Entrepreneurial Competence Development

Triggers, Processes & Consequences

MAGDALENA MARKOWSKA

This dissertation, comprised of the cover story and the four separate but inter-related articles, focuses on exploring the development of entrepreneurial competence. In particular, building on Albert Bandura’s social cognitive theory (SCT), this study explores the role of deeply held beliefs, goal orientation and social networks (role models) in shaping entrepreneurs’ behavior, specifically their ability to create new means-ends frameworks.

The research included in this dissertation provides insight into the complexity of entrepreneurial competence development by connecting multiple theoretical perspectives, utilizing two different qualitative datasets situated in the context of gourmet restaurateurs and abductively building theory by developing explanations of the phenomenon of interest.

Overall, this dissertation provides an explanation of the mechanisms of entrepreneurial competence development by suggesting that changing action-control beliefs and the formation of entrepreneurial identity are crucial in the development of entrepreneurial competence. In addition, access to role models and learning goal orientation facilitate this process.
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MAGDALENA MARKOWSKA
“We do not receive wisdom; we must discover it for ourselves, after a journey through the wilderness, which no one else can make for us, which no one can spare us. For our wisdom is the point of view from which we come at last to regard the world.”

Marcel Proust

“I have spoken of the excitement of problems, of an obsession with hunches and visions that are indispensable spurs and pointers to discovery. (…) The surmises of a working scientist are born of the imagination seeking discovery. Such effort risks defeat but never seeks it; it is in fact his craving for success that makes the scientist take the risk of failure. There is no other way.”

Michael Polanyi
Acknowledgements

"Let us be grateful to people who make us happy; they are the charming gardeners who make our souls blossom."

Marcel Proust

"Feeling gratitude and not expressing it is like wrapping a present and not giving it."

William Ward

Thesis writing is like apprenticeship. In building up one’s own competence, one gets to follow and learn from those who master the craft, and to interact with them and their disciples. And then, if one lives according to one’s nature, one will never be poor; but if according to others’ opinions, one will never be rich. Thus, I was so happy when one of the first things Professor Johan Wiklund said, when I first met him, was that not only doctoral project needs to be relevant and interesting, but also that there was to be a link between the research topic and the researcher. This has definitely been true for me, but the journey I embarked on would not have been possible without intellectual stimulation, genuine encouragement and the practical support of many people, who I would like to acknowledge here and give my kudos to.

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Jönköping, October 2011

Magdalena Markowska
Abstract

This dissertation, comprised of the cover story and the four separate but interrelated articles, focuses on exploring the development of entrepreneurial competence. Building on the assumption that purposeful engagement in entrepreneurial action potentially leads to the acquisition of specific entrepreneurial competencies, this thesis investigates the mechanisms facilitating and enabling entrepreneurs’ acquisition of entrepreneurial expertise, and the consequences of this process. As such, it unpacks the entrepreneurial learning process. In particular, building on Bandura’s (1986) social cognitive theory (SCT), this study explores the role of deeply held beliefs, goal orientation and social networks (role models) in shaping entrepreneurs’ behavior, specifically their ability to create new means-ends frameworks (cf. Sarasvathy, 2001).

The research included in this dissertation provides insight into the complexity of entrepreneurial competence development by connecting multiple theoretical perspectives, utilizing two different qualitative datasets situated in the context of gourmet restaurateurs and abductively building theory by developing explanations of the phenomenon of interest.

This is one of the first attempts to open the ‘black box’ of entrepreneurial learning by simultaneously incorporating the contextual variables and the cognitive properties and practices of entrepreneurs in exploring their learning process. By combining SCT with entrepreneurship theory, the thesis develops an integrating model of entrepreneurial competence development that explains the relation between the preferred learning mode, action-control beliefs, the perceived role identity and role models. The findings suggest that attainment of entrepreneurial competence, and ultimately expertise, is facilitated by changes in action-control beliefs; and by the development of entrepreneurial identity. The findings also suggest that the role model’s perceived function changes depending on the entrepreneur’s goal orientation. Thus, one of the most important implications of the study is the idea that entrepreneurs need to become agents of their own development.

Overall, this dissertation provides an explanation of the mechanisms of entrepreneurial competence development by suggesting that changing action-control beliefs and the formation of entrepreneurial identity are crucial in the development of entrepreneurial competence. In addition, access to role models and learning goal orientation facilitate this process.
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Part I  Cover story
1. Introduction

This dissertation explores the triggers, processes and consequences of entrepreneurs developing their entrepreneurial competencies. It is comprised of four separate but interrelated research articles and a cover story. This introductory chapter provides the background for the study by identifying literature gaps and posing relevant research questions; it elaborates on the motivation and significance of the study and presents the overall disposition of the thesis.

1.1 Setting the stage

Uncertainty is inherent in any entrepreneurial action (Knight, 1921; McKelvie, Haynie, & Gustavsson, 2009). Pursuits of new economic activity require individuals’ ability to make judgments when the full information on a situation is unknowable (Foss, Foss, & Klein, 2007). This ability is crucial in the achievement of entrepreneurial success. Extant research has established that competent individuals possess skills to deal with such situations (Gustafsson, 2004; Mitchell, 1994; Sarasvathy, 2008). For example, Gustafsson (2004) found that expert entrepreneurs have developed an ability to adapt their decision making style to the task at hand. On the other hand, Sarasvathy and her colleagues proposed that expert entrepreneurs are driven by effectual logic which presupposes that, to the degree they can control the future, they do not need to predict it (Dew, Read, Sarasvathy, & Wiltbank, 2009; Sarasvathy, 2001, 2008). This means that competent entrepreneurs engage in actions which help them to enact environment that they can use to their advantage. Contrary to this logic, novices’ actions have been found to follow rather rigid causal logic, which presumes efforts towards prediction of the future. These findings suggest that there are differences between expert and novice entrepreneurs and that these emerge as a result of prolonged intentional involvement with entrepreneurial action. In other words, it appears that entrepreneurs develop entrepreneurial competence over time.

Extant research has focused on exploring which skills are fundamental for successful entrepreneurial action. For example, Chandler and Jansen (1992) have proposed that the ability to identify and pursue an opportunity constitutes the core of entrepreneurial competence. They argued that this competence is inherent in the role that the entrepreneur plays in society. To this, Erikson (2002) added the managerial ability of acquiring and utilizing resources needed for pursuit of the opportunity, arguing that successful entrepreneurship requires both. Similarly, Johannisson (1993) suggested that entrepreneurial competence should be seen as an organizing competence because it requires entrepreneurs’
ability to work with various constellations of resources and environmental cues, to make sense of them and to be able to create new means-ends frameworks. The subsequent emergence of new economic activity (Davidsson, 2004; Wiklund, Davidsson, Audretsch, & Karlsson, 2011) is often also guided by situational factors such as markets, customers, investors or social relations (Pyysiäinen, Anderson, McElwree, & Vesala, 2006). The resulting situational embeddedness stresses the need to develop an ability to relate to the environment (Johannisson, 1991). Thus, understanding the components of the core entrepreneurial competence necessitates an exploration of the cognition and motivation of enterprising individuals in the context of their everyday practices (Fiske & Taylor, 1984).

While researchers appear to be reaching consensus in terms of the content of entrepreneurial competence, understanding of the process of its acquisition remains in its infancy. Krueger (2007) argues that to understand entrepreneurship, building this understanding of how entrepreneurs become experts is necessary. Recent years have seen an increased interest in exploring entrepreneurial learning. For example, it has been shown that prior knowledge and experience can facilitate the identification of business ideas (Ardichvili, Cardozo, & Ray, 2003; Gaglio & Katz, 2001; Shane, 2000) and that the acquisition and development of specific types of knowledge may be crucial for a purposeful development of new ideas (Choi & Shepherd, 2004; Shane, 2003). However, mere knowledge may be insufficient and the ability to use the newly acquired knowledge becomes crucial (Corbett, 2005, 2007). Corbett (2005) argues that by transforming experience into new knowledge, individuals benefit by gaining the ability to discover new outcomes from their learning. Consequently, it is shown that entrepreneurial competence can be developed (Mitchell & Chesteen, 1995; Read & Sarasvathy, 2005; Sarasvathy, 2008) and with its development, the propensity to identify new opportunities and engage in entrepreneurial action increases.

Arguing that action under conditions of uncertainty is a defining feature of entrepreneurship (cf. McMullen & Shepherd, 2006; Sarasvathy, 2001), I propose that effectively exploring the process of competence development requires the inclusion and consideration both of triggering factors (i.e. intentionality) and expected outcomes (i.e. forethought). The situational interplay among these factors provides a rich contextual background for an entrepreneur’s judgment and subsequent decision making and thus enables an exploration of changes in the entrepreneur’s cognition over time. This provides a model that reflects the complexity of, and interdependency between, the different elements, and encompasses the inherent uncertainty of entrepreneurial action. By taking this approach I illustrate how the triggers and the consequences are related and how they contribute to a more comprehensive theory.
1. Introduction

Maintaining that the literature produced to date on entrepreneurial competence development and entrepreneurial learning remains under-theorized, I use exploratory case studies to generate a new theory. Both the learning process and the contextual factors affecting it remain underspecified in existing literature. In this thesis I propose a model which specifies how four triggering factors affect the development of entrepreneurial competence. Specifically, I suggest how goal orientation, access to role models and deeply held identity beliefs, and beliefs about action-control interact with each other and affect the process. Seeing competence development as a continuous process, I also discuss the consequences of competence attainment; in particular, how their emergence affects future aspirations for more competence in the relevant domain as well as the perception of the self. While the four papers develop theoretical propositions about the specific relationships in focus, the model developed in the cover story offers an illustration of how the different relationships interact. Overall, I develop an integrative model of competence development that provides a contextualized understanding of the entrepreneurial competence development process.

I develop the model by adopting a case study strategy and investigating gourmet restaurateurs and their businesses over time. The context of fine dining chefs/entrepreneurs is ideally suited to reveal both the relevant processes and the changes brought about due to the development of entrepreneurial competence. The gourmet entrepreneurs are not only extremely innovative, but the majority of them also exhibit a very strong professional identity, i.e. that of an individual who constantly pursues new avenues to discover unknown combinations. The fine-dining sector is characterized by high levels of tacit knowledge and close relationships with professional circles. In other words, a fine dining restaurant provides a very rich but distinguishable specific context, allowing ideal observation of the acquisition of entrepreneurial competence.

1.2 Research questions

This dissertation aims at exploring and building theory about the process of entrepreneurial competence development. It does so by investigating the entrepreneurial learning process and the role that deeply held beliefs, e.g. identity and action-control beliefs, goal orientation and role models, play in the process, as well as identifying different consequences of competence attainment.

The interest in understanding how entrepreneurs develop their entrepreneurial competencies and whether their competence subsequently translates into becoming successful is both theoretically and empirically driven. On the one hand, even if an interest in entrepreneurial learning has been growing and has
resulted in a number of studies analyzing this phenomenon (for example the ability to identify and develop opportunities (Busenitz, 1996; Sarasvathy, Simon, & Lave, 1998) or the roles of creativity (Hills, Shrader, & Lumpkin, 1999), motivation (Kuratko, Hornsby, & Nafziger, 1997), financial reward (Shepherd & DeTienne, 2005), cognition (Baron, 2004) and human capital (Davidsson & Honig, 2003)), many aspects of the learning process still remain virgin grounds, e.g. the development process itself; on the other hand, the empirical evidence indicates a number of contradictions, for example that not everyone learns and that past experience per se is not necessarily a good predictor of performance; or that social networks help but not everyone utilizes them. Building on insights from entrepreneurship and learning literature as well as collected field material, this research adopted an abductive logic, moving between the empirics and theory in an attempt to extend existing theory and/or generate new theory with the aim of helping to advance the field of entrepreneurship and in particular our understanding of the role of the entrepreneur in the entrepreneurial process. The purpose – to explore how entrepreneurs develop their entrepreneurial competence over time is derived from assumptions inherent in social cognitive theory (Bandura, 1986) and entrepreneurship literature. Such formulation of the purpose implies that:

- Competence can be acquired (Glaser, 1984; Mitchell, 1994)
- Entrepreneurs have agency over their actions (Bandura, 1986, 2001)
- Entrepreneurs’ cognitive properties are important for understanding their choices (Corbett, 2002, 2005; Gustafsson, 2004)
- Entrepreneurs’ performance takes place in a social space and as such is a social endeavor situated in the particular context of an entrepreneur’s practice (Aldrich & Zimmer, 1986; Cope, 2010; Lave & Wenger, 1991)
- Despite learning being a shared experience, initial focus on individual is necessary to understand how the process occurs (Rae, 2000)

The importance of personal experience to entrepreneurial learning is well established. Research on entrepreneurial learning suggests that the skills and knowledge relevant to successfully managing and operating a business are mainly experiential in nature (Politis, 2005; Starr & Bygrave, 1992) and that in acquiring the knowledge, individuals show a preference towards different learning methods (Corbett, 2005). Entrepreneurs learn how to start businesses and develop new products on the basis of their previous experiences with such work tasks. However, even if previous entrepreneurial experience is typically considered important for entrepreneurial success, it remains unclear what exactly the entrepreneurs learn and what this learning process involves. Thus, it becomes crucial to understand what can be learned and how the knowledge and skills can be acquired. Subsequently, the first research question explores:
1. Introduction

RQ1 – *What and how do entrepreneurs learn in the entrepreneurship process?*

Even if experience is important for increasing chances of survival, extant studies show that experience is a weak predictor of subsequent performance (Chandler & Hanks, 1994). This implies that experience may be a necessary but not a sufficient condition for success. Simultaneously, there is research indicating that there are differences in thinking processes of novices and experts (Dew, et al., 2009; Gustafsson, 2004; Mitchell, 1994; Sarasvathy, 2008). Thus, it appears that the ability to translate experience into usable knowledge is what differentiates these two groups. This also points to the fact that the development of competence is possible as is attainment of domain expertise (Glaser, 1984). Research so far has focused on identifying how novices and experts differ from one another and findings indicate that knowledge structures, the amount of deliberate practice, cognitive abilities and behavioral patterns distinguish these two groups (Corbett, 2007; Ericsson, Krampe, & Tesch-Römer, 1993b; Mitchell & Chesteen, 1995; Mitchell, Mitchell, & Mitchell, 2009). These studies reflect a rather static approach to expertise attainment; what remains unexplored is the process and the mechanisms behind the transition from a novice into an expert entrepreneur. Thus, the second research question focuses on the processes and changes that allow entrepreneurs to reach the highest level of competence – expertise, and how acquisition of new knowledge and skills and its transformation into usable knowledge can be facilitated. The emphasis is on entrepreneurs’ volition & agency.

RQ2 - *How do entrepreneurs develop their entrepreneurial expertise?*

As argued above, motivation and intentions influence willingness to act (for example, Wiklund & Shepherd, 2003a show that intentions to grow influence achieved growth). Rauch and Frese (2000) argue that being successful requires action but that action is influenced by the individual’s choice of goals and strategies. Literature distinguishes two classes of competence goals: (a) learning goals, in which individuals seek to increase their competence, to understand or to master something new, and (b) performance goals, in which individuals seek to gain favorable judgments of their competence (Dweck & Elliott, 1983). The different approach to setting goals is likely to result in different cognitive frames, different practices used in achieving these goals, and varying outcomes (Locke, Latham, & Erez, 1988). Thus, the influence of goal orientation on competence development becomes an interesting and valid question, and one which has not yet been explored in an entrepreneurship context. The third research question focuses on this relationship.

RQ3 - *How does goal orientation affect the acquisition of entrepreneurial competence?*
Individual willingness to engage in action is often facilitated by others. In particular, it has been shown that role models exhibit a strong influence on the amount of an individual’s volition and effort which is put into the completion of task (Lockwood, Jordan, & Kunda, 2002; Scherer, Adams, & Wiebe, 1989). For example, Davidsson and Honig (2003) found that mere proximal closeness and identification with groups or enterprising individuals increases the likelihood of becoming entrepreneur. Ravasi and Turati (2005) found that entrepreneurs often approach their social networks in search of missing competencies or use them as sounding boards. Similarly, expertise literature suggests that access to and interaction with role models has a positive influence on the development of expertise (Mitchell & Chesteen, 1995). Acknowledging the importance of goal orientation on subsequent action (expertise development), the next research question sets out to explore how role models influence this relationship.

RQ4 – How do role models / social networks facilitate the learning process?

Finally, this embeddedness in social structures shapes individuals’ perceptions of who they are (Burke, 1991b; Stryker, 1980). Being members of different groups is likely to result in entrepreneurs developing different identities (Pratt & Foreman, 2000; Tajfel & Turner, 1985). These identities are manifested in terms of differing goals, values, norms, and beliefs guiding entrepreneurs’ behavior (Sarasvathy, 2001). As a given role identity becomes salient to the individual, the behavioral expectations ascribed to that social role become more tangible and likely to cause role identity conflict (for example, conflicts between work and family roles (Shepherd & Haynie, 2009; Watson, 2009)). This cognitive conflict is likely to impact entrepreneurs’ intentions, actions and subsequently their entrepreneurial outcomes. Therefore, exploration of how entrepreneurs experience, and how they deal with, multiple identities becomes crucial for understanding their learning motivations and their choices.

RQ5 - How do entrepreneurs experience and resolve conflicts between multiple role identities?

The assumption is made that if entrepreneurs’ actions reflect their identity, then the conflict between multiple role identities is likely to impact upon the outcomes of their entrepreneurial actions. Research suggests that there are different ways to solve these conflicts, for example by temporal or spatial compartmentalization or discarding one of the identities (cf. Pratt & Foreman, 2000). However, in the entrepreneurship context, such dismissal of one of the identities (whether business owner or professional) is likely to influence the actions undertaken by entrepreneurs and their outcomes. It thus becomes crucially important to understand the consequences of methods used to resolve such multiple identity conflicts on entrepreneurial outcomes.
1. Introduction

RQ6 - How do the methods entrepreneurs employ to resolve conflicts between their multiple role identities affect entrepreneurial outcomes?

The relationship between the purpose of the study and the specific research questions is illustrated in Figure 1. While research questions 1 and 2 focus on the process of learning and acquisition of competencies, the remaining research questions attempt to explore the role of different factors in this process and how they affect the outcomes of entrepreneurial activity. All in all, these questions attempt to unveil the complexity and interdependencies of the relationships between the different aspects of the development process. Figure 1 also shows which of the four papers cover which of the different aspects of this complex and important process.

![Figure 1 - Relationships between the purpose of the study and the papers' research questions](image-url)
1.3 Significance of the study

Entrepreneurship theory remains fragmented and little research has synthesized key ideas in the field. The research described in this thesis is an attempt at creating links between constructs that explain how entrepreneurs develop their entrepreneurial competences within a particular context. Entrepreneurial competence as described by Erikson (2002) comprises the ability to identify and act on opportunities as well as the ability to acquire and utilize resources needed for transforming the ideas into fruition. In that sense, by elaborating on how entrepreneurs learn to create and appropriate new value in the face of uncertainty, this thesis contributes to explaining the core phenomenon of entrepreneurship research – the emergence of new economic activity (Wiklund, et al., 2011).

Specifically, by drawing on both the entrepreneurship field and social cognitive theory as well as exploratory case studies, I develop a dynamic model that specifies how deeply held beliefs, role models, goal orientation and the ability to successfully resolve identity conflicts influences the acquisition of entrepreneurial competence and subsequently entrepreneurial outcomes. Thus, the practical relevance of this research is high. Not only does the model suggest that the crucial element of competence development lies in the adaptation of action control beliefs to reflect a new worldview; it also makes recommendations with regard to which aspects should get most attention when educating prospective entrepreneurs. In particular, these include the ability to set goals flexibly i.e. performance goals when the task is known and the results are important (e.g. paying invoices on time), and learning goals, when the outcomes are not known and new strategies need to be generated (e.g. creating new revenue streams). Additionally, the importance of creating/achieving entrepreneurial identity is stressed.

Finally, research has traditionally taken a rather static view of the learning process, even though the process-based nature has been advocated (Corbett, 2007; Politis, 2005; Ravasi & Turati, 2005). This thesis adopts a dynamic view of the development process, and entrepreneurs and their development process are followed over time and in their natural settings. This has allowed interesting patterns to emerge, for example the resolution of tension between diverging behavioral expectations from professional and local identities seems to influence how entrepreneurial individuals will act or how changing perception of self-efficacy determines their preferred learning modes.

The implications of the thesis are important for four main groups:

- Researchers – Refining extant theory and building new theory allows advancement of current understandings and opens new possibilities for
future research. In particular, this thesis suggests that a more contextualized view on processes affecting entrepreneurs’ cognition is necessary. For example, such a micro-view on shaping entrepreneurs’ judgments and actions allows a differentiation between the divergent expectations from professional and spatial networks and an illumination of the importance of perceived role identity on subsequent actions. Thus, one of the implications of this research should be the inclusion of more situational variables in future research.

**Practitioners** – Firstly, learning is important for entrepreneurs. Enhancing understanding of the learning process and the dynamics of interactions between different actors will help entrepreneurs make their learning more efficient by focusing on the relevant processes. Secondly, the failure rate of new small businesses, especially restaurants, is high. Identifying critical factors contributing to better learning and better performance may reduce failures. Additionally, the findings from this study emphasizes that entrepreneurs need to take ownership of their actions and their learning to increase their competence. In particular, a very simple but extremely valuable finding is the necessity to learn about both the concept and the operations of the business.

**Educators** – Identifying variables that influence the ability and the degree of learning will hopefully help educators design educational measures which are useful in acquiring entrepreneurial competences and preferable habits, i.e. setting goals as learning goals and becoming part of networks. Making the education of students or aspiring entrepreneurs theoretically sound and empirically grounded would substantially decrease the trial-and-error process of acquiring entrepreneurial experience and instead facilitate the deliberate practicing of learnable competences. For example, entrepreneurs driven by a willingness to get things done often do not have sufficient time or do not see value of reflection and disciplined learning; the evidence from this thesis suggests that educational programs should incorporate these elements, i.e. the ability to set goals appropriate for tasks at hand or to reflect on the meaning of the role taken in the society. Consequently, the preparedness of potential aspiring entrepreneurs for real life challenges may increase and may also hopefully result in an increase in business survival rates.

**Policy makers** – Understanding of how the development process proceeds in disadvantageous environments and how entrepreneurial behavior might be enhanced is of interest for many policy makers and local governments (Downing, 1991). The entrepreneurial process often
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provides more efficient, creative and adaptive management of resources and is seen therefore as an engine of local development. Therefore understanding of how entrepreneurs develop their own entrepreneurial competence and learn to identify opportunities is essential, especially when faced with governments’ efforts to revitalize rural areas.

1.4 Outline of the dissertation

The remainder of the thesis is structured as follows. In Chapter 2 I discuss the theoretical underpinnings for the research performed. Building upon the assumption that entrepreneurial action is goal-directed and intentional, the chapter sets out a discussion of cognitive and social triggers influencing and shaping the development of entrepreneurial volition, then moves to the core function of entrepreneurial action – judgment and decision making under conditions of uncertainty before concluding by elaborating on likely entrepreneurial outcomes for the entrepreneur. Chapter 3 provides a description of the empirical context of the research. It begins with an explanation of the motivation for the choice of the context and describes two major dimensions of the context - business and spatial. Chapter 4 presents the logic for the research’s design, data collection and data analysis. Chapter 5 summarizes the four appended papers. In Chapter 6 I discuss how the four papers relate to each other and how, when taken together, they enable the creation of an integrative model of entrepreneurial competence development. This chapter specifies the theoretical and practical contributions claimed, discusses limitations and offers ideas for future research. Finally, Chapter 7 offers concluding remarks which are followed by the four appended papers.
2. Theoretical Framework

This theoretical framework builds upon the assumption of intentionality and goal-directedness of behavior\(^1\) and adopts such a process view when presenting extant literature on entrepreneurial competence development. The chapter begins with a review of current conceptualizations and characteristics of entrepreneurial competence (section 2.1), it is then organized around three main blocks: triggers (or hampers) of entrepreneurial competence (section 2.2), the process of competence development (section 2.3), and consequences of entrepreneurial competence development (section 2.4).

2.1 Entrepreneurial Competence Development

The importance of entrepreneurial competence development to entrepreneurial action is well established. Research suggests that competence reflects the ability to effectively interact with the environment (Johannisson, 1991; Skinner, 1995). This effectance presupposes the ability to produce desired, and avoid undesired, events and thus emphasizes the importance of human agency. Entrepreneurs’ agency embodies the endowments, belief systems, self–regulatory capabilities and functions through which personal influence is exercised (Bandura, 1986); it also allows formulation and realization of intended actions (Emirbayer & Mische, 1998). Entrepreneurs’ goals, strategies and visions are reflected in their pursuits (Mintzberg, 1988). To become and remain entrepreneurial requires an ability to sense and adapt to uncertainty; this ability is of critical importance for entrepreneurship, as it allows entrepreneurs to become dynamic, flexible and self-regulating (Haynie & Shepherd, 2009).

Competence encompasses knowledge, skills and abilities\(^2\)(Argyris, 1993). In an entrepreneurship context, the knowledge, skills and abilities relate to building the capacity to successfully create new means-ends frameworks (Sarasvathy, 2001). More specifically, gaining entrepreneurial competence requires entrepreneurs to attain the ability to identify and pursue new and unique opportunities and the ability to acquire and utilize the resources needed to be able to do so successfully (Chandler & Hanks, 1994; Erikson, 2002;

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\(^1\) One of the basic assumptions of Social Cognitive Theory (Bandura, 1986), which was initially labeled as Social Learning Theory

\(^2\) Knowledge is defined as understandings acquired through education and experience; skills are defined as experientially acquired procedural knowledge, and ability is the aptitude to use knowledge and skills
Johannisson (1993) (see Table 1 for current conceptualizations of entrepreneurial competence). Johannisson (1991, 1993) recognizes that entrepreneurial competence, except for knowledge (know what) and skills (know how), also requires the development of appropriate attitudes and motives (know why), social skills (know who) and insights (know when). He argues that the know-when competence in particular gains value in dynamic environments. The temporal focus is also strongly emphasized by Bird (1995) who argues that the temporal tension (outward look toward future), strategic focus (goal orientation) and intentional posture (congruence of values and beliefs) are important for achieving entrepreneurial success. They help to define the behavioral strategy, influence the perception of competence and act as guiding principles in decision making. Subsequently, entrepreneurs make decisions about their involvement in entrepreneurial action based on judgments of their competencies. Thus, it can be argued that competence becomes crucial in acquiring better performance and/or success (Bird, 1995; Chandler & Hanks, 1994).

