

Opportunity Recognition and New Venture Creation Experiences of Sri Lankan Entrepreneurs

**By
Jeeva Shepperson**

***A thesis submitted in partial fulfilment of the University's
requirements for the Degree of Doctor of Philosophy***

January 2018

**Buckinghamshire New University
Coventry University**

COPYRIGHT

This copy of the thesis has been supplied on condition that anyone who consults it is understood to recognise that its copyright rests with its author under the terms of the United Kingdom Copyright Acts. No quotation from the thesis and no information derived from it may be published without proper acknowledgement.

Abstract

In recent times, literature has raised the importance of studying entrepreneurship in different contexts. There has been considerable research conducted in transitional contexts, as it raises the many challenges faced by entrepreneurs. There has been considerable research conducted in Russian, Eastern European and Chinese economies. However, there is a real dearth in the literature on the challenges faced in other transitional economies, particularly Sri Lanka. Sri Lanka was the first country in South Asia to embrace extensive economic liberalisation in 1977 (though the civil war, 1983–2009, in the north-east of the country blocked the full realisation of these economic benefits). Further, entrepreneurial learning in such turbulent and challenging environments has also been identified as a less-explored area. Against this backdrop, this research's overarching aim was to explore opportunity recognition and new venture creation experiences in the transitional context of Sri Lanka. Four main areas were covered: opportunity recognition and new venture creation, entrepreneurial learning, entrepreneurial motivation and institutional context.

The mixed methodological approach was informed by a conceptual framework developed by the researcher. Semi-structured interviews with a non-random sample of 31 Sri Lankan entrepreneurs provided rich descriptions. Their learning styles/preferences were identified using a modified version of Kolb's (1984) learning style questionnaires through different stages of opportunity recognition and new venture creation.

Findings suggest that Sri Lankan entrepreneurs' initial business ideas arose through prior knowledge, scanning the business environment and changes in government policies. Few initial resources were utilised; many relied on previous experience and relationships with customers and suppliers. Most participants were motivated by pull rather than push factors and individual entrepreneurs demonstrated a combination of learning styles/preferences rather than one. Entrepreneurs cited numerous challenges: frequent policy changes, rigid customs policies, unsupportive financial sector, high interest rates, lack of support for start-up firms, and lack of social recognition in society and among the government officials. Further, critical learning events occur in transitional and turbulent contexts such as Sri Lanka. The frequency of such events is high; resilience is required to ensure higher learning.

This research has contributed to entrepreneurship theory in several ways. First, the author explored the under-researched transitional context of Sri Lanka to identify the challenges encountered during transition. Second, the research contributes to the literature concerning learning styles during opportunity recognition and new venture creation, using a sample of entrepreneurs. The findings will help educators and practitioners tailor their training and educational programs. Further, this study brings new knowledge in relation to what, how and when entrepreneurs learn in critical events in turbulent and challenging environments.

Declaration of Originality

I hereby declare that this submission is my own work and to the best of my knowledge it contains no materials previously published or written by another person, or substantial proportions of material that have been accepted for the award of any other degree or diploma at this or any other educational institution, except where due acknowledgement is made in the thesis. Any contribution made to the research by others, with whom I have worked at this university or elsewhere, is explicitly acknowledged in the thesis. I also declare that the intellectual content of this thesis is the product of my own work, except to the extent that assistance from others in the project's design and conception in style, presentation and linguistic expression is acknowledged.

Acknowledgements

This work is about the stories of Sri Lankan entrepreneurs and their persevering journeys of discovering valuable business opportunities and finally building successful business entities. Those inspiring stories kept me encouraged to write this thesis. I would like to thank all the entrepreneurs who welcomed me with true Sri Lankan spirit and allocated their valuable time to discuss their stories. Thank you to my previous research supervisor, Dr Lorraine Watkins-Mathys, and my current supervisors, Dr Kevin Maher and Dr Jennifer Tilbury, for their valuable guidance. Further, I would like to thank Professor John Boylan for his valuable insights, Capstone Editing for proofreading and editing this thesis, and Laura Bray for always supporting me during difficult times.

This work is dedicated to my beloved late parents who inspired my life, every step of the way, and my dearest brothers and sisters who have supported me through difficult times. Last but not least, my loving husband and my best friend John who encourages, supports and guides me always.

Contents

Abstract	ii
Declaration of Originality	iv
Acknowledgements	v
Contents	vi
List of Figures	ix
List of Tables	x
List of Abbreviations	xi
Chapter 1: Introduction	1
1.1 Motivation and Rationale for Selecting the Topic	1
1.2 Aims and Objectives of the Research	4
1.3 Thesis Structure	5
Chapter 2: Context of the Research	6
2.1 Economic and Political Context of Sri Lanka.	6
2.2 Social and Cultural Context of Sri Lanka	10
2.3 Conclusion	12
Chapter 3 Literature Review	13
3.1 Introduction	13
3.2 Theoretical Background of Opportunity Recognition and New Venture Creation	13
3.3 Entrepreneurial Learning	22
3.3.1 Entrepreneurial Learning-by-Doing Approach	23
3.3.2 Entrepreneurial Learning as a Socially Situated Process	30
3.4 Entrepreneurial Motives and Motivation	34
3.4.1 Push-and-Pull Theory	36
3.4.2 Process Theory of Motivation	38
3.5 Influence of Context on Entrepreneurs and Their Opportunity Recognition and New Venture Creation Efforts	39
3.6 Towards the Research Framework	43
Chapter 4: Methodology	49
4.1 Research Philosophy and Paradigmatic Taxonomy in Entrepreneurship	49
4.2 The Methodological Approach Adopted for the Research	53
4.3 Data Collection Methods	54
4.3.1 Semi-Structured Interview	55
4.3.1.1 Interview design	56
4.3.2 Learning Style Questionnaire	59
4.3.2.1 Design of the learning style questionnaire	59
4.4 Research Sample	61
4.5 Data Processing and Data Analysis	67
4.5.1 Interview Data	67
4.5.1.1 Coding	69
4.5.2 Learning Style Data Analysis	71

4.6 Reliability and Validity.....	78
4.7 Ethical Considerations	80
4.8 Limitations	81
4.8.1 Non-random Research Sample and Sample Size	81
4.8.2 Recentness of the Experience.....	82
4.8.3 Participants' Insincerity or Delusions	82
4.8.4 Issue of Trust.....	82
4.8.5 Non-neutral Attitude of the Researcher	82
4.8.6 Ethical Issues.....	82
4.8.7 Using Software for Qualitative Data.....	83
4.9 Conclusions.....	83
Chapter 5: Findings.....	85
5.1 Introduction.....	85
5.2 Initial Business Idea and New Venture Creation.....	86
5.2.1 Emergence of the Initial Business Idea	86
5.2.2 Initial Resources.....	96
5.2.3 Initial Tactics and Strategies in New Venture Creation.....	101
5.3 Motivation to Start Up	111
5.3.1 Sense of Achievement.....	113
5.3.2 Doing Something for Society.....	116
5.3.3 Family and the Business Environment.....	117
5.3.4 Independence.....	118
5.3.5 Job Dissatisfaction	119
5.3.6 No Alternative	121
5.3.7 Additional Income.....	122
5.4 Institutional Influence	123
5.4.1 Social and Cultural	124
5.4.1.1 <i>Hierarchical mindset</i>	125
5.4.1.2 <i>Government jobs are better</i>	126
5.4.1.3 <i>Recognition of entrepreneur</i>	128
5.4.1.4 <i>Encouraging family background</i>	130
5.4.1.5 <i>Restrictions in certain Industries and religious influence</i>	130
5.4.2 Government Policies and Regulations	133
5.4.2.1 <i>Constant policy changes and simplified tax system</i>	135
5.4.2.2 <i>Rigid customs and other government regulations</i>	137
5.4.3 Financial Policies and Regulations	140
5.4.3.1 <i>High interest rates and no support for longer payback period projects.</i>	141
5.4.3.2 <i>Reluctance to support unknown entrepreneurs</i>	142
5.4.3.3 <i>No development banks and venture capital firms</i>	145
5.5 Profiling Learning Styles of Participants and Learning Styles Groups	146
5.5.1 Learning Style Group 1	150
5.5.2 Learning Style Group 2	151
5.5.3 Learning Style Group 3	153
5.5.4 Learning Style Group 4	155
5.6 Statistical Importance of Emerging Patterns of Learning Styles	158
5.7 Learning from Critical Experiences.....	160
5.8 Conclusions.....	173

Chapter 6: Analysis, Discussion and Conclusions	176
6.1 Introduction.....	176
6.2 Opportunity Recognition and New Venture Creation	176
6.2.1 Institutional Influence on Opportunity Recognition and New Venture Creation Process.....	179
6.3 Motivation to Start Up	182
6.3.1 Pull-and-Push Factors	182
6.3.2 Institutional Influence on Motivation to Start-up Factors.....	186
6.4 Learning Styles of Participants and Learning Through Critical Events	190
6.4.1 Learning Styles.....	190
6.4.2 Learning and Critical Learning Experience	193
6.4.3 Contextual Learning in Transitional Context of Sri Lanka.....	194
6.5 Incorporating Implications of the Findings to the Research Framework	197
6.6 Conclusions.....	199
6.6.1 Opportunity Recognition and New Venture Creation Experiences of Sri Lankan Entrepreneurs	200
6.6.2 Motivational Factors of Sri Lankan Entrepreneurs	203
6.6.3 Entrepreneurial Learning	206
Chapter 7 Conclusions	209
7.1 Introduction.....	209
7.2 Main Findings and Contribution to Knowledge	209
7.2.1 Research Framework for Opportunity Recognition and New Venture Creation Including Learning as an Element.....	216
7.3 Methodological Reflection.....	217
7.3 Areas for Further Research	217
References.....	219
Appendices	239
Appendix 1: Interview Guide	239
Appendix 2: Information Sheet for Participants	240
Appendix 3: Consent Form for the Study on Opportunity Recognition and New Venture Creation in Sri Lanka's Transitional Context.....	241
Appendix 4: Learning Style Questionnaire	243
Appendix 5: Codes Structure	250
Appendix 6: Interview Excerpts	252
Appendix 7: Ranking Responses of the Respondents in Tabular Format Saman	262
Appendix 8: Learning Style Profiles of the Respondents.....	287
Saman.....	287
Appendix 9: Spearman's correlation results.	312
Appendix 10: Interview Excerpts—Critical Experiences.....	313

List of Figures

Figure 3.1: Creativity-based model of opportunity recognition	15
Figure 3.2: Potential roles in pattern recognition in opportunity recognition	18
Figure 3.3: How entrepreneurial alertness supports the spotting of opportunities.....	19
Figure 3.4: Conceptual framework for nascent entrepreneurs and venture emergence .	20
Figure 3.5: Experiential learning cycle.....	26
Figure 3.6: Experiential learning cycle.....	27
Figure 3.7: Triadic model of entrepreneurial learning	32
Figure 3.8: Theoretical framework for the study.....	47
Figure 4.1: The four paradigms of social science research.	50
Figure 4.2: Learning style general—Saman	74
Figure 4.3: Learning style idea stage—Saman	75
Figure 4.4: Learning style opportunity stage—Saman.....	76
Figure 4.5: Learning style institutional stage—Saman	77
Figure 5.1: Plotted image of the learning styles of Group 1 participants.....	151
Figure 5.2: Plotted image of the learning styles of Group 2 participants.....	153
Figure 5.3: Plotted image of the learning styles of Group 3 participants.....	155
Figure 5.4: Plotted image of the learning styles of Group 4 participants.....	157
Figure 5.4: Plotted image of the learning styles of Group 4 participants.....	157
Figure 6.1: Research framework after incorporating the finding of this study	199

List of Tables

Table 2.1: Human and economic development indicators of Sri Lanka, 1960–2016	9
Table 3.1: Learning styles matched with action required in each stage of opportunity identification and exploitation	28
Table 4.1: Structure of the questionnaire.....	60
Table 4.2: Introduction to the research sample	63
Table 4.3: Ranking responses—Saman	73
Table 4.4: The general learning style of Saman	75
Table 4.5: The idea learning style of Saman	75
Table 4.6: The opportunity learning style of Saman	76
Table 4.7: The learning style of Saman in the institutionalisation stage	77
Table 4.8: Saman’s learning styles at different stages.....	77
Table 4.9: Reliability test data for the learning style questionnaire	80
Table 5.1: Emergence of the initial business idea	86
Table 5.2: Entrepreneurs and their initial resources	96
Table 5.3: Entrepreneurs and their initial tactics	103
Table 5.4: Entrepreneurs and their motivational factors	112
Table 5.5: Social and cultural factors influencing the entrepreneurs	124
Table 5.6: Entrepreneurs and influence of government policies and regulations	133
Table 5.7: Entrepreneurs and influence of the financial sector	140
Table 5.8: Participant and their learning styles	147
Table 5.9: Group 1 participants display similar learning styles in all four stages.....	150
Table 5.10: Group 2 participants share similar learning styles in any three situations	152
Table 5.11: Group 3 participants share similar learning styles in any two situations ..	154
Table 5.12: Group 4 participants display more than two different learning styles	156
Table 5.13: Attributes—learning styles.....	159
Table 5.14: Summary of correlation results	160
Table 5.15: Critical experiences encountered by participants.....	163
Table 6.1: Prior knowledge characteristic of the sample.....	177
Table 6.2: Pull and push factors	183
Table 6.3: Motivational factors and relevant institutional factors.....	187
Table 6.4: Mapping the findings of this study as per Corbett (2005).....	192

List of Abbreviations

AC	abstract conceptualisation
AC	active experimentation
CE	concrete experience
CEO	chief executive officer
FTZ	free trade zone
GDP	gross domestic product
HR	human resources
LC	letter of credit
LPG	liquefied petroleum gas
MBA	Master of Business Administration
nACH	need for achievement
RO	reflective observation
SLEP	Sri Lanka Freedom Party
SME	small–medium enterprise
UNP	United National Party

Chapter 1: Introduction

This chapter presents the motivation for selecting the topic of opportunity recognition and new venture creation experiences of Sri Lankan entrepreneurs and states the aims and objectives of the research. Section 1.1 outlines the motivation and rationale for selecting this topic, while Section 1.2 explains the broader aims and objectives of the research. Finally, Section 1.3 describes the structure of the thesis.

1.1 Motivation and Rationale for Selecting the Topic

Entrepreneurs have left lasting footprints on my professional life since I started my first job as a trade consultant at Bartercard Sri Lanka Limited in 1999. Soon after, I graduated from the University of Jayewardenapura (Sri Lanka) with a Business Administration (Hons) degree. As part of the job, I was required to introduce the barter concept to chief executive officers (CEOs) of small- and medium-sized businesses to demonstrate how they could use bartering to resolve working capital difficulties. As a young graduate, the resilience, confidence and decision-making abilities of these entrepreneurs inspired and impressed me. This occurred at a time when Sri Lankans were unaware of when or where the next potentially fatal separatist attack or suicide bomb would hit. It was a bleak period. Sri Lanka was engulfed with the flames of separatist war for more than two-and-a-half decades and a person growing up in these surroundings needed to find constant inspiration even in the smallest things. Working with entrepreneurs provided a great deal more than simple inspiration.

After graduating from the Master of Business Administration (MBA) program at the University of Colombo (Sri Lanka) in 2005, I enrolled at Bucks New University (United Kingdom) in 2007 to further sharpen my research skills at the postgraduate level. I was frequently astonished by the scale of research and the amount of resources available. After graduating with my second MBA from Bucks New University, the opportunity arose to undertake further academic research with a PhD scholarship in 2010. The research area is specifically related to entrepreneurship in the Sri Lankan context, as the entrepreneurs that I encountered in my first job had a lasting impact. Thus, the aim of this research is to explore the journeys of several Sri Lankan entrepreneurs and question how they identify initial business ideas and develop them into successful ventures. Such an endeavour in a war-torn country in the middle of an economic transition was courageous. Sri Lanka was once known as one of most inward-oriented economies

outside the Soviet bloc. However, in the late 1970s it embraced open economic policies, leaving the alliance with the Soviet bloc. The factors that motivated Sri Lankan entrepreneurs to engage in entrepreneurial ventures, and their learning experiences in this transitional context, is unique and worthy of investigation.

Therefore, this research brings together four main themes: opportunity recognition and new venture creation, entrepreneurial motivation, entrepreneurial learning experiences and the influence of the context on entrepreneurs and their entrepreneurial endeavours. Although these themes are discussed separately, they are related and interconnected. These four broad themes are integrated into a research framework that aims to comprehensively capture the recognition of opportunity and the new venture experience of Sri Lankan entrepreneurs in a transitional context.

A considerable amount of research has been conducted within developed and transitional economies with a particular focus on Russia, Eastern European countries and China. The research focuses on the challenges entrepreneurs encounter while their countries experience rapid socio-economic and cultural change following the collapse of the former Soviet bloc and China's gradual approach to an open market (Bruton et al. 2005; Ahlstrom & Bruton 2010; Smallbone & Welter 2010; Tonoyan & Strohmeyer 2010; Chen & Peng 2008; Puffer et al. 2010). Smallbone and Welter (2010) argue that individual countries experience the same economic changes differently because each country is unique in terms of culture, commitment to market reforms, knowledge and resource availability. Literature also emphasises the importance of conducting research in different contexts as 'researching entrepreneurship in its context is not only recognising the complexity and diversity of the phenomenon but it also listening to each other' (Welter & Smallbone 2011, p. 178) to understand the heterogeneous nature of entrepreneurship, which enables us to embrace the diversity of the phenomena. As entrepreneurship can happen in different contexts, communities 'it is not just pursuit of heroic Silicon Valley entrepreneurs' (Welter et al. 2017, p. 7). Sri Lanka has a transitional context in the South Asian region, where no extensive research has been conducted. Therefore, this research primarily aims to address the gap in literature by exploring opportunity recognition and new venture creation experiences of Sri Lankan entrepreneurs in a transitional context.

Entrepreneurial learning has been an increasingly popular area of research in recent years (Wang & Chugh 2014, p. 20). Currently, entrepreneurial learning is viewed as a

processes that is interwoven in the broader processes of opportunity recognition and new venture creation. It has been hidden in the wider concept of knowledge, often referred to as prior knowledge in the entrepreneurship literature (Shane 2000; Shane & Venkataraman 1997; Ardichvili et al. 2003; Ward 2004; Baron 2006; McKeown 2010). However, there is still a dearth of literature relating to entrepreneurship studies that address the wider learning development of opportunity recognition and new venture creation (Wang & Chugh 2014). Studies exploring contexts other than Western developed economies (Watkins-Mathys 2015), particularly how and what entrepreneurs learn in more challenging and hostile contexts, are even scarcer. According to Rae (2015), 'it is a question of increasing urgency: how does entrepreneurial learning occur in such adversity and instability?' (p. 9). Therefore, this research also aims to fill the literature gap by exploring the unique learning experiences of Sri Lankan entrepreneurs during their opportunity recognition endeavours in the challenging context of Sri Lanka.

Further, every individual has a tendency towards one learning style over others. According to Corbett (2005), different learning styles—divergent, convergent, assimilative and accommodative—suit different stages of the opportunity recognition process. Yet, Wang and Chugh (2014, p. 29) claim that the extant research does not explain the full experiential cycle of entrepreneurs. Thus, third, this research aims to fill the literature gap for how experiential learning occurs for each entrepreneur. Moreover, it provides insights for prospective entrepreneurs into the learning abilities required for effective start-up efforts.

The findings of this study could benefit Sri Lankan policymakers by highlighting the challenges that Sri Lankan entrepreneurs face, enabling them to formulate effective government policies to encourage entrepreneurs and remove obstacles. Findings in relation to experiential learning could be of benefit, particularly to Sri Lankan educators designing educational programs for students because each real-life learning experience allows a deeper understanding of the entrepreneurial mind. Simultaneously, these lived experiences may mean different things to different individuals in terms of how, what, why and with whom learning occurs. Educators need to be aware of the importance of incorporating these lived experiences and building flexibility into academic programs.

Further, this study into learning styles could benefit entrepreneurship educators by enabling them to develop programs that incorporate diverse learning characteristics. Educators should be able to customise their approach to each student. Greater

understanding of their true learning style and strengths would help entrepreneurs seek new opportunities that suit their individual learning styles. It is also necessary for educators to understand that in forming initial start-up teams, it is important to ensure representation of diverse learning styles.

1.2 Aims and Objectives of the Research

As discussed in Section 1.1, the aim of this research is to explore opportunity recognition and new venture creation experiences in the transitional context of Sri Lanka.

The following research objectives were set to achieve the above aim:

- Critically analyse the academic literature in relation to opportunity recognition and new venture creation, entrepreneurial motivation and learning, and influence of institutional context on entrepreneurs to facilitate research framework for this study.
- Explore the reflective experiences of Sri Lankan entrepreneurs: how they identified opportunities and created new ventures.
- Ascertain the motivations of these entrepreneurs to identify opportunities and develop them into new ventures.
- Determine how entrepreneurs are influenced by the institutional context in Sri Lanka.
- Investigate the critical learning experiences encountered by Sri Lankan entrepreneurs during opportunity recognition and new venture creation processes.
- Examine the different learning styles used by these entrepreneurs during different stages of the opportunity recognition and new venture creation processes.

In line with these objectives, the following research questions were formulated:

- How do the various bodies of literature discussed in the literature review of this study integrate with each other?
- How are opportunities recognised and developed into new venture creations?
- What motivates entrepreneurs to turn opportunities into new venture creation?
- How does the Sri Lankan institutional context influence the opportunity recognition and new venture creation processes?

- What is the nature of critical experiences that Sri Lankan entrepreneurs encounter?
- What learning styles do Sri Lankan entrepreneurs display during different stages of the opportunity recognition and new creation process?

1.3 Thesis Structure

Chapter 2, in which the social, cultural and political composition of Sri Lanka is discussed, presents contexts for this study. Chapter 3 critically discusses the literature in relation to opportunity recognition; entrepreneurial learning; entrepreneurial motivation and entrepreneurship in a transitional context, with the aim of conceptualising the theoretical framework for this study. Chapter 4 explores the research paradigm and justifies the research method choice. It also discusses the research instruments and the limitations of the study. Chapter 5 presents findings of this study in four sections: opportunity recognition and new venture creation; motivation; influence of context; and entrepreneurial learning. The results are analysed and discussed in relation to the literature in Chapter 6. Finally, Chapter 7 presents the conclusions of the research and highlights the contribution made to entrepreneurial literature and practice.

Chapter 2: Context of the Research

This chapter presents the socio-economic, political and cultural context of Sri Lanka, where this study was conducted. It explores the various transitional periods that Sri Lanka has undergone and discusses the influences and forces of the transitions since its independence in 1948. Section 2.1 provides the economic and political context of Sri Lanka, while Section 2.2 provides the social and cultural context. Finally, Section 2.3 outlines the conclusion.

2.1 Economic and Political Context of Sri Lanka.

In 1948, Sri Lanka was far more prosperous than many neighbouring Asian countries and its colonial inheritance included a judiciary system and a Westminster-like democratic political system (Bhalla & Glewwe 1986, p. 36). Sri Lanka continued to trade openly, with relatively minor trade and exchange restrictions, for the first decade after its independence in 1948. The nation began to broaden its welfare programs from the 1940s due to left-wing political pressure; even after independence, the welfare state was maintained, with free health care and education from the primary years to university level (Abeyratne 2004).

British planters initiated the Sri Lankan banking sector in the 1880s to support their commercial activities. However, after 1948, government intervention in banking started to intensify. In 1950, the Central Bank of Sri Lanka was established to regulate the banking sector and the government nationalised the two main commercial banks: the Bank of Ceylon and the People's Bank (Abeyratne 2004; Thalpahewa 2016). By this time, Sri Lanka had two main political parties: the United National Party (UNP) the centre right-wing party founded in 1946, and the Sri Lanka Freedom Party (SLFP) the centre-left wing party founded in 1953 as an alternative to the UNP. Many minority socialist parties also lent their support on numerous occasions to SLFP to form governments, as SLFP's socialist ideologies complemented socialist party ideology (Abeyratne 2004). A change in political leadership, balance of payment difficulties and high social welfare commitments led to the adoption of state-led import-substitution industrial strategies from the late 1950s. Government intervention increased further in every economic sector, including the financial sector, during 1970–1977, leading to the creation of a socialist society (Athukorala & Rajapatirana 2000).

By the mid-1970s, the Sri Lankan economy was one of the most inward-oriented and regulated economies outside the communist bloc, with stringent trade and exchange controls and an elevated level of state intervention in all economic sectors. The private sector was marginalised in the economic sector through widespread nationalisation measures and various economic controls. Easy import-substitution opportunities (i.e., meeting domestic demand in textiles, footwear, some food-processing and light labour-intensive activities) were taken up (Athukorala & Rajapatirana 2000; Athukorala & Jayasuriya 2004). The slow economic growth did not provide enough opportunities. Industrial sector expansions were particularly restricted, partly due to restrictions on importing heavy machinery and tools. Meanwhile, youths raised within an extensive welfare system were no longer satisfied to remain in their traditional family-based economic system. Successive governments were unable to meet the increasing social demands of these young people for economic resources and opportunities to fulfil their upward social mobility aspirations (Athukorala & Jayasuriya 2015; 2004). Youth unemployment in the 19–25 demographic loomed at around 40 per cent (Abeyratne 2004, p. 19). The country appeared to have failed for decades to provide adequate expansion of economic potential through rapid economic growth, prompting youth revolution and social unrest in 1971 (Hettige 2006).

In 1977, Sri Lanka became the first country in the South Asian region to embark on an extensive economic liberalisation process. This had a huge transitional effect on the Sri Lankan economy. The reforms covered a wide spectrum of areas including tariff structure, foreign direct investments and the financial sector. Economic liberalisation in 1977 led to greater deregulation in the financial sector. This was particularly evident in the removal of entry barriers to the sector, which allowed local and foreign banks to enter the market, branch expansion, removal of the interest rate ceiling and a wide range of credit facilities (Seelanatha et al. 2009; Athukorala & Rajapatirana 2000). Instead of quantitative restrictions on imports, a more uniform tariff structure was introduced; restrictions on foreign direct investments were reduced and attractive incentives were provided under a Free Trade Zone (FTZ), including incentives for non-traditional exports. (In Sri Lanka, traditional exports are tea, rubber and coconut.) In addition, public sector participation in the economy was restricted (Athukorala & Rajapatirana 2000).

When Sri Lanka liberalised economic policies in 1977, the original proposals were to reform labour legislation to achieve greater labour market flexibility. However, these proposals were shelved after a successful legal challenge from trade unions.

Remarkable labour market flexibility was eventually achieved after the successful crushing of a national strike in 1980 (through emergency powers). Consequently, thousands of government employees were left jobless (Athukorala & Rajapatirana 2000).

The process of reform lost its sense of direction and purpose when ethnic conflict arose in the early 1980s. Benefits from the remarkable policy transitions were seriously obstructed by the escalation of long-term communal rivalry between the two major ethnic groups of the country (Sinhalese and Tamil communities). The economy was hampered by massive military expenditure, which increased from one per cent of gross domestic product (GDP) in 1984 to seven per cent of GDP in 1997. The Northern Province and the largest part of the Eastern Province, which account for a geographic third of the country, were cut off from the national economy. Even the conflicts were restricted to the Northern and Eastern Provinces by government forces. Attracting foreign investment, particularly in long-term ventures, was hindered by a lingering fear of sporadic rebel attacks (Athukorala & Rajapatirana 2000). Meanwhile, in the latter part of the 1980s, insurrection launched by the Sinhalese youth drove the country into turmoil when the economy did not provide sufficient opportunities for educated young people for the second time in Sri Lanka's history. This led to the loss of a thousand young lives and the destruction of the economy (Abeyratne 2004).

However, a second wave of liberalisation began in 1997. The second phase of reform was fuelled by an ambitious privatisation program, further reductions and simplification of the tariff structure, removal of exchange controls on current account transactions and important changes to the foreign investment policy framework. This all aligned with increased outward orientation of the economy. Regular elections demonstrated the country's commitment to democracy. Conversely, this often resulted in the shifting of power between the two major political parties, creating economic instability (Abeyratne 2004).

Today, after decades of commitment, Sri Lanka stands out as one of the most open economies in the developing world (Athukorala & Rajapatirana 2000). Achieving such economic openness was not easy due to frequent policy changes, which, closely connected with political swings within the country, added further volatility to an economy already affected by the prolonged war. The Sri Lankan economy showed a great deal of resilience when a tsunami ravaged the country in 2004, taking nearly 40,000 lives and leaving millions of people homeless. Resilience was also shown when global recession

struck in the 1990s and in 2007 (Athukorala & Jayasuriya 2012, p. 10). For a quarter of a century, Sri Lanka was trapped in a separatist war until government forces defeated the terrorists in 2009 and restored peace. Despite international unease about the military actions during the conflict, the end of the war brought optimism and economic prospects to the country (Athukorala & Jayasuriya 2012).

Unlike most conflict-ridden countries, Sri Lanka had sustained economic growth and continued overall improvement in human indicators even during civil war (Stewart & O'Sullivan 1999). Table 2.1 presents the data on human and economic development indicators at the crucial junctures of Sri Lanka: 1960 (the earliest post-independence data); 1977, when the country embraced open economic policies; 1998, after embracing open economic policies and with a war-ravaged economy; 2010–2016 the post war economy of Sri Lanka.

Table 2.1: Human and economic development indicators of Sri Lanka, 1960–2016

Indicators	1960	1977	1998	2010	2016
Infant mortality rate (per 1,000 births)	71	48	16	8.5	8.2
Life expectancy at birth (years)	62	69	74	74.8	75
Primary school enrolment (%)	65	71	100	90.3	95.9
Adult literacy (%)	75	78.5	91	91.4	93.2
Human development index	0.48	-	0.73	0.70	0.76
Economic growth rate (%)	4.0	2.90	6.00	8.00	4.40
Unemployment rate (%)	13	15	14.6	4.9	4.4

Source: Central Bank of Sri Lanka (2016; 2010; 2009); Department of Census and Statistics (2003); Employment and unemployment of Sri Lanka trends and issues and options—data in relation to 1998; The World Bank Economic Review (1986); *Growth and Equity in Developing Countries* (Bhalla & Glewwe 1986); Alailima (2003); Abeyratne (2004)—data in relation to 1960, 1977 and 1998.

Table 2.1 indicates that the infant mortality rate, life expectancy, adult literacy rate and human development index have continuously improved over the period despite the turbulence. With renewed confidence in the country and the new-found peace, the Sri Lankan economy showed signs of recovery. GDP rose from 3.5 per cent in 2009 to eight per cent in 2010, while unemployment fell from 5.7 per cent in 2008 to 4.9 per cent in 2010 (Central Bank of Sri Lanka 2010). During 2010–2014 the Sri Lankan economy reported an average annual growth of seven per cent (Athukorala & Jayasuriya 2015). By 2016, economic growth slowed to a more sustainable rate while continuing to improve in human indicators.

2.2 Social and Cultural Context of Sri Lanka

Sri Lanka is a collectivist culture that endorses a high need for affiliation, which results in a high-level regard for others. Therefore, others' welfare is ensured by someone at a higher level; this may be the head of the household, older siblings or an employer (Ranasinghe 1996). In Sri Lankan society, maturity is marked by showing greater sensitivity to hierarchy and deference to the wisdom of elders. The interaction between parents and children is similar to interactions between superiors and subordinates. The father plays the traditional role of head of the household and main breadwinner. Obedience to parents is a significant aspect of upbringing, particularly for young people. Senior people provided what they believed junior people needed without consultation (Chapin 2014). Although this scenario has rapidly changed in urban areas, it is still common in rural parts of the country.

In Sri Lankan society, children's education from kindergarten to college is mostly controlled by parents and adults (Chandrakumara 2011). The standard of education is exemplary, granting universal free education to males and females after independence paved the way for gender equality; this access to education has made a significant difference compared to the education systems of many other developing countries (Herath 2015). Today, Sri Lanka has a literacy rate of over 90 per cent for males and females (Annual Report Central Bank 2016). Female participation remains high in university education in Sri Lanka (University Grants Commission of Sri Lanka 2013). Further, the family plays a key role in human capital formation in Sri Lanka, where as an economic unit, it helps facilitate education and skills. Senior siblings often contribute significantly to the scholastic progress of younger siblings (Chandrakumara 2011).

In Sri Lanka, women have historically played the role of reproducers, nurturers and disseminators of tradition and culture (De Alwis 2002). However, in the present context of Sri Lanka, most women work in addition to bearing the core duties of the traditional household, including caring for children. Taking on the dual responsibilities of providing additional income and raising children requires a great deal of commitment and dedication, but is something that women are proud to do (Herath 2015). In a country that has endured civil war for decades, some women in Sri Lanka became war widows who were not only traumatised by their loss, but who also needed to give emotional and financial support and nurture to their similarly traumatised children (De Alwis 2002).

Before 1977, women's participation in economic activities was only limited to certain professions such as teaching, nursing, doctors and retail (De Alwis 2002; Herath 2015). Most women were engaged in non-wage based agricultural farming and household duties, which socially undervalued them. Primary wage earners were males (Herath 2015). However, after 1977, economic liberalisation caused a sudden influx of young single women to the capital seeking jobs in new industries, particularly the garment industry, and migrating to foreign countries as domestic aides, most of whom were the primary wage earners for their families. Further, equal educational opportunities and greater participation in university education paved the way for greater representation of women in the medical, management and banking sectors of the country (Herath 2015).

Sri Lanka is categorised as power distant, hierarchical society in which everyone enjoys varying degree of powers and privileges based while power seems centralised in the power distant society and organisations in which individual prefers takes orders rather giving subject to inequalities (Hofstede, 2017). Caste is in many respects less significant and less visible in Sri Lanka than it is in India. There are three parallel caste systems in Sri Lanka: Sinhala, Sri Lankan Tamil and Indian Tamil (Silva et al. 2009). Since the colonial era, the importance of caste has diminished. The caste-based service tenure system was abolished as a means of state revenue generation by the Colebrook–Cameron reforms of the 1830s. Caste was not included in the 1911 census or personal identity documentation (Silva, Sivapragasam & Thages 2009). Pre-colonial Sri Lanka was built around caste-based privileges for the ruling elite, with hereditary and mandatory caste services for those at the bottom layers of society (Silva et al. 2009). Caste systems in Sri Lanka relied more on a kind of secular ranking upheld by the state, plantation economy, land ownership tenure, religious organisations and rituals and firmly rooted notions of inherent superiority and inferiority.

Official patronage for the caste system has eroded and since the latter part of colonial rule, the state has increasingly ignored the subject of caste (Silva et al. 2009). The ethno-nationalist mobilisation among the Sinhalese and Tamils that gained momentum since the 1930s identified caste as a potentially divisive force within each ethnic group and viewed it as a backward social institution. The post-colonial governments supported a universal social welfare regime inclusive of free education and health care that ignored the caste system on the assumption that universal coverage policies benefit all groups irrespective of caste, creed, gender and ethnicity (Silva et al. 2009).

The pervasive influence of Buddhism established attitudes of philanthropy among Sri Lankan people, who perceived it as a vital dimension of an individual that should always be cultivated (Nanayakkara 1997). The awareness that 'clinging and craving lead to suffering and moderation is the path to enlightenment' is common knowledge; desire and attachment were part of the ordinary conversation of people and at the heart of the social life of Sri Lankan Buddhists (Chapin 2014). Fernando and Jackson's (2006) study of Sri Lankan business leaders' spirituality and business decision-making revealed that in the multi religious Sri Lankan context, spirituality signifies a sense of guidance to Buddhists, a god-fearing sense of direction to Christians, a regular dialogue with God through prayers for Hindus, while predicating do's and don'ts for Muslims (Fernando & Jackson 2006). Further, work seems to be closer to people's lives and family; they seek not only money and material benefits from the work they perform, but also self-satisfaction (Ranasinghe 1996; Perera & Buddhadasa 1992)

2.3 Conclusion

To conclude, Sri Lanka is a country that has undergone several extensive changes since independence in 1948. In 1977, Sri Lanka embarked on open-market economic policies, which liberalised the Sri Lankan economy extensively. This brought extensive transitional effects to the economy, including changes to tariff structure, foreign direct investments, the financial sector and the labour market. Government participation in the economy reduced, while private sector participation was encouraged, which brought new opportunities to many entrepreneurs. Liberalisation of the economy brought substantial economic and social changes. The traditional caste system has become less important and there has been a huge influx of rural women seeking work in Colombo and foreign countries. Most were sole breadwinners, changing the dynamics of family life.

However, benefits from the remarkable policy transitions were seriously hampered by the escalation of long-term war and youth insurgence in 1989, which led to uncertainty and risk, impinging on the businesses and everyday lives of the people. The country endured another transition when the decades-long war ended in 2009, bringing peace to normal life and business entities. In terms of cultural perspective, Sri Lanka provides a unique collective culture with a high need for affiliation and a higher regard for the welfare of others. Buddhist thinking has been absorbed into Sri Lankans' way of life and attitudes, and forms a considerable part of peoples' identities.

Chapter 3 Literature Review

3.1 Introduction

To facilitate a research framework for this study, this chapter critically reviews the academic literature in relation to opportunity recognition and the new venture creation process, entrepreneurial learning, entrepreneurial motivation and the influence of institutional context on entrepreneurs and their opportunity efforts.

To this end, Section 3.2 explores the theoretical background of the opportunity recognition and new venture creation process. Section 3.3 explores entrepreneurial learning experiences and learning styles, while Section 3.4 discusses entrepreneurial motivation in opportunity recognition and new venture creation processes. Section 3.5 is devoted to examining the influence of context entrepreneurs and their behaviours. Finally, Section 3.6 emphasises how the themes interrelate and provides direction for the formulation of the conceptual framework for this study.

3.2 Theoretical Background of Opportunity Recognition and New Venture Creation

Discussing entrepreneurship in the absence of opportunity is almost impossible, as opportunity provides the focal point for entrepreneurs to gravitate their immense creativity and perseverance, which separates entrepreneurs from those who are not. Entrepreneurship research has overly emphasised personal characteristics and behaviours of entrepreneurs. However, a shift has taken place as an increasing number of researchers focus on opportunity recognition and new venture creation (Mary George et al. 2016; Davidsson 2015; Eckhardt & Shane 2003). This section aims to understand the nature of the opportunity recognition and new venture creation process. Second, it seeks to understand the antecedents involved in the process.

Opportunity research was rejuvenated in the field of entrepreneurship following the academic discussions of Shane and Venkataraman (2000, p. 218). In fact, those discussions led to the definition of the entrepreneurship domain as distinct from approaches to other social science disciplines with regard to the opportunity discovery process (Alvarez & Barney 2013, p. 154; Corbett 2005, p. 474). Therefore, important empirical research, theoretical frameworks and conceptual models developed after this period will be considered in this section.

The scholarly discussion of Shane and Venkataraman (2000) raised fundamental questions:

- Why, when and how do opportunities for the creation of goods and services come into existence?
- Why, when and how are some people able to discover and exploit these opportunities while others cannot or do not?
- Why, when and how are different modes of action used to exploit entrepreneurial opportunities? (Shane & Venkataraman 2000, p. 218)

Shane and Venkataraman (2000) not only argue that there is a right for opportunities to be discovered and exploited, but also that some people have the ability to discover and exploit such opportunities. The above questions provided new directions to opportunity research in entrepreneurship and propelled the discovery of new knowledge in the areas of opportunity recognition and new venture creation.

An opportunity has been explained as moving from an unknown to a known phenomenon, and is often referred as an 'aha' or 'eureka' moment in entrepreneurial literature (Lumpkin & Lichtenstein 2005; Rae 2013). Discovery and creation are two dominant theoretical perspectives that explain the formation of 'opportunity' in entrepreneurship literature (Alvarez & Barney 2007). Discovery theory to opportunities assumes that opportunities pre-exist and are awaiting discovery by the entrepreneur. Such opportunities develop as a result of exogenous changes in political, social and technological environments; entrepreneurs scan environments in search of such opportunities (Shane & Venkataraman 2000; Ramoglou & Tsang 2016; Martin & Wilson 2016). Therefore, opportunities arise exogenously from external changes in the industry and are visible to everyone. Only very few individuals, known as entrepreneurs, decide to act on them. Time is a crucial factor in terms of who discovers opportunities first.

Conversely, creation theory provides an alternative approach to discovery theory, which assumes that the entrepreneur endogenously creates opportunity according to what he or she perceives (Alvarez & Barney 2007). The creation theory assumes that opportunities do not arise from the existing industry but are created through individual perceptions and beliefs. Unlike discovery theory, time does not play a crucial role, as the opportunity is not visible to everyone; it manifests for individuals. However, some scholars have evolved their initial view and assert that it is reasonable to assume that some opportunities develop through discovery, while others are developed through

creation (Venkataraman & Sarasvathy 2012, p. 25; Sarasvathy et al. 2010, p. 80; Short et al. 2010, p. 54; Alvarez et al. 2014, p. 158–159). However, this discussion does not intend to pursue the philosophical argument of whether opportunity is created or discovered. Instead, it takes the path that opportunities develop through both discovery and creation.

The timing and temporal dimension of the opportunity suggest that each opportunity evolves through several stages and phases before it is recognised as a viable opportunity. The new idea is the first stage; however, every new idea does not become a new venture; it is merely a possibility. Spotting new ideas is dependent upon creativity (Ardichvili et al. 2003; Baron 2006; Ward 2004) yet there are several phases that a new idea passes through to become a strong contender for a viable opportunity, and ultimately, a possible venture creation (Ardichvili et al. 2003; Lumpkin, Hills & Shrader 2004; Dimov 2011). The process includes basic stages of an initial business idea, opportunity recognition and new venture creation. Amid these stages, constant evaluations occur. An individual can plan the search or creation of an initial business idea using existing knowledge and intentionally or unintentionally find the business idea while engaging in the normal daily routine (Lumpkin et al. 2004).

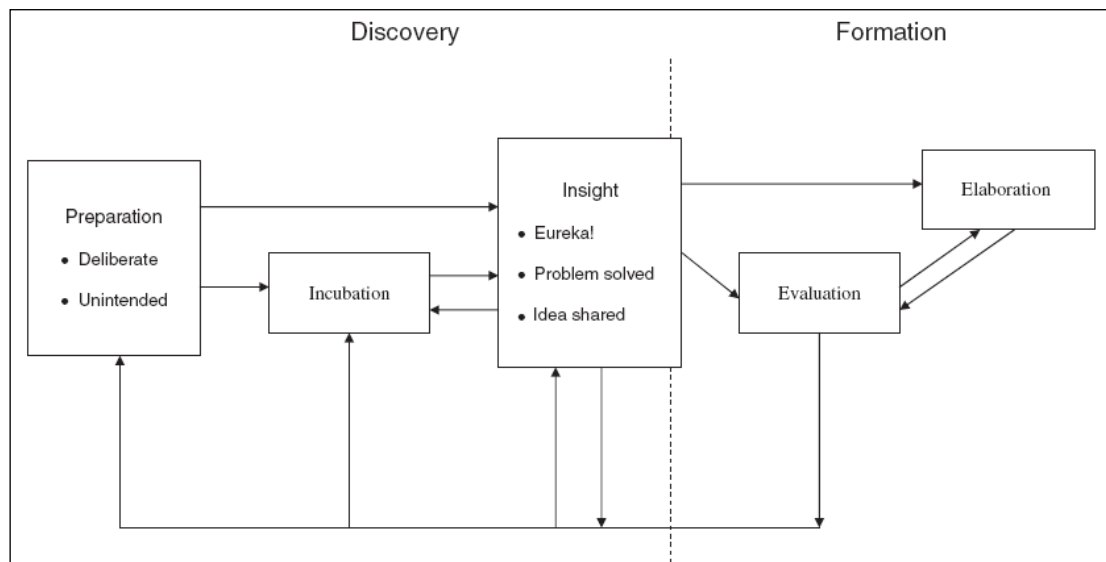


Figure 3.1: Creativity-based model of opportunity recognition

Source: Corbett (2005). Adopted from Lumpkin et al. (2004).

The initial business idea is created through individual perception to solve an existing problem in a novel way (Shane 2000; Gaglio & Katz 2001). Revisiting the same idea a

few times to fine-tune the initial business idea helps to gain an insight into the opportunity, leading to a new breakthrough. Sometimes the initial business idea aborts at this stage due to lack of insight in relation to opportunity. The opportunity development process is cyclical and iterative, and evaluations are carried out several times at different stages. The creativity-based model of Lumpkin et al. (2004) has two phases: discovery and formation. The discovery phase includes preparation, incubation and insight, while the formation phase includes evaluation and elaboration. Further, they suggest that knowledge, experience and cognitive actions play primary roles during the discovery phase of this model (Lumpkin et al. 2004).

Further, a fine-tuned business idea (opportunity insight) is evaluated against market acceptability, financial returns and resource availability to gauge its viability, so it becomes a potential business opportunity that may lead to a possible new venture creation. During the evaluation, entrepreneurs talk to many individuals in their network and try to assess whether the concept is worth pursuing. Entrepreneurs develop opportunities through an extensive network of people pursuing information gathering. Lumpkin et al. (2004) explain this stage as the elaboration stage, when the creative insight is realised. It is at this stage that true formal business planning begins or the venture formally launches, when the entrepreneur initiates the plan to institutionalise the venture through a series of negotiations and transactions with suppliers, customers, financiers and regulators (Dimov 2011). The time between identification and exploitation of the opportunity is critical, not only for opportunities that lack novelty (Choi et al. 2008) but also for novel opportunities because being first on the market can secure future potential profits through patent rights.

In entrepreneurship literature, research on opportunity recognition and new venture creation has identified certain factors, sometimes known as antecedents, which include individual factors such as prior knowledge, social networks, self-efficacy and alertness, and environmental factors. Hence, this section will review how these individual factors influence the opportunity recognition and new venture creation process. First, attention is focused on understanding the role that prior knowledge plays in the opportunity recognition and new venture creation process. Prior knowledge is defined by Shane (2000) as 'the knowledge already possessed' (p. 466). Such idiosyncratic prior knowledge is developed through education and work experience and exists in many forms: special interest knowledge, general industry knowledge, knowledge of markets, knowledge of customer problems and prior knowledge of ways to recognise and serve

the markets (Ardichvili et al. 2003; Shane 2000). Some researchers argue that specific industry skills, education and work experience play a more pivotal role in entrepreneurial opportunity evaluation, recognition and the way opportunity is exploited (Shane 2000; Davidsson & Honig 2003; Corbett 2007; Wood & Williams 2012).

Prior knowledge or organised knowledge structures provide substantial capacity for an individual to become innovative and original in their new developments (Ward 2004). Baron (2006) explained such organised knowledge structures as 'cognitive structures'. They help to organise and store information in the human brain in a way that is useful for the people who possess it. Ward (2004) clarified the different methods individuals can use to modify and extend previous knowledge to develop new product and service ideas that combine opposing concepts to create a substantially different concept from the original concepts (e.g., non-alcoholic beer and affordable luxury vehicles) and analogical reasoning (in which structured knowledge transfers from a familiar domain to a novel or less-familiar domain). Nevertheless, prior knowledge can also block new ideas and originality, as the human brain is accustomed to processing information in certain way so different information can go unnoticed.

An explanation proposed by Baron (2006) to explain how individuals become creative is that they create prototypes and exemplars through their knowledge and experience, known as cognitive structures (see Figure 3.2). Prototypes are the best representations of the member of a category, and exemplars are specific examples already in the individual's memory. Entrepreneurs then compare newly encountered events and trends in the external world, which are seemingly unrelated events taking place in technology, demographics, markets, government policies and other factors. Using the existing prototypes and exemplars, they try to connect the seemingly unrelated events happening in the external environment. In many cases, founders do not initially understand all aspects of the opportunity. Opportunity recognition does indeed often involve repeated efforts to identify patterns in seemingly independent events or trends, which may lead to the prospect of founding new ventures. Entrepreneurs learn to evolve with the business and, simultaneously, in the early stages of the new venture creation process, entrepreneurs are constrained by time. Hence, they mainly rely on previous knowledge, skills and heuristics (Breslin 2015).

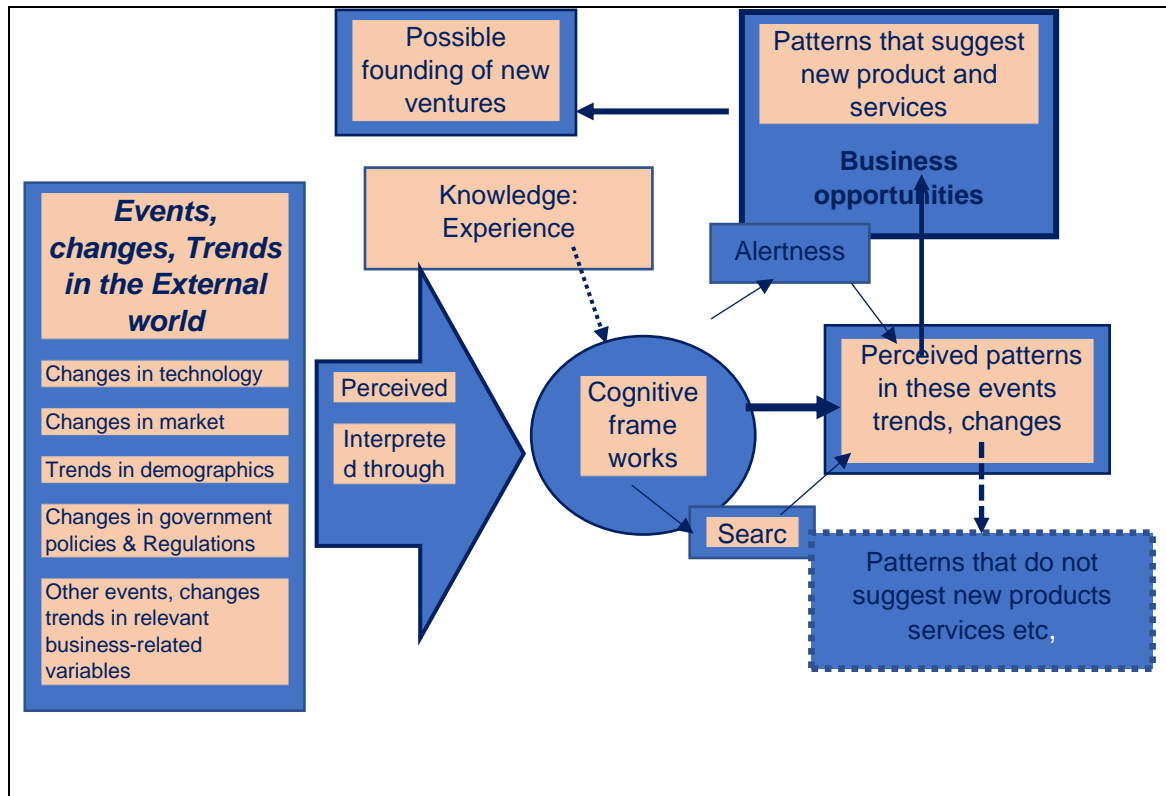


Figure 3.2: Potential roles in pattern recognition in opportunity recognition

Source: Baron (2006).

However, to see patterns that suggest new product ideas or services, entrepreneurs must be aware of what is happening in the business environment (Valliere 2011; Baron 2006; Ardichvili et al. 2003). Evidence from the literature suggests that alertness is one of the main antecedents in opportunity recognition (Short et al. 2010; Davidsson 2015). Kirzner (1973) first explained the ‘entrepreneurial alertness’ phenomena in the context of economics and defined it as ‘alertness with which the producer recognises the kind of goods consumers are eager to buy, the kinds of goods available technology and resources can create’ (p. 131). He later defined it as ‘the sense of what might be around the corner, i.e., the sense to notice that which has hitherto not been suspected of existing at all’ (2008, p. 12). Kirzner’s (1973; 2008) definitions have evolved over time as the field of entrepreneurship evolves. His first definition suggests spotting the gap in demand and supply in the market—alertness in the context of economics, whereas the second definition suggests alertness is a skill that the entrepreneur should have in discovering opportunities unknown and previously overlooked. In fact, market knowledge differs between people (Hayek 1945). Hence, being alert to such knowledge imbalances in the market is important in finding new opportunities. It plays a key role in the ability of

entrepreneurs to envisage unrealised future opportunities (McCaffrey 2014; McMullen & Shepherd 2006).

Alertness is heightened when certain factors are present, which includes richness of schemata, schematic priming and schematic association (Valliere 2011) (see Figure 3.3). These antecedents are related to the way people process information from the external environment using the rules, scripts and categorisation assigned to individual interpretation. Such individual interpretation is called 'schemata' and richness of schemata depends on individual experience and knowledge.

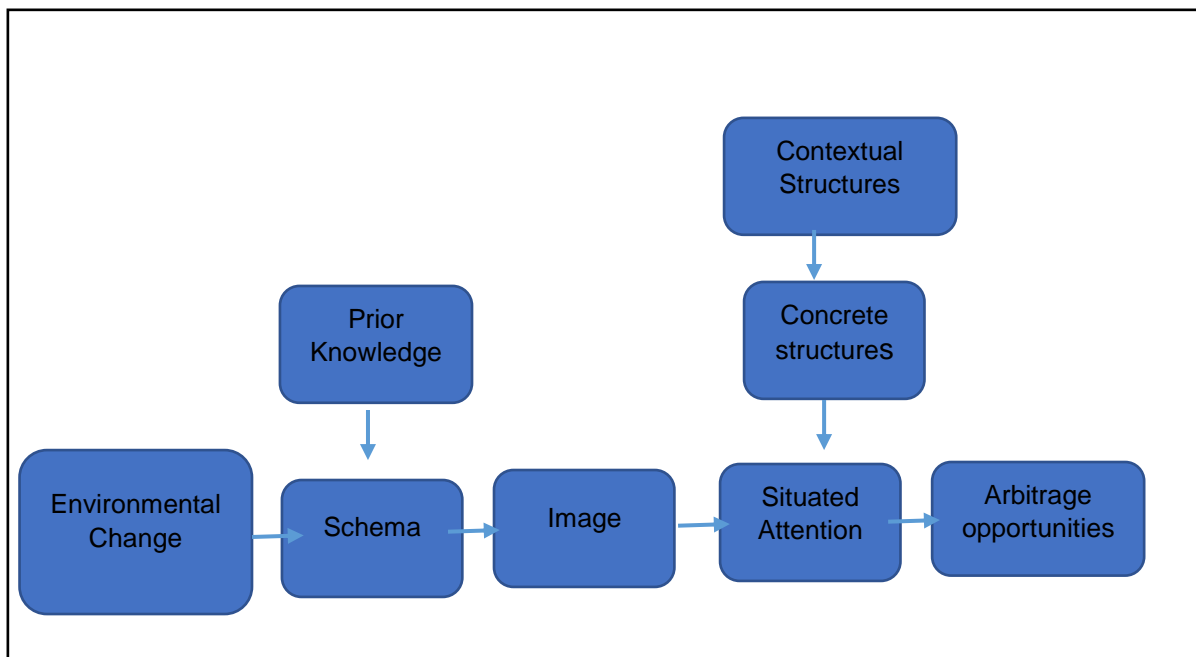


Figure 3.3: How entrepreneurial alertness supports the spotting of opportunities

Source: Adopted from Valliere (2011, p. 482).

Such interpretation comes to some individuals with great ease at the right time, if the individual has awareness of the need that would otherwise go unnoticed (schematic priming). Moreover, such individual schemata can be associated with external environmental changes that can invoke different meanings and initial business ideas (schematic association). However, such business ideas should be commercially viable; sound evaluation of such initial business ideas leads to the next level, in which sound opportunities become a new venture. In fact, the entrepreneur's knowledge and motivation alone are not sufficient to proceed further (Tang et al. 2012). Alertness can be further developed through entrepreneurial experience (Valliere 2011).

Self-efficacy has been recognised as another important antecedent in the opportunity recognition process (Wang et al. 2013). Self-efficacy is an individual's perceived capability to execute the expected behaviour (Bandura 1977). Krueger (1998; 2000) extended Bandura's definition to the entrepreneurial context, as self-efficacy reflects the 'perception of a personal capability to do a particular job or set of tasks'. Moreover, high self-efficacy creates the persistence and undying effort in individuals whereas low self-efficacy creates a low performance. Research indicates that individuals with prior knowledge and high self-efficacy have a higher tendency to recognise entrepreneurial opportunities (Wang et al. 2013; Pech & Cameron 2006). Hence, however desirable the prospective opportunity may be, if the individual has the perception that his or her skills, knowledge and other resources are inadequate, opportunity intention will not progress.

According to Dimov (2010), start-up self-efficacy is only one factor of the much broader concept of 'opportunity confidence', which can carry the opportunity intention to new venture creation. Opportunity confidence is determined by two factors—opportunity feasibility belief and start-up self-efficacy (Dimov 2010) (see Figure 3.4). Perceived feasibility of the opportunity is individual-specific and depends on individual's knowledge about the intricacies of opportunity domain and attitudes towards uncertainty. Start-up self-efficacy refers to specific beliefs formed by the entrepreneur.

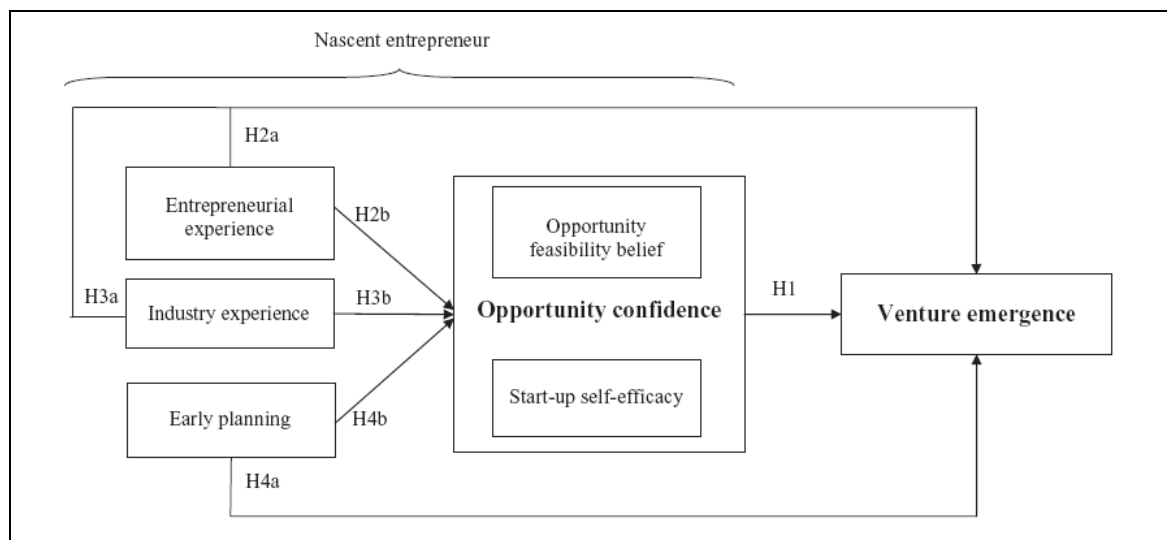


Figure 3.4: Conceptual framework for nascent entrepreneurs and venture emergence

Source: Dimov (2010, p. 1129).

Note:H1, H2a, H2b, H3a, H3b, H4a, H4b refer to hypotheses.

Previous entrepreneurial successes and failures have the ability to enhance opportunity confidence because such experience helps to understand the merit and demerit of the opportunity in hand (Dimov 2010). It sometimes helps to evaluate the slim possibility of survival in the worse-case scenario according to Wood and Williams (2012). Opportunity confidence is only applicable to a particular moment and sometimes an individual can underestimate or overestimate the situation that can lead to the particular opportunity being abandoned, as the individual no longer believes in the viability of the opportunity (Davidsson 2015; Dimov 2010). Therefore, opportunity confidence emerges at the same time as evolving judgement and a set of changing beliefs about the feasibility of the opportunity in hand and the entrepreneur's own abilities. Start-up beliefs about the opportunity and one's own abilities stem from the culture and context. Sometimes family, friends and other networks can strengthen or dampen such beliefs. These entrepreneurial networks have an instrumental value to any entrepreneur in considering, talking, information gathering and resource assessing during the opportunity recognition and new venture creation process (De Koning 1999; Ardichvili et al. 2003; Lumpkin et al. 2004).

Entrepreneurial networks have been identified as another main antecedent in opportunity recognition (Short et al. 2010). As individuals, people engage in social interactions and live in organised social environments and prefer to remain in a known, close circle of networks. However, a certain level of skills is required to develop and cultivate a social relationship, and this is identified as an important resource embedded in the social structure (Putnam 2001; Lin 1999). Each social relationship may be different in structure and formation. It can be formed either densely or sparsely. These closed networks involve a lot of emotions, time and effort and ensure strong trust, reciprocity, shared values and norms among network members (Burt 2000; Aldrich 2005; Kwon & Adler 2014). This enables members to share information quickly and enhance the opportunistic behaviour among the group. Moreover, in a closed network, the strong ties ensure trust and predictability of network members' behaviour, which lubricates the economic transactions (Scott 2017). Often, in this stage members rely on promises rather than legal transactions and resolve any issues through communication with known members.

Conversely, members of networks who have less in common tend to focus on their own activities and pay less attention to other network actors. Hence, the network is not completely redundant, and there are untapped areas in the network known as structural holes in the social structures. In fact, the firms with structural holes in their network have

the potential to gain novel information, which is crucial as far as an entrepreneur's opportunity recognition efforts are concerned (Burt 2000; Bhagavatula et al. 2010; Scott 2017). The loosely connected network forms weak ties, is of a temporary nature and invests less time and effort. Thus, it involves fewer emotions. However, weak ties have their strengths. As weak ties occur in the loosely connected network, members and their roles are not known to each other; this results in the opening of pathways to new information (Granovetter 1977; Scott 2017). Such diverse circles often fulfil information and resource needs, which are sought after by the entrepreneur (Aldrich 2005). Developing the right mix of strong and weak ties is paramount for any entrepreneurs in their opportunity recognition effort.

In summary, the consensus from the reviewed literature suggests that opportunity recognition and the new venture creation process can be identified as an eclectic process that evolves through several phases or stages; primarily new ideas, opportunity recognition and venture creation. The process is kindled by awareness of changes in the external environment that provide cues for new ideas. Literature also confirms that five key antecedents are involved in this process: prior knowledge, alertness, self-efficacy, opportunity confidence and entrepreneurial networks. Each antecedent has a specific function and contribution to make in the idea-to-new venture journey. Prior knowledge supports entrepreneurs to read the cues and identify patterns from seemingly unrelated events, when sending new ideas. Moreover, networks help entrepreneurs gather novel information on untapped opportunities and new paths to gain new resources. Self-efficacy in recent literature is viewed as an integral part of a wider concept: opportunity confidence. Opportunity confidence is individual judgement on the attractiveness of an opportunity and beliefs about one's own abilities to propel the opportunity to the next level towards venture creation.

3.3 Entrepreneurial Learning

Entrepreneurial learning has been given significant emphasis in recent entrepreneurial research (Wang & Chugh 2014; 2015). How entrepreneurs learn has recently been an increasingly popular question among scholars in the entrepreneurship domain (Wang & Chugh 2014; 2015). Entrepreneurial learning is a dynamic process that involves many dimensions: cognitive (knowledge), affective, behavioural and social dimensions. Entrepreneurial learning has been defined in different ways by scholars in the literature on entrepreneurial learning. For example:

Learning to recognise and act on opportunities, through initiating, organising and managing ventures in social and behavioural ways. (Rae 2006, p. 40)

Learning experienced by entrepreneurs during the creation and development of a small enterprise. (Cope 2005, p. 28)

Process by which people acquire new knowledge from direct experience and from observing the behaviours, actions and consequences of others; assimilate new knowledge using heuristics to confront discrepancies that are common with information acquired in uncertain contexts; organised assimilated knowledge by linking it with pre-existing structures. (Holcomb & Hitt 2009, p. 172)

When analysing the definitions of Rae (2006), Cope (2005) and Holcomb and Hitt (2009), it is clear that entrepreneurial learning occurs while the entrepreneur develops the knack of recognising and acting on opportunities, which results in the creation of new ventures. The definitions imply that entrepreneurial learning and the opportunity recognition process are closely connected and inseparable in many ways. Cope's (2005) definition emphasised the rich experience of entrepreneurs as the main source of their learning, while Ray (2006) emphasised the social and behavioural perspective. Holcomb and Hitt (2009) defined learning as acquiring knowledge through one's own experience, other experiences and heuristics in uncertain environments to fill gaps in knowledge. The three definitions demonstrate the diversity of scholarly work on entrepreneurial learning. In the literature, entrepreneurial learning has been explored under several different approaches: cognitive, learning by doing (experience) and socially situated learning (McKeown 2010, p. 430). Section 3.3.1 discusses learning by doing (experience) and socially situated learning approaches in detail, as such approaches align with the research objectives of this study (see Section 1.2) to explore critical learning experiences of Sri Lankan entrepreneurs.

3.3.1 Entrepreneurial Learning-by-Doing Approach

The learning-by-doing approach is an alternative approach widely endorsed by scholars, who argue that entrepreneurs learn primarily by doing; hence, they advocate entrepreneurial learning as action-oriented and experiential (Cope & Watts 2000; Minniti & Bygrave 2001; Rae & Carswell 2001; Cope 2005). What the entrepreneur learns in the conventional classroom is rather challenging and largely restricted to factual knowledge and writing detailed business plans that meet regulatory requirements (Politis 2005). Conversely, the 'lived experience' of entrepreneurs provides an insight into the

challenges and difficulties that entrepreneurs encounter from an insider perspective (Rae 2000; Klapper & Refai 2015, p. 139), which is also known as 'withinness' (Shotter 2005, p. 585).

Learning through 'lived experience' is not only functional knowing, which involves knowing, understanding and action, it also provides opportunity insight. In other words, it provides eureka moments to entrepreneurs through perceiving and generating meaning out of a particular experience. This is largely due to the subconscious attention of entrepreneurs (Rae 2013; 2015). Entrepreneurs endure an emotional journey from the moment they develop their business ventures. The personal attachment to the business, uncertainties and time constraints make this journey extreme (Cardon et al. 2012). Most such direct experiences involve routine business experiences and non-routine experiences. Entrepreneurs encounter routine business experience when they manage their day-to-day business operations without considering numerous choices. Learning through such routine activities is called routinised learning, which builds entrepreneurs' confidence and efficiencies. However, it adds very little to existing knowledge (Minniti & Bygrave 2001).

Others are non-routine business experiences; in other words, critical experiences stemming from critical events are transformational and non-routine, creating a higher level of learning. They can radically change the underlying assumptions and values of the entrepreneur (Cope 2003). These critical events can be traumatic and emotionally charged experiences (Cope 2003; 2005; 2011). Business failures equate to emotional exhaustion, like that experienced after a broken intimate relationship or the death of a close relative. This has an impact on financial, social, psychological and interrelationship circumstances (Ucbasaran et al. 2013). Losing their income and being unable to pay creditors, suppliers and investors leaves entrepreneurs not only in a financially deprived position, but also an undesirable social situation due to the stigma attached to business failures (Ucbasaran et al. 2013). Emotionally, such failures create powerful feelings such as shame, remorse, pain, humiliation, stress, anxiety and guilt (Ucbasaran et al. 2013; Cope 2011). Often, the events that bring failures have an adverse impact on entrepreneurs' personal lives and relationships with spouses or partners (Cope 2005; 2011). The impact of critical experiences encountered by individual entrepreneurs—financial, social and psychological—differs depending on the institutional and cultural settings in which they live. Therefore, exploring the various institutional and cultural contexts creates a substantial contribution to the existing literature.

On one hand, the recovery and rebound from such failures—which are intrinsically motivated—provide effective learning experiences. Conversely, frequent occurrence and dwelling on any failure dampens the effectiveness of learning (Yamakawa et al. 2015). Instead, lessons need to be learnt and an attitude of moving on should develop (Shepherd 2003; Shepherd et al. 2009). Deeper reflection on the effects of negative experiences and critical events is instrumental to higher-level entrepreneurial learning to prevent the reoccurrence of failure and grant the novice entrepreneur expertise (Cope 2005; Krueger 2009). Therefore, experiences and higher-level learning gained from critical events involves the individual focusing on the future rather than the past.

Male and female entrepreneurs differ on how they perceive critical events, what they learn and from whom they learn. Research conducted with 10 male and female entrepreneurs in the UK shows that learning from critical events varies according to gender (Ekanem 2015). Women entrepreneurs perceive events associated with lack of flexibility and lack of confidence as critical, whereas men perceive lack of cash and lack of management skills as crucial events. As a result, females prefer routinised learning events that develops their confidence, while males seek challenging events that go beyond traditional industry norms, meaning that male entrepreneurs learn by reflecting on their values and assumptions (Ekanem 2015). The study also suggested that male entrepreneurs learn from stakeholders (accountants, solicitors and business advisors), while females learn less from stakeholders and instead rely on a narrow group of people—often parents, spouses and close friends—frequently described as ‘significant others’ (Ekanem 2015). Such findings reinforce the results of Abrar et al. (2011): that female entrepreneurs are opportunistic learners and learn from their closer circle. However, these findings employed smaller non-representative samples and only reflect UK, US and Canadian contexts.

This reiterates that entrepreneurs learn not only by doing, but also by experience, reflection and conceptualisation, which aligns with the experiential learning cycle suggested by Kolb (1984). Kolb’s (1984) cycle demonstrates how an individual grasp an experience and transforms it into knowledge. An individual’s ability to identify an opportunity depends not only on knowledge, but also on the process through which individuals acquire and transform the knowledge; that process is called ‘learning’ (Corbett 2007). Kolb (1984) also suggested that there is a distinctive style that every individual relies heavily upon when learning. This is called the individual’s learning style. Kolb (1984) explained in the theory of ‘experiential learning’ that learning as a continuous

process is grounded in experience. New knowledge is created when an individual acquires information and transforms this information using existing knowledge. Kolb (1984) maintained that an individual's mind is a blank slate and that the process of experiential learning consists of three distinct elements:

- existing knowledge
- the process by which an individual acquires new information and experiences
- the process by which individuals transform new information and experiences into new knowledge (see Figure 3.5).

The experiential learning theory is intended to be a 'holistic, adaptive process of learning that merges experience, perception cognition, and behaviour' (Kolb 1984, p. 21). The process of experiential learning can be explained as a four-stage cycle involving four adaptive learning modes: concrete experience (CE), reflective observation (RO), abstract conceptualisation (AC) and active experimentation (AE). In this model, CE/AC and AE/RO represent two dialectically opposed adoptive orientations (Kolb 1984, p. 40).

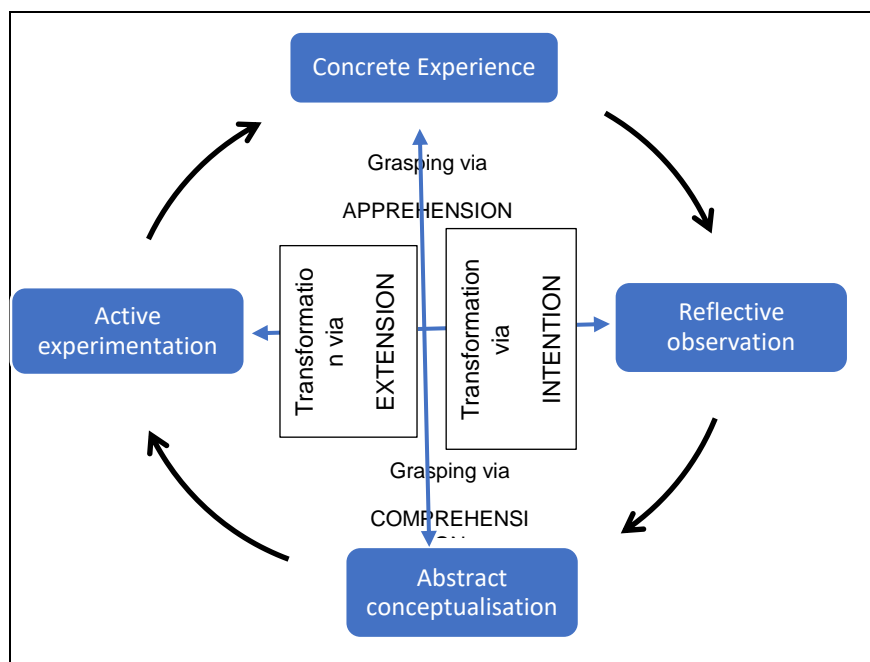


Figure 3.5: Experiential learning cycle

Source: Kolb (1984, p. 42).

Kolb's (1984) experiential learning theory further explains how individuals grasp and transform experiences in the process of creating knowledge. Individuals grasp reality

either through comprehension or apprehension. Kolb's (1984) concept of 'prehension' is reflected in the vertical axis in Figure 3.5. Thus, apprehension is interpreted as reliance on the tangibly felt qualities of immediate experience. Comprehension refers to reliance on conceptual interpretation and symbolic representation. Individuals transform the experience either through intention or extension, which is reflected in the horizontal axis in Figure 3.5. Transformation via extension means that individuals actively test their ideas and experiences in the real world. Transformation via intention is when an individual internally reflects upon different attributes of particular experiences and ideas. These dialectical forces of prehension and two dialectical forces of transformation result in four different forms of knowledge (see Figure 3.6).

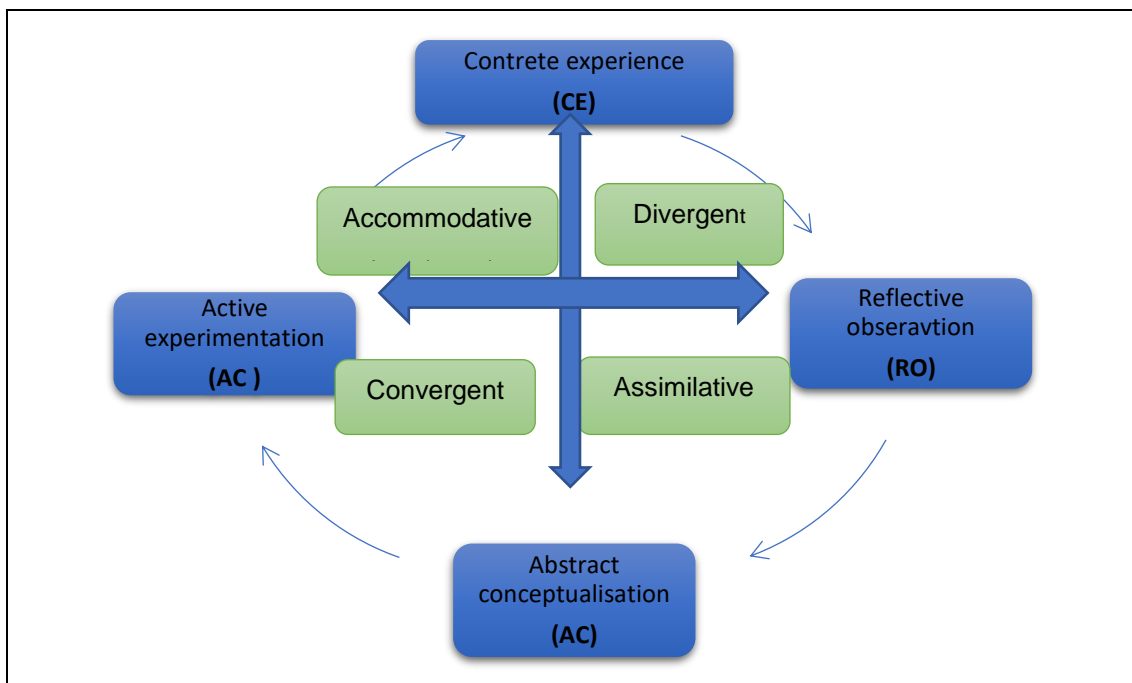


Figure 3.6: Experiential learning cycle

Source: Kolb (1984, p. 42).

Experiences grasped through apprehension and transformed through intention lead to 'divergent knowledge'. Experiences grasped through comprehension and transformed through intention result in 'assimilative knowledge'. Experiences are grasped through comprehension and transformed through extension; the result is known as 'convergent knowledge'. Finally, when an experience is grasped by apprehension and transformed through extension, it results in 'accommodative knowledge' (Kolb 1984). According to

Kolb (1984), each has the unique possibility of processing structures or styles of learning, through his or her choices of experience (Kolb 1984, p. 64).

In the entrepreneurial literature, very few studies have explored entrepreneurs' learning preferences/learning styles and little is offered in terms of further research, according to Wang and Chugh (2014). The theoretical discussion by Corbett (2005) suggests that certain learning styles are more compatible with certain stages of the opportunity recognition process. In this discussion, Corbett mapped the four stages of Lumpkin et al's., (2004) creativity-based opportunity recognition with Kolb's (1984) preferred learning styles (see Table 3.1). In this theoretical study, the characteristic of each learning style is mapped with each stage of the opportunity recognition process.

Table 3.1: Learning styles matched with action required in each stage of opportunity identification and exploitation

Process	Action Necessary During This Stage	Learning Style	Strengths of Learning Style
Preparation	Making an inventory and analysis of current stocks of knowledge and experience	Convergent	Abstract conceptualisation and analysing existing knowledge to find solutions to problems
Incubation	Reflecting and observing different options and possibilities	Assimilation	Conceptualisation, reflection and observation to bring together seemingly separate activities
Evaluation	Assessing ideas to	Divergent	Use of concrete experience,

	test for	observation and
	initial	imagination to
	feasibility	gain meaning
Elaboration	Planning, Accommodative	Use of experience
	task	and
	execution	experimentation to
	and	carry out plans,
	exploration	seek opportunity,
		get involved and
		take action

Source: Corbett (2005, p. 484).

For example, in the preparation stage, the prospective entrepreneur ascertains his or her level of experience and knowledge compared to the main strengths of the convergent learning style, conceptualising the solutions using existing knowledge. However, Corbett's (2005) study is not immune from limitations, restricted to theoretical discussion and is yet to be tested in real life. Further, it has not considered other individual characteristics such as previous knowledge or the context in which the entrepreneur acts. Hence, this particularly aims to fill the literature gap by investigating the learning styles that Sri Lankan entrepreneurs display in different stages of the opportunity recognition and new venture creation process.

Dimov's (2007) study is one of the few studies that considered the relationship between learning styles and opportunity identification. Using 95 MBA students, this study indicated that there must be a compatibility between learning style and the entrepreneur's insight to make use of previous knowledge to strengthen the insight of the entrepreneur by providing information regarding possible products, needs, locations, technology and customer groups (Dimov 2007), When such compatibility occurs, the likelihood of the entrepreneur acting upon such an opportunity insight is high.

As per the research by Dimov (2007), the entrepreneur faces two distinctive insight situations: convergent insight (supply-driven insight) and divergent insight (demand-driven). A convergent insight situation is when the entrepreneur is aware of new developments in the field but unaware of suitable customer needs for such developments. Divergent insight is when the entrepreneur is aware of the customers' needs but does not know which possible products can fulfil such needs. Results indicate that entrepreneurs are likely to act upon any potential business idea (opportunity) when

there is a match between the situation insight and learning style. For example, demand-driven situations match with divergent learning styles; supply-driven situations match convergent learning styles. Limitations of this study include conducting the research in experimental conditions using hypothetical market situations. Further, the sample consisted of MBA students instead of entrepreneurs.

3.3.2 Entrepreneurial Learning as a Socially Situated Process

Learning from social relationships and social interactions has been identified as a crucial area for entrepreneurial learning (Cope 2003). The social process of entrepreneurial learning provides an alternative perspective to cognition and the experientially based approaches discussed earlier. It embraces the cognitive, behavioural and affective dimensions of learning while accepting the entire process as a socially dynamic and holistic process (Rae 2006, p. 43). Wenger's social/behavioural theory (1998) has become the theoretical foundation for discussions with a social approach to entrepreneurial learning. Under this approach, learning is conceptualised as a broader social and behavioural process in which learning occurs through:

- learning as doing (practice)
- learning as experience (meaning)
- learning as becoming (identity)
- learning as belonging (community) (Wenger 1998).

