneurial processes from a constructionist perspective

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0. Abstract

This paper views entrepreneurship from a social constructionist perspective. The basic standpoint is thus that entrepreneurship is an inter-subjective construct produced and reproduced in everyday social interaction. To understand this interaction in practice, the entire entrepreneurial process should be inquired into – how/why entrepreneurial ideas emerge, how/why ideas are developed as legitimate, how/why interaction between actors unfold, how/why different roles develop, etc. In order to develop a theoretical understanding of entrepreneurial processes in general from this perspective, we need to (1) make in-depth studies of a limited number of processes, (2), choose processes that is intended to imply construction of newness, and (3) follow these processes and involved co-actors over time. The aim of the paper is thus to suggest concepts and theories through which an enhanced understanding of entrepreneurship in terms of interactive processes can be achieved.

The empirical data of the paper is based on three in-depth case studies in Swedish independent schools and one entertainment industry organisation, the Söderbaum school, the Viktor Rydberg Gymnasium and the Hultsfred rock festival. All involved co-actors have been repeatedly interviewed, and we have also been participant observers in their daily interaction. These data have been subject to a narrative analysis where the stories – i.e. the narratives of the participants – are re-written by the researcher in order to cover relevant events, conflicts etc that convey a straightforward understanding of the entrepreneurial process.

From these two cases, a number of implications for theory development can be drawn and discussed. The entrepreneurial process per se is often perceived as limited in time, whereafter continuous management of what has been created follows. Most of the decision-making throughout the process happens in informal interaction, and the interactors assume different roles in the process (i.e. the idea generator, the organizer, the public face, the diplomat, the practical guy etc), implying specialization but also learning from each other. Since many of the co-actors often work together again in different constellations on new related entrepreneurial processes, they change these roles over time. Also, social networks are used consciously in order to create long-term benefits. Money and culture are not seen as opposites – money is a tool to create freedom to do what is important and fun, i.e. create new entrepreneurial processes. Finally, there appears to exist a notion of entrepreneurial careers; by increasing age, personal interests, rebellionship and groupthink are gradually substituted by a sense of responsibility for employees, family and society, by professionalism as ideal, and by activities such as networking and mentorship.
1. Introduction

In theory as well as in practice, entrepreneurship is a field that is increasingly important to societal development. Notwithstanding their ideological background, politicians of all colours wish upon more new firms, more entrepreneurs, more venture capital etc. And within all sectors of society there are active and ambitious individuals who try to bring innovative ideas into the market to the best of their abilities. Entrepreneurship research has been given an increasingly visible role in this development; by studying the conditions and implications of entrepreneurship, it has provided politicians and other decision makers with much needed knowledge. Roughly, this has been done along two main development paths, one sociological and institutional (cf Aldrich, 2000) and one psychological and individualised (cf McClelland, 1961). In the institutional tradition, the socio-economic context of entrepreneurship is studied in order to understand the conditions for entrepreneurial action, e.g. venture capital and industrial dynamics. In the individualized tradition, interest is focused on the entrepreneur as the bearer of certain psychological traits (not always regarded as static) which may predict successful enterprising. These research traditions need not to be seen as opposites, it is rather so that they focus on different aspects of entrepreneurship.

At the same time, there are several basic assumptions in these existing research traditions of entrepreneurship. First, it departs from entrepreneurship as something that can be objectively and neutrally measured, predicted and stimulated. That is not always the case since people tend to interpret both external structures and their own personality in most different and changing ways. Second, there is a tendency of always embody entrepreneurship into single individuals, even though most entrepreneurial action is carried out by several individuals in social interaction. Third, entrepreneurship is usually empirically defined as newly registered companies, which excludes a wide variety of entrepreneurial actions that happen within existing organisations and/or not resulting in the formal creation of firms. Fourth, most research are focused on traditional masculine industries, implying a neglect for entrepreneurial actions performed by women and ethnic minorities and also for many of the new ventures within culture, media and former public services such as education and health care. All in all, this points at a need to renew entrepreneurship research, both through applying new theoretical perspectives and through the inclusion of new empirical bases. In this paper we try to do both, departing from a basic assumption on entrepreneurship as constructed by people in social interaction – interactive entrepreneurship.

Theoretically, interactive entrepreneurship implies a social constructionist perspective on entrepreneurship (cf Berger & Luckmann, 1966, Gergen, 1985, Chell, 2000, Lindgren & Packendorff, 2003). Entrepreneurship is thus viewed as constructed in social interaction, as innovative social processes organized by people in actor networks (Chia & King, 1998). This means a focus on collective action rather than on individual characteristics, on inter-subjective interpretations of reality rather than on institutional frameworks, and on innovation and creativity rather than on formal organisations.

Empirically, such an enlarged understanding will be based on entrepreneurial processes focused around culture in different forms. Based on empirical studies from independent schools and the music industry, we analyse how entrepreneurial processes are made possible, initiated and developed. This means analysing roles, decision making, networks, idea generation and basic views of the venture in order to guide an alternative way, interactive perspective, of viewing entrepreneurship in theory and in practice.
In the following sections, we discuss the implications of studying interactive entrepreneurship and also the results that can be gained from such an approach. To start with, we describe interactive entrepreneurship as a theoretical development through the application of a social constructionist perspective (section 2), and as an empirical enlargement through the inclusion of hitherto neglected entrepreneurial processes (section 3). Thereafter, our cases are described (section 4) and themes are developed (section 5).

