The Region and the Smaller Enterprise:
A Discussion of Appropriate Investigative Methodologies

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Regional policy instruments are typically driven by economic rationales, from either a firm or industrial perspective. Yet too often, these rationales are taken as ex ante to the contexts within which firms and industries compete. Recent regional development research has urged a better link be developed between the individual, the firm, and their context, so as to understand the role of regions in supporting effective competitiveness of organizations. In this article, recent research themes are explored that may shed light on the nature of this relationship and that can be developed into an investigative methodology that could aid policy practitioners in generating policy instruments that reflect differing societal constructions of SME reality.

This article reviews the nature of the relationship between a region and a small enterprise. In particular, it examines recent approaches to regional development theory that address this relationship that have as their common focus an interest in the shape of knowledge used competitively by smaller organizations. Despite the desirability of regional economic development to governments, there is no simple linear relationship between support for small enterprises (in whatever resource form) and the outcome of development for the region itself. Instead the relationship is one of a complex interplay between technology, economy, society, and polity (Skolnikoff 1993). To better understand this relationship, the article takes as its starting point, the argument outlined by Anderson (2000), that knowledge in a region maintained and used by individuals and small enterprises (as collections of individuals) is not an object–subject relationship, but a subject–subject one defined in practice. It is similarly reflected in current debates within geography, where discussion on the nature of competitive knowledge focuses on the interplay between culture and economy (Simonsen 2000). In this latter case, it is a clash between determining the dominance of a regional culture or the regional economy that also drives this article to use Simonsen's (2000) theme of connecting the two concerns through a social ontology. Hence, this article posits that regional knowledge used by small organizations is viewed as socially constructed and highly localized. A key focus for this research is, therefore, reviewing current methodologies that seek to develop this

subject–subject relationship and the ways they may aid the development of policy instruments.

The article has four major sections. In the first section, the nature of knowledge and regional development is discussed, with a focus on changing research interests and methods. The second part narrows the focus to consider the nature of the relationship between organizations and their context from a social interaction and cohesion basis. From this discussion emerges the concept of a cultural province to describe a coherent agreement and collection of small business practices and values. The third section seeks to bring these arguments together under the banner of a modified participant research methodology and derive a series of potential research questions and themes to explore the location of cultural provinces and differences in the perceptions of small business managers and their staff to their environments. The final section presents the conclusions derived from the research.

Knowledge and Regional Development

Following Skolnikoff (1993), the relationship between technology and knowledge is often confused, but technology in its broadest sense can be defined as the development and application of improved technical knowledge and procedures (Holmén and Jacobsson 1998). The effective use of knowledge, codified, tacit, and applied in this sense, by individuals and small enterprises is partly a function of the extent to which they locate, identify with, and can use such knowledge forms from their environment. In this sense the development of the economy and the context of that economy as often viewed by policymakers cannot be effectively separated and developed into specific policy arenas (Simonsen 2000).

Recognition of the importance of understanding the relationship between knowledge development and use in both national and regional development policies has become a focus in both policy and academic circles. Yet the causality between the two activities remains poorly understood. There are certain interests that have been more developed in policy circles, such as high technology investment, training and provision, which have attracted the lion's share of research and funding interest (Oakey 1995; Scott and Storper 1986). They do so precisely because

of perceived externality benefits to the environment and supply chain that such investments bring (Fontes and Coombs 1997). They are also those that Lash and Urry (1994) cited by Simonsen (2000) claim would be the activities most likely to see blurred boundaries between a regional economy and its culture by virtue of the increased level of communication and transmission of information, knowledge, and associated meanings as business practices in these knowledge-rich policy instruments. Yet it can be equally argued these investments tend to be in specific narrow technological arenas that only have limited relevance to a large number of regions with less specific technological and knowledge-intensive endowments.

On the other hand, there is evidence that suggests that rural firms exhibit higher employment growth levels than their urban counterparts in the UK (Smallbone and North 1994). They also tend to maintain higher levels of innovative activity (Keeble 1997). Technological and knowledge intensity in a region does not, therefore, seemingly preclude successful regional development opportunities, although we should be wary of reading too much into these observations. For example, measures of employment growth could simply refer to the labor intensity of the good / service being manufactured / delivered in a region, while innovative activity can arguably also be spurred by the lack of a supportive environment, necessitating greater reliance on internal firm resources and local environmental factors.