In Rae's (2005; 2006) triadic model of entrepreneurship (see Figure 3.7), learning has been developed primarily based on Wenger's (1998) social theory of learning. The three elements of the triadic model of entrepreneurship consist of the personal and social emergence of entrepreneurial identity, contextual learning and negotiated enterprise (see Figure 3.7). According to the triadic model (Rae 2005; 2006), entrepreneurial identity is the first element that is the result of the personal and social emergence of an entrepreneur. The role that the entrepreneur plays in the family, how society perceives the entrepreneur and the entrepreneur's future aspirations defines his or her prospective entrepreneurial identity in society (Rae 2005; 2006). Some researchers argue (Pittaway & Rose 2006; Ekanem 2015) that early life experience, career formation and social interactions are vital aspects in the entrepreneur's identity emergence and the significant role played by close family members, such as parents, spouse, siblings, cannot be ignored. Nevertheless, female entrepreneurs face emotional turmoil while facing

adverse points of view from society when legitimising their identity and constructing an identity. They have to juggle many roles such as mother, daughter and wife, and often feel guilty about prioritising business over family (Abrar 2004; Abrar et al. 2011).

The second element in the triadic model of entrepreneurial learning is contextual learning, which can be explained as learning from an environmental and economic context. Ray (2005; 2006) argued that immersion within the industry, opportunity recognition through social participation, and acting in an entrepreneurial way are the sub-elements of contextual learning (Rae 2005; 2006). The third element is negotiated enterprise, which is learning through engaging in the actual process of enaction and growth of the business. Enaction of a venture is not a singular attempt; it involves numerous parties, including investors, employees, customers and suppliers, and results in structures and practices being negotiated and role changes over a period (Rae 2005; 2006).

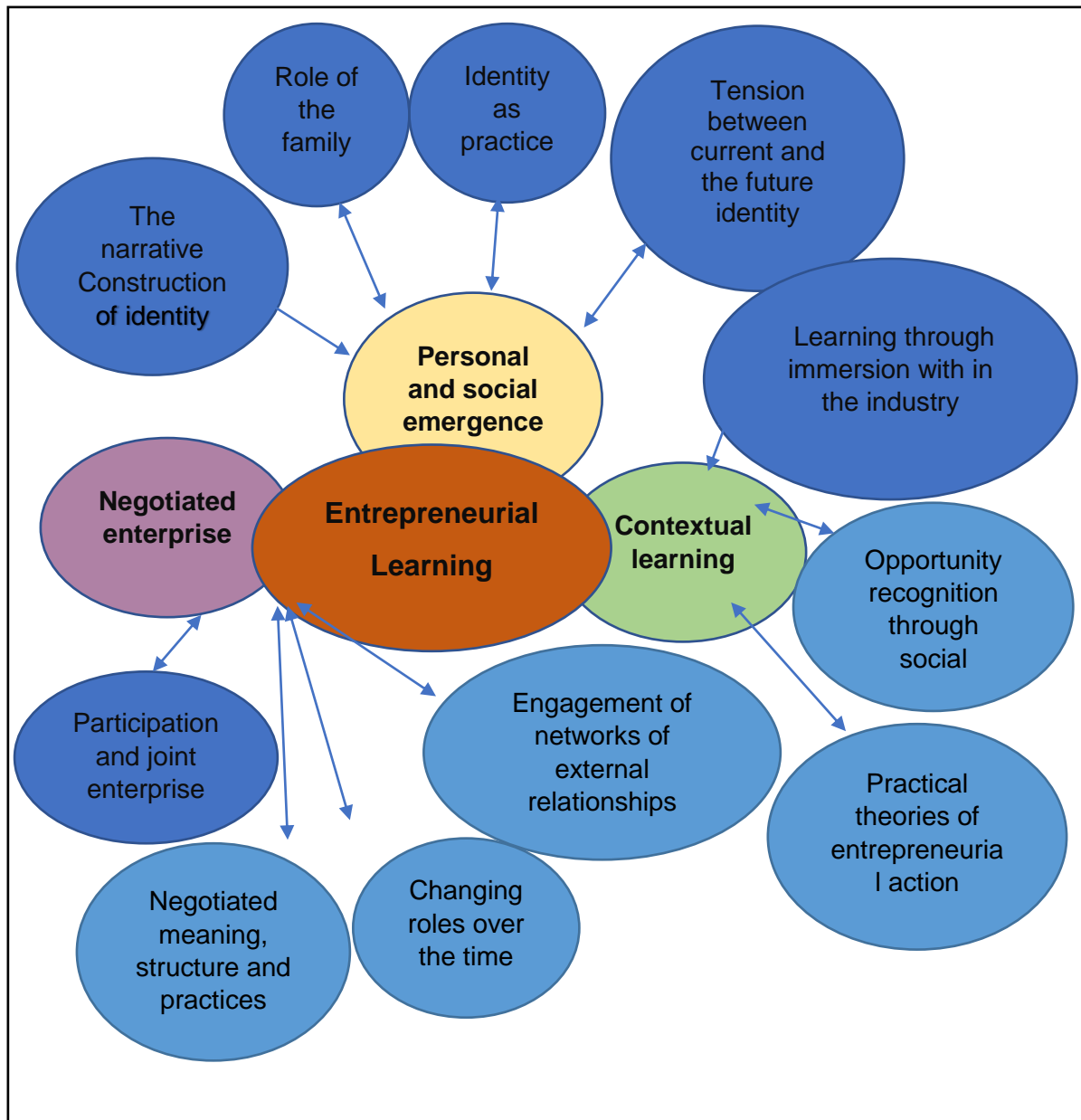


Figure 3.7: Triadic model of entrepreneurial learning

(Rae 2005, p. 326; 2006, p. 43)

In contrast to Rae (2006), Mckeown(2010) observed entrepreneurial learning in a team environment. He considered three dimensions: power, practice and participation. Mckeown (2010) asserted that venture creation or implementation is not the effort of a single person. It involves the participation of various parties, which often creates complex and dysfunctional situations. Small start-up teams should be pointed in the right direction by the founder/entrepreneur with the power and leadership to clear any mistrust or conflicts threatening any new venture, particularly in the early stages.

Practice involves action and reflection on behaviours that may need to be unlearned and certain routines that may be the cause of some concern. The approach of learning in a team environment, through participation and practice, can be an alternative to the knowledge and skills gained through outside sources, such as government-initiated training programs that often fail to meet the specific needs of small start-up organisations (Matlay 2004). Participation can give a deeply rooted sense of belonging and commitment when it happens at start-up team level, and at a wider network level, a team stays focused even in critical situations (McKeown 2010). Forming a start-up team requires greater involvement by the founding entrepreneur. However, the founder entrepreneur should be aware of when to step back, allowing the start-up team to learn by the 'learn to evolve' concept. Successful competencies, skills and heuristics identified collectively should be repeated in future business endeavours (Breslin 2015).

Being attached to past known practices\ restricts the possibility of exploring and challenging existing practices. Hence, the founder entrepreneur should be aware of the right time to intervene to stimulate innovative insights and challenge existing practices. Recruiting new team members from the industry can often bring new insights and change group dynamics. At the same time, creating the environment for a start-up team, encouraging innovative behaviours within the team and seeking innovative insights from extended entrepreneurial networks are several other approaches the founder entrepreneur can adopt, which will be vital to the future success and sustainability of the new venture (Breslin 2015).

Entrepreneurial learning as a social process provides opportunities for entrepreneurs to learn about themselves, their networks, managing their venture and the environment in which they act. Hence, each context provides a unique setting; it is difficult to generalise about what entrepreneurs learn. Their motivation to personally and socially emerge as entrepreneurs is unique. Similarly, creating an enterprise through negotiated efforts within wider networks is also unique in a particular context. Entrepreneurial learning has been less researched, particularly in contexts other than Western developed economies (Watkins-Mathys 2015). Therefore, this research fills the void in the entrepreneurial learning literature by researching into Sri Lanka, representing a context that has endured decades-long internal conflicts and economic and social transition. This research explores the learning experiences of Sri Lankan entrepreneurs during their opportunity recognition and new venture creation endeavours.

In summary, this section reviewed the entrepreneurial learning literature under two main approaches: learning by doing and entrepreneurial learning as a social phenomenon. The learning-by-doing approach refers to learning through routine experiences. Such learning has the capacity to enhance individual confidence and non-routine experiences; most of the time it is challenging or traumatic, yet it provides higher-level learning. Learning as a social phenomenon considers learning to occur while entrepreneurs engage with others in the business and personal environment. The literature also highlighted that undertaking entrepreneurial learning research in less researched contexts can help to understand the diversity of what, how and when entrepreneurs learn. Reviewed entrepreneurial learning literature indicates a growing interest in the field. However, research gaps can be observed in studying entrepreneurs' learning preferences/styles.

3.4 Entrepreneurial Motives and Motivation

This section presents a brief explanation of motives and motivation leading to the classification of different motives. It also explores two motivational theories: push-and-pull theory and the process theory of motivation, as both theories centre on individual behaviour as an interaction between the individual and context.

Motives and motivation are often used as synonyms, though they differ in meaning. Motives are people's needs and desires, yet they differ from basic needs such as food, water, sleep and so on, which are essential in the functioning of the human body. According to McClelland (2007), motives or needs should satisfy mainly three conditions:

- a state of imbalance or deficiency
- to drive actions
- potential willingness to behave in a certain way under given circumstances.

Motivation is the process that energises, directs and sustains individuals' behaviour according to their motives, towards desirable outcomes (Shuvalova 2009). Bayon et al. (2015) claim that a person may have years of prior knowledge, skills and capital to initiate the new business but without a strong motive, the real entrepreneur does not emerge.

Need for achievement (nAch) has been the most discussed theme in entrepreneurship and entrepreneurial motivation literature, widely used to describe entrepreneurs' behaviour (McClelland 1961; Brockhaus 1982; Carland & Carland 1984). McClelland (1961) argued individuals with a high achievement motive are more likely to take a

moderate risk and pursue occupations with more control over outcomes and that provide more direct and immediate feedback on their performance. McClelland (1961) claimed that entrepreneurial environments are the most likely environments in which to find these characteristics. These findings were supported by subsequent studies (Brockhaus 1982; Carsrud & Brännback 2011).

Recent research (Carsrud & Brännback 2011) introduced the multidimensional aspects of an achievement motive in entrepreneurial literature, referencing the original work of Helmreich and Spence (1978) on the multidimensional measurement of achievement, which suggested three dimensions: work orientation, mastery and competitiveness (Helmreich & Spence 1978; Spence & Helmreich 1993). Work orientation represents a desire to work hard and do a sound job; mastery represents a preference for difficult, challenging tasks and meeting internally prescribed standards of excellence. Competitiveness means enjoying the desire for interpersonal competition and achieving more than others. Individuals set different goals to achieve in various stages of life. Often these goals compete and collide with each other. Upon accomplishing such goals, individuals strive to engage with more challenging goals and disengage from previous successes (Heckhausen, Wrosch & Schulz 2010).

However, it is not reasonable to argue that the behaviour of every individual is influenced by the achievement motive only. Other motives, such as need for affiliation, autonomy and dominance, can also act as motives (Lee 1996; van Gelderen 2016). A quantitative comparative study conducted in the Singaporean context by Lee (1996) with a non-random sample of 53 female entrepreneurs indicates that they are motivated by achievement motive and higher dominance while they are moderately motivated with affiliation and autonomy compared with women employees. A qualitative study conducted with 64 entrepreneurs on autonomy, including both males and females in the Netherlands, discovered that autonomy can be sacrificed until ventures are established and soon aim to regain (van Gelderen 2016). Entrepreneurs in the Singaporean context have been in the business for approximately 10 years, while entrepreneurs in the Netherlands context were in the start-up stage of their venture. Hence, how far the business/entrepreneur is established can also influence his or her motives.

Entrepreneurs aim to fulfil different needs. Entrepreneurship literature discusses opportunistic entrepreneurs versus necessity entrepreneurs (Reynolds et al. 2002; Robichaud et al. 2010). Reynolds et al. (2002) explain that necessity entrepreneurs are

more concerned with the avoidance of failure and hold survival-oriented motivations whereas opportunistic entrepreneurs are motivated by the need to achieve or succeed. Robichaud et al.'s (2010) study, based on the data of 693 respondents, indicates that in the Canadian context, entrepreneurs are predominantly opportunistic. However, clear distinguishing characteristics can be observed between the two groups. Necessity entrepreneurs tend to be older, less educated with fewer skills and vision for future growth. Conversely, opportunistic entrepreneurs tend to have skills, strong networks, self-confidence and a high income. Despite very limited research on Sri Lankan entrepreneurs and their motivational factors, a quantitative study conducted in Sri Lanka with 76 small business entrepreneurs contrasts to the Canadian research. Findings show that entrepreneurs from small businesses are primarily motivated by income and security (Nishantha & Pathirana 2013).

3.4.1 Push-and-Pull Theory

Explaining individuals' behaviour through the interaction between individual and situation has been widely endorsed by psychologists (Shaver & Scott 1991; Segal et al. 2005). Therefore, the influence of the situation or environment on the entrepreneur cannot be ignored (Gilad & Levine 1986) and is explained through the push-and-pull theory: how the environment or situation influences behaviour. The motive is only the catalyst that initiates motivation, but it is not the only condition needed. The motivation process begins with the internal stimulus (motive) and the external stimulus, which comes from the situation (Heckhausen 2003; Heckhausen et al. 2010). The situation offers outcomes and the individual determines the possibility of achieving these outcomes. Consequently, the motivation process embraces interaction between personality and situation.

Entrepreneurial motivation has been viewed through the lens of push-and-pull factors in the early studies of Gilad and Levine (1986) and Amit and Muller (1995). The push theory explained situations in which individuals are compelled to act in a certain way because of necessity, survival and negative external forces such as job dissatisfaction, difficulty finding employment, insufficient salary and inflexible work hours (Hytti 2010; Kirkwood 2009; Dawson & Henley 2012). According to Kirkwood (2009), prolonged periods of dissatisfaction with general organisational culture and office politics increases individuals' dissatisfaction and triggers a desire to show their previous employer how a business should be operated to reduce their dissatisfaction and exact 'revenge'.

Conversely, the pull theory attracts individuals who are seeking independence, new challenges and achievements, self-fulfilment, wealth and other desirable outcomes (Staniewski & Awruk 2015; Dawson & Henley 2012; Kirkwood 2009; Gilad & Levine 1986). Categorising an individual's motivation to either push or pull is difficult due to the way each individual perceives each situation (Dawson & Henley 2012; Eijdenberg & Masurel 2013). For example, individual motivation can arise from more than one factor. It can be between push-and-pull factors or a combination of a few push or pull factors. However, it is difficult to argue that every negative force can be categorised as a push factor and every internal drive is a pull factor. For example, factors such as leaving a due to job dissatisfaction or family constraints are generally viewed as push factors. Alternatively, the same situations can be viewed as seeking challenges or autonomy. Research undertaken by Dawson and Henley (2012) with quarterly surveys between 1999 and 2001 indicates that UK female entrepreneurs generally identified push factors as motivating factors while males identified one or more pull factors together (Dawson & Henley 2012; Hughes 2006).

Several studies have shed light on how females and males are motivated in different ways by the same factor (Kirkwood 2009; 2016; Dawson & Henley 2012). For example, children as motivating factor female entrepreneurs place more emphasis on the 'care aspect of children and young families and entrepreneurship offers a lifestyle which provides an opportunity for them to provide more emotional support and care. Male entrepreneurs view it more as the 'breadwinner' role that can provide their children with more material goods (Kirkwood 2009; Hughes 2003). Another example is family business environment can be viewed as a place where planting the initial seeds of entrepreneurship (Kirkwood 2007; Hickie 2012), however male motivated by the independence aspect family business whereas female motivated by advisory support can be obtained from the family for a secure entrepreneurial career (Kirkwood 2007). Sometimes the fear of jeopardising relationships with spouses and children prompts women decides to become entrepreneurship. The study by Lirio et al. (2007) supports the theory that women feel compelled to embrace entrepreneurship as their career since it provides an opportunity to be with the children and balance the demands of a young family. Nevertheless, success is a holistic concept that includes individual achievement and balance of family life for male and female entrepreneurs (Kirkwood 2016; Dawson & Henley 2012).

3.4.2 Process Theory of Motivation

The process theory of motivation is another prominent theory that emphasises individuals' perception of the environment and subsequent interactions arising as a consequence of personal expectations (Fudge & Schlacter 1999). The individual has several competing motivation tendencies. Selecting the strongest tendency that leads to the most attractive consequences is more complex and needs to examine not only the attractiveness of the outcomes, but also the possibility of achieving those outcomes. The main difference of this approach is that the individual is driven by expectation rather than deprivation of certain needs. The individual has to adjust his or her motives with responsibility when making these choices in real-life situations (Holland & Garrett 2015).

The motivation tendency must first become an intention and then be transformed into action. Every motivation tendency does not become an intention; it depends on the attractiveness and possibility of realisation of such motivation tendencies. Ajzen (1991) explained the relationship of motivation, intention and effort; the stronger the motivation, the stronger the intentions and the stronger the effort. He also emphasised that the intention to behave in a certain way is determined by the attitude towards behaviour, subjective norms and perceived ease or difficulty of performing the behaviour. For example, if an individual decides to act on opportunity in an uncertain environment, the individual makes a judgement about the expected outcome of the chosen alternative based on subjective judgements shaped by social-cultural norms and beliefs about the opportunity.

Expectancy theory (Porter & Lawler 1968), also known as valence, instrumentality and expectancy theory or VIE theory (Isaac et al. 2001), argues that motivation comprises three elements: expectancy, instrumentality and valence. Expectancy (effort-performance) refers to the effort that an individual exerts when they believe that certain levels are attainable. Instrumentality (performance-outcome) constitutes a perception that performance levels are related to rewards gained. Valence refers to the extent to which individuals value the reward. Main weaknesses of this model include that low effort or performance can lower the value due to the inter-relational nature of the factors. However, the decision to follow certain actions is not entirely dependent on the expected value of the outcome. Such decisions can be influenced by skills, knowledge and context (Holland & Garrett 2015).

In summary, this literature review aimed to understand the nature and classification of motives. Push-and-pull theory provided the insight of understanding internal driving factors and external incentives and forces that energise and sustain individual behaviour. Main push factors identified include job dissatisfaction, the difficulty of finding employment, insufficient salary and inflexible work hours. Similarly, pull factors include: seeking independence, new challenges and achievements, self-fulfilment and wealth. Process theory explained how people choose among alternative courses of action. Literature also supports that males and females are motivated differently due to the same factor. Process theory is an alternative theory. It considers scenarios in which individuals choose the strongest option among several competing alternatives based on the attractiveness of the outcome. Attractiveness of the outcome is culture specific; the same individual in different contexts can have same motivating tendency, which can be from either of the spectrum.

3.5 Influence of Context on Entrepreneurs and Their Opportunity Recognition and New Venture Creation Efforts

This section provides a brief introduction to institutional theory and its application in the entrepreneurial literature to assess the influence of context on entrepreneurs and their opportunity recognition efforts.

In institutional theory (North 1990), institutions have been viewed as humanly devised constraints that govern the political, economic and social interactions of society. They contain both informal constraints like values, norms, sanctions, taboos, customs and traditions, and formal constraints such as rules, laws, economic rules and property rights (North 1990; Webb, Bruton, Tihanyi & Ireland 2013; Webb, Ireland & Ketchen 2014). Scott (2001; 2003) classified institutions into three related groups: cognitive, normative and regulative, which are related and often known as three pillars. A regulatory pillar refers to regulatory guidelines, procedures, constitutions and laws that can be enforced through conscious effort. The normative pillar emphasises an individual's social obligation to comply with standard practices, rights and norms in the industry or organisation. The cognitive pillar refers to the values, beliefs and ideologies commonly shared and accepted by society.

Institutional theory (1990) was predominantly used at the macro level in entrepreneurship research literature (Yamada 2004). One strand of studies focuses on key institutional characteristics of the transitional economies. The other strands of studies analyse the

influence of institutional factors, such as labour markets, financial institutions, legislation and education on entrepreneurial phenomena using an 'East versus West' approach. The block culture has been researched in several studies describing distinct institutional characteristics of the transitional economies in which the traditional roles of the state changed from planner, resource allocator, price setter, owner and financier to regulator (Smallbone & Welter 2010). Entrepreneurship in China has evolved from strict prohibition and tolerance to accommodation and encouragement (Peng 2003; Peng & Zhou, 2005). Transformation of state collective enterprises to market-oriented and private firms under the mixed economy caused new challenges and opportunities for Chinese entrepreneurs seeking efficiencies and competitiveness. Moreover, functioning under the constant, suspicious and watchful eye of government was not easy (Burt & Burzynska 2017) and entrepreneurs found it difficult to build their private enterprises.

In addition, the government plays a crucial role in a firm's social legitimatisation in transitional economies. The government's involvement as the main funding source and the main body of certifying the qualification of the entrepreneurs has strengthened firms' legitimatisation in society (Ahlstrom & Bruton 2010). Prior research identified that institutions are slow to change (DiMaggio 1988). Contrary to such findings, the changes in transitional economies are significant and rapid (Peng 2003; Ahlstrom & Bruton 2010; Djankov & Murrell 2002). In transitional conditions, entrepreneurs make a series of changes to match the environment instead of simple, single changes to survive, and firms co-evolve with the rapidly changing environment (Ahlstrom & Bruton 2010). However, business failures attract higher social penalties as society gains greater stability and this eventually leads to the identification of business failures as personal failures (Ahlstrom & Bruton 2010). The longitudinal study of Welter and Smallbone (2011) indicated that when regulatory institutions become more stable and regulations become more stringent, firms decided to remain informal. For example, when tax levies increase, firms seek informal status and do not register with the government. Thus, social networks become more critical for the success of the business.

In transitional economies, network-based strategies play a crucial role. Peng (2000) argued that the prevalence of network-based strategies is a reaction to the institutional framework. In transitional economies, until the formal institution becomes more established and effective (Puffer et al. 2010), developing networks and alliances need to build trust and mutual understanding. Many newly established companies seek informal institutional support such as personal networks, informal credits and bartering, to

substitute for formal institutions such as courts and banks. Many transitional countries, including Russia and China, historically favour personal relationships. *Guanxi* (China) and *blat* (Russia) are well-known network relationships. *Guanxi* facilitates decision-making between parties by emphasising the reciprocal relationships. It crafts decision shortcuts within a relationship that builds up mutual affinities that can be rational or purely affective (Chen & Peng 2008). The underlying thread of such evolving relationships is a trust that is cultural–cognitive with feeling (Chen & Chen 2004). Such trust is built from many sources, such as close family members, long-term friends and wider networks (i.e., originating from the same village or region or being school or university classmates) (Burt & Burzynska 2017; Liu et al. 2017). The literature confers that these types of networks are common to transitional economies. The extent to which Sri Lanka follows the same pattern as other transitional economies is an unexplored area.

Such network relationships suggest trading favours or mutual back-scratching (Lin 2004) for entrepreneurs facing hostile situations such as illegal business seizures and tax disputes. In transitional economies, particularly in China and Russia, such illegal seizures are common. Entrepreneurs and their properties are often raided and subjected to an illegal seizure. In Russia and China, property rights are uncertain. In China entrepreneurs have the right to use a property but no right to dispose of such property. Hence, most entrepreneurs falling prey to paying large sums of money to individuals in powerful places to avoid such incidents (Puffer et al. 2010; Lee & Hung 2014; Estrin et al. 2013). Despite the dearth of the entrepreneurship literature in Sri Lanka, economics literature suggests that prior to the transition era (1970–1977), government launched business takeovers, extensively calling for a ‘nationalisation programme’ by giving less priority to the private sector’s involvement in the economy (Athukorala & Rajapatirana 2000). Contrary to the many other transitional contexts, Sri Lanka introduced a wide range of reforms in tariff structures, financial sector and foreign direct investments. Privatisation programs restrict public sector participation and encourage private sector participation (Athukorala & Rajapatirana 2000; Athukorala & Jayasuriya 2012).

The other main obstacle observed in transitional economies is the imposition of heavy tax burdens by authorities with the intention of plundering and destroying of firms. In some instances, established entrepreneurs use authorities and racketeers to create barriers for new entrants (Kontorovic 1999). As a result, companies not paying duties, not observing regulations, evading tax and offering bribes to seal corrupt deals are considered as smart operators, despite such moves fostering a high spread of shadow

economic activities and a high level of corruption (Tonoyan & Strohmeyer 2010; Ostapenko & Williams 2016; Williams & Shahid 2016). Tonoyan and Strohmeyer (2010) focused on assessing how informal institutions were involved in paying bribes in the context of Russian and Trans-Caucasus, Central Asia, Central Eastern Europe, North America and Western Europe. In this study, business ethics and social norms closed social networks, and the trustworthiness of national bureaucrats were considered as informal institutions. The study found evidence of a higher corruption level among Trans-Caucasus, Central Asia, Russia and Central Eastern Europe in contrast to North America and Western Europe. As a result, entrepreneurs and small business owners in Central Asia and Russia spent a great deal of time with government officials clarifying interpretations and the application of rules and regulations (Tonoyan & Strohmeyer 2010).

Weak legal systems also encourage corruption and malpractice in transitional economies. Bruton et al. (2005) revealed that, particularly in Asia (Japan, Korea and Taiwan), there is a tendency to have weak legal institutions and these are likely to have larger boards of directors to circumvent the external forces and regulations impeding business operations. Entrepreneurs challenging this through the legal system find it a futile effort, due to corrupt and politically tainted institutions. Lim et al. (2010) explored the influence of institutional context on venture creation in developed Western and far Eastern Asian regions. The study undertook a macro-level analysis of how institutional elements, including financial, legal and educational, influence an individual's venture creation decisions. The sample comprised 757 entrepreneurs and non-entrepreneurial business managers from eight developed nations (Lim et al. 2010). Findings indicated that aspects of the legal systems, such as property rights protection and regulatory complexity, significantly affected new venture arrangements and the willingness to start ventures. Among the formal institutional factors, legal and financial systems were found to be significantly influential in venture arrangements and willingness.

Less-developed institutions, in particular financial and legal institutions, have recognised key barriers to the formation, survival and growth of entrepreneurial firms (Estrin et al. 2005; Eesley 2016). A major World Bank project has identified that the costs and time associated with establishing new firms in the East are higher than in Western countries (Djankov & Murrell 2002). Entrepreneurs in the Central Asian region perceived the quality of financial institutions as the worst, and legal institutions as impeding the operations and growth of firms in Trans-Caucasus, Central Asia and Russia. The findings of Lim et al.

(2010) suggest that equity-based financial systems are more entrepreneurial than bank-based financial systems. They attributed such differences to cultural values, such as individualism, instead of the way capital is priced and distributed. However, the type of financial capital available (that is, equity-based or bank-based) did not significantly affect venture willingness. Only a few entrepreneurs turned to independent financial markets, such as business angels and venture capitalists, for start-up capital. Often entrepreneurs have to rely on intermediaries to access public sector financial and other resources in transitional economies (Armanios et al. 2017; Dutt et al. 2016). For example, science parks were initiated by the Chinese government to assist high-tech entrepreneurs to launch their new ventures based on the innovations they believed in.

In summary, in transitional economies, changes are rapid and significant, and entrepreneurs are compelled to make a wide range of changes to match the environment in which firms co-evolve with the changing environment for survival. Government involvement as the main funding body plays a crucial role in the legitimisation process of firms in society. This results in entrepreneurs finding ways to circumvent the bureaucratic-administrative business culture and undeveloped legal and financial infrastructure. In this context, entrepreneurs rely heavily on their own trusted personal networks and reciprocal favours, which sometimes increases corruption. In the theoretical discussion of institutional theory, regulative, normative and cognitive pillars are presumed to have equal importance. However, in transitional economies, the significant role played by the government and the close association of legal systems makes the regulative pillar more prominent than the rest. Yet, each country provides a unique case study when it comes to the composition of institutions and the role played in transitional times.

3.6 Towards the Research Framework

This section draws conclusions from the critical discussions in Sections 3.1–3.4, while highlighting gaps in the literature to establish the relationships among the various theoretical aspects in deriving the research framework. Thereby, this section establishes the path for the developing research framework for this study, which leads to achieve first objective of this research.

Section 3.1 underpins the consensus that opportunity recognition and new venture creation is a process that consists of different stages, mainly identified as idea, opportunity recognition and institutionalisation of venture (Ardichvili et al. 2003; Lumpkin

et al. 2004; Dimov 2011). The section also concluded that such a process involves antecedents such as prior knowledge, alertness, opportunity confidence and entrepreneurial networks as antecedents involved in opportunity recognition and new venture creation. Literature concludes that each antecedent contributes in a specific and significant way to the process. Prior knowledge helps not only individual to read the cues and signals from the unrelated events and provide initial business ideas, but also to further evaluate and exploit them as a realised opportunity (Shane 2000; Davidsson & Honig 2003; Corbett 2007; Short et al. 2010; Wood & Williams 2012). Such patterns can be only observed in individuals who are alert to changes in the business environment. Literature also suggests that vital role play by opportunity confidence drives the (Davidsson 2015, Dimov 2011) opportunity to next stage venture creation. Opportunity confidence is a combination of two factors: opportunity feasibility belief and start-up self-efficacy. Perceived feasibility of the opportunity is individual-specific and depends on individuals' knowledge, skills and attitudes towards uncertainty. The importance of having the right mix of strong and weak ties in the entrepreneurs' networks is a key social-embedded element highlighted as a main antecedent to receiving the right information at the right time on new innovations, regulatory changes and accessing untapped resource bases.

Accordingly, the above understandings provided the foundation for this study's research framework (see Figure 3.8). It includes opportunity recognition and new venture creation as the main process and comprises three distinctive stages: idea, opportunity and institutionalisation of the venture (hereafter called institutionalisation stage). The literature review underpins the view that venture creation is a process in which an initial business idea can become an opportunity and eventually, a new venture. The literature also indicated that some ideas turn out to be an opportunity, but some never lead to a new venture for many reasons, which results in either the entrepreneur wanting to develop further the same business opportunity or perhaps considering an entirely new business idea. Such re-evaluations are indicated by the dashed black arrows in the framework (see Figure 3.8). Opportunity confidence determines whether identified opportunity is feasible and can be accomplished. Strong beliefs about the opportunity takes it to the next stage. This theoretical framework indicates the relationship between prior knowledge in identifying initial business idea, evaluating and exploiting opportunity (i.e., the arrow that directly links the three stages). Thereby, the second objective of this study is to inquire into reflective experiences of how Sri Lankan entrepreneurs identified their opportunities and created new ventures.

Insights from literature review (see Section 3.1) led to conclusion that entrepreneurial motivation has often been ignored or accommodated vaguely in conceptual models of opportunity recognition, either as commitment or opportunity intention, or opportunity confidence (Ardichvili et al. 2003; Davidsson 2015). The broader role that entrepreneurial motivation plays in opportunity recognition and new venture creation is worthy of further research, particularly in less-explored contexts like Sri Lanka. The literature suggests that a comprehensive way of explaining an individual's behaviour is to consider the individual factors and situational factors; individual factors explain internal human motives while situational factors explain incentives and barriers posed by the environment (Staniewski & Awruk 2015; Kirkwood 2016; 2009). Therefore, this research aims to investigate what motivates Sri Lankan entrepreneurs to engage in opportunity recognition and new venture creation (Objective 3). Thus, motivation has been incorporated as a factor in Figure 3.8.

From the literature (see Section 3.4), conclusions can be drawn that research has largely been conducted in transitional economies where bureaucratic-administrative business cultures and undeveloped legal and financial infrastructure compel entrepreneurs to make a wide range of changes for survival (Burt & Burzynska 2017; Peng 2003; Ahlstrom & Bruton 2010; Djankov & Murrell 2002). Entrepreneurs depend on trusted personal networks (*guanxi*) and reciprocal favours (*blat*) to match with the changing environment for survival (Liu et al. 2017; Puffer et al. 2010; Chen & Peng 2008; Chen & Chen 2004). However, it is also evident that there is a lack of research in the South Asian region, particularly in transitional contexts like Sri Lanka. The similarities or differences of Sri Lanka and other transitional economies is worthy of research. With the intention of filling the literature gap, this research intends to inquire into reflective experiences of how entrepreneurs are influenced by the institutional context of Sri Lanka; this is the fourth objective. Therefore, in Figure 3.8, the three pillars (cognitive, normative and regulative) represent the context in which the opportunity recognition and new venture creation process occurs.

Conclusions drawn from the literature review (see Section 3.2) suggest that the process of evaluating opportunities, initiating and managing a new venture provides opportunities for entrepreneurs to learn not only through their own experiences but also from interactions with many different individuals in wider society and networks (Rae 2006; 2013). Such learning experiences portray a slice of the life of an entrepreneur and the challenges they face. Some of these experiences are transformational and result in

higher level learning (Cope 2003; 2005; 2011), which often involves knowing, understanding and action (Rae 2013; Klapper & Refai 2015; Shorter 2005; Rae 200). Yet such research has only been conducted in stable contexts. The literature emphasises the importance of investigating entrepreneurial learning in more turbulent environments (Rae 2015; Watkins-Mathys 2015). Moreover, literature suggests that each entrepreneur has a preferred way of learning, which is referred to as learning style (Corbett 2005; 2007). How and what each entrepreneur learns varies as per their learning style; however, less research has been undertaken in this regard. Therefore, this study intends to investigate critical learning experiences encountered by Sri Lankan entrepreneurs when they engage in their opportunity recognition and new venture creation activities as the fifth objective. Examining the different learning styles displayed by Sri Lankan entrepreneurs during different stages of the opportunity recognition process is the sixth objective. Further, the research framework in Figure 3.8 indicates that learning occurs during the process of opportunity recognition and new venture creation through the upward arrow. A further link back to prior knowledge shows the addition of new knowledge to the existing knowledge.

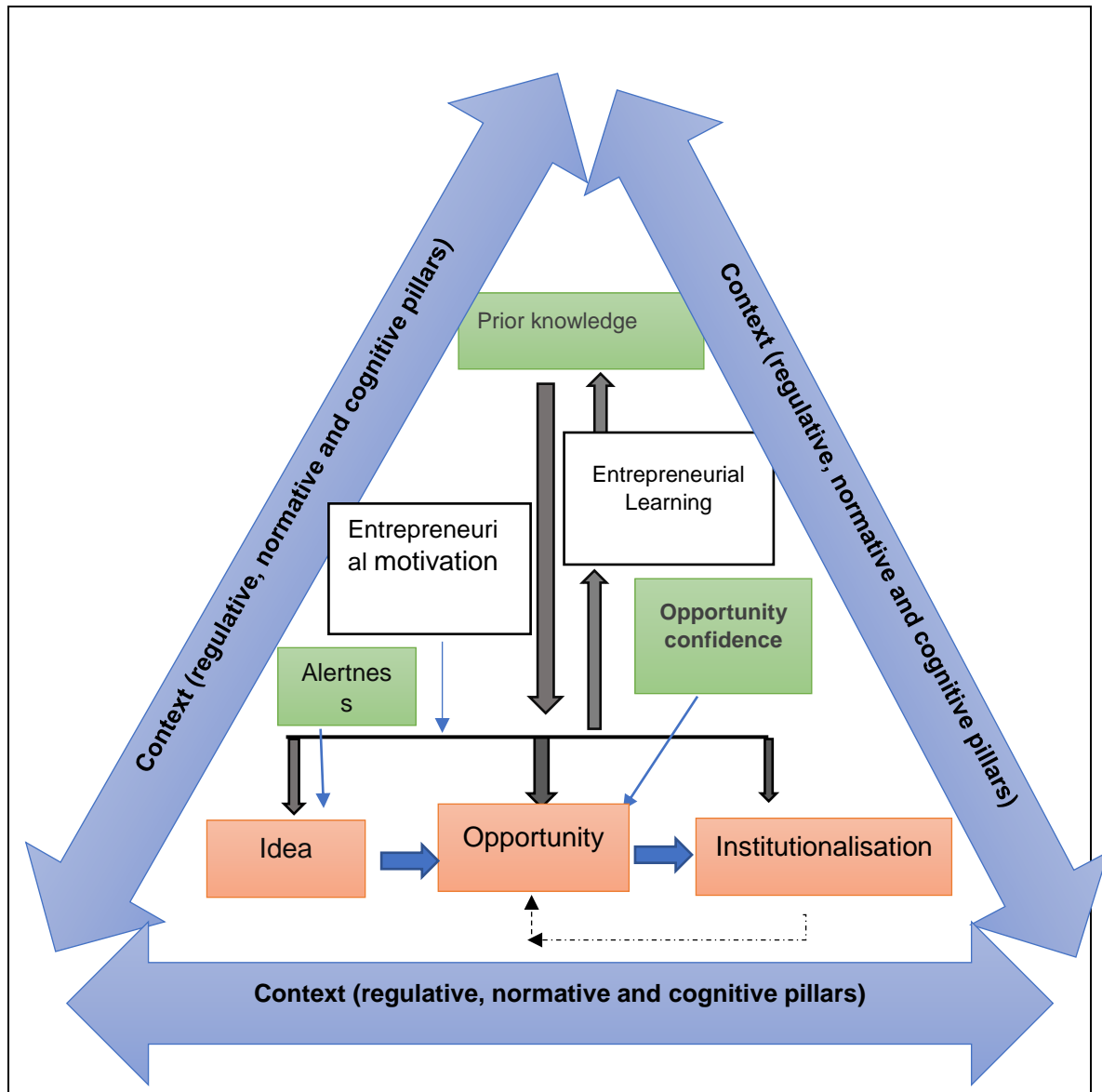


Figure 3.8: Theoretical framework for the study

The framework illustrated in Figure 3.8, developed for this study, will provide a sense of direction for primary research, development of data collection instruments and identification of basic themes in data analysis.

Further, the following working definitions for entrepreneur have been developed for this study based on discussions in the literature review, with a focus on the primary activity of opportunity recognition and new venture creation:

Entrepreneurs can be defined as an individual or group of individuals intent on creating or discovering business ideas by scanning the business environment and exploiting such worthy business ideas (opportunities) by creating a new

business in a new market or expanding the existing business into a new market while learning from their own and peer experiences.

Chapter 4 will discuss the methodology used to achieve the research objectives in detail.

Chapter 4: Methodology

This chapter aims to present a comprehensive outline of the methodology used for this research and its philosophical underpinnings. It explains subjective and objective perspectives, and mixed and methodological perspectives. Additionally, it follows the logic of constructing the research methodology, which starts with the selection of a research philosophy, methodological approach strategy and data collection method. This chapter also discusses the specific role played by the research framework from a methodological perspective.

Section 4.1 commences with a review of paradigms found in entrepreneurship, highlighting the emergence of subjective approaches over objective approaches. Section 4.2 shows the relevant approach adopted by the author for this research, while Section 4.3 discusses semi-structured interviews and the learning style questionnaire as data collection methods. This is followed by sections discussing sampling (Section 4.4) and data analysis methods (Section 4.5). Section 4.6 considers the reliability and validity of the research and Section 4.7 discusses ethical considerations. Section 4.8 outlines the limitation of the research, and finally, Section 4.9 provides a conclusion.

4.1 Research Philosophy and Paradigmatic Taxonomy in Entrepreneurship

This section aims to introduce the alternative research paradigms and related research philosophies that illustrate the paradigmatic position of the researcher. The research process begins with adopting an appropriate research philosophy to apply to the selected research subjects, which envisages the design of the research and development of the knowledge (Silverman 2013; 2017). The paradigm provides a perspective on how reality is viewed by the researcher. Thus, the paradigm includes ontology—the view of what reality is like—and epistemology—the view about the nature of knowledge and possible ways of producing knowledge.

The multidisciplinary nature of entrepreneurship has resulted in numerous research approaches and discourses in entrepreneurship literature (Curran & Blackburn 2001). The diversity of research approaches to entrepreneurship raises two questions: first, how approaches are classified and, second, how appropriate research approaches are selected. Such attempts lay the foundation for understanding where the researcher is positioned in terms of the research. Burrell and Morgan's (1979) paradigmatic framework

was originally developed in the context of organisational theory and is the most widely used framework in entrepreneurship (Grantt & Perren 2002, p. 188). It consists of four main examples in which the researcher can align his work: functionalist, interpretivist, radical humanist and radical structuralist (see Figure 4.1). These paradigms were identified against two dimensions: subjective v. objective and radical v. regulation.

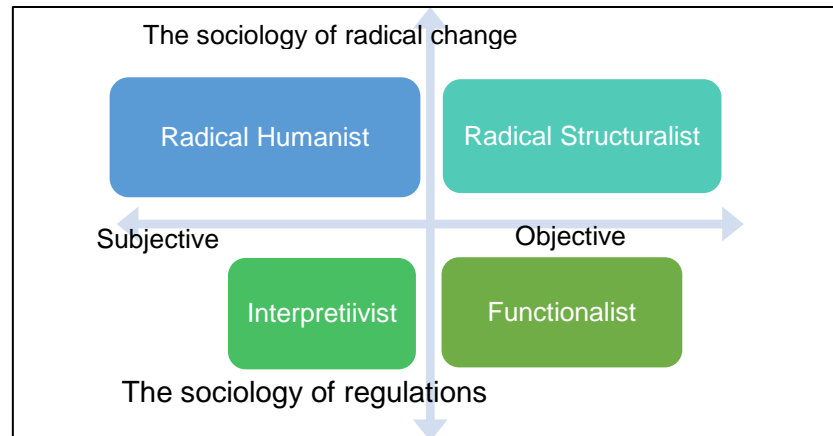


Figure 4.1: The four paradigms of social science research.

Source: Burrell and Morgan (1979, p. 22).

The subjective/objective dimension of the model evaluates the philosophical position of the researcher in terms of ontology and epistemology. The objectivist researcher's ontological perspectives inclines them to perceive the social world as objective reality with hard, tangible, immutable structures and universal laws (Burrell & Morgan 1979, p. 4). Thus, objectivist researchers sit on the realism–ontological continuum. In terms of epistemology, objectivist researchers, in creating and disseminating new knowledge, relate closely to positivism. This perspective assumes that reality is a certainty that exists independently of people's viewpoints and assumes that the neutral researcher can be separated from the study and does not influence the subject of the research. Thus, the findings are independent of the personality of the researcher (Burrell & Morgan 1979; Silverman 2017). This leads the researcher to take a more systematic research path and usually leads to a quantitative and highly structured methodology that uses a deductive approach, such as a survey, and associated statistical analysis.

Subjective researchers' ontological perspective inclines them to view the social world as constructed from individual interpretations of their unique experience (Burrell & Morgan 1979). Thus, subjective researchers sit on the nominalism continuum. In terms of

epistemology, subjective researchers view themselves as part of the research in creating and disseminating new knowledge. Thus, subjective researchers sit on the anti-positivism end of the epistemological continuum (Burrell & Morgan 1979). This leads researchers to take a more qualitative methodological approach in which the researcher moves close to the research subject and explores the background and detailed life history through involvement with the subject's everyday life. The scholarly discussion of discovery v. creation of opportunities in entrepreneurship underpins the subjective v. objective dialogue. Researchers who believe in the subjective approach assume that opportunities are created endogenously by an individual through their own experience and beliefs (Alvarez & Barney 2007; 2010; Alvarez et al. 2014; Venkataraman & Sarasvathy 2012). Conversely, researchers who believe in an objective approach assume that opportunities pre-exist and await discovery. Such opportunities are created by socio-economic and environmental change (Ramoglou & Tsang 2013; 2016; 2017; Martin & Wilson 2016; Shane 2003).

Another dimension considered by Burrell and Morgan (1979) is depicted in Figure 4.1: radical v. regulations. Burrell and Morgan (1979) refer to the term 'sociology of regulation' for theorists who are primarily concerned with providing explanations relating to society, emphasising its underlying unity and cohesiveness. The term 'radical change' refers to the provision of an explanation for deep-rooted radical conflicts, modes of dominations and structural contradiction. Functionalists take an objective view of reality and emphasise order in society. Interpretivists take a subjective view of reality and emphasise order in society. Interpretivists assume that reality is socially constructed in the process of people's interactions as people perceive it. People interpret the situations in which they find themselves in vastly different ways. These interpretations affect their actions and the way they interact with others. Their actions are viewed as meaningful in the context of these socially constructed interpretations. Radical humanists take a subjective view of reality and assume that society is experiencing sudden and rapid changes. Radical structuralists adopt an objective view of reality and emphasise the sudden change in society (Burrell & Morgan 1979, p. 18).

The researcher's position on ontology and epistemology shapes the methodological approach of their study. The subjective/objective dimension has led to the separation of quantitative and qualitative research methods and involves different data collection techniques (Deetz 1996). Qualitative methodology is traditionally described as the opposite of quantitative methodology (Silverman 2017). Qualitative research tends to be

explorative or explanative. Qualitative research focuses on the way people interpret and make sense of their experience and the world in which they live. That is why qualitative research does not normally have a predetermined theoretical framework and usually takes an inductive approach, which means that the theory emerges from the findings (Sutton & Austin 2015; Silverman 2017). Quantitative methodology follows laws of natural sciences and structured methods, which makes it easy to reproduce the same results irrespective of the researcher. Unlike qualitative research, statistical analysis plays a crucial role in data analysis and interpretation (Bryman 2015). While entrepreneurship research has predominantly taken a more objective positivist approach (functionalist) over the last several decades, the shift from such approaches has begun to embrace alternative approaches (McDonalds et al. 2015).

The fundamental flaw of Burrell and Morgan's (1979) typology is the construction of the axis in the form of dichotomies, leading to the presumption that they are mutually exclusive and contradictory to each other, which creates a condition of incommensurability rather than pluralism (Deetz 1996; Pittaway 2003). Alternatively, some researchers have used different frameworks to eliminate the wall between the paradigms and enable communication to flow between them (Watkins-Mathys & Lowe 2005, p. 660; Teddlie & Tashakkori 2009). In some cases, researchers display varying degrees of elasticity between the different dimensions of subjective and objective perspectives, revealing the possibility of sliding between paradigms. For instance, researchers can apply a functionalist ontological assumption alongside an interpretive epistemological approach. This is known as multi methods (Jick 2010) and mixed-methods research (Teddlie & Tashakkori 2009; Johnson et al. 2007).

Mixed research methods emerged as a third methodological movement that encourages communication between quantitative and qualitative researchers (Molina-Azorin 2016; Jick 2010; Teddlie & Tashakkori 2009). The reason researchers opt for mixed research methods over quantitative or qualitative methods exclusively is determined by the research question(s); often these research questions are overarching or comprise several elements, which separately guide the quantitative and qualitative data (Andrew & Halcomb 2009). Quantitative and qualitative research methods can be used concurrently or sequentially, giving equal importance to the two approaches. Sometimes these approaches can be used with varying degrees of importance, whereby one approach takes a dominant position and the other plays a secondary role (Molina-Azorin

2016). How quantitative and qualitative methods can be used is determined by the research questions.

‘Triangulation’ techniques help develop mixed research methods (Teddle & Tashakkori 2009, p. 76). Triangulation as a proposition is confirmed by two or more independent measurements, which greatly reduces the uncertainty of interpretation (Denzin 1978). Denzin (1978) describes triangulation in many different forms:

- data triangulations: a variety of data sources
- methodological triangulations: multiple methods
- investigator triangulations: several different researchers
- theory triangulations: multiple perspectives to the multiple data.

Mixed-method research has the ability to provide completeness, clarity and context and to enhance data integrity (Bryman & Bell 2015). The entrepreneurship field of study has already started to embrace the more plural methodological approaches to enrich the area of study (McDonalds et al. 2015). Moreover, it is a complex domain to research and a broader methodological approach, such as mixed methods, can grasp the phenomena under study with entirety, allowing a deeper understanding of the social context in which the entrepreneur works (Molina-Azorín et al. 2012; Wang & Chugh 2015).

4.2 The Methodological Approach Adopted for the Research

This section aims to explain the researcher’s methodological approaches to the primary data collection for this study.

The researcher adopted a mixed-methods model in which qualitative and quantitative methodological approaches are used together to lead to methodological triangulation. A qualitative method was the dominant approach, while a quantitative method was the secondary approach.

The researcher aimed to address Objectives 2, 3, 4 and 5 (see Section 1.3) through a qualitative methodological approach with the intention of exploring reflective experiences of Sri Lankan entrepreneurs with the emphasis on:

- how they identify opportunities and create new ventures (Objective 2)
- factors that motivate entrepreneurs to identify opportunities and create new ventures (Objective 3)

- how entrepreneurs are influenced by the institutional context of Sri Lanka (Objective 4)
- critical learning experiences encountered (Objective 5).

The researcher intended to conduct a semi-structured interview as the main data collection approach, as it enables entrepreneurs to share their reflective experiences with particular areas in greater detail. Accordingly, this qualitative research method plays a dominant role. The theoretical framework guided the researcher in developing an interview structure that encapsulated the main areas of research, including the stages of opportunity recognition and the new venture creation process, prior knowledge, context (regulative, normative and cognitive) and motivation.

While the researcher understood the difficulty of grasping the learning style of entrepreneurs through a semi-structured interview, the literature review revealed potential methods that could be adopted in this regard. Having considered all the facts, the researcher deemed the quantitative methodological approach combined with the questionnaire to be the most appropriate method to grasp the learning and preferences styles demonstrated by each entrepreneur at each stage of the opportunity recognition and venture creation process (Objective 6). Therefore, the researcher decided to use a modified version of the Kolb learning style questionnaire (1984). The adoption of both a qualitative and quantitative approach allowed the evolution of methodological triangulation, which enabled the researcher to understand the concept of entrepreneurial learning more comprehensively. In addition, a qualitative approach has the ability to provide context to the learning style questionnaire results and provide a better explanation of the quantitative data, which further enhances the integrity of the findings. By adopting mixed research methods, the researcher aimed to first answer four research questions, the nature of which requires different approaches of inquiry (i.e., quantitative and qualitative). Second, the researcher believed that introducing the questionnaire was necessary to achieve completeness of the data collection.

4.3 Data Collection Methods

The following sections explain the interview format and the semi-structured interviews used in the data collection for this research. Further, this section explains the rationale behind the selection of the research sample.

4.3.1 Semi-Structured Interview

The interview is the most widely used data collection method in qualitative studies and in social studies in general (Bryman 2015). This research intends to unfold the rich descriptive experiences of Sri Lankan entrepreneurs relating to opportunity recognition and the new venture creation process, motivation and influence of context.

Interviews are special forms of interactive conversations and are either highly or loosely structured. Participants often find an interview is a comfortable method of data collection, as it allows participants to determine the degree of information given and level of privacy maintained (Holstein & Gubrium 2016; Silverman 2017). Structured interviews contain a sequence of questions asked in the same way to all participants. Semi-structured interviews commonly associated with qualitative research have unique characteristics that differentiate them from structured interviews. Flexibility and a fluid structure is the key characteristic of the semi-structured interview. It is organised around an interview guide, which includes topics, themes or areas to be covered during the interview. The main intention is to ensure flexibility in the way sequence questions are asked. Follow-up for particular areas varies among participants (Edwards & Holland 2013; Mason 2002).

In semi-structured interviews, participants have the flexibility to introduce new topics that had not been previewed by the researcher. This provides the opportunity to gain new insights into the research topic. At this point, the researcher can react to issues that emerge spontaneously during the interview by asking for further information and clarification. Additionally, when a question is not understood or misunderstood, the researcher can change the wording or provide an explanation. A semi-structured interview can be shaped by the participant's own understanding as well as the researcher's interest (Mason 2002). Data generated from the interview actively produces meaning through the collective efforts of both the interviewer and the participant (Holstein & Gubrium 1995; 2016). Further, apart from spoken words, participant body language offers additional insight and grasping such non-verbal reactions helps the researcher perceive participants' attitudes. This assists in interpretation and analysis of data (Holstein & Gubrium 1995).

A participant's answers are influenced by the form and wording of questions and the interviewer's character (Mishler 1986). Language plays a crucial role and affects the natural rhythm and intimacy, and the balance of power in the interviewing process. Tsang

(1998) argued that communicating in the respondent's language is of paramount importance because it:

- allows participants to express themselves fully
- establishes 'good rapport'
- enables the interviewer to interpret the participant's statement within the cultural context.

Interviews can be categorised into three types, depending on who has the linguistic advantage:

- when the researcher has the linguistic advantage
- when the participant has the linguistic advantage
- when both researcher and participant experience a linguistic challenge due to the interview being conducted in a language that is neither person's mother tongue (Marschan-Piekkari & Reis 2004).

4.3.1.1 Interview design

The structure of the interview followed a set of predetermined themes in the interview guide (see Appendix 1). In developing this interview guide, the researcher used the literature review and elements of the conceptual framework (see Figure 4.3) to provide direction. The interview guide aimed to cover each element in the conceptual framework (except learning styles) and ensured that during the actual interview process, all questions in the interview guide were covered. Further, to ensure question clarity, technical jargon was avoided and simple language was used. The interview guide comprised 12 questions, which emerged from five different areas:

- initial business idea, opportunity recognition and new venture creation
- prior knowledge (education/work experience)
- family background and networks
- motivation to become entrepreneurs
- influence of cultural and regulatory institutions.

The researcher had brief telephone conversations with participants or participants' personal assistants to arrange the initial appointments. All potential participants

requested an official letter from Buckinghamshire New University confirming the authenticity of the researcher as an official PhD candidate. The researcher followed up with an official letter from the university explaining the purpose of the research. This helped to build interviewees' confidence and initial rapport with the researcher. The researcher informed interviewees that contact details had been provided by the National Chamber of Exporters of Sri Lanka, which also helped to build the initial trust between participants and researcher, as most of the participants were members of the National Chamber of Exporters.

At the beginning of the interview, the researcher explained verbally and in writing (via the Information Sheet for Participants [see Appendix 2]) the reason for conducting the interview. By taking part in the interview, participants agreed to share their experiences voluntarily; participants had the right to withdraw from the interview at any point. Assurance was given to participants that data gathered during the interview would be stored anonymously and confidentially. Further, data would be used only for the current research and related publications. At the same time, participants were asked to sign consent forms confirming their voluntary involvement in the project (see Appendix 3).

All interviews were recorded. Before recording, the researcher requested each participant's permission to record the conversation. The researcher used a voice recorder and iPad-based special recording software to make backup recordings. All the participants gave permission for interviews to be recorded. At the start of the interview, the researcher again briefed the participant on the purpose of the research, offered the language options and signed the document to ensure the confidentiality of the information provided during the interviews and secure the anonymity of participants. However, when signing to confirm their willingness to take part in the interview, participants often said 'It is the trust between the persons, signing document does not mean anything'. On most occasions, they were glad to help the researcher by sharing their own experiences.

All interviews took place at participants' business premises, except for one participant, who requested that the interview be conducted at his place of residence. There were minimal interruptions during the interviews, although most participants were extremely busy, high-profile entrepreneurs. The researcher also made notes during the recorded interviews, particularly to gain greater clarity of the situation or processes described by participants. During the recorded interviews, there were occasions when participants

requested that certain opinions they expressed as sensitive—such as world, regional and national politics—should be considered off-the-record comments. The researcher refrained from transcribing such opinions and comments, considering those to have been made at a personal level. After a follow-up conversation with participants, which normally lasted 10–15 minutes after officially finishing the interview, the researcher made notes regarding any important discussions.

All interviews were conducted in English, even though this was the second language for both interviewer and participant, except for one interview, which was conducted in Sinhala (the native language of the interviewer and participant). In respect to English as a second language, the researcher experienced varying degrees of proficiency among participants, but most were fluent in the second language. There were situations in which participants suddenly switched to Sinhala language to emphasise a point; this introduced idioms and phrases unique to the culture. There were also situations in which the researcher was asked for clarification, which the interviewer happily provided. Each interview lasted an average of 45–60 minutes.

As far as the fluidity of the interviews was concerned, the initial question ('Can you tell us about your business?') was designed to set the tempo of the interview and put participants at ease. Some participants followed the chronological pattern of how their businesses developed up to their current situation. The researcher did not attempt to interrupt the flow of the conversation; however, the researcher observed that participants often covered other aspects of the interview guide. Therefore, the researcher attempted to obtain further information. For example, in many instances participants described their businesses and then voluntarily discussed how they developed this initial business idea, their motivations, the support of family and friends, and the difficulties encountered. So, the researcher probed into these other areas appropriately and covered all points outlined in the interview guide (see Appendix 1). Some participants expected to follow the questions in the interview guide but during the interviews voluntarily talked about critical events they had faced, including deaths of the parent's siblings, spouses and collapse of the businesses. However, the researcher did not ask directly about such incidents, allowing them to emerge organically through the interview.

All participants shared highly personal experiences, insights and reflections during the interview, despite most of them being leading personalities in the Sri Lankan business sector. Many participants mentioned that it was an interesting experience to reflect on

their initial struggles and achievements and their journey to their current position. The researcher had undertaken a substantial amount of background reading, through newspaper articles and company, before each interview, which provided greater understanding of the processes and backgrounds of the businesses. In addition, this was used to establish the credibility of the interview data.

4.3.2 Learning Style Questionnaire

Self-completion questionnaires, sometimes known as self-administered questionnaires, are widely used in research as quantitative data collection instrument. They are specifically designed to be easy to follow and questions must be straightforward. Instructions should be provided clearly, using simple language (Bryman 2015). The questionnaire provides the same set of questions in a predetermined order. Questionnaires are the most widely used survey data collection technique. Each respondent is asked the same set of questions. The design of the questionnaire affects the response rate and the reliability and validity of the data collected.

Limitations of this data collection method include an inability to probe more deeply for further information and, because of not knowing the sample, it is not possible to include questions that may not be relevant to the respondent, as that may cause them to lose interest in the questionnaire (Bryman 2008).

4.3.2.1 Design of the learning style questionnaire

An objective of this study is to identify the learning styles/preferences displayed by entrepreneurs at different stages of the opportunity recognition and new venture creation process. To achieve this objective, a questionnaire was designed using the Kolb learning style inventory (Kolb 1984) and modified to suit this study. The main purpose of using Kolb's (1984) learning style questionnaire as a guide is its simplicity and ease of understanding, which makes it less time consuming to complete. Since the learning style questionnaire was presented to participants after the semi-structured interview, the learning style questionnaire was used as a secondary level data collection instrument. Further, the literature review revealed previous similar research studies that have used the same method (Dimov 2007). The questionnaire was designed with 27 questions, divided into four main sections (see Table 4.1 and Appendix 04: Questionnaire)

Table 4.1: Structure of the questionnaire

Questions	Aim of the Questions	Focus
Questions 1–12	To measure individual general learning styles	Used Kolb (1984) learning style inventory (see Appendix 04)
Questions 13–16	To measure individual learning style in the idea stage	Main theme for the set of questions is emergence or discovery of idea (see Appendix 04)
Questions 17–20	To measure individual learning styles in the opportunity recognition stage	Main theme for the set of questions is intention and evaluation of the idea (see Appendix 04)
Questions 21–24	To measure individual learning style in institutionalisation stages	Main theme for the set of questions is action (see Appendix 04)
Questions 25–27	Demographic information of the individual	Demographic information related to age and education

The first 12 questions were designed to measure the individual general learning style for which Kolb's (1984) learning style inventory was used. Questions 13–24 were designed to measure individual learning styles at the three different stages of the opportunity recognition and new venture creation process. According to literature, the idea generation stage is driven by an 'emerge or discovery' theme (Dimov 2010); the opportunity recognition stage is driven by a theme of 'intention and evaluation' (Dimov 2007; 2010); finally, the institutionalisation stage is driven by action (Dimov 2007). Each stage (idea, opportunity and institutionalisation) comprised four questions. The final section was designed to gather demographic data.

The questionnaire comprised a set of incomplete statements (Questions 1–24). For each of these, participants were asked to rank the statements with scores of 1–4, in order of increasing preference, a set of four given endings. The endings for each statement represented verbs or adjectives that illustrated the four learning dimensions: reflective observation (feelings), active experimentation (do and listen), concrete experience (watch and listen) and abstract conceptualisation (think). Words that represent these dimensions were highlighted and underlined as shown in the example below.

Question 1:

When I learn ...

I like to be **doing** things

I like to deal with my **feelings**

I like to **think** about ideas

I like to **watch and listen**

Each respondent was asked to rank the responses giving the highest value of 4 to the response that most closely describes how he/she deals with the given situation and in descending order (i.e., 1 to the least appropriate). The participants were expected to provide four responses to each question (forced-choice nature).

These questionnaires were given to each participant after the semi-structured interview. Instructions were also presented at the beginning of the questionnaire before completion by the respondent. Further, the researcher also briefed the participants verbally on how to fill in the questionnaire. Most participants completed and returned the questionnaire after approximately 15–20 minutes. Some participants returned their completed questionnaires after a few days. However, only 25 participants out of 31 returned completed questionnaires. One respondent incorrectly completed the questionnaire, so this could not be considered in the data analysis and five participants did not return the questionnaires.

4.4 Research Sample

The sample consists of 31 entrepreneurs. In selecting the participants for this study, a purposeful sampling method was adopted to ensure the collection of feasible yet information-rich cases (Palinkas et al. 2015; Patton 2002). Participants were selected from three initial sources:

- database of the National Chamber of Exporters of Sri Lanka
- referrals from the entrepreneurs in the sample
- personal network and friends.

All participants in the sample are founders of their businesses, which started as small businesses and developed into successful groups of companies and conglomerates. Sample items were selected from the database of the National Chamber of Exporters of Sri Lanka. Therefore, in the sample selection, availability and approachability played a key role. Snowball or chain sampling was also used, as many entrepreneurs willingly

provided referrals to other entrepreneurs. Only one participant was obtained via friends and family networks.

Table 4.2 shows that 26 participants were male and five were female. Two members out of the 31 aged 31–40 years. There were six participants each in the 41–50 year and 61–70 year categories. The highest number of participants (13) were 51–60 years, while the 71–80 year category included only four participants. In terms of working and entrepreneurial experience, the participants have interesting characteristics. Twenty-five participants (81 per cent) had previous work experience in a related area to that which they subsequently ventured into, while another four participants (marked Yes ***) had previous work experience in an area unrelated to the one they subsequently ventured into. Only two participants had no previous working experience. Where previous experience of an entrepreneurial nature is concerned, only nine participants (29 per cent) had previous entrepreneurial experience and the remaining 22 (71 per cent) had no previous entrepreneurial experience.

Table 4.2: Introduction to the research sample

No.	Name of respondent	Age (years)	Gender	Previous work experience	Previous entrepreneurial experience	Education qualification	Nature of business and Industry	Number of employees in the business	Number of years in the business
1	Saman	51–60	Male	Yes	Yes	B.Sc. (Chemistry)	Manufacturing cosmetic and beauty	375	11
2	Chandran	51–60	Male	Yes		B.Sc. (Polymer Science)	Manufacturing Footwear	200	20
3	Gihan	41–50	Male	Yes	Yes	G.C.E Advanced Level. Diploma in Business Management	Manufacturing Fragrance	51–100	23
4	Anuradha	51–60	Male	Yes		B.Sc.(Agriculture)	Manufacturing Horticulture	80	15
5	Naveen	41–50	Male	Yes	Yes	B.Sc. Electronics Engineering	Service E-commerce	51–200	14
6	Jaya	71–80	Male	Yes		B.Sc. (Eng.)	Manufacturing Processed fish	50–200	28
7	Chandana	41–50	Male	Yes		B.Sc. Electrical Engineering.	Manufacturing Construction and electrical	300	9

8	Kamalan	31–40	Male	Yes		CIM (UK)	Manufacturing Luxury bedding	80	5
9	Jagendra	51–60	Male	Yes		Phd, B.Sc. (Eng.) CIMA, CIM	Manufacturing Ceramics and porcelain	100	15
10	Vincent	71–80	Male	Yes		G.C.E Ordinary Level.	Manufacturing Herbal pain relief balms	1,500	41
11	Danesh	41–50	Male	Yes	Yes	M.Sc. / B.Sc. (Computer Science)	Service HR software development	400	15
12	Yahampath	71–80	Female	Yes ***	Yes	B.Sc.	Manufacturing Handloom	400	36
13	Keshan	31–40	Male	Yes	Yes	B.Sc. (Indus. Eng.)	Manufacturing Electrical switch board	1,000	13
14	Jayanath	51–60	Male	Yes		GCE Advanced Level	Manufacturing Tea	500	18
15	Prem	51–60	Male	Yes		B.Sc. in Electrical Engineering.	Manufacturing Electrical panel boards	150	21
16	Rehan	51–60	Male	Yes		GCE Advanced Level	Manufacturing	400	20

							Tea based products		
17	Jane	61–70	Female	No		GCE Advanced Level	Processed food exporter	100	38
18	Witharana	41–50	Male	Yes		B.Sc. in Agricultural Science	Manufacturing Cocopeat	25	11
19	Daya	71–80	Male	Yes		Ordinary Level	Manufacturing Ceramics and porcelain	500	44
20	Dilshan	71–80	Male	Yes		GCE Advanced Level	Manufacturing Process fish	200	30
21	Suja	51–60	Female	Yes ***		GCE Advanced Level.	Manufacturing Vegetarian ready meals	100	24
22	Sadesh	41–50	Male	Yes		GCE Ordinary Level	Service Fabric sourcing	25	8
23	Ramesha	61–70	Female	No	Yes	GCE Ordinary Level	Manufacturing Garments	5000	28
24	Samudra	61–70	Female	Yes ***		LLB	Manufacturing Handloom	1000	23
25	Lasith	51–60	Male	Yes	Yes	B.Sc. (B.Adm)	Manufacturing LP Gas	2200	17
26	Charles	71–80	Male	Yes ***		GCE Advance Level	Manufacturing	250	30

27	Samuel	51–60	Male	Yes	Yes	B.Sc.	Manufacturing Footwear	5,000–10,000	44
28	Vicky	61–70	Male	Yes		GCE Advance Level. Professional diving qualification	Service Marine repairs and services	50-100	34
29	Ashoka	51–60	Male	Yes		B.Sc. (Eng.)	Manufacturing	100	12
30	Sam	51–60	Male	Yes		GCE Advanced Level. Diploma in Marketing	Service Freight forwarding	10	24
31	Sanath	51–60	Male	Yes		Qualified Chartered Accountant	Manufacturing Processed food exporter	500	29

Participants had achieved various educational qualifications. There were 18 entrepreneurs (58 per cent) with degrees in engineering, agriculture and business administration. Nine participants (29 per cent) achieved GCE Advanced level qualifications and four entrepreneurs (13 per cent) achieved GCE Ordinary Level qualifications.

They have ventured into services, manufacturing, agricultural and fisheries sectors. The classification indicates that 22 entrepreneurs ventured into manufacturing (71 per cent), while five participants (16 per cent) entered the service sector and four (13 per cent) were in agricultural and fisheries. Four (10 per cent) business entities had 0–49 employees—small business category—and 14 (45 per cent) business entities had 50–249 employees—medium category. The remaining 14 (45 per cent) had 250+ employees—large category. As far as the longevity of business entities was concerned, only three (nine per cent) had been in operation 1–10 years, 12 (39 per cent) had been in operation 11–20 years and the remaining 16 (52 per cent) had been in operation for more than 20 years.

4.5 Data Processing and Data Analysis

4.5.1 Interview Data

After the interviews had been conducted, all voice recordings were transcribed fully. The interviews were conducted in English, except one interview, which was conducted in the native Sinhala language. In this case, a direct Sinhala–English translation was required. Although the rest of the interviews were conducted in English, the meaning of the words depended on the context in which they are used. The same word can have several meanings and can be used in different contexts and a direct translation is impossible (Watkins-Mathys 2007). Participants used English as a second language when expressing their life long experiences and when cultural and contextual influences were present. The expressions, tone and pauses that participants used in the conversation were unique to Sri Lankans. It did not cause any problem since the researcher is from the same country and uses English as a second language.

On occasions participants switched languages to use different local idioms and metaphors in their interviews, even though their interviews were conducted in English and literal translation is not possible. As some idioms stem from the individual cultural and historical background, they do not have English equivalents and are used not to exaggerate but to emphasise and add specific meaning. In these cases, the researcher was left with the decision of whether to reduce the meaning to a simpler word. Despite these difficulties, the researcher used contextualisation to understand the meaning (Welch & Piekkari 2006).

Some authors suggest that the qualitative approach to data analysis begins at the time of data collection (Silverman 2004; 2017). It is further suggested that data collection and data analysis are interactive and this helps to shape the direction of the data collection. Initial analysis of data during the process of transcribing interviews takes the form of personal sense-making, which involves getting to know each participant (Cope 2005). Qualitative data are non-standardised data and need further classification. However, in this study the semi-structured interviews were based on an interview guide with open-ended questions covering areas under the several headings: entrepreneur's background, parents, education, entrepreneur's network, how the initial business idea occurred and how the opportunity was spotted, the influence of various institutions on entrepreneurs such as social and cultural, regulative and financial (see Appendix 1). The data gathered through semi-structured interviews went through several stages of

analysis. These stages were adopted from Silverman (2004; 2017) and Strauss and Corbin (1994) and are described below.

- Familiarisation with the data

During this stage, the researcher aims to gain a deeper understanding of the data (Silverman 2004). Each interview was recorded and transcribed. Transcriptions and audio recordings were repeated several times. Additional notes pertained to body language exhibited by the participant during the interview and the language, dialects and terminology used during the interview process was also considered.

- Making sense of the data

The sense-making process begins during the interview and is intended to achieve a shared understanding. The sense-making process is completed when the researcher incorporates his or her non-verbal observations, attempts to understand the subtext of answers and his or her general knowledge of the research topic and understanding of the social context (i.e., contextualisation of the resources) (Welsch & Piekkari 2006).

- Identifying the thematic framework and content analysis

This involves identification of the key issues, concepts and topics relating to the data. This stage also involves cross-interview comparison and investigation. The purpose of this work is to find the commonalities and specificities between participants (Hyener 1985). This process is known as 'detailed content analysis'. Content analysis involves identifying coherent and important examples, themes and patterns in the data, looking for quotations or observations that go together and examples of the same underlying idea, issue or concept (Patton 1990, p. 149).

As far as this research is concerned, the research framework and interview guide played important roles in identifying the basic thematic structure (commonalities and specificities). Subthemes were also allowed to emerge. For example, the basic theme structure included the initial business, education, family and network, motivation and institutions (social, cultural and government policies and regulations).

- Categorisation

Categorisation of data means disaggregating the volume of data into meaningful related parts or categories. Categorisation helps to arrange the data in a meaningful way (Silverman 2004). Strauss and Corbin (1994) suggested three main sources that the researcher can consult for names for such categories:

- terms that emerge from the data
- actual terms used by participants
- terms used in the theory or literature.

Categorisation of data was guided by the conceptual framework developed for this study and literature review. Names for the categories were based primarily on the elements of the research framework and, when appropriate, terms used in the literature review. For example, initial business idea and new venture creation, education, family and network, motivation and institutions: social and cultural, government policies and regulations, and financial policies and regulations.

In addition, the researcher used terms used by participants in the interviews, which needed further categorisation. This shows their context and situation. For example, the category of motivation was further categorised into:

- doing something for the country
- family and business environment
- desire for independence, current job dissatisfaction
- no other alternative and additional income

4.5.1.1 Coding

The process of categorising the data into segments and stored under a particular label is known as coding in qualitative data analysis, particularly when using analysis software. NVivo-9 software was used to organise, classify and code data. Each code is known as a 'node' in NVivo -9 terminology. The researcher participated in a one-day workshop on using NVivo-9 in data analysis at the University of Surrey. Concerns about using the software in qualitative analysis have been raised, as the use of such software and computer programs is usually associated with more quantitative methods and positivist paradigms (Zamawe 2015). The main issues raised by researchers about using such software includes:

- distancing researchers from their data
- dominance of code and retrieval methods
- exclusion of other analytical methods (Bazeley & Jackson 2013).

However, some practitioners assert that researchers must integrate their own perspective and research framework into choices to determine codes and questions (Bazeley & Jackson 2013). Using software makes coding efficient, reliable and trustworthy and provides context. In qualitative research, software does not analyse the data for the researcher but it aids the process (Fisher 2017; Silverman 2017).

In this research, NVivo software was used only to organise data into different codes and for easy retrieval. Coding took several steps. First, the researcher created basic codes (parental nodes) taking elements of the research framework as a guide and further enabling the researcher to identify additional emerging codes. The researcher coded and organised text data a single participant at a time. After coding several interviews, the researcher reflected on the code structure, arranging some as subcodes (child nodes) under the basic codes (parent nodes), while others emerged as free codes. In naming subcodes, the researcher employed actual terms used by participants. However, the researcher reflected on coded data several times to further develop the 'code structure' (tree of nodes in software terminology). The code structure developed is presented in Appendix 5. The basic codes (parental nodes in NVivo) were named according to the research framework and literature review. Subcodes (child nodes) were named after the terms arising from participants.

- Relating categories, developing themes and generating ideas

The following stage of coding involved searching for evidence that confirmed emerging relationships between themes and categories (Hyener 1985). The researcher developed and reflected on the themes and patterns that emerged from the categories. This enabled a deeper understanding of the experiences of Sri Lankan entrepreneurs in opportunity recognition and new venture creation, and what motivated them to recognise new opportunities and start new ventures.

The research framework provided the overall presentation structure for the research findings. Therefore, the findings chapter (Chapter 6) was organised under four main sections: initial business idea and new venture creation (Section 5.1), motivation (Section 5.2) institutions (Section 5.3) and entrepreneurial learning (Section 5.4). At this point, the

researcher categorised the data into main codes and subcodes. The tables were used to identify clusters of participants with common patterns and others who differed, which was conducive to an inductive approach. The research framework helps determine how the researcher discusses and presents the data.

Further, the researcher attempted to discuss and present the perspectives of all participants in an impartial way, while on some occasions excerpts from the interviews were presented as evidence of their voices to deepen understanding. It is important to note excerpts were occasionally modified to the bare minimum to maintain fluidity and ease of reading; however, on those occasions, the reader was informed of the modifications and the original unmodified excerpts are provided in Appendices 6 and 9. This allowed participants to speak for themselves, preserving the authenticity of the conclusions. However, there were occasions when participants focused on different facets (e.g., when they discussed government policies and regulatory aspects of Sri Lanka). The entrepreneurs did not all focus on the same themes; themes varied according to individual perspectives. Most emphasised financial, tax and customs policies, while others only mentioned a single aspect (see Section 5.3.2).

- Enfolding literature

The final level of analysis is 'enfolding literature'. According to Eisenhardt (1989) an essential part of theory building is a comparison of emergent concepts and hypotheses with existing literature. This involves searching for similarities and contradictions and understanding the reasons for them. Finding similarities between new findings and existing literature enhances the quality and validity of the research (Voss et al. 2002). Chapter 6 discusses the findings and emerging concepts in relation to existing literature.

4.5.2 Learning Style Data Analysis

The aim of analysing the learning style data is to profile the different learning styles displayed by the participant during the opportunity recognition and new venture creation process and their general learning style.

The questionnaire adopted the forced-choice method, whereby participants were given four responses to each question and were asked to rank them on a 1–4 scale (see Section 4.3.2.1); these responses represented four different learning dimensions: reflective observation, active experimentation, concrete experience and abstract

conceptualisation. These data are presented in tables for each respondent (see Appendix 7). The corresponding ranking values for the four responses recorded against each question are represented in rows identified as Q1, Q2, Q3 and so on. Kolb's (1984) four experiential learning dimensions are represented in columns.

For example, Saman's responses to the learning style questionnaire were outlined as an example in Table 4.3. Questions Q1–Q12 were aimed at identifying general learning styles of participants and the row labelled 'general' indicates the sum of the values of each column. Questions Q13–Q16 aimed to identify learning styles of the participant in the idea stage and the sum of the values of each column represented under the row labelled 'idea'. Questions Q17–Q20 aimed to identify learning styles of the participants at the opportunity stage. The row labelled 'opportunity' represents the sum of the values of each column. Questions Q21–Q24 aimed to identify learning styles of the participant at the institutionalisation stage. The row labelled 'institutionalisation' represents the sum of the values of each column. These aggregate values are represented in rows labelled general, idea, and opportunity and institutionalisation and are plotted against the radar diagram to demonstrate individual learning profiles (see Appendix 8). The values presented in general, idea, opportunity and institutionalisation rows are aggregate values. All aggregate values in the general row are expressed against the maximum of 48 (4 x 12 questions), while idea, opportunity and institutionalisation rows are at a maximum value of 16 (4 x 4 questions).

Table 4.3: Ranking responses—Saman

Question No.	Concrete Experience (CE)	Reflective Observation (RO)	Abstract Conceptualization (AC)	Active Experimentation (AE)
Q1	1	4	3	2
Q2	1	3	4	2
Q3	2	1	4	3
Q4	1	3	4	2
Q5	3	1	4	2
Q6	1	2	3	4
Q7	1	3	2	4
Q8	4	1	2	3
Q9	1	3	2	4
Q10	3	1	4	2
Q11	3	1	2	4
Q12	4	1	3	2
General	25	24	37	34
Q13	1	3	4	2
Q14	4	1	3	2
Q15	1	2	3	4
Q16	1	2	4	3
Idea	7	8	14	11
Q17	2	3	1	4
Q18	2	1	4	3
Q19	3	1	4	2
Q20	2	3	4	1
Opportunity	9	8	13	10
Q21	3	2	1	4
Q22	4	1	2	3
Q23	2	1	4	3
Q24	1	4	3	2
Institutionalisation	10	8	10	12

As described in Section 3.2, concrete experience and abstract conceptualisation are dialectical forces that enable the individual to grasp the experience. Reflective observation and active experimentation are dialectical forces that transform such experiences into knowledge; this results in four different learning styles: accommodative, divergent, convergent and assimilative (Kolb 1984). Hence, the next step is to identify the dominant learning style/preferences of participants using data on the ranking responses tables.

In Figure 4.2 the following aggregate values (extracted from Table 4.4) are displayed in the radar diagram to profile the general learning style of Saman.

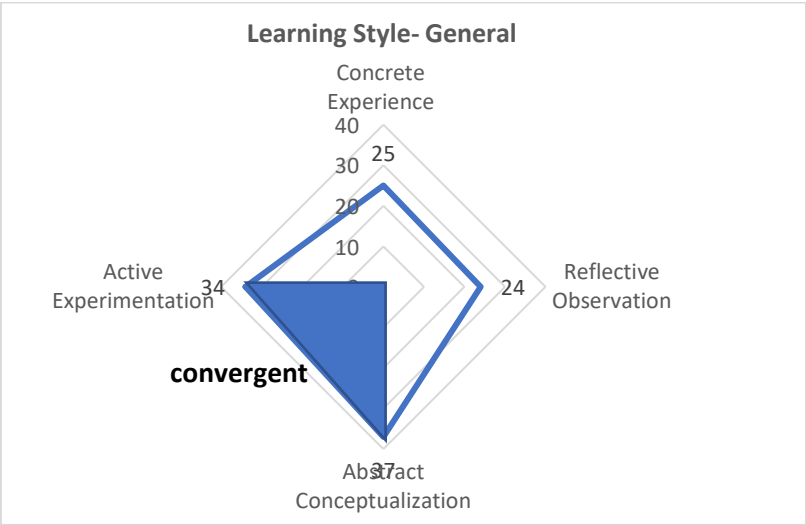


Figure 4.2: Learning style general—Saman

Using Saman as an example, profiling his learning styles as above using the Kolb experiential learning theory was considered next. These aggregate values of the ranking table are represented in general, idea, opportunity and institutionalisation rows in Table 4.3 and are plotted against the radar diagram to demonstrate Saman’s individual learning profiles. The dominant learning style of the participant at each stage was identified by considering the quadrant that represented the largest enclosed area.