2. Theoretical re-orientation: Towards a social constructionist perspective on entrepreneurship

During the past decades, there has been an emerging discussion on basic research issues within entrepreneurship research (Carsrud et al, 1986, Gartner, 1988), and alternative views such as the network approach has been developed (Birley, 1985, Reich, 1987, Burt, 2000). The network approach represents a theoretical renewal in that it emphasises the entrepreneur’s needs for a professional network and an institutional societal framework, but it still treats relations in an instrumental way – explicitly or implicitly. Friends and other social contacts are studied as instruments used by the entrepreneur in order to attract venture capital and succeed with the business plan – implicating that entrepreneurship can be organised in the same way as the daily operations of a firm. The potential of the network approach still exceeds its achievements by far, but it points at the importance of relations in entrepreneurial processes. What is needed is not only a statement that networks are important, we could also change our view of what entrepreneurship is.

The same analysis can be applied to the emerging literature on entrepreneurial teams. Several authors have noted that a significant proportion of new ventures are actually started by teams rather than by single individuals (Kamm et al, 1990, Watson et al, 1995, Cooper & Daily, 1997, Birley & Stockley, 2000), and there are also statistical studies indicating that team-based ventures outperform ventures started by single individuals in terms of growth, profitability, ability to attract venture capital and so forth (Eisenhardt & Schoonhoven, 1990, Kamm et al, 1990, Timmons, 1994). While making the important point that entrepreneurship is actually a team-based rather than a lone activity, this literature also views teamwork and different teamwork characteristics as predictors of success rather than trying to get an in-depth understanding of how entrepreneurial teams work together in practice. One example is the search for ideal principles of team composition, where heterogeneity in several dimensions is believed to be correlated to growth and/or profitability – implying an instrumental view of team recruitment but without an ambition to follow the social interaction processes in between these inputs and outcomes. What is needed – from our point of view – are theorising also including the interaction processes, the conflicts, the misunderstandings, the failures and the experiences of people working together in more or less closely coupled actor networks.

As always, there are of course notable exceptions to this mainstream view of entrepreneurship research, usually based on alternative standpoints concerning the ontological, epistemological and ideological foundations of scientific inquiry (cf Chell, 2000, Fletcher, 2003). In general, this implies critical views of how entrepreneurship is defined, what kind of knowledge on entrepreneurship that is produced in research, and what kind of entrepreneurship that is encouraged and rewarded in society. The argument is usually not that mainstream entrepreneurship research is explicitly based on ‘wrong’ or ‘false’ assumptions. What seems to be the problem is that most mainstream literature do not articulate and discuss any such
assumptions, implying a tendency to take established concepts, methodologies and empirical operationalisations for granted.

One major line of critique in this vein is based on social constructionism, generally implicating that entrepreneurship is constructed in social interaction between individuals (Steyaert, 1997, Chell, 2000). The ontological standpoint is thus that entrepreneurship does not exist ‘out there’, it is a subjective and inter-subjective construction produced and re-produced in everyday interaction. Consequently, the knowledge yielded in entrepreneurship research should be concerned with understanding how entrepreneurial concepts and acts is constructed, rather than establishing ‘objective truths’ on psychological traits and macro-economic laws. Ideologically, this also means opening up the field to critical questions concerning what people that are viewed as entrepreneurial, what acts that are seen as the results of entrepreneurship and, thus, what stereotypical images of entrepreneurship that had been established in society.

To sum up, entrepreneurship from a social constructionist perspective implies a focus on interaction. Entrepreneurship theory is seen as constructed by theorists and practitioners in interaction, and the role of research is to introduce critical questions into this interaction in order to achieve development and emancipation. Entrepreneurship practice, on the other hand, is seen as an interaction between entrepreneurial individuals, an interaction in which theories and inter-subjectively constructed contextual conditions form the framework of social construction. And entrepreneurship research, finally, is seen as a process of interaction between researchers and researched, in which trustworthy, relational and useful knowledge is being constructed.

A somewhat paradoxical consequence of the view of entrepreneurship as socially constructed (cf Berger & Luckmann, 1966, Gergen, 1985) is that single individuals and institutional conditions become less important for empirical inquiry. The single entrepreneur cannot any longer be seen as embodiment of entrepreneurship as a phenomenon, and institutional conditions cannot any longer be analyzed in terms of a given set of structural limitations to entrepreneurial action. Instead, the single individual is seen as one of several individuals constructing entrepreneurial action together on a daily basis, and in this process of construction the institutional environment is a matter of subjective and inter-subjective interpretation (Louis, 1982). People always interact in different forms with each other through meetings, through reading what other has written, through Internet etc. Consequently, it becomes impossible to talk about single entrepreneurs – one should rather view it as several co-entrepreneurs creating an entrepreneurial process together, from formulating ideas to taking major decisions etc. The entrepreneurial process is a complex pattern of reciprocal interaction between culturally embedded actors closely connected to each other during a period of time (cf Lindgren & Packendorff, 2003). Such a social constructionist view can also be seen as a development of a becoming-perspective, according to which pluralism and emancipation from structures are central to entrepreneurship (cf Chia & King, 1998, Janssens & Steyaert, 2001; Lindgren & Packendorff, 2002).