Competence can be acquired and developed (Baron & Ensley, 2006; Bird, 1995; DeTienne & Chandler, 2004). Baron and Ensley (2006) found that experienced entrepreneurs were able to recognize more seemingly unrelated patterns than novices and that these were more closely related to the actual business operations. This suggests that, with experience, entrepreneurs develop skills in pattern recognition and are learning to be clearer and more specific. Feedback enhances this process (Bird, 1995), but as proposed by DeTienne and Chandler (2004), the initial predisposition to innovativeness does not alter the ability to learn. The socialization process plays an important role both in developing perceptions of ability and in obtaining actual knowledge (Aldrich & Martinez, 2007). Aldrich and Martinez distinguish three common sources of entrepreneurial knowledge: previous work experience, advice from experts, and imitation and copying. Environmental observations shape an individual's attitudes and beliefs and thus indirectly influence their perceptions of desirability and the feasibility of their intended actions. Also, prior encounters with role models predisposes individuals to consider entrepreneurial action and affects their willingness to develop required skills (Duncan, 1965). The social sources of knowledge and skills become increasingly important when acquirable knowledge is tacit. Its acquisition is often difficult (Sternberg, 1994), but the tacit knowledge is important to the development of competence (Horvath, 1999). In other words, the development of entrepreneurial competence is crucial for entrepreneurial success, but the acquisition of knowledge alone is insufficient and has to be followed by the ability to use it and the belief that one has access to it.
2. Theoretical Framework

Table 1 – Conceptualizations of entrepreneurial competence

<table>
<thead>
<tr>
<th>Authors</th>
<th>Conceptualization of entrepreneurial competence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Johannisson (1993)</td>
<td>Ability to envisage new realities and making them come true – know why (attitudes, values, motives), know how (skills), know who (social skills), know when (insights) &amp; know what (knowledge)</td>
</tr>
<tr>
<td>Chandler &amp; Hanks (1994)</td>
<td>Ability to recognize and envision taking advantage of opportunity and ability to see the venture through to fruition</td>
</tr>
<tr>
<td>Bird (1995)</td>
<td>Ability to sustain temporal tension, strategic focus and intentional posture combined with entrepreneurial bonding, ability to create and restructure relationships</td>
</tr>
<tr>
<td>Erikson (2002)</td>
<td>Ability to recognize and envision taking advantage of opportunity combined with the ability to acquire and utilize resources</td>
</tr>
<tr>
<td>Man (2002)</td>
<td>Opportunity recognition &amp; market development, relationship, conceptual, organizing, strategic &amp; commitment competencies</td>
</tr>
<tr>
<td>Lans, Biemans, Mulder &amp; Verstegen (2010)</td>
<td>New pathways for achieving innovation-related business targets &amp; ability to identify and pursue opportunities</td>
</tr>
<tr>
<td>Rasmussen, Mosey, Wright (forthcoming)</td>
<td>Opportunity refinement, leveraging competence and championing competence</td>
</tr>
</tbody>
</table>

The ability to learn and develop competence has been suggested to have a crucial influence on entrepreneurial success. Even though the words ‘learning’ and ‘development’ are often used interchangeably, they should be considered two separate processes (cf. Kolb & Fry, 1975). It has been argued that learning is the result of interaction with an environment and can be seen as a skill, while development reflects the stage that the individual has reached in his or her ability to learn. This distinction stresses the processual nature of learning and the importance of situational factors in enabling learning to happen. For example, Carol Dweck (Dweck, 1986, 1999; Dweck & Elliott, 1983; Dweck & Leggett, 1988) emphasizes that adopting a view of ability and intelligence as an entity and not something that can be developed is likely to make it difficult for an individual to learn, even if he or she would be interacting with their environment. Similarly, extant research on identity suggests that individuals are able to make sense and adopt certain behaviors only if they identify with and give value to the new behaviors (Sluss & Ashforth, 2007). Subsequently, learning can be seen as more operational process (at a lower level) of making sense from cues and interaction with external world, while development is more a strategic process (at a higher level) that engages in developing a mindset which would enable the learning and adoption of new insights. Competencies
are sometimes developed intentionally, but more often the development is linked to the performance of tasks and activities on the job (Eraut, 1994).

Table 2 – Three perspectives on entrepreneurial competence

<table>
<thead>
<tr>
<th>Authors</th>
<th>Triggers</th>
<th>Process</th>
<th>Consequences</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chandler &amp; Jansen</td>
<td>▪ roles</td>
<td>n/a</td>
<td>▪ Venture success (growth &amp; profitability)</td>
</tr>
<tr>
<td>(1992)</td>
<td>▪ self-efficacy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chandler &amp; Hanks</td>
<td>▪ roles</td>
<td>n/a</td>
<td>▪ Venture performance</td>
</tr>
<tr>
<td>(1994)</td>
<td>▪ self-efficacy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bird (1995)</td>
<td>▪ Motive/trait</td>
<td></td>
<td>▪ Venture success</td>
</tr>
<tr>
<td></td>
<td>▪ Self-concept</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>▪ Social role</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>▪ Skills</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Schmitt-Rodermund</td>
<td>▪ Contextual input (including role models)</td>
<td>n/a</td>
<td>▪ Entrepreneurial success</td>
</tr>
<tr>
<td>(2004)</td>
<td>▪ Beliefs (self-concepts, self-efficacy)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>▪ Achievement orientation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Man (2005)</td>
<td>▪ Self-image/social role</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>▪ Motive</td>
<td></td>
<td>n/a</td>
</tr>
<tr>
<td></td>
<td>▪ Trait</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Man (2006)</td>
<td>n/a</td>
<td></td>
<td>▪ Entrepreneurial Learning</td>
</tr>
<tr>
<td></td>
<td>▪ Entrepreneurial Learning</td>
<td></td>
<td>▪ Entrepreneurial success</td>
</tr>
</tbody>
</table>

Increased levels of competence do not automatically result in expertise. Bird (1995) makes an important distinction between competence as contributing to excellence in performance and competence as a minimum standard; a baseline. She argues that “the competencies necessary to launch a venture or implement a business idea may be conceived as “baseline” and highly effective entrepreneurs are those that go beyond launch into organizational survival and growth” (p.52). In this process, the goals play an important role. Entrepreneurs, especially those in the early stages of the entrepreneurial process, are likely to set their goals at a level that allows them to deal with everyday pressures – maintaining a positive cash-flow. However, setting this kind of goal – outcome goals does not lead to learning.
2. Theoretical Framework

Competence development can be studied from the input side (triggers to competence), process (task or behavior leading to competence), or consequences (outcomes of achieving standards of competence). Extant research in entrepreneurial competence development has been occupied predominantly with conceptualizations of entrepreneurial competence (see Table 1), but there is also emerging research looking at triggers of competence development, specifically the process and the consequences of it (see Table 2). The remainder of this chapter is organized around each of the three aspects. In more detail, section 2.2 discusses factors that have the potential either to foster or to hamper competence development. These have been identified as the beliefs (both identity and action control beliefs), goals, and contextual embeddedness; then, the theoretical underpinnings of the process of competence acquisition are highlighted in section 2.3 and finally, section 2.4 elaborates on the consequences of entrepreneurial competence development – the emergence of entrepreneurial expertise and entrepreneurial identity. Figure 2 illustrates how the concepts presented in this chapter fit into one of the three blocks. Research on the process of competence development has only begun to emerge with the research of Man and his colleagues (2002).

2.2 Triggers

This section presents the factors that can foster and/or impede the process of competence development. These constructs are: beliefs, goals and contextual embeddedness, and can be considered the socio-cognitive factors affecting motivation for learning and competence attainment. This section focuses on what affects the development process and does not elaborate on antecedents of entrepreneurial competence as such (e.g. prior knowledge & experience).
The perception of entrepreneurial competence and the willingness to grow this competence are shaped by beliefs, goal orientation and contextual embeddedness. Social cognitive theory (Bandura, 1986) posits that individuals’ behavior is being shaped in a triadic reciprocal interaction between individuals’ cognitive characteristics, including their beliefs and intentions, the cues from the environment, and their behavior. To guide their behavior, entrepreneurs engage in developing belief systems which they use as a working model of the world (Dimov, 2007). These belief systems signal the attractiveness or otherwise of various actions and influence the formation of intentions (Ajzen, 1991; Bird, 1988). The perceived attractiveness of different behaviors is also affected by values and norms present in individual’s context. It has been shown that embeddedness in local structures and interactions with important others affect individuals' intentions and behavior by promoting and encouraging behaviors consistent with prevalent values and norms (e.g. Davidsson & Honig, 2003; Davidsson & Wiklund, 1997). Another factor influencing the development is goal orientation. Dweck and colleagues (Dweck & Elliott, 1983; Dweck & Leggett, 1988) also found that goal orientation shapes behavior. In a series of experiments, they have been able to show the differences in behavior stemming either from following learning, or performance goals. Subsequently, the deeply held beliefs, goals and contextual embeddedness are important for understanding the motives of engaging in entrepreneurial action and competence development activities, and they will be discussed below in more detail.

2.2.1. Beliefs

Beliefs are the deeply held, strong assumptions underpinning an individual’s decision making that help individuals to organize their perceptions of how the world works and give meaning to their experiences (Dweck, 1999; Krueger, 2007). Individuals develop beliefs into meaning systems which help them to guide their thinking, feeling and acting. Beliefs gain additional importance in context of entrepreneurship because of the inherent uncertainty in entrepreneurial endeavors. Entrepreneurs, not knowing with certainty about the value and meaning of different resources at hand (i.e. knowledge, contacts), imagined outcomes or even their own capability to reach goals, need to rely on their beliefs and outcome expectancies (Bandura, 1982, 1997). In particular, two types of beliefs appear to be crucially important in this setting: the role identity beliefs and the action control beliefs (Krueger, 2007; Krueger & Dickson, 1994; Skinner, 1995; Skinner, Chapman, & Baltes, 1988). For example, Krueger (2007) argues that role identity beliefs have a pivotal role in understanding entrepreneurs’ actions. Entrepreneurs make decisions based on the behavioral expectations prevalent in their role identity. Thus, an understanding of how they perceive themselves and their own role is required to understand their behavior. Closely related to the perception of self are the
2. Theoretical Framework

more generalized beliefs about action control (Skinner, 1995). These beliefs specify the assumptions about possible means-ends frameworks (strategy beliefs), perceived access to necessary resources (capacity beliefs) and the prospects of achieving the desired states (control beliefs).

Understanding how individuals develop their beliefs is important because such beliefs play a fundamental role in what individuals perceive as important and relevant, how they react to different stimuli and whether the new knowledge will be available to them (Feltovich, Prietula, & Ericsson, 2006; Krueger, 2007). Beliefs form a basis for the emergence of specific goal orientations (Dweck & Elliott, 1983). Adoption of one of the goal orientations has substantial influence on the overall functioning of the individual in the social structure, for example a willingness to comply with existing rules or a willingness to learn and experiment. Subsequently, what is important to remember is that the beliefs are partially formed through personal experience and observation of others but also partially influenced by the rules and expectations present in different structures in which individual is embedded (i.e. Davidsson & Honig, 2003; Davidsson & Wiklund, 1997).

Beliefs about self

Identity is composed of self-views that emerge from identification with and membership in particular roles and from comparison with others in the social structure. The identities are manifested in an individual’s goal-directed practices; they result from agency and embeddedness in social structures. Being embedded in different groups and playing different roles results in individuals developing multiple identities (James, 1890; Mead, 1934). Furthermore, the interrelatedness of the different spheres means that the personal identity, role identity and the social identity are intimately and inevitably linked (Watson, 2009).

An identity is defined as “an internalized set of meanings attached to a role played in a network of social relationships” (Stryker, Owens, & White, 2000:6). Role identity can be described by the goals, values, beliefs, norms, interaction styles, and time horizons typically associated with the role (Ashforth, 2001). Exhibiting a particular role identity means acting to fulfill the expectations of the role partners, and manipulating the environment to control the resources for which the role has responsibility (Baker & Faulkner, 1991). Furthermore, the performance of a role revolves around control of resources (Burke, 1997). In this view, an identity is a cognitive belief created by internalization of the role into the self-concept (Stryker & Burke, 2000) and answering the question “Who am I?” (Stryker & Serpe, 1982). The roles are the ‘positions’, which are the relatively stable components of social structure that carry the shared behavioral expectations (Stryker, 1980:54), but whose meaning is negotiated between the role taker and the surrounding society. Thus, beliefs about self
emerge through interaction in the role-making and role-taking process that involves negotiating, modifying, developing and shaping role expectations. In this way, each person’s beliefs about self are uniquely shaped by both the person’s experiences and their interactions with others.

Consequently, individuals’ beliefs about who they are depend on their perceptions of their own role in the society and on their degree of identification with the different groups. Moreover, membership or embeddedness in different contexts is likely to result in facilitating the adoption of certain beliefs about self.

**Beliefs about action control**

Perceived control reflects the generalized expectancy for internal control of reinforcements (Lefcourt, 1982) enabling agency and stimulating action (Bandura, 1982). This presupposes that, independent of the nature of experience, if experience is not perceived as the result of one’s own actions, it becomes ineffective in altering the ways in which one sees the world and consequently the way one functions. Perceived control thus motivates individuals to engage in intentional action (Bandura, 1986). Bandura argues that agency, with its power to originate an action for given purposes, is the fundamental element of a personal control.

Extending the view that self-efficacy is the most important belief, Skinner, Chapman & Baltes (1988) proposed that intentional goal-directed behavior was a function of three interrelated action-control beliefs: means-ends beliefs, control beliefs and agency beliefs. These beliefs are built upon perceptions of relationships between agent, means and ends; and while the means-ends beliefs presuppose that particular causes produce outcomes, the control beliefs (agent–ends relationship) are expectations about one’s desiring of reaching the ends; and the agency beliefs (agent–means relationship) are beliefs that one has access to the means needed to produce imagined outcomes. This framework seems extremely suitable in understanding entrepreneurial action, as inherent in it is the perception of new means-ends frameworks, capacity, and willingness to bring business ideas to fruition. Furthermore, as emphasized by Skinner and her colleagues (Chapman & Skinner, 1985; Skinner, 1995), action control beliefs are organized around interpretations of prior interactions; they are flexible and likely to change over time. Adopting this framework is thus helpful in explaining why expert entrepreneurs are more likely than novices to be successful in their pursuits of entrepreneurial action (Krueger, 2007, 2009).

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3 Means-ends beliefs have also been labeled strategy beliefs
4 Control beliefs have also been labeled agent-ends beliefs, to describe the relation between agent and intended ends
5 Agency beliefs have been labeled capacity beliefs or agent-means beliefs, to describe the relation between the agent and the perceived access to means.
More specifically, means-ends beliefs can be seen as strategy beliefs reflecting the ability of individual to see linkages in how different means can be transformed into imagined ends. The wider the means-ends beliefs, the more possible strategies become available to the entrepreneur, subsequently extending the portfolio of possible imagined new means-ends frameworks. It has been shown that often, even if novices possess knowledge, they may not be aware of it or do not see how it can be applied, thus parallel developing of means-ends beliefs and capacity beliefs seems important (Feltovich, et al., 2006). The means-ends beliefs are crucial for generating ideas about future means-ends frameworks and the capacity beliefs for realizing access to required means that enables achieving the desired ends. This observation is in line with arguments developed by Sarasvathy, Dew, Velamuri & Venkatraman (2003) who argue that to be able to speak about opportunities, entrepreneurs not only need to have new ideas, but they also need to believe that they would be able turn these ideas into the imagined means-end frameworks and appropriate their value in the market. Finally, control beliefs reflect the belief that an individual is able to attain anticipated results, thus they implicitly emphasize the degree of agency and the subsequent willingness to act. Growing the beliefs about action-control is likely to influence the level of effort and persistence that individuals are likely to exert in face of adversity (Dweck, 1986).

Summing up, while beliefs about self are likely to influence the type of actions and the practices individuals perform, the action control beliefs are likely to affect the perception of capacity, preferred strategies and willingness to engage in entrepreneurial action. Thus, they are important for explaining the phenomenon of entrepreneurial competence development.

2.2.2. Goals

Goals are an inherent aspect of intentional goal-directed behavior. The extant literature on goals affirms that they can be used by individuals as a self-management technique to arrive at aspired outcomes (Bandura, 1977; Latham & Locke, 1991). Goals reflect the achievement motivation of entrepreneurs (Skinner, 1995) and are set based on utility judgments (Latham & Locke, 1991). Two general orientations have been distinguished: learning and performance orientation (Nicholls & Dweck (1979) cited in Elliott & Dweck, 1988). These differing goal orientations reflect two basic needs: the need to validate/protect one’s intelligence, and the need to challenge oneself and learn something new (Dweck, 1986). While the learning orientation assumes that ability and thus competence are flexible, the performance orientation treats intelligence as an entity and is more focused on protecting existing beliefs about level of intelligence than on developing them further. In general both orientations are present in life and both are valuable.
Research into the different characteristics and role of goals found that goal specificity and goal complexity are related to subsequent performance. The complexity refers to component, coordination and dynamic issues, while specificity to level of goal abstractness is also relevant (Wood, 1986). For example, while difficult specific goals are more effective in less complex situations than unspecific goals (Latham & Locke, 1991); the relationship changes when the task at hand becomes highly complex for the person performing it. In such situation, setting more abstract learning goals leads to higher performance than setting very specific difficult goals (Kanfer & Ackerman, 1989). Learning goals are more effective in achieving task-mastery (Noel & Latham, 2006), while performance goals which require attainment of a specific level of performance on the task itself are effective in stirring motivation but not necessarily in strategy generation (Earley & Erez, 1991). Thus, learning goals are better when the task at hand is more complex, as is usually the case in entrepreneurship or when the outcomes are unknowable (Noel & Latham, 2006; Seijts & Latham, 2001).

Setting specific difficult learning goals focuses attention on the development of specific ways to perform well, rather than on a specific level of performance to be attained. For example, Seijts and Latham (2001) reported that learning goals helped to generate strategies that had positive effect on performance. Latham, Winters and Locke (1994) found group discussion of strategies resulted in a large pool of effective strategies. Hence, it has been shown that learning orientation allows individuals to treat failures as challenges and learn from them, while performance orientation is beneficial in situations when results are expected. Individuals with learning orientation search for challenges and learning opportunities and are not afraid of experimenting and trying new things, because their focus is on attaining more competence and more skills (Dweck & Elliott, 1983; Dweck & Leggett, 1988; Wood & Bandura, 1989). On the other hand, individuals who set performance goals are more inclined to refrain from trying new, often challenging tasks, because they want to remain within their perception of intelligence. They see new challenges as threatening their identity and their perception of their capability (Dweck & Elliott, 1983; Wood & Bandura, 1989). Thus, to see entrepreneurs grow and develop their entrepreneurial competencies requires that they have a learning approach that sees failures and obstacles as challenges and opportunities for learning. Individuals with a preference for performance goals are likely to avoid engagement in novel activities, because such engagement could mean that they would not be able to verify their ability, putting their self-worth at risk.

In summary, learning goal orientation is suitable when effective strategies need to be generated, while performance goal orientation leads to the achievement of high results in relatively known and moderately difficult tasks.
2. Theoretical Framework

2.2.3. Contextual embeddedness

Individuals do not exist in a vacuum; the relationships they form with others constitute the environment in which they live their lives (Gersick, Bartunek, & Dutton, 2000). Social interaction plays a crucial role in economic activities (Hess, 2004). For example, Johannisson et al. (1994) emphasizes the socializing role of personal networks – translating and explaining the values and action rationale embedded in a given context. Social embeddedness also impacts on the entrepreneur’s cognition through the social context in which the entrepreneur is located and the social interactions in which they are involved (Panzarasa & Jennings, 2002). Individuals’ beliefs, ideas and ways of thinking are influenced by those around them, through various forms of persuasive communication (Ajzen, 1991; Bandura, 1977). The individual is also affected by other situational variables (Gartner, 1985).

The contextual embeddedness is complex and multidimensional; it highlights the often diverging expectations and values embedded in the various contexts and the necessity to follow the different rules of the game. Welter (2011) posits that the four most common dimensions of context are social, business, spatial and institutional embeddedness. And while they are distinct, they may overlap and their character may change over time. This is especially true for the social dimension that is often closely related to the business and/or spatial context, and transitions in both directions are common (Hite, 2005). The interdependence of these contexts can be observed when the moulding of the different contextual dimensions results in changed behavioral expectations vis-à-vis entrepreneurs, for example when a professional tie becomes a social tie too. Jack and Anderson (2002) postulate that entrepreneurial embedding creates a link between the economic and the social spheres. This embeddedness creates opportunities for entrepreneurs but it also may act as constraint.

The social relationships enable an entrepreneur not only to access information and knowledge (Burt, 1992; Coleman, 1990; Shane, 2003) and to indirectly facilitate value creation (Nahapiet & Ghoshal, 1998; Tsai & Ghoshal, 1998) but can also act as a source of expertise as well as a sounding board and moral support (Bruderl & Preisendorfer, 1998; Taylor & Thorpe, 2004). Contextual embeddedness can be referred as exchange logic that is shaped by an individual’s expectations and opportunities in ways that differ from the economic logic of market behavior (Harrison, 1992). These relationships and the emerging trust among them enhances an entrepreneur’s identity and self-efficacy and can help to craft and control both the venture and the environment through relentless and frequent interactions (cf. e.g. Sarasvathy, 2001).
Entrepreneurs’ exposure to different behavioral norms and rules make their learning social (Edmondson, 1999; Powell, 1998). Entrepreneurs are likely to learn more from individuals they value and have respect for. Thus, role models play a pivotal role in entrepreneurs’ learning and motivation. The identification with, respect for, and modeling of role models strengthens the willingness to exhibit similar characteristics and engage in similar activities. Role modeling occurs when social behavior is informally observed and then adopted by a learner who has learned by example rather than by direct experience (Bandura, 1977). Access to, and interaction with, role models positively affects goal commitment (Earley & Kanfer, 1985). Hence, role models are important for developing an entrepreneur’s motivation for competence development.

Summing up, the three triggers: beliefs, goals and contextual embeddedness, are likely to influence the mindset of the entrepreneur and, indirectly, the degree to which the individual will engage in developmental activities.

2.3 Process

This section elaborates on the process of entrepreneurial competence development. In essence, extant literature talks about entrepreneurial learning as the main vehicle for competence development.

The process of competence development is defined as a change in what an entrepreneur is capable of doing, and it refers to a change in the pattern of action coming from the use of available means. The perceived change can be a result either of changed judgment about the means at hand or changed use of the means. Such definition presupposes a change in the means (identity, knowledge and skills and social networks) available to the entrepreneur; as argued in section 2.2.1 (about action-control beliefs), the perception of change in available resources does not necessarily need to reflect a physical change (or acquisition of new ones) but can be a reflection of transformed knowledge structures or amended beliefs about access to the means currently possessed. For example, Baron (2006) argues that the way in which individuals think and how they connect dots changes with their growing expertise. Krueger (2007), on the other hand, explains changing patterns of thinking with growing embeddedness in a social context. As a result, more experienced entrepreneurs tend to use more mental shortcuts than inexperienced entrepreneurs when making judgments. For example, Corbett (2007) showed that it is not just knowledge asymmetries which are important for learning but also learning asymmetries. This refers to differences in the ways in which individuals acquire and transform experiences into new knowledge. He argues that the different modes of knowledge acquisition can produce different outcomes as they build upon different experiences. Thus, competence development reflects an ability
to acquire and use new means (i.e. knowledge). The ability to acquire new knowledge is referred to as learning (Corbett, 2007; Politis, 2005). Subsequently, learning is seen as a skill that underlies capability development. Thus, understanding how entrepreneurial competence develops requires an understanding of entrepreneurial learning.

### 2.3.1 The nature of entrepreneurial learning

Learning behaviors are conceived as a key element in the development of valuable knowledge. Extant research has distinguished between double-loop learning and single-loop learning (Argyris & Schon, 1978). While single-loop learning is learning directed at solving an identified problem, double-loop learning is a higher order learning that reflects the search for more optimal solutions, which may result in finding and adopting a better strategy. Further, learning can be described as reflective or unreflective. Reflective learning entails an “active, persistent and careful consideration of any belief or supposed form of knowledge in light of the grounds that support it and the further conclusions to which it tends (that) includes a conscious and voluntary effort to establish belief upon a firm basis of evidence and rationality” (Dewey, 1938: 9). This is why more reflective learning may lead to the realization that the beliefs about control have changed and contribute to a change of world view. Subsequently, reflective learning can lead to double loop learning while unreflective, behavioral learning leads to improvement in performance without necessarily also carrying a realization that the skills have changed and that there may be better strategies to achieve the goal.

Entrepreneurial learning is experiential in nature (Cope, 2005; Cope & Watts, 2000; Politis, 2005, 2008), but the experience can either be direct or vicarious (Bandura, 1977, 1986; Holcomb, Ireland, Holmes Jr, & Hitt, 2009). It involves cognitive as well as interpretative processes (Dutta & Crossan, 2005). This means that learning begins with experiential acquisition of new information, but to be successful it also requires a sense-making process to take place. This is in order to interpret the meaning of the new information. More specifically, research has shown that entrepreneurs with previous start-up experience spend less time searching for information when starting a subsequent new venture (Cooper, Folta, & Woo, 1995) and that they impose less costs to the starting up process (Carroll & Mosakowski, 1987). Such behavior can be a reflection of developed understanding of what certain processes involve, and what they mean in terms of likely outcomes and implications. These examples imply the behavioral nature of learning outcomes; however learning may also encompass a change in knowledge structures (Haynie, Shepherd, Mosakowski, & Earley, 2010; Haynie, Shepherd, & Patzelt, 2010). More specifically, Haynie, Shepherd & Patzelt (2010: 4) argue that the development of the ability ‘to understand, control, and reflect upon one’s learning’ is important, especially for decision...
making, and reflects changes in how information and knowledge are organized and how the different pieces of information are connected among themselves. Thus, a change of behavior is not necessarily required for learning to take place.

Triggers for learning are located both within the individual and outside in the environment (Zhang, Macpherson, & Jones, 2006). Human capital is related to deeply held beliefs that can influence the level of willingness for acquisition of knowledge and skills (Bandura, 1986). Specifically, it has been shown that role beliefs are important for understanding the set of behaviors expected of a person in a certain job, function, or role, e.g. how a gourmet chef should behave. The beliefs and expectations are formed on the basis of previous experiences, and exposure to modeling behaviors and social influence.

2.3.2 Entrepreneurial learning as judgment learning

Entrepreneurial action does not require a behavioral output (e.g. judgment). However, competence development can only be observed through a display of the achieved skill in a socially observable human action influenced by individual processes of cognition, decision and intention (Bird & Schjoedt, 2009).

The ability to judge and make decisions in face of uncertainty is one of the core functions of an entrepreneur and is therefore at the heart of entrepreneurial action. Entrepreneurial competence development results in an increased ability to make judgments. Judgment refers to business decision making when the range of possible future outcomes is generally unknown (Foss and Klein, 2007). More generally, judgment is required when the relevant data is unreliable or incomplete (Casson, 1993). Judgment relates to the perception of the situation and can be learned, although there is a high level of tacitness involved (Foss & Klein, 2005). The basic premise of entrepreneurship is the ability to imagine new means-ends frameworks and bring them to fruition; this requires an ability to process complex and incomplete information in an intuitive way, to make sense of the environmental cues and to be able to evaluate the potential for successful value appropriation of these new frameworks in the market. The exercise of judgment over the arrangement of heterogeneous resources can be considered action (Klein, 2008). More specifically, this can be defined as decision-making about the procurement and/or employment of resources (Foss & Klein, 2005). Resources are inextricably tied to beliefs, but these beliefs are relevant only to the extent that they are manifested in action. Action can be also described as the ability of individuals to accomplish their purposes (Parsons & Shils, 1962). The outcomes of their actions depend on their ability to interpret the situation, assess the risk/return equation and respond to the uncertainty (McKelvie, et al., 2009; Mitchell et al., 2004). Thus, their ability to make judgments involving opportunity identification, evaluation and
exploitation in face of uncertainty became crucial (Casson, 2010; Mitchell et al., 2002).

One important aspect of action is the deliberateness of it (Charness, Krampe, & Mayr, 1996). Entrepreneurs who purposefully, and with deliberate effort, engage in performing each behavior are likely to learn more than those who act without reflection (Mitchell, 2005b); their actions result in the creation of more practical (procedural) knowledge and skills (Anderson, 1982). Deliberate practice consists of individualized, self-regulated and effortful activities aimed at improving one's current performance level (Ericsson, Krampe, & Tesch-Roemer, 1993a). Thus, deliberate practice may be helpful in developing a knowledge base and an adaptability to changing environments (Unger, Keith, Hilling, Gielnik, & Frese, 2009).

2.4 Consequences

This section presents an analysis of the consequences of entrepreneurial competence development. While extant literature focuses predominantly on outcomes on the venture level, clearly the process of developing competence results also in changes on the individual level (i.e. changes within entrepreneurs themselves). In particular, the emergence of entrepreneurial expertise (section 2.4.1) and entrepreneurial identity (section 2.4.2) are discussed in this section.