Table 4.4: The general learning style of Saman

	Concrete Experience (CE)	Reflective Observation (RO)	Abstract Conceptualisation (AC)	Active Experimentation (AE)
General	25	24	37	34

Figure 4.2 indicates that the convergent learning style is Saman's dominant learning style, as that quadrant represents the largest enclosed area (as highlighted). Corresponding learning dimensions for the dominant learning style are abstract conceptualisation (AC) and active experimentation (AE) with values of 37 and 34 respectively.

Next, the researcher profiled the learning style of Saman in different stages of the opportunity recognition and venture creation process. First, the idea stage was considered and Figure 4.3 shows the following aggregate values (extracted from Table 4.5) enclosed within the radar diagram. This is a profile of the learning style of Saman in the idea stage.

Table 4.5: The idea learning style of Saman

	Concrete Experience (CE)	Reflective Observation (RO)	Abstract Conceptualisation (AC)	Active Experimentation (AE)
Idea	7	8	14	11

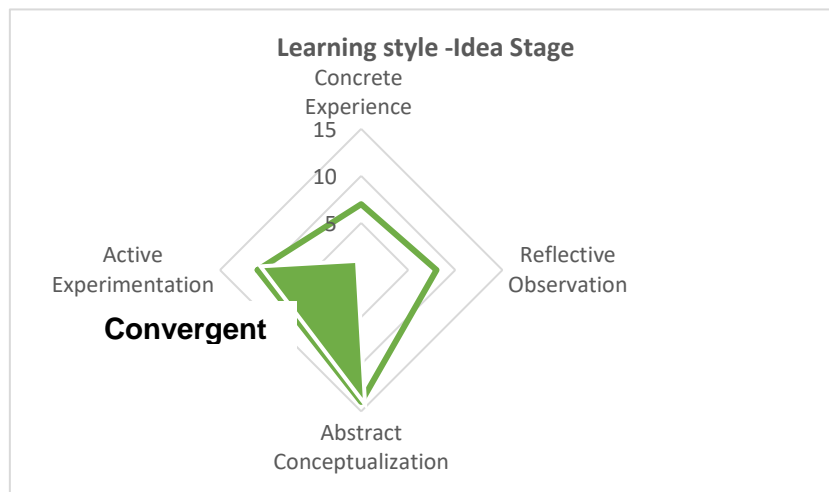


Figure 4.3: Learning style idea stage—Saman

According to Figure 4.3, a convergent learning style is the dominant learning style, as it enclosed the largest area (as highlighted). Corresponding learning dimensions for the dominant learning style are AC and AE, with values of 14 and 11 respectively.

Next, the learning style of Saman was profiled at the opportunity stage. Figure 4.4 shows the following aggregate values (extracted from Table 4.6) enclosed within a radar diagram. This shows the profile of the learning style of Saman in the opportunity stage.

Table 4.6: The opportunity learning style of Saman

	Concrete Experience (CE)	Reflective Observation (RO)	Abstract Conceptualisation (AC)	Active Experimentation (AE)
Opportunity	9	8	13	10

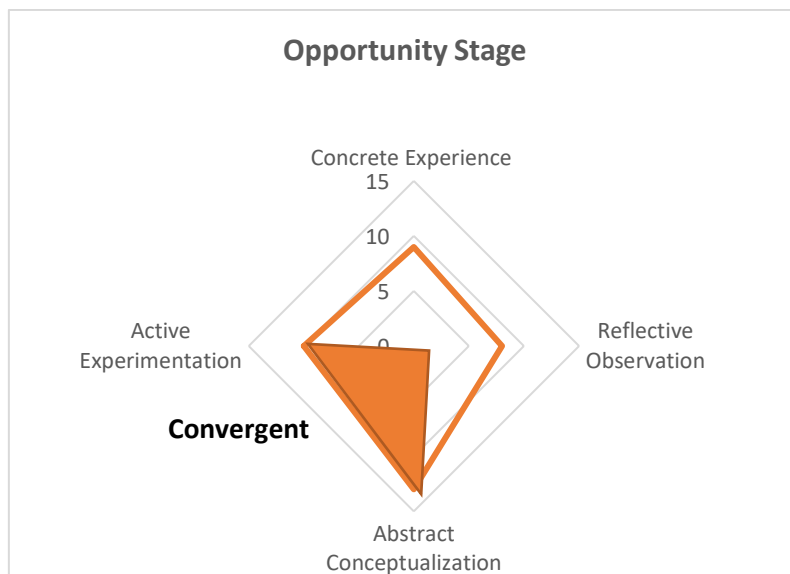


Figure 4.4: Learning style opportunity stage—Saman

According to Figure 4.4, the convergent learning style is the dominant learning style, as it enclosed the largest area (as highlighted). The corresponding learning dimensions for the dominant learning style are AC and AE, with values of 13 and 10 respectively.

Next came the profiling of the learning style of Saman at the institutionalisation stage. Figure 4.5 illustrates the following aggregate values (extracted from Table 4.7) enclosed within the radar diagram to profile the learning style of Saman in the institutionalisation stage.

Table 4.7: The learning style of Saman in the institutionalisation stage

	Concrete Experience (CE)	Reflective Observation (RO)	Abstract Conceptualisation (AC)	Active Experimentation (AE)
Institutionalisation	10	8	10	12

According to Figure 4.5, the convergent learning style is the dominant learning style, as it enclosed the largest area (as highlighted). Corresponding learning dimensions for the dominant learning style are AC and AE, with values of 10 and 12 respectively.

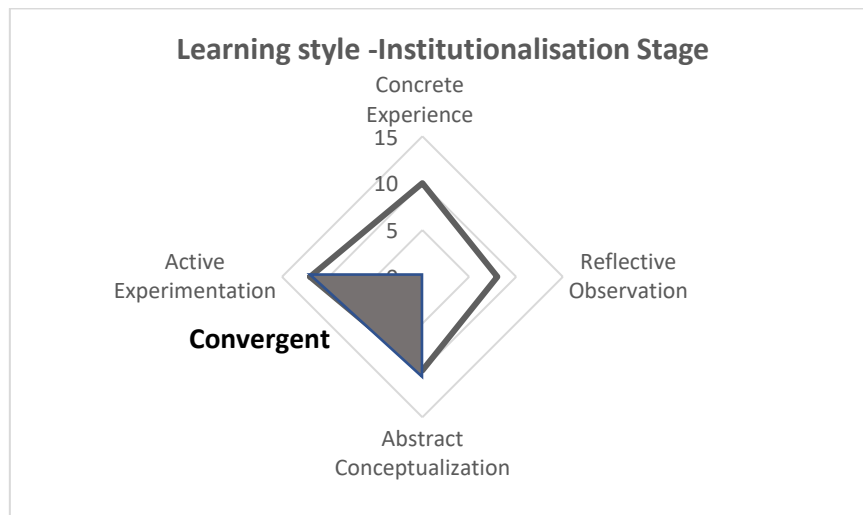


Figure 4.5: Learning style institutional stage—Saman

After profiling Saman's learning styles at different stages graphically, it is important to present a summary of the findings in a table. Table 4.8 presents Saman's learning styles at different stages, respective learning dimensions and relevant values.

Table 4.8: Saman's learning styles at different stages

Name	General	Idea	Opportunity	Institutionalisation
Saman	Convergent	Convergent	Convergent	Convergent
	AC–AE	AC–AE	AC–AE	AC–AE
	(37, 34)	(14, 11)	(13, 10)	(12, 10)

Likewise, the dominant learning style of each participant at each stage was identified following the process described above with participant Saman. Appendix 8 presents the learning style profiles for all participants in the sample. Similarly, learning styles were identified for each participant at each stage. The summary of the data is presented in

tables in Section 5.4 (see Table 5.8). Following this, the researcher grouped participants into four groups based on the extent to which they shared similar learning styles. Emerging patterns from the data were identified and tested for correlation analysis by considering each identified learning style as an attribute of the participants ($n = 25$) (see Table 5.13). The purpose was to identify any associations between learning styles at different stages for each participant. Therefore, Spearman's correlation method was used because it was more applicable for measuring correlation of qualitative attributes of participants (Field 2017). A two-tailed significance test was conducted, as the objective of this test is to identify any possible relationship/association. The results of the data analysis are discussed in Section 5.5. The researcher participated in a statistics module given the emphasis on using correlations in research in addition to a workshop on SPSS software for calculations of correlations.

4.6 Reliability and Validity

Credible research design maximises validity. It provides a clear explanation and controls all plausible biases that could cloud research findings. Therefore, this section aims to discuss the measures taken regarding securing reliability and validity in the research.

This research considers mixed research methods, in which qualitative and quantitative methodological approaches are used together and lead to 'methodological triangulations'. The qualitative method is the dominant approach, followed concurrently by a quantitative approach as the secondary approach (see Section 4.2). Reliability and validity arguably belong to positivist, quantitative methods, yet they are used in all kinds of research including qualitative research (Golafshani 2003). Qualitative research is often criticised for inferior quality and a lack of robustness (Leung 2015). A good qualitative study helps in understanding a situation that would otherwise be confusing; therefore, quality reflects 'generating understanding' in a qualitative study (Stenbacka 2001). In fact, Patton (2001) states that validity and reliability are two factors that qualitative researchers should consider when designing a study, analysing results and judging the quality of the study.

Essential criteria for quality in a qualitative study come from credibility, confirmability, consistency, dependability, applicability and transferability of the research in interpreting the results (Lincoln et al. 2011; Lincoln & Guba 1985) and appropriateness of the chosen methodology in relation to the research questions (Dixon-Woods et al. 2004). Research questions should be clear and concise, while qualitative inquiry should be the most

appropriate way of addressing such research questions with appropriate research samples (considering the context). Data can be collected from many sources. Triangulation by combining methods, which can be several kinds of data or methods, including qualitative and quantitative approaches, leads to more reliable outcomes. According to Silverman (2013) reliability of qualitative research can be ensured through constant comparisons, presenting deviant data and using original data in a comprehensive way.

The researcher utilised the research framework as a guide when designing the research instruments, particularly the semi-structured interview guide, ensuring that it covered all the intended areas of investigation. In addition, the research framework helped identify the main themes (parent nodes) and present the findings. As a pilot study, two interviews were conducted with two student entrepreneurs to ensure participants would be able to understand the questions easily and to determine how long each interview would take. Further, the answers were analysed using NVivo software, which provided ensured that the answers reflected the participants' understanding of the questions and helped familiarise the researcher with the software. The interview guide was then fine-tuned before it was used in all interviews, covering all questions, to maintain consistency (see Appendix 1).

The researcher allowed participants to express their views uninterrupted for each question, unless she was asked for clarification. Her views and opinions were not discussed during the interview. Further, the researcher had conducted a substantial level of background reading (newspaper articles and company websites) before each interview, which helped in understanding the process and background of the businesses. Such additional background investigation further enhances the credibility of the information. The sample selected for this study was a non-random sample (purposively selected sample) comprising 31 entrepreneurs of diverse age groups, gender and industries. In addition, the learning style inventory comprised questions with forced-choice answers, which reduced social desirability biases. Participants completed the learning style questionnaire and returned them after the semi-structured interviews were completed. This provided assurance that participants had completed the questionnaires. The pilot test was carried out with 10 students to confirm that the questions and instructions were understood properly and to discover the time taken to complete. The Kolb learning style inventory is popular in management learning literature (Dimov 2007). The first half of the questionnaire (Q1–Q12) adopted Kolb's learning style questionnaire

(1984) to identify the general learning style of the participant. The second half (Q13–Q24) followed a similar style, but specifically aimed to identify participants' learning styles at different stages of the opportunity recognition process. Therefore, a split half-reliability test was used, which splits the datasets randomly into halves, from which the Cronbach's alpha values were calculated. The first row (see Table 4.4) represents Cronbach's alpha values as calculated when the whole questionnaire is considered. As a rule of thumb, 0.8 is denoted as an acceptable level, though many work with a slightly lower figure (Bryman 2015) between 0.7 and 0.8 (Field 2017).

Table 4.9: Reliability test data for the learning style questionnaire

Sample (n = 10)	Concrete Experience (CE)	Reflective Observation (RO)	Abstract Conceptualisation (AC)	Active Experimentation (AE)
Cronbach alpha	.810	.697	.868	.845
Split-half Cronbach alpha				
Part 1 (Q1–Q12)	.625	.675	.726	.805
Part 2 (Q13–Q24)	.792	.653	.833	.791

According to the data, Cronbach's alpha (first row) is above 0.8 in three dimensions, but not in the fourth: reflective observation (which is very close at 0.7). Under the split-half method, Cronbach's alpha was less than 0.7 in the reflective observation dimension and Part 1 (Q1–Q12) under 'concrete experience'. In all other respects Cronbach's alpha figures of 0.7 and 0.8 were satisfactory.

4.7 Ethical Considerations

This section aims to emphasise the ethical practices adopted throughout the research. The literature highlighted five main areas:

- safeguarding the wellbeing of participants, physically and emotionally
- conducting the research without deception
- acknowledging participants' rights
- securing participants' identity
- protection of data (Bryman 2015; Plowright 2011; Atkinson & Delmont 2010).

Permission was granted by the Ethics Committee of Buckinghamshire New University after considering the application, which detailed the aims and objectives of the research

and intended research methods. This was followed by a face-to-face interview between committee and the researcher. Participants were informed about the researcher's background and the aims of the research by email in advance of the face-to-face interviews, with a copy of the participant information sheet (see Appendix 2) and consent form (see Appendix 3) sent as an attachment to the email, giving them ample time to read the documents. Further, before commencing each interview, the same participant information sheet and two sets of consent forms were produced. Participants signed and agreed to take part in the interview voluntarily; one copy of each signed consent form was kept with the researcher. Interviews were conducted at the participants' places of work, where they felt comfortable discussing their life experiences as entrepreneurs and their businesses. The researcher refrained from further probing into some situations, particularly loss of parents, spouses or siblings. Participants reflected on those incidents not by differentiating them from other life experiences, but with a sense of acceptance.

The participant information sheet (see Appendix 2) specifically acknowledged the right of the participant to withdraw at any point during the interview and participants were informed that the interview was recorded and transcribed. Transcriptions of the interviews were sent to participants by email, after which the researcher waited for any suggestions. Interestingly, some participants mentioned that the non-inclusion of certain personal views about the world and national political arena, which were not transcribed, honoured participants' confidentiality. No hard copies were taken from the transcribed interviews and minimal digital copies were retained. Participants' anonymity was maintained by not using their real names or their organisations' names in the transcription or any research outputs. In the consent form (see Appendix 3), the researcher explicitly stated that data gathered from these interviews and, in certain situations, participants' words, would be quoted by the researcher in publications, reports, web pages and other outputs.

4.8 Limitations

All research is subject to limitations. Thus, this section aims to discuss the various limitations of this study.

4.8.1 Non-random Research Sample and Sample Size

The sample frame has been defined as owners of all the business entities who are members of the National Chamber of Exporters of Sri Lanka. In selecting the 31

participants for the sample, availability and approachability played a key role. Hence, the research was based on a non-random sample, which resulted in difficulty generalising the findings to the larger population.

4.8.2 Recentness of the Experience

The entrepreneurs in the sample had started their initial businesses years ago; times ranged from five to 41 years. During the semi-structured interviews, participants were expected to share their individual experiences of the opportunity recognition and new venture creation process, dependent on the individual's capacity to recollect.

4.8.3 Participants' Insincerity or Delusions

While sharing experiences, participants might be deliberately insincere because most participants are high-profile entrepreneurs in Sri Lanka. Thus, their experiences of pre-entrepreneurial life and their initial struggles may at times be exaggerated or concealed. However, the researcher always tried to establish the truth by using many other sources, such as other public interviews published in newspapers and other publications.

4.8.4 Issue of Trust

The researcher needed to focus significantly on building trust with the participant before and during the interview, which was vital to reveal true experiences. Building that level of trust within a few hours cannot be guaranteed with each participant due to the complexity of human behaviour and environmental factors.

4.8.5 Non-neutral Attitude of the Researcher

The researcher, as a person, was very impressed with the participants and highly admired their achievements. This could lead to an over-evaluation of their achievements and under-evaluation of their demerits and failures.

4.8.6 Ethical Issues

During the semi-structured interviews, the interviewer took special care when probing into the critical incidents that entrepreneurs raised, as those critical events are embroiled in different complex emotions such as the death of a spouse or parent, and recovering

from any business slumps. This is because the researcher does not possess the necessary skills to deal with any of the after-effects of such traumatic events.

4.8.7 Using Software for Qualitative Data

Using software when qualitative data is involved has raised concerns because computer programs are associated with more quantitative methods and positivist paradigms. The argument against such use emphasised that using software distances the researcher from the data and over-mechanises the process, leaving little capacity for other analytical methods. (Gilbert 2002; Richards 2002). However, the researcher familiarised herself with the data by listening to the audiotapes several times and transcribing the voice recordings herself. Further, the researcher refrained from using autocoding.

4.9 Conclusions

This chapter has outlined and compared the main philosophical assumptions that underpin the methodological choices (see Section 4.1). There is evidence that research in entrepreneurship that takes a functionalist approach adopts more alternative approaches, including interpretivist and mixed methodological approaches. This research used mixed research methodological approaches in which qualitative and quantitative methodological approaches combined led to 'methodological triangulations'. The qualitative method is the dominant approach, alongside with a secondary quantitative approach (see Section 4.2). The researcher used purposefully selected samples, while semi-structured interviews were the main data collection method.

Permission was granted by the Ethics Committee of Buckinghamshire New University after considering the researcher's application. Participants' consent was obtained before conducting the interviews. The research was conducted without deception; acknowledging participants' rights; securing their identity; and protection of data (see Section 4.7). An interview guide was developed based on the predetermined themes, which aimed to cover each element in the conceptual framework (see Section 4.3). The interview guide included the initial business idea, opportunity recognition and new venture creation, prior knowledge, family background, networks, and motivational factors. A modified version of Kolb's (1984) learning style questionnaire was used to understand the learning styles demonstrated by participants during the different stages of opportunity recognition and new venture creation.

Data analysis was guided by the principles of qualitative content analysis in relation to the data collected from the semi-structured interviews (see Section 4.5). In relation to the learning styles, the researcher profiled the learning style demonstrated by each participant at each stage and identified emerging patterns from the data and tested for correlation analysis under Kendall's tau method. This research is subject to several limitations (see Section 4.8). A non-random sample is used in this research; availability and approachability played a key role in sample selection. The entrepreneurs in the sample started their initial business years ago (ranging from five to 41 years). Hence, the experiences shared depended on the individual's recollections. While sharing experiences, participants may have been deliberately insincere, as their experiences before life as successful entrepreneurs, and their initial struggles, may sometimes be exaggerated or concealed.

Chapter 5: Findings

5.1 Introduction

This chapter aims to present the findings logically and cohesively, from the empirical data collected through semi-structured interviews and learning style questionnaires.

The semi-structured interviews include questions that encouraged entrepreneurs to reflect on their entrepreneurial experiences and perspectives on how sociocultural and economic institutions influenced the opportunity recognition and new venture creation process. The following main themes and subthemes were identified during the interviews when the entrepreneurs revealed their individual stories. These were organised under the main nodes and subnodes with the help of NVivo software. The main nodes are based on the main themes: initial business idea and new venture creation; motivations to start the new venture; institutions and their influence on entrepreneurs and critical learning experience. Further, entrepreneurs' voices were presented through discussing the points of view of all the entrepreneurs, while on some occasions excerpts from the interviews were presented as evidence and to deepen the understanding.

Data gathered from the questionnaires were used to identify the learning styles at the different stages of the opportunity recognition and new venture creation process by initially profiling them and later categorising them into four stages based on how often they share similar learning styles in general, idea, and opportunity recognition and institutionalisation stages. Each group was further investigated to identify additional patterns. The patterns identified were then tested statistically. A separate section was created for discussion of learning through critical experiences. These experiences were revealed by the participants in the opportunity recognition and new venture creation process and emerged in the interview data.

This chapter follows the structure of the nodes presented and has three main sections: initial business idea and new venture creation (see Section 5.2); motivation to start the new venture (see Section 5.3); and institutional influence on entrepreneurs (see Section 5.4). Section 5.5 delves into the learning styles of each group to identify visible patterns. Section 5.6 attempts to identify statistical associations and relationships between the identified patterns using SPSS. Section 5.7 discusses learning through critical experience, while Section 5.8 draws conclusions.

5.2 Initial Business Idea and New Venture Creation

This section explores how different entrepreneurs in the sample identified their initial business idea. Entrepreneurs were expected to answer open-ended questions on how their initial business idea occurred to them; how prior knowledge, family and friends helped in new venture creation; and what obstacles they faced. Accordingly, the nodes grouped under the initial business idea and new venture creation include sub nodes: emergence of the initial business idea; initial resources; initial tactics and new venture creation. The following subsections are created based on the sub nodes and discuss the viewpoints that underpinned the interviews.

5.2.1 Emergence of the Initial Business Idea

This section explores how different entrepreneurs found their initial business idea and why they selected this idea over other alternatives. Table 5.1 depicts how each entrepreneur found their business ideas. Fifteen entrepreneurs described identifying a business idea by scanning the business environment for cues and signals. Twelve entrepreneurs cited previous work experience as the catalyst for their initial business idea. The remaining four entrepreneurs attributed changes in government policies as a factor in finding their initial business idea.

Table 5.1: Emergence of the initial business idea

No.	Name of Participant	How Business Idea Emerged			Education Qualification	Previous Work Experience
		Scanning Business Environment	Previous Work	Government Policy Driven		
1	Saman	√			BSc (Chemistry)	Yes
2	Chandran		√		BSc (Polymer Science)	Yes
3	Gihan	√			GCE Advanced Level, Diploma in Business Management.	Yes

4	Anuradha		√	BSc (Agriculture)	Yes
5	Naveen	√		BSc in Electrical Engineering	Yes
6	Jaya		√	BSc (Eng.)	Yes
7	Chandana		√	BSc in Electrical Engineering	Yes
8	Kamalan	√		CIM (UK)	Yes
9	Jagendra		√	PhD, BSc (Eng.) CIMA, CIM	Yes
10	Vincent	√		GCE Ordinary Level.	Yes
11	Danesh	√		MSc / BSc (Computer Science)	Yes
12	Yahampath	√		BSc	
13	Keshan	√		BSc (Indus. Eng)	Yes
14	Jayanath		√	GCE Advanced Level	Yes
15	Prem		√	BSc in Electrical Engineering.	Yes
16	Rehan		√	GCE Advanced Level	Yes
17	Jane	√		GCE Advanced Level	
18	Witharana		√	BSc in Agricultural Science	Yes
19	Daya		√	GCE Ordinary Level	Yes
20	Dilshan	√		GCE Advanced Level	Yes

21	Suja	√			GCE Advanced Level.	
22	Sadesh		√		GCE Ordinary Level	Yes
23	Ramesha			√	GCE Ordinary Level	
24	Samudra			√	LLB	
25	Lasith	√			BSc (B.Adm)	Yes
26	Charles	√			GCE Advance Level	
27	Samuel	√			BSc	Yes
28	Vicky	√			GCE Advance Level. Professional diving qualification	Yes
29	Ashoka			√	BSc (Eng.)	Yes
30	Sam		√		GCE Advanced Level. Diploma in marketing	Yes
31	Sanath		√		Qualified Chartered Accountant	Yes
Total		15	12	4		25

The data analysis revealed that some entrepreneurs had naturally and continuously been searching for cues or signals from the external environment. They had been closely observing changes in social, cultural, technological, economic and political arenas for opportunities. Fifteen entrepreneurs identified their initial business idea in this way.

Naveen, a technological entrepreneur in internet security and e-commerce solutions, has seven unsuccessful previous entrepreneurial experiences. He started his entrepreneurial journey when preparing for GCE Advanced Level examinations. At that time, he was joined by a couple of friends with whom he undertook a City and Guilds (UK) weekend course in electrical engineering. They ran a tutoring institute by hiring lecturers from Colombo. His subsequent entrepreneurial career has been vibrant with many different

ventures, including horticulture, art and craft, and a detergent business. After every unsuccessful venture, he moved back to the industry and worked for a couple of years.

Naveen discussed his initial business ideas and how these new businesses emerged as a consequence of being constantly alert to changes in the external environment:

We first recognise weak signals which sense it as potential trends. Today the signals are weak, but those signals can be strong and converted into potential market in two to three years' time.

We try to solve a social problem or a problem of an industry. So, this is what we always try to do. We do not try to capitalise.

I was an employee for another IT company, that was the time the global trend for e-commerce got into play. People started doing business over the internet, doing business remotely and making payment remotely. It was vague, very *vague*. I am talking about realistically in the years of 1995, 1996 and 1997. As a person who has the entrepreneurial quality, I picked up those things. (Naveen, see Appendix 6[1])

Naveen asserted that initial business ideas could emerge as either weak signals or unresolved social or industrial problems. According to Naveen, both provide an initial business idea with business potential. Naveen explained how he recognised business opportunities in e-commerce and e-security. He mentioned that during 1995–1997, e-commerce emerged as a global trend. However, at the time it was a vague concept in Sri Lanka and the company he worked for as head of IT did not want to move into it. Nevertheless, he identified e-commerce as a lucrative future business sector. He left his company to start his own new venture using existing technology innovatively to help the banking sector expand its customer base to rural populations through a mobile banking facility.

Another IT entrepreneur, Danesh, mentioned that his business (development of human resources [HR] software systems) came to his mind in 1997. At that time, there were no HR software developers in Sri Lanka and HR was an emerging area. He realised it was a perfect opportunity to use his expertise in computer science and his experience as an HR software consultant for Fortune 500 companies.

Charles's new product ideas and cues emerged when he resolved problems faced by society, his friends or relations. He mentioned that the idea of producing a substitute for lime juice became a business because he wanted to fill the gap in the market when lime is out of season. He started manufacturing natural herbal cream to treat marks and

blemishes. The original idea came from his cousin, who wanted to heal his chickenpox scars. This prompted Charles to create a cream containing sandalwood, which signalled the beginning of another line of business. During the interview, he discussed situations before 1977 when Sri Lanka had closed economic policies, imports were restricted, and he was a school science teacher. At that time, it was difficult to obtain markers and felt pens. Thus, he made marker pens and felt pens for friends and personal use.

Lasith, presently chairman and managing director of a large conglomerate, spoke of how sensitivity to the business environment is the key to recognising new business ideas:

When we entered the LPG [liquefied petroleum gas] business ... we found a monopoly controlled by a global oil-making company. Even the government wanted me not to enter it. There were a few fundamentals that needed to be acquired even before entering this market ... Firstly, you need to have a deep pocket ... if you want to enter into the LPG business anywhere in the world you need to have a high level of capital ... Secondly, you need to break down any entry barriers and thirdly, there is always a dominant player to prevent newcomers entering the market. You need to handle all three. LPG is a global business. You should have global networking as well. Although the government itself warned us, we were confident and managed to understand the risks involved and how to mitigate those risks. That is one area in which we are rather successful. (Lasith, see Appendix 6[2])

Lasith stated that his entry to the gas and energy industry in Sri Lanka, which was a monopoly market of a UK-based multinational company, was high risk and needed substantial investment. However, the market situation was attractive. According to Lasith, all his business ideas had been well analysed and articulated, and had several characteristics:

- aiming to fulfil a basic need that is in high demand
- high entry barriers to the industry
- very few competitors
- no substitutes in the market.

Vicky ventured into a market in which only the State Shipping Corporation and a few other multinational shipping companies operated in the 1970s. There were ample opportunities, as Sri Lanka is in a strategic position in the Indian Ocean, close to the busiest naval route in the world. He spotted this opportunity for a new business. He had plenty of expertise in the relevant field; as a marine engineer, he worked for international shipping lines on various projects. He started his own enterprise, which was the first local business that provided ship maintenance and marine engineering services.

Saman, a leading herbal beauty products manufacturer, mentioned that his passion and strength is in chemical engineering. With a degree in chemical engineering and years of experience in different levels of world-leading multinational companies in chemical and pesticide manufacturing, he enjoyed a definite advantage. He then started new ventures in the same industry. First, he ventured into detergent manufacturing, then chemical enzyme manufacturing and herbal cosmetic products manufacturing using natural ingredients. After analysing the market carefully, he identified a market gap for true herbal beauty products.

Vincent, a leading herbal pain relief balm manufacturer, described how he identified his initial business idea at the beginning of the 1970s. He had trained under his father, a veteran Ayurveda doctor for nearly 20 years, from whom he inherited valuable ancient prescriptions. He mentioned that when he scanned the market, he discovered that there was no Ayurvedic—pain relief balm—other than only a few multinational brands. He decided to proceed with this opportunity.

Dilshan, presently the chairman of a leading processed fish exporter, discovered his initial business idea (manufacturing ice cubes and providing storage facilities for fisherman) when he saw piles of fish wasting on the roadside while on his way to work. He thought it would be an ideal business idea considering his expertise in the air conditioning and refrigeration industry. At that time, he worked for one of the leading Japanese companies in air conditioning and refrigeration.

Both Kamalan and Samuel identified their initial ideas from finding solutions to an under-utilised capacity. Kamalan, who started his luxury bedding concept five years ago, said:

The company was idle for three months and making losses. When I joined with them I saw workers playing cricket on the compound of the factory; they said they do not have work. I joined them as a business development manager find something that I can break even during these three months. (Kamalan)

Kamalan was working as a business development manager for a winter jacket manufacturer who asked him to find a way to break even during three months of idle time. He researched the possibilities but could not materialise his idea into a fully fledged business opportunity within that company and eventually started his own business. Samuel, managing director of a leading conglomerate in the country, ventured into bicycle tyre manufacturing in the early 1970s. He was already in the rubber shoe

manufacturing business, but there were times when his machines were not running at the optimum capacity, so he explored avenues for utilising the existing idle capacity.

Keshan became the managing director of an Australian and Sri Lankan joint venture after his father's death. He said the company initially specialised in electrical sockets and switches, but he wanted to provide a full range of electrical products. There were very few competitors in the market and he believed that expanding product categories and introducing new technologies was the answer. Gihan became managing director of a leading spice exporting firm after his father's death:

My father has started this business as a raw material exporter. Then we got few inquiries asking whether we can supply essential oil. For example, Sri Lanka, is the largest cinnamon exporter to the world market. There are many people and industries using cinnamon oil for the flavour and fragrance. Even today we do not have any one to compete with us as an essential oil manufacturer. While we operate as essential oil manufacturer and exporter, we thought that why not we create something out of this essential oil and cater to local markets? (Gihan, see Appendix 6[3])

Gihan had observed how the ingredients they provided as raw materials were turned into fine products in other countries. He realised there were ample opportunities when he analysed the local hospitality industry and fragrance market. He aimed to cater for those gaps in the market. When Suja, the manufacturer of total vegetarian ready meals, analysed the market, there were hardly any palatable meal options for vegetarians.

Some entrepreneurs in this group explained that they are natural opportunity seekers and had an innate sense of what works. Yahampath is the owner of a handloom company and Jane is a marketing service provider for hospitality business; both are natural opportunity seekers. While they observed that they did not plan meticulously, they constantly try out new ideas and opportunities, in which they do not have previous experience or expertise. They accidentally heard of opportunities from people they knew. Jane explains her opportunity seeking behaviour as:

My husband and I have huge entrepreneurial spirits and we find opportunity in nothing. Some walk past opportunities; they do not see them, but I think we are very blessed to have this apart from the entrepreneurial spirit, pioneering spirit. Because you will find very often people who see an opportunity and they find hard to get around all those difficulties. We had started supplying fresh and perishable products to ships called at the port of Colombo early 1970s following one of our friends' lead. There was no magic to that. We just happened to be in the right place at the right time. A Frenchman we met at the port of Colombo would like to have some fresh produce for a resort he was opening in the

Maldives, which was 1974. That was beginning of this company. I do think it was an accident. I do not crunch numbers or overthink. I have been 38 years in business; for me, it was a bit of a hobby. (Jane)

Jane admires her entrepreneurial spirit and is proud of identifying opportunities in everything. She denied having a systematic approach to finding opportunities. Rather, she credited her success to the risky, spontaneous, positive nature of her and her husband. Both Jane and Yahampath emphasised a passion for seeking new products, patterns and trends to seize opportunity. Importantly, this passion made them overcome difficult initial phases of their business ventures.

In summary, this group of entrepreneurs is constantly seeking cues and signals in the business environment. Some entrepreneurs tried to solve problems in society or in the firm they worked at, which made them explore opportunities constantly. They were confident and prepared to take risks in their opportunity seeking endeavours. However, entrepreneurs in this group had other factors such as educational expertise and previous work experience in related areas, which may have helped them better read environmental signals.

In general, the second group of entrepreneurs obtained their initial business idea through previous work experience. In addition, they are qualified academically in the related field. Anuradha graduated in agricultural science and had worked as a marketing and manufacturing manager for nearly 12 years in a horticulture company when he started his own business in the same industry. Jagendra, an engineer, is professionally qualified in many diverse fields. He explained his decision to start his own business:

I was managing director of a large porcelain company called Dankotuwa Porcelain Ltd when I was just 30 years of age. I was able to get to that level purely because of my multidisciplinary qualifications as well as solid experience ... I learnt a lot on this ceramics side of the business and this became a career in ceramics spanning eight years in Dankotuwa Porcelain and another couple of years as group managing director in Lanka Ceramics Group that includes Lanka floor tile, wall tile Noritaki and so many other subsidiary companies all involving ceramics so I learnt a lot on ceramics and was accepted as an industry expert because of my vast array of experience. Even within the marketing side, I can talk with my marketing experts and sometimes international marketing agents and in the same manner with accounting. My ability to talk on equal terms has helped me develop further. It was only at this point I realised why should I work for someone else when I can work for myself? Then I got some partners and started this. (Jagendra, see Appendix 6[4])

Jagendra's diversified academic knowledge and vast work experience in different senior managerial positions made him not only an industry expert, it also helped him realise his potential to start his own business. Likewise, many entrepreneurs gained extensive experience in particular industries and built self-confidence through work experience.

Daya also started his business in ceramic items manufacturing after working for seven years at a ceramic company in Japan. Sanath worked for years at a fresh food exporting company and started his own company in the same industry. Chandana and Prem were graduates in electrical engineering. They started their own businesses after working for many years at leading construction and engineering companies respectively. Chandana explained that he started a venture in electrical panel board manufacturing by acquiring a bankrupt business:

When we negotiated with the existing owner of the company he said I do not need a single cent, because already Rs. 35 million bankrupt company. We took Rs 17.5 million, otherwise 50 per cent of the liability, without investing. So, we took a headache 50 per cent. He did not want a single cent because we took over 50 per cent of his headache. When we took over this company, only five people were working, 2,000 sq ft hut and two to three machines. (Chandana, see Appendix 6[5])

Chandana's explanation shows that instead of a conventional method, he acquired 50 per cent of a bankrupt company. His years of work experience as an electrical engineer gave him the confidence to convert a bankrupt business into a success. According to Chandana, industry experience can be positive and negative, but makes individuals persevere with their dreams.

Prem started his own venture in steel fabrication in his garage. Witharana shared similar characteristics. Witharana, who graduated in agricultural science, started his own business as a cocopeat manufacturer after working at a major cocopeat manufacturer for over 10 years. Chandran, who graduated in polymer science, also started his own business after working for more than 10 years in the rubber-based products sector. Jayanath and Rehan both have extensive working experience in the tea industry. Both started as tea tasters in prestigious tea companies and worked their way up to managerial level. Then, observing the considerable potential in the industry, started their own business ventures in the same industry. Sam started his business in freight forwarding after working more than 10 years at the Sri Lanka Port Authority and major foreign shipping lines. Sadash worked in the garment industry for many years and decided to start his own business venture in garment sourcing.

Interestingly, these participants mentioned feeling dissatisfied with the companies they worked for because those companies did not recognise the value of their ideas and contributions. All asserted that they had been exploring new business ideas for their own ventures. They decided to start their new ventures in the industries in which they had experience and strong customer and supplier networks. Thus, it is evident that this set of entrepreneurs obtained their initial business ideas from previous work experience, occasionally supported by educational qualifications in the relevant area. They also exhibited the personality characteristics of opportunity seeking, risk taking and confidence in relation to their experience.

The third group of entrepreneurs developed their initial business idea from government policy changes, which created new opportunities for them to pursue. Ramesha, owner of a group of large garment manufacturing companies, has today diversified into many other unrelated business areas. She had been involved in small-scale Batik and garment manufacturing:

So, I was still looking for something to start ideally something going out of the country. So, I saw that some people had started the garment factories, therefore, I established XX Apparels, which was formed in October 1987 and commenced operation in March 1988. (Ramesha, see Appendix 6[6])

In late 1980s, the government initiated a program to extend the manufacturing sector to rural villages to alleviate poverty alleviation and develop new initiatives. This program encouraged entrepreneurs to initiate businesses in rural sectors, with government concessions offered for export market-oriented garment manufacturing. Ramesha viewed this as a valuable opportunity. Ashoka, a bitumen manufacturer, observed that the government had prioritised developing the road network and infrastructure in the 1990s. He had many years of experience in bitumen and other chemical substance manufacturing. Jaya, a processed fish exporter, considered the initial business idea because, at that time, government policy encouraged the export-oriented fish industry in the economy. The participants in this group were in search of business ideas and vigilant about observing the changes in the macro-environment, particularly government policy changes that paved the way to their initial business ideas.

To conclude, it is evident that most of the entrepreneurs developed their initial business idea from scanning the business environment for cues or solving a problem in society or industry. Some described the scenario as finding untapped market opportunities. Others indicated that the internal business environment pushed them to search for new

opportunities. For instance, excess manufacturing capacity pushed them to search for new opportunities to utilise excess capacity. Other factors, such as educational expertise in related areas, and previous work and entrepreneurial experience, also influenced this group of entrepreneurs. The second group of entrepreneurs developed their initial business ideas from previous work and educational expertise that coincided with their business. The third group was inspired by government policy changes. In addition, these entrepreneurs displayed great personal characteristics, such as opportunity seeking, risk taking, vision and confidence.

5.2.2 Initial Resources

Literature suggests that initial resources are a key aspect that entrepreneurs often consider when evaluating the feasibility of business ideas. Therefore, this section is devoted to identifying the initial resources of entrepreneurs in the sample at the time they contemplated their possible new ventures. According to interviews, these resources were both tangible and intangible, including land, machinery, capital, knowledge, goodwill, and relationships with customers and suppliers. Table 5.2 displays the initial resources of each entrepreneur at the starting point of their businesses. (Gihan, Keshan and Samuel inherited their businesses from their parents and changed the direction of the enterprises substantially during their tenure. Therefore, this section focuses on the remaining 28 entrepreneurs.)

Entrepreneurs in the sample had different combinations of resources for individual success.

Table 5.2: Entrepreneurs and their initial resources

No.	Name	Goodwill	Land and Building , Machinery	Savings	Friends and Family	Experience (Work, Entrepreneurial)	Relationship with Suppliers and Customers	Educational Qualification
1.	Saman			√		√ (●)		BSc (Chemistry)
2.	Chandran		√			√	√	BSc (Engineering)
3.	Gihan							
4.	Anuradha	√	√			√	√	BSc (Agriculture)

5.	Naveen	√	√	√	√ (●)	√	B.Sc (Electrical Engineering)
6.	Jaya		√		√	√	BSc (Engineering)
7.	Chandana	√		√	√	√	BSc (Eng.)
8.	Kamalan		√		√	√	CIM
9.	Jagendra	√			√	√	PhD, BSc (Eng.) CIMA, CIM
10.	Vincent			√	√		
11.	Danesh			√	√ (●)		MSc / BSc (Computer Science)
12.	Yahampath				√		BSc (Chemistry)
13.	Keshan						BSc (Indus Engineering)
14.	Jayanath		√		√	√	
15.	Prem		√	√	√		BSc (Engineering)
16.	Rehan				√	√	
17.	Jane			√			
18.	Witharana	√			√	√	BSc (Science)
19.	Daya			√	√	√	Industry training
20.	Dilshan			√	√		
21.	Suja			√			
22.	Sadesh		√	√	√	√	
23.	Ramesha		√		(●)		
24.	Samudra		√		√		LLB
25.	Lasith	√			√(●)		BSc (B.Adm)
26.	Charles						Chemistry trained teacher
27.	Samuel						
28.	Vicky	√		√	√		Professional diving qualification
29.	Ashoka		√		√	√	BSc (Eng.)
30.	Sam	√			√	√	
31.	Sanath				√	√	
	Total	8	11	4	8	24	15

Some entrepreneurs inherited land and property from parents; therefore, they had the option of raising initial capital through mortgaging, selling or using the land and buildings for their business premises (see Table 5.2). Jane, a female entrepreneur in the hospitality

industry, explained that the ‘family did have some funding and our families believed in ourselves, so they helped with the initial start-up’. Suja’s husband provided initial capital for her business. Danesh, the founder of the successful HR software system business, reflected that his business began in a place inherited from his mother:

I think for us funding was an issue because I funded the company on my own; my parents were the ones who helped me with this building, is the place where we started I am still here because of that, now we have moved to several other places too. My mother gave me these premises rent-free. I think that all those are challenges. (Danesh)

Danesh expressed gratitude for his mother’s rent-free provision of an initial business premises. This helped him tackle initial funding problems. While his software company has a few branches locally and internationally, he is emotionally attached to the place.

Many entrepreneurs raised initial capital by mortgaging or remortgaging their homes, as it was imperative to provide collateral when seeking loans from banks. Kamalan, Jayanath, Jaya, Ramesha and Chandara took that route to raise initial capital. A few started their businesses in a bedroom or garage. Prem initially started his electrical panel board fabrication venture in his garage. Sadesh and Naveen launched their businesses in their bedrooms and Sadesh used his vehicle as his mobile warehouse:

I had to put a lot of thoughts, specially the initial capital was the main difficulty had run at a minimum cost. So, what I did was I set up my office in the bedroom with a computer and telephone connection and set up my stores in a station wagon, which was a moving store—all my materials were there. But that time I had no facility of broadband connection. And everything had to be done by me. I had a moving office and I used my friends’ computers to send emails. And I used my friends’ telephones to take IDD calls. So, I had to use all my resources, when you want to achieve something you have to do that. (Sadesh, see Appendix 6[7])

Sadesh emphasised that he aimed to use his small initial capital wisely by saving rent and starting the business in his bedroom and turning his car into a mobile warehouse for samples and raw materials. He was determined and carefully plotted ways to use all resources, including friends, to advance his venture.

Saman, Dilshan, Lasith, Charles and Vincent used their own savings and loans from the banks as initial capital, and built their creditworthiness and credibility in the eye of the banks over a period.

Friends and previous work experience helped the entrepreneurs to build strong personal relationships and networking opportunities with suppliers, customers and the workforce. Jayanath, Chandana, Sam, Anuradha, Ashoka, Kamalan Jaya, Daya, Witharana and Jagendra, who used their previous work experience to establish their initial businesses, also utilised their previous customer and supplier relationships, developed over the years, to advance their own businesses. Jagendra, qualified in engineering and manufacturer and exporter of high-end porcelain ware, explained his approach:

I have contacts with raw material suppliers, machinery suppliers and international buyers, highly skilled workers. I thought I could ask them to join with me; that was the key thing I did. Most of the highly skilled people wanted to join with me. (Jagendra)

Jagendra worked for more than a decade in senior management roles in the porcelain and ceramic industry, and is considered an industry expert. Such experience enabled him to build a strong and trustworthy relationship with suppliers, customers and even employees. Hence, relationships offer favourable supplier terms and initial markets.

Ashoka, a bitumen product manufacturer, secured his factory premises through a friend in the banking sector. His friend suggested he acquire a closed factory, which was ideal for Ashoka's requirements. Because he had experience in factory management and imports and exports, setting up the factory, systems and quality control measures was not a difficult task. Kamalan, professionally qualified in marketing, stated that his business grew with his suppliers and customers and that this relationship eased his cash flow problems. Anuradha, Witharana and Sam also used their previous customer and supplier base to establish their initial businesses. Jaya, a qualified engineer turned entrepreneur in fish exporting, mentioned that his previous contacts were very helpful in securing buyers at the beginning.

Sam, owner of a freight-forwarding company, described his situation:

From the day I joined the Sri Lanka Ports Authority, I made my name among the clients I worked with, always try to add value to the job I do. I did have a little money that was enough for us for this. (Sam, see Appendix 6[8])

Sam believed his dedicated work ethic and commitment to customer satisfaction and competitive prices and services exceeded client expectations. Excellent customer relationships are key to the success of freight-forwarding business.

Saman, Lasith, Danesh, Naveen and Ramesha had previous entrepreneurial experiences (see Table 5.2.). Saman, who has a chemical engineering background, went into detergent and enzyme manufacturing. Lasith, a freight-forwarding executive with a business management background, initially ventured into his own freight-forwarding business. Naveen had previously started new ventures in horticulture, art and craft, and detergent, which were unsuccessful. Danesh founded a tea exporting business while he was a graduate. Ramesha initially started her first venture in Batik fabric manufacturing. According to the entrepreneurs, previous entrepreneurial experience assisted them to identify new investment opportunities, build relationships with banks and gain exposure to the business world.

Chandana's approach in acquiring 50 per cent of a bankrupt business is unconventional. He used positive relationships with previous suppliers and customers as his main resources in his new venture. He found approaching customers easy because sometimes his university friends helped him to secure business in the early stages:

We took over company's 50 per cent of shares with myself and Suresh without any single rupee investment. We did not have money, the only thing we had was knowledge, vast experience, good PR [public relations] and connection with our suppliers. (Chandana, see Appendix 6[9])

Chandana pointed out that he did not have sufficient initial capital to start a business. Instead, he and his business partner, with determination, acquired 50 per cent of a bankrupt business. The only initial resources he and his partner had were knowledge as graduate electrical engineers, vast industry experience and positive relationships with suppliers.

Rehan, a premier exporter of value-added tea products, described his efforts of gathering initial resources similarly to Chandana's explanation. The foreign owners of the business were keen to dispose of it rather than selling it because formal winding up would have meant paying compensation to existing staff. He obtained a bank loan, providing personal guarantors, and took over the business. Yahampath, a female entrepreneur, obtained her initial resources through a manufacturing agreement with a large handloom manufacturer who provided materials, machines and designs. Later, she and her husband took over the business with a few staff members. Samudra, another handloom manufacturer and exporter, source her initial resources from the bankrupt business of her husband. She said she started with two or three machines from the bankrupt business with 15 female employees and part of her house converted into a factory.

Knowledge acquired from formal education in related areas has aided entrepreneurs as a valuable initial resource. Such knowledge is acquired through academic and professional qualifications. There was a set of entrepreneurs who ventured into businesses related to their academic specialisation (see Table 5.2). Anuradha and Witharana, who obtained their academic specialisation in agriculture, started ventures in horticulture and the cocopeat industry respectively, while Saman, whose specialisation was in chemistry, forayed into herbal cosmetic manufacturing. Chandana and Prem have specialisations in electrical and Industrial engineering. They started ventures in electrical panel board and electric steel fabricating businesses. Danesh and Naveen, whose specialisation was in computer science and electronics, ventured into businesses such as software development, and development of e-commerce and secure payment applications respectively. Chandran, who attained a degree in polymer science, started a footwear and rubber product manufacturing business. Lasith, who graduated in business administration, founded a venture in gas and energy. Charles, a chemistry teacher, used to experiment with making new products (substitute for lime juice). Charles affirmed that his educational background helped him develop new product ideas.

In summary, some entrepreneurs obtained initial funding through either their own or family savings or selling or mortgaging their own land and houses. Some ventured into businesses in fields in which they had academic specialisations. Most of the entrepreneurs had previous work experience in the respective businesses they subsequently ventured into. Previous experience assisted the entrepreneurs in establishing their most valuable supplier/customer relationships. It is evident that synergies of resources, such as educational background, work experience and relationship with customers and suppliers, are common to many entrepreneurs.

5.2.3 Initial Tactics and Strategies in New Venture Creation

In Section 3.2, the opportunity was described as an initial blueprint of the entrepreneur's actions intertwining with the entrepreneur's resources, aspirations and business templates. Institutionalisation of opportunity in the market involves a series of interactions with different players and markets, such as labour, capital and customers, which sustain the institutionalisation of the business.

Therefore, this section examines the various tactics and strategies that each entrepreneur adopted in creating his or her own new venture using the resources discussed in the previous sections. Table 5.3 shows the initial tactics adopted by each

entrepreneur to establish in the market place initially. It is interesting the array of tactics used. The entrepreneurs represent businesses in both manufacturing (26) and service sectors (5) of the economy.

Table 5.3: Entrepreneurs and their initial tactics

o	Name of entrepreneur	Product Quality	Direct Marketing and Other	Niche Marketing	Contact with Suppliers and Customers	New Products and Markets	Technology and Innovativeness	Reinvestments	Lower Overheads	Overhead Cost	Working Capital	Risk Taking	Training Employees	Manufacturing	Contracts	Location
		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
1.	Saman	✓	✓	✓								✓				
2.	Chandran				✓			✓								
3.	Gihan					✓		✓			✓					
4.	Anuradha				✓			✓								
5.	Naveen				✓		✓									
6.	Jaya	✓			✓											
7.	Chandana				✓			✓	✓	✓	✓	✓				
8.	Kamalan	✓	✓		✓			✓		✓	✓					
9.	Jagendra			✓		✓	✓									
10.	Vincent	✓	✓		✓			✓				✓				
11.	Danesh	✓										✓	✓			
12.	Yahampath					✓								✓		
13.	Keshan					✓	✓					✓				
14.	Jayanath					✓		✓				✓				
15.	Prem				✓			✓	✓							
16.	Rehan	✓					✓									
17.	Jane				✓											
18.	Witharana				✓			✓	✓	✓	✓					
19.	Daya							✓	✓							
20.	Dilshan															✓
21.	Suja	✓												✓		
22.	Sadesh				✓			✓								
23.	Ramesha							✓				✓				
24.	Samudra							✓	✓							
25.	Lasith							✓				✓				
26.	Charles							✓								
27.	Samuel					✓	✓									
28.	Vicky	✓										✓				
29.	Ashoka	✓										✓				
30.	Sam	✓			✓			✓								
31.	Sanath	✓						✓								
	Total	11	3	2	12	7	5	17	5	4	10	1	2		1	

Some entrepreneurs tied up with one or very few customers whom they knew from either previous work or personal contacts. In the case of Suja and Yahampath, both had agreements with a customer who initially bought their products. That approach helped them experiment with products, designs and quality combinations. Suja, a vegetarian processed food manufacturer, started her business by making jellies and puddings, and found it difficult to source the best ingredients and raw materials. She worked closely with the food division of the Research Institute of Sri Lanka to assure quality and comply with labelling regulations. She started supplying supermarket chains in Sri Lanka under their brand name and subsequently under her own brand. Yahampath, a manufacturer and exporter of handloom products, described her initial tactics:

The previous owner was looking for someone reliable to take over factory machines yarn including workers' supervisors and know-how. We had to give them some deposit and that is how we started this business. We started manufacturing on contract. I started making all kind of new handloom-based products apart from the manufacturing contract. Anyway, that is the time we started and GTex sold whatever we made. Then I told my husband if GTex can sell our fabrics and I am sure we can sell them ourselves. So, we started the first shop on Maya Avenue. (Yahampath, see Appendix 6[10])

Yahampath had a manufacturing agreement and the freedom to experiment with product colours and patterns without taking a substantial risk. Most importantly, she realised that there was sufficient demand for the products, which enabled them to open their own shop.

Sadesh and Witharana had only a few customers who they knew from previous work experience and with whom they negotiated for orders, payments and advances. Sadesh, a fabric sourcing entrepreneur for predominantly UK High Street retailers, based his strategies primarily on previous work experience and networks. Thus, he understood the requirements of garment manufacturers more than most of his competitors could. Witharana, a cocopeat exporter, described his relationship with customers:

I bought the product from outside and continuously supplied to the small buyers: one from Japan, one from Germany and one from Italy. Later, I got to know that buying and selling you did not want much money and labour. My buyers are trustful and they are giving advances; they are very good people. (Witharana)

Witharana continued to supply three small-scale foreign buyers from Germany, Japan and Italy. He noted that continuing the business in the form of buying and selling would

not require much money or labour, since his buyers were trustworthy and paid in advance for the orders, which helped him solve working capital issues.

Another group of entrepreneurs, Vincent, Saman, Jaya, Kamalan, Danesh, Vicky, Ashoka and Samuel, identified market gaps and positioned their products in the market with the right quality and price combinations; this required substantial analysis and advanced decision-making skills. They were driven by the desire to build an excellent product. Vincent admitted he knew it was a difficult task to launch a herbal pain relief balm in the presence of established multinational brands:

If the retail shop owner refused on the first occasion, I did not give up and on my next visit I persuaded him to buy a small quantity of the product. I made sure to pay my next visit and persuaded him to buy a small quantity of the product. I gradually took the shelving space. (Vincent)

Vincent mentioned customers accepted his product as an extremely good Ayurveda balm and he was directly involved with distribution without using agencies. He cited this as the biggest reason for his success. He further explained that had he used distributing companies at the beginning, they would probably have neglected his product when it was not doing well in the market. He obtained raw materials from the wholesale merchants at Pettah on a credit basis and built a good rapport with them, offered them post-dated cheques and ensured they were paid on time.

Jaya, a pioneer in exporting whole prawns to the European market, was initially able to send 10–15 tonnes. He bought these from other prawn farmers. He mentioned that his extensive experience in fishery related businesses in Sri Lanka, the UK and Sierra Leone helped him find initial customers. Further, he introduced the hygiene, preservative and coding standards necessary for his business using his previous experience. He said following these standards made it easier to ensure quality and gain accessibility to the foreign markets. Saman, a leading herbal cosmetic manufacturer, described his initial tactics in terms of products, markets, pricing and distribution:

We did not go head on with multinationals or leaders in the market; we created a different niche in the market ... We were never the cheapest in the market and also, we did not go to the small packaging like sachets, even today we are not in that market ... We used good machinery from Germany to manufacture cosmetics. We made a good product and we had one thing in mind. We were aware of the competition from India because India is big cosmetic manufacturer, but we wanted to differentiate our products from the Indian products, so we use only European raw materials. (Saman, see Appendix 6)

Saman was aware of the competition from products manufactured by both multinational and Indian companies and never competed directly with any players in the market. He wanted a distinguishable product and emphasis was given to the quality of the manufacturing process and the raw materials. His product was never the cheapest in the market and never available in sachets. He used direct marketing, which elicited valuable customer feedback.

Kamalan, a luxury bedding manufacturer, described his main tactic as focusing on market penetration and greater market availability of the product. He said that within five years, the company had gained a position of managing the whole category of luxury bedding in certain department stores, including competitor products. He participates in exhibitions and shopping festivals mainly because he believes people would like to listen, ask questions and experience the products. Additionally, he sponsors school functions that promote healthy living, highlighting the importance of changing pillows regularly:

In terms of suppliers, some are the biggest manufacturers in that particular country or some are very good manufacturers in the world. We have tied up with them and we are happy with them. They are very consistent very good understanding. Some of them are consciously supporting us knowing that we are a small company but our intentions are good. We kept our word we kept our promise; they supported us a lot. From the customers' end, some who started a business with us is growing and we are growing with them. (Kamalan, see Appendix 6[11])

He pointed out that his firm connected with the best manufacturers in the respective country of trade, or sometimes, the world. Hence, his firm has managed to maintain a quality that is on par with UK standards. Many customers provided generous advances on their orders and suppliers provided generous credit terms. Suppliers were always paid on time, securing trust and reliability.

Danesh, a software systems developer specialising in HR systems, confident about his product and its ability to compete with international rivals. However, he remembered that in 1997, he had developed an initial HR system (employee information system) for a giant multinational company in Sri Lanka, but he ensured that intellectual property rights and the software system belonged to him. He recruited engineers with early programming language skills and trained them in new programming languages. He elaborated on his early efforts:

Shell—it is more like employee information but Sri Lankan Telecom and Sri Lankan Air Lines dealing their payroll systems. As you mentioned ... but I think

persuasion means ... we can do it ... we backed it up with quite a bit software processes development experience which bring it from the US; that experience helped; I had done these things and was able to convince we had only three people ... Our plan was to build a great product; that was the only motivation. We wanted to surprise everyone by building great product. Our interfaces are so good ... people look at it say it is a US product because people think that Sri Lanka cannot build products. Even to this date, when we go for big sales presentation and conferences, they always ask me where you have done this? I say this is done in Sri Lanka. Then they asked whether I have any links with the US. I just keep quiet because I wanted to sell that product. (Danesh)

Dinesh points out that his strong educational background as a computer science engineer and years of experience in US Fortune 500 companies was key to his early success. His first customers were Sri Lankan Air and Telecom Sri Lankan. The task was designing payroll and HR systems for these big organisations. However, he was aware of the risk he and his team were taking. Having successfully delivered on the two contracts, his company was set to expand and grow long term. He mentioned that nobody would believe that it was a Sri Lankan-developed product and that he always strives to build the best product.

Vicky, Ashoka and Samuel also centred their strategies on quality. Vicky identified the need for a marine repairs and services firm. He mentioned that years of experience and professional training in the UK enabled him to deliver the highest quality, which he matched with a slightly higher price. Samuel was keen to emphasise the humble beginnings of the family business that has developed into today's conglomerate, with 18 subsidiary companies. Their tactics were to focus on imported Japanese technology, manufacturing high-quality bicycle tyres to establish a strong position in the Sri Lankan market against the existing market leader. Ashoka, the bitumen manufacturer, explained his initial strategies and tactics:

The road construction sector and road construction companies do not consider what day or time. They are task oriented; they start early in the morning and go until late in the evening, not only that, they do not follow the weekend or Poya days[public holidays]. Once they start the job, they continue until the segment is completed. Mainly because they hire equipment, people and they get the special permission from the police to close the roads. They need to very actively work meeting the deadlines and time lines, something extremely important. We notice the relationship with the bitumen supplier with the contractor with the technical or non-technical relationship was generally very poor and that was another area we looked at. So, we started right from the beginning; we will serve you 365 days, 24 hours of the day. We lived up to that very effectively. We were very serious about the quality, we equipped our laboratory. (Ashok, see Appendix 6[12])

Ashoka identified the road construction industry demands instead of entering price wars with established manufacturers. His initial strategy was to excel in product and service, which is crucial, but unable to be provided by his competitors. Excellent service with the timely delivery of the product is crucial, particularly in the road construction sector, which works on holidays, weekends and off-peak hours. So, as a supplier, his company always aims to meet customer expectations.

Jayanath, Rehan, Naveen, Jagendra, Gihan and Keshan focused on discovering new markets. Some of them introduced new technological know-how to their firms in catering to these new markets. Jayanath decided to cater to emerging markets, such as Russia and other Eastern European markets. His initial visits to these countries were in the early 1990s, soon after the political reforms. These markets showed immense potential for tea products. Rehan decided to manufacture value-added products based on tea and export them to different countries. He formed various collaborations with local universities for new product developments. Naveen, the e-commerce and secure payment solution provider, used existing technology innovatively to provide solutions for banks to widen their customer base by reaching rural masses with fewer capital investments. He referred to this method as 'mobile banks'. Bank executives used magnetic card readers with a special software developed by his firm to reach the rural sector, seeking more deposits from a new set of customers. Jagendra, who founded a ceramic manufacturing and exporting business, wanted to manufacture high-quality homeware ceramic items for niche markets. His years of experience in the ceramic industry helped him immensely. He mentioned that Sri Lanka has the world's best raw materials for ceramics and he wanted to use the best technology, which can be found in Japan, England and Germany. Further, he wanted to add new colours and shapes to the products.

Gihan and Keshan both inherited their businesses from their parents. Gihan, an exporter of spices and fragrant oils, decided to start a new business in manufacturing perfume and fragrances for the hospitality industry. He mentioned that he was already a supplier of high-quality raw materials for making those fragrances, but wanted to also make value-added products. According to Gihan, his tactic was to offer high-quality products at an affordable price. Keshan inherited the business after his father's death. It was a joint venture with an Australian company. As a qualified industrial engineer, his passion was manufacturing. He realised that the business needed expansion, as it was solely dependent on electric switch manufacturing and the technology needed to be updated.

He decided to add a new range of products, enabling the provision of total electrical solutions, and infused the company with the latest technology.

Samudra, Ramesha, Charles, Daya and Lasith believed that the key to their success was reinvesting and initially keeping overhead costs low. Samudra, a handloom exporter, explained that in the early stages of the business, she never claimed a salary; only employees were paid. The business earnings were reinvested. After the business gained stability, she started exporting. Charles asserted that he never wanted to be a big businessman. Instead, he is satisfied being a small, innovation-based entrepreneur and does not like to borrow from banks. Reinvestment was his only strategy. Daya, a manufacturer and exporter of ceramics, cited energy costs as the cause of production cost increases. Therefore, he had to use cost-saving methods to keep overheads low and reinvestments kept the business going. Ramesha, an export-oriented garment manufacturer, stated that her strategy was taking the risk and capitalising on the opportunity. She has had to adopt reinvestment and lower overhead costs in conjunction with her high-risk attitude. Lasith elaborated on his initial strategies with sense of triumph:

The biggest challenge we had was to convince financial institutions to lend money. They knew we are up against strong, dominant multinational players. They had a question mark. We managed to convince them. We planned it gradually, slowly, step-by-step. Rather than making a huge investment on the ground, we did it systematically. Where our investment was to gradually we start our LPG storage, 50 tonnes, then we increase to 100 tonnes ... then we increase up to 200 tonnes ... then we increase to 1,000 tonnes. We increase to 2,500 tonnes rather than initially setting up 2,500 tonnes, which requires huge capital. We gradually increased without adding huge debt to our capital requirement; that is how we while we earn we reinvest into the system. (Lasith, see Appendix 6[13])

Lasith took calculated risks and his expansion of the business was gradual. He expanded the capacity of the business gradually and distribution was initially restricted to the main cities of the country. Initially, he and his business partner did not take salaries, which kept the costs to a minimum; their sole focus was reinvesting every penny.

Chandana, Chandran, Anuradha, Prem and Sam also used business contacts developed over the years to support their new venture. Chandana, managing director of a group of companies, started an initial business in electrical panel board manufacturing. He stated that his engineering background and previous experience helped him immensely in establishing the business. However, the business he acquired was on the verge of bankruptcy and had lost the goodwill of suppliers and customers. That was one

problem they had to overcome, even though their products differed from those of the previous company. Chandana asserted that customers' advance orders and advance payments kept working capital problems under control. Suppliers were ready to cooperate again based on receiving post-dated cheques. The initial turnover was small, but they managed successfully to keep the overheads at the lowest possible level. Chandana explained how he secured important orders:

We had good PR with engineers, every construction company decision-making body has got engineers; in that case, we speak the same language as other competitors, being an engineer that is the advantage. (Chandana)

Chandana mentioned that entering markets was not challenging, as he had productive relationships with engineers in decision-making positions in the industry. Many of these engineers had either been fellow students or former colleagues. These networks provided valuable business opportunities.

Chandran, a manufacturer of rubber-based products, mentioned that years of experience had allowed him to build strong relationships with customers and suppliers. He knew manufacturing and managing people. His polymer science academic background played a key role, and in the beginning, he did all the formulations that enabled him to secure quality standards. He initially received support from customers and employees and reinvested money into the business.

Anuradha said he was confident about the new venture. He had turned the previous company in which he worked into a profit-making company within a few years. His efforts were known to suppliers, customers and banks and this had a favourable impact on his new venture. Banks were willing to provide loans and customers and suppliers were readily available for his horticulture business. Prem used his business contacts, particularly friends who were colleagues at the university, when establishing the market for his electrical panel boards. Most of his friends were in decision-making positions in the construction industry. Sam, who ventured into the freight-forwarding business, mentioned that the service industry does not require the large capital of a manufacturing venture. He needed to have a few reliable customers. This was not difficult, as he had a very good reputation in the industry and always aimed to deliver the highest quality service.

Jane, Sanath and Dilshan employed a strategy more closely linked with customers and suppliers. This can be described as forward integration for Dilshan and backward

integration for Jane and Sanath. Jane believes that her strategy for success is her unique business model. As a supplier to holiday resorts, particularly in the Maldives, she was constantly looking to integrate with suppliers. Jane's supplier network includes small farmers and artisans with exceptional skills and drive. She never tried to own them but worked with them to grow her business using expert knowledge, techniques and raw materials. It was her task to find the market for the products. This has been an exceptional fit. To date, Jane has never tried to own her suppliers but has helped them overcome their difficulties during rough times. Sanath is an entrepreneur involved in exporting fresh foods to foreign destinations. Sanath mentioned that it was key for his business to partner with local manufacturers and obtain high-quality products. He also mentioned that reinvestment kept the company afloat at the beginning. Dilshan, who started his initial business in manufacturing ice cubes and storage facilities for fishermen, mentioned that his main tactic was to remain close to the customer base.

In summary, entrepreneurs have adopted initial tactics such as a focus on product and service quality, reinvestment, lower overhead costs, manufacturing contracts, training employees, technology and innovations, efficient working capital management, contact with customers and suppliers, new products and markets, location, direct marketing and niche marketing. Each entrepreneur has used different tactics, influenced by the nature of the business and the initial resources of the entrepreneur. Service entrepreneurs focused on the efficiency of the processes. Entrepreneurs in manufacturing attempted to match the quality standards and production technologies with those of the UK, Japan or Germany. Some entrepreneurs were keen to search for new geographical and niche markets. Some used their years of business experience and contacts to access those markets. Most entrepreneurs solved their working capital problems through managing their customers (debtors) and suppliers (creditors). Direct marketing was effective for many entrepreneurs in establishing their products in the market and good relationships with customers, built over a period, helped to secure initial demand for their products and services. Entrepreneurs showed different skills of planning, negotiating, networking, analysing and decision-making. Hardworking, resilience, persistence and the committed nature of the entrepreneurs ensured the success of the initial strategies.

5.3 Motivation to Start Up

In the semi-structured interviews entrepreneurs were expected to answer questions on how they were motivated to become an entrepreneur. Subthemes were identified during the interviews when the entrepreneurs revealed their individual stories on motivation.

Accordingly, the nodes grouped under motivation include the subnodes: sense of achievement, doing something for the country, family business environment, independence, job dissatisfaction, no other alternative and additional income. Sections 5.2.1–5.2.7 are based on the subnodes and discuss the perspectives underpinning the interviews.

Table 5.4 illustrates the motivations of each entrepreneur in the sample (indicated by '√'). In some situations, entrepreneurs identified a main reason and a secondary reason. These are indicated by the (**) mark. Each category will be discussed in detail.

Table 5.4: Entrepreneurs and their motivational factors

No.	Name	Sense of Achievement and Satisfaction	Doing Something for Society	Family Business Environment	Sense of Independence	Job Dissatisfaction	No Other Alternative	Additional Income
1.	Saman	**				√		
2.	Chandran	√						
3.	Gihan			√				
4.	Anuradha	√						
5.	Naveen	√						
6.	Jaya			**			√	
7.	Chandana	**				√		
8.	Kamalan	√						
9.	Jagendra	√				**		
10.	Vincent	√						
11.	Danesh	√	**					
12.	Yahampath							√
13.	Keshan			**			√	
14.	Jayanath				√	**		
15.	Prem	**				√		
16.	Rehan				√			

17.	Jane			√				
18.	Witharana					√		
19.	Daya	**		√				
20.	Dilshan							√
21.	Suja			√				
22.	Sadesh						√	
23.	Ramesha						√	
24.	Samudra		√					
25.	Lasith	√						
26.	Charles	√						
27.	Samuel			√				
28.	Vicky	√						
29.	Ashoka		**		√			
30.	Sam	√				**		
31.	Sanath	√						
	Total	12	1	5	3	4	4	2

Keys: √ = main motivating factor

** = secondary motivating factor

5.3.1 Sense of Achievement

This subgroup comprises 12 entrepreneurs. Some entrepreneurs were motivated by a sense of achievement or a desire to achieve their life's dream or material luxuries.

Anuradha and Naveen identified a desire for luxuries in materialistic life, such as nice vehicle and a big house. When Anuradha developed a close relationship with the former chairman of his previous workplace, his life experience inspired him and gave him the confidence to start his business and achieve what he dreamt of. Naveen, a technology entrepreneur explained that he obtained his inspiration from his business studies teacher inspired him to dream about what he could achieve by being an entrepreneur:

I told you that while I was doing business studies there was a master who was very nice to us. He was fantastic. We grab everything he taught us. Master taught us how companies were functioning profits are generated. So, I got into

the dream of running my own company one day. I wanted a lot of money. I wanted to have houses. (Naveen)

Naveen's inspiration to become an entrepreneur was ignited by his business studies teacher's charismatic teaching style, which awakened him to what entrepreneurs can do and achieve materialistically.

Kamalan, a young entrepreneur in luxury bedding, said that the success stories of famous entrepreneurs inspired him. He had met and listened to the speeches of prestigious entrepreneurs, who were keynote speakers at annual general meetings of school alumni.

Chandran's inspiration came from the managing director of the previous company he worked for:

When I started working here in 1984, his office was a big air conditioned room while I was outside of the room. He just started the factory. He was the big boss and I felt a bit small in front of him and I felt jealous about that very first day. I did the very first export of that company and trained employees. I was the first general manager of that company and I was young. I had all the energy to do morning to evening; he never got involved with anything. I started to think he was using very nice Jeep Nissan Patrol. I had a Ford Escort, small car. My jealousy started to build up and I also wanted to start my new venture. (Chandran, see Appendix 6[14])

He envied the luxurious life style that his boss enjoyed and started to assess his own capabilities. As a general manager of the company, what he had achieved for the company through his demanding work was remarkable and motivated him to start his own enterprise. Similarly, Sanath, a leading exporter of vegetables and fruits, shared similar experiences to those described by Chandran. He felt that he had a vision and worked hard as an employee for the success of the company. He knew that he could do better if he started his own business in fresh food exporting.

Lasith, the managing director of a large conglomerate, said that becoming an entrepreneur was the only option available:

It was the only option because I was born to a poor farming family. I had lot of dreams; the only way to achieve those dreams is to be my own master ... it was not by choice, I did not have many choices to become ... that was the only option I had in front of me ... When you do not have clothes to wear ... food to eat, what will you do? You have a burning desire inside. I want to achieve all that ... I want to gain all that. How do you do that ... If I start to work for someone then I had limitations ... my family was very poor. I had to help my mother,

brothers and sisters ... the only way to help is creating sufficient wealth ok ... in order to create unlimited or sufficient wealth, the only way is to become an entrepreneur. (Lasith)

According to Lasith, he was born to a poor farming family who was struggling for basic needs. This provided him with a burning desire to achieve sufficient wealth for himself and the ability to support his mother, brothers and sisters. The only wealth he had at that time was his university education.

Sam, the managing director of his own freight-forwarding company, felt that others were exploiting his skills and that he was the only one who could lift the standard of living of his brothers and sisters. Vincent, the chairman of a group of companies, said he lost his mother when he was seven years old and life had been difficult ever since. However, he said he never lost the desire to achieve, become a 'big person' and be successful making money and competing in business.

Jagendra, the managing director of a ceramic ware manufacturing and exporting company, at one point realised that he was highly qualified academically and professionally in engineering and management, but that his salary was not increasing. At the age of 30, he became the managing director of a leading ceramic company in Sri Lanka. He believed it was a new challenge in life and the satisfaction of achievement really pushed him to become an entrepreneur. Charles, a school teacher turned entrepreneur, said that needs drove his inventions. He earned more from his additional business than he did from his teaching salary; his intentions were driven by the satisfaction of creating new products.

Vicky, a maritime service provider, started his own business in the early 1970s when there were no private Sri Lankan operators in the industry. He wanted the pride of achieving remarkable results and being a Sri Lankan pioneer. He stated he did not have financial restrictions; he had sufficient financial capital from working for world-leading shipping companies in foreign projects because of his expert skills as a marine engineer.

Danesh, an IT entrepreneur, had always wanted to start a company and had some entrepreneurial experiences while studying in school and university in the US. He came back from the US to start his own company in software development. He wanted to offer opportunities to Sri Lankans and exhibit Sri Lankan talent. He argued that today, Sri Lankan HR software developments can compete with any other country.

A sense of achievement primarily motivates this subgroup of entrepreneurs. They described this motive in many ways. Some described it as achieving their 'lifetime dream' while others described a desire to achieve luxuries and material goods and become 'a big person'. Another set of entrepreneurs described it as striving for challenges to provide the satisfaction of achieving for self and family. It is important to note that most entrepreneurs mentioned that their achievement motivations were instigated from listening to or observing the success stories or lifestyles of successful entrepreneurs or superiors in the workplace.

5.3.2 Doing Something for Society

One entrepreneur was motivated to become an entrepreneur purely because she wanted to do something for society. Samudra described her aspirations using terms such as 'uplift the standard of living of the people' and 'support the life struggle of the common people':

I really wanted to become a politician but ... then at a particular stage in my life I have to make a choice of starting something to help people. My husband showed me the path, he just opened the door for me. Then I went through the door and found the entrepreneur living in me. It slowly came out ... and slowly discovered moral obligation ... that one should do something in a lifetime. I think it comes from my genes, my father's father was politician, grandmother's father is the one who donated the land for the Maliyadeva School. We have all generations of people who have been in touch with society and working for country. (Sumudra)

Samudra described herself as not from a business background. She is a practising lawyer who always wanted to become a politician and help people. She believed that one has a moral obligation to contribute to society. This idea stemmed from her genes. Her forefathers had always contributed to society. She was grateful to her husband who showed her the path and helped her find her inner entrepreneur. Further, she mentioned that her business venture in the handloom sector was trying to do something for society. The handloom industry is in a stage of decline and predominantly only senior women engage in this business to earn their livelihood. Revitalising the declining industry has given this workforce another chance and preserved the craft.

This subgroup is primarily motivated by social contribution and social responsibility. However, only one entrepreneur was explicitly motivated by doing something for society. Two entrepreneurs (Danesh and Ashoka) cited this as a secondary motivating factor.

5.3.3 Family and the Business Environment

This subgroup consists of five entrepreneurs who are motivated by their family and the business environment. Their parents were small- and medium-scale businesspeople and their children were inspired by their daily life routines, behaviours and achievements. Two other entrepreneurs (Keshan and Jaya) mentioned family and the business environment as a secondary motivating factor.

Daya, a ceramics manufacturer and exporter, said his father was in business and that made him think that becoming an entrepreneur was an excellent way to success and achievement for the country. He believes that entrepreneurship is in his genes, which gave him a great deal of freedom to do whatever he wanted to do and to do something for society:

Well my father was in business. I thought that was the best. Becoming an entrepreneur is something ... great success and you can do a lot for your country. You can do whatever you think is right ... you do not have to listen to people. (Daya, see Appendix 6[15])

Gihan, an exporter and manufacturer of fragrance oil, and Jane, a marketer and supplier exclusively for holiday resorts, believe that entrepreneurship is your genes. Jane explained this further:

You do not become an entrepreneur, nothing externally motivates you. It is in you. You live with it. You breathe it. So, you use your entrepreneurial spirits. (Jane, see Appendix 6)

According to Jane, motivation does not come from outside forces; it is in the genes and family roots. Therefore, it is difficult to identify a single factor that motivates a person to become an entrepreneur; it is a natural instinct.

Suja, a manufacturer of vegetarian ready meals, gave up her teaching career when her child was born. She was bored staying at home and needed to do something productive. Her father was a small-scale businessman who ran a distributing agency. She was familiar with her father's daily routine of long hours of hard work. Even at that time, she made food items and sold them at her father's shop for fun, which inspired her to start her own venture.

Samuel, a managing director of a large conglomerate, mentioned that his father was a businessman and the environment in which he and his brothers were raised was quite inspiring. He elaborated further:

When I was studying, father started the factory in our village. After school, we also worked in the factory, we helped packing shoes. When you see the finished product coming out from the machine we felt so happy like seeing a fruit-bearing tree. In the factory, you have any kind of job ... technical jobs ... production jobs ... accounting jobs—all were there. When machines were working, my brother used to say it is nice to see motors are working ... when you have grown up in the environment of factory ... at a young age you develop the skills and liking for it ... When we lived in the village, recognition is there, as you employee a lot of workers in the factory. Father was well respected because he was providing jobs for us it is a social service. (Samuel, see Appendix 6[16])

Samuel emphasised that the environment to which they exposed at a young age inspired them to become entrepreneurs. As a child, he and his brothers found exciting new jobs in his father's factory after school. He was persuaded by the home business environment and the recognition his father obtained from the public, as he was able to provide jobs for hundreds of locals.

This subgroup is motivated by a family business background. According to the entrepreneurs, they were exposed to the business environment at an early stage of their lives and saw what their parents had achieved and the recognition they received from society. This inspired them to become entrepreneurs.

5.3.4 Independence

This subgroup consists of three entrepreneurs. They were primarily motivated by observing entrepreneurs' behaviour and enjoying the 'freedom to act according to his or her own wish'. Some entrepreneurs declared that lifestyle and decision-making independence motivated them to become entrepreneurs.

Ashoka, a bitumen manufacturer, mentioned that his motivations for becoming an entrepreneur went back to his childhood:

I always valued my own freedom; working under somebody always had conflicted inside me ... I wanted to do something, and it is agony to work for someone on those boundaries. Of course, the financial freedom is one thing, I always felt the business people and entrepreneurs have more earning power. (Ashoka, see Appendix 6[17])

Ashoka explained that his intention was to become his own boss. He had always valued his freedom and experienced conflict when working under someone. He also believed that entrepreneurs had more financial freedom and earning power and a wider scope in which to work.

Jayanath, a leading tea exporter, worked in his job as a tea taster at a leading tea company from 1977–1994. He knew there were opportunities in the industry but said that when you work for someone, you do not have the freedom to change and operate in limited remit. He felt restricted by the company and its financial policies. They were also reluctant to take risks. He decided to start his own business in 1995 after working for 18 years for someone else.

Rehan, another leading tea exporter, resigned from one of the world's leading tea producing companies after a very successful career. He had several disagreements with the CEO, but felt as a senior manager that he did not have enough freedom to execute his plans. He was searching for an opportunity to start his own business, as he was never satisfied while working under someone else.

This subset of entrepreneurs is driven by a 'sense of freedom'. They described this in many ways. Some described the motivation to become entrepreneurs as a 'sense of financial freedom', of not working for someone else, and becoming your own master. Some described it as giving a wider scope to work and not being restricted by company policies and regulations.

5.3.5 Job Dissatisfaction

This subgroup consists of four entrepreneurs who were motivated by dissatisfaction under their previous employer. Lack of recognition and decision-making power were the most common reasons for job dissatisfaction in this group. Two other entrepreneurs (Jayanath and Jagendra) mentioned the same factor as secondary motivation for becoming an entrepreneur.

Chandana, an engineer and managing director of a leading electric panel board manufacturing company, explained that his main motivation to start his own business came from previous employers:

Former companies were compelled to start. They did not give authority, but responsibility; when we failed the responsibility, we were fired. That is the only

motivation factor behind this start. We had the knowledge when we started the factory. We did not have vast knowledge after graduation in 1998. Only in 2003; we started with five years' experience. (Chandana, see Appendix 6[18])

Chandana said that 95 per cent of blue-chip companies in Sri Lanka assign responsibility to employees without giving them authority. This makes it difficult to make the right decisions at the right time and employees are blamed for poor performance. He faced similar situations on many occasions and finally decided to start his own business with his business partner engineer.

Prem, another electrical engineer and now managing director of an electrical circuit board manufacturing company, said the company he previously worked for was a renowned British engineering company. He acquired excellent training in every aspect of the business and the processes the company used, but there was no scope for his ideas due to company bureaucracy. For these reasons, he decided to leave a very good job and start on his own on a small scale.

Witharana, a small-scale cocopeat manufacturer worked with Dutch researchers who looked at the potential economic benefits of a large collection of coconut husks. As a young science undergraduate, this was a fascinating experience because cocopeat was a totally new substance to Sri Lanka and the world at that time and subsequently worked for a pioneering coco peat processing company in Sri Lanka. He used his all-important contacts and experience in the company for 13 years, but his contributions were never appreciated. He felt demoralised, frustrated and compelled to leave the company and start his own venture.