We thus intend that the entrepreneurial process is about challenging and breaking take-for-granted conceptions in society, including the expectations on what an entrepreneur is and how he (sic!) should behave. Entrepreneurs are often depicted as innovative and creative pattern-breakers, but there are also widespread beliefs of what that means and what kind of persons that can be seen as entrepreneurs in this regard (Holmquist, 2003). If we critically review these beliefs we will e.g. see that there is a tendency both in research and practice to over-emphasize enterprise start-ups among white men (so called hegemonic masculinities, cf Collinson & Hearn, 1996) as empirical illustrations of entrepreneurship, while entrepreneurial activities
performed by women and ethnic minorities, not resulting in the creation of formal organizations, are rarely considered.

Consequently, we have to question both our assumptions of what entrepreneurship means, and our way of describing how entrepreneurship is created and developed. As mentioned above, a social constructionist perspective will help us to understand how interaction between actors and structures implies production and reproduction of entrepreneurship in their daily life. This perspective has been used in related different academic fields earlier; the most well known are perhaps to be found within identity theory (Berger & Luckmann, 1966, Gergen, 1985, Lindgren & Wåhlin, 2001) and gender theory (Kanter, 1977, Butler, 1999). Therefore, it is time to reconsider entrepreneurship theory, open up the academic discourse to different ways of building theories, and conduct empirical fieldwork. From a social constructionist perspective, this will imply questioning the entire entrepreneurial process - how entrepreneurial ideas emerge, what ideas that are developed, what ideas are viewed as legitimate, how the interaction between actors unfold etc. A social constructionist perspective will concern every part of the research process, from formulating research area/questions, through empirical approach, to ways of presenting results. We should also be aware of that there are different ways of handling these parts depending on situations and possibilities. For instance, an anthropological study can be very suitable for this paradigm, but not always possible to conduct in practice due to access matters. Therefore, a social constructionist perspective is not a ‘single best way’ of performing research; it is rather a quest for increased pluralism and creativity in research.

3. Empirical re-orientation – studying entrepreneurial processes in new arenas

In a sense, entrepreneurship in theory and practice has borrowed much from disciplines such as leadership and management – a trend clearly visible not least in the field of corporate entrepreneurship or intra-preneurship (Stevenson & Carillo, 1990). Like the CEOs of the large corporations, entrepreneurs are individually recognized as masculine super-human leaders and heroes (cf Chell, 1996). The image conveyed is the lone, strong man who dedicates his entire life to fights against conservative structures in order to make his ideas come true. The problem of this development is that it depicts entrepreneurship as something for a select group rather than as a possibility for everyone. Therefore, we need an image of entrepreneurship conveying a multitude of different ways of living and working. We thus also need to question the way entrepreneurship is operationalised in empirical inquiry (Schumpeter, 1947) and to initiate a scientific debate on the nature of entrepreneurship research (Carsrud et al, 1986). One might e.g. claim that the links between theoretical concepts and empirical fieldwork – collecting data about small businesses or enterprise start-ups is not à priori the same thing as studying entrepreneurship, just one possible way to do it.

One consequence of this reasoning is that entrepreneurship should not necessarily require that a formal organization be created. Several cultural events can be just as pattern-breaking by organizing and generating new ways of looking at the world. One example is creative movie directors, whose plays often turns our taken-for-granted ways of thinking about or lives upside down. Another example is improvisation theatre, where the play emerges throughout the evening without almost any guidelines other than the basic format, and where the audience instantly judges ‘market success’. Besides theatres, there are many other examples of entrepreneurship that has very little to do with the traditional notion of starting up commercial businesses in the form of formal organization. Such entrepreneurial processes might happen outside existing organizational structures (e.g. in voluntary work and spontaneous political
action), but also within existing organizations (e.g. innovative product development projects and radical corporate restructuring) (Stevenson & Carillo, 1990, Kanter, 1992). By widening the empirical basis of entrepreneurship research, more people are also included in entrepreneurship.

Entrepreneurial processes should be studied as organic processes, as time-limited series of events in which people create/develop things together. This also means a less normative character of conclusions – it is more interesting to develop approaches and understandings of entrepreneurial processes than it is to identify traits in individual personalities and/or success factors of individual organisations. Of course there is always the possibility to use descriptive analysis in the development of normative conclusions, but that should not be the guiding aim.

A suitable methodology for studying entrepreneurial processes could be participant observation, where the researcher is a present observer without interfering in the social process. In addition, one might use data such as interviews in order to get an understanding of the individual participant’s interpretation of the process. These data can then be subject to a narrative analysis where the story – i.e. the narratives of the participants – are re-written by the researcher in order to cover the relevant (empirically generated) events, conflicts etc that convey a straightforward understanding of the entrepreneurial process (see also Boje, 2001). We cannot understand acts if we do not understand how the actors have experienced past acts and relationships with each other and their view of future acts and future relationships (cf Kupferberg, 1998). Through narratives we can understand driving forces and we can also combine different parts of individuals’ lives, and understand what is behind new ideas. We can also find out where the problems lies, where obstacles can be found, why good new ideas die. Since we view entrepreneurial acts as collective experiences, the empirical basis concerning an entrepreneurial act cannot be the visible entrepreneur’s narrative only. If different narratives from different involved actors are brought together in the analysis, our understanding of the event will be much richer (cf Lindgren & Packendorff, 2003). Entrepreneurial acts are socially constructed by individuals in interaction, which means that these acts are also episodes of identity construction for all involved.