However, there does seem to be evidence for both regional development driven in what are both normally termed as classically advantaged and disadvantaged environments. Perhaps this should not be a surprise given Cox's (1989) observation on the nature of the production system and power within it as being fundamentally based on the social relations constructing that system. Advantaged and disadvantaged environments can then be viewed in terms of social relations and power structures in those regions. As a result, research methodologies that consider the relationship between the small firm and their environment have embraced this social relations argument, viewing small firm development as both an instituted and socially embedded activity. Methodologies of investigation have become quite eclectic and shaken off the shackles of the limited dialogue of nature vs. nurture or push vs. pull arguments (see Stokes 1995 for a summary of those arguments). Grégoire, Dery, and Bechard (2001), in their review of trends in entrepreneurship research from 1981 through 1999, identified five themes that have underpinned research into small firms:

1. Personal characteristics of the entrepreneur
2. Factors affecting new venture performance
3. Venture capitalists' practices and their impact on entrepreneurship
4. Influence of social networks
5. Resource base of the enterprise

Tilley and Tonge (2003), however, criticize such approaches, as they seek to either itemize important factors or focus on one aspect of small firm development. They do not therefore, offer a broad enough canvas to consider the heterogeneity of small enterprises and their activities such as including the two polarized examples of small firm success in advantaged and disadvantaged areas, described earlier. The development of an appropriate integrative model that can pull together the strands listed above is a goal (Tilley and Tonge 2003), but it is apparent that a more effective understanding of the relationship between regions and small firms will aid understanding of causality in regional development policies, by helping to provide linkages between some of the disparate five themes listed. For example, some of the more relevant "new regionalist" research methods derived from a social networks and resource-based perspective have included:

- semiotic (Hill 2002 citing Feldman1995), metaphorical (Koirenan 1995; Nonaka 1996 cited by Hill, 2002), and pragmatics analysis (Thomas 1995) derived from a focus on language, dialects, and social construction in different environments;
- focus on the "cogito" fit of employees or their mutual identification with their varied environmental context (Garrick and Rhodes 2002);
- addressing the impact of particular critical events in the lives of individual's that reshape their interpretation of the environment (Chetty 1997, Chell 1998, Anderson 2000);
- consideration of the role and function of social and egocentric networks for the continuing performance of established high-technology ventures (Bakstran and Cross 2001);
- examining the historical trends behind knowledge development in a localized region, as important factors shaping the perception and openness of entrepreneurs of their environment (Jørgensen 1999);
- reviewing the entrepreneurs' personal histories and their identification with varying regional narratives (Beattie 1999); and
- examining the psychophysiological responses of entrepreneurs to business opportunities (Craig and Lindsay 2001).

One particularly strong driving impetus for developing integrative approaches between the range of investigative methodologies was made in 1988 and has continued to remain a key focus for analytical methods. This was the statement that what is important is "what the individual/organization does" rather than what it is (Gartner 1988). Gartner's call was instrumental in altering the focus of the debate to behavior of entrepreneurs and small organizations and their social context. However, while authors such as Wickham (1998) have stressed the process dimension as an integrative bridge between the classical and more "new regionalist" methodologies, contextual factors have been somewhat neglected in this capacity (Cooney et al. 2001). It is, therefore, somewhat paradoxical that these are also the factors that have been argued to be most important in shaping the long-term competitiveness and longevity of small organizations (Nooteboom 1999; Bierly III, Daly, and Wigginton 2001). Phrasing this more succinctly: "… research is done *with* people not *on* them" (Rigg, Trehan, and Ram 2002, p.363; *italics* in original).

In essence, such research methods embrace the importance of knowing from experience, rather than knowing without reference to experience. These methods reject the classical Cartesian view of the subject as a unitary being comprised of disparate and separable parts. Along with other methods of social inquiry, therefore, the subject is derived in practice (Simonsen 2000). Business is conducted by individuals and firms without recourse to a text of how to conduct business, it is their activities that constitute the practice of business. Simonsen (2000) described this viewpoint by using Bourdieu's phrase of firms "having a sense of the game." We could also borrow Benzon's (1996) terms and suggest that the "schemas" of business activity vary because of their societal construction. He further suggests that schemas compete with one another according to their capacity to satisfy intrinsic individual needs—in this case effective small business operations in a given market arena that may reflect different individual goals.