Saman, a managing director of a leading herbal beauty product manufacturer in Sri Lanka, explained his sudden realisation that there was grim hope for climbing the cooperate ladder, which pushed him to become an entrepreneur:

Suddenly, somebody else buys the company and then they bring outside people [hiring senior management instead of promoting] ... all our dreams are shattered, then I realised even if I go and work somewhere else this thing can happen once again, then I thought I should start on my own business and that is how we decided. It was (not so much) a risk, more of an accident. (see Saman, Appendix 6[19])

Saman never wanted to be an entrepreneur He was a marketing manager for a leading multinational company aiming for his next promotion. However, sudden restructuring of the company's management team meant top management positions were filled with

external candidates. This incident shattered his dreams and he realised that even if he went somewhere else, the same thing could happen. Hence, he decided to start on his own and become an entrepreneur.

This subgroup was primarily motivated by dissatisfaction at previous workplaces. They described the situation in different ways. Some rebelled against company bureaucracy. Others described how their work was not being appreciated. Others communicated that responsibility was given without authority to make decisions. Dissatisfaction at work drove them to start their own businesses.

5.3.6 No Alternative

This subgroup consists of four entrepreneurs who felt compelled to try life as an entrepreneur. The reasons are mostly related to life-changing situations they encountered. Such life-changing situations were caused by natural circumstances (death) and turbulent economic and social circumstances.

Ramesha, a female entrepreneur and managing director of a group of companies in Sri Lanka, explained her situation:

My husband was ambushed, and he died in operations in 1971 during the insurgency. My eldest daughter was two years old and I was expecting the younger one. I was a keen housewife at the time. I was married ... this change of life gave me responsibility and something that I should do beyond what I was. Also, the way ... the society looked at me. Because I had two daughters; the second one also born as a daughter. (Ramesha, see Appendix 6[20])

Ramesha did not have any option when the militants assassinated her husband during the 1971 insurgence and his pension was barely enough for subsistence. She needed to provide security for her two-year-old and unborn daughters. It was a move to take the responsibility and prove her resilience to people who made questioned how three women could survive alone. Becoming an entrepreneur was not a conscious choice; it was the only way forward.

Keshan, an industrial engineer and managing director of Sri Lanka's leading electrical switchboard manufacturer, explained how unexpected change in his life prompted him to become an entrepreneur:

I was put into the deep end to swim ... as an entrepreneur after my father passed away. I got in to the industry. At one time, I wanted to join the army. But

here the case arose where I had to see to the running of the business. But of course, when my father passed away ... people like Mr R from ABC (managing director of big conglomerate) ... said *putha* (son) ... we are always there for you ... you are one phone call away ... It gave huge moral support for me. (Keshan)

Keshan reflected that although he loved engineering and manufacturing, he wanted to join the Sri Lankan army; however, his father's sudden death left him no option but to take over the business, although he had never meant to be an entrepreneur. It was a challenge and uphill task to suddenly take over the reins from his father.

Jaya, an owner of a fish processing and exporting company, said his father's and brother's deaths compelled him to return to Sri Lanka and start his own business. Sadesh, the owner of a fabric sourcing company, was left with no choice but to start his own business when he could not find a job on his return to work after a few years in a foreign country. He had many years' experience working in the garment industry as a merchandiser, both locally and internationally.

This subgroup became entrepreneurs because of a life-changing events. Sometimes it was the sudden loss of a parent or a spouse. Sometimes it was the sudden loss of a job that made individuals become entrepreneurs as a last resort.

5.3.7 Additional Income

This subgroup consists of two entrepreneurs who were motivated to earn additional income for the household. They were permanent employees and realised that they could not give extra support to the family with their current job.

Dilshan described how the thought channelled his motivation to become an entrepreneur; he felt compelled do something for the future of his children:

Making more money, no other reason. I had worked for 35 years and I will have something for my children and they are all directors of this company. (Dilshan, see Appendix 6[21])

By the time he started an ice-cube making factory, he was already a director of a leading air conditioning and refrigerator company. However, he was unable to make substantial savings for the future of his family.

Yahampath, a leading handloom exporter, also explained her main motivation to become an entrepreneur:

I can say maybe it was extra money, because we had four children and both of us were government servants we were thinking of some extra money. The dairy farm was our first business, though it did not work That is one great thing; we had a dairy farm during 1970–1977. It was a difficult time, food shortages were everywhere in the country. We had enough milk, I made butter and cheese, my children did not miss anything all. (Yahampath, see Appendix 6[22])

Yahamapath was motivated was to earn extra money for the family of four children. Both she and her husband were civil servants and the additional income generated from initial business efforts was a great relief, as in 1970–1977, closed economic policies created food shortages. Her efforts provided not only extra income, but also an essential food supply for the family.

This subgroup consists of entrepreneurs who were motivated to become entrepreneurs, as they wanted to generate some additional income for the household. Most had permanent jobs. They wanted to become entrepreneurs because this would provide a secure future for the children and family.

The largest number of the entrepreneurs were motivated by achievement (12). Others were motivated by their family and business background (5), job dissatisfaction (4), no other alternative (4), a sense of independence (3), additional income (2) and doing something for society (1). Entrepreneurs are motivated primarily by one factor, but there were situations in which secondary factors also play an important role (11). There were instances in which motives of achievement and sense of independence were coupled with the secondary motive of job dissatisfaction. Also, the primary motive of no other alternative was coupled with family background.

5.4 Institutional Influence

Chapter 3 considered theoretical discussions on various institutions (see Section 3.4) and their influence on entrepreneurs and entrepreneurship (see Section 3.5.2) in great detail. The entrepreneurs were expected to answer three open-ended questions on how social and cultural, economic and financial regulations have influenced their new venture creation process. Accordingly, the nodes grouped under institutions and their influence on entrepreneurs include the following subnodes: social and cultural; government

policies and regulations; and financial policies and regulations (see Sections 5.3.1–5.3.3), which discuss the themes underpinning the interviews.

5.4.1 Social and Cultural

Five major themes emerged when analysing the responses of the entrepreneurs. Entrepreneurs discussed many aspects of the social and cultural settings of Sri Lanka. Emphasis was given to the influence of social and cultural settings on entrepreneurial journeys. Each entrepreneur focused on different facets of the social and cultural background of Sri Lanka. Table 5.5 presents the social and cultural factors influencing the entrepreneurs. Entrepreneurs did not focus on the same theme. Themes varied according to the individual perspectives of the social and cultural set-up.

Table 5.5: Social and cultural factors influencing the entrepreneurs

No.	Name	Hierarchy	Government Jobs Better	Recognition and Perception of Entrepreneurs	Restricted Industry	Encouraging Family Background
1.	Saman	√		√	√	√
2.	Chandran		√			
3.	Gihan			√		
4.	Anuradha			√		
5.	Naveen		√			√
6.	Jaya			√		
7.	Chandana			√		√
8.	Kamalan			√		
9.	Jagendra			√		
10.	Vincent		√			
11.	Danesh	√				√
12.	Yahampath			√	√	
13.	Keshan	√		√	√	

14.	Jayanath		√	√		
15.	Prem			√		
16.	Rehan			√		
17.	Jane			√		
18.	Witharana	√		√		
19.	Daya				√	√
20.	Dilshan			√		
21.	Suja			√		
22.	Sadesh				√	
23.	Ramesha			√		
24.	Samudra			√		
25.	Lasith			√		
26.	Charles			√		
27.	Samuel			√		
28.	Vicky			√		
29.	Ashoka	√	√	√		
30.	Sam			√	√	
31.	Sanath	√			√	
	Total	6	5	24	7	5

5.4.1.1 Hierarchical mindset

Some entrepreneurs believe that Sri Lankans like to be controlled by or work for others. Ashoka and Witharana mentioned that culturally, most Sri Lankans believe there should be someone above them to control them. Ashoka described this as a 'hierarchical mindset'. Both Sanath and Saman asserted that the reason for this mentality was Sri Lanka's status as a British colony for more than 150 years. Saman explained:

We have been brainwashed as a nation ... people who cannot do anything. Even so-called big business people were agents of British companies. Other than that, there was another set of people called 'mudalalis'. (Saman, see Appendix 6[23])

Saman explained that the British brainwashed Sri Lankans into believing themselves to be a nation incapable of doing anything and emphasised that there had been two sets of entrepreneurs: one worked for the British as their agents, who were recognised in society, and others were indigenous merchants and businessmen called 'Mudalalis'. He mentioned that these Mudalalis are not recognised by society in the same way as the entrepreneurs who were agents to the British companies. After independence in 1948, these indigenous entrepreneurs emerged and their businesses expanded. He mentioned that the Mudalalis represent a new generation of entrepreneurs in post-independence era of Sri Lanka.

Danesh and Keshan both mentioned the same point of Sri Lankan culture, particularly among upper- and upper-middle class, who perceive working for someone as more desirable for different reasons. Danesh explained in his own words:

I think it has changed a lot. The issue is ... majority of the Sri Lankan middle-class or upper middle-class wanted to work for someone, because of security. They do not want to go out and take a risk; I think that there is no risk reward ... if you fail ... actually your failure is something part of you. More you fail ... then you learn. In the last couple of years, we can see several IT-related entrepreneurs emerging ... it is more of the norm now, particularly go and take a chance. They know that even if you fail, you can still get a job at a salary of Rs90,000 or Rs100,000 so risk was not as much as before. (Danesh)

According to Danesh The Sri Lankan middle-class or upper middle-class wanted to work for someone and did not want to take risks, as failures are associated with the individual. However, he agreed this trend is apparently changing among the IT-related professionals in the last couple of years. They are more inclined to form new ventures related to IT and can always fall back on a professional career if unsuccessful.

This subgroup of entrepreneurs perceived that Sri Lankans prefer to work for someone. Some believe this is due to 'a colonial mindset of working for masters' or fear of failure, which is perceived as a personal weakness.

5.4.1.2 Government jobs are better

Entrepreneurs pointed out that most parents make their children think that securing a government job secures their future. This notion has become a barrier in encouraging entrepreneurship. Ashoka mentioned his disbelief that even today people prefer to join the government sector:

Culturally, the majority of people think that there should be someone above them to control them ... called hierarchy ... hierarchical system ... take even today people would like to join the government sector not the private sector. In the private sector, you can be creative and have more freedom ... they can make use of skills ... they can achieve what they want better than ... but still they still feel government jobs are better. (Ashoka)

Ashoka asserted that there are more opportunities in the private sector, which also pays higher salaries and provide opportunities to be creative. However, parents and youngsters still aspire to work in the government sector. He suggested that the reason behind such thinking is cultural; people prefer playing the role of subordinate; taking orders and working for someone is superior than working for yourself

Jayanath explained that everybody wants their sons and daughters to become a doctor or engineer rather than an entrepreneur:

But when you are an entrepreneur it is kind of risky in Sri Lanka. Even now, most of the parents who live outside of Colombo, everybody wants their children to get government jobs. That culture is still there. (Jayanath)

According to Jayantha, becoming an entrepreneur is considered a risk in the context of Sri Lanka. He mentioned that non-urban parents still prefer government jobs for their children. Further, graduates leave their jobs for government teaching positions at lower salaries. Jayanath added that being an entrepreneur is a risk that is worth taking as there are plenty of opportunities.

Naveen, an electronic engineer and technology entrepreneur, shared a similar viewpoint and considered that Sri Lankan culture, subcultures and even the education system do not encourage entrepreneurial behaviour. Even in his household, his wife encourages their children to be academically excellent even though he is a successful entrepreneur. He has always emphasised in his public speeches that parents should encourage their children to become smarter rather than academically brilliant because only smarter people succeed.

Chandran, managing director of a leading shoe manufacturer, said that entrepreneurs are not considered as important as government agents and government officers by banks, although entrepreneurs are the lifeblood of the commercial banking system. Chandran, Saman, Vincent and Charles mentioned that 20 years ago, nobody wanted their daughters to marry entrepreneurs; instead, they preferred engineers, doctors and government servants. However, this perception is changing.

This subgroup of entrepreneurs perceived that the notion that government employment is much safer than entrepreneurship is embedded in society. The conventional thinking of parents, reluctance to take risks and lack of emphasis on entrepreneurship in the education system are some of the common factors contributing to this notion.

5.4.1.3 Recognition of entrepreneur

This section presents viewpoints of entrepreneurs on the perception and recognition in Sri Lankan society of entrepreneurs. Their responses were mixed.

Asoka stated that before 1977, people always perceived entrepreneurs as 'second class' and associated them with making money from illegal practices. This perception started to change when the economy was liberalised in 1977. Witharana added that before 1977, the caste system played a key role in every aspect of society. However, with economic liberalisation in 1977, the caste system became unimportant. Wealth has been distributed to the people from different classes and castes as many opportunities opened within the economy. A new generation of businessmen emerged and found acceptance within society; they did not belong to the traditional affluent spectrum of society.

Jagendra, a manufacturer and exporter of ceramic ware, added that society perceives entrepreneurs as people who make profits at the expense of others:

There is something like this ... people here ... sometimes see making a profit is a backward thing; people think that you are making a profit at the expense of another ... so people looking at you like '*Kalu kada mudalali*' (black marketer) you are making profits through your entrepreneurial skills. I think that has come to saying ... making too much profit is something frowned upon ... although you have done it legally and ethically. (Jagendra, see Appendix 6[24])

Jagendra emphasised that making profits is not entirely wrong. However, making unrepresented profit is not ethical. He sometimes believes that Sri Lankan society tries to stigmatise entrepreneurs as black marketers, irrespective of how closely they adhere to the ethical and legal framework of the country.

Keshan explained that the general perception of entrepreneurs is not favourable. According to him, society perceives an entrepreneur as a rich, tough guy emerging from the social disparity between the rich and poor. When the gap between the rich and poor decreases, this perception of exploitation will fade away. However, most entrepreneurs praised the National Chamber of Sri Lanka and Export Development Board of Sri Lanka

and appreciated their efforts in organising annual award ceremonies at regional and national levels.

Yahampath and Samudra, female entrepreneurs in the manufacturing and exporting of handloom products, mentioned that it is encouraging to be female entrepreneurs, as this attracts more attention. Further, they reported that they never experienced any gender discrimination and that there is an increasing trend of people starting new businesses. Suja, Jane, Ramesha and Yahampath confirmed the view on gender equality and recognition from society. Yahampath explained:

I am sure ... we are fortunate in Sri Lanka to have almost equality. The way they think about it is encouraging ... see the number of people starting businesses whether it is good or bad, whether it is properly done or not, they are starting a business; if they can do it they can carry on, if they cannot do it, they fail. But lots of people love to start their own business. (Yahampath, see Appendix 6[25])

Yahampath further added that as female entrepreneurs, they do not face additional difficulties. Some are successful and others are not; however, more people are at least attempting to succeed. She has won woman entrepreneur of the year several times and several Chambers of Commerce events, provincially and nationally. According to Yahampath, Sri Lanka is far better placed than many countries in the region, as women can achieve their goals with perseverance. Ramesha, a female entrepreneur in garment manufacturing and exporting, said entrepreneurs had been recognised for their achievements annually at district, regional and national levels by various institutional bodies. Their achievements are recognised at different scales (i.e., small-, medium- and large-scale businesses). Jane, Suja and Samudra were among other female entrepreneurs who shared similar thoughts.

Jane, a female hospitality entrepreneur, mentioned that entrepreneurship is something that can be observed as occurring naturally. Even people who are no longer working because of retirement or other reasons tend to set up a corner shop or start hiring vehicles as a business. She argued that the government needs to encourage these small entrepreneurs with the right vision.

Entrepreneurs in this subgroup mentioned that society changed drastically after liberalisation of the economy in 1977. It changed the fabric of a society divided by caste and brought wealth to many different spectrums of society. The business class expected recognition from society. Some mentioned that entrepreneurs are not given due respect.

Instead, they are viewed as a group of people who earn their means by unlawful methods. Some mentioned that the vast social disparity between rich and poor is the main reason for this. Female entrepreneurs particularly mentioned feeling equally as recognised as male entrepreneurs. Most entrepreneurs appreciated recognition from institutions.

5.4.1.4 Encouraging family background

This section presents entrepreneurs' experiences and the extent of family encouragement they have received.

Saman, managing director of a leading herbal beauty product manufacturer, said his whole family was against the idea of him starting his own business after resigning from a lucrative managerial job. They thought it was an enormous risk for a married man with two children to support. Daya, a ceramic products manufacturer and exporter, explained that his family and friends, including his mother, discouraged him, which caused him to have substantial doubts. However, his father always supported and encouraged him. He said he had been looked down upon until he succeeded.

Both Danesh and Naveen, IT-related entrepreneurs, said their parents encouraged them to pursue their dreams. Danesh's father was an entrepreneur and his mother was from a business family. They supported him psychologically and provided him with a place to establish the business. Naveen, an electronics engineer and technology-based entrepreneur, described his parents as quite liberal. His parents and wife always encouraged him, even during his unsuccessful venture experiences. Chandana's wife was very supportive throughout and believed in his capabilities, as she came from an entrepreneurial family. They emphasised that encouragement from family pushed them to be successful, which is not a common phenomenon in Sri Lanka.

This subset of entrepreneurs emphasised that encouragement from family is important in creating new entrepreneurs. Some families do not encourage entrepreneurship because it is perceived as a risky option. A family with some exposure to business and entrepreneurship tends to support the decision to be an entrepreneur more strongly.

5.4.1.5 Restrictions in certain Industries and religious influence

Some entrepreneurs refrained from entering certain industries due to their religious beliefs. This section discusses these industries.

Keshan, managing director of the leading electrical switch manufacturer, recollected:

From early on ... I remember that somebody offered my father to get into the liquor business; he refused. He did not want to do anything with alcohol, so when I took over I develop ... No matter how profitable it may be, there are certain businesses I will never get into ... arms and ammunition, alcohol and tobacco, livestock, anything that would demean the life of our people. (Keshan, see Appendix 6[26])

Keshan's father refused to move into certain types of businesses. He said that he follows his father's footsteps and refrains from certain businesses, such as the manufacturing of arms and ammunition, alcohol, tobacco and gambling, even though they might be significantly more lucrative. These ventures do not uplift humans.

Daya, Sam, Yahampath, Saman and Sanath also mentioned the same inclination to refrain from these industries. Sadesh elaborated on his thoughts:

Generally, I see Sri Lanka is a good place to become an entrepreneur. Socially and culturally, we are a very open culture. We do not have any restrictions ... like other countries ... certain Asian countries. If you want to do something, yes, you can do it in Sri Lanka. Like say ... in terms of our religion in Sri Lanka, selling liquor is not good; still, if you want to have a liquor shop ... [there is a] legal way to do this. There is nothing to stop you religiously. (Sadesh, see Appendix 6[27])

Sadesh thinks that Sri Lanka is a good place to become an entrepreneur socially and culturally. According to Buddhist practices, certain industries are not considered ethical. However, this does not stop anyone legally venturing into those industries if the law permits them.

Vincent pointed out another interesting Sri Lankan behavioural factor. He states that Buddhist thinking and way of living has a great influence on the way Sri Lankans generally think and behave:

Influence of culture, particularly Buddhist influence, is deeply rooted. Sometimes we are not strictly practising, but in different degrees, such Buddhist values are so imbedded within us. We do not tell everyone loudly our Buddhist values but I think the way we behave is different because of shyness. Today, a young person will be shy to say that he/she goes to temple. But they go ... but do not tell them so. In business, it is also the same ... If you take the rightful ... clean path (Buddhist eightfold path) then your journey ahead is never going to be in trouble. That is the truth. If you build this business through deceitful and illegal means, you have all the reasons to be afraid. Certain business I never ventured into how profitable they are five industries as Buddhist. I started this

business; never deceive customers, I have to settle with suppliers, banks all the time, I never delay them so I am not afraid of collapsing. (Vincent)

Vincent mentioned that Buddhist thinking is rooted deep in the thought process, regardless of whether somebody is practising. Most of the time, Buddhists never discuss their beliefs openly but subconsciously try to abide by the basic principles, particularly the younger generation. Vincent developed a successful group of companies rightfully and never disappointed customers or suppliers while satisfying all stakeholders of the business. Vincent stated that he always follows the eightfold Buddhist path (*Ashta loka dharma*) knowing that loss and condemnation is also a possibility; nothing stays permanent, everything is bound to change, which provides the power of resilience.

This subgroup of entrepreneurs mentioned that creating ventures in certain industries may not be compatible with their own religious beliefs. However, it is totally dependent on the individual as to whether he or she should venture into such business if the business is legally accepted.

To summarise, discussion of social and cultural influences on the formation of entrepreneurs identified five major themes:

- hierarchical mindset
- societal reluctance to recognise entrepreneurs
- restricted industry
- perception that government jobs are better (provide more security)
- family encouragement to become entrepreneurs.

Entrepreneurs suggested that the education system should encourage the development of enterprise skills among school children. Parents should encourage their children to take risky career options, such as entrepreneurship, instead of encouraging them to work for someone or seeking a government job. It is interesting that some entrepreneurs mentioned that liberalisation of the economy in 1977 brought many changes to society. The erosion of the caste system and emergence of a new business class above the traditional affluent social class are evidence of those changes. Society and social norms have changed drastically with the open economic policies.

Recognising entrepreneurs' achievements more frequently at regional and national level is an encouraging sign. All five female entrepreneurs felt quite fortunate Sri Lankan female entrepreneurs are recognised equally alongside their male counterparts.

5.4.2 Government Policies and Regulations

Entrepreneurs presented their points of view of the regulatory framework's influence on entrepreneurs in general and in relation to his or her individual business. The following themes emerged when analysing the responses. Entrepreneurs emphasised one or a few themes in their answers. Each theme is discussed as a subsection. Table 5.6 presents the themes that emerged from each entrepreneur's answers. Highlighted themes include the area of frequent policy changes, complex tax systems and rigid regulations (particularly customs regulations).

Table 5.6: Entrepreneurs and influence of government policies and regulations

No.	Name	Policy Changes	Tax System	Custom Regulations
1.	Saman	Recent policy changes in budget encourage local entrepreneurs Too many holidays		Comparatively better than other South Asian countries
2.	Chandran	Export-oriented manufacturing and subsidies		
3.	Gihan			Rigid customs regulations
4.	Anuradha			
5.	Naveen			
6.	Jaya	Positive about open economic policy		Regulations streamline the industry
7.	Chandana	Frequent changes		
8.	Kamalan	Frequent changes Encourage small and medium potential entrepreneurs	Should be simplified	Rigid customs regulations

9.	Jagendra	Recent policy changes in budget encourage local entrepreneurs		Regulations streamline the industry
10.	Vincent	Positive about open economic policy		Regulations streamline the industry
11.	Danesh			Comparatively better than other South Asian countries
12.	Yahampath	Positive about open economic policy Recent policy changes encourage local entrepreneurs		
13.	Keshan	Too frequent changes Recent policy changes encourage local entrepreneurs	Should be simplified	
14.	Jayanath	Frequent changes	Should be simplified	Rigid customs regulations
15.	Prem			Rigid customs regulations
16.	Rehan			
17.	Jane			
18.	Witharana	Encourage indigenous entrepreneurs		Rigid customs regulations
19.	Daya			
20.	Dilshan			
21.	Suja			
22.	Sadesh			
23.	Ramesha	Positive about open economic policy		
24.	Samudra			

25.	Lasith	Recent policy changes encourage local entrepreneurs	Should be simplified
26.	Charles		
27.	Samuel	Positive about open economic policy	
28.	Vicky	Positive about open economic policy	
29.	Ashoka		
30.	Sam		
31.	Sanath	Recent policy changes encourage local entrepreneurs	
	Total	15	4 10

5.4.2.1 Constant policy changes and simplified tax system

Most entrepreneurs interviewed expressed disappointment with the constant policy changes made by the government. They further mentioned that the frequent introduction of new interim tax revisions has led to difficulties making long-term investments and reinvestment decisions in businesses. Chandana, Kamalan, Keshan and Jayanath expressed their disappointment. Chandan explained his views:

Another major area is tax revisions ... I do not know ... within overnight tax revisions are coming without any knowledge of course budget any changes we are expecting. (Chandana)

Chandana explained that tax revisions are implemented frequently outside the annual budget, which makes investment and pricing decisions extremely difficult. As entrepreneurs, they expect business risk but the government worsens the situation by not having a clear 12-month vision on tax policies.

Kamalan mentioned that it is very difficult to assign a price to the product in this context. Even the regulatory bodies cannot provide clarity regarding current changes. This is because the changes are so frequent. He suggested the implementation of a more simplified tax system, as the current system is far too complicated with various tax components (VAT, MBT). He would prefer to pay a higher overall percentage rather than several tax components. Keshan and Jayanath also support the idea of a more simplified

tax system. Keshan said that the government should introduce new policies to include a larger proportion of the population as taxpayers at a lower rate. Chandran expressed concern about how tax income has been used. He suggested that there should be more government transparency regarding the use of tax revenue.

Saman, Jagendra, Sanath, Yahampath, Lasith and Keshan expressed the opinion that recent annual budget proposals encouraged the manufacturing and small-medium enterprise (SME) sectors of the economy, but the government should encourage indigenous entrepreneurs. Lasith, the owner of a large conglomerate, mentioned that there are more opportunities for foreign investors than for indigenous entrepreneurs:

Giving equal opportunity ... they would rather give opportunities to foreigners. This may be the only country any foreign businessman can come and start business with 100 per cent ownership. If you go to any other country ... we have business in Australia ... we have business in Singapore. Any other country you need a local partner. But in this country, any foreign investor can come and start a business without a local partner. (Lasith)

Lasith emphasised that more opportunities should be created for local entrepreneurs. Sri Lanka may be one of the very few countries in the world where any foreign businessperson can start ventures with 100 per cent ownership without a local business partner. He argued that there should be equal opportunities for indigenous entrepreneurs. Encouraging joint ventures with foreign partners is helpful because it provides an opportunity for knowledge transfers and firm establishment within the country.

Witharana also supported this view. Kamalan asserted that a regulatory framework and infrastructure is available at a micro level for businesses to emerge, but that no real framework was available for SMEs. He added that there is a group of potential entrepreneurs with a sound educational background and working experience, who are eager to start SMEs. Saman said that in Sri Lanka, you can do business very easily. He further stated that government intervention is minimal, only occurring if such intervention were paramount. He mentioned that the government had acquired a few local businesses, citing strategic reasons.

Chandran, a manufacturer of premier footwear and rubber-based products, contended that the government should introduce manufacturing subsidies:

Negotiate an order with you for \$1.00 and I quote you \$1.10. You reject order and say If you can do it for \$0.95. Then the government should say, 'Chandran, \$0.95 is your cost and we will give you \$0.05'. You are not getting that order but you are not losing that order. While you are doing you will be able to get \$0.02–0.03 with your experience. That is the type of manufacturing subsidies government should introduce ... there will be an export increase. (Chandran, see Appendix 6[28])

Chandran pointed out that government should encourage local entrepreneurs by providing manufacturing subsidies like in China, where entrepreneurs are encouraged to increase export orders through government subsidies. In doing this, the Chinese government has helped local manufacturers gain substantial export orders when the local manufacturer exceeds the cost by very small margins.

Ramesha, Samuel, Yahampath, Jaya, Vicky and Vincent admitted that prior to economic liberalisation in 1977, Sri Lanka adhered to closed economic policies. Entrepreneurs needed to consult numerous regulatory bodies to obtain approvals for importing raw materials and establishing new businesses. However, the open economy has advantages and disadvantages. After economic liberalisation, regulatory processes were streamlined and problems with importing raw materials were reduced, but their products and services were open to greater competition within the Sri Lankan market. Hence, survival is difficult for firms.

In summary, entrepreneurs pointed out that frequent policy changes create difficulties in investment decisions and affect the long-term growth of ventures. In addition, they believe it is imperative to have a simplified tax system since the current system is far too complicated and creates administrative chaos. Entrepreneurs also highlighted positive aspects of government policies. They emphasised that open economic policies removed restrictions on international trade, and created many opportunities for entrepreneurs. They appreciated new government policies on encouraging local manufacturing, but suggested manufacturing subsidies should be provided for export market-driven manufacturers and that the government should introduce policies to encourage indigenous entrepreneurs.

5.3.2.2 Rigid customs and other government regulations

This section focuses on various government regulations and their impact on entrepreneurs. Jayanath, Kamalan, Gihan and Prem stated that obtaining customs clearance is a difficult task for start-up ventures that do not have a history of importing

particular products or raw materials. Occasionally, customs officers have purposely created impediments to encourage malpractice. Jayanath mentioned that this experience is disappointing and he is pleased that the government is going to streamline the process by enabling exporters to submit the customs documents online, which will reduce malpractice and save considerable time and money for entrepreneurs.

Gihan mentioned that obtaining a special licence was a major obstacle when importing alcohol for manufacturing fragrance. He claimed that people who work in government institutions have no idea about the industry and business that he is in. He appreciated the support and guidance of the Export Development Board and Chambers of Sri Lanka. Witharana expressed a similar point of view, stating that most people in government institutions have a very unfavourable perception about entrepreneurs and perceive them as exploiters who make money using illegal methods:

Here the government officers are to stop the things, not to promote. I wonder and I challenge you if you can find somewhere in Kurunegala environmental office. There is a *Plath Sabha* (provincial council) there, 10–15 people loitering here and there, waiting for the appointments and waiting for the discussion, which can be given by the authority. Somebody wants to start a poultry farm and approvals need to be taken. There you can see some young entrepreneurs only very few people are starting businesses, but they get no help or service here. They are discouraged by those government officers—illtreated. When you go to provincial council, you cannot talk. You are treated like a victim in a court. Then they discourage and stop business. (Witharana, see Appendix 6[29])

He explained with frustration that he has witnessed many young entrepreneurs waiting in the local council offices seeking various approvals and resolving certain issues. Instead of promptly resolving such issues, government officials find loopholes to close the business, which is discouraging for young entrepreneurs. He explained his painful experience of having his business shut down by the environmental authority based on a complaint by a neighbour. He said he has no access to the factory premises and to his stock of raw materials, which was worth millions of Sri Lankan rupees. Sanath stated that these kinds of issues should be channelled via different chambers to the government, who listen to the voice of entrepreneurs and have accommodated these in recent budget proposals.

Saman reflected upon his business experiences in many different countries and pointed out pros and cons:

If you take Sri Lanka ... one place you can do business easily. I have done business in different places. I have done business in Bangladesh, Dubai—we had an office which we closed down—and in India we had an office which we closed. Bangladesh office still in operation. We have office in Germany ... office in Ukraine. All the places doing business is not easy. (Saman, see Appendix 6[30]).

Saman has done business in Bangladesh, India, China, Dubai, Ukraine and Russia and stated that it is not easy to do business in these countries. Comparatively, it is much easier in Sri Lanka, where anyone can do business. He further mentioned that numerous public holidays and generous leave allowances are aspects that the government needs to consider streamlining, since they have a negative effect on businesses.

Danesh (IT entrepreneur), who operates in many other countries such as India, Australia and the US, said in terms of the IT industry, government must be involved with skill and infrastructure building, although Sri Lanka has better infrastructure facilities compared to other Asian countries. For example, two-hour power cuts are a daily incident at his Indian branch office, whereas in Sri Lanka, power outages are rare.

However, Jagendra (porcelain exporter), Jaya (processed fish exporter) and Vincent (herbal and ayurvedic product manufacturer) favoured the regulations. Jaya said the fish processing industry functions smoothly as regulations are tight in terms of hygiene and other housekeeping practices. Tight regulations help Sri Lanka maintain quality and strict industry practices that are far better than those in neighbouring India.

Jagendra stated that the telecommunication sector functions smoothly in Sri Lanka since regulation. Any changes in the industry need to go through the regulatory commission, which functions efficiently. He argued that electricity and fuel should also have a regulatory body to prevent ad hoc increase of fuel prices by government and LPG operators. Frequent increases in fuel prices make the local porcelain industry uncompetitive in the international market.

In summary, entrepreneurs highlighted the difficulties they faced with customs clearance, specifically mentioning that new ventures cannot obtain approvals unless they have a history of importing certain products. However, they mentioned that government plans to streamline the system by making the services available online to enhance efficiency and reduce malpractice. Some entrepreneurs argued in favour of regulating industries, as such regulation ensures high standards and prevents excessive price fluctuations. Perception of entrepreneurs by government officials was also highlighted. However,

most entrepreneurs accepted that Sri Lanka is a very good place to conduct business and is far better than many countries in the region in this regard.

5.4.3 Financial Policies and Regulations

Entrepreneurs presented their perceptions and ideas in relation to how financial policies and regulations influenced entrepreneurs in general and their individual business in particular. Only 14 answers mentioned financial policies and regulations; some emphasised one or a few themes in their answers. Each theme is discussed as a subsection. Table 5.7 presents the themes that emerged from each entrepreneur's answers. High interest rates, reluctance to support new entrepreneurs, no support for projects with longer payback periods and no development banks were the main themes highlighted by entrepreneurs.

Table 5.7: Entrepreneurs and influence of the financial sector

No.	Name	High Interest Rate and Projects with a Low Payback Period	Reluctant to Support Unknown Business	No Development Banks and Venture Capital Firm
1.	Saman	√		
2.	Chandran		√	
3.	Gihan			
4.	Anuradha	√		
5.	Naveen			
6.	Jaya			√
7.	Chandana			
8.	Kamalan		√	√
9.	Jagendra			
10.	Vincent			
11.	Danesh			
12.	Yahampath		√	
13.	Keshan			

14.	Jayanath		√	
15.	Prem		√	
16.	Rehan	√		
17.	Jane			
18.	Witharana		√	
19.	Daya			
20.	Dilshan			
21.	Suja			
22.	Sadesh			
23.	Ramesha	√	√	
24.	Samudra			
25.	Lasith		√	√
26.	Charles			
27.	Samuel	√		
28.	Vicky			
29.	Ashoka			
30.	Sam			
31.	Sanath			
	Total	5	8	3

5.4.3.1 High interest rates and no support for longer payback period projects.

Anuradha, Samuel and Saman pointed out that the banking sector is reluctant to support projects with longer payback periods. Anuradha explained his experience:

There is hardly any support for manufacturers ... banks' support is for traders ... as they can recover the loan pretty quickly. Generally, my opinion is that banks do not like any investments 5–10 years; especially they do not like to invest in agriculture. (Anuradha, see Appendix 6[31])

Anuradha mentioned that the Sri Lankan banking sector prefers to finance investments with lower payback periods and is not willing to finance projects with durations of five to 10 years. He further mentioned that the banking sector is reluctant to finance manufacturing and agricultural sectors of the economy, preferring to finance the trading sector because the payback period is relatively shorter.

Samuel, the managing director of a large conglomerate, mentioned that the younger generation believes in making 'easy money' from the trading sector of the economy. They do not want to engage in manufacturing because it has a long payback period and the process is challenging. He mentioned that the financial sector also prefers to support the trading sector because of short payback periods and rapid yield ratios.

Saman, the managing director of a leading natural cosmetic and beauty product manufacturer, asserted that the cost of funds or high interest rates are the major problems faced by entrepreneurs in Sri Lanka. Ramesha, and Rehan also supported this viewpoint. Ramesha explained her thoughts on high interest rates:

I started the factory in 1994, that time President Premadasa was assassinated by terrorists. Soon after his demise, policy changes, the banks did not give any loans to the garment industry at previous rate. Yet I went ahead, borrowing at 26 per cent and 30 per cent rates of interest to complete the factory and the buy the new machinery. (Ramesha)

Ramesha mentioned that at one point, she borrowed funds from the bank at rates of 26–30 per cent in 1994 when launching her business to the next level as an export-oriented garment manufacturer under government assisted programs. Sri Lanka had its most volatile political and economic situations for a few decades. Policies changes in line with government and heads of government changes. So did the policies, particularly financial policies, which created considerable risk for business entities.

In summary, entrepreneurs pointed out that the finance sector prefers to finance projects with shorter payback periods. Therefore, projects in the manufacturing and agricultural sectors find it difficult to obtain finance. Many also asserted that high interest rates are another crippling problem for entrepreneurs.

5.4.3.2 Reluctance to support unknown entrepreneurs

Some entrepreneurs mentioned that banks are not prepared to provide loans and credit facilities for small businesses with no previous credit history. Jayanath, a major tea exporter, mentioned that banks are not interested in financing unknown entrepreneurs with no credit history. He further mentioned that his savings were not sufficient to finance 0.5 per cent of the total required and none of the leading banks in the country agreed to provide finance. The main reason was his lack of credit history at the time. Many commercial banks offered credit facilities without hesitation after he had built his

business successfully. Lasith, the entrepreneur in the gas and power industry, also agreed with this point:

Especially start-up companies like us and local indigenous company ... the only way to raise the money is to borrow. Unless otherwise, you have to borrow from the capital market. So, the biggest challenge is to convince financial institutions to lend money. Yes, it is very difficult at that time ... until you make your name ... It is very difficult no matter what they say. One of the biggest challenges Sri Lankan entrepreneurs face is access to capital. (Lasith, see Appendix 6[32])

Lasith discussed difficulty that start-up companies undergo borrowing from financial institutions, particularly from banks. Entrepreneurs only become known to banks after building a credit history. That is the biggest hurdle faced by Sri Lankan entrepreneurs.

Kamalan, an early-career entrepreneur whose business has only been established for less than five years, expressed his disappointment regarding the banking sector:

Nobody is willing to fund us, none of the banks and the development banks ... development banks are just a word. Development banks in Sri Lanka fund you if you have money; they will give more money. It is like when you start up a business, no bank would give money. What collateral you can give ... how can you guarantee the payback ... If I knew all that I would not go to bank. (Kamalan)

Kamalan explained with disappointment that it is extremely difficult to borrow money based on the merits of a business plan without collateral. He argued that it is important to encourage micro-scale businesses, but more important to encourage early entrepreneurs with years of professional experience and good educational backgrounds, as they have a greater potential to contribute to the economy.

Witharana also experienced difficulties obtaining loan facilities from banks. He had a very good reputation in the industry but needed to prove his creditworthiness to the bank, which was a difficult task. He obtained his financing from a non-financial institution funded by Japan. It was a special loan granted on the merit of the project.

Chandra, a leading shoe manufacturer and exporter, mentioned that banks would rather provide loan facilities to fixed-income earners and it was a struggle at the beginning to get a loan facility for his business. He had experience in the industry and academic qualifications, but the initial capital he had raised was not enough. At this stage, he desperately needed a loan facility from a bank.

Prem, the managing director of an electrical panel board manufacturing company, mentioned that banking officials are guilty of spreading negativity and discouraging entrepreneurs. He added that it is impossible to borrow money without collateral, despite the potential to be successful.

Ramesha, the managing director of a large group of companies, an entrepreneur and widow, had to provide substantial collateral to convince the bank to provide an initial loan. The loan was provided at very high interest rates. In the process of expansion, she again faced similar hurdles:

For export orders, you get an LC (letter of credit). I had LCs for two separate orders. There was one manager in this particular bank; he said until I do the export of one order he cannot give me the facility for next order when I was having LCs in my hand. He said you are working single parent, your children are not grown up to support you, your father is not working with you right now. It is a liability to the bank to give me the facility. After having that much of security with them ... I do not think it is because I am female I went through this. I simply say things as it is, no show off. Generally, men [entrepreneurs] show off and they can get away. We still exist because we are slow and steady journey has gone a long way. (Ramesha, see Appendix 6[33])

Ramesha was astonished that the bank refused to finance her first export orders despite her collateral and LCs. Bank officials perceived her as a liability and never thought she would succeed because she was a widow with two very small daughters. Bank officials always observed her with an expression implying, 'What can three women do?'. Sometimes, bank officials made such remarks openly to her. She mentioned that these remarks provided her with the determination to succeed. She was reluctant to state that this difficulty was because she was female. Instead, she mentioned that generally women could not exaggerate, while men were good at exaggerating and somehow were able to do this without consequence.

Yahampath, a female entrepreneur in handloom textile manufacturing and exporting, is still reluctant to negotiate with banks. It had never been a pleasant task for her. She was also reluctant to cite her gender as the reason for the extra difficulty dealing with banks.

In summary, entrepreneurs stated that banks are reluctant to provide loan facilities to entrepreneurs in the early stages of their business with no proven track record. If entrepreneurs cannot provide collateral, it is impossible to obtain a loan even though the business idea has the potential to succeed. Some described the experience as distressing.

5.4.3.3 No development banks and venture capital firms

Lasith and Kamalan both mentioned that the absence of development banks and venture capital firms to finance projects based on their own merit is a major problem facing entrepreneurs in Sri Lanka. Kamalan described the situation:

Nobody is willing to fund us, none of the banks and the development banks ,, development banks are just a word. Development banks in Sri Lanka fund you if you have money, they will give more money. (Kamalan, see Appendix 6)

Jaya a processed fish exporter, believes that there must be alternative routes for entrepreneurs to access start-up funds:

There are avenues ... Government has to start project loans. Project loans are always very difficult and bank always want certainty of their money ... Other countries developed ... special banks are formed called development banks ... give credit to actual limits on various other things [such as] immovable properties. (Jaya, see Appendix 6[34])

Jaya suggested there must be a method of financing the project based on its merit rather than the ability of the entrepreneur to provide collateral. Bankers should think about other immovable collateral, such as skills, experience and the viability of the business idea. He criticised the present system, which only supports the wealthy.

Many entrepreneurs emphasised the importance of having development banks and venture capital firms to encourage entrepreneurs who have excellent business ideas with a high probability of success.

In summary, most entrepreneurs noted the reluctance of the banking sector to provide loans to entrepreneurs who have not established themselves. This is perceived to be a major obstacle facing entrepreneurs at the start-up stage. High interest rates are also discouraging for entrepreneurs in the early stages of their business. Some entrepreneurs pointed out that financial systems should encourage SMEs with years of industry experience and professional qualifications but who lack the initial capital. They suggested that it is very important to establish development banks and venture capital firms to support potential entrepreneurs who are trapped with financial difficulties, despite having brilliant business ideas.

5.5 Profiling Learning Styles of Participants and Learning Styles Groups

This section aims to profile the learning styles of participants and present a summary of the learning styles of the individual participants. For this purpose, every participant in the sample was expected to complete the questionnaire after participating in a semi-structured interview. However, only 25 out of 31 participants returned completed questionnaires. Six participants did not return their completed questionnaires (Lasith, Charles, Samuel, Vicky, Ashoka and Sanath).

As discussed in Chapter 4 (Section 4.3.2.1), the questionnaire was designed to identify the general learning style and the learning styles that individual participants displayed at the different stages of the opportunity recognition and new venture creation process. To achieve this objective, a questionnaire was designed using the Kolb learning style inventory (1984), which was modified to make it appropriate for this study.

The questionnaire was divided into four main sections:

- questions 1–12 aim to identify the general learning style
- questions 13–16 aim to identify learning styles in the idea stage
- questions 17–20 aim to identify learning styles in the opportunity stage
- questions 21–24 aim to identify learning styles at the institutionalisation stage (see Section 4.3.2.1).

As discussed in Section 4.5.2, the responses from the 25 completed questionnaires were coded and presented in tables (see Appendix 7: Ranking responses) and the aggregated values plotted in radar diagram to profile the participants' general learning styles and learning styles under different stages of the opportunity recognition and new venture creation process (see Section 4.5.2).

As per Kolb (1984), the dominant learning style is identified by considering the quadrant that represents the largest enclosed area (see Section 4.5.2). Likewise, each participant's general learning style and learning styles at the different stages of opportunity recognition and new venture creation (idea, opportunity and institutionalisation) were identified and presented in Table 5.8. It shows the learning style profiles identified for the 25 participants at different stages. The dominant learning style has been identified with relevant key dimensions noted with aggregated values.

Table 5.8: Participant and their learning styles

No.	Name	Learning Styles				Group
		General (Scale of 48)	Idea (Scale of 16)	Opportunity (Scale of 16)	Institutionalisation (Scale of 16)	
1.	Saman	Convergent AC–AE (37, 34)	Convergent AC–AE (14, 11)	Convergent AC–AE (13, 10)	Convergent AC–AE (12, 10)	Group 1
2.	Chandran	Convergent AE–AC (37–27)	Accommodat ive AE–CE (11, 15)	Accommodat ive AE–CE (13, 12)	Accommodative AE–CE (12, 12)	Group 2
3.	Gihan	Assimilative RO–AC (39, 32)	Assimilative AC–RO (12, 9)	Assimilative AC–RO (12, 13)	Assimilative AC–RO (12, 16)	Group 1
4.	Anuradha	Convergent AC–AE (39, 37)	Convergent AE–CE (15, 8)	Convergent AC–AE (16, 11)	Assimilative AC–RO (14, 9)	Group 2
5.	Naveen	Convergent and accommod ative AC–AE–CE (33, 34, 33)	Divergent CE–RO (11, 12)	Accommodat ive CE–AE (13, 9)	Divergent RO–CE–AE (11, 12)	Group 4
6.	Jaya	Convergent AC–AE (25, 45)	Assimilative RO–AC (13, 10)	Convergent AE–AC (16, 9)	Convergent AE–AC (16, 11)	Group 2
7.	Chandan a	Assimilative RO–AC (29, 40)	Assimilative AC–RO–CE (14, 9)	Assimilative and divergent AC–RO–CE (8, 15, 8)	Assimilative RO–AC (14, 12)	Group 1
8.	Kamalan	Accommod ative AE–AC (33, 33)	Assimilative RO–AC (14, 12)	Assimilative RO–AC (11, 12)	Assimilative and convergent RO–AC–AE (12, 11, 12) Equally strong	Group 3
9.	Jagendra	Convergent AC–AE (40, 26)	Assimilative RO–AC (13, 15)	Assimilative RO–AC (12, 15)	Assimilative RO–AC (11, 11)	Group 2

10.	Vincent	Accommodative AE–CE (45–36)	Accommodative AE–CE–RO (16, 12)	Accommodative AC–CE (16, 11)	Accommodative AE–CE (16, 12)	Group 1
11.	Danesh	Accommodative, CE–AE (35, 26)	Divergent CE–RO (14, 14)	Divergent CE–RO (15, 11)	Accommodative AE–CE (9, 16)	Group 3
12.	Yahampath	Convergent AE–AC (37, 37)	Accommodative AE–CE (13, 11)	Accommodative AE–CE (16, 11)	Convergent AE–AC–RO (13, 11)	Group 3
13.	Keshan	Convergent AE–AC (34, 34)	Convergent and accommodative AE–AC–CE (11, 11, 11)	Convergent and assimilative AE–AC–RO (7, 14, 7)	Convergent AE–AC (13, 15)	Group 4
14.	Jayanathan	Divergent CE–RO (27, 39)	Assimilative RO–AC (14, 11)	Convergent AE–AC (13, 10)	Accommodative CE–AE (14, 9)	Group 4
15.	Prem	Assimilative RO–AC (36, 31)	Convergent AE–AC–RO (10, 12)	Convergent AE–AC (12, 12)	Accommodative AE–CE (12, 11)	Group 4
16.	Rehan	Divergent RO–CE (36, 33)	Divergent and accommodative RO–CE–AE (11, 11, 11) Equally balanced	Accommodative CE–AE–AC (12, 10)	Accommodative CE–AE (15, 11)	Group 3
17.	Sam	Accommodative CE–AE (31, 39)	Assimilative RO–AC (13, 11)	Convergent AE–AC (13, 11)	Accommodative CE–AE (13, 11)	Group 4
18.	Jane	Accommodative	Convergent AE–AC–RO	Accommodative	Divergent and assimilative	Group 4

		CE–AE (33, 40)	(13, 11) Assimilative	AE–CE (9, 13) Divergent	CE–RO–AC (10, 13, 10) Divergent	
19.	Witharana	Convergent	Assimilative	Divergent	Divergent	Group 4
		AE–AC (46, 25)	AC–RO (13, 12)	CE–RO (11, 15)	RO–CE (12, 10)	
20.	Daya	Accommodative	Accommodative	Accommodative	Accommodative	Group 1
		AE–CE (43, 34)	AE–CE (6, 10)	AE–CE (16, 12)	AE–CE (13, 12)	
21.	Dilshan	Divergent	Accommodative	Accommodative	Divergent	Group 3
		CE–RO (35–35)	AE–CE (11, 14)	AE–CE (11, 13)	CE–RO (12, 12)	
22.	Suja	Divergent	Accommodative	Accommodative	Accommodative	Group 2
		CE–RO (37, 34)	AE–CE (13, 11)	AE–CE (15, 11)	AE–CE (10, 13)	
23.	Sadesh	Accommodative	Divergent	Divergent	Accommodative	Group 3
		AE–CE (41, 34)	CE–RO (14, 9)	CE–RO (13, 11)	AE–CE (15, 11)	
24.	Ramesha	Accommodative	Accommodative	Accommodative	Divergent	Group 2
		AE–CE (25, 40)	AE–CE (13, 10)	AE–CE (14, 12)	CE–RO (9, 14)	
25.	Samudra	Convergent	Convergent	Accommodative	Accommodative	Group 3
		AC–AE (27,38)	AC–AE (16, 10)	AE–CE (15, 10)	AE–CE (15, 12)	

Some patterns can be observed in the learning styles of the participants (see Table 5.8). To investigate the observed patterns further, participants are divided into four groups based on how often they share similar learning styles in general, idea, and opportunity recognition and institutionalisation stages.

- Group 1: Same learning style in all four situations (five participants)
- Group 2: Same learning style displayed in any of three situations out of four (six participants)

Group 3: Same learning style displayed any of two situations out of four (seven participants)

- Group 4: Mix of learning styles in all four stages (seven participants).

5.5.1 Learning Style Group 1

Group 1 consists of five out of the 25 participants. Their general learning style remains the same across the other stages: idea, opportunity recognition and institutionalisation. These five participants fall into the categories of accommodative, convergent and assimilative learning styles. Table 5.9 shows their learning styles with the corresponding scores at the respective learning style dimensions. Saman displayed a convergent learning style while Vincent and Daya displayed an accommodative learning style. Gihan and Chandana displayed an assimilative learning style. Thus, all participants in Group 1 displayed one particular learning style in all the stages.

Table 5.9: Group 1 participants display similar learning styles in all four stages

Participant		Learning Styles		
Name	General (Scale of 48)	Idea (Scale of 16)	Opportunity (Scale of 16)	Institutionalisation (Scale of 16)
Saman	Convergent	Convergent	Convergent	Convergent
	AC–AE	AC–AE	AC–AE	AC–AE
	(37, 34)	(14, 11)	(13, 10)	(12, 10)
Gihan	Assimilative	Assimilative	Assimilative	Assimilative
	RO–AC	AC–RO	AC–RO	AC–RO
	(39, 32)	(12, 9)	(12, 13)	(12, 16)
Chandana	Assimilative	Assimilative	Assimilative and	Assimilative
	RO–AC	AC–RO	divergent	RO–AC
	(29, 40)	(14, 9)	AC–RO–CE (8, 15, 8)	(14, 12)
Vincent	Accommodative	Accommodative	Accommodative	Accommodative
	AE–CE	AE–CE	AC–CE	AE–CE
	(45–36)	(16, 12)	(16, 11)	(16, 12)
Daya	Accommodative	Accommodative	Accommodative	Accommodative
	AE–CE	AE–CE	AE–CE	AE–CE
	(43, 34)	(6, 10)	(16, 12)	(13, 12)

Figure 5.1 displays the summarised picture of the learning styles of Group 1. The circles of colours represent different participants in the group, while the larger-sized circles

represent their general learning styles and small circles represent the learning styles of participants at different stages of the opportunity recognition and new venture creation process. Participants in Group 1 displayed one particular learning style as their general learning style and at different stages of the opportunity recognition and new venture creation process. Therefore, Figure 5.1 has circles of colour clusters in one quadrant instead of being dispersed in different quadrants.

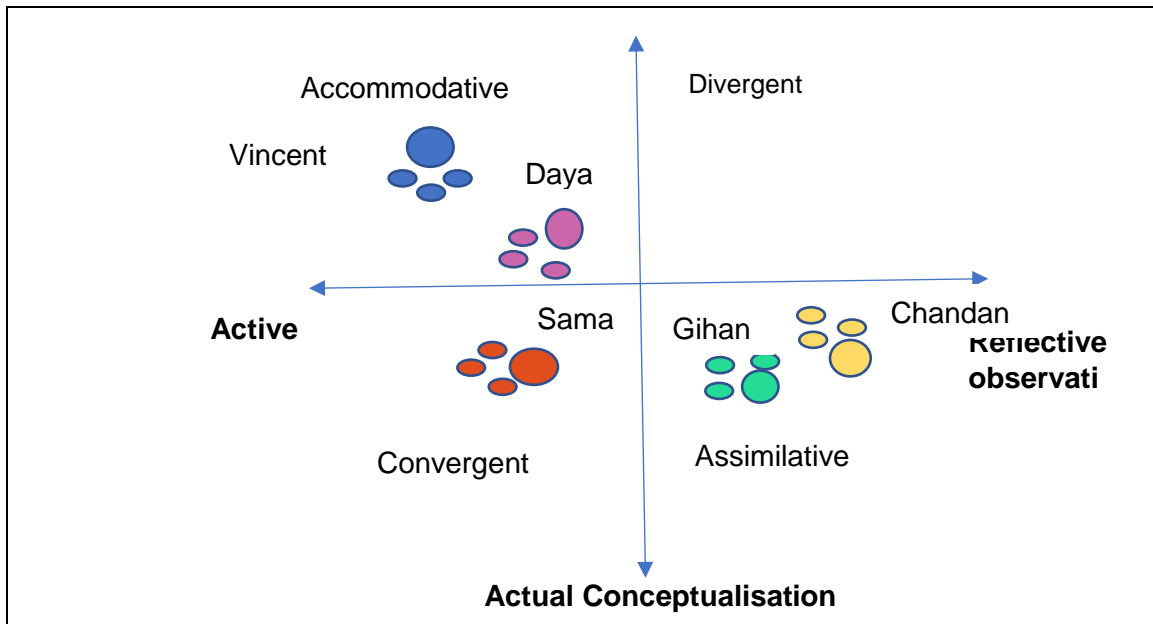


Figure 5.1: Plotted image of the learning styles of Group 1 participants

5.5.2 Learning Style Group 2

Group 2 consists of six out of the 25 participants. Table 5.10 represents the participants who share similar learning styles in any three out of the four stages. The participants share particular learning styles in three of the stages and a different one in the remaining stage. According to Table 5.10, three participants share accommodative learning style with convergent or divergent learning styles. Suja and Ramesha display accommodative learning styles and divergent learning styles, whereas Chandran displays an accommodative learning style with a convergent learning style. The other three participants, Jaya, Anuradha and Jagendra, share convergent learning styles with assimilative learning style.

Table 5.10: Group 2 participants share similar learning styles in any three situations

Participant Name	Learning Styles			
	General (Scale of 48)	Idea (Scale of 16)	Opportunity (Scale of 16)	Institutionalisati on (Scale of 16)
Chandran	Convergent	Accommodative	Accommodative	Accommodative
	AE–AC	AE–CE	AE–CE	AE–CE
	(37–27)	(11, 15)	(13, 12)	(12, 12)
Jaya	Convergent	Assimilative	Convergent	Convergent
	AC–AE	RO–AC	AE–AC	AE–AC
	(25, 45)	(13, 10)	(16, 9)	(16, 11)
Anuradha	Convergent	Convergent	Convergent	Assimilative
	AC–AE	AE–CE	AC–AE	AC–RO
	(39, 37)	(15, 8)	(16, 11)	(14, 9)
Jagendra	Convergent	Assimilative	Assimilative	Assimilative
	AC–AE	RO–AC	RO–AC	RO–AC
	(40, 26)	(13, 15)	(12, 15)	(11–11)
Suja	Divergent	Accommodative	Accommodative	Accommodative
	CE–RO	AE–CE	AE–CE	AE–CE
	(37, 34)	(13, 11)	(15, 11)	(10, 13)
Ramesha	Accommodative	Accommodative	Accommodative	Divergent
	AE–CE	AE–CE	AE–CE	CE–RO
	(25, 40)	(13, 10)	(14, 12)	(9, 14)

For simplicity, Figure 5.2 displays the summarised picture of the learning styles of the Group 2. The circles of colours represent different participants in the group, while the larger-size circles represent their general learning styles. Each participant has three circles clustered in one quadrant, which illustrate three similar learning styles, and one outlying circle representing a different learning style. Figure 5.2 shows participants are in four clusters. Suja and Ramesha are clustered between quadrants of accommodative and divergent learning styles. Anuradha, Jaya and Jagendra are clustered between quadrants of convergent and assimilative learning styles. Chandran is clustered between quadrants of accommodative and convergent learning styles.

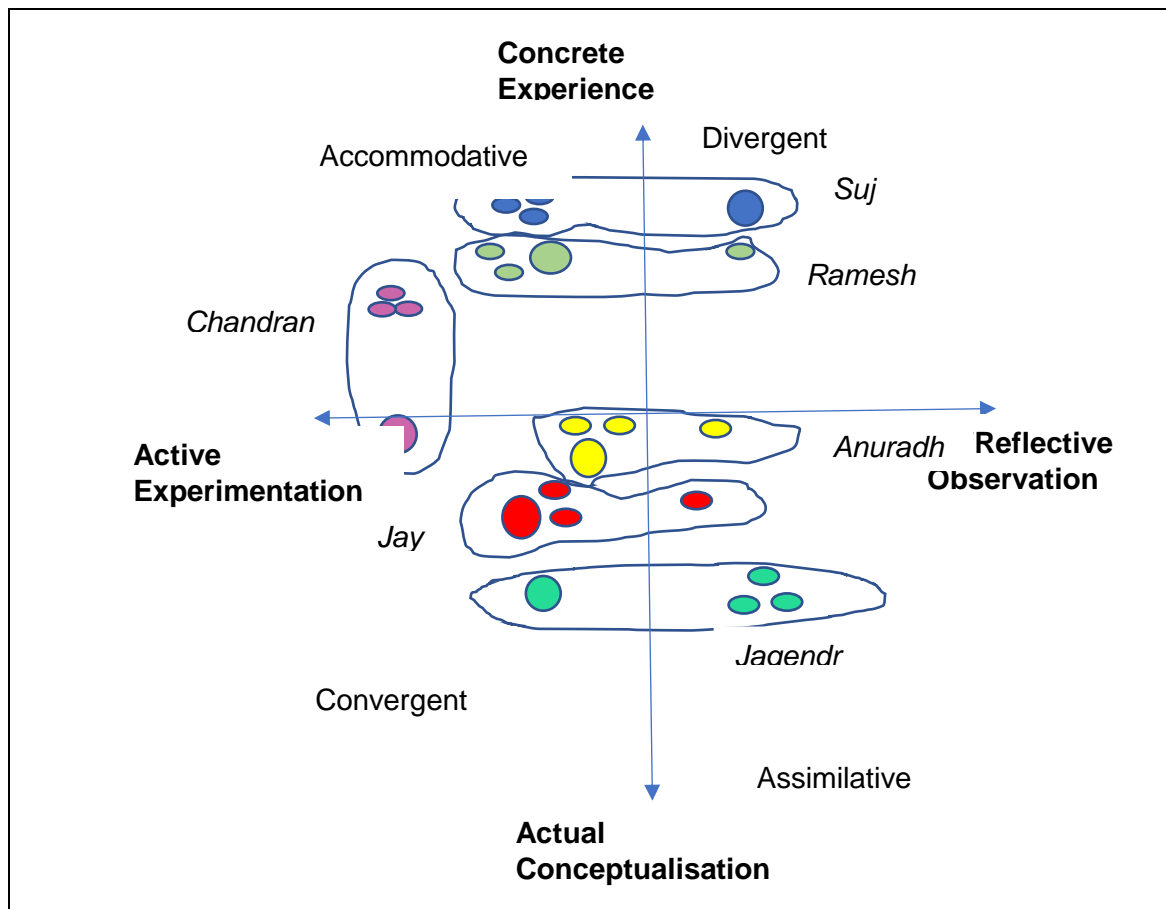


Figure 5.2: Plotted image of the learning styles of Group 2 participants

5.5.3 Learning Style Group 3

Group 3 consists of seven out of the 25 participants. Table 5.11 presents participants of Group 3; all seven participants have shown similar learning styles in two stages out of four. The participants, Danesh, Yahampath, Dilshan, Rehan, Sadesh and Samudra, display accommodative learning styles in two stages and divergent or convergent learning styles in the remaining two stages. Kamalan displays convergent learning style in two stages and assimilative learning styles in the other two stages. It is important to note that Rehan displays a rather hybrid learning style of divergent and accommodative learning styles, whereas Kamalan displays a hybrid learning style of assimilative and convergent learning styles in idea and institutionalisation stages respectively.

Table 5.11: Group 3 participants share similar learning styles in any two situations

Participant Name	Learning Styles			
	General (Scale of 48)	Idea (Scale of 16)	Opportunity (Scale of 16)	Institutionalisation (Scale of 16)
Danesh	Accommodative	Divergent	Divergent	Accommodative
	CE–AE	CE–RO	CE–RO	AE–CE
	(35, 26)	(14, 14)	(15, 11)	(9, 16)
Yahampath	Convergent	Accommodative	Accommodative	Convergent
	AE–AC	AE–CE	AE–CE	AE–AC–RO
	(37, 37)	(13, 11)	(16, 11)	(13, 11)
Dilshan	Divergent	Accommodative	Accommodative	Divergent
	CE–RO	AE–CE	AE–CE	CE–RO
	(35–35)	(11, 14)	(11, 13)	(12, 12)
Rehan	Divergent	Divergent and	Accommodative	Accommodative
	RO–CE	accommodative	CE–AE	CE–AE
	(36, 33)	RO–CE–AE (11, 11, 11)	(12, 10)	(15, 11)
Sadesh	Accommodative	Divergent	Divergent	Accommodative
	AE–CE	CE–RO	CE–RO	AE–CE
	(41, 34)	(14, 9)	(13, 11)	(15, 11)
Kamalan	Convergent	Assimilative	Assimilative	Assimilative and
	AE–AC	RO–AC	RO–AC	convergent
	(33, 33)	(14, 12)	(11, 12)	RO–AC–AE (12, 11, 12)
Samudra	Convergent	Convergent	Accommodative	Accommodative
	AC–AE	AC–AE	AE–CE	AE–CE
	(27, 38)	(16, 10)	(15, 10)	(15, 12)

Figure 5.3 shows the summarised image of Group 3. The circles of colours represent different participants in the group while the larger-size circles represent their general learning styles. The circles are clustered in pairs in the two quadrants for all participants in the group.

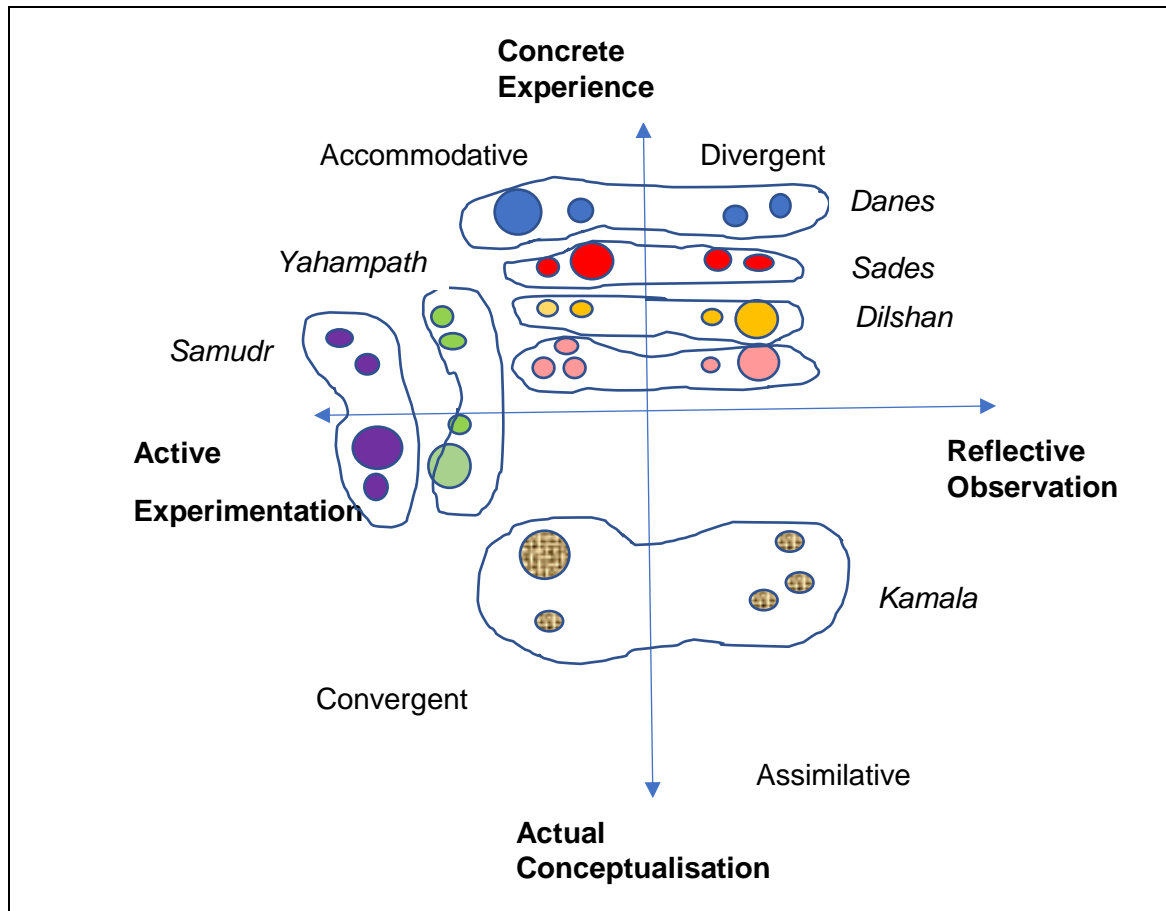


Figure 5.3: Plotted image of the learning styles of Group 3 participants

5.5.4 Learning Style Group 4

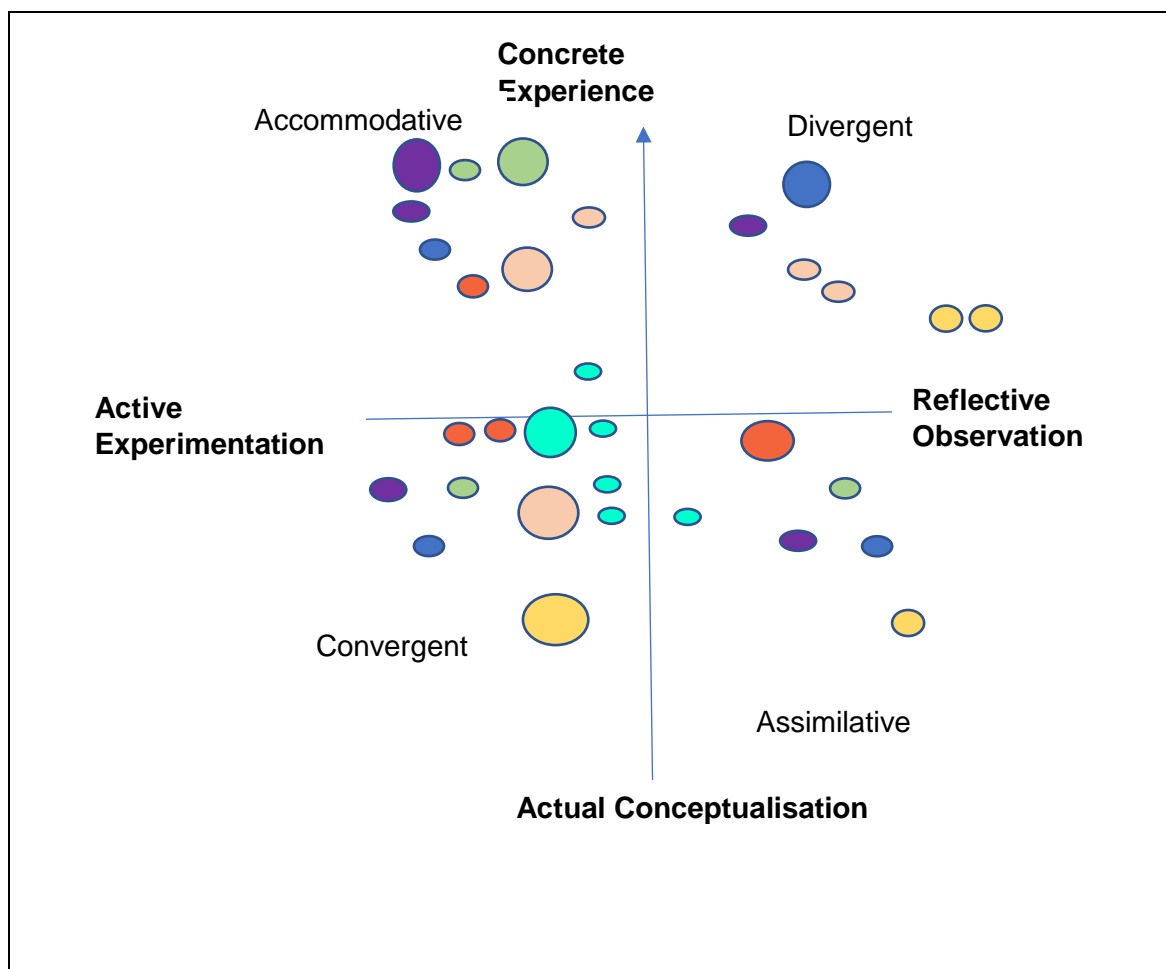
Group 4 consists of seven participants out of 25. Table 5.12 shows participants of Group 4 and their respective learning styles for each stage. They have displayed three or more different learning styles in the four stages. Jayanth displayed four learning styles in different stages while Sam, Naveen, Jane, Keshan, Witharana and Prem displayed three learning styles. It is interesting to note that Naveen shows a hybrid learning style of convergent and accommodative learning styles as his general learning style. Jane shows a hybrid learning style of divergent and assimilative learning styles in the institutionalisation stage. Keshan shows a hybrid learning style of convergent and accommodative in the idea stage and convergent and assimilative in the opportunity stage.

Table 5.12: Group 4 participants display more than two different learning styles

Participant Name	Learning Styles			
	General (Scale of 48)	Idea (Scale of 16)	Opportunity (Scale of 16)	Institutionalisation (Scale of 16)
Jayanath	Divergent CE–RO (27, 39)	Assimilative RO–AC (14, 11)	Convergent AE–AC–RO (13, 10)	Accommodative CE–AE (14, 9)
Sam	Accommodative CE–AE (31, 39)	Assimilative RO–AC (13, 11)	Convergent AE–AC (13, 11)	Accommodative CE–AE (13, 11)
Naveen	Convergent and accommodative AC–AE–CE (33, 34, 33)	Divergent CE–RO (11, 12)	Accommodative e CE–AE (13, 9)	Divergent RO–CE–AE (11, 12)
Jane	Accommodative CE–AE (33, 40)	Convergent AE–AC–RO (13, 11)	Accommodative e AE–CE (9, 13)	Divergent and assimilative CE–RO–AC (10, 13, 10)
Keshan	Convergent AE–AC (34, 34)	Convergent and accommodative AE–AC–CE (11, 11, 11)	Convergent and assimilative AE–AC–RO (7, 14, 7)	Convergent AE–AC (13, 15)
Witharana	Convergent AE–AC (46, 25)	Assimilative AC–RO (13, 12)	Divergent CE–RO (11, 15)	Divergent RO–CE (12, 10)
Prem	Assimilative RO–AC (36, 31)	Convergent AE–AC–RO (10, 12)	Convergent AE–AC (12, 12)	Accommodative AE–CE (12, 11)

In Figure 5.4, the circles of colours represent different participants in the group while the larger-size circles represent their general learning styles. Jayanath has circles in each of the quadrants; he displayed four different learning styles in the general learning style stage and at different stages of opportunity recognition and new venture creation process. Witharana, Prem and Sam show three different learning styles in the opportunity recognition and venture creation stage and general learning style stage, so circles that represent them only appear in three quadrants.

Naveen, Jane and Keshan show three different learning styles in the opportunity recognition and new venture creation stage and general learning stage. Further, they display hybrid learning styles in one stage. Naveen displays a hybrid of convergent and accommodative as his general learning style. Thus, two large pink coloured circles in the respective quadrants represent him in Figure 5.4. Jane has a hybrid learning style of divergent and assimilative in the institutionalisation stage, which are represented by purple coloured small circles in the respective quadrants. Likewise, Keshan displays hybrid learning styles in the idea and opportunity stages. Therefore, in Figure 5.4, there are clusters of small circles in a light blue colour in the respective quadrants.



Keys: ● Jayanathan ● Sam ● Naveen ● Jane ● Keshan ● Witharana ● Prem

Figure 5.4: Plotted image of the learning styles of Group 4 participants

To conclude, there are 19 participants out of 25 in the sample who display their general learning style in at least one of the stages of the opportunity recognition and new venture creation process. Only six participants do not display their general learning style in any of the stages of opportunity recognition and new venture creation: Chandran, Suja, Jagendra, Jayanathan, Prem and Witharana. Learning styles displayed by the participants during the stages of opportunity recognition and venture creation process have shown some pattern.

The results indicate that entrepreneurs display different learning styles during the three-stage opportunity recognition and new venture creation process (see Tables 5.9–5.12). The data suggested that 13 out of 25 participants displayed either convergent or assimilative learning styles in the idea stage, while 11 participants displayed accommodative learning at the institutionalisation stage. Such a distinctive pattern could not be identified in the opportunity stage.

In addition to the above observations, the following patterns can also be identified when considering the data in the learning style groups:

- Sixteen out of 25 participants display the same learning styles in the idea situation and the opportunity recognition situation.
- Participants share similar learning styles in the institutionalisation stage and their general learning style (12 out of 25 situations).

Whether these two patterns, which the naked eye has observed, have any statistical importance will be tested in Section 5.6.

5.6 Statistical Importance of Emerging Patterns of Learning Styles

The aim of this section is to identify any of the following associations statistically:

- general learning style and learning styles demonstrated at different stages of the opportunity recognition and new venture creation process
- learning styles demonstrated between the different situations of opportunity recognition and new venture creation process.

Learning styles demonstrated by each participant in Table 5.8 in the different stages are considered attributes. Table 5.13 presents the attribute. The table is used to calculate correlation coefficients between learning styles at different stages.

Table 5.13: Attributes—learning styles

No.	Name	Stages			
		General	Idea	Opportunity	Institutionalisation
1.	Saman	2	2	2	2
2.	Chandran	2	1	1	1
3.	Gihan	3	3	3	3
4.	Anuradha	2	2	2	3
5.	Naveen	5	4	1	4
6.	Jaya	2	3	2	2
7.	Chandana	3	3	3	3
8.	Kamalan	1	3	3	3
9.	Jagendra	1	3	3	3
10.	Vincent	1	1	1	1
11.	Danesh	1	4	4	1
12.	Yahamapath	2	1	1	2
13.	Keshan	2	5	2	6
14.	Jayanath	4	3	2	1
15.	Prem	3	2	2	1
16.	Rehan	4	7	1	1
17.	Sam	1	3	2	1
18.	Jane	1	2	1	8
19.	Witharana	2	3	4	4
20.	Daya	1	1	1	1
21.	Dilshan	4	1	1	4
22.	Suja	4	1	1	1
23.	Sadesh	1	4	4	1
24.	Ramay	1	1	1	4
25.	Samudra	2	2	1	1

Key to variables: 1 Accommodative, 2 Convergent, 3 Assimilative, 4 Divergent, 5 Convergent and accommodative, 6 Convergent and assimilative, 7 Divergent and accommodative, 8 Divergent and assimilative.

Sample size is (N) = 25. A two-tailed significance test was conducted to determine relationship. The aim is to observe any strong associations between learning styles at different stages for each participant (bivariate analysis). SPSS software was used for

calculating correlation coefficients under Spearman's correlation (see Appendix 9 for results). The summary of the key results is presented in Table 5.14.

Table 5.14: Summary of correlation results

Correlation Method	Correlation Coefficients (r)	
	General— Institutionalisation	Idea—Opportunity
Spearman correlation	.61 (sig .001) n = 25	.63 (sig .001) n = 25

As per Table 5.14, the learning style displayed by participants at the general stage significantly correlated to the style they displayed at the institutionalisation stage ($r = .61$, $p < .001$). Further learning style display by participants at the idea stage significantly correlated to the learning style they displayed at the opportunity stage ($r = .63$, $p < .001$).

Correlation values indicate a high positive relationship, which proves that patterns emerged by profiling the learning styles proven by statistically, subject to certain limitations as the non-random sample lacked generalisability. Generally, the Spearman correlation method tends show higher coefficient values. Hence, employing a larger representative random sample, it is ideal to measure the correlation under alternative methods such as Kendal tau's correlation coefficient to ensure consistency.

5.7 Learning from Critical Experiences

This section aims to present the critical experiences that emerged from the semi-structured interviews with participants. It is important to note that the interviewer did not specifically ask questions about the critical events. Instead, she let those incidents emerge naturally when participants revealed their individual stories. These were organised under the parent node 'critical events/experiences' using NVivo software.

Table 5.15 presents the critical experiences that emerged from the interviews. It also presents the nature of the critical incidents, which are explained through interview excerpts from the participants. It highlights the nature of the emotions involved and the consequent actions that the critical action led to. It is important to note that some participants had encountered more than one critical event/experience. As evident in Table 5.15, some critical incidents were personal, while others were business related. (See Appendix 9 for unedited, original excerpts).

Critical experiences shared by Jaya, Keshan and Ramesha include either the death of a parent or spouse. These critical incidents happened at what they described as the most unexpected moment in their life and at a young age. Such tragic losses left them in a great deal of shock and sadness, while simultaneously placing enormous responsibility on them.

Jaya explained how his life took a different turn after his father's death. He was studying for his undergraduate degree when he lost his father, but had to take the responsibility of running estates in addition to his studies because his mother did not have the ability to run the business affairs. He believed that he developed the art of running the estate. He became an entrepreneur unexpectedly and his responsibility extended to the wellbeing of younger siblings, his other living parent and himself.

Ramesha's husband was assassinated by youth rebels in early 1970s; she was alone with a two-year-old daughter and an unborn child. She was distraught by the loss of her husband only three years into their marriage and was overwhelmed by the responsibility of her two children. This tragic situation pushed her to act beyond her role as housewife and stand strongly, as she could not bear any more sympathy from society. According to Ramesha, her entrepreneurial journey began unexpectedly.

Keshan's father passed away when he was 23 years, just after three months of his return from the US after his graduation. His ambition was to join the Sri Lankan army. The tragic loss of his father changed the direction of his life and he had to shoulder much greater responsibility—his mother's wellbeing and the wellbeing of his father's employees. Though he did not have time to seek a mentor, he could not let the business collapse.

The participants described a range of emotions they experienced, including helplessness, loneliness, grief and anger. Consequently, these critical events resulted in Jaya, Ramesha and Keshan taking control of their own feelings and lives while at the same time looking after the wellbeing of younger siblings, children, parents and even employees. These critical experiences, as they described, changed the direction of their lives, leading them to venture into a new business or manage their parents' business.

Saman, Chandana, Sadesh and Anuradha also talked about incidents that happened in their personal lives such as leaving established careers. Although these decisions were critical events, they did not happen suddenly as in the case of those who lost parents or spouses. Saman, Chandana and Anuradha talked about leaving well-established jobs to

start their own businesses. These decisions were prompted by years of distress, the frustration of not having their work and ideas recognised, lack of promotional opportunities and lack of authority.

Saman was disappointed when the management of the company he worked for reshuffled overnight. The senior management positions were filled by 'strangers on parachutes'. He said he worked for the employer for years sincerely and with utmost dedication, but when he was within an inch from promotion, his employer disregarded his hard work. He realised such an incident could happen even in the future. He said this strong realisation pushed him to rediscover himself as an entrepreneur.