4. Empirical study – Independent schools and rock music industry

In this paper we have chosen to analyse entrepreneurship from two fields usually not present in entrepreneurship literature; independent schools and the rock music industry. These organisations were chosen out from our ambition to widen the concept of entrepreneurship, but they are also examples of successful ventures (albeit with other success factors than the usual ones). In all three cases, repeated in-depth interviews with the actors involved have been made, and we have also participated in meetings and other events. Internal documents, articles, evaluations etc have also been acquired.

The two independent schools, the Söderbaum School and och Viktor Rydbergs Gymnasium (VRG) have been chosen as examples of non-profit entrepreneurship within a sector traditionally characterised by intense political experimentation and professional independence. Both schools were started after the new legislation on independent schools were passed in 1994. In both these cases the actors have fought for their ideas, convinced pupils and parents, gained legitimacy among the local politicians and also been able to keep their schools from economic disaster. No one in these schools have earned any money beyond regular salaries, and there are still not much financial resources available despite their rapid growth. What these two schools
have indeed achieved is a reputation to be innovative, top-notch institutions at their respective target market, and they are met by the utmost respect among their “competitors” in the municipalities.

Hultsfred is different in the sense that it is a rebellious rock music club that developed into an international rock festival and a national music industry centre. From being totally devoted to their own interest in music and festival management, the actors now see their operations as central to the development of the region. They actively try to make their town survive, but their efforts are not always appreciated or understood among political bodies, local banks and traditional industrialists.

These ventures are thus not initiated with economic growth in mind – they are rather the result of people pursuing their visions, interests and lifestyles in a way that gives them a reasonable income. They are not fast-growing ventures in the traditional sense (i.e. in terms of turnover or profits), but they have all a history of rapid growth in terms of employees, business areas and market success. The Söderbaum school became the third largest independent school in Sweden just three years after it started, this in a small, stagnating industrial town. And during its ten years of existence, VRG has grown into three high schools, all of them top ranked in Sweden. In addition, an educational company and a fourth school is now being included in the group. Hultsfred has established itself as one of the major European rock festivals, and also succeeded in building up a group of supporting companies, a national music industry center and a local university college.

4.1 The Söderbaum School

The Söderbaum School is located in a large, mansion-like building in downtown Falun, a historic middle-size Swedish industrial town. Kerstin Söderbaum-Fletcher and her husband John Fletcher started the school in 1994, and it quickly became the third largest independent school\(^1\) in Sweden with 400 students aged 7 to 16 years. The school is based on a pedagogical idea, according to which culture in a wide sense is an important topic and a precondition for learning all other subjects as well. At the start, Kerstin and John were 50 and 59 years old, respectively, and they saw the school as their last big professional project. Kerstin is an educated teacher with long experience as project manager and research director, and John had behind him a successful international career as top manager in a large Swedish industrial group. Consequently, they became dean and administrative manager of the school. Kerstin and John were majority owners of the school and they also came to own the school building. The remaining external activities have all been related to the school, such as their active participation in starting up the Swedish Association for Independent Schools.

The years before starting the school, Kerstin and John had a consulting firm together, but they worked in entirely different projects due to their different professional backgrounds. They had contacts with several municipalities in different areas of Sweden on the possibilities of establishing an independent school, but Falun could guarantee the best conditions. They

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\(^1\) Independent schools (in Swedish "fristående skolor") is a common concept for all schools in Sweden that are not owned and operated by any public authority. The old, traditional private schools belong to this category, but most independent schools started after 1992, when the legislation was changed by the newly elected liberal government. The new legislation implied that each child could choose in what school to go (given that it had been approved by the national school inspection authority) and the municipality then paid a fixed sum to that school. Both the Söderbaum School and the Viktor Rydberg School studied here started in the wake of that legislation.
transformed their consulting firm into a school company, and when the school was to start, they gradually closed down their other commitments. Their different specialities were brought over to the school project, where Kerstin came to work with pedagogical issues and John worked with financing, real estate negotiations etc. “Kerstin is pedagogy and people, and John is money and things”, as they say.

Despite this initial specialisation, they worked together all the time in the beginning, meeting with local politicians, launching advertising campaigns, creating a parents association etc. When the school had been started, their everyday work gradually became separated even though they maintained intense communication as spouses. Today, they try not to discuss their work outside work, since Kerstin has other interests she wants to allocate time to. This is problematic, however, since their colleagues always assume that they know everything about each other’s work and always tell each other everything. Kerstin says that they run the school together, but not at the same time.