Well-developed entrepreneurial competence is of pivotal importance for entrepreneurial success. It has been shown that prior knowledge is important for identifying opportunities, and idiosyncrasies in this knowledge result in different opportunities being identified and acted upon (Shane, 2000). Expertise comes with an increase in knowledge and the ability to apply this knowledge. Subsequently, entrepreneurs are likely to build expertise over time. Simultaneously, as entrepreneurs' embeddedness in their role increases and their competencies grow, the entrepreneurs are likely to develop an entrepreneurial identity. Immersion in activity and feedback is likely to influence entrepreneurs’ beliefs, and these beliefs are important for motivating entrepreneurs for action. Subsequently, the ultimate outcome of entrepreneurial activity is either success or failure. Traditionally, most studies assess success on the venture level, however it should be noted that recently there has been growing agreement that failure on the venture level is not equal with personal failure (Sarasvathy, 2008). Summing up, it becomes increasingly important to understand how entrepreneurs perceive success and what it means for them to be successful. As argued in previous sections, engaging in the development of

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*The meaning of success and failure can differ, depending on the conceptualization and on the adopted point of reference.*
new economic activity requires entrepreneurs to be agents. To be able to explain how entrepreneurs develop entrepreneurial competencies therefore requires not only knowledge of their motivations, values and beliefs but also an understanding of their desired selves. Subsequently, the following sections will focus on the two identified consequences of developing entrepreneurial competence – expertise and entrepreneurial identity.

2.4.1 Expertise

Recent studies show that expertise and reproducible superior performance do not develop as inevitable, naturally emerging consequences of many years of experience in a domain. There is growing evidence that years of experience are a poor predictor of objective professional performance (Ericsson et al., 2009). It has been shown that expert entrepreneurs develop three expert scripts: arrangement, willingness and ability (Leddo & Abelson, 1986). The arrangement script, which is the knowledge structure about availability and usage of different “arrangements” (means) at an entrepreneur’s disposal, is likely to influence the different logics of behavior, but when combined with an entrepreneur’s commitment to the opportunity (willingness script) and perceived capabilities and attitudes towards it (ability script), this will influence what kind of economic activity will awake the entrepreneur’s interest.

Expertise represents the highest level of acquired competence and can be thus defined as the ability to excellently (with superior results) perform a task in a particular domain (Mitchell, et al., 2009). This ability rests upon an individual’s acquisition of unique pattern matching and pattern recognition skills (Chase & Simon, 1973). Expertise results from an individual’s use of expert scripts (Mitchell, 1994), something which can be acquired through extensive practice (Glaser, 1984). The research into entrepreneurial expertise indicates that experts consistently and reliably engage in activating and using complex cognitive processes (Mitchell, 2005a). Furthermore, they develop three interrelated experts scripts: arrangement, ability, and willingness scripts (Leddo & Abelson, 1986; Mitchell, 1994). These scripts are essential for increasing the potential of positive outcomes derived from entrepreneurial action.

It has been argued that entrepreneurial expertise is characterized by the ability to use predominantly effectual logic in decision making (Dew, et al., 2009; Read & Sarasvathy, 2005; Sarasvathy, 2001) or to adapt decision making to the task at hand (Gustafsson, 2004). In other words, the ability to make judgments has potential to develop over time.

With growing expertise, beliefs about oneself are likely to change to better incorporate the values and beliefs perceived as inherent in the role of entrepreneur. Thus, the attainment of expertise is closely related to beliefs held
2. Theoretical Framework

about the self, and the development of beliefs influence the emergence of expert scripts.

2.4.2 Entrepreneurial identity

Research suggests that entrepreneurial identity has a strong effect on the entrepreneurship process (Vesalainen & Pihkala, 2000), and its adoption is essential in achieving entrepreneurial success. Through identification with an entrepreneur’s role, individuals are likely to increase their entrepreneurial potential, especially if entrepreneurship as a phenomenon is perceived positively. Subsequently, the positive value associated with entrepreneurship is essential for the development of an entrepreneurial identity (Vesalainen & Pihkala, 2000).

Entrepreneurial identity is a role identity and its meaning reflects a belief about what it means to be an entrepreneur (Krueger, 2007). The roots of the concept can be traced back to the different typologies and roles of entrepreneurs (Miner, 1997; Stanworth & Curran, 1976; Vesalainen & Pihkala, 2000). For example, Smith and Miner (1983) distinguish between craftsmen and opportunistic entrepreneurs, while Stanworth and Curran (1976) identify artisan, classical entrepreneurial and managerial types (identities) of small business owners. These identities differ in their perceptions of what constitutes the main task and value for an entrepreneur. Thus, entrepreneurial identity cannot be seen as a homogeneous construct; its meaning emerges from the predominant perception of the responsibilities of the role. The role identity is partly cognitive – encompassing the self-concepts about oneself in the role – but also partly expressed by behavioral behaviors represented in the actions undertaken by individuals (Ashforth & Kreiner, 1999; Ashforth & Saks, 1995). Schein (1978) argues that with occupational experience, individuals gradually develop clearer self-concepts of their talents and abilities, motives and values. He refers that this internalization process is a learning process. This process is further influenced by the social context that, through interactions with others, influences how individuals define tasks by shaping impressions of what is and what is not part of their role (Salancik & Pfeffer, 1978).

The achievement of identity is commonly construed as a choice between options, for instance becoming a chef or an educator (Gollwitzer & Kirchhof, 1998). Adoption of the entrepreneur’s role presumes evaluative agency on the side of entrepreneur (Down, 2006). This means that to enact the identity, individuals need to cognize their role. Wrzesniewski and Dutton (2001) argue that by influencing or changing perception of the role, individuals affect both the meaning of the role as well as their role identity. However, unlike professional identity which is quite stable, entrepreneurial identity is often being constructed only to achieve specific goals, whether in the form of financial
support (Warren, 2004) or creation of self-esteem (Down, 2006). Thus, narratives of entrepreneurial identity can be used to deepen our understanding of entrepreneurial processes and practices (Pitt, 1998). The narrative nature of entrepreneurial identity often results in the use of metaphors and clichés (Down & Warren, 2008). Down and Warren found that the narratives created by their research subjects were not consistent and reminded them of the discourse among the general public on entrepreneurship, and/or rhetoric coming out of business schools (Down, 2006). Down and Warren argue that a weak relationship with entrepreneurship and low role identification may result in emphasis on who they are not. The so called ‘negative identity’ (Kärreman & Alvesson, 2001) where individuals define themselves by negation of a specific trait or characteristic is created in order to make sense of where things and others should be in their narratives.

Thus, the perception of the desirability of the role and one’s own attachment to it influence the shaping of the identity (Goffman, 1959). Furthermore, the stereotypes emerging from institutionalized values and expectations may constrain or enable new experiences. Hence, entrepreneurs are manipulating perceptions of an entrepreneurial self to achieve desired outcomes (Lounsbury & Glynn, 2001). In other words, entrepreneurs create their narrative of self-identity by establishing uniqueness within the frame of reference.
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Summing up, entrepreneurs, by filling exhibited roles with the meanings associated with them, are able to create an entrepreneurial identity. In light of the presented literature, it appears that the process of entrepreneurial competence development is a continuous one, and that the consequences of current development are likely to affect the triggers, in particular the perceptions of action-control (including newly emerging means-ends combinations), goals, and identification with the role and beliefs about self in the role. Thus, the constructs presented in this framework are part of a dynamic model and act as mediating variables.

In conclusion, the content of this chapter and the rationale for inclusion of the concepts in the thesis can be summarized in Figure 3. This figure illustrates how the concepts fit into the three identified themes of the theoretical framework: triggers, process and consequences; and how the concepts are related to each other and where (in which paper) each of the identified concepts is used. For example, paper 1 analyzes the process of entrepreneurial learning as embedded in situational context, while potential domain expertise, a likely consequence of development of competence, is analyzed in papers 2 and 3. Paper 2 investigates the role of action–control beliefs and paper 3 analyzes the role of goal orientation and role models on subsequent expertise development. Thus, each of the papers analyzes a different triggering factor. Consequently, the figure provides theoretical guidance and mapping of the pursuit of the research purpose, i.e. the exploration of entrepreneurial competence development.
3. Empirical Context

The empirical context of this thesis has been chosen to fit with the framework of persons in the situation in order to reflect the socio-cognitive nature of entrepreneurship. This implies that there are multiple contextual layers: the first dimension involves the practices of gourmet restaurateurs as resembling innovative entrepreneurs (business context) (section 3.1); this dimension is spatially embedded in Nordic rurality (spatial context) (section 3.2). While both dimensions are important for understanding how the development process unfolds, understanding of the relationship between rurality, local identity and food is also essential (section 3.3).

A suitable research context is one which allows for the variables and relationships of interest to be salient (Rowley, Behrens, & Krackhardt, 2000). A new economic activity is naturally embedded in multiple contexts, where the different dimensions overlap and have potential to transform over time (cf. Welter, 2011). To assure capturing of the interplay between the different contexts, two contextual dimensions – business and spatial - have been considered in the research design. The empirical business context of this thesis is gourmet restaurateurs/entrepreneurs, and rural areas in Nordic countries form the empirical spatial context (see figure 4 for interrelatedness between the chosen contexts).

This empirical business context has been chosen for a number of reasons. First, among gourmet restaurants, competition is skill-based. This means that the success of a restaurant depends not so much on the proprietary knowledge (e.g. having the best recipes), but rather on possessing the contextualized skills to consistently put this knowledge into practice every time it is requested (Tyre & von Hippel, 1997). Skill development involves the integration of successive elements into a single operation and means that performance becomes better, more fluid and less error prone (Kraiger, Ford, & Salas, 1993). Skills, whether, cooking or entrepreneurial, can be acquired. Thus, continuous learning becomes necessary for continuous skill development. Second, the role of a restaurateur requires an individuals’ ability to relate to their environment. In particular, it means the ability to cooperate with suppliers in generating new ideas, new products and services and the ability to transform foodstuffs and

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7 To reduce the inherent contextual complexity and increase the readability of the argument developed in this thesis, the institutional and social contexts have not been considered in the empirical selection criteria. While the institutional context is assumed to be (largely) similar within Nordic countries, the emergence of social context is intrinsically linked with both spatial and business aspects, and substantial transformation in both directions is possible, e.g. a social tie becoming a business partner or a business relationship developing into a social one.
other environmental cues into something desired by their customers, thus creating value in the market. Third, the nature of knowledge and skills is both tacit and explicit in the restaurant industry. While on the one hand, some knowledge is explicit and externalized and disseminated through cookbooks, for example standard ratios and rules for menu making, on the other hand some skills are highly tacit and accessible only through a master and apprentice system where young cooks might travel around the world observing and learning by working with renowned chefs, for example learning how to prepare fresh pasta, or how to organize the work process. Finally, due to the master and apprentice system, professional networks play an important role in the gourmet sector, shaping the industry norms and expectations and developing the cognitive proximity among chefs.

Figure 4 – Multi-dimensionality of context in this thesis

Similarly, the context of rural Nordic space has been chosen for a variety of reasons. First, rural areas make interactions between restaurateurs and their local community or their professional networks more visible and identifiable (Jack & Anderson, 2002); this context enables clearer observation of the evolution of these relationships as well as restaurateurs’ learning. Jack and Anderson (2002) argue that sparsely populated areas provide a better arena for recognizing and tracing the significance of contextual embeddedness. Second, rural areas can be characterized by strong local values and traditions and individuals living there are likely to develop strong local identities and awareness of ‘the rules of the game’ in the local arena (Häkli & Paasi, 2003). Third, a growing interest in ‘locality’ and practices of ‘re-localization of food’ (Hinrichs, 2003) revitalize rural areas by creating new opportunities for entrepreneurial activity (Sonnino & Marsden, 2006). Finally, Nordic countries with sparsely populated rural areas, growing demand for local food, and an increasing number of highly trained gourmet chefs opening their restaurants in
rural spaces offer an excellent environment for exploring entrepreneurial competence development.

3.1 Haute cuisine and practices of fine dining restaurateurs

“*I feel a recipe is only a theme, which an intelligent cook can play each time with a variation*”

Madame Benoit

The potential for innovation and creativity is inherent in a chef’s work. As expressed by Madame Benoit, the basic rules and formulas (i.e. recipes) are only the starting point for an experienced chef. Those chefs in command of culinary nuances and equipped with vast procedural knowledge are often willing and able to experiment with new combinations, with new tastes and new cooking methods, and they are searching for ways to leave their own mark (for example Heston Blumenthal with his snail porridge or Ferran Adria with his sun-dried tomato bikini pizza). Thus, it is not surprising when Jean-Paul Aron writes that “*the chef is not an employee in the common meaning of the word, but a practitioner, an artist, a fabricator*” (Aron, 1975: 150). Freedom of creative expression seems very important for fine dining chefs, but it was not until the late 1960s that this creative freedom was enabled. The introduction of Nouvelle Cuisine and the simultaneous departure from Escoffier’s conventions opened the door for many chefs and allowed them to show their personalities, talents and subsequently make their reputations by developing highly personalized variants on general themes (Rao, Monin, & Durand, 2003). This trend has been warmly welcomed by upper echelon chefs whose standing in the social structure has improved (cf. Rao, et al., 2003) and has resulted in appearance of many entrepreneurial ventures trying out new concepts as a result (cf. description of the changing culinary scene in Chelmski, 2006). The development of the industry and the changing practices of chefs are discussed in the following two sections in more detail.

3.1.1 The fine dining scene

Gastronomy as an industry was born in the first half of the 19th century when Haute Cuisine\(^8\) emerged in public restaurants (Ferguson, 1998); since then the fine dining segment of the industry went through a number of transformations.

\(^8\) Haute cuisine (fine dining) is an elaborate and skillful manner of cooking and presenting food served in small and numerous courses (Collins dictionary), as a segment of the restaurant industry, it represents the top-end.
Classical Cuisine and Nouvelle Cuisine present the two most significant stages of this process (Rao, et al., 2003). The development resulted in public dining becoming a much more intimate encounter available to a broader number of people and thus took into consideration the economic aspects of dining (Ferguson, 1998). The initial step towards Classical Cuisine was made by Antonin Carême (1784-1833) who envisioned the chef as an artist seeking to give new life to some of the humble, often almost forgotten dishes and who introduced a new awareness of freshness into French cuisine. He believed that simplification of both the number and the composition of the meals was necessary, as was more balance between the kitchen and the dining space. These ideas were adopted and developed further by Auguste Escoffier (1847-1935) who simplified the art of cooking even more; mostly by simplifying organization and functioning of a kitchen, reducing the number of dishes served as well as by discarding flamboyant food displays. Escoffier was an ambassador of seasonal foods and believed that sauces should be used to reveal the flavours of the dishes they were accompanying. For him a Classical Cuisine needed to embrace the culinary practice that circled around the product, the cooking method, serving method and garnishing.

The growing institutionalization of the chef's profession led in early 1960s to a growing desire for more autonomy and a need to break out of Escoffier's legacy (Rao, et al., 2003). As a consequence, Nouvelle Cuisine emerged led by the examples of Paul Bocuse, Roger Vergé, Jean and Pierre Troisgros as well as Michel Guérard. The proponents of the new movement embraced and advocated authenticity, natural production, and simplicity, rejecting any unnecessary complication in the preparation and cooking process. In particular, while the Classical Cuisine was criticized for its 'over-richness and over-complexity, being difficult to digest and preparations that were too tiring and outdated', the Nouvelle Cuisine emphasized the importance of total freshness, lightness and simplicity as well as just-in-time preparation (Gillespie, 2001: 63). Additionally, instead of harmony among all the components of a dish, flavors and textures of individual aliments became most important. The liberation from Escoffier's orthodoxy meant that chefs were able to turn away from Parisian classicism and instead start looking for inspiration in regional dishes, and start experimenting and innovating with dishes and cooking methods. Subsequently, the Nouvelle movement has made it possible for chefs to become innovators, creators and not mere followers of existing conventions; it simplified and shortened menus as well as food processing techniques (Rao, et al., 2003).

Chefs. The changes introduced by Nouvelle Cuisine empowered chefs and brought them liberation and autonomy (Rao, Monin, & Durand, 2005). More specifically, they enhanced the possibility of professional control of restaurants by chefs by increasing their visibility (also in the dining space) and reducing the role of a waiter during the service (Rao, et al., 2003). The plates leaving the
kitchen were ready to serve and did not require additional processing (e.g., flambéing); this allowed chefs to control much more the dining process and the pace of the work in the kitchen. This departure from Escoffier’s guideline has freed chefs from a necessity to translate his intentions or prescriptions into products and offered them freedom to create and invent dishes, and thus become inventors rather than mere technicians. Equipped with practical knowledge, skills and creativity they now had the door open to venture out and experiment with ideas, for example, by offering surprising combinations, e.g. fish wrapped in pancetta or by introducing fusion cuisine, e.g. puffin in chocolate sauce. Moreover, chefs’ professional role identity also changed as a result. Chefs continued to value their collective identity, but also engaged in emphasizing their own individuality and autonomy to a much higher degree than they were able to before (Rao, et al., 2005). Subsequently, a chef/owner of a fine dining restaurant resembles in many ways innovative entrepreneurs focused on new product development and new value creation.

Food and its processing. Before Nouvelle Cuisine, there was little innovation in the dishes and cooking techniques; the legacy of Escoffier had been restricting chefs from creative action. So, breaking out from these conveniences resulted not only in searching for and developing new dishes and new cooking techniques (e.g. sous-vide, emulsification, etc.), but also in more imaginative names for signature dishes (e.g. Thomas Keller’s oysters and pearls, Ferran Adria’s cloud of carrot). The new dishes were often developed following the rules of transgression and acclimatization (Fischler, 1993 cited in Rao, et al., 2003). While transgression required usage of unconventional techniques, or in more moderate form, usage of old cooking techniques with new ingredients or alternatively using old cooking techniques with old ingredients in illegitimate ways (for example by mixing meat and fish, salad & foiegras); the acclimatization presupposes usage of imported exotic foreign cuisine techniques and ingredients, especially seasoning and spices (Beauge, 1999). The less adventurous or less creative chefs have begun to imitate some of the signature dishes of other chefs. Such ‘borrowing’ or ‘inspiration’ is said to be less disruptive for the business than changing totally or developing a signature dish from scratch (Rao, et al., 2005). Summing up, freedom introduced by Nouvelle Cuisine has led to various Kirzrian innovations ranging from new product development, extension of product lines through new production techniques to new selling techniques, etc.

Menus. The changing logic of fine dining has been reflected in the menu which over time became much shorter and simpler. Its style may reveal the restaurant’s concept, hint on the type and style of service as well as the nature

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9 Some of the accounts note that the transition could have been in fact rather painful for waiters as the chefs would purposefully pre-heat the plates so that the waiter would burn him- or herself while carrying the plate (cf. Chelmiski, 2006).
3. Empirical Context

of the customers the restaurant is likely to attract (Gillespie, 2001: 78). A menu often reflects both the chef’s vision as well as the local cultural values. Its function as a communication tool necessitates that the message/story is clear and plausible and corresponds with other artifacts. Thus, designing a menu requires not only creativity and entrepreneurial thinking but also specialist and visionary skills. While the former help to optimize profitability and customer satisfaction, the latter helps to translate ideas into operational plans. For example, a shorter menu should allow more focus on the produce in season as well as being able to make changes to the menu more often to help accommodate fluctuating supplies. Hence, menus are often utilized as a restaurant’s advertising and marketing tools, illustrating the simultaneous belonging to the convention (e.g. New Nordic Food) as well as stressing the individuality and uniqueness of the offering.

Summing up, the meaning and the scene of fine dining has changed over time. Fine dining was initially associated with pompous dining, flamboyant presentation of the food and rather strict rules of service, however more recent developments give more creative freedom to chefs, change dynamics between chefs and their dining rooms, allow more room for experimentation, for example with cooking techniques, interpretations of dishes and finally, in many of the avant-garde establishments, a shift from the customer’s choice (a la carte menu) to the chef’s choice (tasting menu). What is common, however, is the attention to impeccable production of remarkably artful and exquisite dishes from highest quality (often unique local) produce. Not only has the food changed, but also the style of dining has changed; the service became more relaxed but remained very professional. The necessity of white tablecloths has been replaced with the attention to the concept’s authenticity, for example at Noma the tables are bare to better reflect the closeness to the concept and to Nordic traditions (cf. Redzepi, 2011). These developments have transformed the fine dining segment of the restaurant industry into a very vibrant entrepreneurial context.

3.1.2 Fine dining restaurateurs and their practices

Cooking is a profession that has gained status and privilege in society in recent years (Horng & Lee, 2006). Even though the social standing of a cook was not high in the past, the experts and artisans of the profession have always been widely recognized, for example Carême and Escoffier. Their superior performance gave them wide acknowledgement as experts and their services were in great demand. However, it is only since the introduction of Nouvelle Cuisine that the process of professionalization of the chefs’ occupation has gained momentum. As discussed by Rao et al. (2003) the logic and role identity of chefs became institutionalized through a network of training schools, such as Le Cordon Bleu, and professional societies, such as Association des Maîtres
Queux. However, their role identity changes over time, partly influenced by increasing identification with the role and partly by changing perceptions of responsibilities. For example, Svejenova and colleagues (2010) analyzing the development of Ferran Adria, the owner of el Bulli restaurant in Spain, found that his competencies and activities have developed over time reflecting the changes to his perceived role. They argue that the perception of role and responsibility has changed from a chef in employment through chef-owner to entrepreneur and leader. Similar, recollections can be found in memoires written by other celebrity chefs, for example Thomas Keller or even Bernard Loiseau. These can be described as quests for professionalism. A sense of professionalism in food preparation reflects some specialist knowledge and skill in the culinary arts, as well as various levels of creativity, experience and responsibility. Cameron (2001) suggests that the values of the chef’s occupation are intensely cosmopolitan and there is a strong cultural self-identity and cross-cultural resemblance. Fine (1996a) argues that in invoking their role identity, cooks can draw on four images: being professional, artists, businessmen and manual laborers. For gourmet chefs the values inherent in fine dining are a great source of identity (Richards, 2002).

Following the development of the industry everyday practices and responsibilities have also been changing. More recently, being a modern gourmet restaurateur often means juggling to resolve professional, artistic and business imperatives (Fine, 1995; Gillespie, 1994). But a few years back, the role of the restaurateur was limited to running a restaurant; it is with the changes introduced by the Nouvelle Cuisine that chefs gained visibility and were recognized as possible ambassadors of products related to their trade. Even though this trend is developing and a recent study of gourmet restaurateurs has shown that the majority of them score very high on the culinary artisan scale, it should also be said that their financial success was shown to be much more heterogeneous (Johnson, Surlemont, Nicod, & Revaz, 2005). Prompted to identify perceived sources of restaurant success, these chefs indicated investment and investment type, sources of financing, pursuit of excellence, and culinary craftsmanship as the most important factors. However, since their restaurants often resemble their unique personality and identity and the restaurateurs feel the need to sustain a continuous and coherent body of work over time, staying at the forefront and keeping up with the latest trends becomes expensive (Cavas, 2000). Interestingly, Fine (1996) argues that the adoption of an artisan identity is empowered because “in contrast to laborers, businessmen, and professionals, artists have audiences. People pay to judge their work, expecting to be entertained, aroused, or intrigued. The audience contributes to the art…” (p.201). Subsequently, successful restaurateurs able to reconcile the tensions between the different demands can very rapidly become very rich. For example, newspapers report that Gordon Ramsey had built a private fortune exceeding $100m from scratch before the age of 40. Apart from personal
wealth, many elite chefs build restaurant empires. For example, there are over 20 restaurants in Alain Ducasse’s restaurant empire which employs well over 1000 employees. To build and maintain a restaurant at the highest level requires extraordinary leadership talents. Restaurateurs need to be innovative, creative, and flexible leaders who can inspire others to perform at the highest level day after day.

The highly competitive nature of the highest quality segment of the restaurant industry forces entrepreneurs to develop distinctive dining experiences, but the complete dining concept needs to reconcile artistic and business tensions (Gillespie, 1994). Working in this environment requires a high level of technical ability combined with outstanding gastronomic talent and expertise (Johnson, et al., 2005; Ruhlman, 2000). High quality restaurants are developed by highly skilled chefs whose core competences exhibit finely polished artistic kitchen skills rather than business and managerial acumen (Johnson, et al., 2005). These chefs are driven mostly by their professional identities and are more likely to give precedence to their ‘art’ rather than to the money side of the business. Many learn that attending to the management and financial part is also important, if they want to be financially successful. Hence, those at the forefront of the industry are those who have demonstrated individualism, entrepreneurship and willingness to take risks (Gillespie, 1994) and “belong to the rare species of individuals who are able to take on the dual role of businesperson and creator at the same time” (Balazs, 2001).

As much of the knowledge necessary in the restaurant can only be implicitly acquired and cannot be fully articulated, restaurant education at all levels is fundamentally practically oriented (Gopalakrishnan & Bierly, 2001). Passing uncodified knowledge is difficult because the terminology and basic principles associated with it are not easily understood for individuals outside the community. The transfer of uncodified knowledge often requires informal communication methods and face-to-face contact. Thus, it is hard to acquire this knowledge by any means other than direct observation or personal experience. The difficulty of codifying the knowledge of chefs has led to a master and apprentice system, where young aspiring chefs travel around to do training periods at famous restaurants.

Apprenticeships were designed to allow chefs to become proficient at the operations and cooking (Johnson, et al., 2005). Basic knowledge about cooking includes the knowledge of how to select and process raw ingredients into food. The essence of good cooking could be limited to 8 basic preparations and/or skills: understanding heat, using the right tools, cooking with eggs, making stock, making sauce, salting food, what a cook should read, and exploring the elusive, most important skill to have in the kitchen, finesse (Ruhlman, 2007). However, for many renowned chefs these basics were only the beginning of
their ongoing journey towards perfection through repetition, refinement and continual experimentation. Going through the Culinary Institute of America Ruhlman observed that as he was gaining proficiency in his knife skills, his confidence changed and he began to believe that he had the ability to perform and achieve what he considered previously unattainable. The transition from novice to a moderately or highly skilled individual occurs through practice, however those who excel are more likely to have met role models and be driven by a strong motivation. For example, Mario Batali, having experienced the bullying kitchen atmosphere of Marco Pierre White, realized that attention to detail with presentation, stamina in the kitchen and speed are important. White was the first person to show Batali what a chef could be (Buford, 2007). The other important aspect is that through interaction with a much more experienced chef, Batali realized how much he still needed to learn. Finally when he started his own restaurant the influences from his prior apprenticeships were clearly visible in his food. So, interaction with role models and with experienced chefs helps also shape perceptions of role of a chef. Most chefs coming out of apprenticeship with successful restaurateurs naturally develop a goal of running a good (preferably Michelin-starred) restaurant; some start the apprenticeship with this motivation. These chefs need additionally to learn how to run not only the kitchen, but also the business. One of the criteria of success that these apprentices learn is professional and culinary rigor (Balazs, 2001; Ruhlman, 2000, 2009) For example, Heston Blumenthal posits that “monitoring costs and keeping food waste to a minimum is the bedrock of a restaurant’s success: it’s vital to use as much of each animal and vegetable as possible” (Blumenthal, 2007: 22). Similarly, Thomas Keller claims that success comes from attention to every small detail, taking care that the concept remains intact (Ruhlman, 2000).

Thus, in many ways, successful restaurateurs are also successful business people. The nature of the gourmet restaurant business with its constant innovations driven by the restaurateurs is clearly reflected in the everyday practices of these restaurateurs and their continuous attempts to innovate.

3.2 Nordic Rurality

“We had to exploit the seasons in a better way (...) the guests (...) should feel a sensation of time and place in their very bones”
Rene Redzepi

Spatial context plays a vital role in human life. Not only is all economic action inherently spatial, but identities also reflect spatially anchored values and norms (Häkli & Paasi, 2003; Martin, 1994). In particular, the inherent characteristics and history influence the creation of place identities. These local values and norms give shape to the (entrepreneurial) activity by imposing accepted
3. Empirical Context

behavioral patterns (Ashworth, 1994); they are often deliberately utilized and stressed by restaurateurs. For example, many restaurateurs create sophisticated narratives that tell exciting stories about the location, the restaurant and the food, thereby using the association between the restaurant and the location as an important way of branding the restaurant (Mossberg, 2007). Of special importance are also the ingredients that are unique to the location. Restaurateurs use these local ingredients to carve out the uniqueness of their restaurants and potentially create a competitive advantage relative to other restaurants. Success in customer acceptability largely depends on how well the concept is incorporated into the existing experience, expectations and historical understanding (Cohen, 1979). In other words, the potential for value creation and new economic activity is dependent on the ability to ascribe value to certain characteristics of a spatial context.