Chandana also echoed his disappointment over not being offered the opportunity to make decisions while loaded with responsibility in his previous job. This environment made him feel suffocated, as he did not have any authority to make decisions, but was bombarded with criticism when expectations were not met. This made him determined to prove himself to the previous employers. Thus, he pushed himself to buy a bankrupt business.

When Sadesh could not find a job for almost a year after returning from his overseas job, despite his experience, he felt helpless because he could not provide for the family anymore. His brother supported him during this difficult time, but his debt was increasing daily. He realised that he did not have any choice other than starting his own business, for which his best friend provided initial capital as a loan.

While these participants experienced frustration, anger, helplessness and financial stress, they transformed these emotions into a more confident, self-believing attitude by starting their new ventures.

Table 5.15: Critical experiences encountered by participants

Participant	Nature of the Critical Events/ Episodes	Described in Own Words	Effect	Experience	Consequent Action
Jaya	Death of a parent	‘I was going to university when my father died. I was in the first year in university. I became the head of the family and others were younger to me. My mother was not a businesswoman who could look after the estates. I had a knack to run the estate, but my brothers could not.’	Personal life	Feeling grief and responsibility for providing for younger siblings.	Taking control of own life, feeling responsible for others (children, family) and starting own business.
Keshan	Death of a parent	‘In 1995 my father passed away when I was aged 23. I had to take over the business. At that time, I finished my graduation as an Industrial Engineer from the US. So, it was an uphill task at that time, I was put into the deep end to swim in response to my father passing away’. (Edited interview excerpts)	Personal life	Feeling grief helplessness and alone.	Taking control of own life, feelings and responsible for the other living parent. Responsible for not letting the business collapse.

Ramesha	Death of spouse	'My husband was ambushed and he died in operation in 1971 during the insurgency. My eldest daughter was two years old and I was expecting a younger one. I was a keen housewife at that time. I was married, this change of life gave me responsibility and something that I should do beyond what I was.' Edited excerpts from interview)	Personal life	Feeling grief helplessness, Lost, alone, angry and determined.	Taking control of own life, feeling responsible for children and starting own business.
Jagendra	Operational blunder when striving for operational excellence in manufacturing	'Most of the factories in the world would give it to turn key projects to some company who will responsible for whole things clay preparation, forming and everything. The entire process is under one turnkey partner. Because I knew the area very well, I tried to do it myself. I got the clay preparation from one party that was German, forming from Japanese and firing from English. When I put	Business life	Feeling distressed, fear of failing, financial stress.	Survived the business. Need to have practical goals.

the three together, I saved a huge amount of money because I went the best and the cheapest I was able to negotiate. This is for the first time somebody trying to do it separately.'

'That result was huge problem, to overcome I took about six months. That was a disadvantage but during that six-month period, people in the company learnt a hell of a lot. They had to go through a lot, unless they would not have learnt in anyway.'

'Would have failed, the entire project gone bust. Banks were not willing to wait, they need results and market was not willing to accept the product because the quality was not good so everything was fallen apart.'

(Edited excerpts from interview)

Rehan All key employees left the company with one of the directors and formed a competing firm.

'Another group within the company got an idea to break away. They just did that. They took the entire marketing team and formed a new company due to lack of legislation in this country. I could call it a white-collar crime. In 2000, we had a company I was virtually sitting alone and huge debt to pay borrowed

Business life

Betrayal, frustration, stress.

Revival of the company after several years; never trust anyone too much.

		to development. So, that is where our strength ... resilience of the company came from.'			
		(Edited excerpts from interview)			
Ramesha	Losing foreign manufacturing quota suddenly.	<p>'There was four order cancellations through the buying offices due to no fault of us. The product did not sell over there.'</p> <p>'It was very hard. She (her daughter) started crying. We went through a lot. We did this order; actually, my daughter supported me (now she is qualified attorney). We worked really hard to turn around the situation by trying to save every cent. We worked very carefully then.'</p>	Business life	Distress, fear of failing, stress.	Negotiating with banks and fighting for survival.
		(Edited excerpts from interview)			
Lasith	Starting a business against multinational monopoly.	<p>'When we entered the LPG business, the market was under a monopoly of a global oil-making company. Even the government wanted me not to enter it. Few fundamentals need to be acquired even before thinking to enter. One, you need to have a deep pocket ... if you want to do LPG business anywhere in the world you need to have heavy capital. Number two, you need to break that entry</p>	Business life	Challenging, fear of failing, cautious, self-belief	Stage-by-stage properly planned expansion.

		barrier. Thirdly, always dominant player prevents new comers entering.’ (Edited excerpts from interview)			
Chandana	Leaving a job and acquiring bankrupt business.	‘Rs35 million bankrupt company. We were taking Rs17.5 million otherwise 50 per cent of the liability without investing. We took 50 per cent of a headache. He (another owner) did not want a single cent because we took over 50 per cent of his headache.’ (Edited excerpts from interview)	Personal life	Self-belief, focus	Converted to a successful business and launched new product lines.
Saman	Leaving highly paid lucrative managerial jobs to start a business.	‘Suddenly somebody else buys the company and then they bring outside people all our dreams are shattered, then I realised even if I go and work somewhere else this can happen once again, then I thought I should start on my own business.’ (Edited excerpts from interview)	Personal life	Self-belief, confident, risky	Starting own venture.

Anuradha		<p>'I got the opportunity to work there for 20 years. After 20 years, I faced a challenge of losing my position after management changes of company father to son. Our jobs were at risk at that time.'</p> <p>(Edited excerpts from interview)</p>	Personal life	Self-belief, frustration, confident, risky	Starting own venture.
Jayanath	Looking for new markets in unknown territory.	<p>'Russia broke away from the Soviet Union in 1990. In 1994 when I went to Russia, there were no systems, a lot of mafia. You could not go from the airport people; kill you for money. I had to go but I could not communicate with them because I could not speak. So, I had to take those risks when I went to the regions, they have not seen Sri Lankans.'</p> <p>(Edited excerpts from interview)</p>	Business life	Challenging, fear, exciting adventurous	Exporting tea to Russian market, which was a totally new market for premier 'Ceylon Tea'.
Sadesh	No other job to provide for the family.	<p>'Because I was doing very badly at that time. No job for seven months. No money, even to send my son school; Rs5,000 I could not find. I took a decision that I work for myself, 2004, I started with \$8,000 loan from my friend in Korea.'</p>	Personal life	Helplessness, vulnerable, financial stress	Careful in spending, becoming cash rich.

		<p>'My first target is to pay credit card bills, which I did. Cut all the credit cards. Stop using the credit cards for four years. Four straight years. Which gave me a lot of extra money. I control expenses on everything.'</p> <p>(Edited excerpts from interview)</p>			
Daya	Liquidation offer to the business.	<p>'He (main shareholder) said "Ok ... Daya we took a decision. Ok, either you will buy our shares or let us liquidate this?". Oh, I started crying. Oh, it is true. My other relations very close relations (shareholders). They were stunned. They could not express themselves against this guy. I said "Ok I would buy your shares". I did not have money'. (Edited excerpts from interview)</p>	Business life	Sadness of losing, distress, helplessness, stress.	Became the main shareholder and owned the company later.
Vicky	Doing business in turbulent period.	<p>'When I do my job, I always had to take risks as a marine engineer, I work in unpredictable conditions. This incident happened when county was going through civil unrest (youth insurgence in early 1990s). I was called urgently to attend southern oil pipe, it was leaking. It was a total blackout day ... if you go out they will shoot you. I had go and</p>	Business life	Fear of losing own life, and your family.	Facing the fear is the only way when doing business in a turbulent environment.

complete that major leak. No any other
option.'

(Edited excerpts from interview)

Note: Edited excerpts from the interviews are given in Table 5.15 (see Appendix 10 for original texts).

Table 5.15 also shows critical events experiences shared by the participants in the early stages of their business ventures. Critical experiences shared by Jagendra, Daya, Rehan, Ramesha, Lasith and Jayanthan described how such experiences involved a great many emotions. As described by Daya, Jagendra, Ramesha, Rehan, Lasith and Vicky, those critical events threatened the survival of their businesses. Daya described how a liquidation offer from the other main shareholder, who was an influential figure, and other shareholders acted under his influence. This incident occurred in an unsuccessful period at the beginning of his business. It made him cry; he felt fear, helplessness, stress and the sadness of loss.

Jagendra described how at the inception of the business, he used his years of experience and knowledge in the ceramic industry to reach operational excellence in manufacturing by collaborating with a few different foreign parties, which almost resulted in the collapse of the business. Although he acted initially with the confidence inspired by knowledge and experience, he felt financial pressure from investors and time and quality expectations from customers. He was under a great deal of pressure from the banks, customers and suppliers. He was feeling stress and fear of failure, which could destroy his reputation in the industry.

Ramesha described losing her manufacturing quota soon after the expansion of her business, which left her struggling for the survival of the business and paying back bank loans. According to her, the interest rate was as high as 20–30 per cent and the economy was not performing well due to civil war. She was experiencing fear of failure and financial stress. Rehan described how a director—a close friend—walked away with the business's entire marketing team just as the business was tasting success. This was a massive setback. He experienced feelings of betrayal, frustration and stress. Lasith's critical experience is related to his decision to start a venture in an industry in which an established multinational had the monopoly in the market. According to him, this decision was highly risky, and he felt fear of failure and of losing everything he earned, not only money but reputation.

Jayanthan's experience of visiting Russia in the aftermath of the collapse of the former Soviet Union to seek new markets was risky, adventurous, exciting and challenging. During that period, the country was in anarchy and the strong presence of mafia gangs posed a threat to foreigners' lives. However, finding new markets was vital for small tea firms, as the Sri Lankan economy was not doing well. Foreign buyers were reluctant to

come due to civil war. Thus, he needed to take the risk. Vicky stated that in the early 1990s, doing business in Sri Lanka was difficult due to civil war and youth insurgence. Conducting business on a blackout day could endanger to your life and your family. However, it was an urgent task and his business was beginning to develop. Risks were required in such a turbulent environment.

The critical experiences described above occurred within the scope of the businesses involved and gave rise to powerful negative emotions, such as fear of losing the business, fear of failure, stress, betrayal and frustration. At the same time, however, the critical experiences raised some positive emotions, such as self-belief and confidence (see Table 5.15, consequent actions). The consequent actions associated with these critical events further supported participants who were able to turn the situations around. Jagendra survived the near collapse of his business when some strategies appeared attractive but not practical. Ramesha realised that negotiating with banks for restructuring is vital when your business is struggling for survival. Daya gained control of the company and become the main shareholder. Lasith launched his company in stages and initially, it was confined to only a few geographical areas. Rehan revived his company several years after his key staff left, but he no longer trusts people. These critical experiences show that the participant has experienced fundamental changes on both personal and business fronts and has achieved higher-level learning.

In conclusion, this section discusses critical events that happened in participants' personal lives, such as leaving established careers or the death of a parent, spouse or siblings. It also explores critical events and experiences that have happened in the business, such as facing liquidation, losing manufacturing quotas, operational difficulties, threat of large competitors and travelling to unknown hostile markets. Each of these critical events evoked a range of emotions, which include some negative emotions like helplessness, feeling alone, grief, anger, frustration and betrayal; however, they also include some positive emotions like self-belief and confidence. It is evident that when critical events occur, there is a reciprocal effect on personal life and business and vice versa. Further, these critical events and experiences change underlying assumptions, beliefs and values. Therefore, critical events and experiences involve higher-level learning than day-to-day events do.

5.8 Conclusions

To conclude, the following findings have emerged from the findings. It is evident that most entrepreneurs developed their initial business idea from scanning the business environment for cues and signals. Some described it as solving a problem in society or within the business (excess manufacturing capacity). Some described the same scenario as finding untapped market opportunities. However, it is apparent that an identified initial business idea is associated with other factors such as educational expertise or previous work and entrepreneurial experience and these factors may influence the ability to read environmental cues and signals. The second group of entrepreneurs obtained their initial business ideas from previous work. The third group took advantage of government policy changes to develop their initial business ideas. In addition, entrepreneurs in the sample are visionary and have a pioneering nature and the confidence to take risks.

Initial resources that entrepreneurs use in their new ventures came from a range of sources. Some entrepreneurs obtained initial capital using their own savings, family savings, or by selling or mortgaging their own land and property. Some ventured into businesses in fields in which they already had an academic specialisation. It is evident that most entrepreneurs have previous experience in their respective business sector. This experience has assisted the entrepreneurs to establish their most valuable supplier and customer relationships. There are some synergies among the resources, such as educational background, work experience and relationships with customers and suppliers. Combined, these have provided a substantial help for entrepreneurs during the set-up of their new ventures.

Entrepreneurs used these synergies as their initial tactics. Participants from the service sector mentioned that initial capital requirement was relatively low, which enabled them to operate from home and minimise overhead costs. Entrepreneurs from the manufacturing sector stated that initial capital requirements were substantial, as machinery, land and buildings had to be purchased or hired. Quality was identified as the main focus of entrepreneurs. Those in the service sector focused on the efficiency and service quality of the processes, while those in manufacturing tried to match quality standards and production technologies from the UK, Japan or Germany. Entrepreneurs also used different tactics when looking for markets; new geographical markets and niche markets are some examples. Some used their years of business experience and contacts to access those markets. It was evident that most entrepreneurs solved their working capital problems through managing their customers (debtors) and suppliers

(creditors). For most participants, direct marketing was an effective strategy during the initial phase of venture creation. In addition, entrepreneurs showed different skills in planning, negotiating, networking, analysing and decision-making. These initial tactics were highly effective due to the entrepreneurs' hard work, resilience, persistence and high level of commitment.

As indicated in the data analysis, most entrepreneurs were motivated by the desire to achieve. Others were motivated by other factors, such as family and business background, job dissatisfaction, a lack of alternative, sense of independence, additional income and doing something for the society. In certain situations, entrepreneurs were motivated primarily by a single factor. However, it is also evident that secondary factors played an important role.

The findings indicate that the social and cultural set-up of the country influenced the formation of entrepreneurs in some ways. Key perceptions of Sri Lankan society are that government jobs are better, entrepreneurs are exploiters and working for someone is preferred. Liberalisation of the economy in 1977 has brought many societal changes, including demolishing the traditional caste system and the emergence of a new business class, which is an addition to the traditional class built upon wealth and affluence. The recognition of entrepreneurs and entrepreneurship within society has been changing since 1977. Further findings also reveal that creating ventures in certain industries may not be compatible with individual religious beliefs (Buddhist). Hence, entrepreneurs refrain from starting businesses even though opportunities are lucrative and legal. At the institutional level, there is an increasing level of recognition of entrepreneurs' achievements at both regional and national levels, which is an encouraging sign. According to data, female entrepreneurs are equally as recognised as male entrepreneurs are at the institutional level. Most stated had not experienced gender discrimination.

The findings also suggest that most entrepreneurs face difficulties with customs clearance, particularly those who have started new ventures and do not have a history of importing certain products. However, it is expected that the government will fully implement a plan to streamline the system by making the services available online, which will increase efficiency and reduce malpractice. Some entrepreneurs argued in favour of regulating industries to ensure high standards and undue price fluctuations. The negative perception of entrepreneurs by government officials was also highlighted. However, most

entrepreneurs accepted that Sri Lanka is a highly favourable place to do business, far better than many countries in the region.

It was evident from the findings that extremely high interest rates and a reluctance to provide loans to unestablished entrepreneurs were major obstacles for new ventures. Further, there are potential entrepreneurs with years of industrial experience and professional qualifications who lack set-up capital. The findings also suggested that development banks and venture capital firms must be established to provide support to potential entrepreneurs who are trapped within the cycle of financial difficulties, despite having brilliant business ideas.

Findings also suggested that participants share different learning styles during the opportunity recognition and new venture creation process. They do not display the same learning style throughout. Further, the data suggest that, in all, 13 participants out of 25 displays either a convergent or assimilative learning style with other learning style/s. Accommodative learning style is the other most common learning style that they share, together with either convergent or assimilative learning styles. In particular, participants display similar learning styles in the idea stage and opportunity recognition stage. Sixteen participants out of 25 display this pattern. In addition, 12 participants share similar learning styles in the institutionalisation stage and their general learning style. Such patterns show higher statistical correlations, 0.63 and 0.61 under Spearman's correlation calculations.

Section 5.6 discussed critical events that happened in participants' personal lives, such as leaving established careers, the death of a parent, spouse or siblings concurrently with some critical business-related events and experiences, such as facing liquidation offers; losing manufacturing quotas, operational difficulties, threat of large competitors and travelling to unknown hostile markets. Each critical event involved a range of emotions, including some negative emotions like helplessness, loneliness, grief, anger, frustration and betrayal, while at the same time including some positive emotions like self-belief and confidence. It is also evident that these critical events and experiences change the underlying assumptions, beliefs, and values of the participants. Therefore, critical events and experiences involve higher-level learning than from day-to-day events do.

Chapter 6: Analysis, Discussion and Conclusions

6.1 Introduction

The aim of this chapter is to analyse and discuss the key findings presented in Chapter 5 to identify areas that support and contradict the existing literature. First, it will identify areas of this research that adds new understandings to the existing body of knowledge. Second, it will incorporate these findings into the original research framework. The findings will be discussed under three main sections: opportunity recognition and new venture creation, motivation and entrepreneurial learning, and learning styles. Findings related to the influence of institutional context will be discussed under each main section.

To this end, this chapter is structured as follows. Section 6.2 will analyse and discuss the findings of Section 5.2 in light of existing literature. Section 6.3 will analyse and discuss findings of Section 5.3 (the various reasons the participant was motivated to become an entrepreneur), while Section 6.4 will analyse and discuss the findings on entrepreneurial learning experiences and learning styles. Section 6.5 presents the implications of the findings of this study on the initial research framework. Finally, Section 6.6 draws conclusions highlighting the contributions to the knowledge.

6.2 Opportunity Recognition and New Venture Creation

This section analyses and discusses the findings of Sections 5.2.1–5.2.3 in the light of existing literature and theories in Chapter 3.

Findings of this study support earlier studies in several ways in terms of how entrepreneurs identify their initial business idea. Some scholars explained that such cues come from changes in the external environment and unrelated events; entrepreneurs find a pattern from such unrelated events using prior knowledge and creativity (Baron 2006; Ward 2004). Fifteen participants mentioned they discovered the initial idea when they ‘scanned’ the business environment for cues or solved a problem in society or industry. Some participants described the scenario as ‘finding untapped market opportunities’ or ‘a gap in the market’. Other entrepreneurs in the same group described ‘their internal business environment pushed them to search for new opportunities’ (e.g., excess manufacturing capacity pushed them to look for new opportunities of utilising the excess capacity). Participants also mentioned ‘being sensitive to the environment’ (Lasith) and ‘being vigilant’ (Naveen) to environmental changes are crucial. This is similar

to the key antecedent identified by Short et al. (2010) in the literature as alertness, originally discovered by Kirzner (1973; 2008) as a quality that individuals should have in opportunity recognition and new venture creation efforts. The second group (12 participants) mentioned they developed their initial business ideas from previous work and educational expertise that coincided with their business. The third group (four participants) obtained the inspiration for their initial business ideas from government policy changes.

In Section 5.2.1, emergence of initial business idea, the importance of each participant's education and work experience (often known as prior knowledge) in opportunity identification is discussed (see Table 5.1). Table 6.1 summarises the findings on prior knowledge. The table demonstrates that 18 participants have degree-level education and professional qualifications in marketing and accountancy. The other 13 completed their secondary school education. Ten participants started new ventures directly related to their academic degrees. Twenty-nine out of 31 participants had previous work experience; 25 started their new venture in areas directly related to their previous work experience.

Table 6.1: Prior knowledge characteristic of the sample

Characteristics	Number of Participants
Education	
University degree level or professional qualification	18
Completed secondary school education	13
Work experience	
Working experience—directly related	25
Working experience—not directly related	4
No experience	2
Previous entrepreneurial experience	
Having entrepreneurial experience	9
No entrepreneurial experience	22

Findings of this research also echo earlier studies that support the notion that previous knowledge plays a significant role in the identification of initial business ideas, evaluation and determining the way of exploitation (Shane, Davidsson & Honig 2003; Corbett 2007; Dimov 2010; Wood & Williams 2012). Further, in terms of entrepreneurial experience, only nine participants had previous entrepreneurial experience, which supports Dimov's

(2010) findings that previous entrepreneurial experience is not as vital as industry experience in the opportunity identification process.

The literature suggested networks are a key antecedent in the opportunity recognition process (Short et al. 2010; Ardichvili et al. 2003). Such social networks, embedded in society, need to be developed through the investment of time and effort (Putnam 2001). Loosely connected networks provide numerous untapped opportunities and information. Nevertheless, network members do not have regular personal level contacts (Burt 2000; Bhagavantula et al. 2010; Scott 2017). In contrast, the literature held the view that closed networks are nurtured through strong emotional bonds and trust (Scott 2017). Participants used a range of resources instead of relying on single resources (see Section 5.2.2). Some participants obtained initial funding through their own savings, selling or mortgaging their land and homes (e.g., Kamalan, Jayanath, Jaya and Chandran). Others used immovable properties such as land, building and machinery owned by their parents and family members to raise the initial capital and assets (e.g., Danesh and Sadesh).

Some fellow employees and work colleagues trusted some of the participants' skills and new venture insight and joined them. In some instances, university colleagues (e.g., colleagues of Chandana and Prem) were involved in decision-making bodies, which made it easy to secure important orders (see Section 5.2.2). These findings are very similar to how networks function in transitional economies, particularly in China. The underlying element is trust: such networks are built from close family members, friends or people from the same region, school or university.

Findings of this study also suggested that participants used relationships that they developed with customers and suppliers while working for previous employers (Kamalan) as a resource. Strong relationships with customers and suppliers helped to secure initial markets, receive advance cash receipts on future orders, grant longer credit periods and purchase raw materials on credit. In the current study, one participant explained 'buyers are from Japan, Germany and Italy, my buyers are trustworthy, they are giving advances and very good people' (Witharana). This approach was crucial for participants, as they faced capital problems in initial stages.

Previous work experience also taught lessons and provided valuable experiences in functional areas of business such as manufacturing, marketing and finance (Ashoka). Many mentioned how that enhanced their confidence in formulating initial tactics:

reinvestments (e.g., Lasith, Anuradha and Vincent,), strong customer and supplier relationships (e.g., Chandan and Witharana), emphasis on product quality (Danesh and Kamalan), introducing new products (e.g., Saman, Gihan and Keshan), looking for new markets (e.g., Jayanath), efficient working capital management, lower overhead costs (Chandana, Prem and Daya), and direct marketing to establish their product in the market and reach for customer segments (Vincent and Saman). Participants displayed many different skills, including negotiating and networking skills with customers and suppliers, planning and organising skills with limited resources, decision-making skills on reinvestments, which markets to enter and which products to manufacture (see Section 5.2.3).

6.2.1 Institutional Influence on Opportunity Recognition and New Venture Creation Process

This section analyses and discusses the findings of how institutional context influences the opportunity recognition and new venture creation efforts of the participants. Thus, particular focus is given to how society, culture, government policies and financial policies influence opportunity recognition and creating new ventures (see Sections 5.4.1–5.4.3).

Several studies in the literature review focused on Chinese, Russian and Eastern European transitions to open economic policies, which created many challenges and opportunities (Burt & Burzynska 2017; Peng 2003; Smallbone & Welter 2010). Similarly, literature provided an economic perspective of transitions in the Sri Lankan economy (Athukorala & Rajapatirana 2000). Sri Lanka was inward-oriented economy adhering to import restrictions on goods and services and alienating the private sector through the nationalisation of private businesses, particularly during 1970–1977 (Athukorala & Rajapatirana 2000). Amid such events, Sri Lanka embraced open economic policies in 1977 by a government elected by an overwhelming majority (Abeyratne 2004).

Findings of this study illustrate entrepreneurs' viewpoints of the transition in the Sri Lankan economy. Participants presented both positive and negative aspects of the open economic policies, while some participants discussed the negative aspects of closed economic policies. Some participants emphasised that prior to 1977, Sri Lanka adhered to closed economic policies; under that system, entrepreneurs needed to go through numerous regulative bodies to gain approval for importing raw materials and establishing

new businesses. According to respondents, it was difficult and required hours of waiting in various government departments (Yahampath, Vincent, Samuel and Jaya).

Surprisingly, participants mentioned that an open economy has its own merits. Safeguarding local industries from imports by imposing strict restrictions on imports meant it was not difficult for participants to find a market for their products (Yahampath and Samuel). Within the country, their products faced limited competition. After the liberalisation of economic policies in 1977, participants were open to many opportunities and their markets reached beyond the borders. They experienced fewer difficulties when importing the manufacturing inputs. Participants found that government policy changes supported export-oriented manufacturing (Jaya, Ramesha and Samudra).

The literature suggested that the spread of high-level corruption and malpractice in Central Asia, Central Europe, Russia and Trans-Caucasus was largely due to corrupt officials taking advantage of unclear government rules and regulations, particularly in paying tax. Additionally, entrepreneurs spent a great deal of time explaining regulations to officials (Tonoyan & Strohmeyer 2010; Ostapenko & Williams 2016). Participants of this study reported similar experiences. Most participants mentioned their disappointment with constant policy changes made by the government, 'particularly the frequent interim tax revisions [that] appear suddenly'. One participant described this as 'overnight tax revisions are coming without any knowledge' (Chandana). The Sri Lankan tax system is complicated and with so many different components to pay, participants believe regulatory bodies sometimes have no clear idea about tax changes (e.g., Kamalan and Keshan). This situation makes investment, pricing and reinvestment decisions extremely difficult. They suggested that a more simplified tax system is needed as the current system is far too complicated with its various tax components.

Further, some participants pointed out that government institutions are reluctant to view problems from the perspective of entrepreneurs. Thus, entrepreneurs waste crucial time seeking various approvals; this is a rather discouraging experience for entrepreneurs (Witharana and Prem). Findings indicate that participants are frustrated with the difficulty of obtaining custom clearance as a start-up company with no history (e.g., Gihan, Kamalan and Prem). Even participants who have been in business for some time also mentioned that custom officers created impediments with the intent to profit from malpractices (Jayanath). However, findings also revealed that participants recognised that Sri Lanka is far better than many other South Asian and Asian counterparts are as

a place to engage in business (e.g., Saman) and pointed out that Sri Lanka is one of the very few places that foreign investors can start fully owned ventures without local collaborations. They welcomed government moves to streamline customs by enabling exporters to submit customs documents online, which will reduce malpractice and save considerable time and money for entrepreneurs. Participants welcomed regulating industries with standardised practices in line with international standards to ensure Sri Lanka remains competitive and far better to conduct business in than many other prominent countries in the South Asia.

Participants expressed the view that financial policies and regulations hinder opportunities for emerging new entrepreneurs by being unready to provide loans and credit facilities for small entrepreneurs without collateral, despite the individual merits of the business (Prem, Witharana and Lasith). Participants also highlighted the difficulty of providing collateral in the form of land and buildings with clear titles; many have no properties other than their homes. High interest rates also cripple entrepreneurs in the early stages. Ramesha reflected on her experience of borrowing money at interest rates of 26–30 per cent during early 1990s during the conflict era while Kamalan mentioned his more recent disappointment: ‘Nobody willing to fund us, none of the banks, and the development banks are just a word’. This illustrates the importance of establishing development banks and venture capital firms with the vision of supporting entrepreneurs with brilliant business ideas. Thus, any individual with years of professional experience and sound education could access funds based on business merit without presenting collateral. Two female participants discussed their displeasure with financial banks. Ramesha reflected on her early memories: ‘financial institution considered her loan request as high risk and extra liability even though she provided substantial collaterals, as she was a widow’. Yahampath mentioned she never enjoyed the interrogation and left the negotiation responsibility with her husband.

Further findings indicated that participants were disappointed with the Sri Lankan banking sector’s preference to finance investments with a shorter payback period and reluctance to finance manufacturing and agricultural sectors of the economy. Anuradha stated ‘There is hardly any support for manufacturers, banks’ support is for traders as they can recover the loan pretty quickly’. This has a reciprocal effect on youth who believe in making ‘easy money’ from the trading sector of the economy (Samuel). They do not want to engage in manufacturing because it has a long payback period and is challenging.

The findings that emerged from this study in relation to financial policies are similar to those of Eesley (2016); formation survival and growth of new ventures is significantly affected by less-developed financial institutions. However, this study does not support Lim et al.'s (2010) suggestion that entrepreneurs rely more on equity-based financing for cultural reasons. This study indicates that in the Sri Lankan context, unfavourable financial terms leave entrepreneurs in limbo, unable to access bank loans; this is not because of cultural reasons. The studies show that transitional economies, particularly in China (Armanios et al. 2017; Dutta et al. 2016) and Russia (Ahlstrom & Bruton 2010), show government as a main source of approving loans for entrepreneurs, evaluating applications on business idea merits and credentials. However, Sri Lanka does not have that level of government intervention. Participants identified government intervention in the form of development banks. Unlike in China and Russia (Puffer et al. 2010; Lee & Hung 2014), individuals have right to buy and dispose of property in Sri Lanka. As a result, some participants had the ability to provide their homes, land and buildings as collateral for obtaining loans.

6.3 Motivation to Start Up

This section will analyse and discuss findings of Section 5.3 in relation to push-and-pull theories to identify the factors that drive participants internally and externally.

6.3.1 Pull-and-Push Factors

Participants cited many motivations that inspired them to become entrepreneurs. Table 6.2 presents a summary of the key results. Twenty-one participants were initially motivated by pull factors such as sense of achievement (12), family business environment (5), sense of independence (3) and doing something for the country (1). The remaining 10 participants were motivated by push factors such as job dissatisfaction (4), no other alternative (4) and additional income (2). Numbers in parentheses in the table represent the number of participants who named the same factor as a secondary motivating factor.

Table 6.2: Pull and push factors

Push factors			Pull factors
No other alternative	4	Sense of independence	3
Additional income	2	Sense of achievement	12 (4)
Job dissatisfaction	4(3)	Family business environment	5 (2)
		Doing something for the country	1 (2)
Total	10		21

** Numbers in parentheses: participants who mentioned the factor as secondary motivator.

This study supported previous studies (McClelland 1961) that individuals with high achievement motivation in entrepreneurial environments are the most likely environments for such individuals and subsequent studies (Brockhaus 1982; Carland & Carland 1984) the same argument and explained achievement as characteristic of entrepreneurs. This study shows that 12 participants were motivated by a sense of achievement, described as 'their desire to achieve a lifetime dream' and 'materialistic luxuries in life'. Some participants described this desire as 'becoming a big person in the society'. Some participants emphasised that achieving a better life, not only for himself or herself but also for parents and younger siblings, drove them to look beyond traditional jobs (Lasith and Sam) while another set of participants said achieving new challenges gives them satisfaction (Jagendra and Charles). Most of the time, they were inspired by watching or listening to others' success. In fact, they were inspired by the luxuries, success and power enjoyed by their bosses or successful entrepreneurs in the country. They were driven by the feeling of being deprived of materialistic luxuries in life, which McClelland (2007) believes is where powerful motives begin.

It is also noted that multidimensional achievement motives in entrepreneurial literature (Carsrud & Brännback 2011) reference three dimensions: work orientation (desire to work hard), mastery (preference for challenging tasks) and competitiveness (interpersonal competition). This is exemplified by the participants who cited sense of achievement as their motivation (Chandran, Anuradha, Naveen, Kamalan, Jagendra, Vincent, Danesh, Lasith, Charles, Vicky, Sam and Sanath). They have excelled in their

education, reaching degree or master's level. They worked for several years in the industry and were promoted to managerial and senior managerial levels while competing with their peers and have been recognised for their achievements (see Section 5.2.1).

Literature suggested that family plays a significant role in planting initial seeds of entrepreneurial intentions in the minds of children at a young age (Kirkwood 2007; Hickie 2012). It was clear that five participants were motivated by a family business environment. They described how they were motivated by the behaviours of their parents (Gihan, Jane, Daya, Suja and Samuel). Some participants were fascinated by the financial freedom that their entrepreneurial parents enjoyed (Gihan and Daya). Kirkwood (2009) mentioned the lifestyle of the entrepreneurs as attracting and motivating others to become entrepreneurs, particularly with regard to having freedom to bring up children, particularly in the context of female entrepreneurship. One female entrepreneur (Suja) emphasised she was inspired by her father's 'lifestyle as entrepreneur' and freedom, which enables her to raise her young family. Some participants (Samuel and Jane) were fascinated by the recognition their parents received from the local community, as they provided livelihoods for so many people.

The sense of independence is the other motive that three participants (Ashoka, Jayanath and Rehan) identified. Some participants found it difficult to work under someone, as it was difficult for them to not have the freedom to make decisions, which often resulted in clashes with superiors. Thus, they wanted to become their own bosses. Some participants used the phrase that they wanted to become their own master, which is similar to Kirkwood's (2009) study, in which both men and women expressed their desire for control over their destiny and becoming their own boss.

'Doing something for the country' is the other factor that motivated participants. However, in this instance, this motive moved beyond the 'self' dimension. For instance, Samudra wanted to support the life struggle and uplift the standard of living of the people by starting a business in declining handloom industry. It is interesting to note that two other participants (Danesh and Ashoka) mentioned doing something for the country as a secondary reason and their primary motive as achievement. This finding has added a new holistic perspective that goes beyond general success and achievement motives.

As far as push factors are concerned, no other alternative and job dissatisfaction are the most common push factors identified by participants. In terms of the no other alternative category, the deaths of parents, spouses or family members left these participants

without much alternative. Keshan, as an only child, had to take the reins of the business after his father's death, abandoning his ambition to become an officer in the army. Jaya had to manage the family properties and business after his father's and brother's deaths. Ramesha needed to secure her family's future after the death of her husband. Kirkwood (2009) suggested that women in particular think that relationships with others may have been in jeopardy if they had not continued with the decision to become an entrepreneur, which he explained as 'relational thinking'. It is clear in this study that relational thinking was present among women and men who value their relationship with parents and close family members, who they are reluctant to put in jeopardy.

Dissatisfaction with their job arose for many reasons, ranging from not having authority and responsibility (Chandana), lack of opportunity to promote and aspire in the job (Saman, Witharana and Prem) to 'favouring the same social class, caste and privileged elite spectrum of the society' (Witharana). They described the situation with frustration and anger, yet also with a sense of proving that their previous employers were wrong; 'They pushed us to start own business' (Chandana). They started their new ventures in direct competition with previous employers. These findings align with the studies of Dawson and Henley (2012), Hytti (2010) and Kirkwood (2009), in which they discussed dissatisfaction ranges, insufficient salary, inflexible work hours, and dissatisfaction with organisational culture and politics. Further, Kirkwood's (2009) study explained that some entrepreneurs felt deep job dissatisfaction and wanted to 'show' their previous employer how a business should be operated by setting up in direct competition with that previous employer. Often by doing that, the previous employee was seeking 'revenge'.

The motivation of two participants (Yahampath and Dilshan) was supporting their families with additional income. Their basic needs were fulfilled from regular jobs, but participants explained that they needed to provide a secure future for their children. Kirkwood's (2009) study found that men and women were motivated in different ways by their children. Women were more focused on day-to-day care and providing emotional support, whereas men were more concerned with providing for their children in materialistic ways to establish a stable life for them. However, two participants in the current study, one female and one male, were both motivated by the desire to provide materialistic benefits and a stable life for their children beyond the basic needs. The motivations of men and women to provide for their children will depend on which set of basic needs children are deprived of.

Dawson and Henley (2012) and Eijdenberg and Masurel (2013) suggested that motivating factors can be created by interactions between the few push or pull factors. Similar interaction can be observed in this study. For example, Ashoka and Danesh identified sense of independence and sense of achievement as primary motivators respectively, while they identified 'doing something for the country' as their secondary motivating factor. In addition, interaction between the push-and-pull factors was noticed. For example, Saman, Chandana and Prem identified job dissatisfaction as their primary motivating factor and sense of achievement as their secondary motivating factor.

Further, Reynolds et al. (2002) explained that entrepreneurs driven by survival and avoiding failures were identified as necessity entrepreneurs, while opportunistic entrepreneurs pursue economic opportunities based on their merits instead of being employed. Several findings supported those of Reynolds et al. (2002). For example, in both studies, opportunistic entrepreneurs were motivated by higher motives such as sense of achievement, sense of independence, family business environment and doing something for the country. Similarly, participants, aged 30–80 years had many years of industry experience and most had achieved degree-level education, which fits Robichaud et al.'s (2010) study of the characteristics of opportunistic entrepreneurs. However, the findings contradict Nishantha and Pathirana's (2013) study of 76 small- and medium-sized entrepreneurs (purposefully selected), which suggested that Sri Lankan entrepreneurs are motivated by income and security needs. Such discrepancies can be due to difference of the sample selection and sample characteristics of this study.

6.3.2 Institutional Influence on Motivation to Start-up Factors

The aim of this section is to contextualise the push-and-pull factors identified in Section 6.3.1 to further understand the situations in which participants are motivated to become entrepreneurs. Thus, push-and-pull factors will be viewed in the light of institutional influence findings (see Section 5.4). Table 6.3 outlines the motivation factors and relevant institutional factors.

Table 6.3: Motivational factors and relevant institutional factors

Pull and Push Factors	Personal Factors	Institutional Factors	
		Formal	Informal
Sense of achievement	Opportunities in the market Satisfaction of overcoming challenges Better life for younger siblings and parents	Changing economic policy Education system	Social expectation Social recognition Family values Collective culture
Job dissatisfaction	Lack of authority Lack of promotions Lack of recognition Disagreements with boss over new initiative Lack of incentives	Labour unions	Power distance Social class
No other alternative	Death of a spouse, parent or family member	Welfare economic policies	Social expectations Cultural values Power distance
Sense of independence Family business environment	Rigid management Help parents' business		Family values
Additional income	Support the family	Economic reasons and cost of living	Values of the society (savings for children)

According to the findings, 24 participants commented on recognition they received as an entrepreneur in society and how culture had influenced their decision to become entrepreneurs. Some participants mentioned that entrepreneurs generally attract social recognition as those who make profits by exploiting others and making money through illegal practices (Jagendra and Witharana). Local authority officers also have this notion,

which discourages many young budding entrepreneurs from emerging (Prem and Witharana).

Findings indicate that the adoption of open economic policies in 1977 was the turning point and presented many opportunities. Several participants emphasised that prior to 1977, the caste system played a key role in every aspect of the society; those who worked for British companies as local agents became established in society and were recognised and respected as entrepreneurs. However, with economic liberalisation, the caste system became unimportant and wealth was redistributed to people from different backgrounds (Saman, Witharana and Ashoka). Women participants (Yahampath, Ramya, Jane, Suja and Samudra) were content with the social recognition received: 'we are fortunate in Sri Lanka to have almost equality'. Both men and women participants unanimously agreed that they received recognition for their achievement annually by the Chamber of Commerce of Sri Lanka at national and regional levels. In Table 6.3, social expectations are considered part of cultural values and norms. Therefore, they are considered informal institutions. Opportunities emerging from open economic policies were also considered as a formal institution.

Participants expressed the view that social values held by most parents in the Sri Lankan context do not encourage entrepreneurs to emerge. Participants mentioned that parents encourage their children to believe that a government job secures a steady future. This notion has become a barrier to prospective new entrepreneurs. They encourage their children to excel in academic disciplines (Naveen). Non-urban parents still prefer government jobs for their children over private sector jobs or entrepreneurship (Jayanath). Findings also suggested that working for someone is more desirable because it is perceived as less risky. According to Danesh, 'Sri Lankan middle class and upper-middle class wanted to work for someone'. In the Sri Lankan context, the social welfare system does not safeguard against unemployment, so failures are associated with the individual. Further, some participants mentioned that the Sri Lankan middle class or upper-middle class prefer to work under someone, which is known as a 'hierarchical mindset' (Ashoka). The Sri Lankan family circle considers entrepreneurship a risky option and it is sometimes looked down upon until one becomes successful (Daya). Findings suggest that the families with entrepreneurial experience do not hesitate to encourage and support children's aspirations of entrepreneurship by allowing them to help in the business in small ways (Samuel, Suja and Gehan).

Further, the findings also suggest that participants would not like to venture into industries that do not align with Buddhist values (Keshan, Daya, Sam, Yahampath, Saman, Sanath and Sadesh). From an outsider's perspective, this approach appears to be a restraint when taking opportunities in certain industries—gambling, liquor and toxic substances, selling weapons and prostitution—even though there is no legal restriction (except in the case of prostitution and selling toxic substances) to start new ventures in those particular industries. However, such opportunities are not taken up because they do not align with their Buddhist beliefs. Individuals viewed this as a personal choice; such principles provide guidance and direction, as 'no matter how profitable it may be, there are certain businesses I will never get into' (Kamalan).

According to the literature (see Chapter 3), Hofstede (2016) described Sri Lanka as collective culture. In Sri Lanka, parents play a significant role in a child's education, from preschool to university (Chandrakumar 2011). Parents and elder siblings are normally responsible for the welfare of younger siblings, including assisting with academic progress (Chapin 2014). Being employed is vital for any individual, as for a government safety net such as job seekers allowance and other benefits are not available. Some participants were motivated by additional income (Dilshan and Yahampath). They used phrases such as 'I had worked for 35 years, I will have something for my children' (Dilshan); 'bit of extra money; we have four children' (Yahampath). Lasith's was motivated to achieve, not only for himself but also for his mother and younger siblings: 'I want to help my mother, brother and sisters'. Ramesha, a widow, expressed her motivation as 'I should do beyond what I was because I had two daughters'. In Table 6.3, informal institutions include family values, which represent those embedded in Sri Lankan society.

Hofstede (2001; 2016) stated that high-powered distant culture features in societies where power is distributed unequally and movement between social strata is restricted. Thus, career promotions depend on the favour of superiors. Similar situations in hierarchical societies reveal that management is often inefficient; managers lack operational independence; superiors debate policy; and skills are under-utilised. The findings indicate that signs of power are distant characteristics in Sri Lankan culture, where organisations lacking delegation and authority are features of tall organisational structures. This frustrated some participants, along with the favouring of people from certain social groups and schools rather than on individual merits.

According to the literature, the government workforce is highly unionised in Sri Lanka. Trade unions have very close affiliations with the main political parties (Athukorala & Rajapatirana 2000). Employees tend to seek union intervention, particularly for issues such as unfair promotion practices and pay rises. However, the presence of labour unions in the private sector is not as common as in the government sector because employers try to discourage the formation of unions using many tactics (Athukorala & Rajapatirana 2000). Participants who mentioned job dissatisfaction and independence as motivating factors pointed out that their dissatisfaction was due to not being recognised for their work, not having decision-making power, favouritism and lack of promotions. All these participants were employees in the private sector.

6.4 Learning Styles of Participants and Learning Through Critical Events

This section consists of two subsections. Section 6.4.1 pertains to the key findings of Section 5.5, while Section 6.3.2 discusses and analyses findings on learning experiences of critical events in light of the relevant literature in Section 3.2).

6.4.1 Learning Styles

The current study considered a three-stage opportunity recognition and new venture creation process: idea, opportunity and institutionalisation. After profiling participants' learning styles at the different stages of the three-stage opportunity recognition and new venture creation process using a modified version of Kolb's learning style inventory (1984), the following key patterns were noted.

The results of this study indicate that entrepreneurs display different learning styles during the three-stage opportunity recognition and new venture creation process. The data suggested that 13 out of 25 participants displayed either convergent or assimilative learning styles in the idea stage, while 11 participants displayed accommodative learning at the institutionalisation stage. Such a distinctive pattern could not be identified in the opportunity stage. Literature suggests that individuals with cognitive learning styles have the ability to conceptualise, analyse problems and find solutions (Kolb 1984). Assimilative learners are keen to conceptualise, observe and reflect on a problem. Accommodative learners use experience and action when planning. Accordingly, this study suggests that participants use convergent and accommodative learning styles or assimilative and accommodative learning styles during opportunity recognition and new venture creation.

Sixteen out of 25 participants displayed the same learning style in the idea and opportunity recognition stage, which was statistically significant at $r = .63$, $p < .001$. Second, 12 participants displayed general learning styles in the institutionalisation stage, which was significant at $r = .61$, $p < .001$.

The results of this study provide insight to the questions raised by Corbett (2005) about whether individual learning during the different stages of opportunity recognition and new venture creation. Theoretical discussion of Corbett (2005) suggests that certain learning styles are more compatible with particular stages of the opportunity recognition process (see Section 3.2.1). Suggested preferred learning styles for each stage of Lumpkin et al.'s (2004) creativity-based opportunity recognition model are:

- idea—convergent learning style
- incubation—assimilative learning style
- evaluation—divergent learning style
- elaboration—accommodative learning style (see Table 6.4).

Similarly, the three-stage opportunity recognition and venture process of this study is mapped with Corbett (2005), based on the ability of each stage to be compared.

Findings of the current study are more aligned with Corbett's (2005) suggestions with respect to idea and institutionalisation. The results of this study revealed that 13 out of 25 participants displayed either convergent or assimilative learning styles during the idea stage. Only three participants displayed a divergent style at the opportunity stage. At the institutionalisation stage, only 11 participants displayed the preferred, accommodative learning style (see Table 6.4). Therefore, this study supports Corbett's (2005) theoretical suggestion that entrepreneurs display different learning styles during the opportunity recognition and new venture creation process: convergent or divergent with accommodative learning style.

Table 6.4: Mapping the findings of this study as per Corbett (2005)

Functional aspect of each stage	Stages of opportunity recognition and new venture creation as per Corbett (2005)	Stages as per the current study	Preferred learning styles at different stages as per Corbett (2005)	Findings of the current study
Emergence of business idea	Idea	Idea	Convergent	13 out of 25
	Incubation		Assimilative	
Opportunity recognition	Evaluation	Opportunity	Divergent	3 out of 25
Establishing new venture	Elaboration	Institutionalisation	Accommodative	11 out of 25

Results show some deviation or incompatibility in the opportunity stage, which may be due to various reasons. Corbett (2005) is limited to theoretical discussion by identifying the most appropriate learning style to stages of opportunity recognition and new venture creation stages. Thus, individual factors such as existing knowledge, age and contextual factors were ignored. For example, this study includes 25 Sri Lankan entrepreneurs aged 30–70 years with years of industry experience.

Dimov's (2007) study suggests that prior knowledge promotes intention only for individual when his or her learning style matches with situation insight. According to the study, there are two situation insights: demand-driven situations, in which the individual is aware of customers' needs but unaware about the products that can satisfy such needs; supply-driven situations in which the individual is unaware of customers' needs, but is aware of products. Dimov's (2007) study suggests that prior knowledge promotes intention only for people with divergent learning styles in demand-driven situations and convergent learning styles in supply-driven situations.

There were 20 supply-driven and five demand-driven participants in this study. Only four entrepreneurs displayed convergent learning style out of 20 supply-driven entrepreneurs in the idea stage. Two entrepreneurs displayed divergent learning style out of five demand-driven entrepreneurs. This study does not support the findings of Dimov (2007). However, it does show that 12 entrepreneurs out of 20 supply-driven entrepreneurs have convergent or assimilative learning styles. The deviation of results may be due to many reasons, including sample characteristics and research methods. For example, Dimov

(2007) used 92 MBA students under experimental conditions, while this study used a questionnaire to collect data from a sample of 25 Sri Lankan entrepreneurs.

In conclusion, this study answers some of the learning style questions that have been less explored in entrepreneurship literature. The findings show that entrepreneurs display different learning styles during different stages of opportunity recognition and new venture creation process. Participants displayed either convergent or assimilative learning styles in the idea stage and accommodative learning styles in the institutionalisation stage.

6.4.2 Learning and Critical Learning Experience

Most of these events are discussed in Section 5.6 using direct quotations from participants to understand the entrepreneurs' emotions (see Table 5.15). These events are entangled with a plethora of emotions, which are traumatic, emotional and stressful. Most are not recurrent events. For example, the death of a spouse or parent (Ramesha and Keshan) or family member (Jaya), no other job to enable survival (Sadesh), and resigning from lucrative managerial jobs (Saman) are some of the non-routine critical episodes that have happened to participants. These events involved powerful emotions of fear, grief, sadness, helplessness, loneliness and a sense of responsibility for children, family, parents and younger siblings.

Another set of critical events happened in participants' business lives: for example, losing a manufacturing quota (Ramesha), resignation of all key employees from a business (Rehan) and starting a new venture against a multinational monopoly (Lasith). These events involved financial stress, frustration, betrayal, fear of losing recognition and respect, and loss of self-confidence (See Table 5.15). These events are more profound than those experienced daily. Some of the crises were due to natural reasons over which the individual had no influence, while others stemmed from changes in the business environment, or relationship crises with investors, government, employees and previous employers. Participants' emotional experiences include more negative and challenging events. Thus, the critical events explained in the above section are compatible with Cope's (2003; 2005) explanation of critical, non-routine, emotionally charged events similar to broken intimate relationships or the bereavement of a close relation. Such events can affect social, financial and psychological relationships (Ucbasaran et al. 2013).

However, the consequent actions taken (see Table 5.15) in response to these critical events brought some positive aspects that changed future behaviours. For example, some participants took control of their own lives and feelings, and assumed responsibility for the wellbeing of their parents, younger siblings and even employees (Ramesha, Keshan and Daya). Some determined that those mistakes would never be repeated in future business decisions (Rehan, Jagendra and Ramesha), while some of the critical events changed career paths and opened entirely new markets and business opportunities (Lasith, Saman, Jayanthan, Anuradha, Chandana, Daya and Sadesh). The time between the 'experiences' and consequent actions (see Table 5.15) indicates that participants engaged in a great deal of thinking and reflection. Therefore, this study suggests that 'experience' includes 'knowing', 'understanding', 'reflection' and 'action'. Learning is not about functional knowing. It further explains that those critical experiences involve knowing, understanding, reflection and future-oriented action. These consequent actions indicate that participants have learned a great deal through their experiences, which resonates with Cope's (2005) explanation that such events can create higher learning, which can change beliefs and assumptions. Krueger (2009) asserted that such experiences made novice entrepreneurs experts and Shepperd et al. (2009) explained that lessons learned lead to the adoption of a 'move on' attitude.

6.4.3 Contextual Learning in Transitional Context of Sri Lanka

This section aims to understand the significant role contextual learning plays in the broader concept of entrepreneurial learning. To this end, some data discussed in Section 5.6 (see Table 5.15) and presented in Section 5.3 will be reviewed in respect to the literature (see Section 3.2).

Rae's (2006) triadic model of entrepreneurial learning comprises three elements of learning. First is learning in the process of emerging as an entrepreneur, known as personal and social emergence (see Section 3.2.2). Second is learning through creation and growth of the new venture, known as negotiated enterprise. Third is learning from deep industry involvement and reacting to industry changes, which often bring opportunities and threats.

Findings indicate that contextual learning has a considerable influence on the broader concept of learning, particularly in transitional contexts. Context changes rapidly and entrepreneurs need to react to such changes quickly to ensure survive and growth. Chandana described 'overnight tax revisions' while Witharana cited an environmental

authority's sudden decision to close his coir business. Ramesha identified her initial opportunity to start a new venture in export-oriented garment manufacturing, which was a government-initiated special project that was part of the economic transition and economic liberalisation program.

Findings illustrates the volatility of the Sri Lankan context during the youth insurgence (1987–1990) and civil war (1983–2009). Vicky had to risk his life to conduct normal business activities on a 'militants' unofficial curfew day', which used to happen frequently, randomly forcing the country to stand still. Vicky stated that facing the worst fears is the only way to do business in such conditions, which is a strong learning experience. Ramesha described the volatility of the situation during the civil war: 'I started the factory in 1994 that time the President Premadasa was assassinated by terrorists. Soon after his demise policy changes, the banks did not give any loans to the garment industry at previous rate'. This incident illustrates the volatility of Sri Lanka during transitional and civil war.

Further, findings of this study suggest that critical events can influence how individuals appear in society, which resonates with learning through personal and social emergence in Rae's (2006) triadic model of entrepreneurial learning. For example, Ramesha decided to become an entrepreneur after her husband's sudden death due to an ambush while he was in operation. 'I was housewife at that time. I was married, this change of life gave me responsibility and something that I should do beyond what I was and also the society look at me' (see Table 5.15). Sudden tragic events not only changed her role in the family from housewife to main income provider, they also changed her identity in the eyes of the outside world. Ramesha faced growing pressure to prove she was not helpless and could be a successful entrepreneur.

This situation exemplified how often sudden critical events can influence dimensions of entrepreneurial learning, particularly in a turbulent environment (Cope 2003; 2005). In a transitional economy enduring civil war, such critical events are frequent, unlike in normal contexts. Hence, there is no time to dwell in emotions. Instead, lessons were learned, and participants developed a 'move on' attitude. As Yamakawa (2015) suggested, too much reflection can dampen effective learning. Participants had no control over critical events, faced similar challenges, irrespective of their gender, and showed a great deal of resilience. Such findings are different to Ekanem's (2015) research in which female entrepreneurs preferred learning through routine learning, while males learned from

challenging experiences. Figure 6.2 indicates that contextual learning plays a broader role in entrepreneurial learning. Further, it can influence the personal and social emergence of entrepreneurs, which overlaps of contextual learning.

As the literature suggested, entrepreneurial learning occurs in contexts other than the Western world. Rae and Wang (2015) suggested that how and what entrepreneurs learn in hostile and challenging environments is yet to be explored. This research fills that gap, giving crucial insight into the learning experiences of entrepreneurs in turbulent contexts.

Sri Lankan society recognises entrepreneurs as profiting from the misery of others. Jagendra described societal perceptions of entrepreneurs as 'those who make profits by exploiting others', while Witharana described them as 'making money through illegal practices'. Participants (Ashoka, Jayanath and Danesh) perceived that Sri Lankan parents prefer their children to be employed in government jobs and have secure lives, instead of taking risks to become entrepreneurs. Danesh stated that the 'majority of the Sri Lankan middle class or upper middle-class want to work for someone because of security. They do not want to go out and take a risk'. Some asserted that society holds the perception that working for someone is better than being an entrepreneur, which they referred as a 'hierarchical mindset' (Ashoka and Saman).

Rae (2006) explained that an entrepreneur's identity is created as part of a socially negotiated process. Such negative perceptions and attitudes significantly affect societal views of entrepreneurship, which influences someone's choice to become an entrepreneur. 'Learned' perception from society could demolish the opportunity self-efficacy. Dimov (2010) and Davidsson (2015) suggested that self-belief in abilities and skills is vital when taking opportunity to the next level: creating new ventures. As discussed earlier, the Sri Lankan middle class favour steady employment under others; it is less risky than entrepreneurship. In such circumstances, becoming an entrepreneur is far riskier, which decreases opportunity attractiveness.

The findings also indicate that participants as entrepreneurs show their own practical theories and entrepreneurial actions, which often reflect contextual influences. Participants used various networks as their main intangible resources, which resolved most initial cashflow problems and secured initial orders (see Section 6.1). For example, Jagendra stated 'I have contacts with raw material suppliers, machinery suppliers and international buyers, highly skilled workers'. The foundation for such networks are based on trust and originate from family, friends, university colleagues or school mates. Some

participants (Saman, Daya, Sam, Yahampath, Keshan, Victor and Sadesh) were influenced by Buddhist philosophy. Vincent introduced a different dimension to the driven-context practical theories, as his practice has a Buddhist philosophical approach: 'If you take the rightful path, then your journey ahead is never going to be in trouble. If you build your business through deceitful and illegal means, you have all the reasons to be afraid'. This explains Vincent's practical theory as an entrepreneur, how he wants to negotiate with society and emerge as an individual.

6.5 Incorporating Implications of the Findings to the Research Framework

This section presents the implications of the findings and discusses Sections 6.1–6.3 in relation to the initial research framework (see Section 3.5) developed for this study.

After incorporating such changes, the new research framework is presented in Figure 6.1. The findings indicate that, for entrepreneurs, motivation is the driving force in transitional contexts. Entrepreneurs face numerous challenges in terms of financial barriers and government regulations. Hence, motivation is depicted as the underlying force of the opportunity recognition and new venture creation process. Therefore, in Figure 6.1, motivation has been depicted as the underlying force in the opportunity recognition and new venture creation process.

Findings suggest that industry-specific experience and education are the most important genre of prior knowledge (see Section 6.2). Critical learning is highlighted in Figure 6.1 as a separate element and connects the relationship between prior knowledge and the opportunity recognition and new venture creation process. Further, previous knowledge led to the accumulation of new knowledge through the learning process. According to finding, critical events during the opportunity recognition and new venture creation process can provide higher-level learning, which can change the assumptions and value system of an individual (see Section 6.4.2). Section 6.4 indicates that participants display a combination of learning styles during the three-stage opportunity recognition and new venture creation process, rather than just one. They used either convergent learning or assimilative learning styles in the opportunity stage.

This study also indicates (see Sections 6.2.2 and 6.3.2) the strong influence of institutions (regulative, normative and cognitive). Participants reported being plagued by constant policy changes, rigid custom and financial regulations. The influence of the values, norms, customs and perceptions of Sri Lankan society has considerable

influence on participants' thinking, aspirations and confidence to become entrepreneurs. Some cultural and social perceptions hindered the entrepreneurs' inspiration (e.g., hierarchical mindset, entrepreneurs are exploiters and making money illegal way). In particular, opportunity confidence which avoid entrepreneurs enacting on the opportunity. Therefore, institutional influences on entrepreneurship are represented by three pillars: cognitive, normative and regulative. Further, influence on cognitive and normative aspects on opportunity confidence is also presented in the Figure 6.1. In the literature review, networks were considered integral parts of the institutional element; however, the findings show that networks, which include family, friends, professional networks, university friends, suppliers and customers, played a significant role in every stage of the opportunity recognition and new venture creation process (see Sections 6.2 and 6.2.2). Hence, networks are considered a separate element and their influence on the idea, opportunity and institutionalisation stages are illustrated distinctively in Figure 6.1.

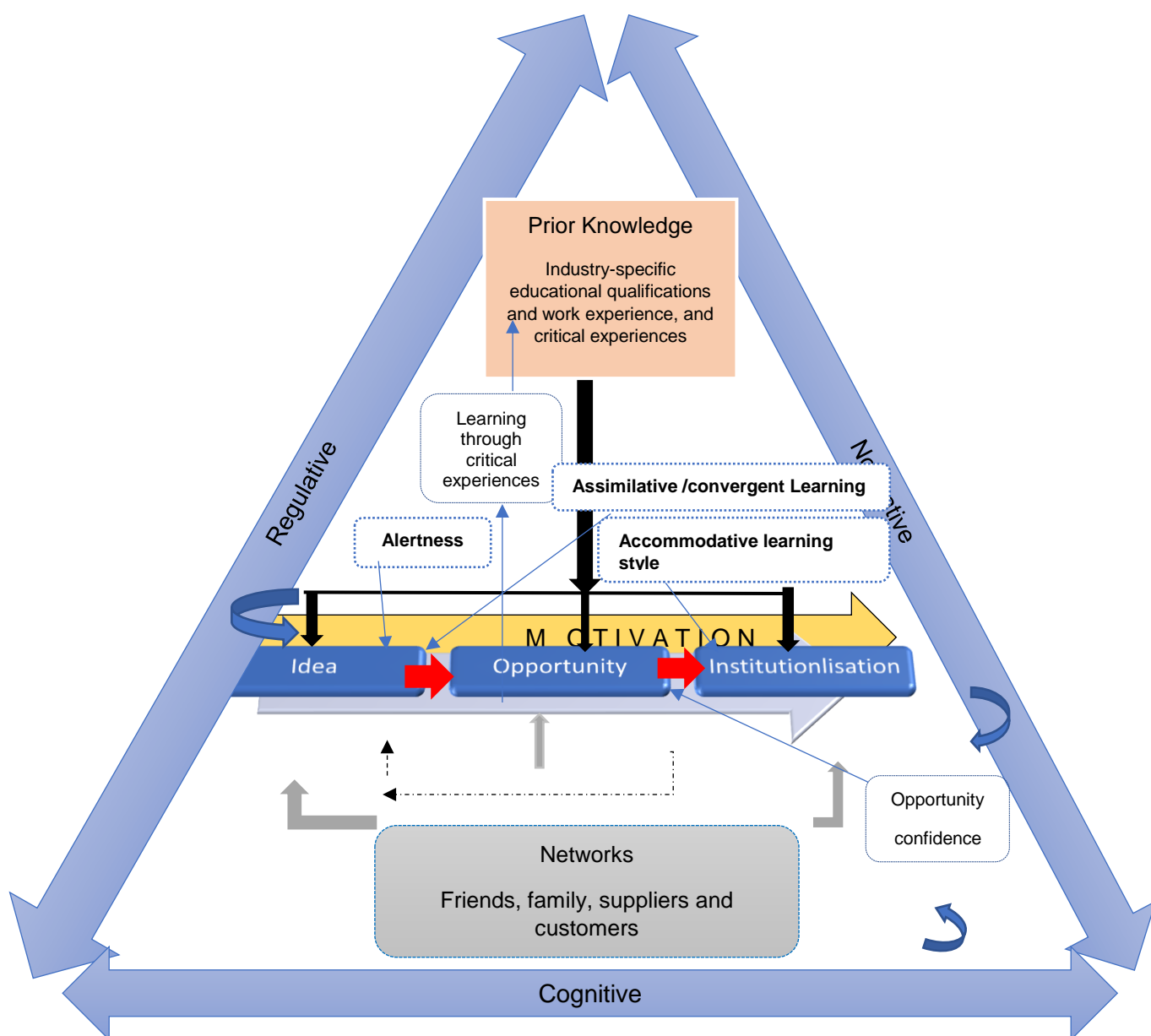


Figure 6.1: Research framework after incorporating the finding of this study

6.6 Conclusions

To conclude the analysis and discussion chapter, this section highlights the findings of this thesis in relation to the current literature. This will be done under three headings.

6.6.1 Opportunity Recognition and New Venture Creation Experiences of Sri Lankan Entrepreneurs

This study illustrates Sri Lankan entrepreneurs' opportunity recognition and new venture creation experiences. The findings indicate that entrepreneurs in Sri Lanka find their initial business ideas in various ways: 15 participants (Group 1) identified their initial business idea by scanning the business environment for gaps, untapped market opportunities and new ways to utilise excess manufacturing capacity, which supports Baron's (2006) opportunity recognition explanation that entrepreneurs identify patterns from seemingly unrelated events. Twelve participants (Group 2) obtained their initial business ideas from previous work and educational expertise related to their business. This finding conforms with Ward's (2004) assertion that previous knowledge promotes opportunity recognition through enhancing creativity. Four participants (Group 3) obtained the inspiration for their initial business ideas from government policy changes. Participants displayed considerable vigilance, sensitivity to business environment changes, known in the literature as 'alertness' (Kirzner 1973; 2008; Valliere 2011).

Twenty-nine participants had previous work experience; 25 started their new venture in areas directly related to this experience. Only nine participants had previous entrepreneurial experience. This study aligns with previous research, which supports the idea that previous knowledge plays a pivotal role in identifying and evaluating initial business ideas (Shane 2000; Davidsson & Honig 2003; Corbett 2007; Dimov 2010; Wood & Williams 2012). It also supports Dimov's (2010) findings that previous entrepreneurial experience is not as vital as industry experience in opportunity identification.

Participants used a range of resources instead of relying on single resources. They found initial funding through personal savings, or selling or mortgaging their land and homes. Immovable properties, such as land, building and machinery owned by their parents and family members, were also used to raise initial capital and assets for the business. Networks were an intangible resource that participants used excessively to secure important orders, arrange longer credit periods and obtain cash advances on future orders. These networks emerged from old friendships, family members, university colleagues and work colleagues. Some network relationships were built while working for previous employers. Therefore, it is reasonable to conclude that these networks were built on trust and respect, which echoes Scott's (2017) finding that networks are built on

strong emotions such as trust. The findings resonate with the research of Burt (2000) and Bhagavantula et al. (2010), which found that networks provide numerous untapped opportunities and information. Further, this research supports the studies of other transitional economies in relation to how networks support businesses to resolve initial financial problems and make decisions (Puffer et al. 2010). In particular, in China, *guanxi* networks (created through trust with close family members, close friends and university colleagues) provide decision 'shortcuts' (Chen & Chen 2004; Chen & Peng 2008; Burt & Burzynska 2017; Liu et al. 2017).

Participants used a wide range of initial tactics to establish their ventures: reinvestments, strong customer and supplier relationships, strong emphasis on product quality, new products, discovery of new markets, efficient working capital management, lower overhead costs, and direct marketing to enter the market and reach for niche markets. Participants displayed many different skills: negotiating and networking skills with customers and suppliers, planning and organising skills with limited resources, decision-making skills on reinvestments, discovering markets to go to and determining which products to manufacture.

This study revealed entrepreneurs' points of view. Surprisingly, participants discussed both merits and demerits. Prior to 1977, Sri Lanka adhered to closed economic policies. Under that system, entrepreneurs needed to consult numerous regulative bodies to gain approval for importing raw materials and establishing new businesses, waiting long hours at various government departments. However, participants also cited some positive aspects of the closed economic era: an ample market for their products, low competition due to restrictions on imports and policies safeguarding some industries. These provided shelter for budding entrepreneurs. After 1977, participants gained many opportunities and their markets reached beyond national borders. There were fewer difficulties when importing manufacturing inputs. The government supported export-oriented manufacturing during the post-economic liberalisation era.

Similarly, literature provided an economic perspective of Sri Lanka's transitional economy (Athukorala & Rajapatirana 2000). Sri Lanka was inward-oriented economy, adhering to import restrictions on goods and services and alienating the private sector through the nationalisation of private businesses, particularly in 1970–1977 (Athukorala & Rajapatirana 2000). Amid such events, Sri Lanka embraced open economic policies in 1977 by a government elected by an overwhelming majority (Abeyratne 2004).

Entrepreneurship literature includes research focused on economic transitions in China, Russia and Eastern Europe (Burt & Burzynska 2017; Peng 2003; Smallbone & Welter 2010). Similarly, Sri Lankan economics literature discusses the liberalisation of 1977. However, there is a real dearth in entrepreneurship literature of economic transitions in contexts other than Russia, Eastern Europe and China. Hence, this study contributes to the entrepreneurship literature by providing insights into how Sri Lankan entrepreneurs view Sri Lanka's economic transition.

The findings uncovered striking similarities that Sri Lanka shares with other transitional economies (Tonoyan & Strohmeier 2010; Ostapenko & Williams 2016). Most participants mentioned their disappointment with constant policy changes, particularly the frequent interim tax revisions that make pricing reinvestment decisions extremely difficult, complicated tax systems with many different components, and tax officials who need to have policies explained to them by participants. Government institutions and officials are reluctant to view the problems from the perspective of entrepreneurs; thus, participants frequently have to invest time in seeking approvals and providing explanations. Participants expressed frustration with the difficulty of obtaining custom clearance as a start-up company with no history of importing. Even participants who had been in the industry for some time mentioned that custom officers created impediments purposefully.

Most participants stated that Sri Lankan financial policies and regulations hinder emerging new entrepreneurs in several ways:

- difficulty obtaining loans and credit facilities for emerging entrepreneurs without collateral
- crippling high interest rates
- giving priority to projects with shorter payback periods
- reluctance to credit facilities with projects in agriculture manufacturing with longer payback periods.

Female entrepreneurs reported difficulty negotiating with banks, which sometimes viewed females as an extra liability. Further, participants asserted that the government should establish development banks to assist individuals who struggle to secure finance despite years of industry experience and brilliant business ideas.

Participants cited several positive outcomes of liberalisation. They asserted that Sri Lanka is far better than many other South Asian and many Asian counterparts as a place to conduct business and is one of few places that foreign investors can start fully owned ventures without local collaborations. They welcomed government moves to streamline customs by enabling exporters to submit documents online, as such initiatives will reduce malpractice and save considerable time and money for entrepreneurs. Participants welcomed regulating industries with standardised practices in line with international standards to make Sri Lanka competitive and superior to other prominent South Asian countries.

This study supports Eesley's (2016) findings that less-developed financial institutions can be considered a key barrier for survival and growth of new ventures. However, there were some striking differences between Sri Lanka and other transitional economies like China (Armanios et al. 2017; Dutta et al. 2016) and Russia (Ahlstrom & Bruton 2010) in terms of loan sources for entrepreneurs evaluating the merits of business ideas and the credentials of entrepreneurs. This study discovered that participants expect the government to establish development banks to ease financing difficulties. The findings do not support Lim et al. (2010), who found that entrepreneurs rely on equity-based financing because of cultural reasons. Conversely, this study found that participants are forced to rely on equity because financial institutions provide little help for entrepreneurs. Unlike in China and Russia (Puffer et al. 2010; Lee & Hung 2014), individuals have the right to buy and dispose of property in Sri Lanka. In most cases in this study, this provided collateral for entrepreneurs.

6.6.2 Motivational Factors of Sri Lankan Entrepreneurs

Interestingly, 21 out of 31 participants were motivated by pull factors, while 10 were motivated by push factors. The pull factors include sense of achievement, family business environment, sense of independence and doing something for the country. Push factors include job dissatisfaction, no other alternative and additional income. Twelve participants described their motivation as their desire to achieve a 'lifetime dream', 'materialistic luxuries in life' and to 'become a big person in society'. Some participants were motivated to achieve a better life not only for themselves, but also for parents and younger siblings. Further, achieving new challenges gave some participations satisfaction. Mostly, they were inspired by witnessing others' success, luxuries and power. This resonates with the findings of McClelland (1961), who

discovered this as a main characteristic that distinguishes entrepreneurs from others and found that entrepreneurs are also driven by deprivation (2007). Participants displayed multidimensional achievement, as suggested by Carsrud & Brännback (2011). The participants have excelled in education and work, competing with peers for their achievements. Interestingly, this study revealed a new dimension to achievement that goes beyond self-dimension: 'doing something for the country'. One participant wanted to support the life struggles of others and uplift their standard of living.

Participants motivated by a family business environment were motivated by the behaviours of their parents. Some participants were fascinated by the financial freedom enjoyed by their entrepreneurial parents. This study supports Kirkwood's (2007) and Hickie's (2012) findings that family plays a significant role in planting entrepreneurial intention in individuals' minds. The attractiveness of entrepreneurship as a career that allows flexibility to care for children supports Kirkwood's (2009) findings. Meanwhile, some participants cited a sense of independence as their motivating factor. They found it difficult to work under someone, as they did not have the freedom to make decisions, which often resulted in clashes with superiors. Thus, they wanted to become their own bosses, which is similar to Kirkwood's (2009) study, in which both men and women entrepreneurs expressed their desire for control over their destiny.

Job dissatisfaction arose for many reasons, ranging from not having authority and responsibility, the lack of opportunity to promote and inspire others, and favouritism. This supports the research of Dawson and Henley (2012) and Hytti (2010). Kirkwood (2009) discovered that some entrepreneurs are motivated by the desire to prove themselves or take revenge; this was similar to the motivations of some participants in this study. This study suggested that some participants became entrepreneurs, as they had no other alternative. These participants were affected by events such as the death of parents, a spouse or family member, leaving them without much alternative. This study differs from Kirkwood's (2009), which suggested that only women were motivated by this factor. However, this was cited by men and women in the Sri Lankan context. Perhaps, in Sri Lankan collective cultural settings, both men and women value their relationships.

Some participants had regular income to support children but were motivated by the prospect of making additional money to provide materialistic benefits and a stable life for their children. In this study, both men and women wanted to provide for materialistic needs, which differs from Kirkwood's (2009) study, in which only women were motivated

by caring for children, while men were motivated by materialistic desires. Since there were only two participants in this category, it is difficult to define concluding reasons for such a difference. However, this is worth further study.

Dawson and Henley (2012) and Eijdenberg and Masurel (2013) suggested that motivating factors could be developed through an interaction of several push or pull factors. This interaction was observed in participants of this study. For example, Ashoka and Danesh identified a sense of independence and sense of achievement as primary motivators respectively, while they identified 'doing something for the country' as a secondary motivating factor. In addition, interaction between push-and-pull factors were noticed. For example, Saman, Chandana and Prem identified job dissatisfaction as the primary motivating factor and sense of achievement as the secondary motivating factor. This study noted the interaction between a few pull factors and push-and-pull factors, instead of single factors. Some participants identified a sense of independence and sense of achievement as the main factor pull factors, while 'doing something for the country' as a secondary factor. Some participants cited job dissatisfaction as the main factor and sense of achievement as a secondary motivating factor. This supports the findings of Dawson and Henley (2012) and Eijdenberg and Masurel (2013).

Most participants in this study are opportunistic entrepreneurs according to the Reynolds et al. (2002) categorisation, as they were inspired by higher motives such as sense of achievement, sense of independence, family business environment and doing something for the country. Similarly, participants' characteristics also align with Robichaud et al. (2010); they have many years' industry experience and most studied to degree level. However, the findings contradict Nishantha & Pathirana's (2013) research, which focused on 76 purposefully selected SME entrepreneurs. These subjects were motivated by income and security needs. Such discrepancies can be due to differences in the sample selection and sample characteristics of this study, as both studies rely on non-random small samples. This study used a purposively selected sample to contribute to Sri Lankan entrepreneurial literature.

This study revealed that Sri Lankan entrepreneurs often receive somewhat negative and demotivating feedback from society. However, most participants agreed that these perceptions are changing. Some participants mentioned that entrepreneurs generally attract negative social recognition because they are perceived as exploiting others and making money through illegal practices. Officers in local authorities also have this notion,

which demotivates many young budding entrepreneurs. Participants asserted that in the Sri Lankan context, most parents hold views that act as a barrier to entrepreneurship. A dominant parental view is that a government job is more secure than private sector jobs or entrepreneurship are. They encourage their children to excel in academic disciplines and teach that working for someone is more desirable because it is perceived as less risky. The social and cultural factors behind such perceptions were discovered through this study. Women participants were content with the social recognition received. Both men and women participants unanimously agreed that the recognition received for their achievement annually by the Chamber of Commerce of Sri Lanka at national and regional level is enormously encouraging.

Findings also revealed that the open economic policies adopted in 1977 presented many opportunities for Sri Lankans. With economic liberalisation, the caste system became unimportant and wealth was distributed to people from different backgrounds. A new affluent spectrum appeared in society alongside traditional businessmen who worked for British companies who were established in society and given respect as entrepreneurs. Economic changes brought significant social changes and motivated more than half of the entrepreneurs to start their ventures.

This research revealed signs of Hofstede's (2001) power distant characteristics in Sri Lankan organisations. A lack of delegation and authority are features of tall organisational structures, which frustrated some participants. Further, the favouring of people from certain social spectrums and schools was also frustrating for some participants. The absence of a strong labour union presence in the private sector means dissatisfied employees have little recourse. Such employees tend to seek new opportunities as entrepreneurs.

This study contributes to the knowledge of social and cultural aspects of Sri Lankan entrepreneurs' motivational factors. This is under-researched in the entrepreneurship literature, particularly in terms of how economic transitions can create social change.

6.6.3 Entrepreneurial Learning

In this study, entrepreneurs displayed different learning styles during the three-stage opportunity recognition and new venture creation process. The data suggested that 13 out of 25 participants displayed either convergent or assimilative learning styles in the idea stage, while 11 participants displayed accommodative learning style at the

institutionalisation stage. Further, 16 participants displayed the same learning style in the idea and opportunity recognition stage, which was statistically significant at $r = .63$, $p < .001$. Second, 12 participants displayed a general learning style in the institutionalisation stage, which was significant at $r = .61$, $p < .001$. By researching into less-explored entrepreneurial learning styles, the researcher aimed to explore specific learning preferences of entrepreneurs.

These findings align with Corbett's (2005) suggestions with respect to the idea and institutionalisation stages only. Such deviation is due to Corbett's (2005) theoretical discussion of the most appropriate learning style in the stages of opportunity recognition and new venture creation. In this discussion, individual factors such as existing knowledge, age and contextual factors were ignored.

This study does not support Dimov's (2007) suggestions that prior knowledge promotes intention only for people with divergent learning styles in demand-driven situations and convergent learning styles in supply-driven situations. In this study, 12 out of 20 supply-driven entrepreneurs have convergent or assimilative learning styles. Such deviations may be due sample characteristics and research methods. For example, Dimov (2007) used 92 MBA students under experimental conditions, while this study used a questionnaire to collect data from 25 Sri Lankan entrepreneurs.

Some crises were due to natural reasons over which the individual had no influence, while others stemmed from changes in the business environment, or relationship crises with investors, government, employees and previous employers. The emotional experiences of participants include more negative and challenging events, which resonates with the critical events explained by Cope (2003; 2005); consequences can be social, financial and psychological.

These consequent actions resulted in considerable higher learning for participants. For example, some took control of their lives, and assumed responsibility for the wellbeing of parents, younger siblings and even employees. Some vowed to never repeat those decisions in their future business endeavours. Other events changed participants' career paths and opened entirely new markets and business opportunities. These events and subsequent consequences are similar to those noted in Cope's (2005) research. Krueger (2009) discovered that such experiences made novice entrepreneurs into experts and Shepperd et al. (2009) found the same as, describing it as lessons learned and a 'move on' attitude. This study suggests that the time gap between the experiences and

consequent actions indicates that participants reflected for a great deal of time. Therefore, this study suggests that critical experiences involve knowing, understanding, reflection and future-oriented action.

This study contributes to the entrepreneurial learning literature explore in relation to what entrepreneurs learn, how their social and personal emergence can change quickly, and how individuals survive and conduct business in a transitional economy enduring civil war that brings critical events frequently, unlike in normal contexts. Hence, there is no time to sulk. The findings of this study do not resonate with Ekanem's (2015) discovery that female entrepreneurs like to learn through routine learning, while male entrepreneurs learn from challenges. Participants faced similar events irrespective of their gender, showed considerable resilience facing such critical events and gained higher-level learning. Rae (2015) suggested that how and what entrepreneurs learn in hostile and challenging environments is yet to be discovered. This research fills that gap by giving insight to the learning experiences of entrepreneurs in such turbulent contexts.

This study also shows that participants as entrepreneurs learnt practical theories. Participants used various networks as their main intangible resources to resolve initial cashflow problems and secure initial orders. Some participants were influenced by Buddhist philosophy.

Chapter 7 Conclusions

7.1 Introduction

This chapter presents the key findings of this research and their contribution to the relevant body of knowledge, reflections on the research methodology and identifies areas for further research. To this end, this chapter is structured into four sections. Section 7.2 presents key findings under each overarching objective of the research, while Section 7.3 provides methodological reflection. Section 7.3 highlights areas for further research.

7.2 Main Findings and Contribution to Knowledge

This section presents key findings of this research under each research objective while highlighting their contribution to entrepreneurship knowledge.

Objective 2 was to explore the reflective experiences of Sri Lankan entrepreneurs and how they identified opportunities and created new ventures.

Sri Lankan entrepreneurs in this study found their initial business idea in several ways:

- scanning the business environment for gaps
- searching for untapped market opportunities
- seeking new ways to utilise excess manufacturing capacity
- using previous work and educational expertise
- through government policy changes.

Twenty-nine out of the 31 participants in this study had previous working experience; 25 started their new venture in areas directly related to their experience. Only nine participants had entrepreneurial experience. This study supports the findings of Baron (2006); individuals discover ideas by identifying patterns in unrelated events in the business environment. It also supports Ward's (2004) assertion that previous knowledge helps entrepreneurs be creative in identifying new opportunities. Further, this study supports previous studies that assert that previous knowledge plays a pivotal role in identifying and evaluating initial business ideas (Shane, Davidsson & Honig 2003; Corbett 2007; Dimov 2010 Wood & Williams 2012). This research also aligns with

Dimov's (2010) findings that previous entrepreneurial experience is not as vital as industry experience in opportunity identification.