Already from the outset, the school was defined as a ten-year project for them, but as an institution to live on by itself afterwards. This has implied that they actively sought to bring in other shareholders, and they also recruited a professional board in which they were always a minority themselves. The board has exclusively dealt with strategic and economic matters, and all pedagogic responsibilities were left to the teachers. In the beginning of 2004, they sold the school to the owner of the local independent high school, and two female teachers were appointed as new deans. Kerstin and John are now gradually moving their time and resources over to their new project, a new form for accommodating senior citizens. They were also both to live there themselves, and again, they had adapted and formed a project supporting their life together.

4.2 The Viktor Rydberg School (VRG)

The Viktor Rydberg School (VRG) was started by Louise Andersson and Louise Westerberg in 1994 as one of the few new independent schools in Sweden aiming at the gymnasiu(m (high school) level. It quickly became one of the most respected schools in Sweden, and shows the highest admission grades in the Stockholm region. Louise and Louise live in the same suburb and met in the parents association of a nearby school where they both had their children. At a dinner party they realised that their disappointment with the existing school system was common among most of their friends. Over the table, they looked at each other and decided to start their own school. They managed to recruit a board comprising a number of well-known entrepreneurs, and were able to start their first gymnasiu(m, VRG Djursholm, just one year later. Some years afterwards, they started up VRG Odenplan and VRG Jarlaplan in central Stockholm, and also the commercial firm VRG Education. Altogether, their schools have about 1.000 students. The group is owned by a trust, in which Louise and Louise are employed as administrators.

Louise and Louise started the school together without actually knowing each other or having any kind of pedagogic education. However, both had experience from running small enterprises, and they also shared a common view of how a school should work. Consequently, they did everything together without specialising into different areas, and they spent the whole days talking to each others. They advertised for a professional dean, they negotiated with the

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2 The basic school (grundskolan) in Sweden consist of nine years, usually between 7 and 16 years of age. The gymnasiu(m is the next step, usually three years long, for which the student can choose between an abundance of different programmes.
local politicians, they arranged parents meetings – all together. Like Kerstin and John, they have also been active in the ongoing political debate about independent schools.

By time, they specialised into different managerial tasks. Louise W took the prime responsibility for their real estate and VRG Education, while Louise A went into vocational guidance before taking on strategic development projects. This specialisation has emerged naturally out from their respective interests, but when it implied that they moved their offices to separate schools they felt that they lost contact. After some time they ’moved back together’ in order to handle their new development projects in a better way, and most managerial tasks in the schools were left over to the professional deans. They speak almost simultaneously, filling in each others’ sentences, and they are convinced that their way of working together has been most important both to the development of VRG and to their possibilities to maintain their family lives.

The board has now been in place for ten years, and it had counted the same members all the time. Louise and Louise say that the board members have always had faith in them as entrepreneurs, and supported them in any way possible. Louise and Louise use the board as a network board, as a number of friends and associates that serves as inspiration and discussion partners. At the same time, the board has a somewhat different attitude in that they constantly encourage growth and bold experimentation, while Louise and Louise prefer to develop organically, by trial-and-error. Louise and Louise also put emphasis on the importance of relations and that both students and teachers can develop in their organisation.

4.3 Hultsfred – From RockParty to RockCity

Hultsfred is a small industrial town in the Småland region of south-east Sweden, characterised by forests, farms and picturesque villages. The social life of the town being concentrated around the factories and sports clubs, it had not much to offer the local punk rebels growing up during the 1970’s. In 1981 some of these elder male teenagers formed their own music club, RockParty, in order to arrange concerts and other happenings. Rock music, a reliance on voluntary work, and a determination that nothing was impossible were – and still is – the foundation of RockParty.

Today, RockParty is the arranger of the Hultsfred Festival that has been held annually since 1986. The festival is one of the major summer rock festivals in Europe, and Hultsfred houses the headquarters of the European festival association Yourope. RockParty also arranges several other recurring festivals with separate themes. The club also has its own concert hall, which they had to build when they were thrown out of the sports hall in 1990.

In the middle of the 1990’s, one of the members of the founding board, Putte Svensson, realised that the success of the festival could be used for the good of the whole town. At the same time, the club was constantly close to bankruptcy due to constant expenses (maintenance of the concert hall and salaries to the full-time employees of the festival organisation) and irregular revenues (mainly the entrance fees from the festivals). Together, they decided to form companies out of the specialities of the festival organisation (catering, advertising, booking, call center etc) in order to sell their services to external customers. Their success in this spurred them to invest some small amounts in other business ideas related to the music industry, and they managed to attract public funding to establish an industrial development centre for the music industry. Today, the concert hall has been expanded with a large office building called RockCity, housing a number of small entrepreneurial companies, a national music industry
center and a unique university education in music management. In 2003, Putte was elected Creative Entrepreneur of the Year in Sweden, but he immediately claimed that he was just the front member of a group of people that had worked together for decades.

In the case of Hultsfred, the individuals in the actor network have organised several entrepreneurial processes that have varied in terms of involved persons and their roles. RockParty was started by Håkan Waxegård and Per Alexandersson, the former being the ‘front face’ and the latter the organizer. As the festivals grew in scope, more people joined the inner circle. Gunnar Lagerman became responsible for signing up artists, Putte Svensson organized the voluntary work needed to build the festival area, and Per Alexandersson specialised in marketing. When they later decided to build the concert hall, the same group were active (except for Gunnar Lagerman, who thought the project to be too expensive, went on to create Yourope, but stayed in the building).