The co-existence of place\textsuperscript{10} and time play a crucial role in the value creation process (Bjerke & Rämö, 2011). Transforming geographical spaces into places requires the ability to attach meanings and cultural heritage to them (Altman & Low, 1992) and perceiving them as an intersubjective phenomenon embracing the location in space with its shared identity (Entrikin, 1991; Paasi, 2003). Social interaction facilitates this process by making places meaningful to people (Bjerke & Rämö, 2011). This capacity to create valuable meaning facilitates entrepreneurial action and has the potential to increase meaningful competitiveness in the new community (Harvey, 1989). Already Ashworth (1994) has argued that spatial heritage becomes a contemporary commodity purposefully created to satisfy contemporary consumption; an outcome of this process is the emergence of products driven by market demands and thus determined by the requirements of the consumer, not by the existence of the right resources. This opens the door for new and exciting entrepreneurial activity situated in rural spaces. The following sections elaborate on the meanings and values of rurality as well as the discourse present among the Nordic countries.

3.2.1 Rurality and rural entrepreneurship.

Rurality has many meanings. The term ‘rurality’ is used to portray and contrast different landscapes, especially by emphasizing their diversity of social and economic practices (Pratt, 1996: 70). The more traditional view defines rurality in terms of low levels of population density as well as weak local economic structures, which have implications for access to markets, capital, employees and infrastructure (Stathopoulou, Psaltopoulos, & Skuras, 2004). The newer one emphasizes the cultural – aesthetic dimension which can be understood as

\textsuperscript{10} It is important to distinguish between place and space. While space is commonly seen as a three-dimensional geometric extension, place is a specific contextual setting.
a ‘social representation’ (Halfacree, 1995; Phillips, Fish, & Agg, 2001) – a subjective perception, meaning and feeling associated with rural (landscape). These diverging views reflect the transformation from perceiving rurality as landscapes of production (with clear dominance of agriculture and farming) to landscapes of consumption (becoming a vital part of the experience industry) (Cloke, 2006). This transformation has been greatly influenced by a growing inflow of urban citizens who made the decision to move to a rural space but decided in doing so to continue their urban way of life. As a consequence growing interest in returning to nature and searching for ‘lost’ heritage the progressive urbanization of rural spaces can be observed (Pratt, 1996). These processes not only enable and encourage the emergence of new economic activity in rural space, but also lead to increased efforts in emphasizing the differences among different rural spaces and the unique characteristics of a particular rural space; inherent in these differences are the various perceptions of values and qualities of rural ideals. These changing perceptions reflect the intersubjective understanding of reality, where meanings ascribed to rurality change as a function of new experiences and new socio-economic developments and trends. Building on ideas developed by Halfacree, Cloke (2006: 18) argues that rurality has the potential to be perceived both “as a significant imaginative space, connected with all kinds of cultural meanings ranging from the idyllic to the oppressive, and as a material object of lifestyle desire for some people – a place to move to, farm in, visit for a vacation, encounter different forms of nature, and generally practice alternatives to the city”. Subsequently, this thesis adopts a view of rurality consistent with Halfacree’s (2006) view; i.e. that rurality involves both the locality characterized by distinctive spatial practices linked to either production or consumption, representations visible in the local values and norms, as well as the social imagination that represents the meanings and interpretations of everyday life experience.

The essential characteristics of so defined rurality are closely related to values attributed to elements found in rural space – simplicity, rawness, authenticity and closeness to nature; they also result in the emergence of a spatially embedded rural identity. More specifically, this involves perceptions of a simple idyllic life close to nature and immersed in beautiful landscapes, rich (peasant) history and food made from unique locally grown ingredients. In other words, rurality embodies values and experiences not available in urban spaces and promotes a feeling of belonging to the locality (as opposed to urban

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11 Such a view corresponds with the thesis’s philosophical assumptions (for details on pragmatism see section 4.1)

12 The characteristics depend on the adopted perspective. For example, the functional view dichotomized between rural (Gemeinschaft) and urban (Gesellschaft) based on the functions of the landscape and level of intimacy (as advocated by Ferdinand Tönnies); the political-economic perspective focused on the changing nature of agricultural production in rural spaces; and the social constructionist approach stressed the social, cultural and moral values that bring meaning to practices and decisions made in rural spaces (cf. Cloke, 2006).
3. Empirical Context

anonymity). This sense of belonging combined with cultural and geographical
closeness facilitates the adoption of regional identity (Paasi, 2003).

A strong sense of identity is fueled both by the perceived social embeddedness
in the locality (Häkli & Paasi, 2003) as well as by the social capital that emanates
from concrete social relationships (Falk & Kilpatrick, 2000; Lee, Arnason,
Nightingale, & Schucksmith, 2005). While social belonging reflects not only
beliefs about who one is but also where one comes from and what values one
represents; the social network encompasses “the flows of information, resources, and
identities that are implicated in the production of rural development” (Lee et al., 2005:
271). Subsequently, this relational character of identity, developed by
interaction with others and immersion in social structures, transmits the
perceptions of how to act in a manner corresponding to prevailing expectations
from others. While it is often assumed that positive social and economic change
can be influenced by symbols of local identity and belonging (Lee, et al., 2005),
becoming part of a strong local culture that legitimizes homogeneous behavior
in interactions among actors can also lead to a need for adaptation and
compliance with the rules and norms within the network (Blundel, 2002)
resulting in restriction of the scale and types of entrepreneurial activity (Bjerke
& Rämö, 2011). Consequently, conformism to accepted behavioral norms is
prevalent in small rural communities (Anderson, 2000). In such conditions, it
may become particularly difficult to break out of this circle and dare to do new
things or to do things differently. With the growing inflow of rural immigrants
who lack deep embeddedness in local structures this becomes easier; and an
increased level of rurally based entrepreneurial activity emerges.

In summary, different identities lead to different kinds of ruralities and thus to
varying conditions and contexts for entrepreneurship. And while rural
entrepreneurs often combine farming with other business activities (Carter,
1998), there is also a growing group of rural entrepreneurs whose activity is
unrelated to farming\(^{13}\) (Cloke, Marsden, & Mooney, 2006). However, one
common characteristic of rurally based businesses is the dependence of their
growth potential on the size of the local market and possible inflow of tourists.
In other words, rural entrepreneurs need to be proactive when it comes to
(new) markets and new product development; they should be initiating new co-
operative partnerships and continuously engaging in new market creation
( despite possible resistance coming from the local networks). And while no
other differences in terms of personal characteristics were found between rural
and urban entrepreneurs (Westhead, 1993), the cultural and region specific
factors have been shown to shape the degree of entrepreneurship in different

\(^{13}\) These are either catering to needs of rurally-based inhabitants wishing to enjoy the same quality
of life and to have access to the same services/products/attractions as their urban neighbors or
to tourists coming to rural spaces in search for ‘authentic rural’ experiences. This trend also
reflects the progressive glocalization of rural space.
regions (Brunori & Rossi, 2000; Davidsson & Wiklund, 1997). Thus, rural areas are becoming places where different and indeed sometimes opposing trends and expectations meet, creating an interesting context for observing the acquisition of entrepreneurial competencies and the emergence of entrepreneurial activity.

3.2.2 Localizing rurality and rural entrepreneurship in the Nordic space

The Nordic countries consist of the geographical space covering the territory of Sweden, Denmark, Norway, Finland and Iceland as well as the Faroe Islands, Greenland and Åland. These countries’ societies and political systems share many similarities and their governments cooperate in the Nordic Council. The bio-geographic characteristics of this region are reflected its very short days during cold winters and beautiful long days during warm sunny summers. In other words, the region is characterized by large seasonality and variability of conditions (e.g. light, temperatures, etc.). The geographical location and the subsequent vegetation period make these countries differ from the rest of Europe in terms of habituating flora and fauna. This has the result of creating particular conditions for rural entrepreneurship in general, and farming in particular.

Historically the Nordic countries, and in particular their rural spaces were quite inhospitable for entrepreneurship (Johannisson, 2002). For example, both Sweden and Denmark have experienced long rationalization of agriculture which led to a reduction of the number of locally based traditional farms and food production businesses (Bonow & Rytkönen, 2011). This has been changing in recent years. In particular, an arena for the coexistence of individualism with risk-acceptance and collectivism with risk-avoidance has been created (Johannisson & Monsted, 1997). This was enabled by increased regionalization after joining the European Union and is reflected in the increased levels of entrepreneurial activity in some of the rural areas. In particular, there is an increase in forward integration of the value chain, meaning that many farms began to further process their agricultural products as well as an increase in the diversification of business activities on farms (e.g. Carter, 1998; Vesala & Vesala, 2010). Additionally, a strong trend towards locally diversified small scale and often ecological food production begins to dominate in the Nordic countries (Bonow & Rytkönen, 2011). These changes affect perceptions of rurality. More specifically, with the growing interest in the roots of local and regional food as well as in increased efforts to provide good and healthy food in Nordic countries, new value is being ascribed to these rural landscapes and local heritage. The traditions and culture are combined with a sharp focus on high quality food products. The growing relevance of local and
3. Empirical Context

Regional development fosters creation of strategies directed towards rural development (Bonow & Rytkönen, 2011). In particular, by being anchored in the local institutions and structures, the small scale food production has the potential to stimulate the establishment of companies and therefore the generation of new jobs (Sage, 2003).

Interestingly, the importance of food has been realized by Nordic Council of Ministers following attempts to change the institutional frameworks within these countries. This is particularly visible in the efforts made by the Swedish government to develop their gastronomy. Since 2007 the government has reserved 50 million kroner in the budget to build up a vision of Sweden as the next culinary nation. Even if it has been argued that the quality of raw materials is high and Sweden has strong position in terms of production of innovative food, the government sees the need to develop competencies around food and food preparation further and expects to create an additional 10,000 new jobs around good food and related experience industry (Regeringskansliet, 2010 cited in Rytkönen, 2011). Other Nordic governments have also been increasing their focus on reviving national cuisines, although not to the degree that is observable in Sweden. Consequently the institutional frames begin to differ. Additionally, as the number of food production companies decreases, the locality and the place of origin becomes more important, opening new possibilities for increased levels of entrepreneurship (Rytkönen, 2011). To capitalize on this trend, it is necessary that the traditional food products become more competitive and gain stronger market positions (Rytkönen, 2011) and that cooperation between the different actors intensifies in efforts to create conditions for food to become a reason for a visit (Jordbruksdepartamentet, 2008 cited in Rytkönen, 2011). Also, efforts are being made with regards to quality improvements of produce, simplification of rules as well as to increase the infrastructural tourism base (e.g. increasing the number of Michelin starred restaurants and the amount of lodging in rural spaces) thereby increase awareness both of Nordic nations generally as well as foreigners’ awareness of the attractiveness of Nordic local resources, including food, in particular. This is likely to revitalize rural spaces, opening possibilities for entrepreneurial action by focusing attention towards relationships of learning, innovation and social capital (Murdoch, 2000). This makes rural Nordic countries a spatially interesting context to understand entrepreneurial action.
3.3 Food as an expression of localism

“Food and meals can be considered a vehicle for conveying cultural expression (Bell & Valentine, 1997). In other words, food contributes to the formation of identity, reflects the values, the history and the geography of a place (Berglund, 2011). Our food preferences are closely connected to culture, geography, group embeddedness, safety and identity (Gillespie, 2001). Through food culture it is possible to connect to history. Unfortunately in Nordic countries the local food culture has played a rather detrimental role for many years; fortunately this is changing now (Berglund, 2011). While traditional regional food culture contributes to the creation and affirmation of regional identity (and as discussed in section 3.2.1 there is awareness that different regional identities can be present in one location), surprisingly there is still belief that only one local and regional food culture is available for economic actors (Tellström, Gustafsson, & Mossberg, 2005). Fortunately, liberated from Escoffier's conventions, more and more fine dining chefs engage in interpretation of traditions; they use the traditions as an inspiration rather than a strict guideline to follow. Tellström and colleagues (2005: 350) noticed that the type of interpretation used often depends on the background of the entrepreneur. More specifically, "those who moved to the region work to learn what to interpret as the region's food culture. By contrast, those born in the area often make food products to reflect their own upbringing and cultural heritage". Moreover, chefs are presented with a choice of where to draw the borders of the region they relate to and their ability to bring the aesthetic aspects of rurality to the forefront may be helpful in further attracting visitors. Thus, effective communicating of the ‘sense of place’ of the chosen region gains an additional dimension, especially crucial to local artisan food producers and restaurateurs for whom it means the possibility of carving their uniqueness.

Food is, thus, instrumental in turning places into destinations and attracting visitors (Hall & Sharples, 2003). Bonow and Rytönen (2011) argue that this can be achieved through placing emphasis on products and actors’ connection to the territory, place and its culinary traditions. For many rural spaces resemble the bygone peasant way of life (Bessière, 1998) and rural products convey images of freshness, genuineness and tradition (Marsden, Banks, & Bristow, 2000; Parrot, Wilson, & Murdoch, 2002). Therefore, many customers look for possibilities to visit the place and the food producer and to start the food experience where the food is already produced (Mossberg & Svensson,
3. Empirical Context

This development is also related to the emergence of terroir\textsuperscript{14} products that are closely linked to the local production systems and consumption traditions. Some restaurants have already realized the potential and are offering similar experiences to their guests. For example, Rene Redzepi (2011) argues that by serving particular ingredients with items from their natural habitat, a connection between place and the food can be created. Subsequently, guests to Noma become enchanted with and aware of the time, place and the specificity of the conditions that govern existence in the Nordic region, with sharp changes in the range of available raw materials. But the genuineness of the concept is not all that easily transferable. That means that the experience that a customer is going to have in a rural restaurant immersed in the values and meanings ascribed to the local food it serves will be very different to the experience one would get by visiting a restaurant in urban area, like Copenhagen, London or Stockholm, even if the restaurant was serving the same local food. The closeness to the origin and the source of food creates a very distinguishable difference and allows deeper immersion in the rurality, and a deeper, more sensory, experience.

The resulting surge in regional food and the greater interest in the use of local ingredients and recipes rather than in the global sourcing of ingredients of the highest quality (Sonnino and Marsden, 2006), results in a growing interest in 'locality' and practices of 're-localization of food'\textsuperscript{15}(Hinrichs, 2003). This focus on locality revitalizes rural areas by creating new opportunities for entrepreneurial activity (Sonnino & Marsden, 2006). The emergence of regional food specialties offers opportunities to create markets for new offerings, i.e. culinary tourism (Brunori & Rossi, 2000; Ilberry & Kneafsey, 1999). In urban cities the gourmet restaurant sector specializing in regional food has been a stalwart niche, but the phenomenon of a fine-dining rural restaurant hardly existed. This is changing now. Growing food tourism contributes to new opportunities for development, revitalization and continued growth in rural areas, specifically by promoting closer cooperation with local food producers resulting in increased levels of innovativeness and new product development (Sonnino & Marsden, 2006). In particular, this trend has contributed to the emergence of alternative food networks, which are characterized by a strong inter-personal transactional embeddedness between small scale food producers and their customers (Sage, 2003) as well as an increasing significance placed on quality and locality as factors establishing the embedded character of the food

\textsuperscript{14}Terroir is ”a French expression that explains how the characteristics of a product depend on geographical location, for example mark, water, air, the height above the sea, vegetation, microclimate, as well as social factors like traditions, forms of farming that give products unique character” (Petrini, 2001)

\textsuperscript{15} The strategy of re-localization of food depends upon the way in which local food as a knowledge-based practice is perceived, that is, either as aiming at re-building the link between producers and consumers (so called reconnection), or as origin of food which repositions local food production in relation to values associated with territory, traditions, etc. (Fonte, 2008).
Many restaurants have joined the movement, seeing opportunity in taste and aesthetics becoming something of a feature of many rural regions of Europe. Furthermore, the increasing awareness of entrepreneurs that in bundling offers there is a possibility for additional value creation, results in combination deals connected to accommodation, theater, golf or other local attractions. In that sense the image of restaurant entrepreneurs is changing as well. This becomes even more crucial for rural restaurants, which being located in distant locations, are by definition far away from big customer markets. They need to intensify their efforts in order to bring the customer to their business. Some creative restaurants are trying to achieve it precisely through bundling of offers; others are behaving as institutional entrepreneurs in trying to change and build the surrounding society to help them attract other customers, while still other restaurants find ways to physically bring the customers to their place. Thus, rural space is becoming an ‘experiential consumption zone’ in which the value is created, captured and retained, in consequence adding to local and regional economic development (Anderson, 2000).
4. Method

This chapter describes the chosen research design and method. It starts with outlining the philosophical assumptions made and the motivation for using a multiple case study strategy, and then discusses issues of case selection and the process of data collection and analysis. This dissertation uses two distinct data sets: while papers 1 & 4 are built upon primary data concerning Nordic rural gourmet restaurateurs (Nordic dataset), paper 3 uses secondary accounts about renowned restaurateurs and their relationships with role models and/or apprentices (general dataset – called Renowned restaurateurs dataset in the contents page). Paper 2 is conceptual in nature.

4.1 Philosophical assumptions

Given the plurality of paradigms in social science, it becomes crucially important to elaborate on the ontological and epistemological assumptions made in this thesis (Benton & Craib, 2001; Burrel & Morgan, 1979). This dissertation is concerned with exploring the triggers, processes and consequences of entrepreneurial competence development over time. Such formulation of the purpose presumes that it is possible to identify underlying mechanisms shaping competence development, but doing so requires an understanding of entrepreneurs’ beliefs, the way in which they experience the world and how they ascribe meaning to their experiences. Identifying these mechanisms requires an ability to form cues and recognize patterns on the basis of interplay between observation and existing knowledge as well as an ability to construe meaningful explanations. From this follows an assumption that: 1) beliefs and experiences are interdependent and can be shared with others; 2) knowledge can be created/ acquired as well as adapted; and 3) interaction fosters interpretation of meanings. In other words, exploring what prompts entrepreneurs to develop (or not) their competence requires the belief that (some) triggers and consequences exist but that their meaning may be subjective.

Such assumptions correspond with the core assumptions of pragmatism that objective reality exists, but the perception of it is shaped by the subjective views of individuals (Almeder, 2007). Davidson (2001) argues that objectivity begins at the intersection of the different worldviews and individuals’ reactions to them. He emphasizes that this “intersubjectivity is the root of objectivity, not because what people agree on is necessarily true, but because intersubjectivity depends on interaction with the world.”(p. 91). Thus, the reality becomes objective by means of
interpersonal communication. This interaction with others shapes individuals’ thoughts and beliefs. Beliefs are a condition of knowledge (Davidson, 2001) and knowledge reflects the (fallible) understanding of reality (Shepherd & Sutcliffe, 2011). This implies that one can speak of “the truth as is known today” (Dewey quoted in Campbell, 1995: 15). Based on what they currently know, individuals may make judgments about what action to engage in. The ideas that individuals develop reflect their current knowledge (and implicitly their past experiences); however, it is the expectation of the future that influences prospective action (Elkjaer & Simpson, 2011). More specifically, apprehending (understanding) alternative developments requires cognitive and emotional responses (Barbalet, 2004) that transform knowledge into “an instrument or organ of successful action” (Dewey, 1905/1977: 180). Summing up, pragmatism recognizes the existence of both agency (subjective meaning making) and structure (intersubjectively created reality) in social practices, but does not place either above the other.

This philosophical stance is ideally suited for the purposes of this thesis because inherent in pragmatism is the necessity to interweave experience with inquiry. It can be argued that experience is constituted through events emerging from current social actions and that it precedes inquiry; the inquiry, on the other hand, it provides solutions to problems by involving emotion and judgment (Peirce, 1877). Problems emerge where existing habits fail to provide guidance for action (Peirce, 1878; Shepherd & Sutcliffe, 2011). As a result, the mind engages in new inquiries, in evaluating new situations, generating new hypotheses and drawing conclusions (Dewey, 1938). What follows is a process whereby, in order to embrace the emergent present, individuals engage in the construction of new meanings and a reconstruction of their stories, new habits become affirmed, and insights into current behavior are formed. This requires experimental and reflexive engagement with others and the world.

Abduction is a way of generating new explanatory hypotheses; a way to gain new knowledge (Peirce in Fann, 1970). Peirce argued that “all our knowledge may be said to rest upon observed facts. […] But observed facts relate exclusively to the particular circumstances that happened to exist when they were observed. […] Any proposition added to observed facts, tending to make them applicable in any way to other circumstances than those under which they were observed, may be called a hypothesis. […] The first starting of a hypothesis and the entertaining of it, whether as a simple interrogation or with any degree of confidence, is an inferential step which I propose to call abduction” (Peirce cited in Buchler, 1955: 150-151). Thus, abduction can be seen as an inductive top-down theorizing (Shepherd & Sutcliffe, 2011), where creative action is set within boundaries of a realized problem (Elkjaer & Simpson, 2011). The aim of abduction is to create new knowledge through development of explanations. More specifically, causes are inferred from the effects based on the adopted hypothesis (Fann, 1970). For example, Henderson and Clark (1990) in
analyzing the huge impact that a relatively small innovation had on firm performance realized that there was no theoretical explanation for the size of the effect observed, and subsequently engaged in searching for the possible causes of such a state. Thus, abduction combines elements of deductive and inductive logics. While the structuring of the problem is used to narrow down the focus, the empirically driven data is used to generate new creative hypotheses. This, as argued by Simpson (2009), allows the emergence of new ways to tackle questions about ‘how’ and ‘why’ practices unfold. Subsequently, through reliance on abduction this thesis not only explores in a focused manner the triggers and mechanisms of entrepreneurial competence development but also engages in building propositions about why and how these triggers play a role in this process.

Summing up, one of the consequences of adopting a pragmatic view to explore the underlying mechanisms and meaning making in everyday practices is the necessity to pay much more attention to social interactions and contextual embeddedness. While contextual embeddedness provides circumstantial and boundary conditions for the experienced reality, it is through interaction with others that one can comprehend “how experience gives a specific content to our thoughts” (Davidson, 2001: 129) and how individuals make sense of it. Thus, embedding the study in pragmatic assumptions enables generating hypothetical explanations of observed reality and, through this, building a new theory of development of entrepreneurial competence.

4.2 Research design

The research design is the plan for how to organize the research process from identifying interesting research questions, through successful data collection and analysis, to generating conclusions that allow answering of the initial research questions (Miller & Salkind, 2002). Table 3 outlines the research design of this study. While the main rationale for this design and strategy are discussed below, details of the sampling strategy, data collection and analysis of the data, steps taken to assure the quality and credibility of the study as well as the practical and ethical considerations are presented in subsequent sections.

Arguing after Cope (2005) and Unger and colleagues (2009) that, regardless of growing interest in entrepreneurial learning, the understanding of entrepreneurial learning remains under-theorized, this thesis aims to develop and refine extant learning theory. It does so by developing new propositions that infer causes from the (experiential) effects (Peirce in Fann, 1970; Peirce, 1878). It has been suggested that theory building necessitates the generation of logical arguments for relationships between the concepts and variables (Dubin, 1969; Whetten, 1989); as well as provision of causal descriptions of both
explanatory structure and configuration at hand (Miles & Huberman, 1994). To be able to provide a suggestive theory that furthers our understanding of the phenomenon and forms a basis for further inquiry, a more abductive\textsuperscript{16} approach is necessary (Edmonson & McManus, 2007); specifically, a top-down inductive approach that uses a chosen theoretical lens (e.g., learning) or a research question as a filtering mechanism to sharpen the focus when interacting with the data (Shepherd & Sutcliffe, 2011) in order to create accurate and testable theory (Eisenhardt, 1989, 1991).

Table 3 – This study's research design

<table>
<thead>
<tr>
<th>Issues</th>
<th>This study’s choices</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purpose of the research</td>
<td>To explore how entrepreneurs develop their entrepreneurial competence over time</td>
</tr>
<tr>
<td>Aim of the research</td>
<td>Theory building</td>
</tr>
<tr>
<td>Research strategy</td>
<td>Multiple case study</td>
</tr>
<tr>
<td>Unit of analysis</td>
<td>Individual</td>
</tr>
</tbody>
</table>
| Sampling strategy                   | Purposive theoretical sampling (for papers 1 & 4 – rural Nordic fine dining context) 
|                                    | Snowball convenience sampling (for paper 3 – fine dining context) |
| Types of data                       | Primary (interview data both with the restaurateurs and their social network) (papers 1 & 4) 
|                                    | Secondary (information from restaurants’ websites, news & media releases about the entrepreneurs and their restaurants, books, including cookbooks written by the restaurateurs, books written about the restaurateurs, financial statements from the Nordic restaurants, etc.) (papers 1, 3 & 4) |
| Analytical approach                 | Abductive logic                                           |
|                                    | Pattern matching & constant comparative method (paper 1 & 4) |
|                                    | Narrative analysis (paper 3)                              |
| Quality                             | Framework derived from literature                         |
|                                    | Triangulation (data, informants, theoretical)             |
|                                    | Consideration of reliability & validity issues as well as description of the actual process |
| Practicalities                     | Gaining access to selected cases                         |
|                                    | Digital recording during interviews                       |
|                                    | Database of collected materials/data                      |
| Ethical issues                      | Provision of confidentiality and anonymity to informants  |
|                                    | Sensitivity regarding the recording and use of personal and off the record comments after the recorder has been switched off |
| Research resources                  | External funding available for fieldwork                 |

\textsuperscript{16} Even though Edmonson & McManus (2007) as well as Eisenhardt use the term ‘inductive’ in their papers, what they really do is apply the ‘abductive’ logic as both of them start with theoretical pre-conceptions. This is particularly, visible in Eisenhardt’s research. (cf. Shepherd & Sutcliffe, 2011).
4. Method

Subsequently, exploration of how the process of entrepreneurial competence development unfolds requires several things: (a) insight into how entrepreneurs acquire and make sense of new experiences, (b) the possibility of observing what experiences entrepreneurs value; (c) what motivates them and (d) the inclusion of contextual variables due to the situational nature of the process (Krueger, 2009; Lave & Wenger, 1991). This presupposes a research strategy that enables access to data in its natural setting (Neergaard & Ulhøi, 2007) and immersion in and incorporation of the context to understand “a contemporary phenomenon in its real life context, especially when the boundaries between phenomenon and context are not clearly evident” (Yin, 1981: 13). Wolcott (1982; 1995) argues that such naturalistic settings require that the researcher gains a ‘holistic’ overview of the context: its logic, its arrangements, explicit and implicit rules. This contextual immersion allows collection of data that is locally grounded. Miles and Huberman (1994) stress that analyzing a phenomenon in its specific context increases the opportunity to grasp the underlying issues because the richness of the data reveals the complexity of the phenomenon and allows capturing of the meanings, in particular perceptions and assumptions (van Manen, 1977) and connecting them to the social world.

A case study strategy fulfills these requirements and hence, a multiple case study methodology was chosen for three main reasons: 1) case study strategy has been used successfully to examine learning processes in the past (e.g. Cope & Watts, 2000; Ravasi & Turati, 2005; Taylor & Thorpe, 2004; Zhang & Hamilton, 2009); 2) it allows treatment of each case as a distinct analytic unit but also sees the included cases as multiple experiments (Eisenhardt & Graebner, 2007); 3) the multiplicity of cases makes it possible to replicate, contrast and extend the emerging theory (Yin, 1994); and 3) using case studies in the specific context of gourmet restaurant allows a refinement of existing theoretical constructs. Furthermore, building theory from cases abductively is likely to result in theory that is accurate, interesting, and testable (Eisenhardt, 1989, 1991), because it is derived from data and juxtaposed extant literature.