This study found that entrepreneurs used range of resources instead of relying on single resources. They used personal savings as initial capital, or sold or mortgaged their land and homes or those of parents and family members. Networks were a key resource used to secure important orders, arrange longer credit periods, and obtain cash advances on future orders. These networks emerged from old friendships, family members, university colleagues and work colleagues. Therefore, this study supports the viewpoint of Burt (2000) and Bhagavantula et al. (2010) that networks aid entrepreneurs to build important relationships with customers and suppliers, access markets and solve working capital problems in transitional economies. Further, findings of this study support earlier studies by Puffer et al. (2010), Cheng and Cheng (2004), Cheng and Peng (2008), Burt and Burzynska (2017) and Liu et al. (2017). However, this study extended such findings to the unexplored Sri Lankan context, thereby contributing to the literature.

In transitional economies, the specific initial tactics of entrepreneurs (other than network-based strategies) has been less discussed. This study provides insights to the main tactics used by Sri Lankan entrepreneurs to establish their ventures. Participants used a wide range of initial tactics to establish their ventures:

- reinvestments
- strong customer and supplier relationships
- strong emphasis on product quality
- new products
- a search for new markets
- efficient working capital management
- lower overhead cost
- direct marketing to establish their product in the market
- a search for niche markets.

Participants displayed many different skills including negotiating and networking skills with customers and suppliers, planning and organising skills using limited resources, and decision-making skills.

Objective 3 was to ascertain the motivations of these entrepreneurs to identify opportunities and turn them into new ventures.

This study found that Sri Lankan entrepreneurs were motivated by both push-and-pull factors, but mainly pull factors. Pull factors include sense of achievement, family business environment, sense of independence and doing something for the country. Push factors include job dissatisfaction, no other alternative and additional income.

Achievement is the single largest factor that motivated Sri Lankan entrepreneurs in the sample. They were inspired by witnessing others' success, luxuries and power, which made them feel deprived of materialistic goods. Such findings concur with those of McClelland (1961), who cited this as the main characteristic that distinguishes entrepreneurs from others. Further, McClelland (2007) noted that the achievement motive is driven by feelings of deprivation.

This research further contributed to the entrepreneurial motivation literature by exploring the multidimensional viewpoints of the achievement motive as described by Carsrud and Brännback (2011). Research findings show that participants with an achievement motive excel in many aspects of their life: education, work and competition with peers.

Further, the achievement motive is described in the entrepreneurship literature as more self-centred (i.e., a motive to have material luxuries). However, this study suggests that achievement can be broader than 'self'. Further, the achievement motive can be observed in many different aspects of participants' lives. Sometimes this achievement motive goes beyond him or herself. Participants were motivated to achieve materialistic luxuries in life for younger siblings. In this study, the achievement motive appears at a much broader level that goes beyond 'self'. Some participant wanted to achieve 'for the country'. Participants who identified dissatisfaction with their job cited many reasons, ranging from not having authority and responsibility, lack of opportunity to promote and aspire in the job, and favouritism. These findings support the factors identified by Dawson and Henley (2012) and Hytti (2010). Further, this study supports the idea of 'taking revenge', as suggested by Kirkwood (2009) as a motivation for some individual to start their own ventures.

Objective 4 was to determine how entrepreneurs are influenced by the institutional context in Sri Lanka.

This research explored the views of 31 Sri Lankan entrepreneurs on opportunity recognition and new venture creation experiences. Considerable research has been conducted in developed and transitional economies, particularly in Russia, Eastern

Europe and China, exploring the challenges of entrepreneurs in moving from one system to another (Burton et al. 2005; Ahlstrom & Bruton 2010; Smallbone & Welter 2010; Tonoyan & Strohmeyer 2010; Chen & Peng 2008; Puffer et al. 2010). Smallbone and Welter (2010) argued that countries experience the same changes differently and called for new research in different contexts to enrich the diversity of entrepreneurship literature (Welter et al. 2017). This research has contributed to the knowledge by exploring the institutional influence on opportunity recognition and new venture creation in the Sri Lankan context.

Findings of this study presented entrepreneurs' points of view. Before 1977, Sri Lanka adhered to closed economic policies; under that system, entrepreneurs were forced to consult numerous regulative bodies to gain approval for importing raw materials and establishing new businesses, often waiting long hours at various government departments. After the liberalisation in 1977, Sri Lankan entrepreneurs were exposed to many opportunities, their markets went beyond national borders and they experienced fewer difficulties importing manufacturing inputs. Further, the government supported export-oriented manufacturing during the post-economic liberalisation era.

This study revealed striking similarities between Sri Lanka and other transitional economies (Tonoyan & Strohmeyer 2010; Ostapenko & Williams 2016). Findings suggest that constant policy changes, particularly frequent and sudden interim tax revisions, make pricing reinvestment decisions extremely difficult for businesses. Complicated tax systems and complex customs clearance made entrepreneurs' lives harder, as they have to spend significant time discussing the issues with tax officers. Participants who had been in the business for some time mentioned that custom officers created such impediments purposefully for their own benefit.

This study revealed that Sri Lankan financial policies and regulations hinder emerging entrepreneurs in several ways:

- difficulty obtaining loans and credit facilities for small entrepreneurs at early stages without collateral
- crippling high interest rates
- priority given to projects with shorter payback periods
- reluctance to credit facilities with projects in agriculture manufacturing with longer payback periods.

Participants asserted that the government should assist individuals with years of industry experience and brilliant business ideas who struggle with financing. Most entrepreneurs believe that banks only offer their services to established businesses.

There were some striking differences between Sri Lanka and other transitional economies like China (Armanios et al. 2017; Dutta et al. 2016) and Russia (Ahlstrom & Bruton 2010). Government is not directly involved as a source of approving loans for entrepreneurs or evaluating the merits of business ideas and the credentials of entrepreneurs. In this study, participants expected the government to establish development banks to ease financing difficulties. This study disagrees with Lim et al. (2010), which found that entrepreneurs rely on equity-based financing for cultural reasons. This study indicates that participants are forced to rely on equity because financial institutions provides little help for entrepreneurs. Unlike in China and Russia (Puffer et al. 2010; Lee & Hung 2014), individuals can buy and sell property in Sri Lanka, which provided most entrepreneurs in this study with collateral.

Participants did not paint completely bleak pictures in terms of government involvement in post-economic liberalisation efforts. Most participants cited Sri Lanka as a far better place to do business than many other South Asian and Asian countries. Further, Sri Lanka is one of very few places that foreign investors can start fully owned ventures without local collaborations. They welcomed government moves to streamline customs processes by enabling exporters to submit documents online. Such initiatives will reduce malpractice and save considerable time and money for entrepreneurs. Participants welcomed regulating industries with standardised practices in line with international standards to make Sri Lanka competitive. Men and women participants unanimously agreed that the annual recognition received for their achievements by the Chamber of Commerce of Sri Lanka at national and regional levels is enormously encouraging.

After 1977, open economic policies brought significant social changes to Sri Lankan society. This aspect is largely unexplored in entrepreneurship literature. Liberalisation presented many opportunities for Sri Lankans. Economic liberalisation rendered the caste system unimportant and wealth was no longer limited to specific backgrounds. A new affluent spectrum appeared in society alongside traditional businessmen who worked for British companies as local agents. These businessmen were given societal recognition and respect as entrepreneurs.

This study also revealed that entrepreneurs in the Sri Lankan context receive somewhat negative and rather demotivating societal responses. However, participants stated that this is becoming more positive. Some participants mentioned that entrepreneurs are generally viewed negatively by society, as people who profit from the exploitation of others and illegal practices. Social values upheld by parents do not encourage young entrepreneurs. Parents tell their children that government jobs are more secure than private sector jobs or entrepreneurship are. Findings also suggested that such negative thinking discourages budding entrepreneurs by undermining self-belief, skills (Dimov 2010) and opportunity confidence (Davidsson 2015).

Participants, as entrepreneurs, displayed their own learned practical theories and entrepreneurial actions, which often reflected contextual influences. Participants used various networks as their main intangible resource to resolve initial cashflow problems and secure initial orders. Such networks are based on trust and originated from family members, friends, university colleagues or work friends. Some participants were influenced by Buddhist philosophy, which largely determined their choice of industry, how they negotiate with the rest of the society and emerge as an individual.

Objective 5 was to investigate the critical learning experiences encountered by Sri Lankan entrepreneurs during opportunity recognition and new venture creation.

This study contributes to entrepreneurship literature by studying the nature of critical events that entrepreneurs encounter in challenging and turbulent environments like Sri Lanka. Sri Lanka provided an ideal case study, not only as a transitional economy (since 1977), but also as a country that has endured more than a quarter of a century of civil war (1983–2009) and youth insurgences (1971 and 1987–1989). Rae (2015) suggested that the nature of entrepreneurial learning in such environments has been rarely explored in entrepreneurial literature.

In challenging and turbulent environments like Sri Lanka, critical events can occur with no warning, in business or personal life:

- losing substantial orders
- leaving investors
- sudden government policy changes or introductions
- disability as a result of a terrorist attack
- losing loved ones.

Those critical events can profoundly change individuals' societal standing, identity, career and role in the family. In this regard, the findings were similar to Cope's (2005) assertion that such events can create higher learning, which can change an individual's belief and assumptions. Krueger (2009) stated that such experiences made novice entrepreneurs into experts, while Shepperd et al. (2009) described this as 'lessons learned' and a 'move on' attitude. However, the magnitude, nature and frequency of risks cannot be predicted. Therefore, as Yamakawa (2015) suggested, there is no time to dwell on the experience. Instead, and most importantly, resilience is required to learn lessons and move forward (as the findings suggest).

Objective 6 was to examine the different learning styles used by entrepreneurs during the different stages of opportunity recognition and new venture creation.

This contributes to the existing literature on the learning abilities required by entrepreneurs. As Wang & Chugh (2014) suggested, entrepreneurial learning research lacks explanations of how experiential cycles occur during opportunity recognition and new venture creation. Therefore, this study used Kolb's (1984) experiential learning style questionnaire, which was modified to identify the learning style/s of individual entrepreneurs at different stages of opportunity recognition and new venture creation.

Entrepreneurs in the sample displayed different learning styles during the three-stage opportunity recognition and new venture creation process. The data suggested that 13 out of 25 participants displayed either convergent or assimilative learning styles in the idea stage, while 11 participants displayed accommodative learning at the institutionalisation stage. This means that in the idea stage, individuals with convergent learning styles were keen to conceptualise and identify solutions, while assimilative learners were eager to observe and reflect on a problem. Accommodative learners learn by doing at the venture institutionalisation stage.

When you compare the findings with the few studies conducted in this area, several conformities and non-conformities can be observed.

First, the theoretical discussion of Corbett (2005) suggests that specific learning styles are more compatible with certain stages of the opportunity recognition process. Findings of the current study are more aligned with Corbett's (2005) suggestions with respect to idea and institutionalisation. However, the incompatibility in the opportunity stage may

be due to various reasons. Corbett (2005) is limited to theoretical discussion. Thus, individual factors such as existing knowledge, age and contextual factors were ignored.

Second, Dimov (2007) suggested that prior knowledge promotes intention only for people with divergent learning styles in demand-driven situations and convergent learning styles in supply-driven situations. In this study, only four entrepreneurs displayed convergent learning styles out of 20 supply-driven situations in the idea stage, while only two entrepreneurs displayed divergent learning styles out of five demand-driven situations. This study does not support the findings of Dimov (2007). This deviation may be due to sample characteristics and research methods. For example, Dimov (2007) used 92 MBA students under experimental conditions, while this study used a questionnaire to gather data from 25 Sri Lankan entrepreneurs. Interestingly, this study indicates that 12 entrepreneurs out of 20 supply-driven entrepreneurs have convergent or assimilative learning styles.

7.2.1 Research Framework for Opportunity Recognition and New Venture Creation Including Learning as an Element

Finally, this research contributed to entrepreneurship literature by linking various bodies of theories to the opportunity recognition and new venture creation process, including motivation, learning, prior knowledge and context, which led to the development of a research framework on opportunity recognition and new venture creation (see Figure 6.1). This framework is different from existing frameworks in the literature, as it has distinctively incorporated learning as an element that adds to the existing knowledge (prior knowledge) through individual learning styles. Further, this study indicates that motivation is evident throughout the different stages of opportunity recognition and new venture creation. Such motivation is the lifeblood of the ventures they have created and motivation can be depicted as the underlying force of the main process of opportunity recognition and new venture creation. In existing literature, motivation has not been identified explicitly in the opportunity recognition and new venture creation models. It was either implicitly described as commitment or willingness. Most importantly, this framework considers the context in which entrepreneurship occurs and is influenced. Therefore, this framework can be extended to opportunity recognition and new venture creation in other transitional contexts.

7.3 Methodological Reflection

The abovementioned contributions of this research should be read with respect to the following limitations.

First, the sample selected for this research is not random, which restricts the generalisability of the findings. Time and financial factors compelled the researcher to select the sample in a non-representative manner. However, participants in the sample represent diversity in gender, age and different sectors of the economy (agricultural, manufacturing and trade). Participants were entrepreneurs established in many different industries for at least five years. Therefore, the opportunity recognition process and respective environmental factors that each entrepreneur experienced vary depending on their industry.

Second, the entrepreneurs in the sample started their initial businesses between five and 41 years ago. During the semi-structured interviews, participants were expected to share their individual experiences during the discovery of the initial business idea to opportunity recognition and the establishment of the new venture retrospectively. Hence, the experiences that the participants shared depended on the individual's capacity to recollect.

Third, during the semi-structured interviews, the interviewer took special care when probing into the critical incidents that entrepreneurs raised, because these critical events involve complex emotions (e.g., the death of a spouse or a parent or recovery from a business slump) and the researcher does not have the skills to manage potential after-effects. Therefore, the interviewer did not probe into such events, but allowed the participants to guide the conversation.

7.3 Areas for Further Research

Several directions for further research may arise from this study and such research will expand the current knowledge of entrepreneurship in areas such as learning, ethnic and female entrepreneurship, and spirituality and entrepreneurship.

Such expansion could occur particularly in exploring the opportunity recognition and venture creation experiences of women entrepreneurs and young entrepreneurs from different ethnic backgrounds in the context of Sri Lanka. The current research sample only included five female entrepreneurs (aged 50–70 years), who displayed considerable

enthusiasm and positivity, persuading the researcher to further research the remarkable female entrepreneurs in Sri Lanka. Further, this research lacks ethnic diversity. Therefore, further research into entrepreneurship in diverse ethnic groups in Sri Lanka would be valuable.

Further, there are some less-explored areas of entrepreneurial motivation in the entrepreneurship literature. The findings of this study suggest that entrepreneurs are motivated by many different push-and-pull factors to start new ventures and motivation can be viewed as a force that drives entrepreneurs through opportunity recognition and new venture creation and beyond. However, the scope and findings of the current study do not explore whether initial motivation factors remain the same or change over time. Therefore, further research needs to be conducted in this area.

Entrepreneurial learning styles or learning preferences in the different stages of opportunity recognition and new venture creation should be studied to further validate the data with a much larger sample.

In addition, future research to explore the learning styles of entrepreneurs who have created successful joint ventures would be interesting. Current research includes learning style data collected through a questionnaire. However, it was difficult to extend the scope of this study to explore the learning styles of other involved business partners. Therefore, it would be interesting to research the learning styles of entrepreneurs who achieve successful joint ventures.

Some entrepreneurs in this study mentioned the influence of Buddhist philosophy on their business practices. Further study into the distinctive influence of spirituality on entrepreneurial behaviour would be valuable.

References

- Abeyratne, S 2004, 'Economic roots of political conflict : the case of Sri Lanka', *The World Economy*, vol. 27, no. 8, pp. 1295–1314.
- Abrar, A 2004, *Entrepreneurial learning as experiential and social learning process: a case of female entrepreneurs in creative industry*, Available at: hull.ac.uk.
- Abrar, A., Rauf, A & Gohar, M 2011, Conceptualizing gender and entrepreneurial learning—A review of literature, doctoral thesis, University of Essex, Essex.
- Ahlstrom, D & Bruton, G D 2010, 'Rapid institutional shifts and the co-evolution of entrepreneurial firms in transition economies', *Entrepreneurship Theory and Practice*, vol. 34, no. 3, pp. 531–554.
- Ajzen, I 1991, 'The theory of planned behavior', *Organizational Behavior and Human Decision Processes*, vol. 50, no. 2, pp. 179–211.
- Alvarez, S & Barney, J 2013, 'Epistemology, opportunities, and entrepreneurship: comments on Venkataraman et al. (2012) and Shane (2012)', *Academy of Management Review*, vol. 38, no. 1, pp. 154–157.
- Alvarez, S A & Barney, J B 2007, 'Discovery and creation: alternative theories of entrepreneurial action', *Strategic Entrepreneurship Journal*, vol. 1, pp. 11–26.
- Alvarez, S A, Barney, J B, McBride, R & Wuebker, R 2014, 'Realism in the study of entrepreneurship', *Academy of Management Review*, vol. 39, no. 2, pp. 227–231.
- Amit, R & Muller, E 1995, '"Push" and "Pull" Entrepreneurship', *Journal of Small Business & Entrepreneurship*, vol. 12, no. 4, pp. 64–80.
- Andrew, S & Halcomb, E 2009, 'Design for mixed method research', in *Mixed methods research for nursing and the health sciences*, Oxford, UK, Wiley Blackwell, pp. 31–49.
- Ardichvili, A, Cardozo, R & Ray, S 2003, 'A theory of entrepreneurial opportunity identification and development', *Journal of Business Venturing*, vol. 18, no. 1, pp. 105–123.

Armanios, D E, Eesley, C E, Li, J & Eisenhardt, K M 2017, 'How entrepreneurs leverage institutional intermediaries in emerging economies to acquire public resources', *Strategic Management Journal*, vol. 38, no. 7, pp. 1373–1390.

Athukorala, P & Jayasuriya, S 2004, 'Complementarity of trade and FDI liberalisation and industrial growth: lessons learned' in, *10 Years of ASARC an International Conference*, Canberra, Australia, The Australian National University, pp. 1–29.

Athukorala, P & Jayasuriya, S 2012, *Working papers in trade and development economic policy shifts in Sri Lanka: the post-conflict development challenge*, 2012/15, <http://www.crawford.anu.edu.au/acde/publications/>

Athukorala, P & Jayasuriya, S 2015, 'Victory in war and defeat in peace: politics and economics of post-conflict Sri Lanka', *Asian Economic Papers*, vol. 14, no. 4, pp. 23–54.

Athukorala, P & Rajapatirana, S 2000, 'Liberalization and industrial transformation: lessons from the Sri Lankan experience', *Economic Development and Cultural Change*, vol. 48, no. 3, pp. 543–572.

Atkinson, P & Delmont, S 2010, *SAGE Qualitative Research Methods*, e-book, SAGE Publications, Thousand Oakes, CA, viewed 19 April 2016, <https://www.dawsonera.com/preview/9781446275702/startPage/1214>

Bandura, A 1977, 'Self-efficacy: toward a unifying theory of behavioral change', *Psychological Review*, vol. 84, no. 2, pp. 191–215.

Baron, R A 2006, 'Opportunity recognition as pattern recognition: how entrepreneurs "Connect the dots" to identify new business opportunities', *Academy of Management Perspectives*, vol. 20, no. 1, pp. 104–120.

Bazeley, P & Jackson, K 2013, *Perspectives: qualitative computing and NVivo*, 2nd edn, SAGE Publications, London, pp. 1–23.

Bhagavatula, S, Elfring, T, Tilburg, A, Bunt, V & Gerhard, G 'How social and human capital influence opportunity recognition and resource mobilization in India's handloom industry', *Journal of Business Venturing*. Elsevier Inc., vol.25, no 3, pp. 245–260.

Bhalla, S & Glewwe, P 1986, 'Growth and equity in developing countries: a reinterpretation of the Sri Lankan experience', *World Bank Economic Review*, vol. 1, no. 1, pp. 35–63.

Breslin, D 2015, 'Learning to evolve: developing a practice-based evolutionary language of entrepreneurial learning', *Entrepreneurial learning: New perspectives in research, education and practice*, pp. 216-234

Brockhaus, R. H 1982, 'The psychology of the entrepreneur', in N Krueger (ed.), *Encyclopaedia of Entrepreneurship*, vol. 2, Routledge, London, pp. 39–57.

Bruton, G, Fried, V H & Manigart, S 2005, 'Institutional influences on the worldwide expansion of venture capital', *Entrepreneurship Theory and Practice*, vol. 29, no. 6, pp. 737–760.

Bryman, A 2015, *Social research methods*, 5th edn, Oxford University Press, London.

Bryman, A & Bell, E 2015, *Business research methods*, 4th edn, Oxford University Press, London, pp. 640–660.

Burrell, G & Morgan, G 1979, *Organizational paradigms and organizational analysis*, Heinemann Education Books, London.

Burt, R. S. (2000) 'The Network Structure of Social Capital', *Research in Organizational Behaviour*, vol.22, pp. 345–423.

Burt, R S & Burzynska, K 2017, 'Chinese entrepreneurs, social networks, and guanxi', *Management and Organization Review*, vol. 13, no. 2, pp. 221–260.

Cardon, M S, Foo, M-D, Shepherd, D & Wiklund, J 2012, 'Exploring the heart: entrepreneurial emotion is a hot topic', *Entrepreneurship: Theory and Practice*, vol. 36, no. 1, pp. 1–10.

Carland, J & Carland, J 1984, 'Differentiating entrepreneurs from small business owners: conceptualisation', *Academy of Management Review*, vol. 9, no. 2, pp. 354–363.

Carsrud, A & Brannback, M 2011, 'Entrepreneurial motivations: what do we still need to know?', *Journal of Small Business Management*, vol. 49, no. 1, pp. 9–26.

Central Bank of Sri Lanka 2009, *Annual Report*, Colombo.

Central Bank of Sri Lanka 2010, *Annual Report*, Colombo.

Central Bank of Sri Lanka 2016, *Annual Report*, Colombo.

Chandrakumara, D P 2011, 'Human capital formation within families: a study in the North Central province of Sri Lanka', *Sri Lanka Journal of Social Sciences*, vol. 34, pp. 47–58.

Chapin, B 2014, *Childhood in a Sri Lankan village: shaping hierarchy and desires*. Routledge University Press, London, UK.

Chen, C C & Chen, Y 2004, 'The downside of managerial guanxi practice in the People's Republic of China: a procedural justice perspective', *Organization Science*, special issue, vol. 15, pp. 200–209.

Chen, X & Peng, S 2008, 'Guanxi dynamics: shifts in the closeness of ties between Chinese co-workers', *Management and Organization Review*, vol. 4, no. 1, pp. 63–80.

Choi, Y R, Lévesque, M & Shepherd, D A 2008, 'When should entrepreneurs expedite or delay opportunity exploitation?', *Journal of Business Venturing*, vol. 23, no. 3, pp. 333–355.

Cope, J 2003, 'Entrepreneurial learning and critical reflection discontinuous events as triggers for "higher-level" learning', *Management Learning*, vol. 34, no. 4, pp. 429–450.

Cope J 2005, 'Toward a dynamic learning perspective of entrepreneurship', *Entrepreneurship Theory and Practice*, vol. 29, no. 4, pp. 373–397.

Cope, J 2011, 'Entrepreneurial learning from failure: an interpretative phenomenological analysis', *Journal of Business Venturing*, vol. 26, no. 6, pp. 604–623.

Cope, J & Watts, G 2000, 'Learning by doing—an exploration of experience, critical incidents and reflection in entrepreneurial learning', *International Journal of Entrepreneurial Behavior & Research*, vol. 6, no. 3, pp. 104–124.

Cope, J J 2005, 'Toward a dynamic learning perspective of entrepreneurship', *Entrepreneurship: Theory and Practice*, vol. 29, no. 4, pp. 373–397.

Corbett, A 2005, 'Experiential learning within the process of opportunity identification and exploitation', *Entrepreneurship Theory and Practice*, vol. 29, no. 4, pp. 473–491.

Corbett, A C 2007, 'Learning asymmetries and the discovery of entrepreneurial opportunities', *Journal of Business Venturing*, vol. 22, no. 1, pp. 97–118.

Curran, J & Blackburn, R A 2001, *Researching small enterprise*, Sage Publications Ltd, London, UK.

Davidson, P 2016, 'The field of entrepreneurship research: some significant developments', in D. Bögenhold, J-P Bonnet, M Dejardin & D Garcia Perez de Lema (eds.), *Contemporary entrepreneurship: multidisciplinary perspectives on innovation and growth*, Springer International, Switzerland, pp. 17–28.

Davidsson, P 2015, 'Entrepreneurial opportunities and the entrepreneurship nexus: a re-conceptualization', *Journal of Business Venturing*, vol. 30, no. 5, pp. 674–695.

Davidsson, P & Honig, B 2003, 'The role of social capital among nascent entrepreneurs', *Journal of Business Venturing*, vol. 18, no. 3, pp. 301–331.

Dawson, C & Henley, A 2012, '"Push" versus "pull" entrepreneurship: an ambiguous distinction?', *International Journal of Entrepreneurial Behavior & Research*, vol. 18, no. 6, pp. 697–719.

De Alwis, M 2002, 'The changing role of women in Sri Lankan society', *Social Research*, vol. 69, no. 3, pp. 675–691.

De Koning, A 1999, 'Conceptualizing Opportunity Recognition as a Socio -Cognitive Process', The Centre for Advanced Studies in Leadership, Stockholm.

Deetz, S 1996, 'Crossroads—describing differences in approaches to organization science: rethinking Burrell and Morgan and their legacy', *Organization Science*, vol. 7, no. 2, pp. 191–207.

Denzin, N K 1978, *The research act*, 2nd edn, McGraw-Hill, New York.

DiMaggio, P J 1988, 'Interest and agency in institutional theory', in L Zucker (ed.), *Institutional patterns and organizations: culture and environment*, 3rd edn, Ballinger, Cambridge: MA, pp. 3–22.

Dimov, D 2007, 'From opportunity insight to opportunity intention: the importance of person-situation learning match', *Entrepreneurship Theory and Practice*, vol. 31, no. 4, pp. 561–583.

Dimov, D 2010, 'Nascent entrepreneurs and venture emergence: opportunity confidence, human capital, and early planning', *Journal of Management Studies*, vol. 47, September, pp. 1123–1153.

Dimov, D 2011, 'Grappling with the unbearable elusiveness of entrepreneurial opportunities', *Entrepreneurship Theory and Practice*, vol. 35, no. 1, pp. 57–81.

Dixon-Woods, M, Shaw, R L, Agarwal, S & Smith J A 2004, 'The problem of appraising qualitative research', *Quality and Safety in Health Care*, vol. 13, no. 3, pp. 223–225.

Djankov, S & Murrell, P 2002, 'Enterprise restructuring in transition: a quantitative survey', *Journal of Economic Literature*, vol. 40, no. 3, pp. 739–792.

Dutt, N, Hawn, O, Vidal, E, Chatterji, A, McGahan A & Mitchell, W 2016, 'How open system intermediaries fill voids in market-based institutions', *Academy of Management Journal*, vol. 59, no. 3, pp. 818–840.

Eckhardt, J T & Shane, S A 2003, 'Opportunities and entrepreneurship', *Journal of Management*, vol. 29.

Edwards, R & Holland, J 2013, *What is qualitative interviewing?* Bloomsbury Publishing, New York, NY.

Eesley, C 2016, 'Institutional barriers to growth: entrepreneurship, human capital and institutional change', *Organization Science*, September, pp. 1290–1306.

Eijdenberg, E & Masurel, E 2013, 'Entrepreneurial motivation in a least developed country: push factors and pull factors among MSEs in Uganda', *Journal of Enterprising Culture*, vol. 21, no. 1, pp. 19–43.

Ekanem, I 2015, 'Entrepreneurial learning: gender differences', *International Journal of Entrepreneurial Behavior & Research*, vol. 21, no. 4, pp. 557–577.

Estrin, S, Klaus, E & Bytechkova, M 2005, 'Entrepreneurship in transitional economies', in A Basu, M Casson, N Wadeson & B Yeung (eds.), *The Oxford handbook on entrepreneurship*, Oxford Publishing, London, UK, pp. 693–725.

Estrin, S, Korosteleva, J & Mickiewicz, T 2013, 'Which institutions encourage entrepreneurial growth aspirations?', *Journal of Business Venturing*, vol. 28, no. 4, pp. 564–580.

Fernando, M & Jackson, B 2006, 'The influence of religion-based workplace spirituality on business leaders' decision-making: an inter-faith study', *Journal of Management & Organization*, vol. 12, no. 1, pp. 23–39.

Field, A 2017, *Discovering Statistics using IBM SPSS Statistics*, 5th edn, Sage Publications, London, UK, pp. 777–832.

Fisher, M 2017, *Qualitative computing: using software for qualitative data analysis*, 2nd edn, Routledge, London, UK, pp. 4–21.

Fudge, R S & Schlacter, J L 1999, 'Motivating employees to act ethically: an expectancy theory approach', *Journal of Business Ethics*, vol. 18, no. 3, pp. 295–304.

Gaglio, C M & Katz, J A 2001, 'The psychological basis of opportunity identification: entrepreneurial alertness', *Small Business Economics*, vol. 16, no. 2, pp. 95–111.

George, N M, Parida, V, Lahti, T & Wincent, J 2016, 'A systematic literature review of entrepreneurial opportunity recognition: insights on influencing factors', *International Entrepreneurship and Management Journal*, vol. 12, no. 2, pp.309–350.

Gilad, B & Levine, P 1986, 'Behavioural model of entrepreneurial supply', *Journal of Small Business Management*, vol. 24, no. 4, pp. 45–53.

Gilbert, L S 2002, 'Going the distance: 'closeness' in qualitative data analysis software'. *International Journal of Social Research Methodology*, vol. 5, no 3, pp. 215-228.

Golafshani, N 2003, *Understanding reliability and validity in qualitative research: the qualitative report*, Sage Publications, Beverly Hills, CA.

Grantt, P & Perren, L 2002, 'Small business and entrepreneurship research: meta theories and paradigms and prejudices', *International Small Business Journal*, vol. 20, no. 2, pp. 185–211.

Hayek, F A 1945, 'The use of knowledge in society', *American Economic Review*, vol. 35, no. 4, pp. 519–530.

Heckhausen, J, 2003, *Motivation and Activity*, Saint Petersburg, Smisl Press

Heckhausen, J, Wrosch, C & Schulz, R 2010, 'A motivational theory of life-span development', *Psychological Review*, vol. 117, no. 1, pp. 32–60.

Helmreich, R & Spence, J 1978, 'The work and family orientation questionnaire: objective instrument to assess components of achievement motivation and attitudes towards family and career', vol. 8, no. 35.

Herath, H M A 2015, 'Place of women in Sri Lankan society: measures for their empowerment for development and good governance', *Vidyodaya Journal of Management*, vol. 1, no. 1, pp. 1–14.

Hettige, S 2006, *Economic reforms, social inequality and education in Sri Lanka*, National Youth Affairs Conference.

Hofstede, G, (2017) *What about Sri Lanka, National Cultural Dimension*. Available at: https://geert-hofstede.com/sri_lanka.html (Accessed: 15 March 2017).

Holcomb, T R & Hitt, M 2009, 'Architecture of entrepreneurial learning: exploring the link among heuristics, knowledge, and action', *Entrepreneurship: Theory and Practice*, vol. 33, no. 1, pp. 167–192.

Holland, D V & Garrett, R 2015, 'Entrepreneurs' start-up versus persistence decisions: a critical evaluation of expectancy and value', *International Small Business Journal*, vol. 33, no. 2, pp. 194–215.

Holstein, J A & Gubrium, J F 1995, 'Phenomenology, ethnomethodology and interpretive practice', in Denzin, N K and Lincoln, Y S (eds.), *Handbook of research*, Sage Publications, London UK.

Holstein, J A & Gubrium, J F 2016, 'Narrative practice and the active interview', in D Silverman (ed.), *Qualitative research*, 4th edn, Sage Publications Ltd, London, UK, pp. 67–82.

Hickie, J, (2012) '*A study of human capital development in young entrepreneurs*', *PhD thesis*, Loughborough University. Available at: <https://dspace.lboro.ac.uk/2134/12033>.

Hughes, K D 2003, 'Pushed or pulled? Women's entry into self-employment and small business ownership', *Gender, Work & Organization*, vol. 10, no. 4, pp. 433–454.

Hughes, K D 2006, 'Exploring motivation and success among Canadian women entrepreneurs', *Journal of Small Business & Entrepreneurship*, vol. 19, no. 2, pp. 107–120.

Hyener, R H 1985, 'Some guidance for the phenomenological analysis of interview data', *Human studies*, vol. 8, no. 3, pp. 279–303.

Hytti, U. (2010) 'Contextualizing entrepreneurship in the boundaryless career', *Gender in Management: An International Journal*, vol. 25, no 1 , pp. 64–81.

Isaac, R G, Zerbe, W J & Pitt, D C 2001, 'Leadership and motivation: the effective application of expectancy theory', *Journal of Managerial Issues*, vol. 13, no. 2, pp. 212–226.

Jick, T D 2010, 'Mixing qualitative and quantitative methods: triangulation in action', *Administrative Science Quarterly*, vol. 24, no. 4, pp. 602–611.

Johnson, R B, Onwuegbuzie, A J & Turner, L A 2007, 'Toward a definition of mixed methods research', *Educational Researcher*, vol. 1, no. 2, pp. 112–133.

Kirkwood, J, (2007) 'Igniting the entrepreneurial spirit: is the role parents play gendered?', *International Journal of Entrepreneurial Behavior & Research*, vol. 13, no 1, pp. 39–59.

Kirkwood, J 2009, 'Motivational factors in a push-pull theory of entrepreneurship', *Gender in Management: An International Journal*, vol. 24, no. 5, pp. 346–364.

Kirkwood, J J 2016, 'How women and men business owners perceive success', *International Journal of Entrepreneurial Behavior & Research*, vol. 22, no. 5, pp. 594–615.

Kirzner, I 1973, *Competition and entrepreneurship*, The University of Chicago Press, London, UK.

Kirzner, I M 2008, 'The alert and creative entrepreneur: a clarification', *Small Business Economics*, vol. 32, no. 2, pp. 145–152.

Klapper, R & Refai, D 2015, 'A Gestalt model of entrepreneurial learning', in D Rae & C L Wang (eds.), *Entrepreneurial learning: new perspectives in research, education and practice*, Routledge, New York, NY, pp. 156–178.

Kolb, D 1984, *Experiential learning: experience as the source of learning and development*, Prentice Hall, New Jersey.

Kontorovic, V 1999, 'Has new business creation in Russia come to a halt?', *Journal of Business Venturing*, vol. 14, no. 5–6, pp. 451–460.

Kwon, S. and Adler, P. S. (2014) 'Social Capital Maturation of a Field of Research', *Academy of Management Review*, vol. 39 no 4, pp. 412–422.

Krueger, N 1998, 'Encouraging the identification of environmental opportunities', *Journal of Organizational Change Management*, vol. 11, no. 2, pp. 174–183, viewed 15 August 2017.

Krueger, N F 2009, 'Entrepreneurial intentions are dead: long live entrepreneurial intentions', in M Brännback & A L Carsrud (eds.), *Revisiting the entrepreneurial mind*, Springer International Publishing, Switzerland, pp. 51–72.

Krueger, N F, Reilly, M D & Carsrud, A L 2000, 'Competing models of entrepreneurial intentions', *Journal of Business Venturing*, vol. 15, no. 5, pp. 411–432.

Lee, C-K & Hung, S-C 2014, 'Institutional entrepreneurship in the informal economy: China's Shan-Zhai mobile phones', *Strategic Entrepreneurship Journal*, vol. 36, no. 8, pp. 16–36.

- Lee, J 1996, 'The motivation of women entrepreneurs in Singapore', *Women in Management Review*, vol. 11, no. 2, pp. 18–29.
- Leung, L 2015, 'Validity, reliability, and generalizability in qualitative research', *Journal of Family Medicine and Primary Care*, vol. 4, no. 3, pp. 324–327.
- Lim, D S K , Morse, E , Mitchell R K , Seawright K K (2010) 'Institutional Environment and Entrepreneurial Cognitions: A Comparative Business Systems Perspective', *Entrepreneurship Theory and Practice*, 34(3), pp. 491–516.
- Lin, Y 2004, 'Beyond dyadic social exchange: guanxi and third-party effects', in T Gold, D Guthrie & D Wank (eds.), *Social connections in China: institutions, culture, and the changing nature of guanxi*, Cambridge University Press, Cambridge, pp. 38–57.
- Lin, N. (1999) 'Social Networks and Status Attainment', *Annual Review of Sociology*, vol. 25, no. 1, pp. 467–487.
- Lincoln, Y, Lynham, S & Guba, E 2011, 'Paradigmatic controversies, contradictions, and emerging confluences, revisited', in N K Denzin & Y S Lincoln (eds.), *The Sage handbook of qualitative research*, 5th edn, Sage Publications, London, UK, pp. 97–128.
- Lincoln, Y S & Guba, E G 1985, *Naturalistic inquiry*, Sage Publications, London, UK.
- Lirio, P. et al. (2007) 'Article information', *Career Development International*, vol. 12, no. 1, pp. 28–50.
- Liu, J, Nandhakumar, J & Zachariadis, M (2017) "Guanxi" As a Shock Absorber: Lessening the Detrimental Effect of Structural Holes on the Acquisition and Integration of', 2017(July), pp. 1600–1618.
- Lumpkin, G, Hills, G & Shrader, R 2004, 'Opportunity recognition', in H Welsch (ed.), *Entrepreneurship: the way ahead*, Routledge, New York, NY, pp. 73–90.
- Lumpkin, G T & Lichtenstein, B B 2005, 'The role of organizational learning in the opportunity recognition process', *Entrepreneurship Theory and Practice*, vol. 29, no. 4, pp. 451–472.

Marschan- Piekkari, R & Reis, C 2004, 'Language and Languages in Cross Cultural Interviewing', in Marschan- Piekkari, R & Reis, C (eds.), *Handbook of Qualitative Research Methods for international Business*, Cheltenham, Edward and Elgar, pp. 224-243.

Martin, L & Wilson, N 2016, 'Opportunity, discovery and creativity: a critical realist perspective', *International Small Business Journal*, vol. 34, no. 3, pp. 261–275.

Mason, J 2002, *Qualitative researching*, Sage Publications, London, UK.

Matlay, H 2004, 'Contemporary training initiatives in Britain: a small business perspective', *Journal of Small Business and Enterprise Development*, vol. 11, no. 4, pp. 504–513.

Mccaffrey, M 2014, 'On the theory of entrepreneurial incentives and alertness', *Entrepreneurship: Theory and Practice*, vol. 38, no. 4, pp. 891–911.

McClelland, D, 1961, '*The Achieving Society*'. New York, The Free Press.

McClelland, D, 2007, '*Human Motivation*'. Saint- Petersburg, Piter Press

McDonalds, S, Gan, B C, Fraser, S, Oke, A & Anderson, A 2015, 'A review of research methods in entrepreneurship 1985–2013', *International Journal of Entrepreneurial Behavior & Research*, vol. 21, no. 3, pp. 291–315.

Mckeown, I 2010, 'No more heroes: entrepreneurial learning in the SME management team', *Industry and Higher Education*, vol. 24, no. 6, pp. 429–441.

Mcmullen, J S & Shepherd, D A 2006, 'Entrepreneurial action and the role of uncertainty in the theory of the entrepreneur', *Academy of Management Review*, vol. 31, no. 1), pp. 132–152.

Minniti, M & Bygrave, W 2001, 'A dynamic model of entrepreneurial learning', *Entrepreneurship Theory and Practice*, vol. 25, no. 3, p. 5.

Mishler, E G 1986, '*Research Interviewing: Context and Narrative*', Cambridge, MA: Harvard University Press.

Molina-Azorin, J F 2016, 'Mixed methods research: an opportunity to improve our studies and our research skills', *European Journal of Management and Business Economics*, vol. 25, pp. 37–38.

Molina-Azorín, J F, Lopez-Gamero, M D, Periera-Moliner, J & Pertusa-Ortego, E M 2012, 'Mixed methods studies in entrepreneurship research: applications and contributions', *Entrepreneurship and Regional Development*, vol. 24, no. 5–6, pp. 425–456.

Nanayakkara, A (2004) '*Employment and Unemployment in Sri Lanka: Trends, Issues, and Options*'. Department of Census and Statistics, Sri Lanka, Colombo.

Nanayakkara, G 1997, 'Some reflections of Buddhism on morality in business and management', *Sri Lankan Journal of Management*, vol. 2, no. 3, pp. 217–232.

Nishantha, B & Pathirana, K P J M 2013, 'Profile of entrepreneurs of SME sector in Sri Lanka: motivations, perceived success factors and problems', in *Proceedings of the International Conference on Managing the Asian Century*, Singapore, Springer Singapore, pp. 413–420.

North, D 1990, *Institutions, institutional change and economic performance*, Cambridge University Press, Cambridge, UK.

Ostapenko, N & Williams, C C 2016, 'Determinants of entrepreneurs' views on the acceptability of tax evasion and the informal economy in Slovakia and Ukraine: an institutional asymmetry approach', *International Journal of Entrepreneurship and Small Business*, vol. 2, no. 8(2/3), p. 275.

Palinkas, L A, Horwitz, S M, Green, C A, Wisdom, J P, Duan, N & Hoagwood, K 2015, 'Purposeful sampling for qualitative data collection and analysis in mixed method implementation research', *Administration and Policy in Mental Health and Mental Health Services Research*, vol. 42, no. 5, pp. 533–544.

Patton, M Q 1990, '*Qualitative Evaluation and Research Methods*', London, Sage.

Patton, M Q 2002, *Qualitative research and evaluation methods*, 3rd edn, Sage Publications, Thousand Oaks, CA.

Pech, R J & Cameron, A 2006, 'An entrepreneurial decision process model describing opportunity recognition', *European Journal of Innovation Management*, vol. 9, no. 1, pp. 61–78.

Peng, M & Zhou, J 2005, 'How network strategies and institutional transitions evolve in Asia', *Asia Pacific Journal of Management*, vol. 22, no. 4, pp. 321–336.

Peng, M W 2000, *Business strategies in transitional economies*, Sage Publications, Thousand Oaks, CA.

Peng, M W 2003, 'Institutional transitions and strategic choices', *Academy of Management Review*, vol. 2, no. 28, pp. 275–296.

Perera, T & Buddhadasa, S 1992, 'Characteristics of Sri Lankan entrepreneurs: how valid is the Schumpeterian model?', in *Postgraduate Institute of Management Conference on Management Studies*, Colombo, pp. 42–62.

Pittaway, L 2003, *Paradigms as heuristics: a review of the philosophies underpinning economic studies in entrepreneurship*, working paper 53, viewed 24 November 2017, <http://www.lums.co.uk/publications>

Pittaway, L & Rose, M 2006, 'Learning and relationship in small firms', *International Small Business Journal*, vol. 24, no. 3, pp. 227–231.

Plowright, D 2011, *Using mixed methods: frameworks for an integrated methodology*, SAGE Publications, London, UK.

Politis, D 2005, 'The process of entrepreneurial learning: a conceptual framework', *Entrepreneurship Theory and Practice*, vol. 29, no. 4, pp. 399–424.

Porter, L & Lawler, E 1968, *Managerial attitudes and performance*, Dorsey Press, Homewood, IL.

Puffer, S M, McCarthy, D J & Boisot, M 2010, 'Entrepreneurship in Russia and China: the impact of formal institutional voids', *Entrepreneurship Theory and Practice*, vol. 34, no. 3, pp. 441–467.

Putnam, R D 2001, 'Social Capital: Measurement and Consequences', *Canadian Journal of Policy Research*, vol. 2 [Spring, 2001], pp.41-51.

Rae, D 2000, 'Understanding entrepreneurial learning: a question of how?', *International Journal of Entrepreneurial Behaviour & Research*, vol. 6, no. 3, pp. 145–159.

Rae, D 2005, 'Entrepreneurial learning: a narrative-based conceptual model', *Journal of Small Business and Enterprise Development*, vol. 12, no. 3, pp. 323–335.

Rae D 2006, 'Entrepreneurial learning: a conceptual framework for technology-based enterprise', *Technology Analysis & Strategic Management*, vol. 18, no. 1, pp. 39–56.

Rae, D 2013, 'The contribution of momentary perspectives to entrepreneurial learning and creativity', *Industry and Higher Education*, vol. 27, no. 6, pp. 407–420.

Rae, D 2015, 'The contribution of momentary perspective to entrepreneurial learning and creativity', in D Rae & C L Wang (eds.), *Entrepreneurial learning: new perspectives in research, education and practice*, Routledge, New York, NY, pp. 92–116.

Rae, D & Carswell, M 2001, 'Towards a conceptual understanding of entrepreneurial learning', *Journal of Small Business and Enterprise Development*, vol. 8, no. 2, pp. 150–158.

Ramoglou, S & Tsang, E W K 2013, 'On the misuse of realism in the study of entrepreneurship', *The Academy of Management Review*, vol. 38, no. 3, pp. 463–465.

Ramoglou, S & Tsang, E W K 2016, 'A realist perspective of entrepreneurship: opportunities as propensities', *Academy of Management Review*, vol. 41, no. 3, pp. 410–434.

Ramoglou, S & Tsang, E W K 2017, 'Accepting the unknowables of entrepreneurship and overcoming philosophical obstacles to scientific progress', *Journal of Business Venturing Insights*, vol. 8, pp. 71–77.

Ranasinghe, S 1996, 'Work centrality and job satisfaction: applicability of the protestant work ethic in the Sri Lankan context', *Sri Lankan Journal of Management*, vol. 1, no. 1, pp. 19–36.

Reynolds, P et al. 2002, *Global entrepreneurship monitor executive report*, Kansas City.

Robichaud, Y, LeBrasseur, R & Nagarajan, K V 2010, 'Necessity and opportunity-driven entrepreneurs in Canada: an investigation into their characteristics and an appraisal of

the role of gender', *Journal of Applied Business and Economics*, vol. 11, no. 1, pp. 59–79.

Richards, L 2002, 'Qualitative computing – a methods revolution?' *International Journal of Social Research Methodology*, vol. 5, no. 3, pp.199-214.

Sarasvathy, S, Dew, N, Velamuri, S R & Venkataraman 2010, 'Three views of entrepreneurial opportunity', in Z J Acs & D B Audretsch (eds.), *Handbook of entrepreneurship research: an interdisciplinary survey and introduction*, 2nd edn, Springer Science+Business Media, New York, NY, pp. 77–99.

Scott, J. (2017) *Social Network Analysis*. 4th edn. London: SAGE Publication Ltd.

Scott, W 2003, 'Institutional carriers: reviewing modes of transporting ideas over time and space and considering their consequences', *Industrial and Corporate Change*, vol. 12, no. 4, pp. 879–894.

Scott, W 2001, *Institutions and organisations: ideas and interests*, 2nd edn, Sage Publications, Los Angeles, CA.

Seelanatha, L, Gunaratne, B & Wickremasinghe, B 2009, 'Financial reforms in Sri Lanka and their influence on the banking industry', *Banks and Banking Systems*, vol. 4, no. 4, pp. 23–35.

Segal, G, Borgia, D & Schoenfeld, J 2005, 'The motivation to become an entrepreneur', *International Journal of Entrepreneurial Behavior & Research*, vol. 11, no. 1, pp. 42–57.

Shane, S 2000, 'Prior knowledge and the discovery of entrepreneurial opportunities', *Organization Science*, vol. 11, no. 4, p. 448–469.

Shane, S 2003, *A general theory of entrepreneurship: the individual-opportunity nexus*, Edward Elgar, Cheltenham, UK.

Shane, S & Venkataraman, S 2000, 'Note the promise of entrepreneurship as a field of research', *Academy of Management Review*, vol. 25, no. 1, pp. 217–226.

Shaver, K & Scott, L 1991, 'Person, process, choice: the psychology of new venture creation', *Entrepreneurship Theory and Practice*, vol. 16, pp. 23–45.

Shepherd, D A 2003, 'Learning from business failure: proposition of grief recovery for the self-employed', *Academy of Management Review*, vol. 17, no. 1, pp. 318–28.

Shepherd, D A, Wiklund, J & Haynie, J M 2009, 'Moving forward: balancing the financial and emotional costs of business failure', *Journal of Business Venturing*, vol. 24, no. 2, pp. 134–148.

Short, J C, Ketchen Jr, D J, Shook, C L & Ireland, R D 2010, 'The concept of "opportunity" in entrepreneurship research: past accomplishments and future challenges', *Journal of Management*, vol. 36, no. 1, pp. 40–65.

Shotter, J 2005, 'Understanding process from within: an argument for "withness"-thinking', *Organization Studies*, vol. 27, no. 4, pp. 585–604.

Shuvalova, A S 2009, 'Russian Female Entrepreneurs', PhD thesis, Brunel University.

Silva, K T, Sivapragasam, P P & Thages, P 2009, Caste discrimination and social justice in Sri Lanka: an overview, working paper series, p. 34.

Silverman, D 2004, *Qualitative research: theory method and practice*, Sage Publications, London, UK.

Silverman, D 2013, *Doing qualitative research*, 4th edn, Sage Publications, Thousand Oaks, CA, pp. 279–301.

Silverman, D 2017, *Doing qualitative research*, 5th edn, Sage Publications, London, UK.

Smallbone, D & Welter, F 2010, 'Entrepreneurship and the role of government in post-socialist economies: some institutional challenges', *Historical Social Research*, vol. 35, no. 2, pp. 320–333.

Spence, J T & Helmreich, R 1993, *Achievement-related motives and behaviours*, University of Texas, <http://www.ssc.wisc.edu/~jpiliavi/965/speech.pdf>

Staniewski, M & Awruk, K 2015, 'Motivating factors and barriers in the commencement of one's own business for potential entrepreneurs', *Economic Research*, vol. 28, no. 1, pp. 583–592.

Stenbacka, C 2001, 'Qualitative research requires quality concepts of its own', *Management Decisions*, vol. 39, no. 7, pp. 551–555.

Stewart, F & O'Sullivan, M 1999, 'Democracy conflict and development: three cases', in G Ranis & Y Chu (eds.), *The political economy of comparative development into 21st century*, Edward Elgar, Cheltenham, UK.

Strauss, A & Corbin, J 1994, 'Grounded theory methodology: an overview', in N K Denzin & Y S Lincoln (eds.), *Handbook in qualitative research*, Sage Publications, London, UK, pp. 1–18.

Sutton, J & Austin, Z 2015, 'Qualitative research: data collection, analysis, and management', *The Canadian Journal of Hospital Pharmacy*, vol. 68, no. 3, pp. 226–231.

Tang, J, Kacmar, K M M & Busenitz, L 2012, 'Entrepreneurial alertness in the pursuit of new opportunities', *Journal of Business Venturing*, vol. 27, no. (1), pp. 77–94.

Teddlie, C & Tashakkori, A 2009, *Foundations of mixed methods research: integrating quantitative and quantitative approaches in social and behavioural sciences*, Sage Publications, London, UK.

Thalpahewa, C 2016, *Peaceful intervention in intra-state conflicts: Norwegian involvement in the Sri Lankan peace process*, Routledge, New York, NY.

Tonoyan, V & Strohmeyer, R 2010, 'Corruption and entrepreneurship: how formal and informal institutions shape small firm behavior in transition and mature market economies', *Entrepreneurship Theory and Practice*, vol. 34, no. 5, pp. 803–831.

Tsang, E W K 1998, 'Mind Your Identity When Conducting Cross- National Research', *Organisation Studies*, vol. 19, no. 3, pp. 511-515.

Ucbasaran, D, Shepherd, D A, Lockett, A & Lyon, J 2013, 'Life After business failure: the process and consequences of business failure for entrepreneurs', *Journal of Management*, vol. 39, no. 1, pp. 163–202.

University Grants Commission of Sri Lanka 2013, *Sri Lanka University statistics*.

Valliere, D 2011, 'Entrepreneurial alertness through cognitive schemata', in *2nd International Conference on Business and Economic Research Proceedings*, pp. 476–485.

van Gelderen, M 2016, 'Entrepreneurial autonomy and its dynamics', *Applied Psychology*, vol. 65, no. 3, pp. 541–567.

Venkataraman, S & Sarasvathy, S D 2012, 'Reflections on the 2010 AMR Decade Award: wither the promise? Moving forward with entrepreneur as a science of the artificial', *Management Review*, vol. 37, no. 1, pp. 21–31.

Voss, C, Tsikriktsis, N & Frohlich, M 2002, 'Case research in operations management', *International Journal of Operations & Production Management*, vol. 22, no. 12, pp. 195–219.

Wang, C L & Chugh, H 2014, 'Entrepreneurial learning: past research and future challenges', *International Journal of Management Reviews*, vol. 16, no. 1, pp. 24–61.

Wang, C L & Chugh, H 2015, 'Entrepreneurial learning: past research and future challenges', in D Rae & C L Wang (eds.), *Entrepreneurial learning: new perspectives in research, education and practice*, Routledge, New York, NY, pp. 11–44.

Wang, Y, Ellinger, A D & Jim Wu, Y 2013, 'Entrepreneurial opportunity recognition: an empirical study of R&D personnel', *Management Decisions*, vol. 51, no. 2, pp. 248–266.

Ward, T B 2004, 'Cognition, creativity, and entrepreneurship', *Journal of Business Venturing*, vol. 19, no. 2, pp. 173–188.

Watkins-Mathys, L 2015, 'Entrepreneurial learning in the Chinese business context', in D Rae & C L Wang (eds.), *Entrepreneurial learning: new perspectives in research, education and practice*, Routledge, New York, NY, pp. 263–285.

Watkins-Mathys, L & Lowe, S 2005, 'The way through paradigm immensurability', *Small Business and Entrepreneurship Research*, vol. 23, no. 6, pp. 657–677.

Watkins-Mathys, L 2007, 'Focus group interviewing in China: Language, culture and sensemaking', *Journal of International Entrepreneurship*, vol. 4, pp. 209–226.

Webb, J W, Bruton, G D, Tihanyi, L & Ireland, R D 2013, 'Research on entrepreneurship in the informal economy: framing a research agenda', *Journal of Business Venturing*, vol. 28, no. 5, pp. 598–614.

Webb, J W, Ireland, R D & Ketchen, D J 2014, 'Toward a greater understanding of entrepreneurship and strategy in the informal economy', *Strategic Entrepreneurship Journal*, vol. 8, no. 1, pp. 1–15.

Welch, C & Piekkari, R 2006, 'Crossing language boundaries: qualitative interviewing in international business', *Management International Review*, vol. 46, no. 4, pp. 417–437.

Welter, F & Smallbone, D 2011, 'Institutional perspectives on entrepreneurship', *Journal of Small Business Management*, vol. 49, no. 1, pp. 107–125.

Welter, F, Baker, T, Audretsch, D B & Gartner, W B 2017. 'Everyday Entrepreneurship A Call for Entrepreneurship Research to Embrace Entrepreneurship Diversity' *Entrepreneurship Theory and Practice*, vol. 41, no. 3, pp 311-321.

Wenger, E 1998, *Communities of practice: learning, meaning, and identity*, Cambridge University Press, Cambridge, UK.

Williams, C C & Shahid, M S 2016, 'Informal entrepreneurship and institutional theory: explaining the varying degrees of (in)formalization of entrepreneurs in Pakistan', *Entrepreneurship and Regional Development*, vol. 28, no. 1–2, pp. 1–25.

Wood, M & Williams, D W 2012, 'Seeing the forest by way of the trees: opportunity evaluation as rule-based processing', *Frontiers of Entrepreneurship Research*, vol. 32, no. 6, Article 7.

Yamada, J 2004, 'A multi-dimensional view of entrepreneurship', *Journal of Management Development*, vol. 23, no. 4, pp. 289–320,

Yamakawa, Y, Peng, M W & Deeds, D L 2015, 'Rising from the ashes: cognitive determinants of venture growth after entrepreneurial failure', *Entrepreneurship Theory and Practice*, vol. 39, no. 2, pp. 209–236.

Zamawe, F C 2015, 'The implication of using NVivo software in qualitative data analysis: evidence-based reflections', *Malawi Medical Journal*, vol. 27, no. 1, pp. 13–15.

Appendices

Appendix 1: Interview Guide

1. Can you tell us about your business?
2. How did this business idea occur to you?
3. In what way do you think your prior knowledge helped in evaluating the business idea?
4. What were the main activities you carried out to start the business?

(Some participant covers how arranging initial resources, financing and obstacles under the same if not question 5,6 required to ask)
5. What major obstacles did you face at the start-up process of this venture?
(often the participant talked about what resources they had and did not have)
6. How did you finance the project?
7. How did you family, friends and other networks influence on various stages of your business?
8. Tell us about your family background?
9. What motivates you to become an entrepreneur?
10. Were you influenced by moral values of family and society to become entrepreneurs?
11. How does regulatory framework affect to your business? (Government institutions: government rules and regulations/financial sector subsidies, tariffs)
12. How does social and cultural set-up of Sri Lanka influence in making of entrepreneurs?

Appendix 2: Information Sheet for Participants



Opportunity Recognition and New Venture Creation: participants' experiences in Sri Lanka's transition context

Information Sheet for Participants

This interview will be conducted as a part of the primary data collection for a PhD research funded by Buckinghamshire New University, United Kingdom. The research is focused on exploring **participants' individual experiences of opportunity recognition and new venture creation in Sri Lanka's transition context.**

By taking part in this interview, you agree to share your experiences voluntarily and on a pro bono basis with regard to the following: the way in which you have spotted business opportunities and how you might have commercialised these opportunities, either by creating a new business venture or by contributing to your existing business. As a participant, you have the right to withdraw prior during after the interview up until 31st March 2013, in addition you will be able to review your interview transcript and make you any changes to that up until 31st March 2013.

The whole interview will be recorded and transcribed. The data gathered during the interview will be stored confidentially and anonymously. Further data will be used only for the current research and related publications. Anonymity of participants will be maintained in any research outputs.

Please feel free to contact myself for further information.

Jeeva Madduma Bandaralage

PhD Researcher

Faculty of Design, Media & Management

Buckinghamshire New University

Queen Alexandra Road, High Wycombe

Bucks HP11 2JZ.

United Kingdom. Tel: ++44(0)1494 522 141 Ext: 4279.

Email: Jeeva.MaddumaBandaralage@bucks.ac.uk.



Appendix 3: Consent Form for the Study on Opportunity Recognition and New Venture Creation in Sri Lanka's Transitional Context

Please tick the appropriate boxes

I have read and understood the project information sheet..... ☐

I have been given the opportunity to ask questions about the project..... ☐

I agree to take part in the project. Taking part in the project will include being interviewed and audio recorded. ☐

I understand that my taking part is voluntary; I can withdraw from the study at any time and I will not be asked questions about why I no longer want to take part in the interview. ☐

Select only one of the next two options:

I would like my name used where I have said or written as part of this study will be used in reports, publications and other research outputs so that anything I have contributed to this project can be recognised..... ☐

I do not want my name used in this project..... ☐

I understand my personal details such as phone number or address will not be revealed to people outside of this project..... ☐

I understand that my words may be quoted in publications, reports, web pages, and other research outputs but my name will not be used unless I requested it above..... ☐

I understand that other researchers will have access to these data only if they agree to preserve the confidentiality of these data..... ☐

I understand that other researchers may use my words in publications, reports, web pages and other research outputs..... ☐

I agree to assign the copyright I hold in any materials related to this project to Jeeva Madduma Bandaralage]..... ☐

On this basis I am happy to participate in the study of " Opportunity recognition and new venture creation in transitional context of Sri Lanka"

Name of Participant Signature.....
Date.....

Name of Researcher..... Signature.....
Date.....

If you have any queries or concerns, please contact:

Jeeva Madduma Bandaralage
PhD Researcher
Faculty of Design, Media & Management
Buckinghamshire New University
Queen Alexandra Road
High Wycombe
Bucks HP11 2JZ
United Kingdom

Tel: ++44(0)1494 522 141 Ext: 4279

Email: Jeeva.MaddumaBandaralage@bucks.ac.uk

One copy to be kept by the participant, one to be kept by the researcher

Appendix 4: Learning Style Questionnaire



Questionnaire to Measure Learning Style of the Participants.

This questionnaire is given to you as part of the primary data collection for a PhD research funded by Buckinghamshire New University, UK. By filling this questionnaire, you agree to give your responses voluntary and pro bono basis with regard to your learning style in general and learning styles of yours in different stages of opportunity recognition and venture creation process. The data gathered will be stored confidentially and anonymously and used in research publications.

Jeeva Madduma Bandaralage

PhD Researcher

Instructions: Rank the sentences ending giving a 4: to the item best describes how you deal the situation 1: to the least describes your responses.

1. When I learn...

I like to be doing things ☐ I like to deal with my feelings ☐

I like to think about ideas ☐ I like to watch and listen ☐

2. I learn best when...

I rely on logical thinking ☐

I work hard to get things done ☐

I listen and watch carefully ☐

I trust my hunches and feelings ☐

3. When I am learning...

I tend to reason things out ☐
☐

I am quiet and reserved

I am responsible about things ☐

I have strong feeling and reactions ☐

4. I Learn by...

Watching ☐ Doing ☐ Felling ☐ Thinking ☐

5. When I learn...

I examine a lot of information ☐

I analyse ideas ☐

I like to try things out ☐

I am open to new experiences ☐

6. When I am learning...

I am a logical person ☐

I am an intuitive person ☐

I am an active person ☐

I am an observing person ☐

7. I learn best from...

Personal relationships ☐

Rational theories ☐

Observation ☐

A chance to try out and practice ☐

8. When I learn...

I take my time before acting ☐

I feel personally involved in things ☐

I like ideas theories ☐

I like to see result from my work ☐

9 .I learn best when...

I can try things out for my self ☐

I rely on my observation ☐

I rely on my feelings ☐

I rely on my ideas ☐

10. When I am learning...

I am a rational person ☐

I am a reserved person ☐

I am a responsible person ☐

I am an accepting person ☐

11. When I learn...

I am practical

I get involved

I evaluate things

I like to observe

12. I learn best from...

Seeing the results from of my actions

Class room education

Reflecting on what I hear and see

Real life experiences

13. New ideas generally occurred to me as a result of ...

Observing the environment

thinking about new concepts

Get involved with things actively

Reflecting through own experience

14. When a new idea occurs to me, I generally...

Jumped into action

Reflecting of new idea

Analysing it

Evaluate through own experience

15. When I get a new idea, I behave like a...

Rational person ☐

Reflective person ☐

Active person ☐

Intuitive person ☐

16. When new idea occurs to me ...

Examine lot of information

about the new idea ☐

Analyse the new idea ☐

Like try out new things ☐

Open myself to new experiences ☐

17. When I see an opportunity, my intension is to...

Try out straightaway ☐

Collect information about it ☐

Rely on what I feels ☐

Establish a criteria to evaluate it ☐

18. When I see an opportunity...

I become a logical person ☐

I become an intuitive person ☐

I become an action person ☐

I become an observing person ☐

19 When I see an opportunity I use my previous experience to...

Logical reasoning and evaluate it ☐

Act without delay ☐

Watch carefully and evaluate it ☐

Trust my hunches and
feelings to evaluate it ☐

20. When I evaluate an opportunity...

I weigh the cost against benefits ☐

I consider different options ☐

I act without delay ☐

I trust my senses to decide what is best. ☐

21. When I want to start new venture...

I depend on my feelings ☐

I look for different possibilities ☐

I try to be practical and realistic ☐

I analyse the situation ☐

22. When I want to implement my business opportunity...

I focus on goals and actions ☐

I am organized and logical ☐

I consider all possibilities ☐

I am open to make changes ☐

23. When I want to gather initial resources required for a new venture ...

I rely on logical thinking ☐ I work hard to get things done ☐

I trust my senses ☐ I consider different options ☐

24. When I want to establish new business network (suppliers, customers..)

I examine lot of information ☐ I analyse the alternatives ☐

I like to try things out ☐ I am open to new experiences. ☐

25. Your Age

18-30 ☐ 31-40 ☐ 41-50 ☐ 51-60 ☐

61-70 ☐ 71-80 ☐

26. Educational Qualifications

G.C.E Ordinary Level ☐ G.C.E Advanced Level ☐ Diploma ☐

Higher National Diploma ☐ Degree ☐ Masters ☐ PhD ☐

27. If you have a Diploma / Higher Diploma/ Degree/ Masters/ PhD , the area of Specialization of your study

.....

The End

Thank you very much for taking part with this questionnaire.

[The questionnaire has been developed is a modified version of on Kolb learning inventory version 3.1 in the context of Opportunity Recognition New venture creation]

Appendix 5: Codes Structure

Nvivo software follows the same code structure. In software terminology main codes called "Parent Nodes" while sub codes known as "child nodes".

- Initial business idea and new venture creation
 - Emergence of initial business idea
 - Initial resources
 - Initial tactics and new venture creation.

- Motivations to start-up the new venture
 - Additional income
 - Doing something for the society
 - Family and the business environment
 - Independence
 - Job dissatisfaction
 - Not any other option/ no choice
 - Sense of achievement

- Institutions
 - Social and cultural
 - ✓ Hierarchical mindset
 - ✓ Perception about respondents and recognition
 - ✓ Restricted industry
 - ✓ Family encouragement to become participants
 - ✓ Government jobs are better.

 - Government policies and regulations

- ✓ Constant policy changes
- ✓ Rigid custom and other government regulations
- Financial policies and regulations
 - ✓ High interest rates, no support for projects with high payback period.
 - ✓ Reluctant to support unknown respondents
 - ✓ No development banks and venture capital firms
- Networks
 - Family
 - Friends
 - Other networks
- Family background
- Education
- Critical events / experiences

Appendix 6: Interview Excerpts

Following will be the original texts of the edited interview excerpts provided in the chapter 5.

[1].*“ we first recognise weak signals which sense it as potential trendstoday the signals are weak but those signals can be strong and converted into potential market.....in to 2-3 years’ time”*

“We try to solve a social problem or a problem of an industry. So this is what we always try to do. We do not try to capitalise...”

“ I was an employee for another IT companythat is the time for global trend for e-commerce got into play . People started doing business over internet, doing business remotely and making payment remotely. It was vague.....very vague... I am taking about realistically in the years of 1995, 1996 and 1997. Person who has entrepreneurial quality I picked up those things”.

(Excerpts from the interview with Naveen)

[2].*“When we enter into the LPG business...monopoly controlled by a global oil making company. Even the government wanted me not to enter into it. There are few fundamentals that need to be acquired even before thinking entering....one you need to have deep pocket...if you want to enter into the LPG business anywhere in the world you need to have heavy capital. Number two you need to break that entry barriers. Thirdly always dominant player prevent new comers entering into. You need to handle all three. LPG is a global business. You should have global networking as well. So the government itself warned us. We were confident and managed to understand that risk and we managed to manage that risk. That is one area we are rather successful.”*

(Excerpts from the interview with Lasith)

[3] *"My father has started this as a raw material exporter ...then we once we got few inquiries asking whether we can supply kind of essential oil....say for example cinnamon ...growing only in Sri Lanka...there are many people using cinnamon oil for the flavour and fragrance industry. Even today we do not have any one to compete with us . when doing essential oils producing and exports we. Thought that that also basic raw material for some kind of industry...and then we decided why not we create something out of this essential oil and cater into local markets".*

(Excerpts from the interview with Gihan)

[4.] *" I was a managing director of a large porcelain company....Dankotuwa Procelain Ltd when I was just 30 years ...I was able to get to that level purely because of multidisciplinary qualifications and as well as solid experience so then learnt lot on this ceramics side so this became a career in ceramics8 years I served in Dankotuwa Porcelain and another couple of years as a group managing director in Lanka Ceramics Group ...that includes Lanka floor tile ,wall tile Noritaki and so many other subsidiary companies ...all to do with ceramics so I learnt lot on ceramics and accepted as an industry expert because vast experience. Even with the marketing side I can talk with my marketing experts sometimes international marketing guys....accounting also ...I talk with equal terms helped me developed further. Probably then only I realized that why should I work for someone else when I can work for myself. Then I got some partners and started this"*

(Excerpts from the interview with Jagendra)

[5.] *"When we negotiate the existing owner of the company he said I do not need single cent, because already Rs. 35 million bankrupt company. We were talking Rs 17.5 million otherwise 50% of the liability without investing, headaches of 50% so we took headache 50%. He did not want single cent because we took over 50 % of his headache. When we took over this company only 5 people were working, 2000 Sq.ft hut and 2-3 machines"*

(Excerpts from the interview with Chandana)

[6] *"So, I was still looking for something to start ideally something going out of the country. So I saw that some people have started the garment factories, therefore I established XYZ Apparels was formed in 1987 October and commence operation in 1988 March"*

(Excerpts from the interview with Ramesha)

[7] *"I have to put lot of thoughts. Specially the organising cost was the main thing. i had to run the main thing with minimum cost. So, what I did was I set up my office in the bedroom. Computer and the Dialog connection. Set up my stores in station wagon. which was a moving store. Like I have all my stuff materials there. But that time I had no facility of such that Broad band connection and everything had to be done by me. I had moving office and I used my friends' computers to send emails. And I used my friends' telephones to take IDD calls. So, I had to use all my resources without my heart. When you want to achieve something, you have to do that".*

(Excerpts from the interview with Sadesh)

[8]. *"from the day I joined the Sri Lanka Ports Authority. I made my name in the Sri Lankan market. I did have a little money that was enough for us for this".*

(Excerpts from the interview with Sam)

[9]. *" We took over company's 50% of shares with myself and Suresh without any single rupee investment. We did not have money, only thing we had only knowledge, vast experience, good PR and connection with our suppliers."*

(Excerpts from the interview with Chandana)

[10] *"He would like to give the machines and yarns, somebody take over the factory including workers supervisors and know- how everything. taking some machinery and yarn from him we do not know them as well ...we had to give them some deposits and that is how we started this business. We started on contract whatever they gave us, and it was some time, I learnt weaving basics of weaving and there was weaving supervisor. During this period if you make anything you can sell. Things at the very beginning were very strict on importsvery strict on*

imports. Anyway, that is the time we started Gehan tex sold whatever we made. Then I thought and told my husband if Gehan Tex can sell our fabrics and I am sure we can sell them ourselves. So we started our selves. That is how we started our first shop in Maya Avenue. That was in 1976”

(Excerpts from the interview with Yahampath)

[11].” In terms of supplierssome of the biggest manufacturers in that particular country or some are very good manufacturers in the world.....we have tied up them and we are happy withthey are very consistent....very good understanding ..Some of them are consciously supporting us knowing that we are a small companybut our intention are good ...we kept our wordwe kept our promise they supported us a lot. From the customers end some started business with us are growing and we are growing with them.”

(Excerpts from the interview with Kamalan)

[12] “If you take the road construction sector....road construction companies ... they do not look at the time of the day they do not look at the calendarthey task oriented they . they start early in the morning goes until late in the evening not only that they do not follow the weekend and they do not follow poya days once they start the job they are continue until the segment complete . Mainly because they hire equipmentthey hire people they get the special permission from the police to close the roads. they need to very..... actively work meeting the deadlines and time lines some ting very ..very important. We notice the relationship with the supplier ...bitumen supplier with the contractor with the technical or non-technical. Relationship because this institutional businessnot 100% institutional business.....was very poor and that was another area we looked at so we startedwe from the beginning we will server you 365 days 24 hours of the day....we lived up to that very effectively.”

(Excerpts from the interview with Ashoka)

[13] “So the biggest challenge we have is to convince financial institution to lend money ...they knew that...strong dominant multinational player .. they also had a

question mark how can we convince them? We manage to convince them. we planned it ...gradually.... slowly step by step ...rather than making huge investment on the ground we did it in systematic way. Where our investment was not in the beginning...gradually we start our LPG storage 50 tons then we increase to 100 tons...then we increase up to 200 tons ...then we increase up to 1000 tons ..the we increase up to 2500 tonsrather than. Initially setting up 2500 tons which require huge capital. We gradually slowly without making huge debt to our capital requirement ..that is how we while we earn we reinvest into the system”.

[14]“When I came here to work in 1984 he was in a big air condition room I was outside of the room he just started the factory. He was big boss and bit small like and I feel it jealous about that very first day. we were working I did the very first export for them I am the first general manager of that place I trained people and all those things I was young I had lot of energy to do also morning to evening and did everything and still that ill feeling was inside mehe was using very nice Jeep Nissan petrol. I had a Ford escort small car my jealousy was developing ...developing and I also wanted to start my business and what cannot work go on like this?”

[15]“well my father was in business. I thought that was the best. Becoming an entrepreneur is something great success and you can do lot to your country. You can do whatever you think is right....you do not have listen to people”

(Excerpts from the interview with Daya)

[16]“ When I was studyingthe factory started ,there . After school we also worked in the factory....we helped packing shoesthat givesWhen you see the product ...it is coming outeven when you are in a farm when fruits are bearing you get the liking for it. You havetechnical jobsproduction jobs ...accounting jobs all were there. When machines were working my brother used to say it is nice to see motors are working ...when you have the environment of factory....at young age you develop the skills and liking for it.yes....we were in the village. ...in the village recognition is there the moment

*you employee lot of workers in the factory....you are being respected
....because we providing social service*

(Excerpts from the interview with Samuel)

[17.]“ I always valued my own freedom working under somebody always had conflicts inside me...I wanted to do something and it is agony to work on those framesgiven a small frame is one thing. Of course the financial freedom is one thing. I always felt the business people and respondents have more earning power.”

(Excerpts from the interview with Ashoka)

[18]. “Former companies were compelled to startthey did not give authority, but responsibility when we failed the responsibility we were fired. That is the only motivation factor behind this start. We had the knowledgewhen we start the factory. We did not have vast knowledge after then graduation in 1998 only 2003 we started with 5 years’ experience”

(Excerpts from the interview with Chandana)

[19].“ suddenly somebody else buys the company and then they bring outside people..... all our dreams are shattered , then I realised even if I go and work somewhere else this thing can happen once again , then I thought I should start on my own business and that is how we decided it was a risk more of an accidental.....”

(Excerpts from the interview with Saman)

[20.]“My husband was ambushed and he died in operations in 1971 during the insurgency. My eldest daughter was 2 years old and I was expecting younger one. I was a keen housewife at the time. I was marriedthis change of life gave me responsibility and something that I should do beyond what I was. Also the way...the society looked at me .Because I had two daughters second one also born as a daughter”.

(Excerpts from the interview with Ramesha)

[21]" Making more money, No other reason. I had worked for 35 years and I will have something for my children and they are all directors of this company".

(Excerpts from the interview with Dilshan)

[22]" May be the money because we had 4 children and both of us were government servants and maybe we were thinking some extra money. Poultry. We think so much .my father also did not encourage us on poultry and financially ...I do not know. But the dairy farm was interesting. That is one great thing we had dairy farm during 1970-1977 period nobody were in hungry in our whole family...we had enough milk ..I made butter...I made butter. Now I of course do not know cheese. there was no butter cheese or milk during that period. My children did not miss anything at all".

(Excerpts from the interview with Yahampath)

[23.]" We have been brainwashed to a nation..... people who cannot do anything. Even so called big business people were agents of British companies. Other than there was another set of people called "mudalalis".

(Excerpts from the interviews with Saman)

[24.]" There is something like this people here...sometimes see making profit is backward thing people think that you are making profit of at the expense of another .. so sort of people looking at you like "Kalu kada mudalali" (Black marketer) you are making profits through your entrepreneurial skills. I think that has come to saying....making too much of profits is something fouled upon... although you are done with legally and ethically"

(Excerpts from the interview with Jagendra)

[25.]" I am sure ...we are fortunate in Sri Lanka to have almost equality. The way they think about it is encouraging....see the number of people starting

businesses whether it is good or bad, whether it is properly done or not, they are starting business if they can do it they can carry on, if they cannot do it failed. But lots of people are love to start their own business”

(Excerpts from the interview with Yahampath)

[26].“From early on....I remember. That somebody offered my father to get into liquor business. he refused. he did not want to do anything with alcohol.so when I took over I develop No matter how profitable it may be certain business I will never get in to...arms and ammunition, alcohol and tobacco, livestockanything that would demean the life of our people”.

(Excerpts from the interview with Keshan)

[27.]“Generally I see Sri Lanka is a good place to become an entrepreneur. Social and cultural we are very open culture .we do not have any restrictions....like other countriescertain Asian countries”.

If you want to do something yes you can do in Sri Lanka. Like say...in terms of our religion in Sri Lanka selling liquor is not good still if you want to have a liquor shop...legal way to do this .There is nothing stop you religiously”

(Excerpts from the interview with Sadesh)

[28]” negotiate an order with you \$1.00 and I quote you \$1.10. You reject the thing and say If you can do it for \$0.95 I am prepare to buy it and miss you order. Government should say Chandran \$ 0.95 is your cost and we will give you \$0.05, you are not getting that order but you are not losing that order. While you are doing you will be able to get \$0.02-0.03 with your experience. That type of thinggovernment institute can do.....that type of thing definitely.....there will be export increase.”

(Excerpts from the interview with Chandran)

[29]“Here the government officers are to stop the things ..not to promote ...stop....stop. I wonder and I challenge youif you can go somewhere in

Kurunegala environmental office there is a Plath sabha(provincial council)there 10-15 people loitering here and there , waiting for the for the appointments and waiting for the discussion...which can be given by the authority . Somebody wants to start a poultry farm and some others guys are complaining and both guys coming and discussing those things. There you can see some young entrepreneurs only very few people are starting businessesthey get nothing here. they are discouraged by those guy....ill-treated . When you go there you cannot talkyou are treated like a victim in a courts. Then they are discourage. They stope the business. If they make a profits that is something else....then next time they will make profits know. But they stop the things”

(Excerpts from the interview with Witharana)

[30] “ If you take Sri Lankaone place you can do business easily. I have done business in different places .I have done business in Bangladesh, Dubai , we had an office which we closed down and in India we had an office which we closed Bangladesh office still operation. We have office in Germanyoffice in Ukraine. All the places doing business is not easy.”

(Excerpts from the interview with Saman,)

[31]. “ There is hardly any support for manufacturers.....banks support for traders ...as they can recover the loan pretty quickly. Generally my opinion is that banks do not like any investments 5-10 years specially they do not like to invest in agriculture ”

(Excerpts from the interview with Anuradha)

[32].“ specially start-up companies like us and indigenous local companythe only way to raise the money is to borrow. Unless otherwise you have to borrow from the capital market. So the biggest challenge is to convince financial institutions to lend money. Yes it is very difficult at that timeuntil you make your nameuntil you portray name go and borrow. It is very difficult no

matter what they say. One of the biggest challenge in Sri Lankan respondents face is access to capital."