Per Alexandersson then left Hultsfred for a career in Malmö, and Håkan Waxegård were ousted from the board and replaced by Patrik Axelsson. This was not an easy decision but they thought that Axelsson was to keen of doing things by his own head and also wanted to personify Hultsfred. It was then decided that Putte Svensson was to become the ‘front face’, and Patrik Axelsson the thoughtful administrator. Patrik gradually grew into the role of preserving the original RockParty spirit, but he also started a company that developed and exported mobile security fences for outdoor concerts. RockParty still owns the festival and all the companies of the group, and Putte, Patrik and the others are regular employees with ordinary salaries. Since the club was created out of voluntary work, no one will ever be allowed to use RockParty to amass personal wealth.

After Putte becoming the driving force in the creation of new firms related to the festival – a strategic direction that was not liked by everyone in RockParty - he gathered a new network around him to pursue the ideas on business development, educations and music industry research. The effort were called Project Puzzle. In this network, Erkki XX was the opportunity searcher and idea generator, Putte the charismatic motivator, and Lasse Rönnlund the action-oriented ‘doer’. They also placed their old friend Per Kåge for as business developer in the regional authorities, which meant access to all sorts of financing and funding. Gunnar Lagerman and Patrik Axelsson were part-owners in two of the firms, but focused most of their work on the festival. In order to maintain the dynamics in the RockCity building, they often question their roles and what they do, and they actively seek to involve new persons both as employees and as network contacts. They also directed conscious efforts to the recruitment of women (Putte was replaced by Frederika Svensson as CEO of the largest company, RockMetropol), which has also implied projects aimed at improving the possibilities for young female rock musicians.

Since the members of the original team has now became family fathers, they have had to redefine their way of working. They are not available around the clock anymore, and they need to plan for their interaction. Still, a lot of ideas and decisions happen informally around coffee tables, but they have also begun to see the drawbacks of too much informal networking in an organization with 44 employees. Hence, they are planning to form a professional board for the whole group and to establish a development company to handle all new ideas. Many employees outside the inner circle finds RockCity to be the most creative and inspiring place they have ever been at, but they also say that you need access to certain key actors if you really want your ideas to come true.
5. Interactive entrepreneurship – a thematic analysis of the social construction of entrepreneurial processes

In the case of the Söderbaum school, interaction is linked to lifestyles, values, visions and earning a reasonable income. Interaction between John and Kerstin was close from the beginning, but gradually became more related to the respective roles they came to assume in the school. It is not always easy for them to do the other person’s job if necessary, but they communicate as much as possible and relate to the local community together. When starting the school, they protected the school against external influences that could jeopardise their own vision, but when the school is now working as intended, they try to make it independent of themselves. Since it has always been intended to be sold in the end, it has been important to find ways to preserve the basic values without the founders being present. For Kerstin and John, it is only interesting to participate in the school as long as it supports their own way of living.

Where VRG is concerned, the core actors belong together in terms of basic values and through social belonging. This feeling of belonging together they want to keep despite the rapid growth – it is important for them how to view and treat people. They share work tasks with each other, they put a lot of emphasis on recruiting the right persons and introducing them into the organisation, and they try to support new initiatives and give them independence. Louise and Louise interact closely; their offices are next to each other and they discuss things together throughout the day. During a short period they worked in different schools, but made the decision to co-locate again in order to maintain their close cooperation. The VRG group is bigger than yourself, but it should give something to everyone, they say. If resources become available, they are used for common purposes that are seen as important and fun. They discuss new ideas, but they very soon feel if they should proceed – they often know exactly what the other one would think of the idea. They work through relations and personal meetings, and do not take any new initiatives without feeling that they are ready for the next step; maintaining internal consensus and external independence is more important than always acting upon new opportunities.

In Hultsfred, many of the actors know each other since childhood; they have the same interests and know that they want to do fun and spectacular things together. At the same time as they art rascals and rebels, they are also good-hearted and serious about what they do. Ideas are usually formulated and developed in unplanned informal interaction, and the processes from idea generation to practical action may be very short (too short, according to some). This is partly due to that there is always a surplus of new ideas; if you wait, the rest of the actors might be off pursuing another idea instead. If they do good business, they view this as a confirmation that they create things that others value, and the new resources are immediately spent bringing in new people to the party and launching new ventures. There is a core of older actors that were in the founding board, and they are viewed as the leaders even though they not always agree on things and also pursue different interests. They do not lead very much however (that is not always accepted), but they usually fill the function of supporting ideas and idea generators – if they like the idea, you know that it will come true much faster. There are also some actors outside the core that assume different roles in gathering information, acquiring external support and financing. The internal culture is collectivist and free-minded, if you are an individualist and/or want exact rules and work descriptions, you will leave soon.