4.3 Arriving at the data(sets)

To understand how entrepreneurial competence develops over time, understanding of the context, the individuals’ intentions and the process is of crucial importance (Dey, 1993). Each of these three dimensions can be approached differently and thus influence selection of a different dataset; and resulting in different knowledge or knowledge being created differently (Davidson, 2001; Elkjaer & Simpson, 2011). For example, contextual complexity can be seen as an explanatory variable or as given; the learning process can be explored either retrospectively and/or in real-time; existing data can be used or new data can be created. This last decision influences the level
of interaction, and thus the risk and the potential to influence the respondents and their intentions. Finally, competence development can be approached as a state or a process. These considerations are deeply anchored in the pragmatic

Table 4 – Comparison of the two datasets

<table>
<thead>
<tr>
<th>Description</th>
<th>General dataset</th>
<th>Nordic dataset</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Context</strong></td>
<td>Context allows situating action in a wider social and historical setting, including spatial aspects, social relationships, time frame, etc.</td>
<td>Focus on business/industry context (gourmet restaurant)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Good overall understanding of the history and development of the industry across countries (bird’s eye view of the industry)</td>
</tr>
<tr>
<td><strong>Intentions</strong></td>
<td>Intentions play a crucial role in influencing action, but meaning can be ascribed to the actions that do not reflect the actors’ intentions. Intentions can also be triggered or hampered through social interaction, leading to disguising of individual motivations.</td>
<td>Intentions inferred from reported behavior and/or self-reports (no interaction)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Risk that intentions not described or interpreted adequately</td>
</tr>
<tr>
<td><strong>Process</strong></td>
<td>Process makes the identification of significant interactions with other individuals - but also the emergence of interdependencies between action and consequence – possible.</td>
<td>Only retrospective (based on written accounts &amp; biographical notes)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Details &amp; description of process dependent on existing records, no explanation directly from the source possible, however no inference by prompting questions</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Passive role of researcher – lack of interaction with cases, if patterns recognized strengthen the findings</td>
</tr>
</tbody>
</table>

Source: Author’s Own based on adaptation of Dey (1993).
view of the intersubjective nature of knowledge, meaning that depending on the
different choices made (e.g. different data as different experiences/insights),
different conclusions may be drawn (Davidson, 2001). Subsequently, the idea of
two datasets emerged. On the one hand, the plentitude of existing material
about successful world-class (Michelin starred) gourmet restaurateurs made
possible a retrospective analysis of the triggers and consequences of their
current entrepreneurial competencies; on the other hand, a real-time study
exploring how restaurateurs in a very specific and relatively homogeneous
spatial location acquire their competencies allows insight into the interactions
between different variables and the process itself.

Moreover, the two datasets enable comparison of experienced restaurateurs
with relatively inexperienced ones. Following these two different logics, two
different datasets have been created – the general dataset and the Nordic
dataset. The similarities and differences between the datasets are outlined in
Table 4. This co-existence of the two datasets and the interaction between the
datasets and the extant theory enabled better crafting of the propositions and
facilitated the abductive logic of analysis. In particular, while knowledge
acquired through the general dataset has acted as the filtering mechanism to
decide what to focus on, it was the analysis of the Nordic dataset that has led to
the identification of additional relationships and boundary conditions between
the different variables present in the entrepreneurial competence development
process.

Consequently, the decision to include both the general dataset and the Nordic
dataset has been sustained. While the general dataset acts as a contextual
insight into the haute cuisine scene, the Nordic dataset offers much more
contextualized analysis of competence development of fine-dining restaurateurs
in rural Nordic space. The rationale for case selection, data collection and
analysis in each of the datasets was driven by different logics; these are
explained respectively in sections 4.4 and 4.5 below. Although triangulation of
the two datasets has not been utilized explicitly in the appended papers, papers
1 & 4 refer to the findings from the general dataset when contextualizing and
generalizing the observations from Nordic dataset. Additionally, section 4.6
reports efforts into triangulation of the two datasets with respect to three of the
research questions (RQ1, RQ3 and RQ4). Additionally, due to the differing role
of the researcher in both approaches this could be considered an additional
strength of the method. Summing up, the two datasets have been used to
enrich the theory building process, strengthen the method and highlight the
benefits of more contextualized approach to the data and the phenomenon.
4.4 Renowned\textsuperscript{17} restaurateurs dataset

The dataset of renowned chefs whose restaurants have earned Michelin Guide stars in recognition of their excellent food and service was the starting point for the inquiry in the competence development process. While the dataset is homogeneous in terms of industry context, the spatial and social context\textsuperscript{18} provides considerable heterogeneity.

4.4.1 Selecting the cases

Performing narrative analysis requires identification of stories and actors in these stories. These actors – renowned chefs/restaurateurs - become the cases. Even if such an approach is not common, it seems ideally suited in this research design. More specifically, to qualify as a renowned chef/restaurateur, the individual needs to be a chef and at least a co-owner of a fine-dining restaurant. Fine-dining in this dataset is defined as possessing at least one Michelin star. Additionally, in identifying the cases, access to printed archival information was critical. One of the selection criteria was the variance in educational routes of the chefs. It has been assumed that there may be differences both in learning to become a restaurateur as well as in interactions with the professional network depending on the educational route taken. Figure 6 displays the case selection process.

To select cases for the analysis, a convenience snowball approach has been performed. This means that initial sources have been chosen based on the criteria of being written about or by a renowned gourmet chef/entrepreneur. Subsequent sources and cases have emerged from the network of relationships between the identified cases. For example, Buford writing about Mario Batali has also explored the relationship between Batali and Marco Pierre White, who was the first role model for Batali. On the other hand, Rene Redzepi, the owner of Noma, currently regarded as the best restaurant in the world, spent some time practicing in Ferran Adria’s kitchen at El Bulli. This is where he has developed some of the ideas he is implementing now in his restaurant. Similarly, Heston Blumenthal spent some time in the French Laundry, a restaurant belonging to Thomas Keller, a renowned chef and role model to

\textsuperscript{17}This dataset will be referred as \textit{general dataset} in the remaining of the text for two main reasons. First, to avoid the implication that the Nordic restaurateurs are less renowned, and second, to emphasize the variance in contextual factors (rural/urban dimension, different countries and food cultures, etc.)

\textsuperscript{18}Spatially the dataset embraces chefs whose core business activity and their focal restaurants are located in the US, the UK, France, Spain and Denmark – thus, a varying spatial context is given; similarly, the social and cultural values and norms around status of a chef/restaurateur in the society have changed over time (at different pace in different countries) – thus, substantial contextual variability emerges.
many. Subsequently, available sources of written material have been searched and consulted with the aim of writing narratives about their path of becoming innovative and often very successful entrepreneurs.

**Figure 5 – Case selection process (general dataset)**

This process has resulted in identification of six individuals who uniquely suited the selection criteria. The chosen restaurateurs are: Rene Redzepi, Ferran Adria, Heston Blumenthal, Thomas Keller, Mario Batali and Bernard Loiseau. Table 5 outlines background information on these entrepreneurs.

### 4.4.2 Data collection

Narrative is considered to be both phenomenon and method (Connelly & Clandinin, 1990). Connelly and Clandinin argue that the story portrays the phenomenon, and the method of inquiry is presented as the narrative. Such distinction allows individuals to make sense of their lives and explain sequences of different events by telling stories which researchers then collect, analyze and retell in written narratives. Hence, narrative refers to events that have already occurred (Carter, 1993) and that have had either implicit or explicit observers who make sense of them. Thus, the active construction of a story from collected material is an inevitable element of narrative (Scholes, 1982).
Table 5 – Description of the case restaurateurs (general dataset)

<table>
<thead>
<tr>
<th></th>
<th>Rene Redzepi</th>
<th>Ferran Adria</th>
<th>Thomas Keller</th>
<th>Heston Blumenthal</th>
<th>Mario Batali</th>
<th>Bernard Loiseau</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Education &amp; Experience</strong></td>
<td>Culinary school</td>
<td>Apprentice</td>
<td>Self-taught</td>
<td>Self-taught</td>
<td>Started culinary training at Le Cordon Bleu, apprenticeship with Marco Pierre White, culinary training in Italy</td>
<td>Apprentice with Jean and Pierre Troigros</td>
</tr>
<tr>
<td></td>
<td>Apprentice at Ferran Adria’s el Bulli &amp; Thomas Keller’s French Laundry</td>
<td></td>
<td></td>
<td>A week’s work experience in Raymond Blanc’s kitchen and a short time in Marco Pierre White’s</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Focal Restaurant</strong></td>
<td>Noma</td>
<td>El Bulli</td>
<td>Per Se &amp; French Laundry</td>
<td>The Fat Duck</td>
<td>Babbo</td>
<td>La Côte d’Or</td>
</tr>
<tr>
<td><strong>Location</strong></td>
<td>Copenhagen, Denmark</td>
<td>Roses, Spain</td>
<td>NY &amp; Napa Valley, USA</td>
<td>Bray, UK</td>
<td>NY, USA</td>
<td>Saulieu, France</td>
</tr>
<tr>
<td><strong>Michelin Guide Stars</strong></td>
<td>2</td>
<td>3</td>
<td>3*</td>
<td>3</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td><strong>Concept of the focal restaurant</strong></td>
<td>New Nordic Cuisine</td>
<td>Molecular gastronomy</td>
<td>French</td>
<td>Molecular gastronomy</td>
<td>Traditional Italian principles with intelligent culinary adventure</td>
<td>French Cuisine Nouvelle</td>
</tr>
<tr>
<td><strong>Other Business Lines</strong></td>
<td>books</td>
<td>numerous books, consultancy &amp; creativity workshop in Barcelona, teaching culinary physics at Harvard</td>
<td>numerous (cook)books, other restaurants, incl. Bouchon &amp; Bouchon Bakery, marketing Limoges porcelain, food consultant in movies</td>
<td>numerous books, TV shows, incl. Heston’s Feasts, Heston Blumenthal: In Search of Perfection, Commercials</td>
<td>numerous books, TV shows</td>
<td>numerous books, line of frozen foods, opened three eateries in Paris, boutique shop</td>
</tr>
<tr>
<td><strong>Role Models</strong></td>
<td>Ferran Adria</td>
<td>Roland Henin, Paul Bocuse</td>
<td>Tomas Keller</td>
<td>Marco Pierre White</td>
<td>Jean &amp; Pierre Troigros</td>
<td></td>
</tr>
</tbody>
</table>

*Both Per Se in New York & The French Laundry in Napa Valley have 3 Michelin stars*
### Table 6 – Comparison of sources used for narrative analysis

<table>
<thead>
<tr>
<th>Source</th>
<th>Genre</th>
<th>Focus on…</th>
<th>Purpose</th>
<th>Learning</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Blumenthal, 2007)</td>
<td>Reflective cookbook</td>
<td>Expert chef</td>
<td>Searching for the perfect recipe for a number of classic dishes</td>
<td>Deliberate practice, attention to detail, searching for perfection</td>
</tr>
<tr>
<td>(Blumenthal, 2010)</td>
<td>Culinary adventure story</td>
<td>Expert chef</td>
<td>Capturing the creative process and search for perfection</td>
<td>Experimentation, cooperation, passion, understanding roots</td>
</tr>
<tr>
<td>(Buford, 2007)</td>
<td>Self-reflection &amp; biographic description</td>
<td>Expert chef, Novice chef</td>
<td>Presenting a profile of a renowned chef &amp; describes the way towards this status</td>
<td>Consistency under pressure, repetition</td>
</tr>
<tr>
<td>(Chelminsiki, 2006)</td>
<td>Biography of a chef</td>
<td>From novice to expert chef</td>
<td>Capturing the life &amp; work of Bernard Loiseau as well as the development of Nouvelle Cuisine</td>
<td>Searching for perfection – attention to detail, focus on marketing &amp; PR</td>
</tr>
<tr>
<td>(Ruhlman, 2000)</td>
<td>Essay</td>
<td>From novice to expert chef</td>
<td>What distinguishes a great chef from an average one?</td>
<td>Passion, attention to detail</td>
</tr>
<tr>
<td>(Ruhlman, 2009)</td>
<td>Handbook</td>
<td>From novice to experienced</td>
<td>The basics</td>
<td>Ratios, ground rules</td>
</tr>
<tr>
<td>(Ruhlman, 2009)</td>
<td>Ethnography &amp; self-reflection</td>
<td>Novice chef</td>
<td>What is the essence of becoming a chef?</td>
<td>Basic skills, ratios, passion</td>
</tr>
<tr>
<td>(Keller, 2009)</td>
<td>Reflective cookbook</td>
<td>From novice to experienced</td>
<td>How to become a better home cook?</td>
<td>Precision, repetition, experimentation</td>
</tr>
<tr>
<td>(Redzepi, 2010)</td>
<td>Reflective cookbook, incl. diary</td>
<td>Experienced chef</td>
<td>The story of the development of his restaurant</td>
<td>Conceptual clarity, experimentation</td>
</tr>
<tr>
<td>(Svejenova, et al., 2010)</td>
<td>Research article</td>
<td>From novice to experienced</td>
<td>Understanding of the development process, in particular emergence of the individual business model</td>
<td>Experimentation, creativity, autonomy, relentless innovation</td>
</tr>
</tbody>
</table>

An important element of that construction is represented in its temporality and causality. Subsequently, Scholes (1982) contends that in constructing stories authors attempt to convey their intentions by selecting incidents and details,
arranging time and sequence, and employing a variety of codes and conventions that exist in a culture. These procedures enable the construction and communication of the self and the desired direction. The stories become part of an individual’s identity and culture (Gudmundsdottir, 1991). However, what is told in the story is as important as what is left out of it. Thus, stories reflect their originator’s attempt to create a desired view of him- or herself.

Following Gartner’s (2007) call for more narrative research that builds upon existing accounts, in this general dataset I have collected publicly available accounts that report on the renowned chefs/restauranters. This data is built upon information from different sources, including the chefs themselves, professional journalists or even writers who became apprentices of these renowned chefs. Thus, the issue of access to data has been resolved by the availability of data.

Celebrity gourmet chefs have become very popular. In addition to running their own restaurants many of them appear on the radio or have their own programs on television (e.g. Heston Blumenthal), they write cookbooks and they tell stories about food, about their passions and about themselves. The data utilized in this dataset combines stories told by industry insiders (renowned chefs themselves, i.e. Thomas Keller, Heston Blumenthal, Rene Redzepi, Ferran Adria) with those written by writers (about Bernard Loiseau, about Mario Batali, about Marco Pierre White or about Thomas Keller) and by researchers (Sylvija Svejenova and colleagues writing about Ferran Adria) as well as self-reflections collected by reporters who engage in learning in order to learn the craft (Micheal Ruhlman and Bill Buford) (see Table 6 for details). This triangulation of data makes a more coherent and more encompassing picture of the development process; it allows the telling of stories from different perspectives and with different motivations. While some of the sources clearly focus on self-reflective learning, others describe the more critical events in lives of these restaurateurs and still other focus on sharing the craft with home cooks.

4.4.3 Data analysis

Narrative approach is used as an analysis tool. Such an approach is ideally suited when discussing stories of lived experience (Gartner, 2007) and when understanding of the unfolding process is important (Pentland, 1999). Narrative analysis was used for the purpose of contextualizing the connections between selected theoretical constructs, i.e. goal orientation, role models and entrepreneurial behavior, and in doing so it contributes to more holistic understanding of the process (Stern, Thompson, & Arnould, 1998). Stories are inherently value laden and as such important tools in analyzing perceived roles and identities. By incorporating the values and behavioral norms, the stories
4. Method

provide better possibilities for understanding of the context and values. However, stories can vary depending on the narrator (Boje, 1991) and their meaning might change over time reflecting individuals’ changing perceptions and worldviews. Actors often enact stories to make their own actions legitimate and themselves accountable for actions (Czarniawska, 1997). Thus, narratives give meaning to the events, actions and objects.

Innovative entrepreneurs such as gourmet restaurateurs are often motivated to explain their situation to a wider audience (Pitt, 1998). Pitt found that analyzing entrepreneurs’ stories over time allows insight not only into their theories of action but also observation of how their role perceptions change and how they deal with emerging dilemmas. As such, these stories provide a reliable source of data that, when compared overtime, often allows an explanation of the process. In that sense, narrative analysis offers an excellent method to explore cognitive changes and contextualize the process. The different sources have been used to triangulate the data.

4.5 Nordic restaurateurs dataset

The rationale for the Nordic dataset emerged from a realization about the importance of a much more contextualized approach to understanding the nature of the competence development process among gourmet restaurateurs. As explained in section 3.2, Nordic countries offered an ideal setting for this research. Not only did increasing efforts on the level of Nordic Council of Ministers increase the standards and improve the image of Nordic cuisine, but inherent in these efforts was the assumption that it should lead to increased learning among Nordic chefs and restaurateurs.

4.5.1 Selecting the cases

Case selection can be a process of embedding (Yin, 2004). In this dataset a rural gourmet restaurateur is considered to be a case. The initial selection criteria were driven by theoretical considerations. The exploration of how individuals develop their entrepreneurial competences required a study of individuals who engage in the creation of new economic activity, and gourmet restaurateurs resemble innovative entrepreneurs in their everyday practice. Moreover, to understand the role of social context in competence development requires a spatial context that makes it possible to disentangle the relationships, and analyze their dynamics and perceived impact on the development process. Subsequently, the sampling requires layering of the different sameness and variance criteria. In other words, the adoption of abductive logic requires selection criteria that are purposeful in fulfilling the theoretical expectations.
both in terms of sharing similarities and in emphasizing differences among the cases (Kuzel, 1992). Moreover, identifying criteria which increase the salience of the phenomenon means that “selecting information-rich cases” is made possible (Patton, 1990: 230). The theoretical sampling framework is presented in Figure 6.

![Figure 6 – Case selection process (Nordic dataset)](image)

The first step of the chosen theoretical purposeful sampling strategy involved the identification of restaurateurs who belong to the gourmet segment of the restaurant industry. This was achieved using criteria similar to that used in the Michelin Guide (for example the White Guide has been used in Sweden). More specifically, these criteria involve a high level of knowledge and skills in preparing and processing foodstuffs into products of impeccable standard and superior quality; the ability to offer customers an unforgettable experience and, recently, demonstrating care in sourcing local high quality ingredients. The local heritage is gaining importance in conveying the image of high quality (Murdoch, Marsden, & Banks, 2000). Subsequently, restaurateurs whose restaurants

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19Based on the assumption that the learning curve is most steep and hence most observable in the early phases of adaptation to a new role, preference has been made to select cases of restaurateurs who were relatively new in their role, although some variance in experience was desired as well.

20Where the formal guide does not exist, intersubjective assessment has been used. This process involved insights from industry insiders as well as from gourmands who knew the local market well.
### 4. Method

**Table 7 – Description of case restaurateurs and their restaurants (Nordic dataset)**

<table>
<thead>
<tr>
<th></th>
<th>Fredrik</th>
<th>Jonathan</th>
<th>Allan</th>
<th>Charlie</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Restaurant’s focus</strong></td>
<td>Healthy cuisine with local ingredients</td>
<td>Modern national cuisine with influences from all over the world</td>
<td>World cuisine, but with local ingredients</td>
<td>Fresh simple cuisine with local ingredients, especially local langoustine</td>
</tr>
<tr>
<td><strong>Year of establishment</strong></td>
<td>2005</td>
<td>1972</td>
<td>2000</td>
<td>2005</td>
</tr>
<tr>
<td><strong>Background &amp; experience prior to start-up</strong></td>
<td>Culinary school, experience in a number of fine dining restaurants both in the country and abroad, including one Michelin star restaurant</td>
<td>Lawyer, previously owned a discotheque, then hotel with a restaurant, no culinary education</td>
<td>Culinary school, experience in a number of restaurants ranging from a small café to fine dining restaurants</td>
<td>Culinary school, worked in different restaurants from fine dining to American food both in the country and abroad, had management experience</td>
</tr>
<tr>
<td><strong>Locational relationship</strong></td>
<td>Immigrated in 2005</td>
<td>Local, born in the place</td>
<td>Immigrated with parents as a 6 years old</td>
<td>No close connection</td>
</tr>
<tr>
<td><strong>Spouse’s/partner’s origin</strong></td>
<td>Local</td>
<td>Immigrant</td>
<td>Local</td>
<td>No close connection</td>
</tr>
<tr>
<td><strong>Spouse’s/partner’s participation</strong></td>
<td>Also in the kitchen, co-owner</td>
<td>Heading the kitchen, co-owner</td>
<td>Responsible for service &amp; business strategy</td>
<td>Heading the kitchen, co-owner</td>
</tr>
<tr>
<td><strong>Reason for choice of location</strong></td>
<td>Magnitude of delicious ingredients, cheaper than in capital &amp; spouse’s family</td>
<td>Perfect touristic location, home location</td>
<td>Embeddedness in the local culture &amp; resources</td>
<td>Restaurant already existed in this location</td>
</tr>
<tr>
<td><strong>Number of interviews with entrepreneurs</strong></td>
<td>5</td>
<td>3</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td><strong>Number of interviews with members of entrepreneurs’ network</strong></td>
<td>10</td>
<td>4</td>
<td>9</td>
<td>5</td>
</tr>
</tbody>
</table>
stressed the locality and traceability of the origins of the food they served were considered as well (Werner & Schoepfle, 1987). In particular, the characteristics of rural space (e.g., low density of populated areas and distance from nearest urban node) ease the observation and measurement of entrepreneurial activities, and make the interaction among individuals more transparent than in an urban environment (Anderson, 2000; Jack & Anderson, 2002). Due to the new trend and interest in local food, rural areas became an interesting arena for increased entrepreneurial activity; this can be clearly observed in the Nordic countries. Consequently, the population of the Nordic fine-dining restaurateurs who have established their businesses in rural areas has been identified.

To facilitate an in-depth understanding of the entrepreneurial competence development, two additional theoretical criteria have been added: prior entrepreneurial experience and the institutional frame of the geographic region. It has been argued that prior entrepreneurial experience is likely to influence subsequent entrepreneurial action. To understand how competence develops, it is important to explore the impact of varying levels of prior entrepreneurial experience on this process. Similarly, arguing that all action is embedded in a broader context, the existence of frameworks facilitating the regional food industry is likely to have an impact on entrepreneurial competence development in this sector.

Based on the theoretical criteria, a two by two matrix has been created and four cases uniquely fulfilling these criteria have been selected (see details in Figure 6 & Table 7). Chandler and Lyon (2001) argue that the theoretical purposeful sampling strategy provides the rationale supporting a relatively small number of cases. The four cases allow theoretical saturation (Eisenhardt, 1989; Shepherd & Sutcliffe, 2011) and hence the sample is considered sufficient in size.

### 4.5.2 Data collection

The empirical material utilized in this thesis comprises different types of data. While the primary field material comes from 42 interviews with Nordic rural gourmet restaurateurs and their social networks (see Table 7 for a breakdown of the interviews), the remaining data is built upon existing accounts about these restaurateurs and their restaurants.

**Primary data.** An interview enables contact with the respondent face-to-face and if repeated over time facilitates the building of trust between the researcher and the interviewee. The semi-structured interviews are appropriate tools when understanding of behavior and the perceptions is sought and when the questions are driven by theoretical ideas, but no imposed hypotheses are being tested and (Fontana & Frey, 2000). This allows for the interview to be sufficiently open and, if appropriate, improvised, following up on interesting
4. Method

aspects but in “a careful and theorized way” (Wengraf, 2001: 5). By asking a few open-ended indirect questions or by asking the interviewee to describe activities, events or routines, the researcher is able to hear the interviewee's story in its context (Dillon, 1990; Patton, 1990). Therefore, the interview can be used also as a “means of contemporary storytelling, where persons divulge life accounts in response to interview inquiries” (Gubrium & Holstein, 1998:63). As part of the preparation, separate interview guides were developed for the entrepreneurs and for their social networks. The criteria used to generate the interview guide were driven by the initial hunches about the relevant constructs; questions were formulated in a way that allowed storytelling, using language that did not suggest any expected direction of an answer. An excerpt of an initial interview guide directed towards entrepreneurs is included in paper 1.

The semi-structured interviews were conducted between November 2007 and March 2009. Each of the restaurateurs has been interviewed at least three times during this period of time in the field setting to create more flexibility and comfort for the interviewee (Elwood & Martin, 2000). Each of the interviews lasted between one hour and two hours; all interviews have been recorded and transcribed. During the first interview, entrepreneurs were asked to tell their own story and the story of the restaurant. The focus was on the concept and retrospective aspects of organization of the kitchen and serving area, as well as their dealings with day-to-day business and developmental plans. This part was clearly retrospective in its nature, but as the interviews progressed over the time the entrepreneurs were asked to talk about their intentions and goals for future and they were asked to report any changes in the categories initially discussed (categories that had initially been identified as possible areas of learning and improvement for the entrepreneur). As trust was established between the researcher and the respondents, issues of intentions and reasoning for certain decisions were discussed in more detail. In addition, the entrepreneurs' social relationships were mapped and several of the social ties, especially suppliers and partners, have been interviewed as well. To understand broader relations, members of the local government/community were interviewed as well. These multiple sources of evidence have enabled cross-checking of the data and subsequently improved consistency and reliability.

Secondary data. Existing material, both from internal and external sources, was used to complement the primary data. While internal information included data on financial performance, news from restaurant websites, photos, marketing materials and menus, the external data came from press releases about the restaurateurs and their restaurants, information collected in the tourist information office as well as relevant entries from food guides. While the initial collection of the archival data was used in preparing the background knowledge about the restaurateurs, the subsequent following up of the restaurants' websites allowed observation of activities undertaken by the restaurateurs.
These restaurateurs continuously use the restaurant website as a communication channel with their customers, for example, to inform them about any special offers, upcoming events, comments on past events or about the whereabouts of the restaurateur (e.g. guest cooking at other restaurants). Additionally, I have also inspected the cookbooks written/co-edited by the chefs and searched for information on the websites of their suppliers as cross-postings of information was relatively common.

4.5.3 Data analysis

Theory is a predicted pattern of events (Yin, 1994) that emerges through the process of identifying linkages between concepts. A good theory both describes and explains the investigated phenomenon (Whetten, 1989). In this process, as argued by Siggelkow (2007: 21) “it is good to retain the capacity to be surprised, but it seems useful and inevitable that our observation be guided and influenced by some initial bunches and frames of reference”. In other words, interplay between data and theory is needed. Dey (1993) argues that as it is impossible to analyze data without ideas, also the ideas must be informed and verified by the available data. Subsequently, abductive logic (Orton, 1997) has guided the analysis of the data. Such a top-down inductive approach that starts with well-defined research questions and some a priori concepts allows reduction of the risk of being overwhelmed by the data (Shepherd & Sutcliffe, 2011) and also allows extending and/or refining of the initial model based on empirical data (Miles & Huberman, 1994). In other words, the data analysis involves a back-and-forth movement between the extant theory and field data aimed at bringing order, structure and interpretation to the collected data as well as the subsequent identification of relationships and underlying themes (Marshall & Rossman, 1995).

In practical terms, the methods and processes used for qualitative analysis are not well formulated and are not explicit (Miles & Huberman, 1994). On the one hand, many of the activities, e.g. describing, analyzing and interpreting occur concurrently making them difficult to clearly delineate (Wolcott, 1990); on the other hand, there isn’t enough clarity concerning the analytical steps and codification of procedures (Eisenhardt, 1989; Miles & Huberman, 1994). Thus, to increase the rigor of the analysis, the different data analysis techniques and their application are presented in Table 8, and steps in the analysis are described below and outlined in Figure 7.

Step 1 – Initiating. The transcription of the interviews constituted the very first step of the analysis. All interviews have been transcribed using the transcription module of Olympus DSSPlayerPro. This software facilitates transcription and enables smart storage of all materials, including the digital voice files and the written transcriptions and notes (both voice dictations as well traditional
memos). Apprehending the potentially overwhelming amount of data and the potential for confusion and feeling of being lost, a filing system was designed that would help organize the data in a transparent and easy to access manner. Then, notes and observations have been incorporated into the raw data and written up as a separate stories of the entrepreneur in focus (Eisenhardt, 1989; Jack, 2005). Writing up the stories/cases led to learning the data, built understanding of each separate case and enabled the identification of emerging themes and patterns within each case (Miles & Huberman, 1994).