Competitive knowledge is then more likely to be sourced from the spatial context and proximity rather than from codified sources such as journals or trade literature. Central to this discussion is the belief that only by addressing the knowledge of how and why small firms operate in their contextual and social resources environment will an understanding emerge about how to construct more appropriate policy instruments that actively consider this broad resource base of the smaller enterprise. In doing so, the environment would not be treated as a passive resource but one that can actively support a firm's competitive positioning.

Enterprise and Context

In an attempt to develop a broader investigative model for inquiry, a more primary perspective is required. Simonsen (2000) reaches a similar conclusion in his paper, that by simply "adding" culture as another variable into a classical analysis does not encompass the ontological nature of an individual's and firm's environment, that transcends the distinction between subject and object. The "new regionalist" methodologies discussed above move the debate forward toward a more encompassing analytical position but in of themselves pursue distinctive concerns. How, for example, would understanding of an entrepreneur's personal history aid the policy-maker in framing more appropriate policy instruments for other entrepreneurs in a given region?

One place to start to consider this question is with Tilley and Tonge (2003) who, for example, in their broad introductory review of competitive advantage in SMEs, comment that because of the heterogeneity of the SME sector the first step in developing a more universal understanding of how SMEs compete is to examine what sustains the competitive advantage of smaller businesses in a more individualistic manner described in both classical and "new-regionalist" based research. Banks, Elliot, and Owen (2003) argue that creativity in smaller organizations exists as an array of contextual and unique company resources and relationships. In their view, creativity can have both behavioral and social and communication aspects. A fruitful place to start to answer the question we have set ourselves is to adopt Jørgensen's (1999) and Simonsen's (2000) methodological position. Jørgensen, from a largely economic perspective, and Simonsen, from a geographic perspective, both suggest an appropriate starting point for an answer is through a consideration of the recognized meanings and practices in a given region.

Jørgensen suggests a geneological approach that does not attempt to develop metanarratives of knowledge development and propagation but is instead focused on the issues, practices, and knowledge that are taken for granted in a region. It is a surface focused approach to understanding the environment, cogniscent that the outcome of such a research approach is dependent on the historical investigative depth pursued. For Simonsen, the firm is a set of overlapping practices, where a joint understanding and a shared body of knowledge are the both the prerequisite and precursor for firm activity. For smaller firms with fewer individuals, it can be argued that a smaller set of known and agreed practices will be maintained through the activities of the firm. Recalling our earlier question then, by knowing for example about an entrepreneur's personal history, a researcher will have an insight

into the likely dominant form of accepted routines employed by the smaller firm. These views are, therefore, in keeping with the observations of Banks, et al. (2003), who from a resource-based perspective, argues that creativity and competitive advantage are routines of activity that are emergent, involve many other actors, and reflect tacit knowledge.

For a policy-maker though, constraints of action need to be recognized. Policy instruments span information to regulatory activities, dependent on the objectives and ideologies of the policy-makers. Typically there may also be a spatial or sectoral constraint to consider. What can be said of how a region is understood for policy terms, if we adopt Jørgensen's (1999) position? With a surface approach examining mutually acceptable business practices as the focus, this could give rise to particular regions, the interest of which lies on the mechanisms of cohesion among individuals in a given environment, which then define the region. It can be expected that there may also be mereological contributing factors that shape both the spatial and societal boundaries of regions (Smith and Mark 1998). As an example, Popper and Popper (1999) in their research on the economic development of the Great Plains of North America identified the utility of matching policy support initiatives to a common regional destiny through the use of unifying narratives. In this case they used the banner of "Buffalo Commons" to both identify and bind disparate subcultural contexts and peoples within one large regional context.

This focus on cohesion and performance of activities is a common thread in research that addresses regionality and actor identification through a view of social ontology. Mackinnon and Phelps (2001), for example, stress the importance of "geographic closeness" of actors in a region, while Jones (2002) cites the importance of individuals considering themselves as "belonging" to a particular lifestyle or even that regions can promote themselves with one voice by offering the "authentic" to consumers in search of an identity they can recognize. More evidence comes from Dyer (1997), who emphasized the importance of a shared institutional participation in regional development by individuals that also reinforces a regional consciousness. Jenkins (2000), citing Smith (1990), similarly also refers to the role of developing a common destiny to increase collective energies involved in economic development, while MacLeod (1998), citing Paasi (1997), refers to the role of regional "naming" as important in shaping the intensity of interaction and the learning acquired by those actors (as learning by localizing). Finally, from a firm competitiveness perspective, Maskell (2001) and Desrochers (2001) focus on the agglomeration economies derived from geo-

graphical proximity as a competitive benefit for transmitting certain kinds of knowledge between organizations.