5.1 Shared basic values as foundation for interaction.
In two of the entrepreneurial processes studied here (the two independent schools), there were initially a high degree of consensus concerning the basic values on which their operations were built, and they have also been able to maintain this consensus. In Hultsfred, the process is more complex due to the multitude of actors and operations, and it can rather be characterised as several entrepreneurial processes emerging from a growing actor network. Still, everything is connected to rock music, i.e. the core of the RockParty club. What has happened in Hultsfred is a vivid debate on the relations between commerce and culture, and balancing these two is a continuing challenge for the core actors. This has lead them to two crises; first when Håkan Waxegård were ousted from the board, second when Putte Svenssons new friends in Project Puzzle were seen as threats to the existing cultural values.

In order for ideas to become real action, consensus on basic values seem a necessity. This implies that the actors have the same view of what kind of operations that they are running and what kind of ideological ramifications that governs action within the actor network. They may, on the other hand, have differing opinions on different ventures and projects, and different persons might pursue different interests. It is thus possible to have a low degree of intersubjectivity within the actor network concerning different projects and ventures as long as there is a high degree of intersubjectivity on the basic values and ideological standpoints.

### 5.2 Opportunities as emerging in interaction.

Our interviewees all view opportunities as something they create themselves when they look around in the environment. They are possibility-oriented in the sense they define the conditions for realising ideas out from their own ambitions, and this definition process takes place in social interaction (cf Chell, 2000). Opportunities does thus not exist ‘out there’ to be discovered, they are created by people together in social interaction.

One example of an opportunity that could be seen as exogenous is the new legislation on independent schools that was passed in 1993, implying that all schools that were approved by the school inspection authorities were entitled to a certain income per student. While it can be said that the government’s offer to provide a financial basis for all new independent schools were a clear opportunity, it can also be said that these schools still not got the same income as the public sector schools and that most municipalities were most reluctant to let them start. Both the Söderbaum school and VRG had to fight for their existence against school inspectors, local politicians and sceptical competitors. Today, both schools are respected in their communities, but they still do not operate under the same conditions as the municipal schools. The leading actors in both schools have been active in the national association for independent schools in Sweden, an association that John Fletcher at the Söderbaum school helped to found. A similar reasoning can be applied to Hultsfred, where almost no one except for the actors themselves have ever believed in any of their wild ideas. The local politicians have prioritised the traditional industries instead, and the local companies have failed to use the brand that has been built around the name of the town. Opportunities does not exist until they are seen, agreed upon and seized.

### 5.3 Interactive idea work

The actors interviewed all describe an open-minded approach to ideas; when someone has an idea, it is immediately discussed with both close and remote actors, in both formal and informal meetings. To some degree, the choice of people to discuss an idea with is strategic – some persons are necessary or at least needed to ensure realization of the idea – but new thoughts are
also tested on people that just happen to be there at the time. Through this process, ideas become more specified and can also be related to other ongoing efforts and projects. In general, idea work is characterized by openness and generosity; people share their ideas and commits themselves to others’. Idea handling usually also means simultaneous decision-making, which is sometimes a problem since ad hoc informal meetings does not incorporate all relevant actors. In Hultsfred, they are continuously trying to establish formal routines how to handle idea work so that ideas are discussed by those who should be there rather than just by those who happened to be there.

After deciding how to proceed, focus is usually moved from the idea itself to what needs to be done to be able to show something to the target market. Markets and industries are not clearly defined for the people in this study, and they do not have any problems crossing traditional boundaries; they rather try to find collaborators who think and work in the same way. The boundaries that are important are the basic values – they govern what ideas that can be brought up to discussion and they also set limits on how to work. For example, the Söderbaum school would never do anything that jeopardized its high legitimacy in the school system, and the actors in Hultsfred has been most careful about their ‘brand’.

5.4 Emergent actor networks.

The three cases also show different forms of interaction between the actors and with different intensity. Interaction also seem more network-specific than industry-specific. VRG is characterised by an intense, everyday communication where the main actors have work very close and with a low degree of specialisation, which is different as compared to the more specialised and separated interaction in the Söderbaum School. Instead of interacting throughout the day, Kerstin and John do “information transferring” when driving home, and they also have clearly defined areas of responsibility in the school. In Hultsfred, they have tried – so far successfully – to maintain close interaction through innovative office design and planned interaction arenas.

What is also clear is that the ways of interaction and the roles that different actors assume change as the entrepreneurial process change. At the start of the entrepreneurial process, everybody does everything, constantly interacting with the others. As experiences are gathered and links between tasks and individuals start to emerge, a certain degree of specialisation occurs. This specialisation does not have to be related to formal competence (i.e. education or previous professional experience), it might simply be the result of the ongoing actions and choices among the actors. While such specialisation would still be considered as natural and desirable, the actors in our three cases has found it to be problematic and they have tried to avoid it to become to rigid. Too much role specialisation endangers the open-minded and collective spirit that once were the source of success, they seem to reason. In Hultsfred the interactors assume different roles in the process (i.e. the idea generator, the organizer, the public face, the diplomat, the practical guy etc), implying specialization but also learning from each other. Since many of the co-actors often work together again in different constellations on new related entrepreneurial processes, they change these roles over time.

