Interactive Workability of Small Business Entrepreneurs

Taru Toivonen

EasyChair preprints are intended for rapid dissemination of research results and are integrated with the rest of EasyChair.

August 25, 2020
The aim of this study is to describe the interactive abilities of small-scale entrepreneurs, and how they appear in a new cultural environment, to analyze the stories of small-scale entrepreneurs from a research viewpoint and use these to understand the importance of emerging transitions to the practices of small businesses in intensional networks, and to bring out what small business owners achieve by acting as developers of intensional networks through their ability to function interactively. The following theories appear in the theoretical framework for this study: 1) Social capital theory, which refers to those resources that can be exploited through a network. 2) Social exchange theory, which refers to the idea that people maintain those business-related relationships that they find rewarding to themselves and thereby as actions substantially contributing to business. 3) Nardi’s theory, which includes the following elements: the formation of intensional networks around the individual, the appearance and deployment of social network relations, and the history of and references to created relations. Intensional networks concentrated and grouped around individuals are actively maintained and change gradually. There is also some mirroring of Coleman's theory, containing the following elements: a principle of reciprocity in network relations, expectations, responsibilities, trust, the flow and sharing of information, and the relinquishment of personal advantage in favour of shared success. The study is qualitative, with a narrative research approach. The empirical data for the study was collected in 2006-2014 on the Spanish Costa del Sol. The data for this qualitative study was collected from Finnish small-scale entrepreneurs through personal interviews in Fuengirola, Benalmadena, Arroyo de la Miel, Marbella, and Malaga, on various small business premises. Thirty-six interviews were conducted, by means of which six entrepreneurs were selected for research in this study. The results showed the importance to small entrepreneurs of increasing the quality of their interactive abilities in the context of a new culture. The research showed that small entrepreneurs felt this to be the lifeblood of business survival and success. Benchmarking in the network, solving problems together, enriching innovations, producing and sharing new ideas, sharing the joy of work, focusing expertise, utilising networks' extensive international markets, and sharing the use of influence, were evidence of the growing quality of interactive abilities. The role of the Finnish entrepreneur in Spain is very diverse, owing to
the challenges of an international environment. By creating social networks, small entrepreneurs produce added value for the development of the entire Finnish community in Spain. In an international environment, the entrepreneur can powerfully demonstrate the benefits of business based on intensional networks in enhancing the ability to function interactively. Also, expanding a positive image of Finland abroad is essential in the search for new business opportunities.

Keywords: Ability to function interactively, developmental transition, driver, intensional network, narrative, small entrepreneur, social capital, trigger.

**Interactive Workability of Small Business Entrepreneurs - A Narrative-based Interpretation Regarding the Actions of Finnish Small Business Entrepreneurs Operating in the Social Business Networks of Costa del Sol in Spain.**

**Introduction to the topic**

Small businesses and their networks are a strong force maintaining the European economy and its competitiveness. For this reason, the European Union is committed to promoting small businesses and developing a more favourable operating environment for them. The significance of small entrepreneurs to general economic growth and European competitiveness is therefore particularly essential.

The business success of small entrepreneurs is strongly based on their own social networks and on their ability to use and exploit their social relationships in developing their businesses. Thus, cooperation and social networks play a key role in shaping new business. Innovative Finnish small entrepreneurs operating in Spain use their networks or seek partnerships while looking for pathways for their operations. More experienced small entrepreneurs, "swim in their social networks" and are already adept at using partnerships in their businesses, while at the same time reducing their personal commercial risks. It is characteristic of a successful social network relationship that it can adapt and learn along the way, according to the expectations and requirements of its environment.

The aims of this study are: to describe the interactive abilities of small entrepreneurs and how they appear in a new cultural environment; to analyze the stories of small entrepreneurs from a research viewpoint and use these to understand the importance of developmental transitions to the practices of small businesses in intensional networks; to bring out what small entrepreneurs achieve through their ability to function interactively when they act as developers of intensional networks; and to discover how small entrepreneurs describe their interactive abilities as having changed qualitatively and quantitatively in a new cultural environment. This research examines how individual stories relate to survival through life changes and how developmental transitions guide the activities of entrepreneurs in Spain. The stories report, justify, take a position, criticize, make matters clear and understandable, and position the individual and others in relation to the prevailing context in which developmental transitions explain the changes in operating procedures that phenomena bring about. The narrative approach thus provides valuable perspectives on the lives of a variety of small entrepreneurs and of entrepreneurs operating in a variety of circles in the field of international business.