<table>
<thead>
<tr>
<th>Author</th>
<th>Proposed techniques</th>
<th>Actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Miles &amp; Huberman (1994)</td>
<td>Data reduction&lt;br&gt;Data display&lt;br&gt;Conclusion&lt;br&gt;drawing/verification&lt;br&gt;Utilization of matrixes</td>
<td>• Case write-ups as well as focus on the themes to help reduce the data&lt;br&gt;• Data is displayed in cross-case tables&lt;br&gt;• Conclusions drawn based on comparing and contrasting findings and clustering of data</td>
</tr>
<tr>
<td>Dey (1993)</td>
<td>Annotating of data&lt;br&gt;Description of data&lt;br&gt;Classification of data&lt;br&gt;Connection of data</td>
<td>• Notes and comments complement the interview data&lt;br&gt;• Codes classified and arranged in a hierarchical tree&lt;br&gt;• Relationships between concepts identified</td>
</tr>
<tr>
<td>Strauss and Corbin (1998)</td>
<td>Coding&lt;br&gt;Coding of a process&lt;br&gt;Non-mathematical analysis of the data&lt;br&gt;Theory building grounded on the data</td>
<td>• Both free codes as well as a priori codes used&lt;br&gt;• Search and emergence of connections between the different concepts/variables (if ( \rightarrow ) then)&lt;br&gt;• Model building informed by empirically emerging patterns</td>
</tr>
<tr>
<td>Yin (1994)</td>
<td>Single and multiple case studies&lt;br&gt;Within the case and cross cases analysis&lt;br&gt;Thick description of the case and the development of case reports</td>
<td>• Focus initially on within case analysis, identifying the context and uniqueness of each case&lt;br&gt;• Bring in the four cases together and search for similarities and differences across the cases, for emerging patterns</td>
</tr>
</tbody>
</table>

After the initial assessment of the NVivo software, I decided against using it. On the one hand, the data storage function of the program was already solved by the file management system of Olympus DSSPlayer. On the other hand, the intellectual activity required during coding was the same regardless whether the program was used or not. Additionally, manual (pen & paper) coding offered a better visibility of the emerging patterns and the connections between the variables.
Figure 7 – Steps and performed actions in data analysis in Nordic dataset

**Step 2 – Coding.** Coding means assigning meaning to strings of words or sentences (Miles & Huberman, 1994). This classification helps to organize the data into classes sharing similar characteristics, for example discussion of prior entrepreneurial experience, or emotions felt when interacting with customers. It is common that as the process unfolds it is possible to re-assign/ refine codes or create new ones that better reflect the emerging structure. Thus, coding may be based on both a priori identified codes (stemming from developed theoretical framework, e.g. mode of learning) as well as on free codes that emerge from the data (e.g. access to professional network). Moreover, the codes can be at different level of abstraction (e.g. learning – learning mode – interacting with a role model) (Strauss and Corbin, 1998; Dey, 1993). The coding process resulted in the generation of 68 codes, and from these 26 were emergent. Subsequently, each of the four cases has been analyzed for emerging patterns and themes within the case and then across cases. Emergent ideas have been discussed with other researchers who lacked prior knowledge of the cases giving an important source of feedback on emerging categories (cf. Adler & Adler, 1987).

The intellectual work involved in coding is crucial for identifying, defining and distinguishing concepts and themes (Strauss & Corbin, 1998). The procedure should create some conceptual or structural order that reflects how the codes relate to each other (Miles & Huberman, 1994). Moreover, as emphasized by Dey (1993), the early incorporation of a conceptual framework fosters identification of possible conditions and relationships between the concepts. In
other words, linkages and dependencies between the different codes help to outline the boundaries of emerging models. More interestingly, due to the character of this thesis (a thesis comprised of four individual papers and a cover story) the analysis was multilayered. The initial coding started with the intention of answering the first research question (reported in paper 1), i.e. how and what entrepreneurs learn in the entrepreneurship process, followed by the interpretation of the results. Then, the data was coded and interpreted again, this time with special focus on answering research questions 5 and 6 (covered in paper 4) which are centered around perceptions and methods of resolution of multiple role conflicts emerging from the adoption of an entrepreneurial role. This phase was subsequently followed by a third all-encompassing round of analysis explicitly linked to the development of the integrating model presented in the cover story. Thus, the process of coding requires a number of re-iterations, but also through different focuses enables creation of multi-dimensional coding structure and can lead to generation of interesting fine-grained models and theories.

Step 3 – Interpreting. The aim of this phase lies in “discovering concepts and relationships in raw data and organizing these into a theoretical explanatory scheme” (Strauss & Corbin, 1998: 11). Hence, it is the linking of data and understanding of the nature of the relationships that is the core of interpretation phase. Identifying these linkages requires both pattern matching and a constant comparison between the developed model, data and the literature (Silverman, 2000). Miles and Huberman (1994) argue that there are 13 tactics to generate meaning and pattern matching and constant comparative technique are two that are very common. These techniques enable the identification of patterns within each of the cases and then comparison of the patterns across all the cases in the study. For example, comparing across cases leads to the realization that the emerging pattern of development of business concepts and learning from professional networks has been influenced by perceptions and a feeling of embeddedness in these networks, such that the more embedded the entrepreneur is, the more use of networks and the more learning about the concept are apparent. Subsequently, based on the identified relations between the different concepts, a fine grained model of the relationship between learning about concept, embeddedness in the professional network and the model of learning has been created (for details see paper 1). Similarly, while the data indicated that entrepreneurs experienced similar conflicts when growing into the entrepreneurial role, it was through a close cross-case comparison that the differences in adoption of resolution mechanisms were highlighted and explanations suggested (for details see paper 4). Simply put, the interpretation phase with its within-case and across-cases analysis enables the ability to see both the forest and the tree simultaneously, and thus helps to develop accurate, interesting, and testable theory (Eisenhardt, 1989, 1991).
Step 4 – Writing-up. The final phase of the data analysis involves writing up a coherent story. This phase not only includes presenting a plausible theory (Miles & Huberman, 1994), displaying the evidence (Wolcott, 1990) and reporting on the credibility of the research, but also enables engagement in discussion of how the findings from the analysis relate to ongoing conversations in the field.

Summing up, analysis involves assigning meaning to strings of data, clustering these meanings into concepts and seeing how the different concepts describing the phenomena are interrelated with each other. Dey (1993: 30) argues that “analysis is like making an omelette; you cannot do it without breaking eggs and beating them up together. Analysis involves breaking data down into bits, and then ‘beating’ the bits together”.

4.6 Triangulating the datasets

Triangulation is an approach to research that “uses a combination of more than one research strategy in a single investigation” (Streubert & Carpenter, 2011). The use of triangulation can be seen as an attempt to obtain a deeper understanding of the studied phenomenon as it adds rigor to the study or reveals unique findings (Denzin, 1970; Jick, 1979). In other words, triangulation is a process by which the same phenomenon is assessed with different methods or sources (Jick, 1979). Three different forms of triangulation can be distinguished: data, method and theory (Denzin, 1970). Data triangulation involves combining different sources of data (time, space or person), for example primary data from interviews with archival data (Nordic dataset) and different sources of secondary data, i.e. press releases, books, existing interviews and research articles (general dataset). While data triangulation is inherent in the three empirical papers and cover story, the method triangulation is present only in the cover story. Method triangulation can occur at the level of design (between-method triangulation) or level of data collection (within-method triangulation) (Denzin, 1970; Mitchell, 1986). While the former adopts contrasting analysis techniques to improve the interpretation of emerging patterns and revealing unique findings, the latter is concerned with different (i.e. at least two!) techniques of data collection, for example narratures (general dataset) and interviews (Nordic dataset) with the aim of increasing the construct validity (Streubert & Carpenter, 2011: 355). Method triangulation happens during the interpretation phase and can be described as "an informed thought process, involving judgment, wisdom, creativity, and insight and includes the privilege of creating or modifying theory" (Morse, 1991: 122). This means that not the datasets but findings derived from those datasets are compared. Finally, theoretical triangulation involves the use

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21 For example, multiple sources of evidence increase the construct validity.
of more than one theory to explain the phenomenon (Denzin, 1970; Miles & Huberman, 1994). And, while the thesis builds upon and focuses through different theoretical lenses, they are not used for comparison purposes, thus this form of triangulation was not attempted (see Table 9 for details on triangulation utilized in this thesis).

**Table 9 – Examples of triangulation present in the thesis**

<table>
<thead>
<tr>
<th>Type of triangulation</th>
<th>Definition</th>
<th>Example</th>
<th>Function/Rationale</th>
</tr>
</thead>
</table>
| Data triangulation    | Combining different sources of data | • Combining face-to-face interviews with internal & external archival data (within Nordic dataset)  
• Combining existing interviews with (auto)biographical books, press releases, research papers, etc. (within general dataset) | Establishing convergent construct validity |
| Methodological triangulation (within-method) | Combining different techniques of data collection | • Combining and contrasting data collected in real time with retrospective data (mostly in the cover story, but some degree also in the individual datasets) | Establishing convergent construct validity |
| Methodological triangulation (between-methods) | Combining contrasting analysis techniques | • Narrative analysis vs. pattern matching and comparative technique (cover story) | Revealing unique findings |
| Theory triangulation  | Combining more than one theory to explain a phenomenon | • Not attempted | Revealing unique findings |

This thesis allows triangulation on different levels. While the between-methods triangulation is not included in any of the appended papers, this cover story outlines this step while dealing with research questions 1, 3 & 4. More specifically, Table 10 presents findings related to the first research question, while Table 11 demonstrates findings related to research questions 3 and 4.

As argued in section 4.3, the rationale for two datasets was based on the assumption that each of the datasets can produce a slightly different picture because of the different approach and context. This triangulation at the design level (between-methods) has subsequently helped to reveal interesting and unique findings.
<table>
<thead>
<tr>
<th>Learning Target</th>
<th>Learning Mode</th>
<th>Embeddedness</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fredrik</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Concept</td>
<td>Operations</td>
<td>Modeling</td>
</tr>
<tr>
<td>Marriage of food &amp; place philosophy in corresponding atmosphere</td>
<td>Every day practices, i.e. bills, orders, etc.</td>
<td>Interaction with renowned chefs and their practices, conversations</td>
</tr>
<tr>
<td><strong>Allan</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Concept</td>
<td>Operations</td>
<td>Modeling</td>
</tr>
<tr>
<td>Re-definition of meaning of 'local', interaction with other chefs gave some ideas</td>
<td>Trying out new things, like marketing strategies</td>
<td>Adopting values and interests in local food based on inspirational trip to Italy, other learning trips</td>
</tr>
<tr>
<td><strong>Charlie</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Concept</td>
<td>Operations</td>
<td>Modeling</td>
</tr>
<tr>
<td>Liked the existing concept, did not develop it further</td>
<td>The practicalities adopted from previous experience</td>
<td>Adopted existing concept, improved the efficiency of processes</td>
</tr>
<tr>
<td><strong>Jonathan</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Concept</td>
<td>Operations</td>
<td>Modeling</td>
</tr>
<tr>
<td>Partly following trends, partly inspired by Head Chef's passion for local herbs</td>
<td>Following developments in the industry &amp; own previous experiences</td>
<td>Following trends in high-end restaurant sector</td>
</tr>
<tr>
<td><strong>Rene Redzepi</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Concept</td>
<td>Operations</td>
<td>Modeling</td>
</tr>
<tr>
<td>Exploring the core values of the concept, the interdependencies</td>
<td>Mix of previous experiences with finding new solutions</td>
<td>Initially modeled on Ferran Adria's conceptual thinking</td>
</tr>
<tr>
<td>Name</td>
<td>Key Characteristics</td>
<td></td>
</tr>
<tr>
<td>-----------------</td>
<td>--------------------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>Ferran Adrià</td>
<td>- Constant re-definition &amp; search for novelty</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Learning by doing</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Not much</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- A lot of experimentation in many aspects, food, experience, business model</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- At start not well networked, this changed over time</td>
<td></td>
</tr>
<tr>
<td>Mario Batali</td>
<td>- Traditional Italian, not developed much further</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Based on previous experience</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Inspiration from La Volta &amp; Marco Pierre White</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Yes, with revenue streams</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Initial good connection with Italian restaurateurs</td>
<td></td>
</tr>
<tr>
<td>Thomas Keller</td>
<td>- French cuisine, initiated trend of close relationship with purveyors</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Based on previous experiences</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Developing business acumen &amp; values based on observation of role models</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Not much, mostly with regards to food, recently connected with concept of French Laundry at Harrods</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- At start not well networked, currently very well networked</td>
<td></td>
</tr>
<tr>
<td>Heston Blumenthal</td>
<td>- Initially French but transforming into historic British</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Initially modeled on the biggest in the industry, but experimentation has begun to dominate</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- A lot of experimentation with food production, concept &amp; service experience</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- At start not well networked, but it changed over time</td>
<td></td>
</tr>
<tr>
<td>Bernard Loiseau</td>
<td>- Cuisine Nouvelle, simplifying the cooking &amp; going to roots of ingredients</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Based partly on previous experience</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Initially modeled Verger</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Lot of experimentation, especially changing the methods of cooking, new revenue streams</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Well networked through his apprenticeship and later employment</td>
<td></td>
</tr>
</tbody>
</table>
Table 11 – How goal orientation and access to role models influenced the entrepreneurial competence – comparing the findings

<table>
<thead>
<tr>
<th>Goal orientation</th>
<th>Access to role models</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Learning orientation</td>
</tr>
<tr>
<td>Fredrik</td>
<td>Strong</td>
</tr>
<tr>
<td>Allan</td>
<td>Strong</td>
</tr>
<tr>
<td>Charlie</td>
<td>•</td>
</tr>
<tr>
<td>Jonathan</td>
<td>•</td>
</tr>
<tr>
<td>Rene Redzepi</td>
<td>Strong</td>
</tr>
<tr>
<td>Ferran Adria</td>
<td>Strong</td>
</tr>
<tr>
<td>Mario Batali</td>
<td>Moderate</td>
</tr>
<tr>
<td>Thomas Keller</td>
<td>Strong</td>
</tr>
<tr>
<td>Heston Blumenthal</td>
<td>Strong</td>
</tr>
<tr>
<td>Bernard Loisaeu</td>
<td>•</td>
</tr>
</tbody>
</table>

For example, while (especially in media) there is ongoing discourse about celebrity chefs as role models to other chefs, closer analysis of the findings from both datasets has revealed that this is true only if the celebrity chef is perceived as accessible and in close proximity. In choosing their role models, the Nordic restaurateurs were more concerned with selecting an individual who was in close proximity to them, someone with whom they may have physical interaction, to whom the restaurateurs may turn to if they need advice. Similar, observations can be made from the general dataset. So, while Fredrik referred to Ferran Adria and his restaurant he did so to signal that he monitors the industry and is on the lookout for new trends and new developments, but he does not actually consider Ferran to be a role model for himself.

On the other hand, the data and within-method triangulation have been used with the purpose of increasing convergent construct validity. The different sources of data have pointed in the same direction, meaning that there is convergence in the collected data; however, the primary data has delivered many more detailed insights than the archival (secondary) data. More
specifically, Table 10 is an attempt to compare findings from both datasets in regards to research question focused on the learning process. While it is possible to utilize both datasets to satisfy the question, the interview data provides a much richer source and allows the teasing out of many more details that helped to draw the boundaries around emerging concepts and models. In particular, the interview data, by being conducted in an interactive way, allowed for asking clarification questions when necessary and thus facilitated the interpretation of the data. This also means that the Nordic dataset provides more intersubjective knowledge than the general dataset as the interaction with the entrepreneurs and their social network have enabled sense making.

4.7 Quality of the enquiry & ethical considerations

The approach and measures used to assess the quality of the field work and the overall conclusions depend on epistemological assumptions. Patton (2001) argues that independently of philosophical stance, the credibility of any research depends on three main elements: a) rigorous methods for conducting the field work, b) the credibility of the researcher and c) a philosophical belief in the value of qualitative inquiry. While the epistemological differences influence whether authors explicitly report validity and reliability tests (so called primary reports) or only describe the actual research process (so called secondary reports), a trustworthy researcher ought to make sure that the whole research process from sampling strategy, through data collection to analysis is clearly discussed and that the developed theory is parsimonious, testable, and logically coherent (Eisenhardt, 1989; Gibbert, Ruigrok, & Wicki, 2008; Miles & Huberman, 1994). Otherwise, as argued by Scandura and Williams (2000: 1263) “without rigor, relevance in management research cannot be claimed”.

Even though many criteria exist to fully assess the rigor of the case studies, the procedures are not sufficiently standardized (Amis & Silk, 2008; Pratt, 2008). Authors often don’t know what and how to report (Gibbert & Ruigrok, 2010; Gibbert, et al., 2008). To overcome this methodological weakness, it has been suggested that regardless of epistemological assumptions, the concrete performed actions should be described in detail (Gibbert & Ruigrok, 2010; Miles, 1979; Yin, 1981). Subsequently, following the framework developed by Gibbert & Ruigrok (2010), the primary reports are discussed in section 4.7.1, the secondary reports in section 4.7.2, while Table 12 summarizes the overall steps taken to assure rigor and good quality of this research. Additionally, section 4.7.3 outlines the practical and ethical considerations of this work.
4.7.1 Primary reports

Ensuring rigor in case studies requires construct validity, internal validity and external validity as well as reliability assessment. According to Kirk and Miller (1986) the main difference between reliability and validity lies in the relationship between the sameness and rightness. That is “the extent to which a measurement procedure yields the same answer however and whenever it is carried out” assesses the reliability of the study and “the extent to which it gives the correct answer” informs about the validity of the findings (Kirk & Miller, 1986: 19). In other words, validity assesses whether we measure what we think we measure, and reliability the degree to which the findings are dependent on the process.

Construct validity refers to the quality of conceptualization and/or operationalization of the relevant concept (Miles & Huberman, 1994). It becomes important during the data collection phase. To produce a corroborated and accurate view of reality (Denzin & Lincoln, 1994), I ensured a clear chain of evidence to enable reconstruction of the journey from initial research questions to the final conclusions (Yin, 1994); I have also sent the first draft of the case study to the informants for consistency and accuracy checks. Additionally, I have used triangulation which meant adopting different angles from which to look at the same phenomenon, by using different data collection strategies and different data sources (Denzin & Lincoln, 1994; Jick, 1979). Examples include different sources of data (interview data, archival sources) and different methods (pattern matching and comparative technique vs. narrative analysis).

Internal validity refers to the causal relationships between variables and results (Yin, 1994). It is crucial in the analysis process as it enables development of a plausible causal argument that makes arriving at relevant research conclusions possible (Gibbert & Ruigrok, 2010). Inclusion of both the cross-tables and citations with the raw data confirms that the findings are genuinely based on critical investigation of the data and not on a few well-chosen examples (Silverman, 2000). The research framework was explicitly derived from literature demonstrating the direct links between the different variables; where patterns emerged, efforts have been made to compare these emerging empirical patterns with those found in other studies (Denzin & Lincoln, 1994; Eisenhardt, 1989).

External validity refers to the generalizability of the findings. The aim of this thesis is to build theory from cases. More specifically, to increase the external validity, this study uses two different datasets and each of the two datasets comprises multiple cases (that is, the Nordic dataset has four (4) cases and general dataset includes six (6) cases). This number of cases is deemed to be sufficient for analytical generalization (Eisenhardt, 1989, 1991). If and where
4. Method

possible, an attempt was made to suggest other contexts where the suggested models/ theory could be applicable (for example see the discussion sections in papers 1, 3 & 4). In particular, to facilitate the comparisons and generalization the adopted criteria for case selection are described in section 4.4.1 (for general dataset) and 4.5.1 (for Nordic dataset). The rationale for the case study approach is discussed in section 4.2 and the contexts – both the business (industry) and the spatial one - are described in chapter 3.

Table 12 – The study’s quality assurance measures

<table>
<thead>
<tr>
<th>Criteria for rigor</th>
<th>Actions performed</th>
</tr>
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<tbody>
<tr>
<td><strong>Reliability</strong></td>
<td>Is the process of the study consistent, reasonable, and stable over time and across methods?</td>
</tr>
<tr>
<td></td>
<td>• Database with documents related to the study, including interview transcripts and notes as well as all the secondary documents</td>
</tr>
<tr>
<td></td>
<td>• The renowned chefs dataset uses the actual names of the restaurateurs</td>
</tr>
<tr>
<td><strong>Construct validity</strong></td>
<td>Have multiple sources of evidence been used?</td>
</tr>
<tr>
<td></td>
<td>• Data triangulation (I used primary &amp; secondary data, the data came from multiple sources)</td>
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<tr>
<td></td>
<td>• The case write-ups have been sent out to informants (restaurateurs)</td>
</tr>
<tr>
<td></td>
<td>• Described data collection circumstances (incl. access to data) reflected on how the actual process differed from what was planned</td>
</tr>
<tr>
<td></td>
<td>• Clarified data analysis procedure (section 4.3.3 &amp; 4.4.3)</td>
</tr>
<tr>
<td><strong>Internal validity</strong></td>
<td>Do the findings make sense? Are they credible?</td>
</tr>
<tr>
<td></td>
<td>• The research framework derived from literature (see chapter 2)</td>
</tr>
<tr>
<td></td>
<td>• Pattern matching (related my findings to those reported by other studies)</td>
</tr>
<tr>
<td></td>
<td>• Theory triangulation (in developing my model I have used different theoretical lenses and body of literature, i.e. identity, expertise, role models, etc. as means to interpret my findings)</td>
</tr>
<tr>
<td><strong>External validity</strong></td>
<td>Are the conclusions transferable to other contexts?</td>
</tr>
<tr>
<td></td>
<td>• Cross-case analysis (used multiple case studies)</td>
</tr>
<tr>
<td></td>
<td>• Explained rationale for case study selection (section 4.3.1 &amp; 4.4.1)</td>
</tr>
<tr>
<td></td>
<td>• Explained the context of the case studies (see chapter 3)</td>
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</table>

Source: Compiled and adapted from Gibbert & Ruigrok (2010).

Reliability refers to the absence of random error that would make it impossible for others to arrive at the same insights if they conducted the study along the same steps again (Denzin & Lincoln, 1994). Transparency is the main
mechanism for strengthening a study’s reliability, because it enables replication of the study (Leonard-Barton, 1990). Hence, to increase transparency, all interviews were recorded and carefully transcribed, and the adopted strategies and steps taken during sampling, collecting and analyzing of the data have been clarified, and extracts of raw data have been presented in the text (Silverman, 2000). Additionally, the general dataset is built upon publicly available material about six Michelin starred chefs, who are identified with their actual names.

4.7.2 Secondary reports

While the role of the primary reports is to report formal steps taken to assure the trustworthiness of the research, the secondary reports do not engage as much with the labels, but rather they offer the reader a detailed description of the research process, in particular where the procedure has digressed from the plan (Gibbert & Ruigrok, 2010). Inherent in research involving human interaction is the fact that the reality does not always resemble the initial plan. For example, the initial design presumed six months intervals between subsequent data collection points, however due to high seasonal variability in the restaurant industry and issues with the (lack of) availability of the respondents, this plan had to be adjusted accordingly. Similarly, even though data collection ended in 2009, the significance of the emerged theme of identity and the need to clarify and explore some new dimensions have led to an additional wave of follow up phone interviews with the entrepreneurs in June 2011.

It is likely that the emergence of the identity theme would have been impossible if the focus was not on the restaurateurs with very short entrepreneurial experience. This theme had already emerged during the initial interviews in 2007, but over time it grew in importance leading to considerable changes as a result of entrepreneurs adapting to their new roles. This also meant that some of the codes were developed prior to the fieldwork (based on conceptual ideas from the literature), while others were formed from the empirical data (like the codes related to identity) (Maznevski & Chudoba, 2000). In summary, the diversions from plan can bear both positive and negative implications for the study and can help move the study in a different direction.

4.7.3 Practical and ethical considerations

Interaction with respondents during field work requires additional ethical and practical considerations. On the one hand, the practical issues circle around getting access to informants and arranging the practicalities of the interaction (like agreeing on suitable date time and venue for the interview or getting to/from the location), on the other, the ethical considerations include issues of
dealing with private and/or confidential information as well as granting anonymity and confidentiality to respondents.

While the number of Nordic rural gourmet restaurants is relatively small, finding restaurants that fulfilled the requirements and were willing to participate in the study was not easy. However, once the initial contact with the four restaurateurs was established, the practical side did not constitute considerable problems, although a high level of flexibility was required to fit with the restaurateurs’ busy schedules. The entrepreneurs were eager to share their experiences and to point in the direction of their suppliers or other local businesses in their networks; at times being they displayed considerable pride in the relations between the two businesses. The data collection, and more specifically the traveling between the different rural locations, was made possible through external financing. While it clearly simplified the research process, it did not produce any conflicts of interest. One small encountered problem was a language barrier during interviews with two small suppliers of vegetables. They did not feel comfortable enough to speak English. To solve the problem the language of the interview was changed to the interviewees’ mother tongue. More specifically, foreseeing such an eventuality, an interview guide in national languages was prepared and made available to these two interviewees.

Following the explanation of the purpose of the study and the respondents’ agreement to participate in it, their consent to record the interview and take notes was sought prior to each interview. Additionally, the informants were offered anonymity and confidentiality. Even though two of the Nordic chefs agreed to have their actual names used, for consistency all names used in the Nordic dataset are pseudonyms.
5. The Summary of the papers

This chapter offers an overview and summarizes the four appended papers.

The thesis comprises of four appended papers. Table 13 provides an overview of the appended papers. The content of each of the papers, papers 1 through 4, is briefly summarized by indicating the gap, the research question, the findings and the contribution made. The discussion of how these papers fit and contribute to answering the overall purpose is discussed in Chapter 6.

5.1 Paper 1 – Advancing Entrepreneurial Learning Theory by Focusing on Learning Mode and Learning

This empirical paper is concerned with what and how entrepreneurs learn in the process of starting and running a venture. In this paper, we develop a model linking learning mode, self-efficacy and usage of social networks with learning about concepts or operations.

Entrepreneurship is about the creation of new economic activity (cf. Davidsson, 2004; Shane & Venkataraman, 2000). Consequently, in learning how to become an entrepreneur, individuals need to gain knowledge about how to create sustainable value for their customers and how to profitably appropriate a proportion of that value created. The idea of transforming ideas into new offerings presupposes entrepreneurs’ agency and their ability to discover new applications for their knowledge. Social learning theory sees the individual as an agent driven by intentions and forethought (Bandura, 2001). Believing in their own capabilities based on prior undertakings and social example encourages entrepreneurs to engage in action and facilitates openness to, and learning from, new experiences (Bandura, 1977, 1997). Thus, the purpose of this paper is to explore what and how entrepreneurs learn when they engage in new economic activity.

Arguing that learning literature remains under-theorized, we use four exploratory case studies to generate new theory. Relying on social learning theory, we analyze the process of transforming entrepreneurs’ ideas into real offerings and propose a model that specifies two distinct areas of learning, i.e., learning about the concept and learning about operations. We then suggest how these areas of learning are linked to (a) learning mode, (b) self-efficacy, and (c)
professional networks. Specifically, dealing with relatively simple situations (learning about operations) entrepreneurs will engage in experimentation, while in complex situations requiring substantial amounts of tacit knowledge (learning about the concept) entrepreneurs will tend to rely on modeling behaviors. We also propose how professional ties influence the learning process by enriching the acquisition of experiences, and shaping entrepreneurs’ deep beliefs. Ultimately we develop a fine-grained model of entrepreneurial learning that provides a deeper understanding of the learning process.

We develop our theoretical propositions on the basis of in-depth case studies of fine dining chefs/entrepreneurs and their businesses. This is an excellent context for revealing experiential learning and the role of social networks. Competition in the fine dining segment of the restaurant industry is skill-based and largely characterized by high tacitness (cf. e.g., Bhidé, 2000); innovation is frequent and gourmet chefs represent a distinct profession with many close relationships.

5.2 Paper 2 – The Role of Action-Control Beliefs in Developing Entrepreneurial Decision Making Expertise

This conceptual paper focuses on action-control beliefs and their role in acquiring entrepreneurial expertise, and suggests that changes in the decision making can be attributed to entrepreneurs’ changing action-control beliefs.