5.5 Organic growth and protection against founders.

For the people interviewed here, entrepreneurship is neither about being different or deviant as a human being, nor making a lot of money. They see themselves as parts of their local context, not as deviants, and they see money as means to do things rather than as an end in itself. They
want their operations to be self-supporting, and if a surplus appears it is always used for new ideas and projects. If any external capital is brought in, it is always for clearly defined projects and/or temporary needs for liquid assets, and usually not connected to external ownership (in the case of the Söderbaum School, Kerstin and John actively sought to bring in the parents as co-owners from the beginning, but were met only by limited interest). Some of the projects in Hultsfred has required large amounts of external investments (i.e. from the state or from venture capitalists), and they have always been placed in separate companies. In all three cases, the actors have been content with organic growth and also kept control over the operations in order not to distort the basic values.

Having said that, it also appears that these basic values are in fact more important than the actors themselves. In all three cases, they have taken measures to protect their organisation from its founders. In order to be legitimate in their local contexts, they have all made conscious efforts to create a distance between themselves and their operations. In Hultsfred, the whole group is owned by the RockParty club, in which anyone can become a member. When they constructed their first concert hall, the bank required that the board members should invest themselves in the construction project (the bank did not rely on the club as an owner), but they sold back their shares to the club as soon as possible. In VRG, the whole group is owned by a trust that can never be broken up. Kerstin and John do own the school through their firm - there were no external funding available – but they have always tried to make the firm as transparent as possible, and transparency is also guaranteed by the legislation for this kind of firm. Moreover, they have always welcomed external owners, even at the expense of themselves becoming minority owners (this never happened, though).

The ambitions to protect the organisations from themselves can also be seen in their way of recruiting people. Recruitment is a way of reinforcing the basic values of the organisations in that they seek individuals who share these values but also can work in a collective, creative, independent and explorative way. In that sense, interactive entrepreneurship becomes a basic value in itself, and they always think about how to keep their organisations from getting stuck in repetitive boredom. Louise and Louise always look for these qualities in their headmasters and CEOs, and Kerstin and John have recruited all personnel at their school with this in mind. In Hultsfred, the core actors always try to make all newcomers to take responsibility for their own ideas and projects, throwing them out in the unknown in order to make them think for themselves. The ambition to balance between exploitation and exploration is not an easy one, however, and they constantly seek for better ways to organise developmental activities.

5.6 Instrumental use of front persons.

Who becomes the front person (i.e. ‘the entrepreneur’ or ‘the visionary’) is mostly a result of instrumental reasoning. Kerstin were – and still is – the front person and the founder of Söderbaumksa, giving her name to the school and being its first headmaster and CEO. Her husband John wanted it to be that way, since she was a teacher and had the pedagogic vision of what the school was about. Putte Svensson is CEO of RockCity, which is formally just one of the many companies, but his role is to travel around symbolising the whole RockParty group and the Hultsfred festival. When he became one of the award winners of ‘Entrepreneur of the year’ in Sweden 2003, this was a natural result of these efforts. In VRG, the headmasters of the school are always the ones that represent their organisations outwards. Louise and Louise are often mentioned as founders, but they want to work inside the organisation, not as symbols. The board, comprising several Swedish business life celebrities, is hardly mentioned at all (not
even at the otherwise so informative web-page). In all cases, they adhere to the myth of entrepreneurship through putting forward a single leader, albeit with different arguments.

6. Conclusion

From our interpretation of our respondent’s narratives, entrepreneurial processes are described as temporary processes of intense collaboration between people on new ideas. Entrepreneurial processes imply handling these ideas through discussions, decisions, experimentation and improvisation, often also through the inclusion of new co-actors needed at certain stages of the process. Most interaction and decisions take place instantly and informally, i.e. when they are immediately needed, and most respondents see this as a natural way of working. Nothing happens – cannot happen – unless ideas undergo discussions and modifications. It is also to notice that they view ideas as points of departure for further discussions, not possible to implement in their first versions – not because they are unrealistic, but because they are still not embraced by all relevant actors. Ideas have to be developed in an interactive process where many people are involved and different perspectives can be applied. Some ideas may be dropped and used later when the time and circumstances are right and some ideas just die. Individual roles in the processes may vary from time to time and process to process, but usually they stabilise over time if the composition of the actor network are not radically changed. Each new entrepreneurial process is a way of opening up stabilised actor networks to new roles, new forms of interaction and new interactors. In that sense, entrepreneurial processes are critical incidents in actor network, incidents that make interactors reflect upon their roles and modes of interaction.

In order to be able to initiate new entrepreneurial processes, interactors must agree on the basic values upon which the processes are built. But on the other hand they within every organisation can have different values of what kind of strategic step they should take. In other words we can say that intersubjectivity concerning basic ground as music, voluntary work or profile of schools are recognized but there can be different ways of doing this in practice. This grounded ideological view can also be said to be part of their other life and private life pattern are very important for what kind of opportunities that are recognized and considered. When such an ideological base is in place, the actors may disagree on a lot of practical matters but still be able to construct entrepreneurial processes together. When the ideological intersubjectivity is threatened, on the other hand, it might jeopardise the whole actor network. Intersubjectivity on the ideological level is thus a prerequisite for the initiation of common entrepreneurial processes, but for the ongoing creation of these processes some disagreements and complementary views seem almost necessary. An entrepreneurial process can thus be seen as a process of constructing intersubjectivity on the practical matter at hand, and when intersubjectivity has been achieved in the actor network, the entrepreneurial process is over.

References