(Excerpts from the interview with Lasith)

[33] "By this time I knew how to present the project proposal and now even the bank they should give me facility to work on. For export orders you get an LC export along with that another LC so there was a one manager in this particular bank he said until I do the export of this order he cannot give me the facility for next order when I was having LC in my hand. He said you are single, working and your children are not big enough to support you, your father is not working with you. It is a liability to the bank support me, not to support me give me the facility. After having that much of security with them. I went to another bank I had a friend who wasI do not think because I am a women, I think this is problem for any entrepreneur but may be in my case I am verysort ofI tell the truth what I have but men they show big. So they show big so they can get away and I simply say thisthis is what I have and this is what I am intending doing . May be because this it would have beenbecause I knowin this business world you have to show big. Still I do not do that . But I have archived people who have done that are no more in business now. We still exists"

(Excerpts from the interview with Ramesha)

[34]. " there are avenuesgovernment has to open what do you called project loans. Project loans are always very difficult and bank always want certainty of their money"

" Other countries developed special banks are formed called developments banksgive credit to actual limits on various other things immoveable properties"

(Excerpts from the interview with Jaya)

Appendix 7: Ranking Responses of the Respondents in Tabular Format
Saman

Question No	Concrete Experience	Reflective Observation	Abstract Conceptualization	Active Experimentation
Q1	1	4	3	2
Q2	1	3	4	2
Q3	2	1	4	3
Q4	1	3	4	2
Q5	3	1	4	2
Q6	1	2	3	4
Q7	1	3	2	4
Q8	4	1	2	3
Q9	1	3	2	4
Q10	3	1	4	2
Q11	3	1	2	4
Q12	4	1	3	2
General	25	24	37	34
Q13	1	3	4	2
Q14	4	1	3	2
Q15	1	2	3	4
Q16	1	2	4	3
Idea	7	8	14	11
Q17	2	3	1	4
Q18	2	1	4	3
Q19	3	1	4	2
Q20	2	3	4	1
Opportunity	9	8	13	10
Q21	3	2	1	4
Q22	4	1	2	3
Q23	2	1	4	3
Q24	1	4	3	2
Institutionalisation	10	8	10	12

	Concrete Experience	Reflective Observation	Abstract Conceptualization	Active Experimentation
Q1	1	3	4	2
Q2	2	4	1	3
Q3	1	2	4	
Q4	1	4	2	3
Q5	2	1	3	4
Q6	2	3	1	4
Q7	1	3	2	4
Q8	3	1	4	2
Q9	3	1	2	4
Q10	4	2	1	3
Q11	3	1	2	4
Q12	3	2	1	4
General	26	27	27	37
Q13	4	1	2	3
Q14	4	2	3	1
Q15	3	2	1	4
Q16	4	1	2	3
Idea	15	6	8	11
Q17	3	4	2	1
Q18	3	2	1	4
Q19	3	2	1	4
Q20	3	2	1	4
Opportunity	12	10	5	13
Q21	1	2	3	4
Q22	3	2	1	4
Q23	4	3	1	2
Q24	4	1	3	2
Institutionalisation	12	8	8	12

Question	Concrete Experience	Reflective Observation	Abstract Conceptualization	Active Experimentation
Q1	1	4	2	3
Q2	1	4	3	2
Q3	3	4	1	2
Q4	1	3	4	2
Q5	2	4	3	1
Q6	1	2	4	3
Q7	2	4	3	1
Q8	4	3	1	2
Q9	1	4	3	2
Q10	1	2	4	3
Q11	2	1	3	4
Q12	2	4	1	3
General	21	39	32	28
Q13	3	2	1	4
Q14	3	2	4	1
Q15	3	1	4	2
Q16	2	4	3	1
Idea	11	9	12	8
Q17	2	4	3	1
Q18	1	3	4	2
Q19	4	2	3	1
Q20	3	4	2	1
Opportunity	10	13	12	5
Q21	1	4	3	2
Q22	1	4	3	2
Q23	1	4	3	2
Q24	2	4	3	1
Institutionalisation	5	16	12	7

Question	Concrete Experience	Reflective Observation	Abstract Conceptualization	Active Experimentation
Q1	1	2	4	3
Q2	1	3	4	2
Q3	1	2	4	3
Q4	1	3	4	2
Q5	1	2	4	3
Q6	2	1	4	3
Q7	1	2	4	3
Q8	3	2	1	4
Q9	1	2	4	3
Q10	3	1	2	4
Q11	3	1	2	4
Q12	1	4	2	3
General	19	25	39	37
Q13	3	1	4	2
Q14	4	2	3	1
Q15	1	2	4	3
Q16	3	1	4	2
Idea	11	6	15	8
Q17	1	3	4	2
Q18	2	1	4	3
Q19	1	2	4	3
Q20	2	1	4	3
Opportunity	6	7	16	11
Q21	1	3	4	2
Q22	3	2	4	1
Q23	2	3	4	1
Q24	4	1	2	3
Institutionalisation	10	9	14	7

Question	Concrete Experience	Reflective Observation	Abstract Conceptualization	Active Experimentation
Q1	1	2	4	3
Q2	2	3	4	1
Q3	2	1	4	3
Q4	1	2	4	3
Q5	4	1	2	3
Q6	3	1	4	2
Q7	4	2	1	3
Q8	3	2	1	4
Q9	3	2	4	1
Q10	4	1	2	3
Q11	3	1	2	4
Q12	3	2	1	4
General	33	20	33	34
Q13	2	4	3	1
Q14	4	3	2	1
Q15	1	4	2	3
Q16	4	1	2	3
Idea	11	12	9	8
Q17	4	2	1	3
Q18	3	1	4	2
Q19	2	1	4	3
Q20	4	3	2	1
Opportunity	13	7	11	9
Q21	4	3	1	2
Q22	4	1	2	3
Q23	2	4	1	3
Q24	2	3	4	1
Institutionalisation	12	11	8	9

Jaya

Question	Concrete Experience	Reflective Observation	Abstract Conceptualization	Active Experimentation
Q1	1	2	3	4
Q2	1	3	2	4
Q3	1	2	3	4
Q4	1	3	2	4
Q5	4	3	1	2
Q6	1	3	2	4
Q7	1	3	2	4
Q8	4	1	2	3
Q9	1	3	2	4
Q10	2	1	3	4
Q11	3	1	2	4
Q12	2	3	1	4
General	22	28	25	45
Q13	2	3	4	1
Q14	3	4	2	1
Q15	1	3	2	4
Q16	1	3	2	4
Idea	7	13	10	10
Q17	1	3	2	4
Q18	1	3	2	4
Q19	1	3	2	4
Q20	1	2	3	4
Opportunity	4	11	9	16
Q21	1	2	3	4
Q22	1	3	2	4
Q23	1	2	3	4
Q24	1	2	3	4
Institutionalisation	4	9	11	16

Question	Concrete Experience	Reflective Observation	Abstract Conceptualization	Active Experimentation
Q1	2	1	4	3
Q2	2	3	4	1
Q3	1	4	3	2
Q4	3	2	4	1
Q5	3	2	4	1
Q6	2	4	3	1
Q7	1	4	3	2
Q8	2	1	4	3
Q9	3	2	4	1
Q10	1	2	3	4
Q11	1	3	2	4
Q12	4	1	2	3
General	25	29	40	26
Q13	3	1	4	2
Q14	3	2	4	1
Q15	1	4	2	3
Q16	3	2	4	1
Idea	10	9	14	7
Q17	2	4	3	1
Q18	1	4	2	3
Q19	2	3	1	4
Q20	3	4	2	1
Opportunity	8	15	8	9
Q21	1	2	4	3
Q22	1	4	3	2
Q23	3	4	2	1
Q24	2	4	3	1
Institutionalisation	7	14	12	7

Kamalan

Question	Concrete Experience	Reflective Observation	Abstract Conceptualization	Active Experimentation
Q1	1	4	2	3
Q2	1	4	3	2
Q3	3	1	4	2
Q4	1	4	2	3
Q5	4	2	1	3
Q6	1	3	2	4
Q7	4	2	3	1
Q8	4	2	1	3
Q9	1	4	2	3
Q10	2	1	4	3
Q11	3	1	2	4
Q12	3	4	1	2
General	28	32	27	33
Q13	2	4	1	3
Q14	2	4	3	1
Q15	1	3	4	2
Q16	1	3	4	2
Idea	6	14	12	8
Q17	1	3	4	2
Q18	4	1	2	3
Q19	1	4	2	3
Q20	1	3	4	2
Opportunity	7	11	12	10
Q21	1	2	3	4
Q22	2	3	1	4
Q23	1	4	3	2
Q24	1	3	4	2
Institutionalisation	5	12	11	12

Jagendra

Question	Concrete Experience	Reflective Observation	Abstract Conceptualization	Active Experimentation
Q1	4	1	3	2
Q2	3	2	4	1
Q3	2	3	4	1
Q4	3	1	4	2
Q5	2	3	4	1
Q6	3	2	4	1
Q7	3	1	4	2
Q8	2	3	1	4
Q9	3	1	4	2
Q10	1	2	4	3
Q11	2	1	3	4
Q12	4	2	1	3
General	32	22	40	26
Q13	2	3	4	1
Q14	1	3	4	2
Q15	1	3	4	2
Q16	2	4	3	1
Idea	6	13	15	6
Q17	2	4	3	1
Q18	2	3	4	1
Q19	3	2	4	1
Q20	1	3	4	2
Opportunity	8	12	15	5
Q21	1	3	2	4
Q22	3	1	2	4
Q23	2	4	3	1
Q24	2	3	4	1
Institutionalisation	8	11	11	10

Vincent

Question	Concrete Experience	Reflective Observation	Abstract Conceptualization	Active Experimentation
Q1	3	2	1	4
Q2	3	2	1	4
Q3	4	1	3	2
Q4	3	2	1	4
Q5	3	1	2	4
Q6	2	3	1	4
Q7	2	3	1	4
Q8	4	2	1	3
Q9	3	2	1	4
Q10	3	2	1	4
Q11	3	2	1	4
Q12	3	2	1	4
General	36	24	15	45
Q13	3	2	1	4
Q14	4	2	3	4
Q15	2	3	1	4
Q16	3	2	1	4
Idea	12	9	6	16
Q17	3	1	2	4
Q18	2	3	1	4
Q19	3	2	1	4
Q20	3	1	2	4
Opportunity	11	7	6	16
Q21	3	2	1	4
Q22	3	2	1	4
Q23	3	2	1	4
Q24	3	1	2	4
Institutionalisation	12	7	5	16

Question	Concrete Experience	Reflective Observation	Abstract Conceptualization	Active Experimentation
Q1	2	1	4	3
Q2	4	1	2	3
Q3	4	3	2	1
Q4	3	1	4	2
Q5	4	1	3	2
Q6	4	3	1	2
Q7	3	4	2	1
Q8	2	4	3	1
Q9	2	3	4	1
Q10	2	1	4	3
Q11	1	2	3	4
Q12	4	1	2	3
General	35	25	34	26
Q13	3	4	2	1
Q14	3	4	2	1
Q15	4	3	1	2
Q16	4	3	1	2
Idea	14	14	6	6
Q17	3	2	4	1
Q18	4	3	1	2
Q19	4	3	2	1
Q20	4	3	1	2
Opportunity	15	11	8	6
Q21	4	3	1	2
Q22	4	1	2	3
Q23	4	3	1	2
Q24	4	1	3	2
Institutionalisation	16	8	7	9

Question	Concrete Experience	Reflective Observation	Abstract Conceptualization	Active Experimentation
Q1	1	2	4	3
Q2	3	1	2	4
Q3	3	1	2	4
Q4	1	2	4	3
Q5	4	3	1	2
Q6	2	1	4	3
Q7	1	3	4	2
Q8	3	1	2	4
Q9	1	3	4	2
Q10	2	1	3	4
Q11	3	1	4	2
Q12	1	2	3	4
General	25	21	37	37
Q13	3	4	1	2
Q14	4	1	2	3
Q15	1	2	3	4
Q16	3	1	2	4
Idea	11	8	8	13
Q17	3	2	1	4
Q18	2	1	3	4
Q19	3	1	2	4
Q20	3	1	2	4
Opportunity	11	5	8	16
Q21	1	2	3	4
Q22	2	1	3	4
Q23	1	3	2	4
Q24	2	4	3	1
Institutionalisation	6	10	11	13

Question	Concrete Experience	Reflective Observation	Abstract Conceptualization	Active Experimentation
Q1	2	1	4	3
Q2	1	3	4	2
Q3	2	3	4	1
Q4	1	2	3	4
Q5	2	1	4	3
Q6	2	3	4	1
Q7	1	4	2	3
Q8	3	1	2	4
Q9	2	3	1	4
Q10	4	1	3	2
Q11	4	1	2	3
Q12	3	2	1	4
General	27	25	34	34
Q13	2	4	3	1
Q14	4	1	3	2
Q15	2	1	3	4
Q16	3	1	2	4
Idea	11	7	11	11
Q17	4	1	3	2
Q18	2	1	4	3
Q19	2	3	4	1
Q20	4	2	3	1
Opportunity	12	7	14	7
Q21	2	1	3	4
Q22	2	1	4	3
Q23	1	2	4	3
Q24	1	2	4	3
Institutionalisation	6	6	15	13

Question	Concrete Experience	Reflective Observation	Abstract Conceptualization	Active Experimentation
Q1	2	4	1	3
Q2	1	2	3	4
Q3	4	3	1	2
Q4	3	4	2	1
Q5	2	3	1	4
Q6	4	2	3	1
Q7	2	3	1	4
Q8	1	4	3	2
Q9	2	4	3	1
Q10	4	3	1	2
Q11	1	4	3	2
Q12	1	3	4	2
General	27	39	26	28
Q13	2	3	4	1
Q14	1	4	2	3
Q15	4	3	2	1
Q16	1	4	3	2
Idea	8	14	11	7
Q17	2	1	3	4
Q18	4	2	3	1
Q19	1	3	2	4
Q20	1	3	2	4
Opportunity	8	9	10	13
Q21	4	1	3	2
Q22	3	1	4	2
Q23	4	1	2	3
Q24	3	4	1	2
Institutionalisation	14	7	10	9

Prem

Question	Concrete Experience	Reflective Observation	Abstract Conceptualization	Active Experimentation
Q1	2	3	1	4
Q2	1	3	2	4
Q3	1	4	3	2
Q4	3	4	1	2
Q5	1	3	4	2
Q6	3	1	2	4
Q7	3	1	4	2
Q8	1	4	2	3
Q9	2	3	1	4
Q10	2	3	4	1
Q11	2	4	3	1
Q12	1	3	4	2
General	22	36	31	31
Q13	2	1	3	4
Q14	2	1	3	4
Q15	2	3	4	1
Q16	3	4	2	1
Idea	9	9	12	10
Q17	2	1	3	4
Q18	2	3	4	1
Q19	2	1	4	3
Q20	2	3	1	4
Opportunity	8	8	12	12
Q21	2	1	4	3
Q22	4	3	1	2
Q23	2	4	1	3
Q24	3	1	2	4
Institutionalisation	11	9	8	12

Question	Concrete Experience	Reflective Observation	Abstract Conceptualization	Active Experimentation
Q1	4	2	1	3
Q2	1	4	2	3
Q3	3	4	1	2
Q4	4	2	1	3
Q5	4	3	1	2
Q6	3	4	2	1
Q7	4	3	2	1
Q8	3	4	1	2
Q9	3	2	1	4
Q10	2	3	1	4
Q11	1	2	3	4
Q12	1	3	4	2
General	33	36	20	31
Q13	1	4	2	3
Q14	2	3	1	4
Q15	4	2	3	1
Q16	4	2	1	3
Idea	11	11	7	11
Q17	3	1	2	4
Q18	4	3	2	1
Q19	1	3	4	2
Q20	4	1	2	3
Opportunity	12	8	10	10
Q21	4	3	1	2
Q22	4	2	1	3
Q23	4	1	3	2
Q24	3	1	2	4
Institutionalisation	15	7	7	11

Sam

Question	Concrete Experience	Reflective Observation	Abstract Conceptualization	Active Experimentation
Q1	2	1	4	3
Q2	3	1	2	4
Q3	2	3	4	1
Q4	2	3	1	4
Q5	4	1	3	2
Q6	2	1	4	3
Q7	4	3	1	2
Q8	2	1	3	4
Q9	3	2	1	4
Q10	1	3	2	4
Q11	3	2	1	4
Q12	3	2	1	4
General	31	23	27	39
Q13	1	3	4	2
Q14	3	4	1	2
Q15	1	2	3	4
Q16	2	4	3	1
Idea	7	13	11	9
Q17	2	1	3	4
Q18	1	3	2	4
Q19	1	4	3	1
Q20	1	2	3	4
Opportunity	5	10	11	13
Q21	4	2	1	3
Q22	3	1	4	2
Q23	3	2	1	4
Q24	3	1	4	2
Institutionalisation	13	6	10	11

Jane

Question	Concrete Experience	Reflective Observation	Abstract Conceptualization	Active Experimentation
Q1	2	1	3	4
Q2	4	1	3	2
Q3	4	1	2	3
Q4	1	3	2	4
Q5	4	1	2	3
Q6	4	1	2	3
Q7	2	1	3	4
Q8	3	2	1	4
Q9	1	2	4	3
Q10	2	1	3	4
Q11	4	1	3	2
Q12	2	3	1	4
General	33	18	29	40
Q13	1	3	2	4
Q14	2	1	3	4
Q15	2	1	3	4
Q16	2	4	3	1
Idea	7	9	11	13
Q17	1	3	4	2
Q18	4	1	2	3
Q19	4	1	2	3
Q20	4	3	2	1
Opportunity	13	8	10	9
Q21	3	4	1	2
Q22	4	1	3	2
Q23	1	4	3	2
Q24	2	4	3	1
Institutionalisation	10	13	10	7

Question	Concrete Experience	Reflective Observation	Abstract Conceptualization	Active Experimentation
Q1	1	2	3	4
Q2	1	3	2	4
Q3	2	1	3	4
Q4	1	3	2	4
Q5	2	1	3	4
Q6	1	3	2	4
Q7	2	3	1	4
Q8	3	4	1	2
Q9	1	3	2	4
Q10	2	1	3	4
Q11	3	1	2	4
Q12	3	2	1	4
General	22	27	25	46
Q13	3	2	4	1
Q14	3	2	4	1
Q15	1	4	2	3
Q16	2	4	3	1
Idea	9	12	13	6
Q17	3	4	2	1
Q18	1	4	2	3
Q19	3	4	2	1
Q20	4	3	2	1
Opportunity	11	15	8	6
Q21	4	3	2	1
Q22	2	4	1	3
Q23	2	4	1	3
Q24	2	1	4	3
Institutionalisation	10	12	8	10

Daya

Question	Concrete Experience	Reflective Observation	Abstract Conceptualization	Active Experimentation
Q1	3	1	2	4
Q2	3	2	1	4
Q3	4	2	1	3
Q4	3	2	1	4
Q5	2	3	1	4
Q6	3	2	1	4
Q7	2	3	1	4
Q8	2	1	3	4
Q9	3	1	2	4
Q10	2	4	1	3
Q11	4	3	2	1
Q12	3	2	1	4
General	34	26	17	43
Q13	2	3	1	4
Q14	3	2	1	4
Q15	2	3	1	4
Q16	3	2	1	4
Idea	10	10	4	16
Q17	3	2	1	4
Q18	3	2	1	4
Q19	3	2	1	4
Q20	3	2	1	4
Opportunity	12	8	4	16
Q21	4	3	2	1
Q22	3	2	1	4
Q23	3	2	1	4
Q24	2	1	3	4
Institutionalisation	12	8	7	13

Question	Concrete Experience	Reflective Observation	Abstract Conceptualization	Active Experimentation
Q1	4	3	2	1
Q2	4	3	2	1
Q3	3	4	2	1
Q4	4	3	1	2
Q5	3	4	2	1
Q6	4	2	1	3
Q7	1	2	3	4
Q8	2	1	4	3
Q9	3	2	1	4
Q10	3	4	1	2
Q11	3	4	2	1
Q12	1	3	4	2
General	35	35	25	25
Q13	4	1	2	3
Q14	3	2	1	4
Q15	3	4	2	1
Q16	4	1	2	3
Idea	14	8	7	11
Q17	2	1	3	4
Q18	4	3	1	2
Q19	4	2	1	3
Q20	3	4	1	2
Opportunity	13	10	6	11
Q21	3	4	2	1
Q22	2	3	1	4
Q23	3	4	1	2
Q24	4	1	2	3
Institutionalisation	12	12	6	10

Question	Concrete Experience	Reflective Observation	Abstract Conceptualization	Active Experimentation
Q1	3	4	2	1
Q2	4	2	1	3
Q3	4	3	2	1
Q4	3	2	4	1
Q5	2	1	4	3
Q6	4	3	1	2
Q7	1	3	4	2
Q8	2	4	3	1
Q9	4	3	2	1
Q10	4	3	1	2
Q11	4	3	2	1
Q12	2	3	4	1
General	37	34	30	19
Q13	4	2	1	3
Q14	1	2	3	4
Q15	2	4	1	3
Q16	4	1	2	3
Idea	11	9	7	13
Q17	3	1	2	4
Q18	4	2	1	3
Q19	3	2	1	4
Q20	1	2	3	4
Opportunity	11	7	7	15
Q21	4	3	2	1
Q22	3	2	1	4
Q23	4	3	1	2
Q24	2	1	4	3
Institutionalisation	13	9	8	10

Question	Concrete Experience	Reflective Observation	Abstract Conceptualization	Active Experimentation
Q1	4	1	3	2
Q2	3	2	1	4
Q3	4	3	2	1
Q4	1	4	2	3
Q5	3	1	2	4
Q6	1	3	2	4
Q7	3	2	1	4
Q8	3	2	1	4
Q9	2	1	3	4
Q10	4	2	1	3
Q11	3	1	2	4
Q12	3	2	1	4
General	34	24	21	41
Q13	4	2	3	1
Q14	4	3	2	1
Q15	2	3	1	4
Q16	4	1	3	2
Idea	14	9	9	8
Q17	4	3	2	1
Q18	1	2	3	4
Q19	4	3	2	1
Q20	4	3	2	1
Opportunity	13	11	9	7
Q21	4	1	3	2
Q22	3	2	1	4
Q23	4	2	1	3
Q24	4	1	3	2
Institutionalisation	15	6	8	11

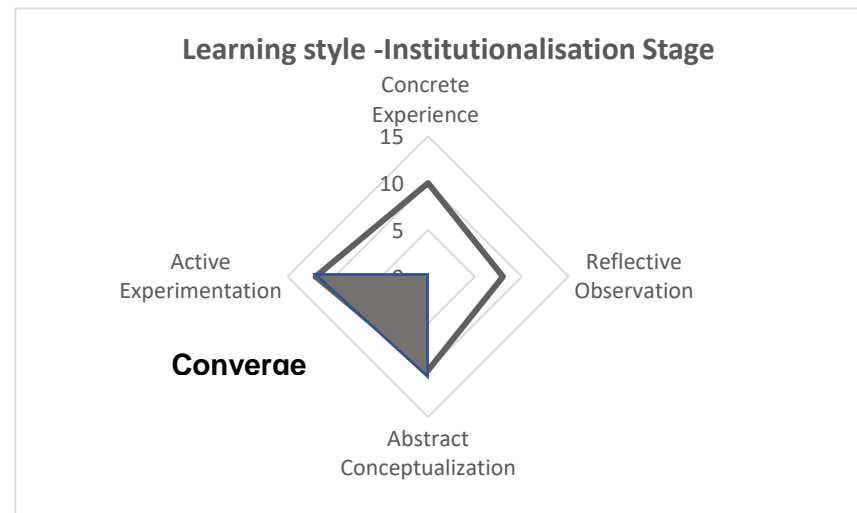
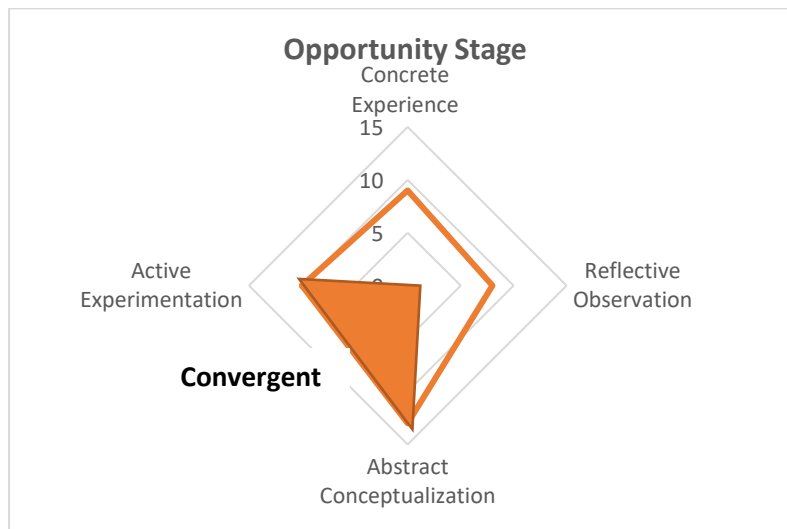
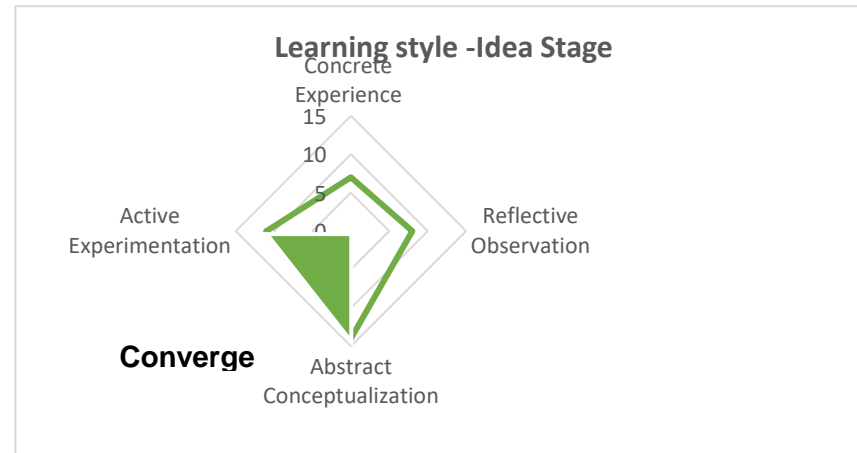
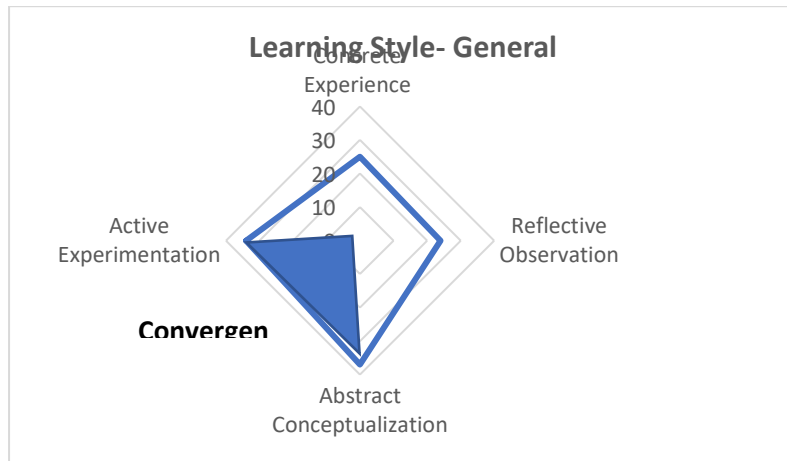
Question	Concrete Experience	Reflective Observation	Abstract Conceptualization	Active Experimentation
Q1	4	1	2	3
Q2	4	1	2	3
Q3	4	3	1	2
Q4	4	1	3	2
Q5	4	1	2	3
Q6	4	1	2	3
Q7	3	1	4	2
Q8	2	1	4	3
Q9	4	2	3	1
Q10	2	4	3	1
Q11	3	4	2	1
Q12	2	3	4	1
General	40	23	32	25
Q13	3	4	1	2
Q14	2	3	1	4
Q15	2	1	4	3
Q16	3	2	1	4
Idea	10	10	7	13
Q17	3	1	2	4
Q18	3	1	2	4
Q19	4	2	1	3
Q20	2	4	1	3
Opportunity	12	8	6	14
Q21	4	3	1	2
Q22	4	2	3	1
Q23	4	3	2	1
Q24	2	1	3	4
Institutionalisation	14	9	9	8

Samudra

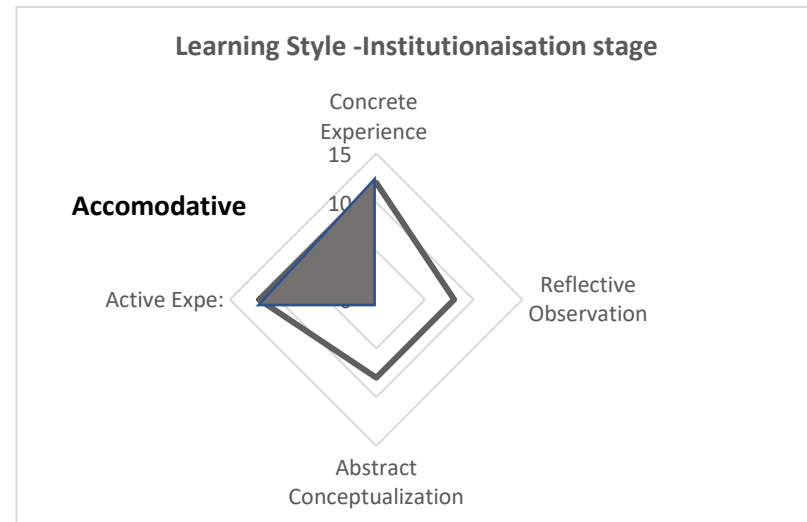
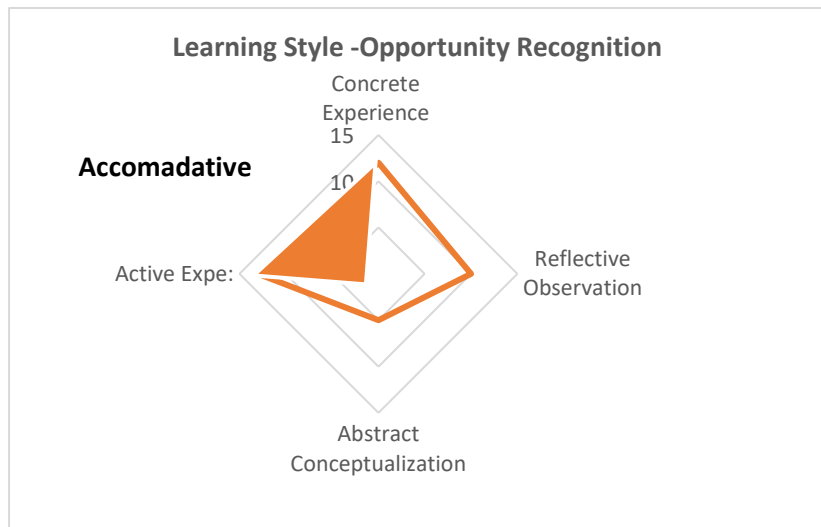
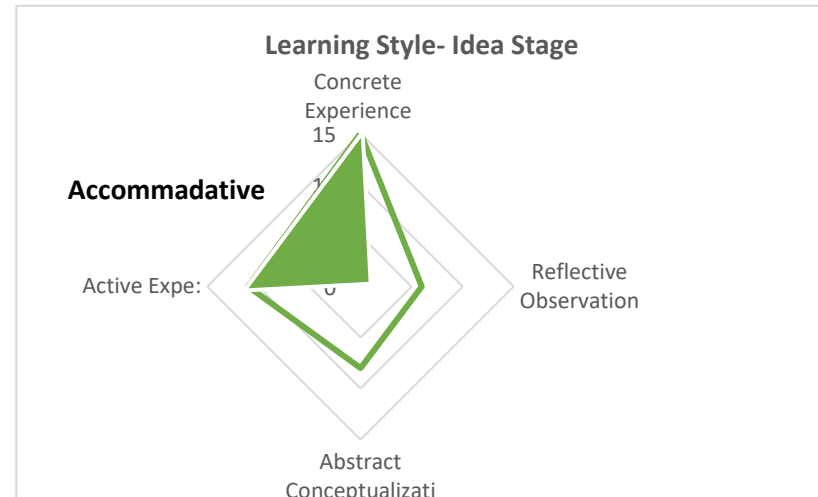
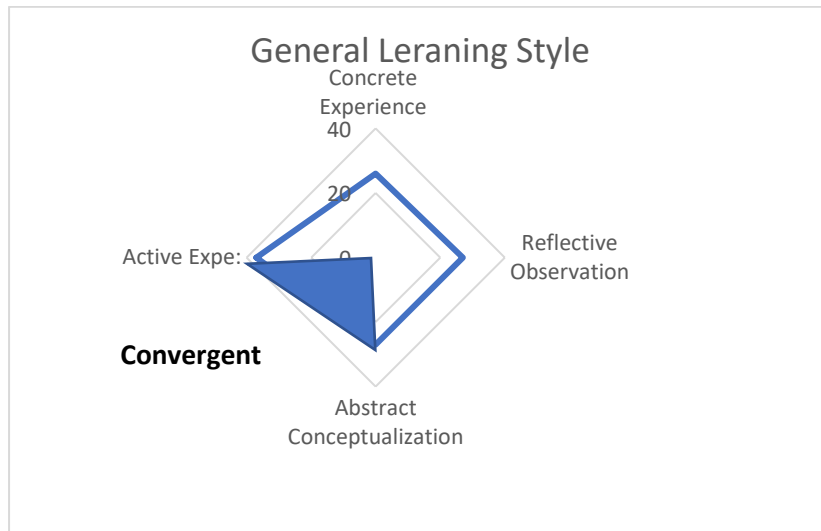
Question	Concrete Experience	Reflective Observation	Abstract Conceptualization	Active Experimentation:
Q1	1	4	3	2
Q2	2	4	3	1
Q3	1	3	4	2
Q4	1	3	2	4
Q5	3	1	2	4
Q6	1	2	3	4
Q7	2	3	1	4
Q8	3	2	1	4
Q9	3	1	2	4
Q10	1	2	3	4
Q11	4	1	2	3
Q12	4	3	1	2
General	26	29	27	38
Q13	1	2	3	4
Q14	2	3	1	4
Q15	1	2	3	4
Q16	2	1	3	4
Idea	6	8	10	16
Q17	4	2	3	1
Q18	3	2	1	4
Q19	4	2	1	3
Q20	4	1	3	2
Opportunity	15	7	8	10
Q21	2	1	3	4
Q22	4	2	1	3
Q23	3	1	2	4
Q24	3	2	1	4
Institutionalisation	12	6	7	15

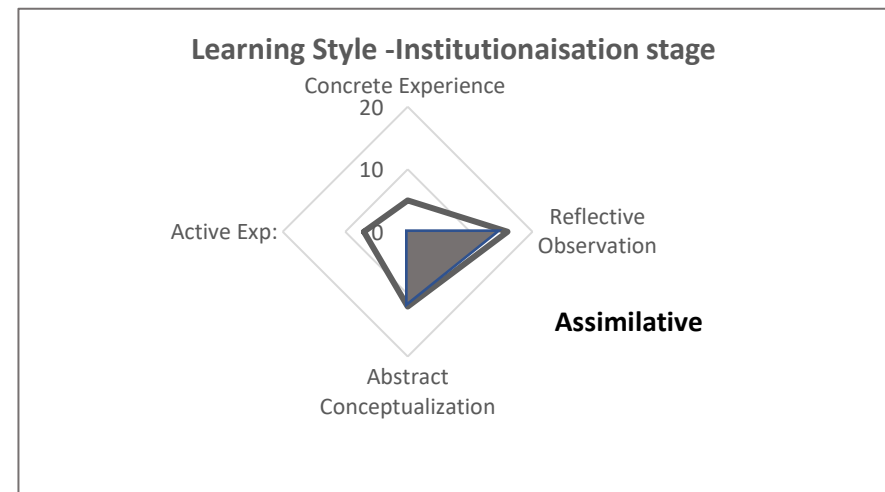
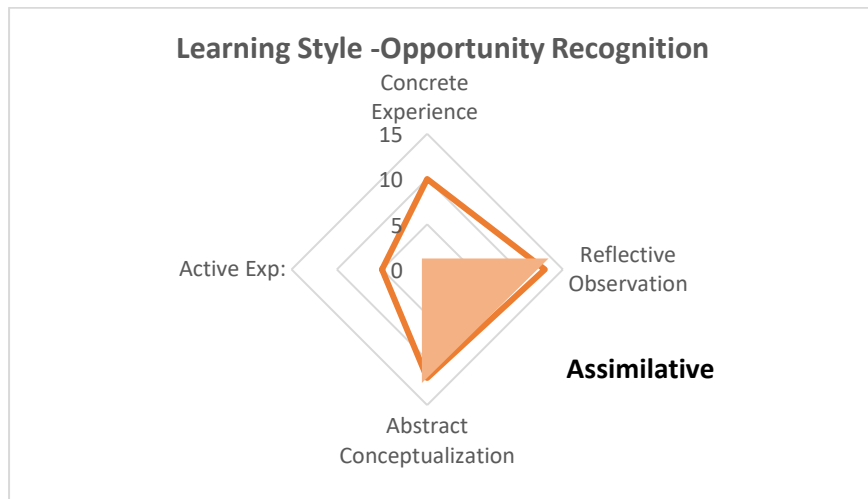
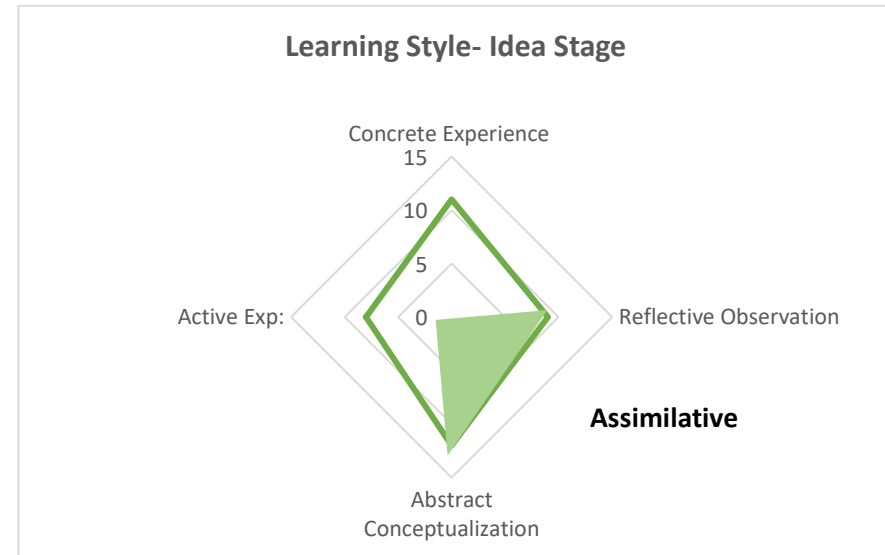
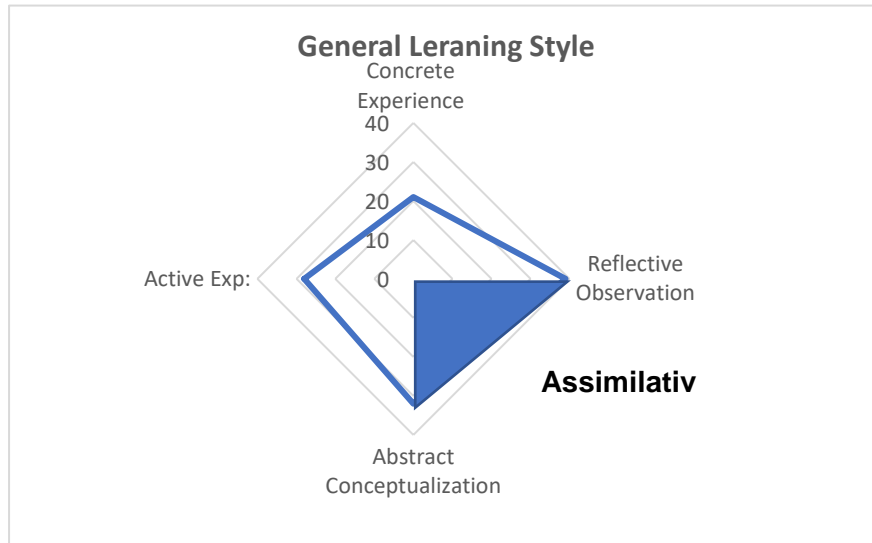
Appendix 8: Learning Style Profiles of the Respondents

Saman

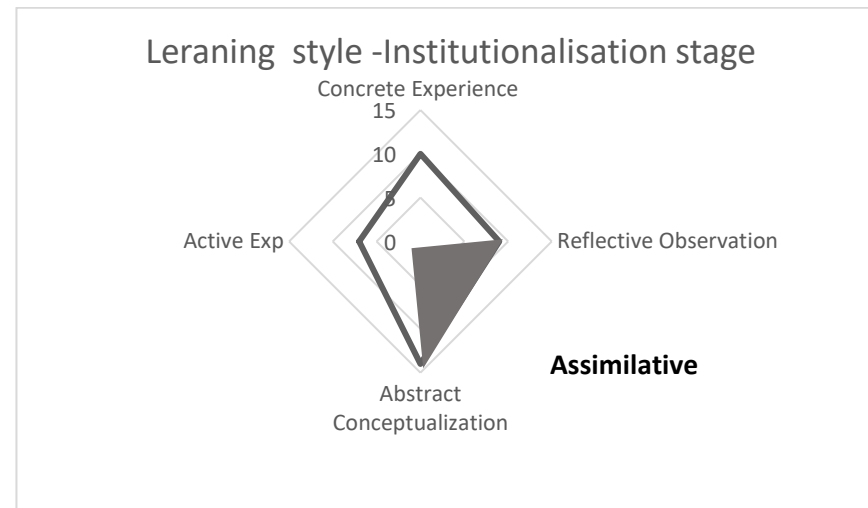
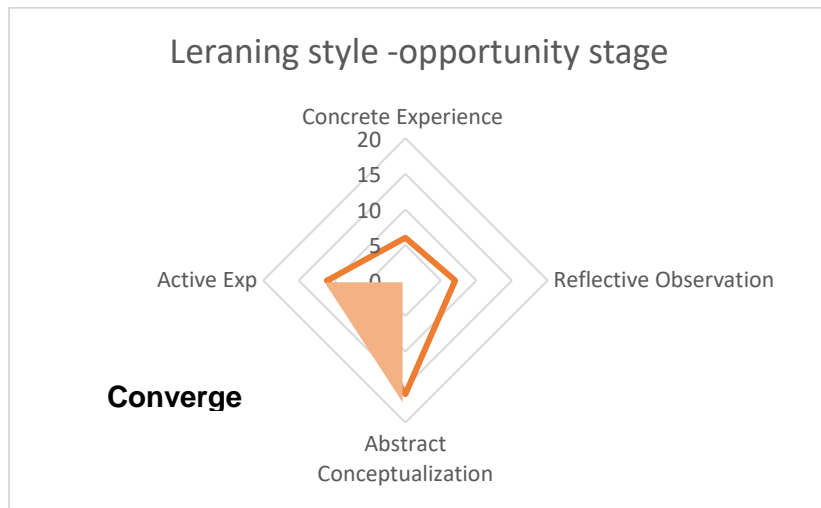
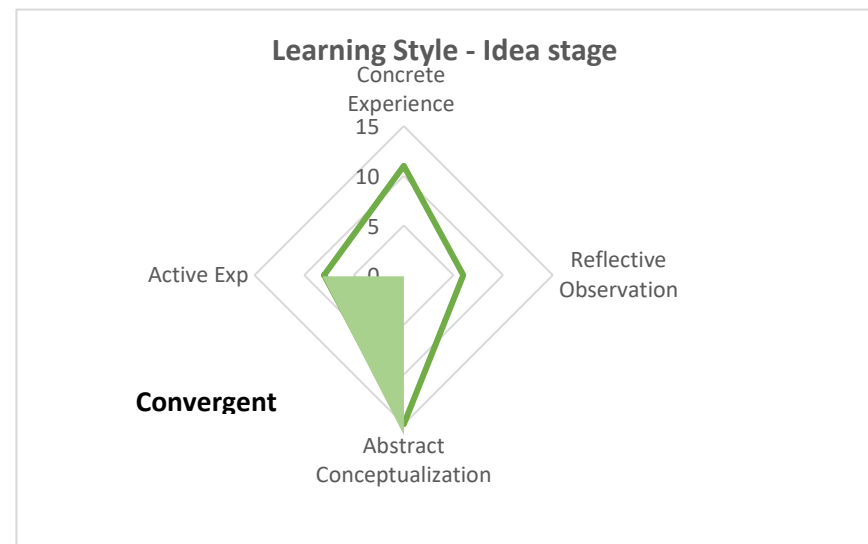
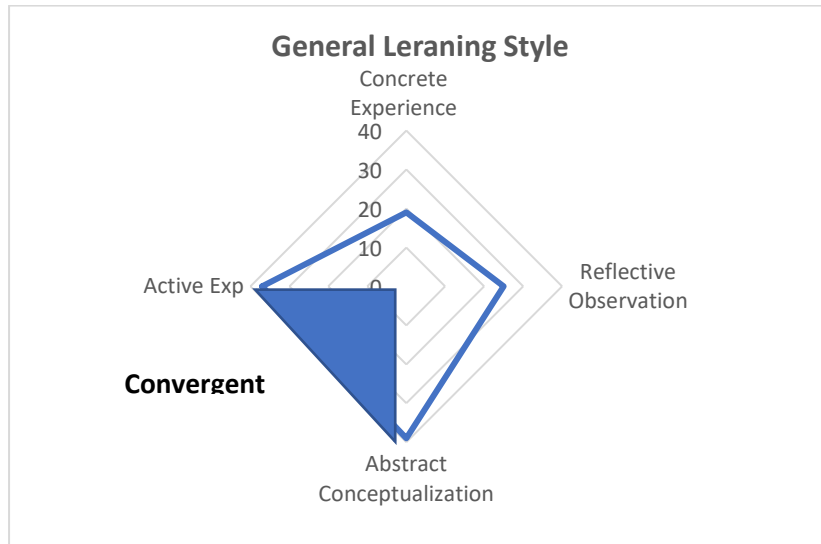


Chandran

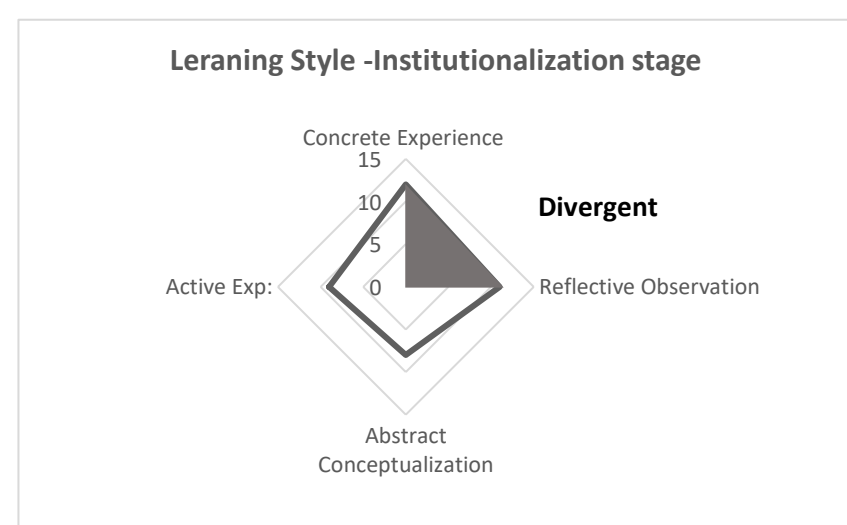
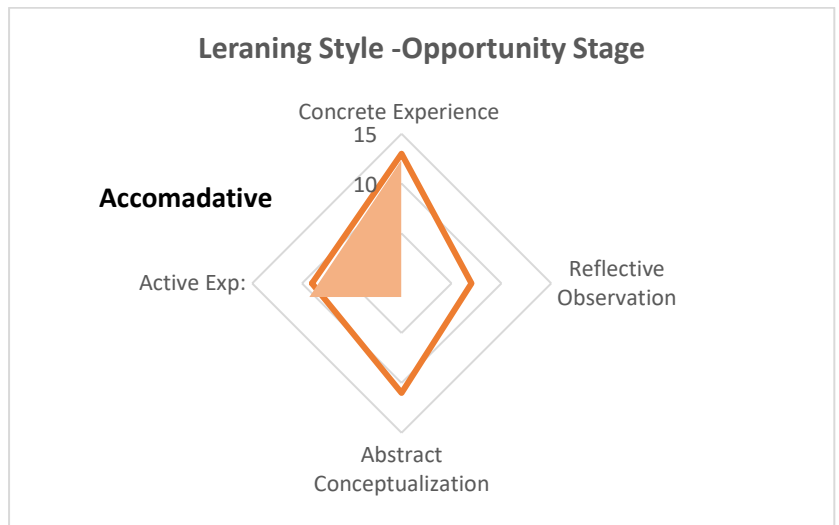
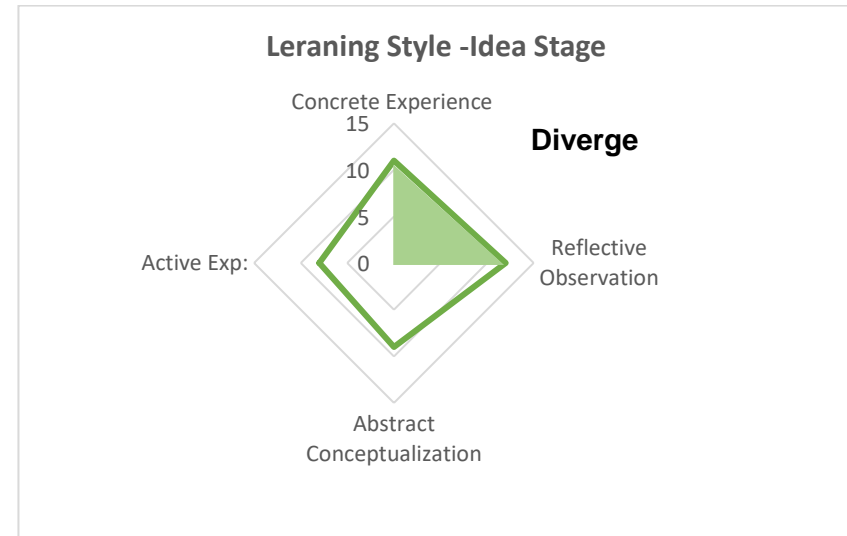
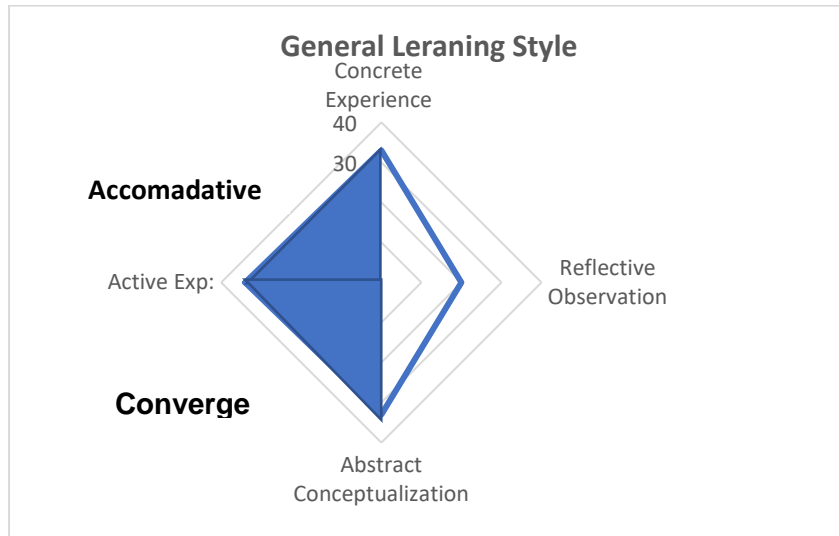




Anuradha

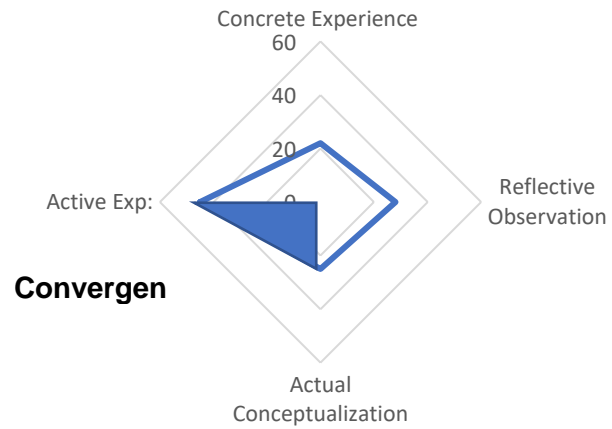


Naveen

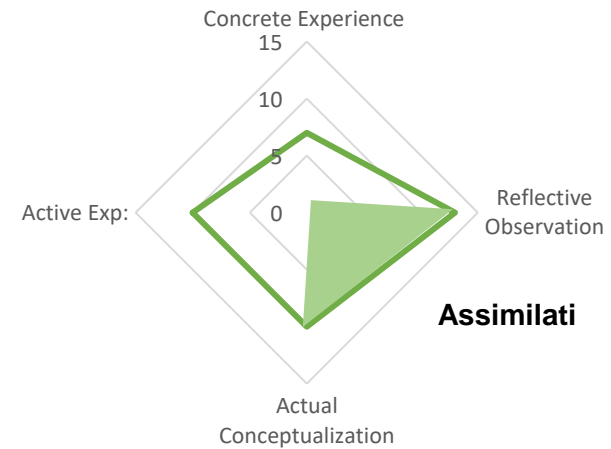


Jaya

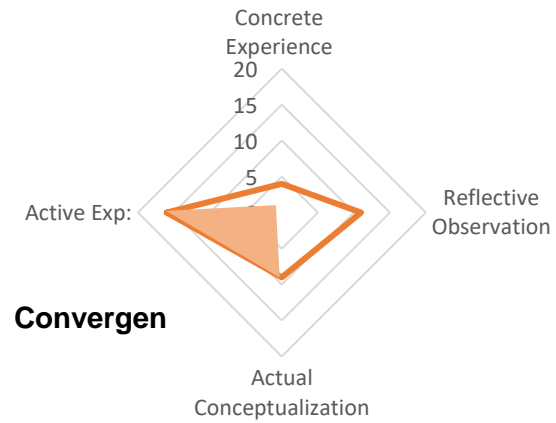
General Learning Style



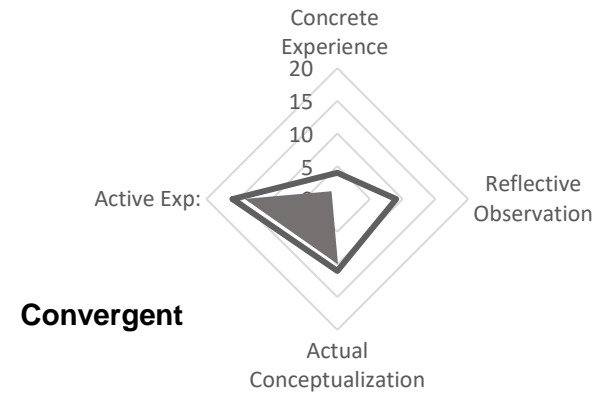
Learning Style -Idea Stage



Learning Style -Opportunity Stage

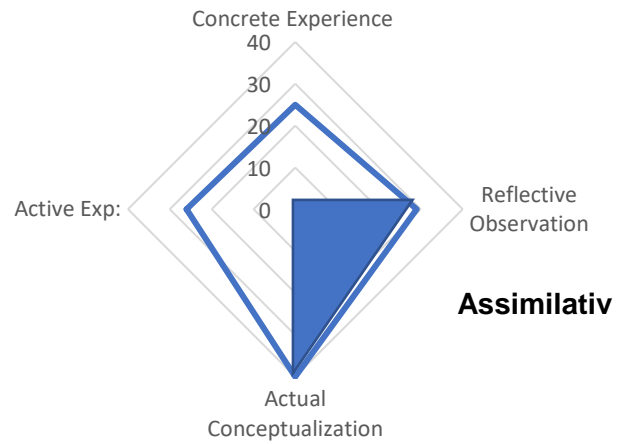


Learning Style -Institutionalisation Stage

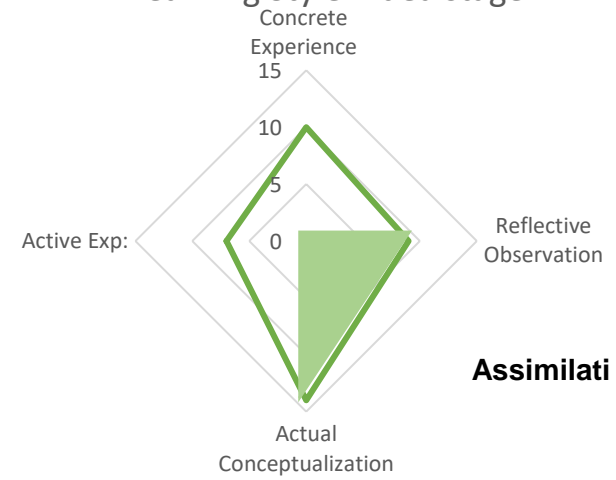


Chandana

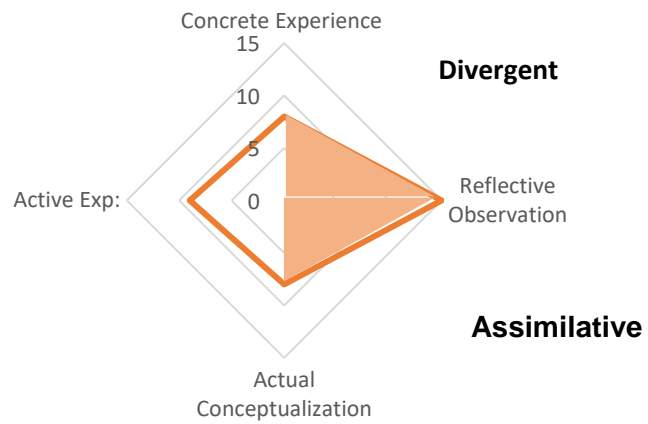
General Learning Style



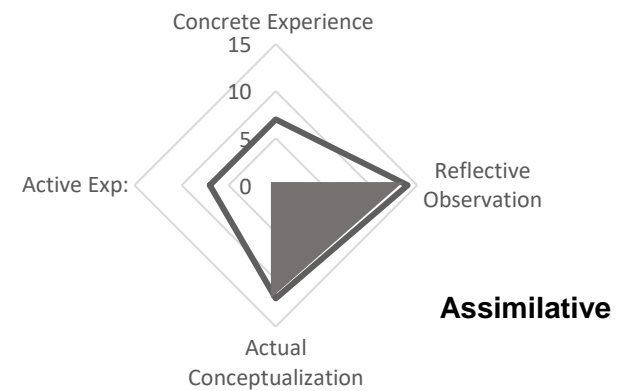
Learning Style -Idea stage



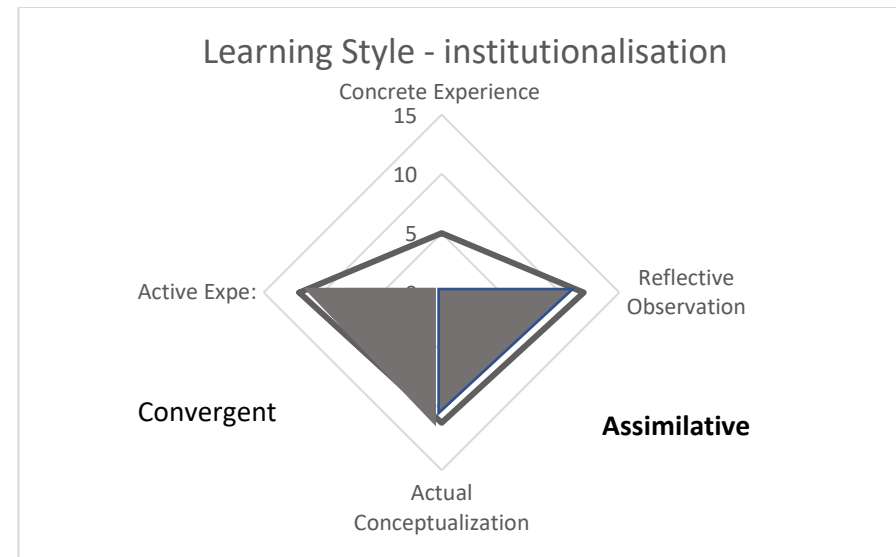
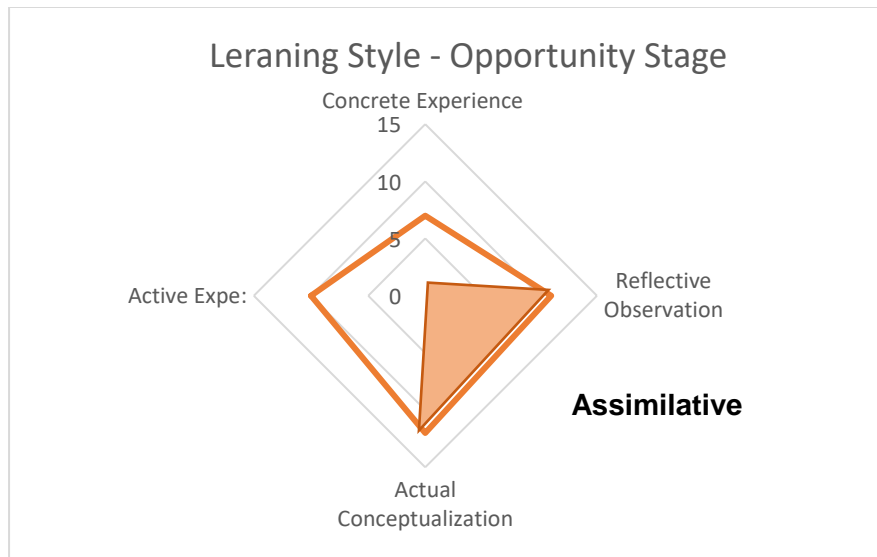
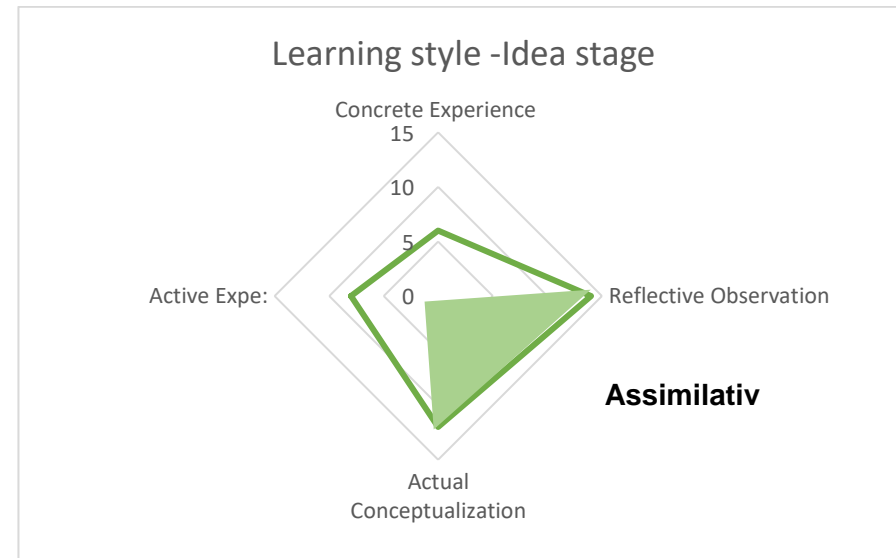
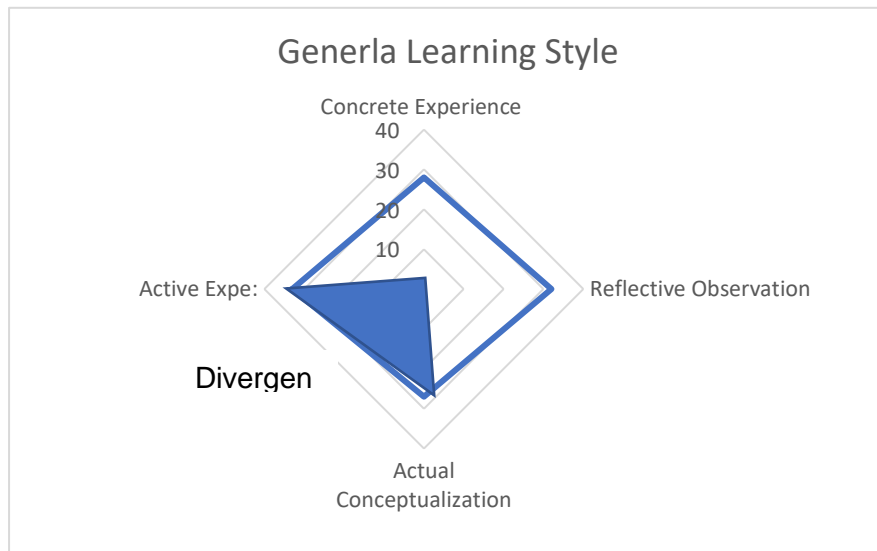
Learning Style -Opportunity stage



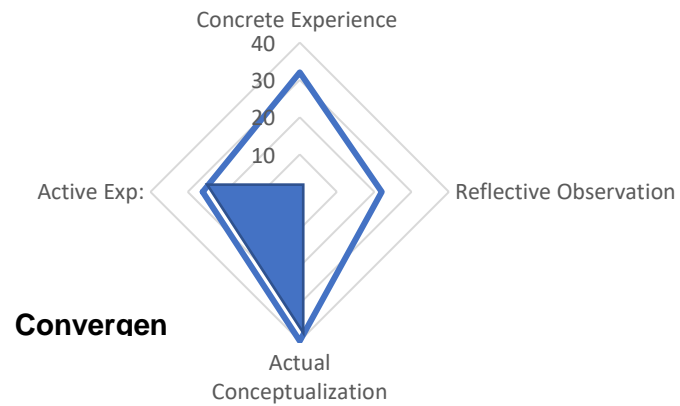
Learning Style -Institutionalisation Stage



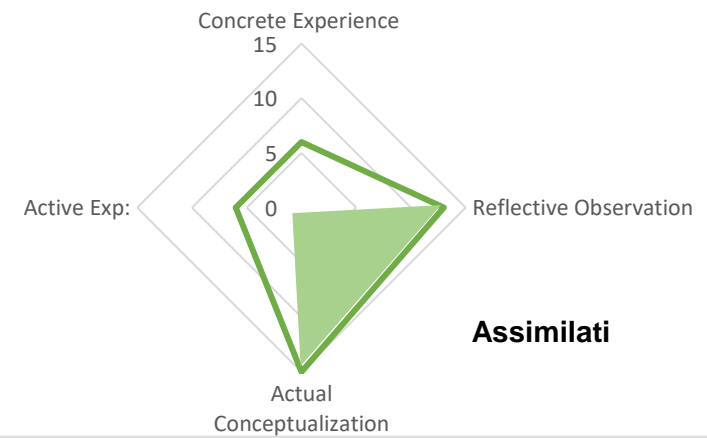
Kamalan



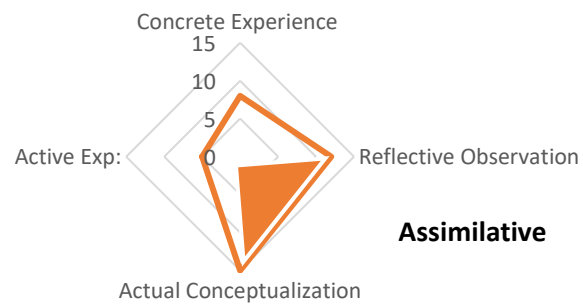
General Learning Style



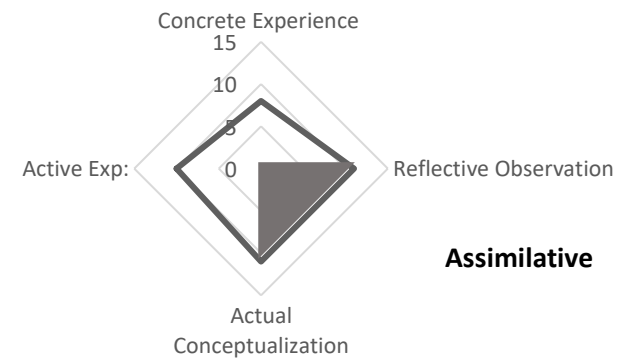
Learning Style Idea Stage



Learning Style - Opportunity Recognition Stage



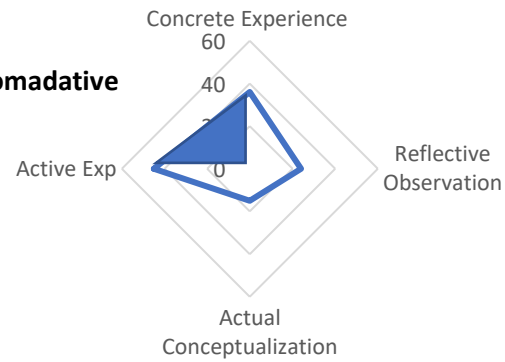
Learning Style - Institutionalisation Stage



Vincent

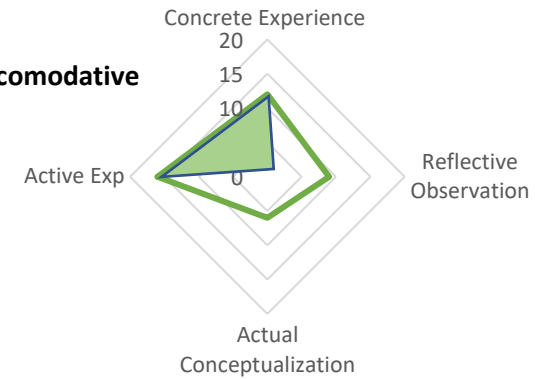
General Learning Style

Accommodative



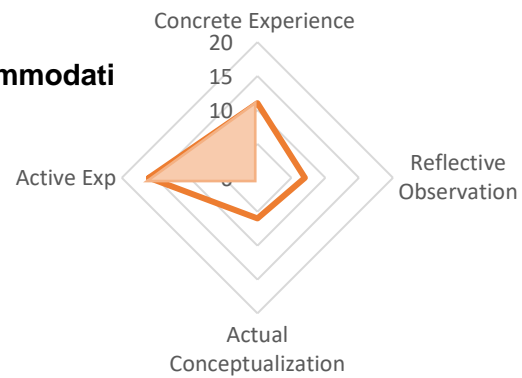
Learning Style -Idea Stage

Accommodative



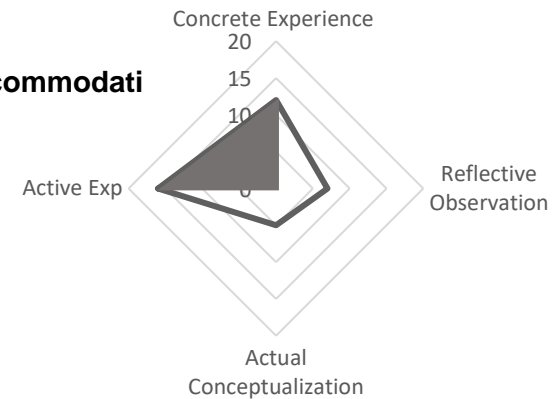
Learning Style -Opportunity Recognition Stage

Accommodative

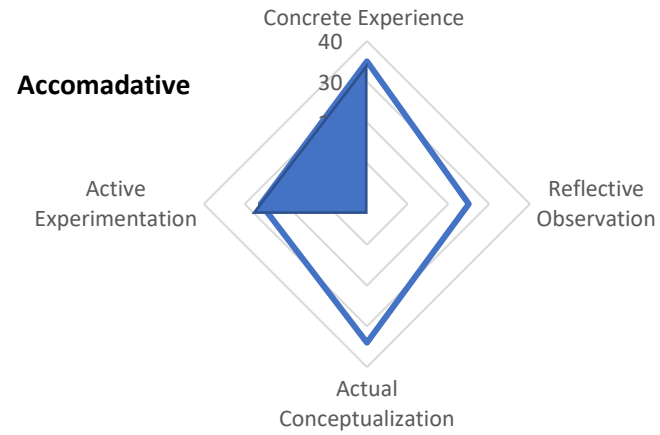


Learning Style - Institutionlisation

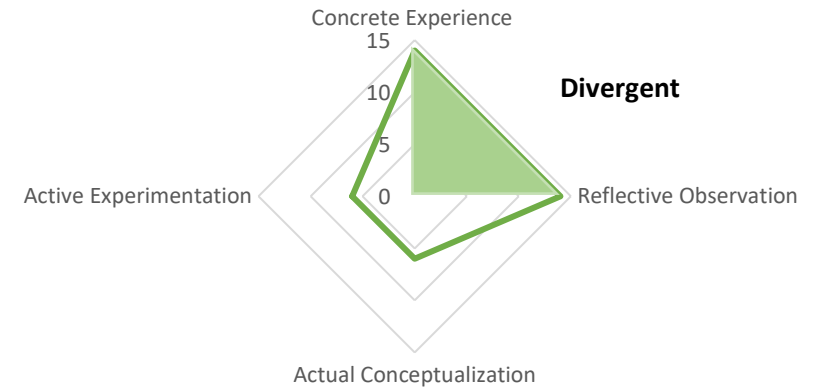
Accommodative



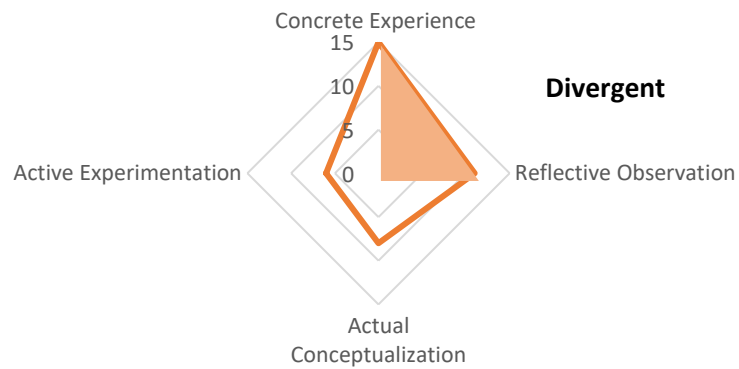
Generla Learing Style



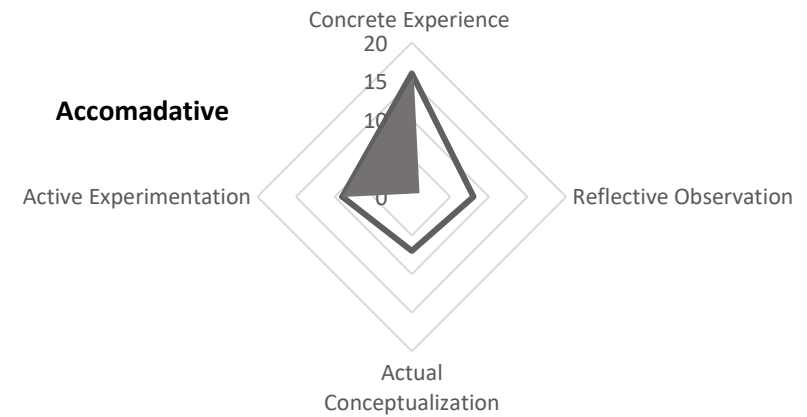
Learning Style -Idea Stage

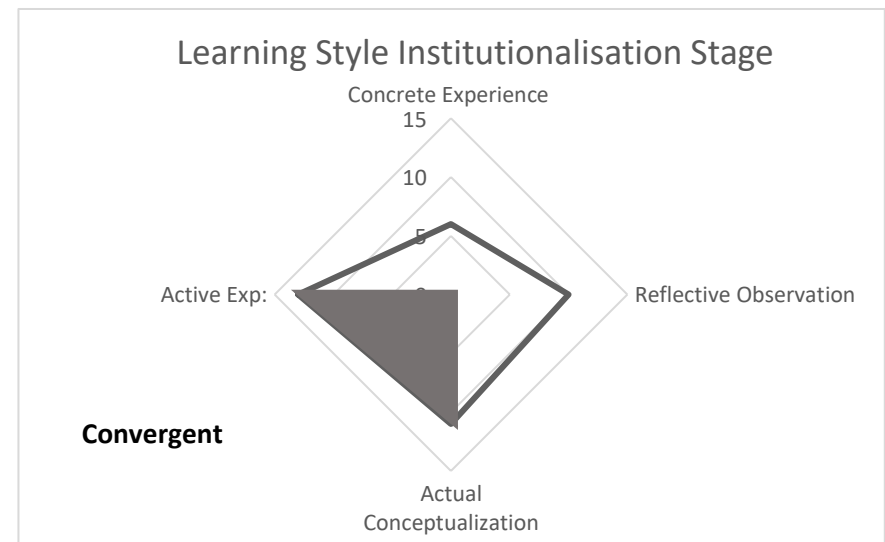
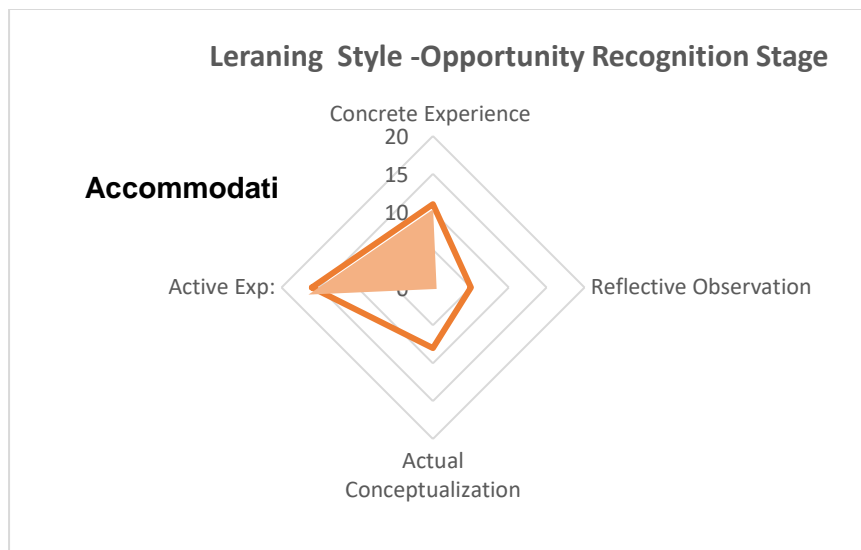
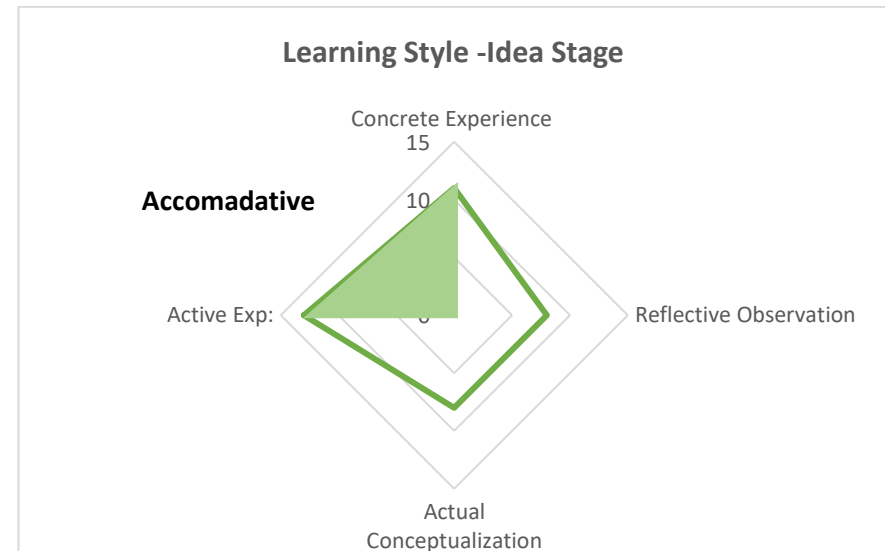
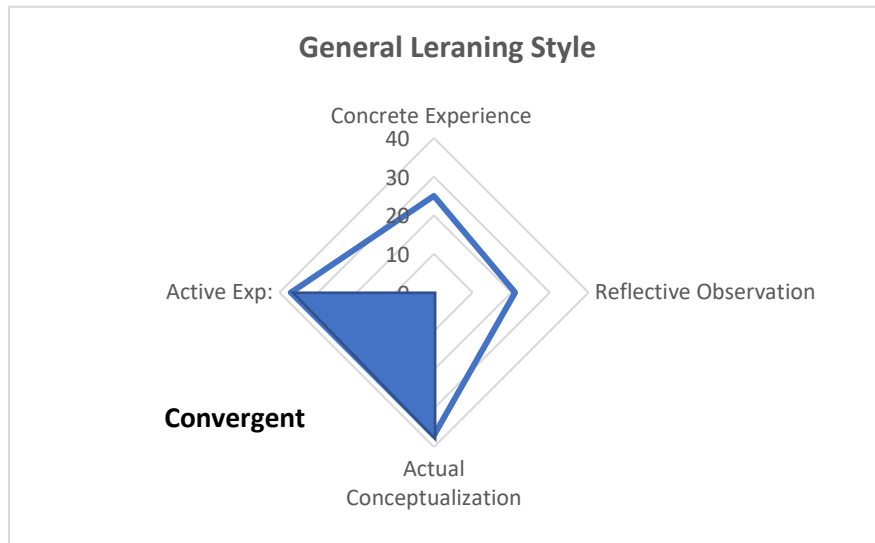