Extant scholarship suggests that gaining entrepreneurial competence requires entrepreneurs to build capacity to successfully create new means-ends frameworks (Sarasvathy, 2001) and to produce future products and services (Shane & Venkataraman, 2000). As entrepreneurs gain expertise, it appears that they move from using a decision making logic signified by prediction (causation) to logic that relies more on perceived control (effectuation). As a result, the principles of the decision making of experienced entrepreneurs differ from that of inexperienced entrepreneurs in important ways (Dew, et al., 2009; Gustafsson, 2004; Read & Sarasvathy, 2005; Sarasvathy, 2001).
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<th></th>
<th>PAPER 1</th>
<th>PAPER 2</th>
<th>PAPER 3</th>
<th>PAPER 4</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Research question</strong></td>
<td>What and how do entrepreneurs learn in the entrepreneurship process?</td>
<td>How do entrepreneurs develop their entrepreneurial expertise?</td>
<td>How does goal orientation affect the acquisition of entrepreneurial competence?</td>
<td>How do entrepreneurs experience and resolve conflicts between multiple role identities?</td>
</tr>
<tr>
<td><strong>Type of paper</strong></td>
<td>Empirical</td>
<td>Conceptual</td>
<td>Empirical</td>
<td>Empirical</td>
</tr>
<tr>
<td><strong>Data</strong></td>
<td>Primary, 4 cases of Nordic rural restaurateurs</td>
<td>n/a</td>
<td>Secondary, Narratives of 6 renowned chefs &amp; their role models</td>
<td>Primary, 3 cases of Nordic rural restaurateurs</td>
</tr>
<tr>
<td></td>
<td>PAPER 1</td>
<td>PAPER 2</td>
<td>PAPER 3</td>
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<tr>
<td><strong>Findings</strong></td>
<td>Developing the concept of the business, entrepreneurs rely on modeling, but in learning about operations they experiment. Reliance on professional network when developing concept. Changes in action-control beliefs are suggested to change the perception of means-ends frameworks and available strategies, thus contributing to more effectual reasoning and action. Individuals with learning orientation engage more in experimentation than performance-oriented ones; the former use role models as source of inspiration, the latter for competition purposes. Multiple identity conflicts experienced in 3 dimensions: core values, productive performance &amp; interaction with audience. Entrepreneurial identity a meta-identity of professional &amp; business owner/manager identity.</td>
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<tr>
<td><strong>Contribution</strong></td>
<td>A fine-grained model of entrepreneurial learning linking: 1) learning mode with 2) learning target, 3) self-efficacy and 4) use of social networks. A model using action-control beliefs to explain the process of transformation from causation to effectuation reasoning. A model illustrating the relationships between goal orientation, role of role models and entrepreneurial competence development.</td>
<td>Conceptualizing entrepreneurial identity as a meta-identity consisting of both business owner/manager identity and professional identity.</td>
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</table>
Sarasvathy (2001, 2008) argues that entrepreneurs begin with means at hand. How entrepreneurs attribute the means to achieving desired actions will have an important role in determining what actions the entrepreneurs find worth pursuing and which strategies they will adopt. In particular, their identity, their knowledge and their social relationships will influence the perception of control, their goals and subsequently their willingness and capability to learn (Sarasvathy, 2008). Thus, the purpose of the paper is to explain how and why entrepreneurs become more effectual as they gain entrepreneurial competence.

By drawing on action-control beliefs theory and applying it to the entrepreneurship process, this study develops a model that helps to explain the transformation from causal to effectual reasoning. Skinner and colleagues (1988) distinguish three different beliefs that guide human action: means-ends beliefs, control beliefs and agency beliefs. It is suggested that changes in these beliefs create changes in mental maps. In particular, changes in means-ends beliefs allows the generation of new strategies, positive changes in agency beliefs increase the perception of resourcefulness and flexibility, and positive changes in control beliefs increase the propensity for experimentation. These changes result in more exhibition of more effectual behavior.

This paper contributes to entrepreneurship theory by explaining how agency develops over time. Specifically, the paper proposes that changes in action-control beliefs lead to changes in perception of potential strategies (means-ends beliefs), perception of the availability and suitability of the different strategies (agency beliefs), and expectations of outcomes (control beliefs). These changes contribute to a feeling of resourcefulness and personal control. Additionally, it is suggested that double-loop learning is the outcome of changes in action-control beliefs.

5.3 Paper 3 – Becoming an Expert: The Role of Goal Orientation and Role Models in Developing Entrepreneurial Competence

This is an empirical paper, concerned with the influence of setting goals as learning or performance goals and the impact of doing so on the subsequent development of entrepreneurial competencies. It also analyzes how interaction with role models changes this relationship.

Previous research shows that perceived control influences the relationship between intentions and action (Skinner, 1995) and that intentions are important
in the attainment of goals (for example, Ajzen, 1991; Wiklund & Shepherd, 2003a). Setting goals as either learning or performance goals is likely to influence the level of effort made in arriving at the goal and the manner in which it happens (Locke, et al., 1988; Noel & Latham, 2006). It has also been found that social networks, especially role models, influence entrepreneurial action (Davidsson & Honig, 2003). Subsequently, this paper explores the contribution of role models and goal orientation in the development of entrepreneurial competence.

Drawing on literature on goal orientation and Johannisson’s (1991) classification of entrepreneurial competences, this paper analyzes accounts of both novice and expert chefs and restaurateurs and their recollection of their own development, in particular the learning process undergone, and their motivation throughout. The data combines stories told by industry insiders with those written by writers as well as self-reflections collected by reporters engaged in learning the craft. The context of cooking and becoming a chef and restaurateur is a suitable context for understanding the process of gaining entrepreneurial expertise, because 1) expert restaurateurs, and in particular gourmet restaurateurs, often exhibit many characteristics that are similar to innovative entrepreneurs; and 2) becoming a restaurateur is often viewed as a natural progression in a chef’s career. Finally, the restaurant industry is characterized by the existence of a strong master and apprentice model that shapes the learning process within the industry.

The findings in the paper indicate that entrepreneurs showing a preference for learning goals are more likely to become expert entrepreneurs and develop more entrepreneurial competencies than entrepreneurs who are primarily driven by performance goals. In particular, the preference for learning goals leads to double-loop learning and thus, increased levels of creativity, trial-and-error behavior, active interaction with society, and more efforts towards attaining know-why competencies. On the other hand, a preference for outcome goals results in single-loop learning, and thus, rather imitative behaviors and a focus on know-how as a sufficient indicator of competence. Furthermore, this paper emphasizes the different role that role models play in the competence development process. In particular, while learning-oriented individuals see their role models as a source of inspiration to attain the aspired level of competencies, the outcome-driven individuals see role models as potential competitors which can lead subsequently to more surface learning.

The study provides foundations for a better understanding of how sources of motivation (external versus internal) are likely to influence the strategies used by entrepreneurs to imagine new means-ends frameworks and generate new offerings. This study refines the learning theory by suggesting that there is a relationship between goal orientation, role models and the acquisition of
entrepreneurial competence. Specifically, this paper suggests that role models of learning oriented individuals are more likely to facilitate higher entrepreneurial competence development than role models of performance oriented individuals.

5.4 Paper 4 – The Nature of Entrepreneurial Identity and its Impact on Entrepreneurial Outcomes

This empirical paper analyzes what happens to entrepreneurs’ identity when they engage in the entrepreneurial process, and what consequences potential identity conflicts may have on entrepreneurial outcomes.

Research shows that in small firms, the firm owner is typically the sole source of action (Rauch & Frese, 2000). Understanding of how entrepreneurs create and appropriate new value in their firms can be achieved by studying their self-perceived identities (Sarasvathy, 2008; Stryker, 1968). The identity is shaped by the perception of desirability of the role and their own attachment to it (Goffman, 1959) as well as in their interaction with others. It has been shown that individuals maintain multiple role-identities (Pratt & Foreman, 2000), and that conflict between these identities is more likely when the behavioral expectations associated with two or more salient but distinct role-identities diverge (Settles, Sellers, & Damas, 2002). Even if entering an entrepreneurial role (e.g. starting and running a venture) is likely to cause the appearance of role conflicts in certain contexts, the process of resolution and the consequences of such conflicts have not received attention so far. Thus, this paper explores the question: how do entrepreneurs experience and resolve conflicts between the different role identities? And how does the resolution of conflicts between multiple role-identities influence the outcomes of the entrepreneurial process?

Using comparative case methodology based on purposive theoretical sampling, the paper analyzes entrepreneurial processes in Nordic, high-quality, rural restaurants where the owner and chef represented the entrepreneur experiencing the identity conflict. The context of high-quality rural restaurants is ideal for our purposes because of the salience of the phenomenon. These gourmet restaurants are operated by chefs with strong professional identities, but rural restaurants also stress their local origin through, for example, the use of local ingredients and recipes. Thus, the rural gourmet chef not only has to find a way to reconcile their professional identity with the role identity of an entrepreneur, but also with their region-based identity. In total, 35 interviews were performed with three restaurateurs and their business partners.
5. The Summary of the Papers

The findings indicate that entrepreneurship is a multi-identity endeavor. In particular, findings from the study show that the entrepreneurs in the study experience conflicts between their role identities as professional chefs with certain standards on the one hand, and the expectations of the local business network where people stick to behavioral norms and view themselves as efficient producers of standardized goods on the other. The analyses find that entrepreneurs are likely to experience both strong professional/occupational and local business owner role identities, and that their ability to resolve potential conflicts between these roles is closely related to the success of their businesses. In particular, entrepreneurs who manage to resolve their conflicts by balancing their competing identities are more innovative and flexible in their menus in order to overcome seasonality and inconsistencies in supply, and to work closely with local suppliers to help them innovate. On the other hand, entrepreneurs for whom the professional chef identity is more salient engage in the creation of new means-ends combinations without regard for costs and revenue generation and entrepreneurs for whom the business owner identity is more salient focus on effectively managing currently present means-ends combinations. Consequently, entrepreneurs engaging in balancing their multiple identities actively engage in the changing values and norms in their contexts by creating opportunities to better utilize resources. Embeddedness in both professional/occupational networks as well as local business networks help to shape the identity.

This paper provides a basis for understanding the importance of the mechanisms of entrepreneurial identity construction. This suggests that the resolution of conflicting identities is a major challenge for entrepreneurs who pursue bold, new endeavors and that the successful resolution of such conflicts is crucial for the production of innovative outcomes. By drawing specific attention to the importance of balancing professional identity with local business owner identity, this paper contributes to entrepreneurship research by conceptualizing overall entrepreneurial identity as a meta-identity and identifying mechanisms that drive the process of entrepreneurial identity development.
6. Discussion and Suggestion for Future Research

This chapter discusses the findings from the four studies (both separately and in relation to each other) and in doing so develops an integrative model of competence development (section 6.1.). Subsequently, section 6.2 identifies the contributions of the thesis, section 6.3 discusses the limitations and the chapter concludes in section 6.4 by identifying possibilities for future research.

6.1 The four studies

The four articles can be seen both as independent works and as building blocks of an emerging whole. They reflect not only the pragmatic nature of the research process intertwined between inquiry and experience (Peirce, 1878) but also conform with the abductive reasoning where unexplained findings give reason for backward generation of a plausible theory of its causes (van Maanen, Sorensen, & Mitchell, 2007). In other words, the thesis develops provisional theory explicating the how and why of the entrepreneurial competence development process (Edmondson & McManus, 2007). The questions and arguments in latter articles are extensions of themes or issues identified in former ones, and together they form an overarching framework for unpacking the process of entrepreneurial competence development (see Figure 8 for the depiction of the integrating model). The order of the papers reflects the temporal empirical emergence of themes important for understanding the process of competence acquisition and the subsequent search in literature for possible explanations. For example, while the focus of paper 1 is on understanding the learning process, the data indicated that two of the restaurateurs – hungry of learning more and becoming better at what they do, are continuously engaging in learning and developing their skills, while the other two have achieved satisfying level of competence and had adopted passive relation to learning. This observation has resulted in generating questions about causes of the differentiated approach to acquisition of expertise. Subsequently, this issue became the focus of paper 2 and paper 3. While paper 2 theorizes about the role of action control beliefs in enabling achieving expert level of performance, paper 3 analyzes the role of goal orientation on subsequent motivation and ability to learn. Similarly, observations of situations when professional networks have been utilized to
6. Discussion and Suggestion for Future Research

advance knowledge have resulted in questions about the role of role models in motivation of restaurateurs for entrepreneurial activity (theme discussed in paper 3) as well as in the process of forming their identity and understanding what it means to take the role of a gourmet restaurateur (issue highlighted in paper 4). The remainder of the section discusses these themes in more detail.

6.1.1 Process of entrepreneurial learning and competence acquisition

To be able to understand how entrepreneurs develop their entrepreneurial competences requires understanding of how they learn. While the literature posits that entrepreneurial learning is likely to be experiential in nature (e.g. Cope, 2003; Erikson, 2003; Rae, 2000), the extant research has yet to elucidate the nature and details of the experience variable. By specifying the experience variable to include both learning about operations (Shepherd, Douglas, & Shanley, 2000) as well as learning about concept, paper 1 proposes that these two dimensions constitute the content of what an entrepreneur learns. While this finding is somewhat reminiscent of Henderson and Clark’s (1990) distinction between the architectural vs. component innovation knowledge, it also emphasizes the implicitly different nature of learning required to acquire them. More specifically, in the given context of the gourmet restaurants operations refer to routines required to be in place in order to deliver the product or service. The business concept refers to the architectural configuration of various elements of the business, such as the menu, the location, the venue, which collectively create a particular ambience and the context which situates the overall dining experience for the customer. The ability to create a successful configuration of these elements is no easy task and requires extensive tacit knowledge. More specifically, while individuals may engage in learning how to perform the routines more efficiently, learning about the concept requires higher level of learning that moves beyond the simply doing things better and requires that the right things are done.

Subsequently, since transferring non-codified knowledge is hard, the acquisition of such conceptual knowledge becomes indeed difficult (Zander & Kogut, 1995). While the differences in knowledge may play an important role in explaining the advantage of habitual entrepreneurs (e.g. Alsos & Kolvereid, 1998; Wiklund & Shepherd, 2008), it is also likely that their approach to learning may become important. More specifically, whether individuals frame their goals as directed towards furthering their competence or rather achieving desired performance level may have consequences for their adopted learning mode. While findings from paper 1 suggest that learning about operations and learning about the concept are each closely associated with a particular learning mode, that is learning about operations is primarily accomplished through
direct experience, the acquisition of knowledge about the concept is largely vicarious in nature, with novice entrepreneurs learning from observing and discussing with other restaurateurs; findings from paper 3 identify the link between the goal orientation and the preference for either single-loop or double loop learning. More specifically, learning orientation facilitates double-loop learning, while outcome orientation fosters single-loop learning. Subsequently, in an attempt to juxtapose and explore how these findings may interrelate, it appears that the outcome goal orientation facilitates learning about operations. Learning about operations is less complex and abstract and requires less interaction with social networks, giving the entrepreneurs more opportunities to engage in deliberate practice, try new ideas in arranging operational issues and develop their self-efficacy. Conversely, learning goal orientation facilitates double-loop learning about the concept by emphasizing entrepreneurs’ willingness to understand the why and how of the developed knowledge. Learning orientation stresses the mastery approach and appears to be more suitable to acquire complex and tacit in nature knowledge. Additionally, the embeddedness in and access to professional networks means that these entrepreneurs internalize the values of the profession by developing similar beliefs, using the same language, expressing similar opinions and by modeling behaviors perceived as desirable. Thus, findings from paper 1 and 3 contribute to seeing the entrepreneurial competence development process as a process necessitating also learning and adoption of professional norms.

The engagement in professional networks is also related to a preference for learning through modeling and learning about the concept. Purposeful engagement in professional networks speeds up the understanding of what it means to be a chef and run a successful restaurant and facilitates learning. For example, both Thomas Keller and Mario Batali stress that interaction with their early role models has shaped their perception of the meaning of the profession and taught them the skills. Also, Fredrik emphasized that observing and interacting with his role model has been influential for his own and his restaurant’s development. Thus, cognitive closeness to role models and prestigious professional ties influences the exerted effort in developing the business concept and leads to more rapid and more extensive learning. More specifically, the cognitive closeness makes it easier to transfer the tacit and complex knowledge because of the shared understanding and greater willingness to take time to carefully explain things (Hansen, 1999; Moran, 2005). Thus, it seems that Bandura’s (1986: 5) argument that ‘most of the behaviors that people display are learned either deliberately or unintentionally, through the influence of example’ applies to entrepreneurs and that access to cognitively close networks, and in particular role models facilitates this learning.

Finally, because the outcomes of entrepreneurial endeavors are uncertain, action-control beliefs (and in particular self-efficacy) have an important role to
6. Discussion and Suggestion for Future Research

6.1.2 Dimensions of entrepreneurial competence development

The focus of all four papers is on development of entrepreneurial competence; though, they explore different facets of this process. While paper 1 takes a micro perspective looking at what and how entrepreneurs learn when they engage in entrepreneurial action; paper 2 theorizes about influence of changes in action control beliefs on development of entrepreneurial expertise; paper 3 explores how goal orientation affects acquisition of entrepreneurial competence and how the role models contribute to this process. Finally, paper 4 explores the importance of resolving identity conflicts for positive entrepreneurial outcomes. In sum, the last three papers investigate both triggers and consequences of engaging in competence development and are implicitly focused on understanding the development process.

The main finding from the study suggests that development is a complex activity requiring a range of supportive conditions to lead to effective outcomes (e.g. transformation of experience into knowledge). Similarly to the study by Chandler and Hanks (1994), I find that experience in itself does not automatically increase the level of competence. On the one hand, findings from paper 3 about influence of goal orientation on the attainment of entrepreneurial expertise suggest that an outcome goal orientation can have a negative impact on entrepreneurs’ capacity and willingness to learn new skills. In other words, individuals adopting outcome goal orientation have no or very low incentive to learn and thus it is not likely that their competence levels will increase substantially. This means that individuals driven mainly by outcome goal orientation are not likely to extensively engage in new product play (Bandura, 1997). Their development is essentially driven by enactive mastery experience and thus, depending on the perceived levels of action-control beliefs the preference for different learning modes changes. More specifically, low perception of control results in a preference for vicarious learning, whereas experiential learning takes the forefront as the entrepreneurs become more successful and confident in their own ability. Thus, this research suggests that action-control beliefs are important for the choice of learning mode. It seems that when they are low, people do not trust their own judgment and therefore consider personal experience as a less relevant learning mode (Wood & Bandura, 1989). In addition, the data shows that entrepreneurs change their preference for learning mode over time as they become more experienced.

In summary, this thesis suggests that the preference for a learning mode and subsequently predisposition for single- or double-loop learning is influenced by the adopted goal orientation, aspired involvement of role models, as well as the target of learning and experienced action-control beliefs.
creation/development as compared to their counterparts who are much more driven by learning goals. On the other hand, theorizations from study 2 suggest that when entrepreneurs develop their action control beliefs, they become more self-efficacious and more willing to experiment and reflect on possibilities, thus their mental maps and the organization of their knowledge change, affecting their competence level. Similarly, the findings from paper 4 stress the importance of developing well balanced entrepreneurial identity in order to realize the potential of both creating new economic activity and doing so profitably. This paints a rather complex picture of the process of entrepreneurial competence development. While some of the factors need to be positioned as threshold factors, others act as facilitators/moderators of the process (Bird, 1995). In more detail, this means that focus on only one aspect and not the overall composition of the triggering factors will not necessarily result in success. For example, inability to resolve identity conflicts or lack of change in perception of control over the situation or own abilities is likely to impede competence development even if the individual is oriented towards learning and has access to positive role models.

Thus, findings from these four papers imply that the levels of acquired competence depend on a constellation of factors. The most important in terms of changing entrepreneurs’ mental maps and perceptions of the world and what is possible are the action control beliefs and the identity beliefs. They play a pivotal role in determining whether entrepreneurs will be striving for and be likely to achieve entrepreneurial expertise. Their influence can be further fostered or impeded by the setting goals as either learning (fostered) or performance (impeded) goals and by access to positive role models. However, it appears that while goal orientation and role models act as moderators it is the ability to develop entrepreneurial identity and the action control beliefs that have crucial meaning for development of entrepreneurial competence. These findings are convergent with the model proposed by Baumeister (1999). According to him reflexive, executive and relational aspects are important in defining an individual’s self and his or her subsequent motivations and actions. While the reflexive aspects reflect the identification with groups and perceptions of own identity, the executive aspects are connected to beliefs about agency (action-control beliefs) and the relational aspects refers to social embeddedness of the individual. So, while Baumeister’s model is generic, the integrating model is applicable to entrepreneurial competence development situation. Additionally, where the two models differ is the relative importance of action-control beliefs and identity beliefs for successful entrepreneurial competence development. It is argued here that the changes in action-control beliefs and the subsequent re-organization of knowledge structures combined with adoption of entrepreneurial identity is what distinguishes expert

22 For application of the model to entrepreneurial skills in the rural entrepreneurship context see also Pyysiäinen, Halpin & Vesala (2011).
entrepreneurs from competent entrepreneurs enabling them transition from single-loop learning to double-loop learning. In other words, for novice entrepreneurs to develop their entrepreneurial competence they need to engage in learning facilitated by appropriate goal-orientation. This facilitated by access to role models, but in order to become experts they need additional adoption of entrepreneurial identity and changed (increased) action-control beliefs – means-ends, agency as well as control beliefs (see Figure 8 for graphical impression).

**Figure 8 – The process model of entrepreneurial competence development**

Consequently, the here developed and presented integrating model should be considered as a thought experiment (Folger & Turillo, 1999). Weick (1995) referred to it as a disciplined imagination and argues that it involves many thought trials and exercises performed in order to build explanation to surprising observations. In particular, such theorizing is suitable when these observations reflect the problems in the world and not necessarily gaps in the literature (Kilduff, 2006). In other words, theorizing encapsulates the way how we think about relationships among the different aspects of the world. Such thought experiments enable “the thickness of thin abstraction to create compact descriptions of complex phenomena” (Weick, 1989: 529). Building on Weick’s idea Folger and Turillo argue that while ‘abstraction as thinness’ denotes the compactness of variables isolated and manipulated mentally, the ‘thickness’

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23This model is not intended as a mathematical model, rather as a graphical illustration of relationships.
emphasizes not the explanatory function “rich not in detail but in implications” (Folger & Turillo, 1999:756). Thus, the integrating model presents such a ‘thickness of thin abstraction’ coming from “the fragments of what we glimpse of the empirical world that can be observed” and through this contributes to “theories that cannot be observed- at least directly”(van Maanen, et al., 2007: 1149).

In summary, the ability to resolve multiple identity conflicts by developing a balanced entrepreneurial identity and the ability to positively influence own action-control beliefs are crucial for successful entrepreneurial competence development.

6.1.3 Multiple identity conflicts and entrepreneurial competence development

The role identity defines the values and norms important for an individual. The subsequent method of and ability to resolve identity conflicts can behave in analogous way. Extant research has shown that identification with role is resulting in better performance (Ashforth & Humphrey, 1993). For example reading Michael Ruhlman’s reflection from his time at Culinary Institute of America it is visible that his motivation and level of value adoption has changed as he began to identify with the role of a chef (Ruhlman, 2009). Also, Chandler & Jansen (1992) assume that to be successful as a business founder, individuals need to adopt an entrepreneurial, managerial and technical role. This study shows that performing a role without beliefs and identification with the role is likely to be reflected in actions, for example lack of experimentation or lack of focus on financial aspect of the business, etc. (see paper 4 for more detailed discussion). Subsequently, a spiral relationship between identity adoption and competence acquisition could be assumed (see Figure 9). Such relationship would presume that it is relatively easy to gain initial levels of competence, in particular factual knowledge (know what) and skills (know how), but reaching the highest level of competence (know why) requires not only motivation but also adoption of entrepreneurial identity and the understanding of the inherent values and meanings. These acquisitions help define the role identity and hopefully increase its salience (Stryker, 1968; Stryker & Serpe, 1982). The more the individual identifies with the role the more he or she internalizes the values and expectations inherent in it and the more the understanding of appropriate motives and attitudes emerges. If, on the other hand, an individual does not identify with elements of the entrepreneurial identity, the competence development will not be balanced and will weight either more towards the role of manager or the role of innovator/new means-ends creator. Subsequently, it can be proposed that becoming expert entrepreneur requires adoption of entrepreneurial identity.
More specifically, it has been shown that individuals with high professional role identity are likely to set goals as learning goals, where the intention is to learn, to acquire new knowledge (Gouldner, 1957, 1958); while at the same time managerial role identity will tend to emphasize setting performance goals. Thus, developing entrepreneurial identity requires balancing between these two divergent expectations and ability to adapt goal setting to the task at hand. Moreover, striving for goals with the aim to learn about possible new means-ends frameworks is likely to result in double-loop learning that involves recognition and adaptation to more effective strategies/solutions and striving for performance goals is likely to result in single-loop learning that is focused on gaining efficiency, but not necessarily choosing better strategies or better solutions.

![Figure 9 – A stage model of competence acquisition](image)

### 6.1.4 Action control beliefs and competence attainment

The action-control beliefs are important in shaping individuals’ motivation for action (Chapman & Skinner, 1985; Frese & Sabini, 1985). The model theorized in paper 2 proposed that the action-control beliefs influence formation of expert scripts (knowledge structures) and through them adoption of expert decision-making and entrepreneurial behavior. When juxtaposing this model with the findings from the other papers, it appears that changes in action-control beliefs can lead to changing perceptions of reality and the way how individuals set goals and vision; how they see themselves and their role in the society; and how they utilize their resources, including social networks and role
models. Thus, it could be argued that entrepreneurial competence development is a function of goal orientation, interaction with role models and mechanisms resolving identity conflicts. This relationship is then moderated by changing action control beliefs that have the potential to change entrepreneur’s mental maps and lead to expertise development (see Figure 8). In other words, changes in action-control beliefs have the potential to change the learning trajectory from relatively small adjustments and efficiency improvements (single loop learning) to transformational changes in thinking patterns and patterns of behavior (double loop learning). More specifically, action-control beliefs consist of three separate beliefs and as each of these may develop and change at a different pace they are likely to be reflected in varying degrees and dimensions of (perceived) change. For example, Sarasvathy et al. (2003) argued that depending on tolerance of ambiguity and other factors, including self-efficacy entrepreneurs will show preference for either identifying and pursuing imitative opportunity or creating a novel opportunity. Thus, entrepreneurs whose self-efficacy is not very high and whose means-ends beliefs are not well developed will choose existing opportunities, which relate to existing markets and industries, while entrepreneurs who are able and willing to make decisions under uncertainty or whose means-ends beliefs, agency and control beliefs are high will choose to create new opportunities. As the salience of action-control beliefs increase the entrepreneurs may become more prone to engage in creating more innovative solutions and exhibit more entrepreneurial competence. Thus, increased levels of action-control beliefs lead to/enable development of entrepreneurial competence.

Interestingly, even though entrepreneurial expertise seems like an obvious consequence of entrepreneurial competence development, there is not much research looking at how it develops. The extant research focuses either on difference between novice and experts or on content of the expertise (e.g. the emergence of expert scripts). Paper 3 seeks to advance the understanding of the importance of goal orientation by analyzing the patterns of behaviors of renowned chefs. For example, while Bernard Loiseau has exhibited the typical characteristics of a person driven by outcome orientation, Thomas Keller, Ferran Adria or Heston Blumenthal are the examples of individuals for whom learning and development are the integral aspect of their lives. While analyzing stories of these chefs, it becomes visible that for the chefs with learning orientation understanding ‘why’ is crucial and essential, the outcome driven chef was satisfied with knowing ‘how’ as long as it allowed him to remain the status quo (the three Michelin stars), especially in the later phases of his life. Thus, part of the explanation could be found in the unwillingness to practice, if the satisfactory levels have been achieved (Dweck, 1986). But it can also be that the individuals do not believe that they have capacity and willingness to become even better at what they are doing.
Finally, as argued in the expertise literature (e.g., Feltovich, et al., 2006) individuals are often unaware about the knowledge and the resources they possess. Folger and Turillo (1999) argue that first the experience of teaching someone reflects the actual knowledge and understanding. A reason why so many restaurateurs relatively quickly progress and realize their potential and grasp their level of competence is that these entrepreneurs also need to adopt a role of a teacher. Making sure that the restaurant functions well requires from them ability to transmit the concept of the restaurant to their employees, teach their cooking staff the recipes and standards and their front house staff about how to be receptive to customer needs. It might be thus argued that their own learning is reinforced by their engagement in these training and sense-making activities.

In summary, competence acquisition is the re-adaptation of the behavior and thinking processes governed by affect and cognition (Piaget, 1950). Where affect is stimulating the goals (desired ends), the cognition acts as a set of means or techniques that help achieve that goal. Subsequently, well developed action-control beliefs are important for enabling development of entrepreneurial competence.