In this narrative study, background information is of crucial importance, because the researcher has directed attention precisely towards relating texts to their small entrepreneur
narrators and also towards the narrative contexts and developmental transitions that develop the operating practices of small entrepreneurs. In this case the narrating small entrepreneur can be considered as taking the lead role as weaver of the story and leader of the plot. The narrator and the researcher cannot therefore remain abstract elements without commitment to time and place.

FIGURE 1 The structure of the small entrepreneur's ability to function

The narrative approach very often involves creating types of narrative, which are classified, for example, as content reports, synopses, or plot summaries. In this study, the researcher first formed core stories from each story, which showed the story plot in small frames. The core stories then again became the foundation for a larger story, describing the entirety of the smaller stories and the actual course of the main plot. Constructions of this kind are effectively typologies, which summarize the central elements of the data and the diverse portfolio of stories. The typological stories often demonstrate the structures of typical stories by small entrepreneurs, with their central elements, the key persons of the story, and other essential elements. The narrative material can be searched for the building blocks of stories, as separate issues, which are attached to plots and from which the larger story is formed.

In this study, the narrative research begins from the stories of small entrepreneurs, which can and do function both as relayers of information and as builders related to the nature of the research, including activity-related triggers (factors triggering actions), drivers (driving factors leading from one activity to another), and changes that move activities in different directions (developmental transitions). In this narrative study the research approach is diverse and open, which is why it does not involve a specific, coherent or clearly defined outlook.

Narrative and its related concepts are used in this study as mirrors of economics, social sciences, and psychology.
The narrative approach

The following theories appear in the theoretical framework for this study: 1) Social capital theory, which refers to those resources that can be exploited through a network. 2) Social exchange theory, which refers to the idea that people maintain those business-related relationships that they find rewarding to themselves and thereby as actions substantially contributing to business. 3) Nardi's theory, which includes the following elements: the formation of intensional networks around the individual, the appearance and deployment of social network relations, and the history of and references to created relations. Intensional networks concentrated and grouped around individuals are actively maintained and change gradually. There is also some mirroring of Coleman's theory, containing the following elements: a principle of reciprocity in network relations, expectations, responsibilities, trust, the flow and sharing of information, and the relinquishment of personal advantage in favour of shared success.

The research seeks to answer the research question:

How do small entrepreneurs describe qualitative and quantitative changes in the ability to function interactively in a new cultural environment?

As a researcher, I am looking for an answer to the above research question from the intensional networks of Finnish small entrepreneurs in Spain. With this research question, I am seeking to illuminate the ways in which small entrepreneurs in Spain cope with their everyday business activities in the face of fierce competition.

The data for this qualitative study was collected in Spain from Finnish small entrepreneurs, through personal interviews in Fuengirola, Benalmadena, Arroyo de la Miel, Marbella, and Malaga, on various small business premises. For this study, it was important to conduct the interview among the customs of the culture in which the entrepreneur operates, in order to gain an initial understanding of phenomena. Personal interviews aimed to produce the clearest and most comprehensive picture possible of the genesis and purpose of small
entrepreneurs’ social networks, and of the functions of the small entrepreneur in social, intensional networks.

The study includes a description of the subject using qualitative concepts, and the use of a new perspective to make it understandable at a deeper level. As a researcher, I wanted the result of my research to produce concepts that would better describe the phenomena. In this study, the data was analyzed via sample stories, describing and explaining the appearing phenomena.

**Study design and study picture**

The introduction to the study first describes the economic role of small entrepreneurs in a European operational environment. The motive for the study lies in the researcher's interest in illuminating the world of Finnish small entrepreneurs. Their operations in the Andalusian culture are presented, and the research problem revealed. The first part of the study also deals theoretically with social capital as a resource for small business, as well as the theory of intensional social networks as an operational background for small entrepreneurs.

Descriptions of the above-mentioned issues facilitate the understanding of intensional networks and the genesis of related phenomena.

The literature review for this study first clarifies the concepts of small entrepreneur, developmental transition, the entrepreneur's potential ability to function, ability to function interactively, intensional networks, narratives, triggers, drivers, and the traditions of research on entrepreneurship. This is essential in order to understand the essence of entrepreneurship and other related phenomena.

The review section on methodological solutions refers to the research methodology. The methodology chapter consequently describes the approach of the research in greater depth. The research approach is descriptive and narrative, and is reflected in hermeneutics: the study describes how intensional relationships are formed in a social network, the work of the small entrepreneur in building these, and the kind of results they generate.

The empirical part of the study presents the companies used as samples and the reasons for selecting those specific companies for this research; it also refers to the data collection method, and presents the small stories developed from interviews at the selected companies. Narrative analyses were made on the basis of these stories. The sample small entrepreneurs were selected from entrepreneurs who moved from Finland to the Spanish Costa del Sol. The following chapter presents the results obtained in the study. Finally, the reliability and generalizability of the research are examined, and possible topics for further research discussed.