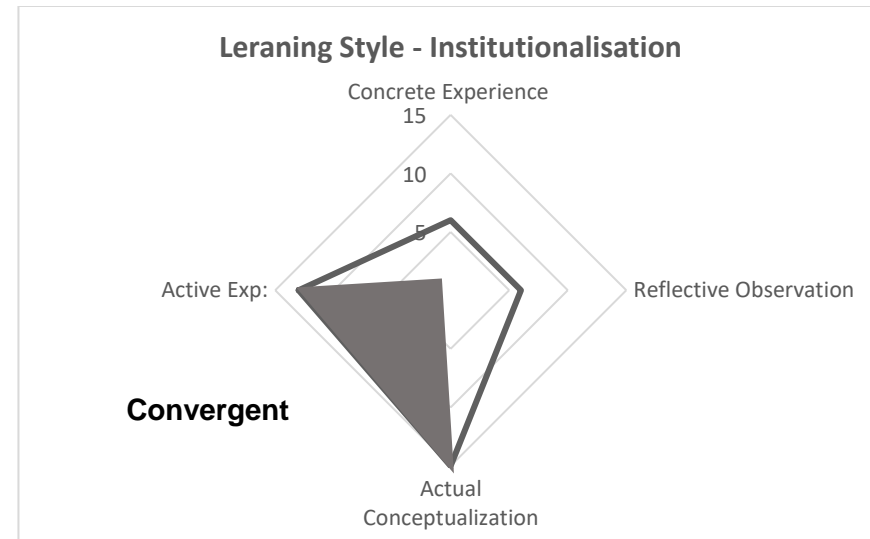
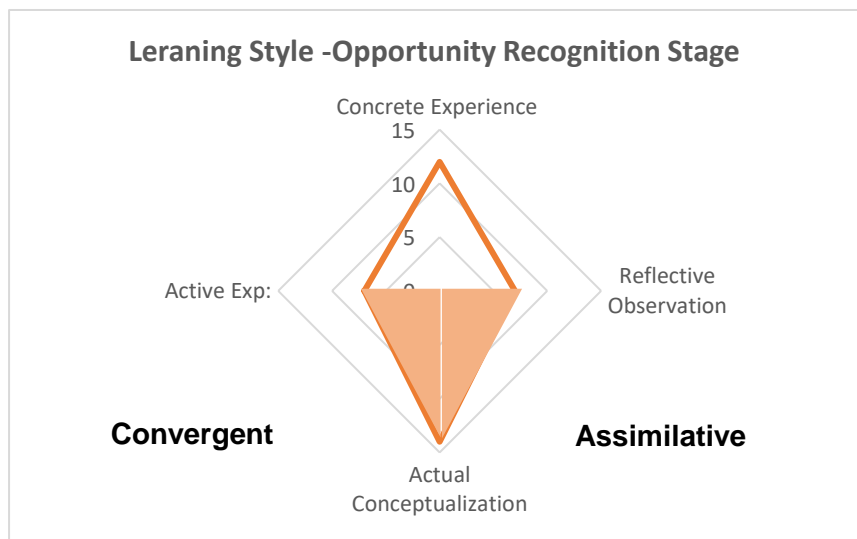
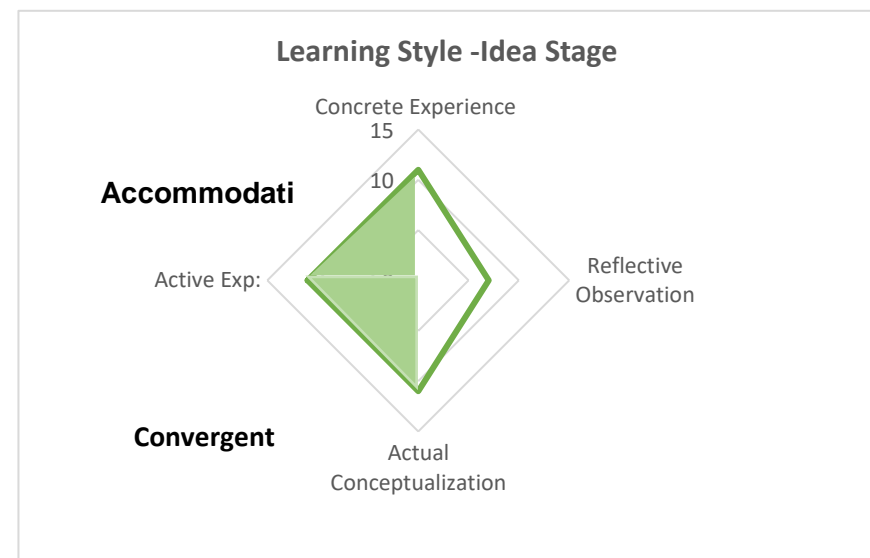
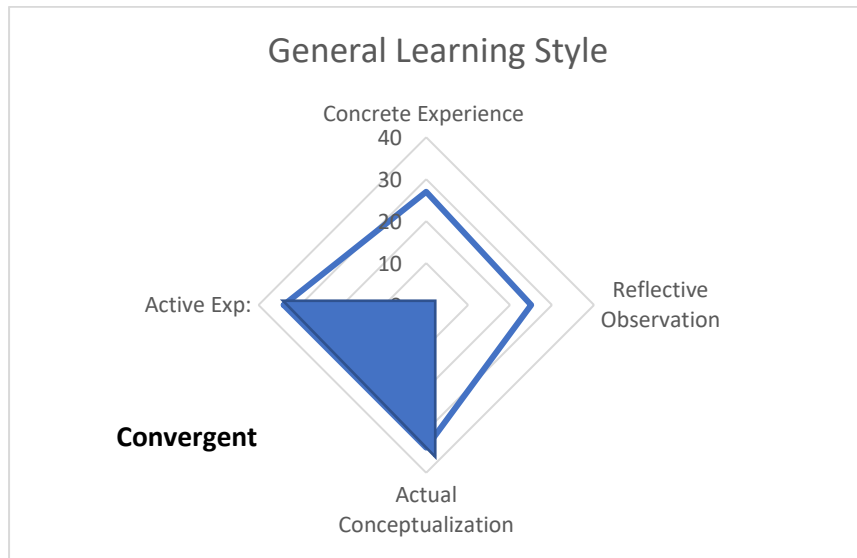
Learning Style -Opportunity Recognition Stage

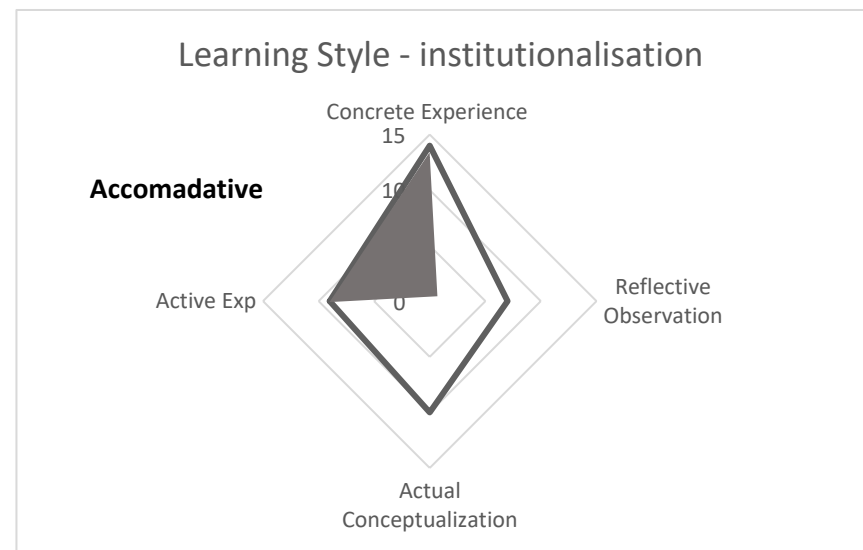
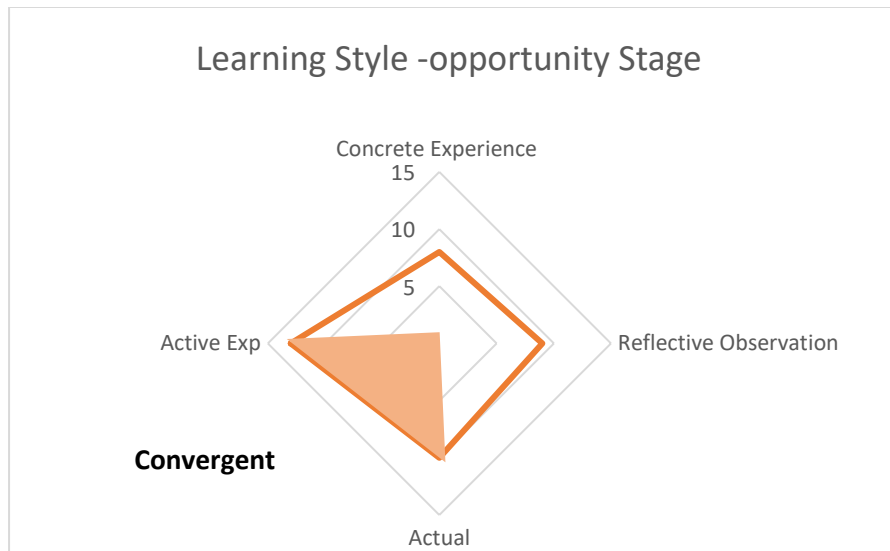
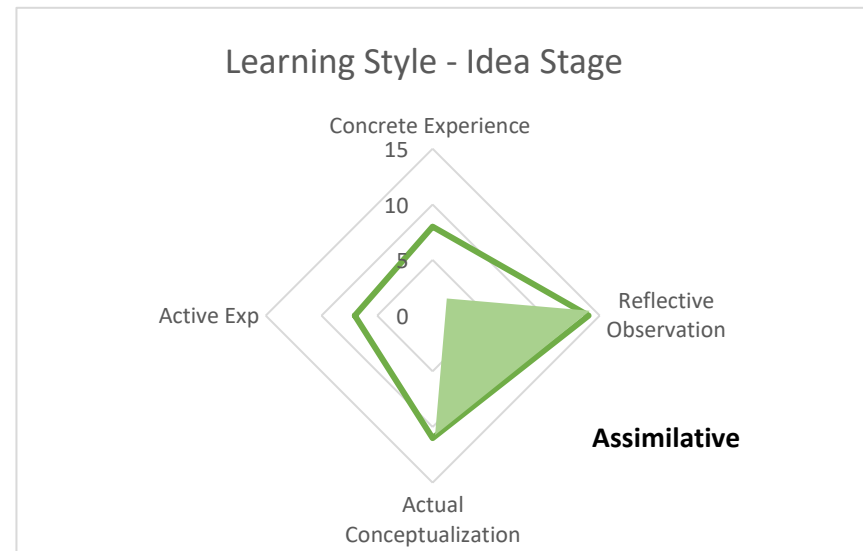
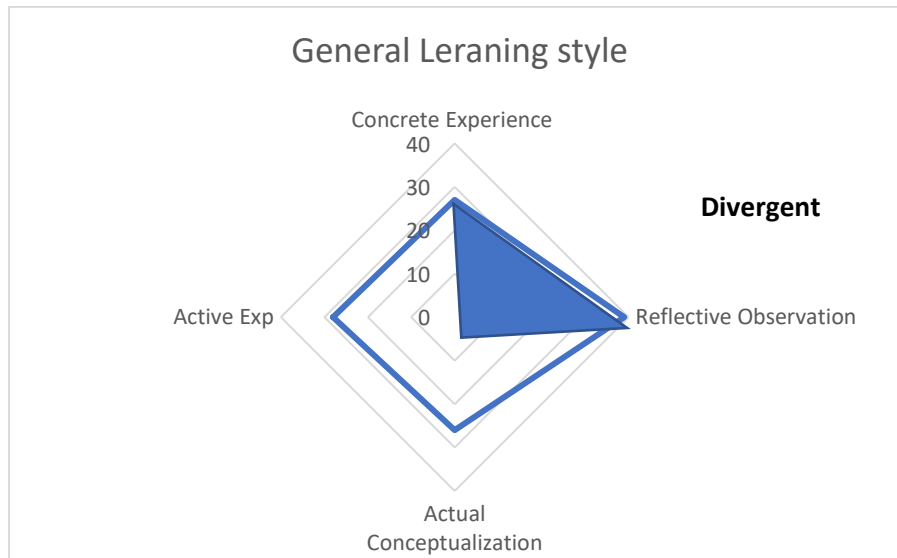


Learning Style -Institutionalisation Stage

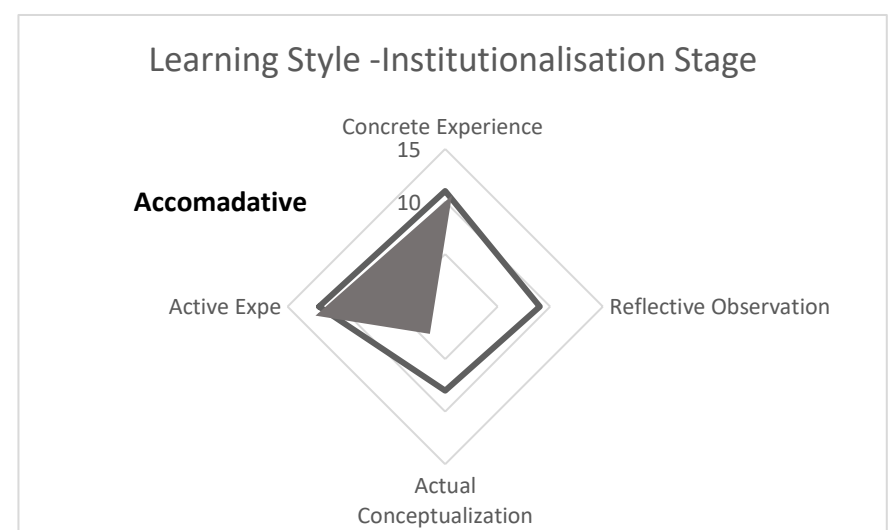
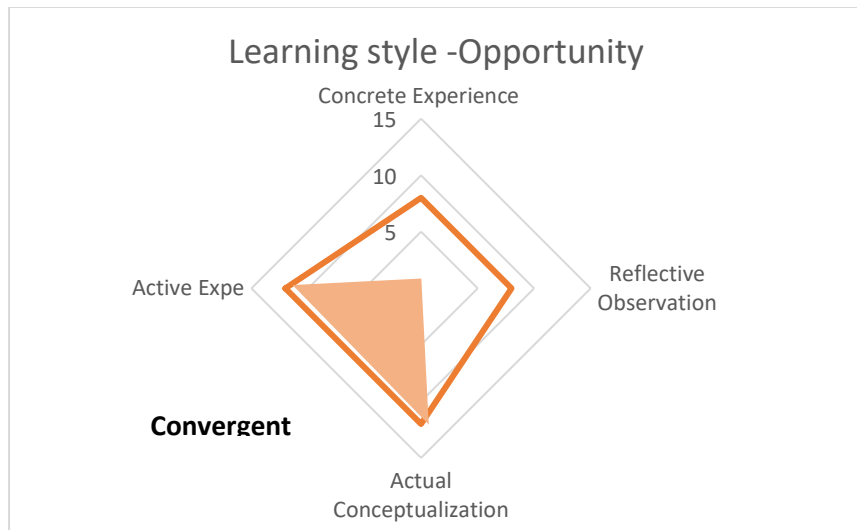
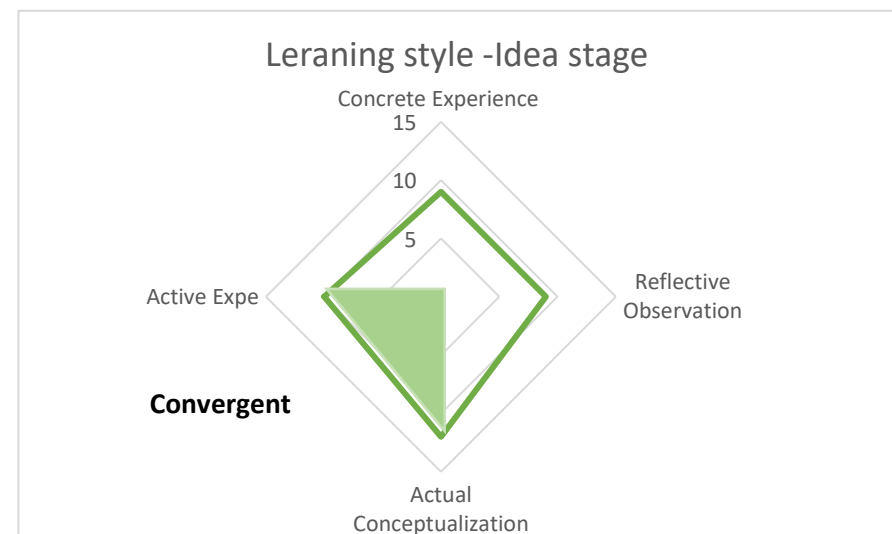
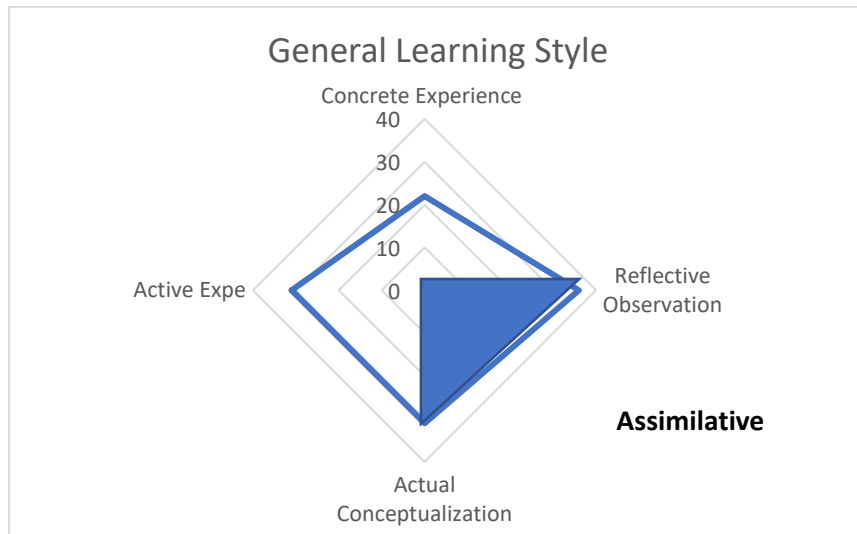




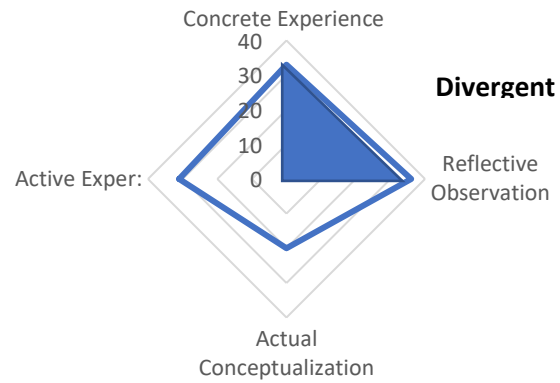




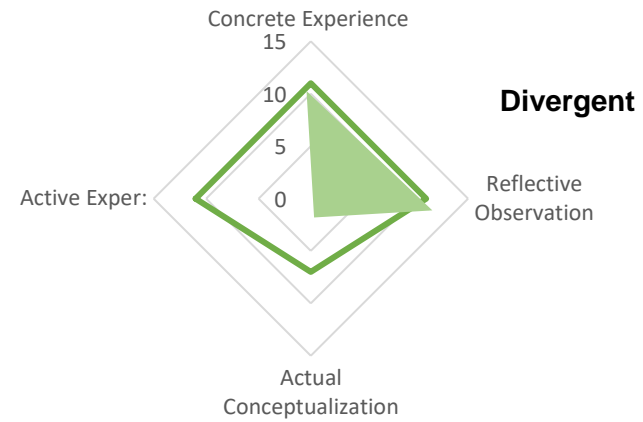
Prem



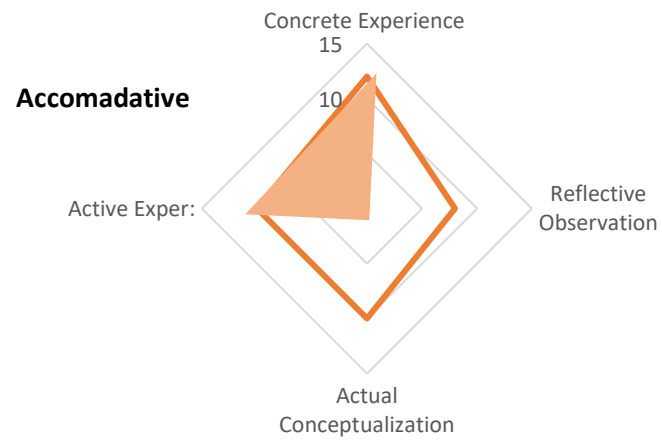
General Learning Style



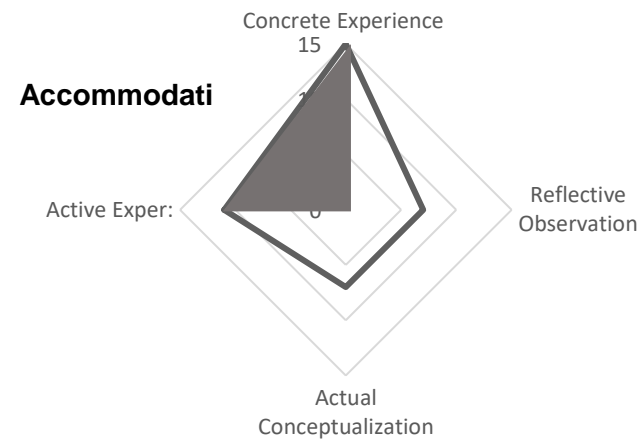
Leraning Style -Idea Stage



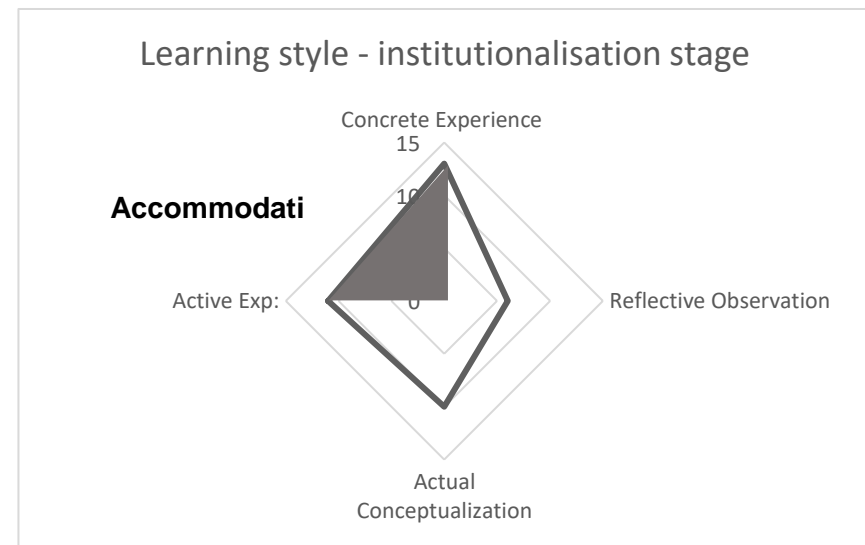
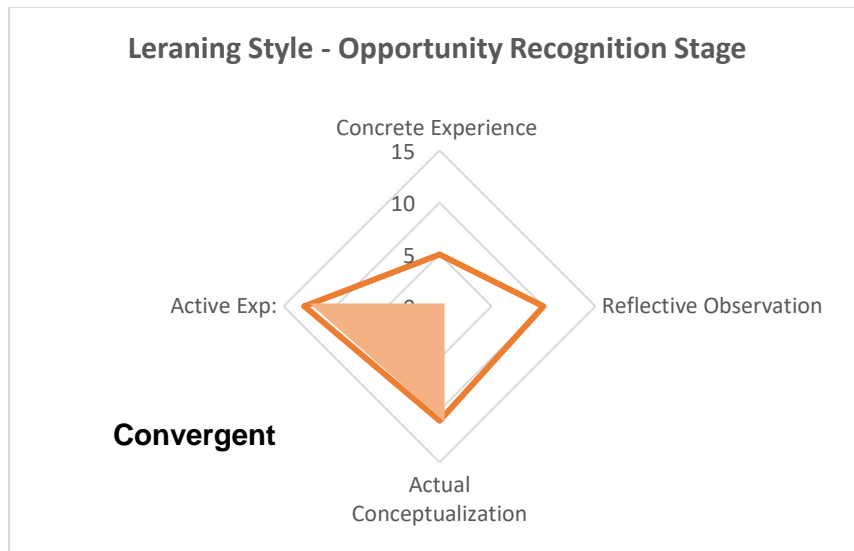
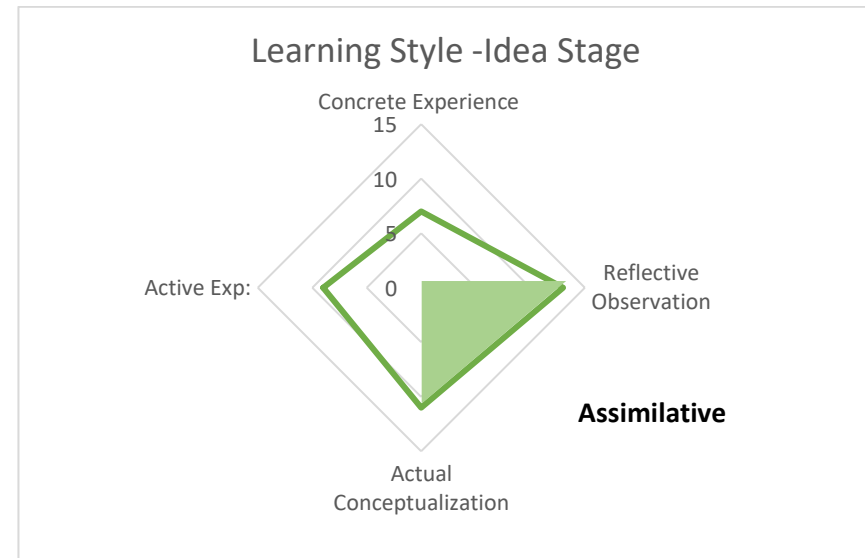
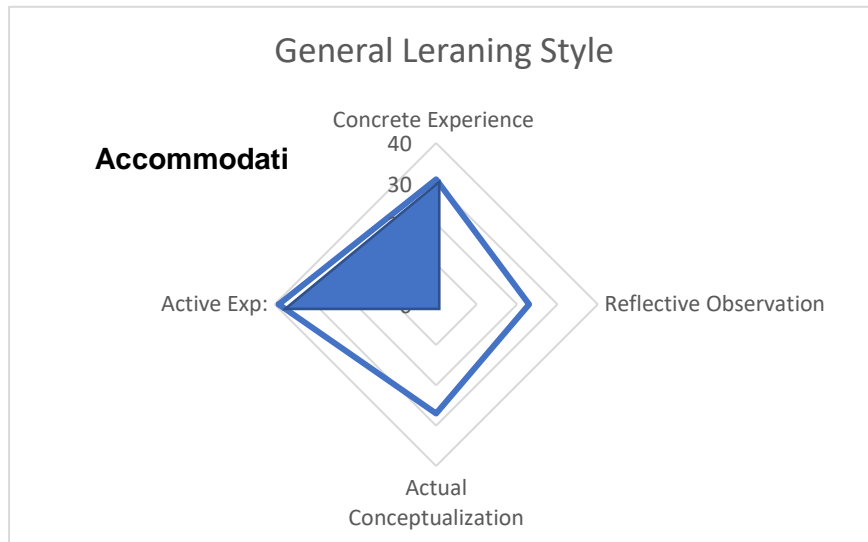
Learning Style -Opportunity Recognition Stage



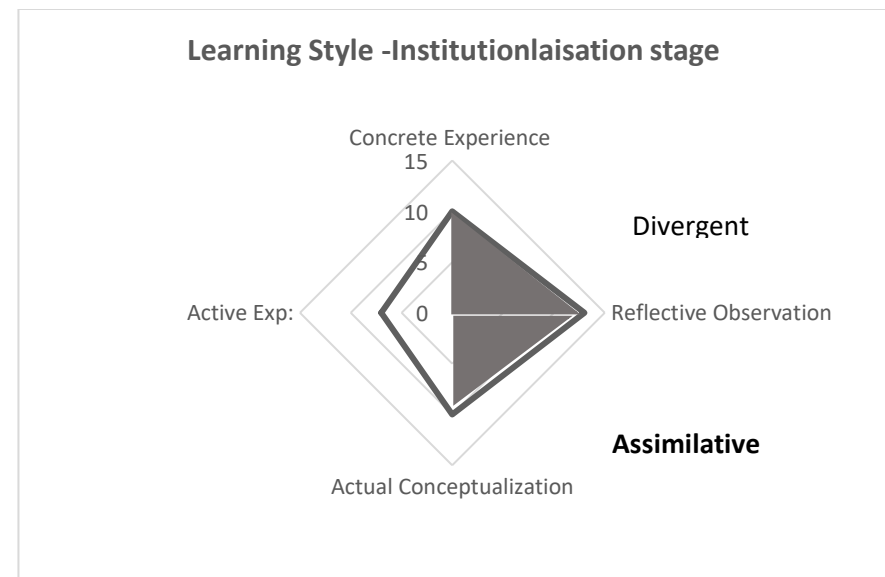
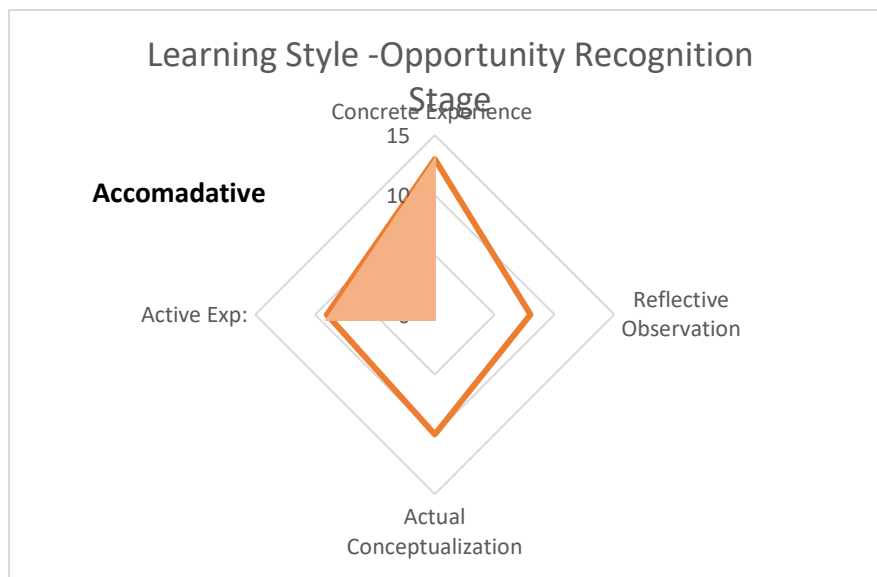
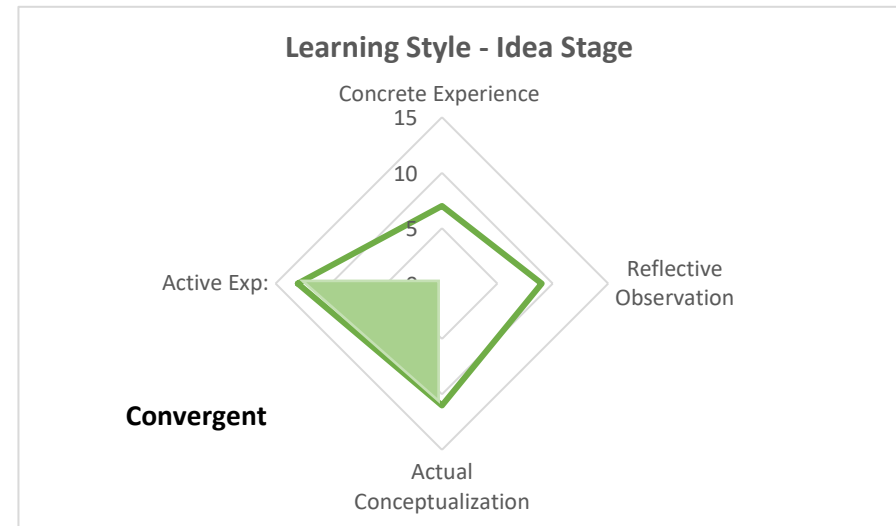
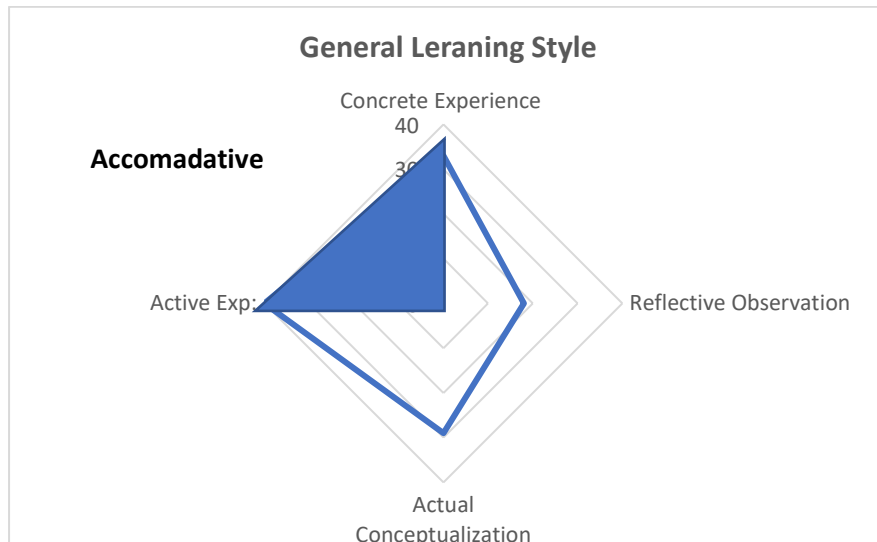
Leraning Style -Institutionalisation Stage

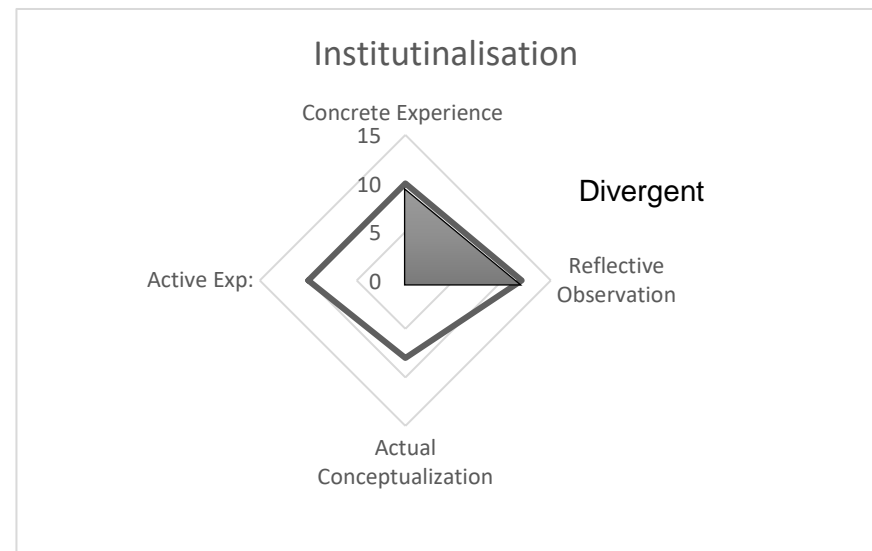
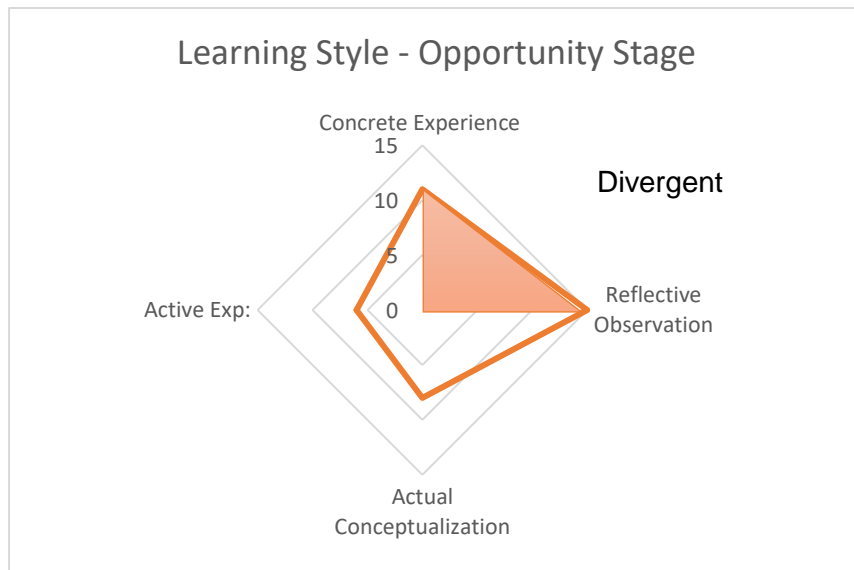
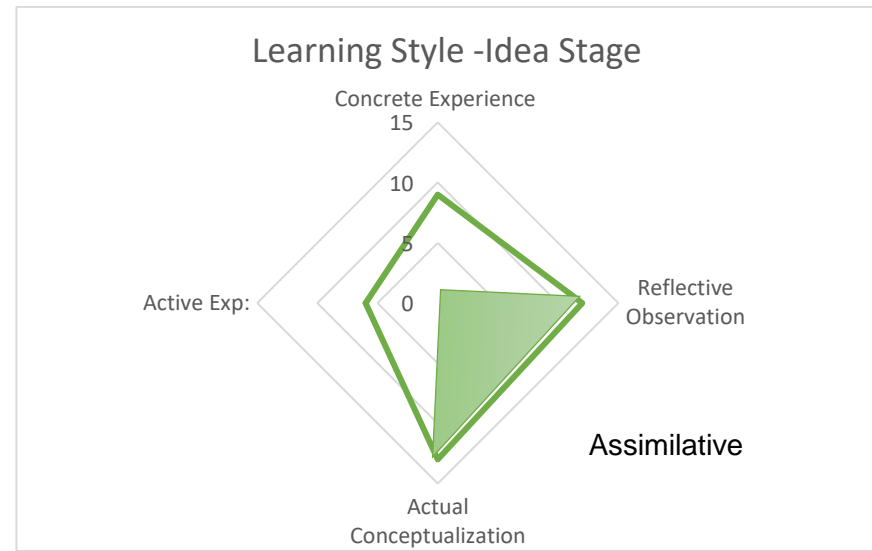
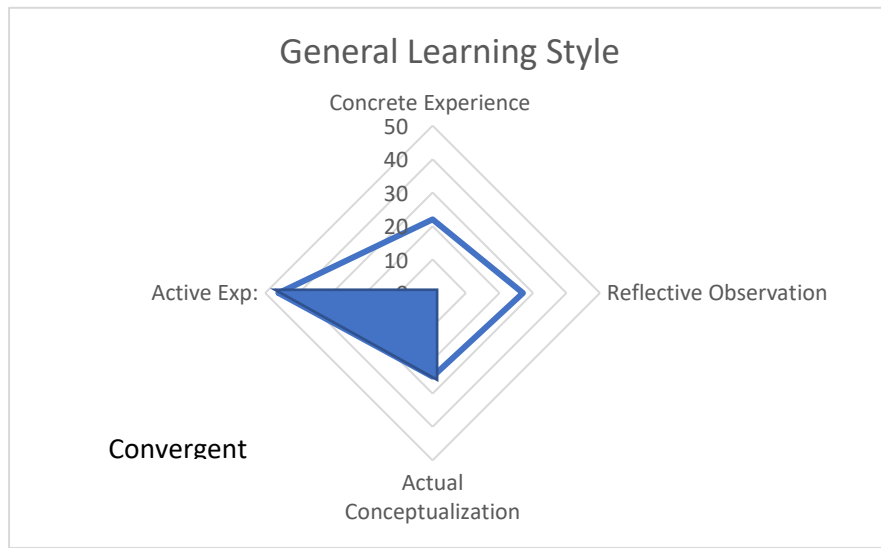


Sam

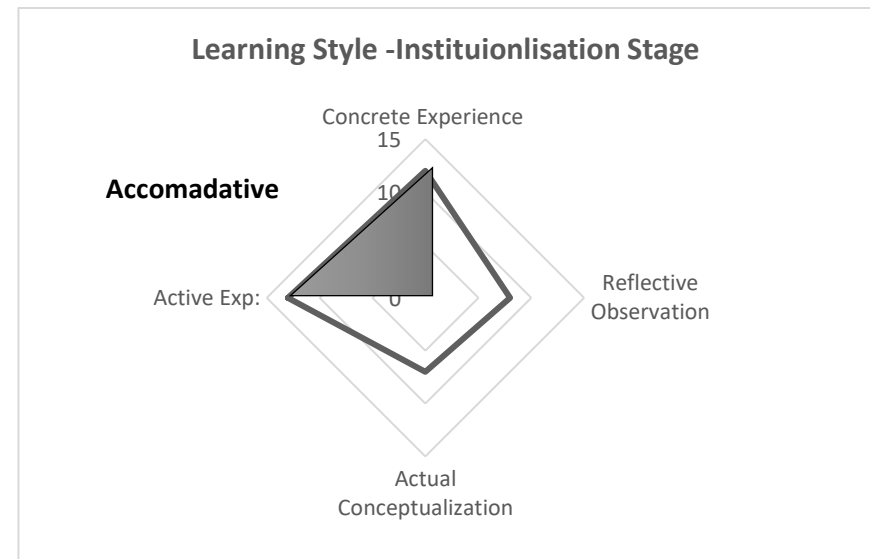
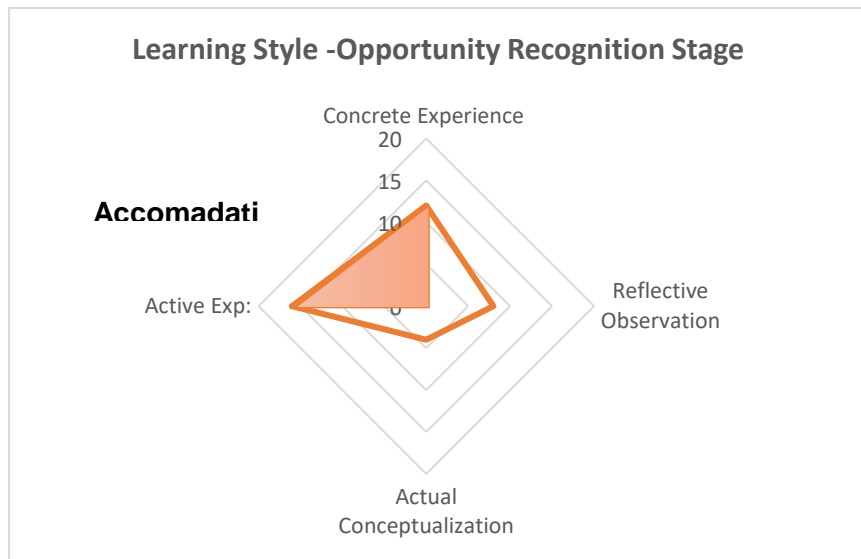
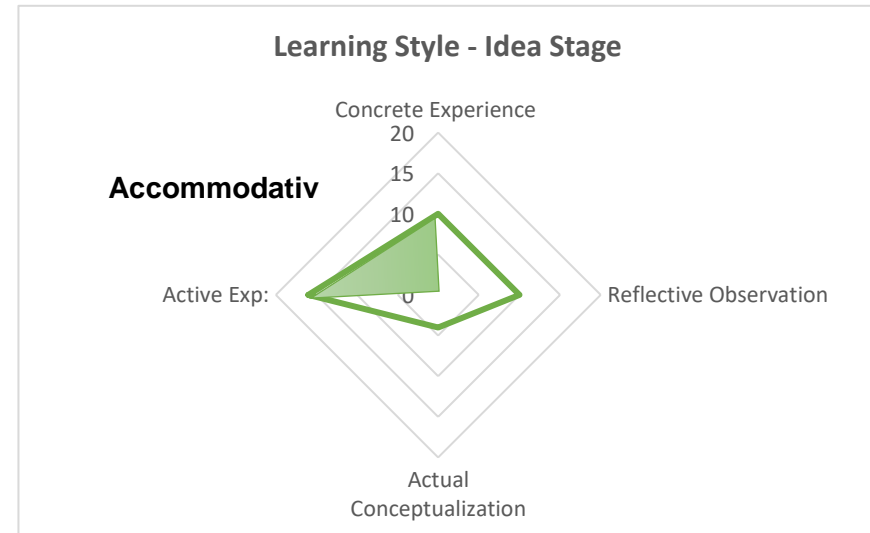
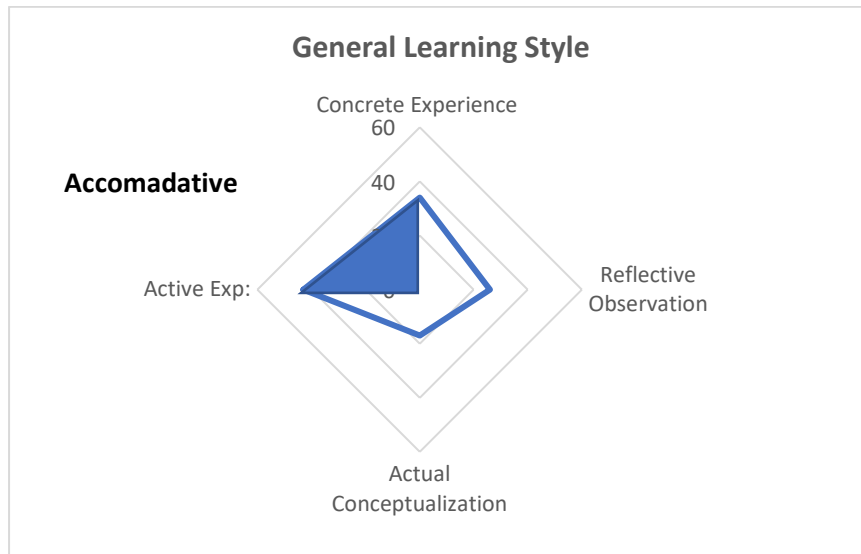


Jane

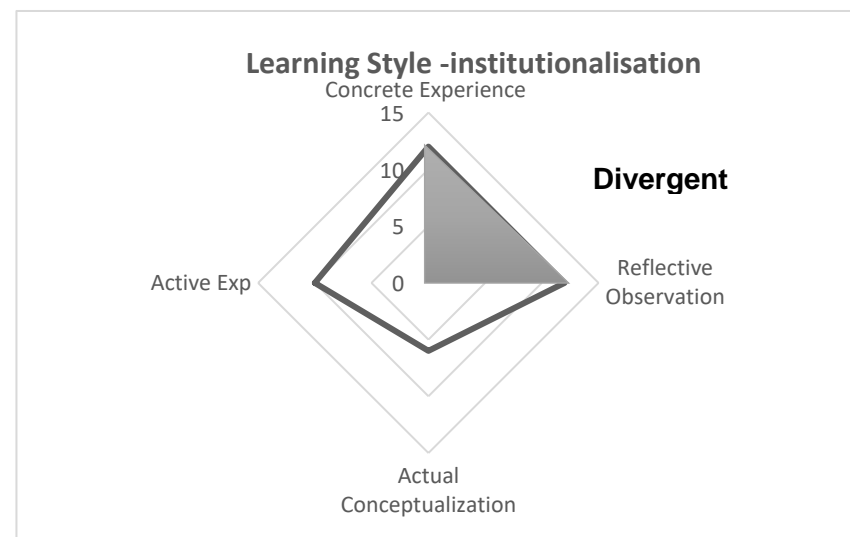
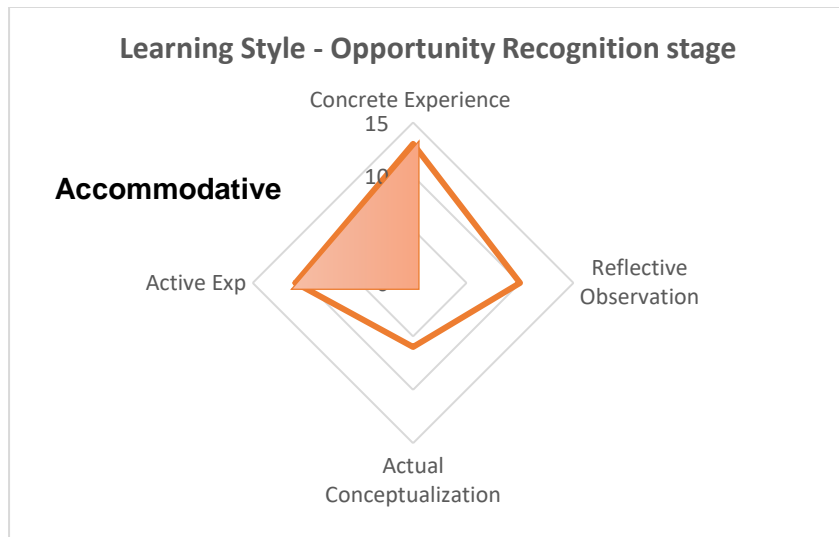
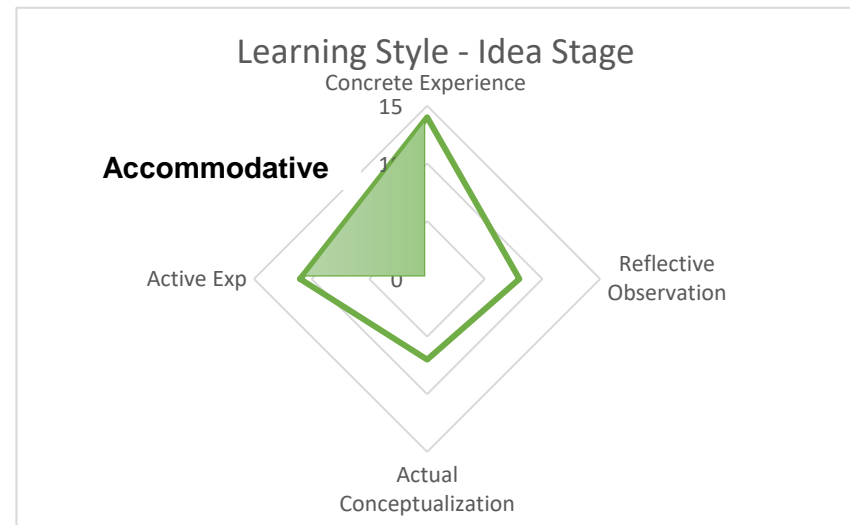
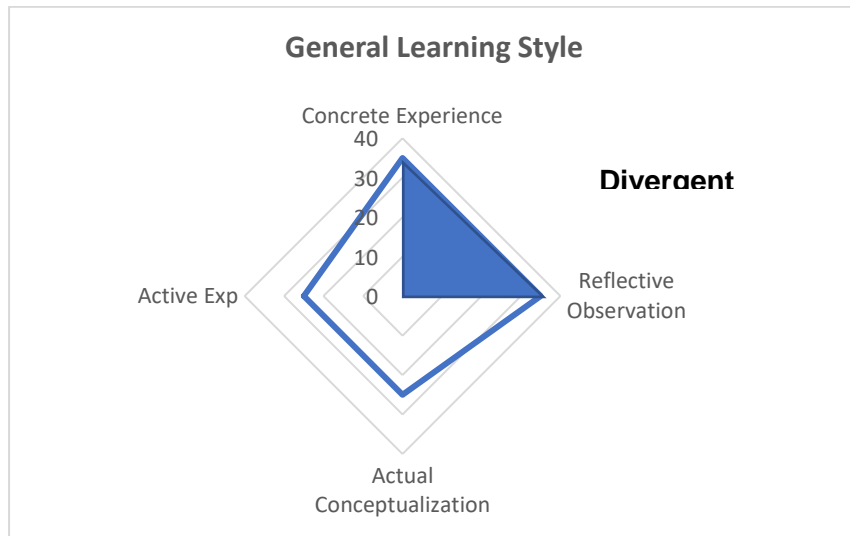




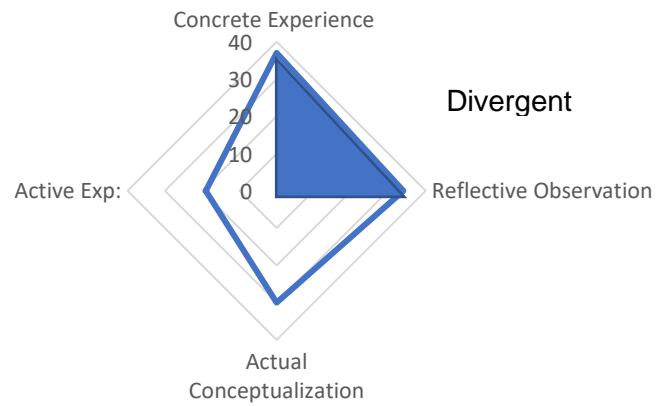
Daya



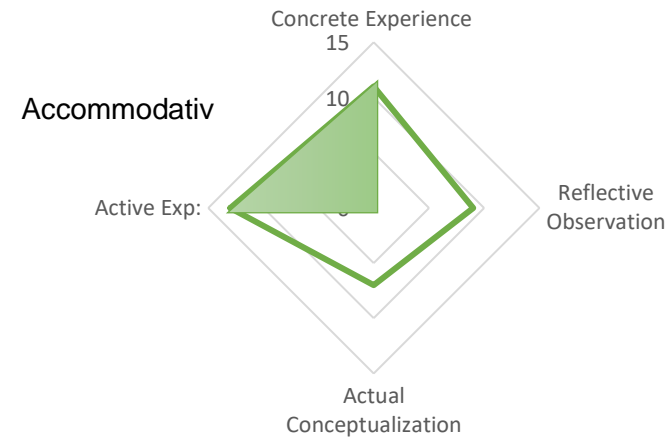
Dilshan



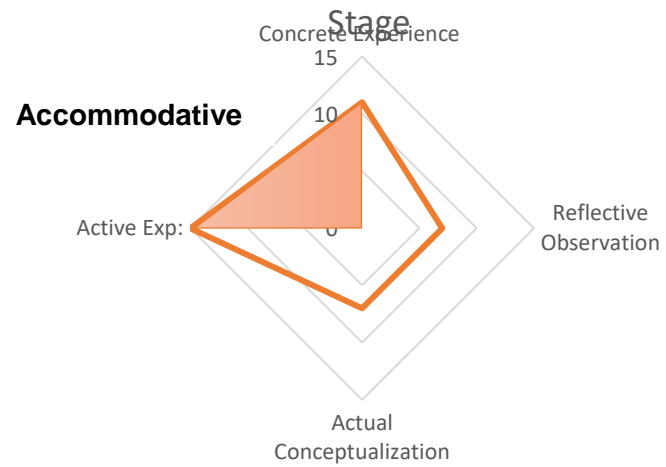
General Learning Style



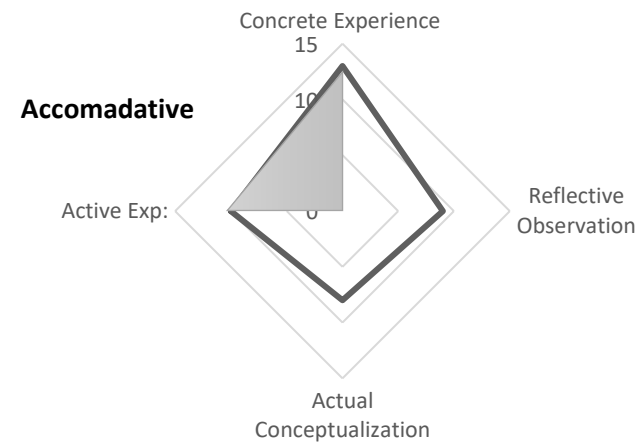
Learning Style -Idea Stage

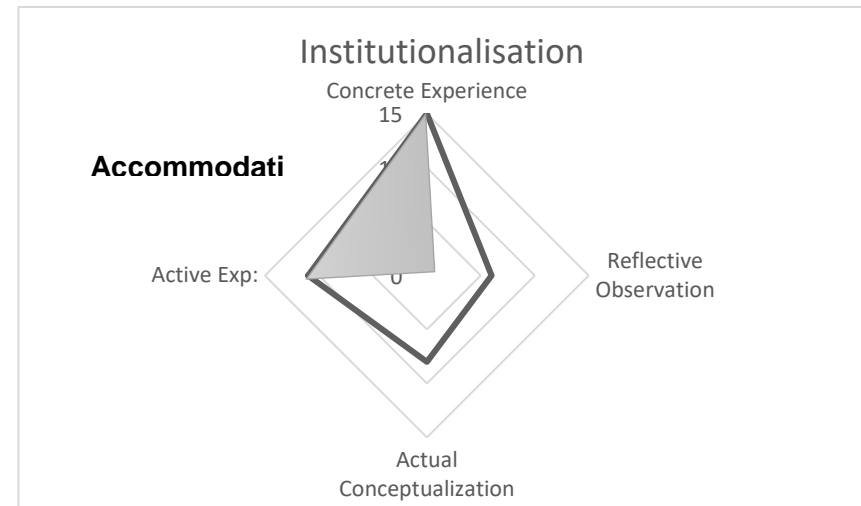
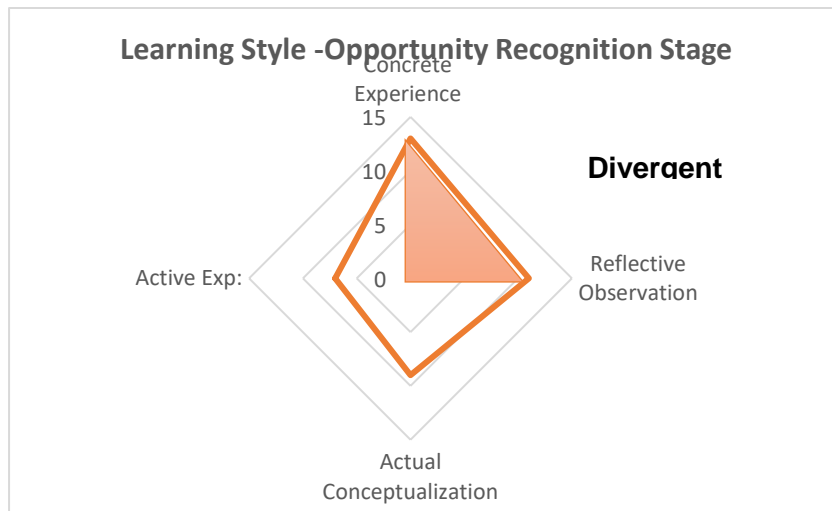
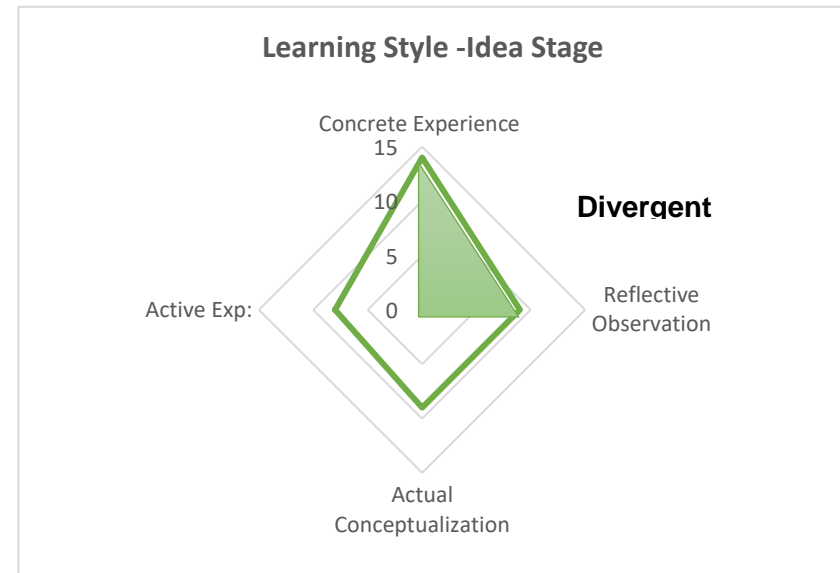
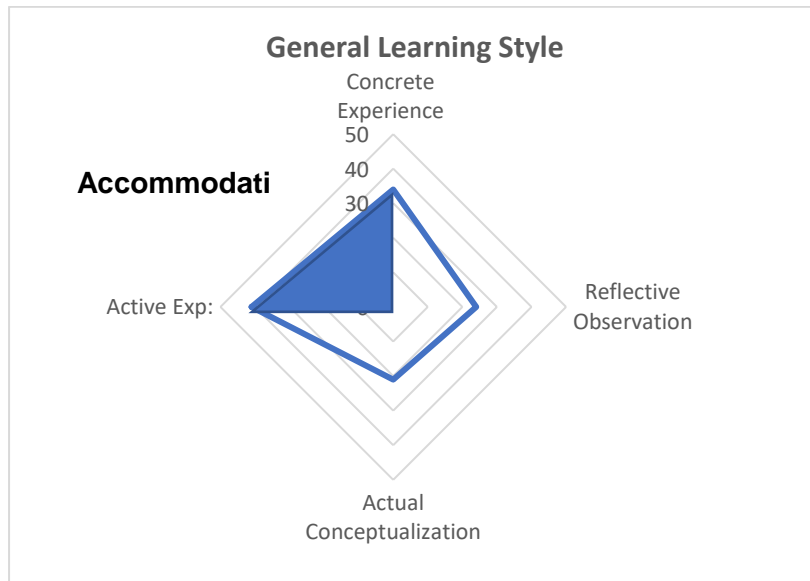


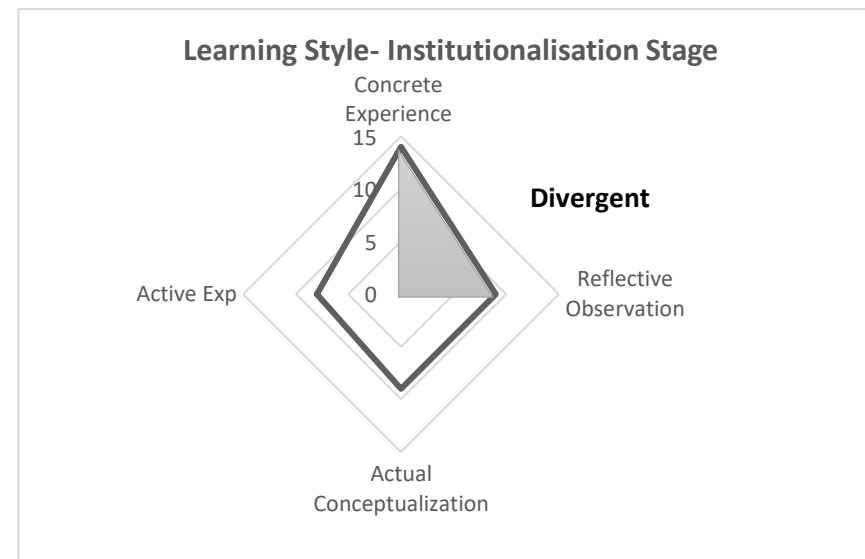
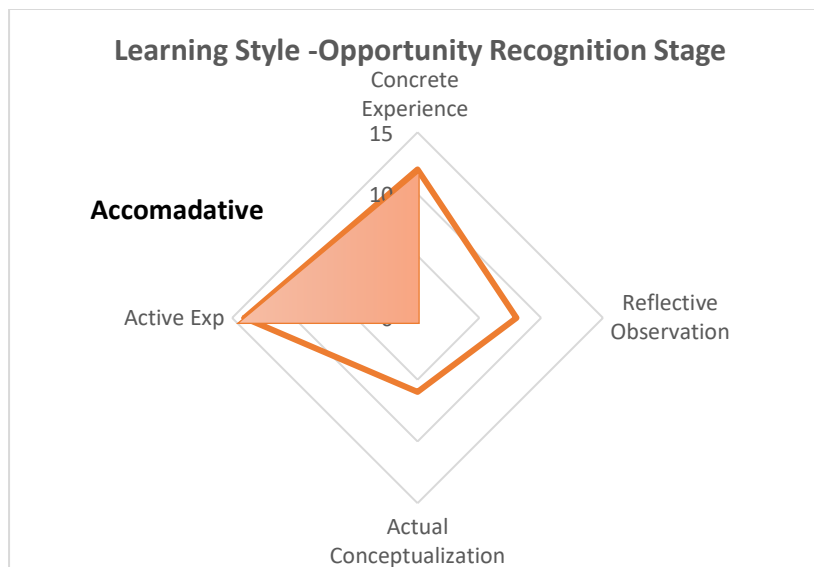
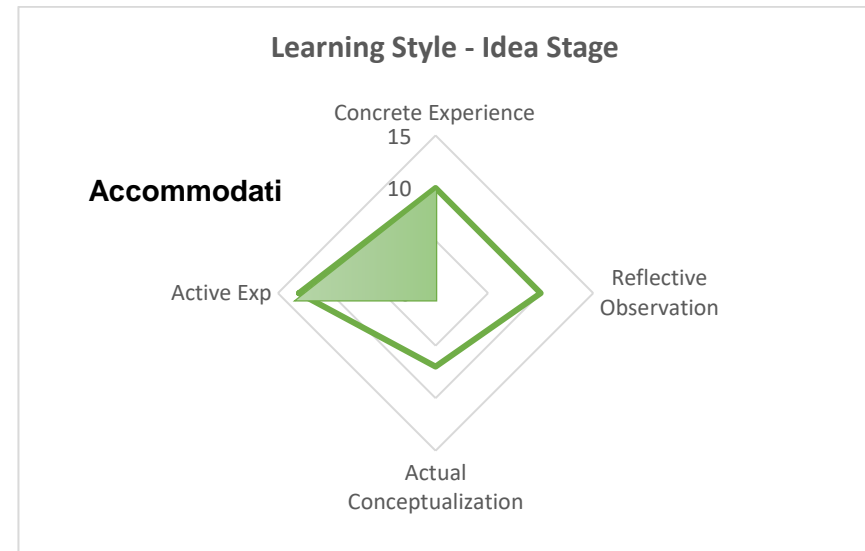
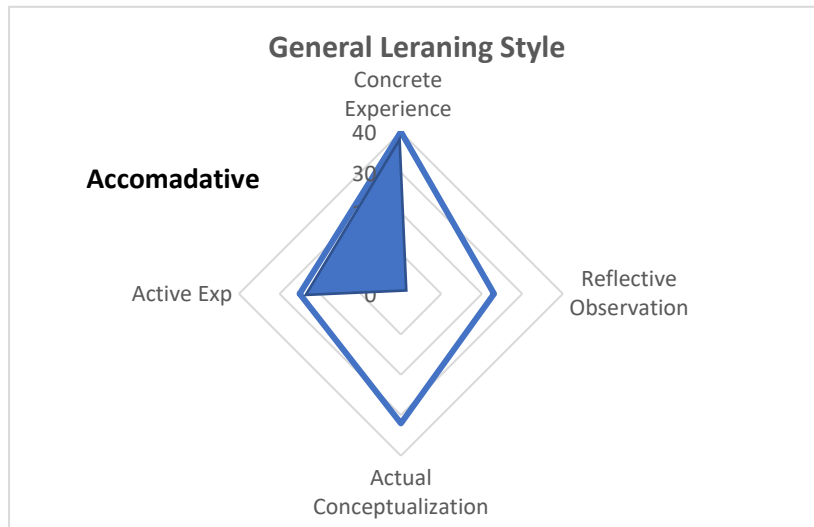
Learning Style -Opportunity Recognition Stage

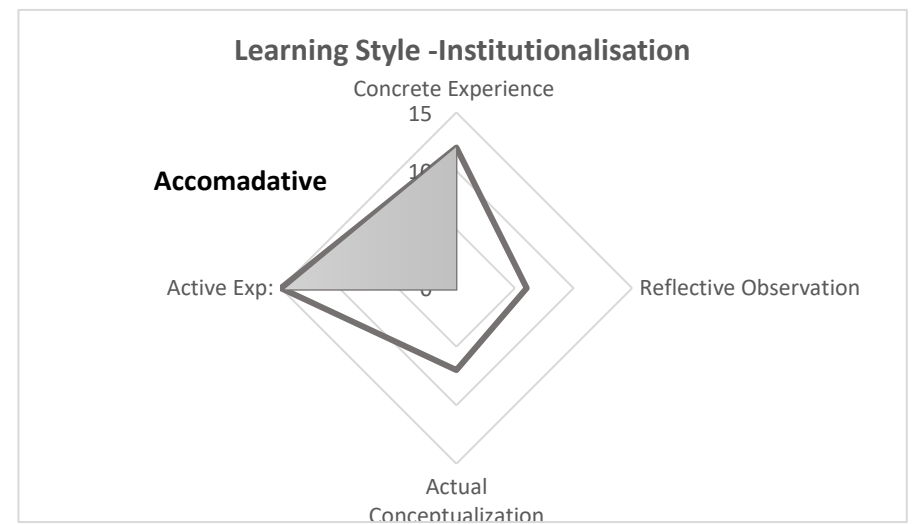
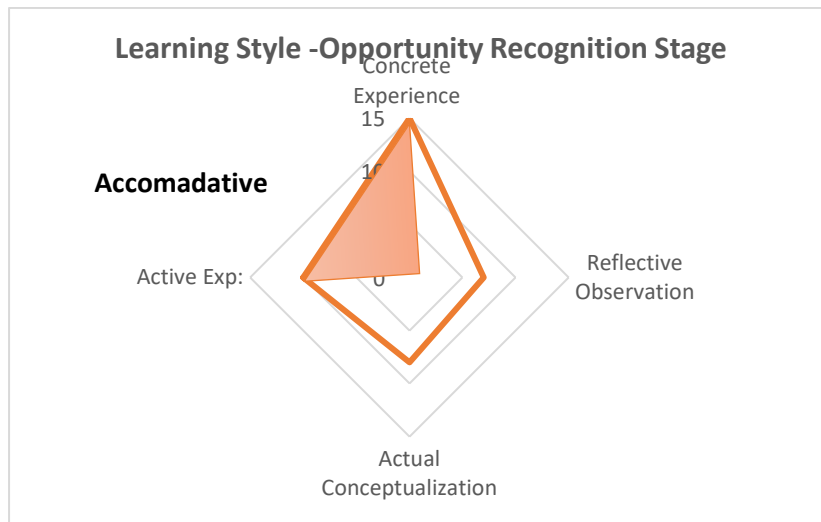
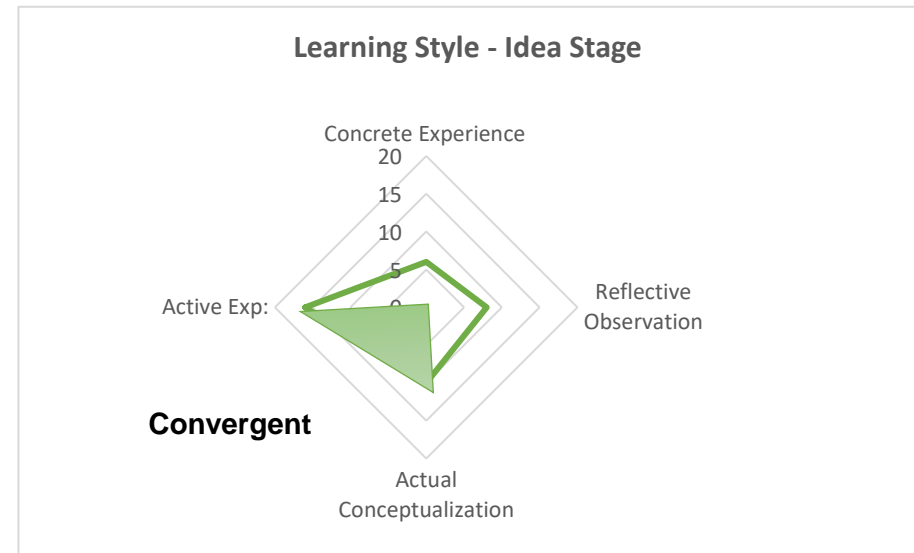
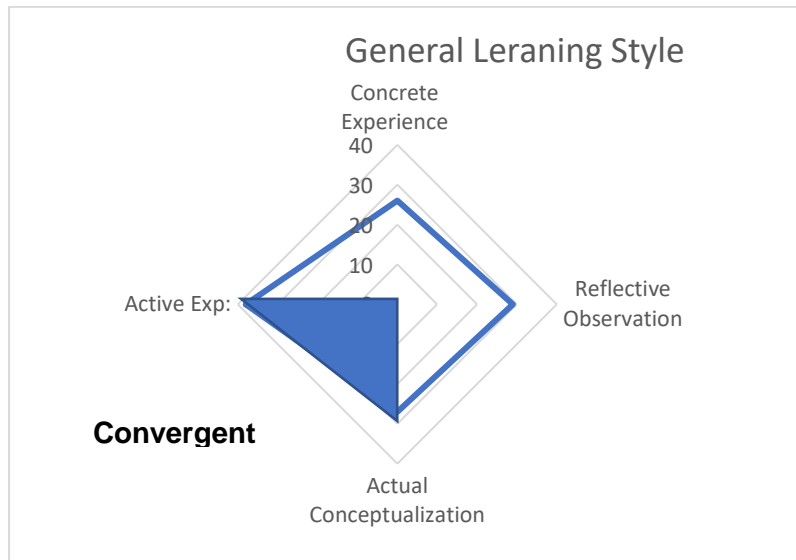


Learning Style -Institutionalisation Stage









Appendix 9: Spearman's correlation results.

Correlation coefficient- Spearman's rho		General Learning style	Idea stage	Opportunity stage	Institutionalisation
General Learning style	Correlation Coefficient	1.000	.222	.131	.614**
	Sig. (2-tailed)	.	.286	.533	.001
	N	25	25	25	25
Idea stage	Correlation Coefficient	.222	1.000	.634**	-.036
	Sig. (2-tailed)	.286	.	.001	.864
	N	25	25	25	25
Opportunity stage	Correlation Coefficient	.131	.634**	1.000	.022
	Sig. (2-tailed)	.533	.001	.	.915
	N	25	25	25	25
Institutionalisation	Correlation Coefficient	.614**	-.036	.022	1.000
	Sig. (2-tailed)	.001	.864	.915	.
	N	25	25	25	25

** . Correlation is significant at the 0.01 level (2-tailed).

Appendix 10: Interview Excerpts—Critical Experiences

Following will be the original texts of the edited interview excerpts provided in the section 6.4 table **6.10 Critical Experiences encountered by participants**

[1] *‘I was going to university when my father died .I was in the 1st year in the university. I became the head of the family and others were younger to me. My mother was not a business woman who could look after the estates. I had a knack to run the estate, my but brothers could not’*

(Excerpts from the interview with Jaya)

[2] *“ In 1995 my father passed away at the age of 23. I had to take over the business. At that time I finished my graduation as an Industrial Engineer from US. So it was uphill task at that time, I was put into the deep end to swim.as a respondents after my father passed way”*

(Excerpts from the interview with Keshan)

[3] *‘My husband was ambushed and he died in operation in 1971 during the insurgency. My eldest daughter was 2 years old and I was expecting younger one. I was a keen housewife at that time. I was married, this change of life gave me responsibility and something that I should do beyond what I was’*

(Excerpts from the interview with Ramesha)

[4] *‘The most of the factories in the world they would give it to turn key projects to some sort of a company who will responsible for whole things clay preparation ,forming and everything. Entire process is under one turnkey partner. Because I knew the area very well I tried to do it myself. I got the clay preparation from one party that was German, forming from Japanese and firing from English. When I put the three together. I saved huge amount of money because I went the best and the cheapest I was able to negotiate. This is for the first time somebody trying to do it separately’*

“That result was huge problem, to overcome I took about six months. That was a disadvantage but during that 6 months period people in the company learnt hell of a lot. They had to go through a lot, unless they would not have learnt in anyway”.

“would have failed the entire project gone bust. Banks were not willing to wait, they need results and market was not willing to accept the product because the quality was not good so everything was fallen apart.”

(Excerpts from the interview with Jagendra)

[5] ‘Another group within the company got an idea to break away. They just did that. They took the entire marketing team and form a new company due to lack of legislation in this country. I could call it a white collar crime

In 2000 we had a company I was virtually sitting alone and huge debt to pay borrowed to development .So that is where our strength..... resilience of the company came from”

(Excerpts from the interview with Rehan)

[6]‘there were four order cancelation through the buying offices due to no fault on us. It is the product did not sell over there”

“It was very hard .She (her daughter) started pouring down and we went through a lot. We did this order actually daughter supported me (actually now she is qualified attorney- at-law). We worked really hard to turnaround the situation by trying save every cent. we worked very carefully then”

(Excerpts from the interview with Ramesha)

[7]‘When we enter into the LPG business, market was under a monopoly of a global oil making company. Even the government wanted me not to enter into it. There are few fundamentals that need to be acquired even before thinking entering.one you need to have deep pocket...if you want to LPG business anywhere in the world you need to have heavy capital. Number two you need to break that entry barriers. Thirdly always dominant player prevent new comers entering into”.

(Excerpts from the interview with Lasith)

[8] *"Rs 35 million bankrupt company. We were taking Rs 17.5 million otherwise 50% of the liability without investing. We took 50% of the headache. He(other owner) did not want single cent because we took over 50 % of his headache"*

(Excerpts from the interview with Chandana)

[9] *'suddenly somebody else buys the company and then they bring outside people all our dreams are shattered , then I realised even if I go and work somewhere else this can happen once again , then I thought I should start on my own business"*

(Excerpts from the interview with Saman)

[10] *'I got opportunity to work there for 20 years. After 20 years faced a challenge of losing my position after management changes of company father to son. Our jobs were in risk at that time"*

(Excerpts from the interview with Anuradha)

[11] *Russia broke away from the Soviet Union in 1990. In 1994 when I went to Russia. There were no systems lot of mafia . You could not go from the airport people kill you for money. I had to go but I could not communicate with them because I could not speak .So I had to take those risks when I went to the regions ,they have not seen Sri Lankan"*

(Excerpts from the interview with Jayanthan)

[12] *'Because I was doing very badly at that time. No job for seven months. No money even my son to send to school Rs 5,000 I could not find". "I took a decision that I work for myself, 2004, I started with \$ 8000 loan from my friend in Korea"*

My first target is to pay credit card bills, which I did. Cut all the credit cards. Stop using the credit cards 4 years. Four straight years. Which gave me lot of extra money. I control expenses so everything

(Excerpts from the interview with Sadesh)

[13] *'He(other main shareholder) said Ok...Daya we took a decision. ok either you will buy our shares or let us liquidate this? Oh I started crying.oh.. it is true. My other relations very close relations (shareholders). They were stunned. They could not express themselves against this guy. I said Ok I will buy your shares. I did not have money".*

(Excerpts from the interview with Daya)

[14] "When I do my job I always had to take risks as a marine engineer, I work in unpredictable conditions. This incident happened in when county was going through civil unrest (youth insurgence in early 1990's) I was called urgently to attend southern oil pipe was leaking. It was a total blackout day[you know unofficial curfew could shut down entire country].if you go out they will shot you. I had go and complete that major leak. No any other option "

(Excerpts from the interview with Vicky)