**6.1.5 Contextualization**

The process of new economic activity emergence requires contextual embeddedness in order to be able to delineate the boundary conditions of the developed theory. Additionally, by building on the pragmatic assumptions about intersubjectivity of knowledge, (the level of experienced) contextual embeddedness\(^{24}\) not only provides an understanding of the perceived constraints and opportunities for restaurateurs’ behavior and attitudes (Johns, 2001), but also enables “linking observations to a set of relevant facts, events, or points of view that make possible research and theory that form part of a larger whole” (Rousseau & Fried, 2001:1). The importance of distinguishing contextual multidimensionality has been highlighted when comparing the patterns emerging from both the general and the Nordic datasets. In particular, the importance of professional networks becomes extremely salient for the rural restaurateurs with strong learning orientation. They actively engage not only in utilizing existing connections but also in creation of new connections and learning from one another. While these learning opportunities are important for satisfying their professional identities, they also help them realize the importance of convincing their spatial context to the value of their ideas. For example, while for one of the gourmet restaurateurs (Fredrik) cooperation with local farmers was easy,

\(^{24}\) Johns (2001) defines context as “situational opportunities and constraints that affect the occurrence and meaning of organizational behavior as well as functional relationships between variables.”(p.386).
because the majority of his suppliers have been already working with other gourmet restaurants, the other one (Allan) needed much more time and effort to convince his suppliers to his ideas. Thinking about these aspects points to the importance of culture and values of the environment around entrepreneurs (Davidsson & Wiklund, 1997). In contexts where trying and failing is accepted, where learning is important, the entrepreneurs are more likely to engage in activities that would help them develop the qualities respected and valued in their context. However, if the contextual embeddedness is rather rigid and not forgiving entrepreneurs are more likely to satisfice and keep themselves happy with current activities and avoid learning goals and learning possibilities.

The multidimensionality of the embeddedness in social structures becomes even more salient among the rural Nordic cases, where the local norms and values are contrasted with the values and norms embedded in professional ethos. The sensemaking and interplay between expectations following from both circles often requires from entrepreneurs not only ability to juggle between the values inherent in each of the roles but also adaptability combined with awareness of the differences between these values and how to overcome them. This means that entrepreneurs’ identity is likely to influence the type of entrepreneurial activity that the entrepreneur engages in. The grounding in social structures (embeddedness)\(^{25}\) is additionally likely to impact entrepreneurs’ actions (Rao, et al., 2005). In other words, entrepreneurial decision making is not context free. And while extant literature has distinguished between levels of embeddedness (structural, relational and cognitive – cf. Moran, 2005; Nahapiet & Ghoshal, 1998), this thesis additionally stresses the need for distinction between professional embeddedness and spatial embeddedness. While professional embeddedness reflects the degree to which the individual is immersed in the professional circles (e.g. professional chefs networks), the spatial embeddedness reflects the linkages and the relationships in spatial proximity (e.g. with suppliers and other businesses). More specifically, the findings from paper 4 highlight that when spatial embeddedness is reflected by existence of relatively strong local identity, e.g. rural areas, the expectations, behavioral norms and standards as well as general rules of the game often differ in substantial ways from those professional ones (see paper 4 for a discussion). In other words, how deeply individuals are embedded in each of the contexts will influence the relative strength of exerted influence. Additionally, by suggesting that professional networks are particularly important for the case entrepreneurs characterized by strong learning orientation and strong professional identity, this thesis stresses the importance of cognitive embeddedness for these entrepreneurs as well. This finding is similar to Moran’s (2005) argument which suggested that structural embeddedness plays

\(^{25}\)Granovetter (1985: 504) argues that “most behavior is closely embedded in networks of interpersonal relations”.

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6. Discussion and Suggestion for Future Research

more important role in explaining execution oriented tasks while relational embeddedness plays stronger role in explaining innovation oriented tasks. The cognitive proximity between members of the same means that there is higher level of trust and understanding of the norms and thus entrepreneurs are more likely to rely on each other for adoption of new behaviors, new production methods or development of new concepts.

Positive role models play a particularly important role for reinforcing the willingness to develop competence. Their role has been long noted (Stryker, 1980). Role models offer a source of information about how to behave (cf. Bandura 1986). Entrepreneurs by adopting a group identity and relying on these identified positive role models expect to facilitate the process of acquisition of competence and to reach similar level of competence and success as their role models. However, as noted by Markus & Nurius (1986) entrepreneurs look up only towards role models that they perceive as possible. While this is not necessarily visible when analyzing the general dataset of celebrity chefs, it becomes much more tangible in the Nordic dataset. While only one of the Nordic restaurateurs referred to the renowned chef (Ferran Adria and his el Bulli restaurant) as a source of inspiration and direction for the development in the field (industry), both the celebrity chefs and the Nordic chefs have mentioned their role models, however, their role models have been people with whom they have closely worked in majority of cases and whose performance levels the case chefs have considered as attainable. Therefore, both as theorized in the literature (e.g., Daft, 1983; Rousseau & Fried, 2001) and as exemplified in this thesis properly conveying context is necessary for being able to tease out the boundaries and the limits to the suggested relationships and draw meaningful conclusion. For example using Johns (2006) example that being individualist in individualistic culture may produce different implications than being individualist in a collectivistic society. Thus, as argued by Rousseau & Fried (2001: 4) “a set of factors, when considered together, can sometimes yield a more interpretable and theoretically interesting pattern than any of the factors would show in isolation”. This gains additionally meaning when not only objectively perceived context but also the contextual perceptions of the individual are taken into consideration when making sense of the entrepreneurs’ actions.

In summary, following Lazega’s (1997) argument that contextualization has both substantive and methodological dimension, this thesis attempted to explore both of them. Lazega notes that substantive dimension captures the process of identification of constraints put on entrepreneurs’ behavior and opportunities with which they are presented. In this thesis, four such factors have been identified and their relation to entrepreneurial competence development analyzed: action-control beliefs, entrepreneurial identity, goal orientation and access to role models. On the other hand, methodologically contextualization provides a necessary step for comparative analysis and for appropriate
generalization of results (Lazega, 1997). The chosen context has been delimited to fine dining segment of the restaurant industry in general and in the Nordic dataset additionally to Nordic rural fine dining restaurants.

6.2 Contributions of the thesis

This dissertation focused on exploring how entrepreneurs learn to acquire entrepreneurial competence. By elaborating on the process and developing theory that helps increase our understanding of entrepreneurial learning process, the thesis seeks to further the theoretical field of entrepreneurship as well as offers some practical implications for practitioners, entrepreneurship educators and policy makers.

6.2.1 Theoretical contributions

The aim of this thesis was to build new theory. According to Eisenhardt and Greabner (2007), this involves the creation of constructs based on empirical evidence, recognizing patterns of relationships among these constructs and crafting propositions based on the underlying arguments. Theoretical contributions ought to be presented as a well ordered whole, with clear logic and explicated causal mechanisms (Kilduff, 2006; Rindova, 2008) and they ought to “change, challenge, or fundamentally advance our understanding of a phenomenon” (Streubert & Carpenter, 2011: 235). This requires that the original contribution is comprehensible and acceptable to a community of scholars26.

The adopted abductive approach (Dewey, 1938; Pierce, 1877) meant that where current explanations were missing, a search for new plausible explanations was undertaken by means of inductive top-down theorizing (Shepherd & Sutcliffe, 2011). This led to the emergence of a number of theoretical contributions. More specifically, the main contribution to theory lies in the creation of an integrative model of entrepreneurial competence development; but each of the papers also contributes additionally to the overall picture by detailing (on a more micro level) the specific relationships and/or mechanisms. The findings from this thesis have implications for entrepreneurship theory in general, and learning, effectuation and expertise theory as well as entrepreneurial identity theory in particular. Taken together, these contributions add to our understanding of the competence development process by specifying boundary conditions of validity of some of the theories (i.e. multiple identity conflict resolution mechanisms), by extending others (i.e. effectuation) or by providing

26 Interestingly, this requirement (as stated by Bansal & Corley, 2011) reflects the institutional logics present in the field and allows the drawing of parallels between the developments in haute cuisine (more specifically chefs’ innovation and creativity) and research in social science.
an (alternative) explanation for certain mechanisms and relationships (i.e. learning theory).

**Contribution to entrepreneurship theory**

The main theoretical contribution of this thesis lies in the creation of an integrative model of entrepreneurial competence development (Figure 8). The model integrates the findings of the four papers and by doing so offers a holistic view on triggers and the process of competence development\(^{27}\). The model specifies that becoming an expert not only requires learning how to improve performance, but more importantly it requires the individual to increase action-control beliefs, and adopt a goal orientation that enables and fosters learning, encouraging them to resolve any role identity conflicts pertained for the execution of the entrepreneurs’ role and in particular make efforts to integrate both the professional/occupational as well as business owner/managerial identity. Finally, the model specifies the crucial role of role models and professional networks. However, two factors – deeply held action-control beliefs and entrepreneurial identity – also play a crucial role in this model. These factors reflect new knowledge and new perceptions (beliefs) of self and the perceived ability to use it (double-loop learning); gaining only additional knowledge and proficiency in singular tasks results in increasing competence but not in development of expertise (single loop learning). Consequently, this model not only integrates different perspectives but also suggests the relationships between the different constructs. This model helps theorize on the reasons for why not all entrepreneurial activity/experience results in increased competence levels and levels of performance.

Whetten (1989) argues that context is particularly important for theories based upon experience, because experience is intersubjective in nature and thus requires understanding of the context. This study emphasizes the multidimensionality of the embeddedness in social structures – something that has been discussed theoretically (cf. Welter, 2011), but hasn’t been much reflected in empirical studies. By incorporating both the professional context of being a gourmet restaurateur and the spatial aspect of being a member of a local community and analyzing them as separate, this thesis makes the first step in exploring this multidimensionality empirically. Such approach has made it possible to identify possible dilemmas that entrepreneurs need to deal with, their mechanisms of resolving them, but also to simply show the challenges that innovative entrepreneurs need to deal with.

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\(^{27}\) This can be seen as a provisional theory that integrates previously separate bodies of work (Edmondson & McManus, 2007)
Contribution to (entrepreneurial) learning theory

While the SCT theory (Bandura, 1986) is well established, the findings from this thesis offer the possibility of tying up some of its rather general assumptions. For example, an important contribution is the realization of the importance of cognitive proximity with professional networks and its effect on learning. This finding adds to the understanding of the social sources of learning. Currently, research has emphasized the importance of relational and spatially proximal ties (Hite, 2005, Moran, 2005), implicitly assuming that the relational (and cognitive) ties are fundamentally located in spatial proximity. This thesis emphasizes, that in a context characterized by the existence of strong professional identities, resulting from high cognitive closeness among members of the profession, the role of close cognitive, although not necessarily spatially proximal, professional networks is also important. More specifically, this enables a distinction to be made between the cognitively close local business networks and cognitively close professional networks (seeing them as heterogeneous in their nature). By doing so, the need to approach contextual embeddedness as a multi-dimensional phenomenon, where not only the geographical closeness but also the cognitive closeness, regardless of spatial distance, is highlighted. This means that individuals, in particular those with strong professional identities, are likely to learn not only from their close local business networks but also from their close professional ties. This is an important extension, because although social learning theory (Bandura, 1977) explicates that social influence is important for learning, it remains silent as to from whom entrepreneurs are likely to learn and why.

Moreover, by detailing that the experience variable in the entrepreneurial learning process includes learning about concept and learning about operations, I also extend the current understanding of the content of entrepreneurial learning. While this finding resembles some similarity with Henderson and Clark’s (1990) distinction between the knowledge needed for architectural vs. component innovation, it also emphasizes the complex and tacit nature of entrepreneurial experience. Furthermore, by identifying the interrelatedness between the different learning modes (learning by mastering and by modeling), learning about operations and learning about concept as well as the subsequent use of social networks in this process, this thesis develops a fine-grained model that explains the likely couplings between an entrepreneur’s self-efficacy, their preference for learning mode, their use of social networks and their learning about concept or about operations.

Finally, by identifying the nature of the relationship between goal orientation and function of role models, the thesis details the mechanisms and the conditions when double-loop and single loop learning are likely to occur. All in all, the thesis contributes to learning theory by specifying the nature of the learning process.
Contribution to entrepreneurial expertise theory

Expertise theory, and in particular entrepreneurial decision-making expertise, has identified variables that facilitate the acquisition of (entrepreneurial) expertise, for example the need for deliberate practice (Unger et al., 2009) or the creation of expert scripts (Mitchell, 1994). However, the extant research has been rather static in nature, and subsequently, the micro aspects of expertise development remain under-researched. By linking action-control beliefs, expert scripts and effectuation as an expression of entrepreneurial decision-making expertise, this thesis (and in particular paper 2) suggests the mechanism of entrepreneurial expertise development. More specifically, by proposing that developing action-control beliefs act as triggers for emergence of exert scripts\(^{28}\), which then lead to increased perception of control over the environment that translates into increased levels of experimentation and flexibility as well as a growing focus on ensuring pre-commitments from stakeholders and focus on affordable loss, this dissertation offers an explanation of how and why entrepreneurial expertise can be acquired (see Figure 10). By doing this, the thesis explores the process that until now has been treated as a black box.

![Figure 10 – Model of Entrepreneurial Decision-Making Expertise Development](image)

While the suggested model has been theorized in the context of entrepreneurial decision-making expertise, it is likely that the suggested process could also be applicable to other decision-making situations that require action based on perceptions of the entrepreneur’s own abilities.

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\(^{28}\) Increased perception of control results from changes to knowledge structure/organization.
Contribution to effectuation theory

Similarly, Effectuation Theory posits that a preference for effectual logic characterizes expert entrepreneurs, while prediction is typical for novice entrepreneurs. So, while the differences between these two groups have been identified, the extant literature did not explain how entrepreneurs’ decision making logics change as a result of increasing competence/expertise levels and what triggers this process. In other words, the process of becoming an expert has not been explained so far. This thesis (in particular paper 2) both extends Sarasvathy's effectuation framework and offers an explanation as to why the differences in predisposition for certain logics of action are observed between novices and experts, and how these logics adapt as action control beliefs grow. Paper 2 extends Sarasvathy’s effectuation model by suggesting that action-control beliefs fulfill a moderating function in influencing an entrepreneur’s perception of the available means at hand and the subsequent formulation of goals considered as feasible to achieve (see Figure 11). Seeing changes in action–control beliefs as leading to changes in mental models (expert scripts – see the discussion above) and subsequent double-loop learning helps to explain why, in the process of gaining entrepreneurial experience, entrepreneurs are able to move from prediction logic to effectual logic. Thus, by explaining why the logic changes, the thesis suggests a mechanism for the development of effectual logic.

![Figure 11 – Extended Effectuation Model](image)

Contribution to entrepreneurial identity theory

Despite the widespread fascination with entrepreneurial identity, the theoretical understanding of the concept and how this identity develops is still absent. In particular, the term ‘entrepreneurial identity’ is widely used, but different researchers understand the concept in different ways. For example, Cardon and colleagues (2009) speak of entrepreneurial identity in relation to entrepreneurial roles; on the other hand, Fauchart & Gruber (forthcoming) use the term to
convey the different motivations behind entrepreneurial action. Consequently, even if the same label is used, the term carries variable meanings. Based on empirical findings, this thesis proposes that entrepreneurial identity should be considered a meta-identity consisting of professional and managerial role identity (see paper 4 for detailed elaboration). Conceptualizing entrepreneurial identity in this way means that entrepreneurs exhibit the values and behaviors inherent in both of the role identities. More specifically the focus on managerial aspects linked to perceptions of the role of the business owner and the drive for creating new, innovative solutions that often characterize a professional (Gouldner, 1957, 1958). In broader terms, by offering this new conceptualization of entrepreneurial identity, we extend the current understanding of the construct.

Additionally, through the development of a model (see Figure 12) that explains the mechanisms of entrepreneurial identity formation, paper 4 offers a novel insight into the micro processes and micro decisions influencing the emergence of entrepreneurial identity. In particular, it is suggested that as entrepreneurs adopt the new role of business owners, they are often faced with perceived conflicts between the different role identities, and how they resolve these conflicts is influenced by their career orientation (generalist vs. functionalist outlook) and their need to belong versus their need to be distinctive. These two factors reflect also the socio-cognitive embeddedness in social structures.

Figure 12 – Model of multiple role identity resolution in entrepreneurship context
Finally, the rural gourmet restaurant context is a relatively new empirical setting for research on entrepreneurial learning and entrepreneurial competence development. Localizing research in this context has enabled a contrasting of the different assumptions and made it possible to identify novel theoretical insights, for example the distinctiveness of local (spatial) and professional networks, or the considerations of proximity and the potential for interaction with role models, when choosing them. While the context has been chosen because of the salience of expected relationships, it is likely also that other contexts characterized by existence of similarly strong professional identities, e.g. the healthcare system and creative industries etc., are likely to become interesting areas for entrepreneurial research in the future.

6.2.2 Practical contributions

Swedberg (2000) argues that from the practice perspective the real relevance is in being able to figure out what the entrepreneurial competence consists of, how it develops, and how to spot it. This thesis responds to these requests by revealing some interesting answers to these questions:

The suggestion that learning about concept and operations is important. Empirical evidence confirms that entrepreneurs do not pay enough attention to balancing these two aspects – either believing that having great idea will make the business flourish itself or they focus on operational running of the business without assuring that there is a concept understandable also to customers about what the business is about.

Contribution to entrepreneurship education – identifying the impact of setting goals as learning or performance goals can help individuals learn how to set goals that can bring expected results and the role of role models depending on the goal strategy. Similarly to Bradley, Paul and Seeman (2006) this thesis reaffirms that experience and expertise are not synonymous. In particular, the findings indicate that it is not enough to perform tasks, one needs to engage in deliberate practice to be able to influence own action-control beliefs and actively engage in learning and attainment of entrepreneurial expertise.

Multidimensionality of social networks, in particular the distinctiveness of professional and spatial networks. Awareness that these two can diverge in values, goals and behavioral expectations and subsequently lead to identity conflicts can help entrepreneurs prepare how to effectively solve emerging problems and understand the likely consequences of complying with either of them.
6.3 Limitations

Every action causes a reaction. And while every decision made in terms of research design, sampling, data collection or data analysis has been substantiated by appropriate arguments, these choices inevitably produce also some limitations; because inherent in decision to do something is also the decision not to do something else. For example, by adopting a case study strategy and relying on six cases of renowned Michelin starred celebrity restaurateurs and four cases of Nordic entrepreneurs in the fine dining segment of the restaurant industry new theory has been proposed, but the possibility for empirical generalization from such small sample(s) is of course extremely limited and not the purpose of this research. Instead, the cases were chosen on the basis of the salience of the phenomenon, i.e., these restaurants represent cases where the probability of observing learning and its relationships with other concepts would be high. Additionally, the case study strategy allowed a more contextualized view of the emerging relationships. Thus, the intention has been to derive theoretically generalizable propositions on the basis of these cases rather than empirical generalizations (Eisenhardt & Graebner, 2007).

Similarly, the integrative model proposed has been developed through compilation and integration of findings from the appended four papers; the model is thus an abductively performed thought experiment designed to explore the learning process and to develop provisional theory (Edmondson & McManus, 2007). As not all of the suggested relationships have been empirically induced, the model requires empirical validation. Moreover, the data collection included face to face interviews, archival data and updates on websites of the restaurants. While these methods are considered appropriate given the assumptions about knowledge creation, the exploration of the topic, and in particular the everyday practices would have benefited from more observational techniques. These were however impossible to perform due to restrictions in access. The use of only existing narratives in paper 3 has limitations in terms of the possibility to reach appropriate level of depth, but when combined with triangulation of sources is likely to yield reliable data.

Further, this thesis has adopted individual perspective on competence development; however, all four Nordic cases are run by teams of two – three are run by couples and the fourth one - two friends (until April 2010, when one of the partners left the business). While each team has divided the work among them differently, it was possible to identify the lead entrepreneur. The subsequent decision to focus only on the lead entrepreneur has simplified the theorizing but may have led to slightly distorted results. Similarly, the fact that the study is based only on male cases, may have some impact on the findings, but it is also a representation of the gender split in the haute cuisine scene where male domination is clearly visible.
Lastly, while the initial design suffered from lack of inclusion of failed restaurateurs as a comparison group\textsuperscript{29}, in the course of the time (Spring 2010) one of the Nordic restaurateurs (Allan) has been forced to close down the business. As sad as this experience has been for the entrepreneur, this development has enriched the data and added additional layer of meanings to the findings. In summary, while it is clear that making certain choices leads to tradeoffs between what can be delivered, also some of the limitations offer possibilities for further research.

6.4 Future research

In this thesis I have developed a number of testable propositions suggesting a range of relationships that influence the development of entrepreneurial competence. A natural next step would be to operationalize the constructs and subsequently test these propositions in a statistical manner. Also, turning some of the limitations of the current study into further research appears as a viable strategy, in particular inclusion of female restaurateurs in the sample as well as changing the unit of analysis from individual to team to reflect the shared nature of learning experience.

Extant research suggests that entrepreneurs often enact entrepreneurial identity to achieve desired goals (e.g. bank loan) remaining the rest of the time in their professional identities (Down, 2006; Down & Warren, 2008; Warren, 2004). This thesis suggests that entrepreneurial identity can be seen as a meta-identity comprised of managerial/business owner identity and professional/occupational identity. Thus, researching what factors foster or respectively hamper adoption of entrepreneurial role presents an interesting future avenue for extending our understanding of entrepreneurial identity further. The first step has already be done by Cardon and colleagues (2009) who have been theorizing about the relationship between passion and identity. They theorized three different role identities based on the primary role of the entrepreneur. Similarly, Fauchart and Gruber (forthcoming) have observed how adopted social identity influenced the business strategy. While these studies take rather static view of identity, it appears that more process-based study of the identity adoption would further our understanding even more.

The findings from paper 4 suggest that integration of professional and managerial identity is necessary for attaining positive entrepreneurial outcomes. More specifically, the findings indicated that entrepreneur who was able to

\textsuperscript{29}To account for whether the success has been dependent on restaurateurs’ competencies and not other factors
6. Discussion and Suggestion for Future Research

integrate these identities was subsequently engaging in activities that not only brought new economic activity to the market but also generated healthy revenue streams, on the other hand allowing one of the identities – whether professional or managerial did not have such a positive result. Combining these findings with current discussion in growth literature (e.g. Davidsson, Steffens, & Fitzsimmons, 2009) about prevalence of growing profitably over profitable growth could result in an interesting multilevel study investigating the relationship between a method of identity conflict resolution on individual’s level and subsequent chosen mode of growth in the venture.

In paper 2 it has been argued that when entrepreneurs’ self-efficacy is low, it seems that they do not trust their own judgment and therefore consider personal experience as a less relevant learning mode (Wood & Bandura, 1989). However, my data shows that entrepreneurs change their preference for learning mode over time as they become more self-efficacious and engage more in experimentation than modeling. I have not explicitly examined failed entrepreneurs and whether they revert back to modeling. That would be an interesting avenue for future research.
7. Conclusions

This concluding chapter summarizes the research presented in this thesis and restates the six research questions posed in the Introduction chapter, juxtaposing them with the discussed findings in order to succinctly answer each of the research questions. The chapter ends by reaffirming that the purpose of the thesis has been fulfilled.

This thesis set off to explore the triggers, processes and consequences of the entrepreneurial competence development process. Having established in Chapter 1 that the current understanding of the development process is insufficient in explaining the mechanisms of competence acquisition, and driven by philosophical assumptions of pragmatism, I have subsequently designed a theoretical framework to help create knowledge and understanding of the process (Chapter 2). To follow the abductive logic of interweaving experience with inquiry and to be able to derive new ‘Peirceian hypotheses’ I chose to collect empirical evidence from two different qualitative datasets identified within the highly suitable and salient context of gourmet restaurateurs (Chapter 3 & 4). Subsequently, exploration of the entrepreneurial competence development process was undertaken and presented in the four appended papers (summary in Chapter 5). This led to the development of an integrating model of entrepreneurial competence development (Chapter 6). Consequently, in this dissertation, theories from two distinct fields – entrepreneurship and social cognitive psychology - have been combined to address the overarching research purpose: How do entrepreneurs develop their entrepreneurial competence over time? To answer this, six specific research questions have been identified.

The first research question (RQ1) was concerned with what and how do entrepreneurs learn in the entrepreneurship process. Based on an in-depth analysis of the four Nordic cases in paper 1, I found that learning what it means to be an entrepreneur involves learning about the concept and the operations involved. Moreover, the case entrepreneurs have shown preferences for different learning modes that were dependent on the target of learning (concept or operations). More specifically, those who engaged in learning about the concept showed a preference for modeling and those that were learning about the operations preferred experimentation. Additionally, those who were embedded in professional networks reached more often to those and used them more frequently, especially to learn about the concept at hand.

The second research question (RQ2) asked how do entrepreneurs develop their entrepreneurial expertise. To provide the answer, in paper 2, I develop a model and
theorize a relationship between action control beliefs, expert scripts and the emergence of entrepreneurial expertise (effectuation). In particular, I suggest that the developmental changes to action control beliefs are the trigger factor prompting changes to knowledge structures and the subsequent emergence of entrepreneurial expert scripts. These scripts, in return, empower more effectual action that is based on the logic of control. In other words, development of entrepreneurial expertise requires the emergence of expert scripts triggered by changing action control beliefs.

The analysis of the third research question (RQ3) how does goal orientation affect the acquisition of entrepreneurial competence resulted in findings pointing out that learning orientation fosters development of this dimension of entrepreneurial competence (linked to the generation of new means-ends), while the outcome orientation helps develop skills focused on managing the resources at hand, i.e. the managerial aspects of entrepreneurial competence. Subsequently, gaining entrepreneurial competence requires an ability to choose goal orientation depending on the task at hand.

Answering research question four (RQ4) how do role models/social networks facilitate the learning process I found that the function of role models changes depending on whether the entrepreneur is driven by outcome or learning goal orientation. More specifically, the case entrepreneurs who were driven by learning orientation have utilized role models as sources of learning and inspiration, while these entrepreneurs who preferred outcome orientation have perceived the role models as competitors. Additionally, entrepreneurs choose those individuals to their role models who are perceived to be accessible and whose level of performance (expertise) is considered by them achievable.

The fifth research question (RQ5) was concerned with how do entrepreneurs experience and resolve conflicts between multiple role identities. The findings from an in-depth analysis of three cases of Nordic restaurateurs (in paper 4) have indicated that entrepreneurs mostly experienced conflicts between their professional chef identity and the identity of a business owner; these were experienced in relation to core values embedded in each of the roles, the productive performance of the role (production versus managing) and emotional attitudes towards audience (customers). The case entrepreneurs have attended to the experienced conflict by adopting one of two conflict resolution mechanisms, either balancing both of the identities or giving precedence to one of the two identities over the other.

Finally, the sixth research question (RQ6) looked at how do the methods entrepreneurs employ to resolve conflicts between their multiple role identities affect entrepreneurial outcomes. I found that the chosen mechanism has an impact on the degree of entrepreneurialism exhibited by the entrepreneur. In particular, those
entrepreneurs who focus on their professional identity develop their competence in the creation of new means-ends, and those who emphasize their business owner identity develop competence in managing their business. In other words, in developing balanced entrepreneurial competence, the development of a balanced entrepreneurial identity is required.

Overall, in the four separate but interrelated articles, the relations between entrepreneurial learning, deeply held beliefs, goal orientation and role models have been explored and used for theory building purposes. The findings from these articles highlight the complexity of entrepreneurial learning. In particular, this thesis suggests that to attain expert performance and entrepreneurial success, a conscious engagement in changing one’s action control beliefs and creating an entrepreneurial identity is necessary. On the level of each of the articles, the thesis specifies the mechanisms which are driving competence development. These findings are of importance to the entrepreneurship research community because they suggest new concepts and relations between them, and identify a mechanism leading to double-loop learning and consequently to entrepreneurial competence development. In conclusion, it appears appropriate to state that the objective of the study has been achieved – the six research questions have been answered and thus the purpose of the work has been fulfilled.
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