In addition, the study considers the innermost being and role of the small entrepreneur in the sample company, using intensional networks as a developer of interactive abilities; it also outlines what the significance and process of these personal relationships mean in business for the individual Finnish small entrepreneur operating abroad.

**Findings of the study**

On the basis of interviews, it seems that quality developments in the small entrepreneur's ability to function interactively have been enabled by the following elements related to social networking:

1. **Support and development of social identity: identification with a good reference group can give a person status and good contacts.** The entrepreneur wants to belong among the achievers.
2. Own branding: entrepreneurs become known as experts and as people
3. Sharing best practice experiences: hearing of best practices from different sectors is a huge advantage for the development of the company
4. Learning from the experiences of others: genesis of insightful experiences
5. Reflection on personal learning: conscious reflection on concentrated experiences strengthens the learning of entrepreneurs.
6. Establishing relationships: supports social well-being at work and supports entrepreneurs in their activities.
7. Approaching power structures through intensional networks provides the entrepreneur with new contacts, which would have been difficult to reach directly.
8. Widening perspective and understanding: at the level of events, the entrepreneur is able to identify trends, and similarities and differences between social situations; this also helps entrepreneurs to relate their own business operations to their business environment.

Conclusions

The aim of the research was to bring out the small entrepreneur's changed role in the networking process. A role change has occurred in the work of the small entrepreneur: a shift has occurred from traditional entrepreneurship to international environments, to action that is independent of place and time and emphasises workplace orientation, in which change-developing small entrepreneurs use their relationships in intensional networks to act as agents of change and social network spiders as well as internal entrepreneurs. Operating as an agent of change spider is seen as a perception of new roles, as a breaking of operational and hierarchical boundaries, as growing competence and ability, and as exploitation of social networks. The activity of the small entrepreneur in this situation is often seen as a form of enlightenment or empowerment, by which is meant the raising of cooperative abilities and the enablement of collaboration. Providing strength and empowering people helps the small entrepreneur to find a personal way and an approach directed towards an objective.

This study describes the role of the small entrepreneur as a developer of social networks by means of intensional networks and the ability to function interactively. At the same time the research defines the concept of an intensional network in accordance with Nardi’s theory. The intensional network of the studied sample entrepreneurs is described in a Spanish as well as an international operational environment. The intensional networks of the sample entrepreneurs consist of human relationships which have involved sharing profound, common issues, and which consist of extensive circles of friends and business contacts, as well as political actors and family members. In their business operations, the sample entrepreneurs operate in their intensional networks by calling friends and relatives to resolve everyday problems. They may also briefly visit their business partner in search of a quick solution for business problems. Their ability to function interactively appears as visible activity.

The interview-based research shows that building intensional networks emphasises the personal characteristics of small entrepreneurs and their application during network construction. A strong ability to function interactively is a characteristic based upon the individual's excellent ability to cope with roles, everyday situations, feelings of communal experience, participation in various events, whether organised by a school, church or cooperating partners, and general social activity in civilian life. The ability to function proactively and interactively is a prerequisite for the maintenance of an intensional network.
The intensional networks of the sample small entrepreneurs were found nearby from friends in the administrative machinery at Fuengirola and from Finnish, Spanish and English partners. Small entrepreneurs phoned or visited them on business-related legal, economic, or strategic issues, as unexpected business problems arose in everyday life. The support of the church, and school social networks, operated actively through intensional networks on a daily basis.

The sample entrepreneurs very clearly listed the business-related relevance that they achieved through their social relationships. The entrepreneur tries to use social relationships to gain new business partners and customers, to cope with business-related bureaucracy, to develop the image of Finland in the international community in Spain, to further and develop the activities of the Finnish community in Spain, and to build a livelihood in Spain. The pursuit of a good quality of life in entrepreneurship through social relationships and forms of cooperation is also emphasised.

The small entrepreneur also continuously compares Finnish business culture in Spain with the business culture of Europe as a whole. The actions of the Finnish entrepreneur in Spain also provide a first image of Finns in general. Therefore, the Finnish entrepreneur is an ambassador of Finnish culture in Spain and a developer of the Finnish image. Supporting such a role is a big responsibility.

References


Durkheim, É. 1951. Suicide: A study in Sociology. Trans


Journal of Business Research, 55, 133-139.


Helsinki: Gaudeamus.


Ilmonen, K. 2004. Sosiaalinen pääöma - uusi ihme, käsite vai käyttökelpoinen hypoteesi?


Putnam, R. 1993. The prosperous community: social capital and public life in the American Prospect, 4:13
Stanley v. Georgia. US Supreme Court. 7 April 1969.