Overall, therefore, investigative techniques have approached the relationship between regions and small firms through a focus on constructed knowledge based on variations of the "talk of the individuals in small business" (Cohen and Musson 2000; Koirenan 1995), oral histories of regional pioneers (Neth 2001), the impact of particular critical events in the lives of individuals that reshape their interpretation of the environment (Chell 1998), or the entrepreneurs' personal histories and their identification with environmental narratives (Beattie 1999). There is a complex creation of norms, values, and schemas that are both dynamic and processual.

Given this constantly emergent knowledge focus, it is not a surprise that a regional binding theme has appeared in several regional development methodologies. Nielsen (2002) and MacLeod and Goodwin (1999), for example, cite different approaches to understanding contemporary local development, which have as their focus social interaction that creates emotional and identity attachments between individuals and organizations.

Talalay, Tooze, and Farrands (1997) have also focused on a similar argument by examining the role and function of technology in society. They suggest that it is technological factors that bind communities and regions together where technological change and progress reflect the ideas, values, and language of a given society. Where a uniformity in regional value and ideas is apparent, a particular aspect of technological change will be reflected and embraced by that society. Social constructionists would point to the development of a regional "narrative" (Burr 1998). This narrative helps maintain and propagate the dominant social ties, language, and awareness that will structure the actors' capacities in that region to engage in public debates and developmental activities.

In support of the value of such regional narratives, Popper and Popper (1999) suggest that narratives and regional metaphors are primary tools for understanding and creating alternative futures for regions. The identification of such a set of practices and meanings can engage regional people who share those identities in developmental tasks that then influence policy making. Such narratives are open-ended, multifaceted, and ambiguous. Thus subregional units develop and fix onto different locally defined interpretations of the narrative. In entrepreneurship studies for example by Koirenan (1995), there is a similar focus on shifts in the use of metaphors to account for different interpretations of entrepreneurship in Northern Europe establishing an agreed narrative for enterprise discourse in those subregions. In periods of change and

uncertainty, typical of entrepreneurial and innovative activities, the use of a narrative through the development of several metaphors can arguably create a focus and explain meaning behind transformations occurring in regions.

Holmén and Jacobsson (1998) and Maskell (2001) also offer evidence of the benefits of a focus on regional narratives and potential subregional units. They suggest that regionally focused SME clusters comprised of regional firms with neo-market ties will disproportionately benefit from spillovers due to the tacit nature of knowledge, the local nature of labor markets, and the local evolution of specific institutions. In other words, a shared regional narrative supports trust and an exchange of resources by virtue of recognized meanings and identities. Policy attempts to improve the economic conditions of a region, should not, therefore, be solely focused on economic policy instruments but must implicitly address the issue of the space to which they are aimed. They are part of a larger context that needs explicit and, at the same time, ambiguous recognition.

As noted by Popper and Popper (1999, p.5), ambiguity "… draws attention to the characteristics of a region, yet allows a wide range of responses…."

Narrowing the Definition of a Region: A Cultural Province

With this interpretation of a region based around a coherent and mutually identified collection of groups and individuals, similarities with the concept of a cultural province can be made. This can replace the cumbersome phrase of "subregional units" mentioned above. It is one approach to quantifying the gestaltic bindings of a local context within a greater spatial form (Steve 1996). For example, in a discussion about the identity of the County of Yorkshire and its Ridings, Neave (1998) suggests that broad stroke use of the term *region* remains both inappropriate and unhelpful in identifying coherent parts of that environment, which have common practices and shared constructed knowledge. In her case, concern was raised between the different territories covered by county administration on the one hand and differing political and economic activities on the other. Instead of using a holistic and encompassing term like *region*, an outlined alternative was to develop a "cultural provinces" perspective, where each province has a "… set of distinguishing cultural traits, not the least of which will be a shared susceptibility to the same outside influences…." (Neave quoting Phythian-Adams 1998, p.184).

The interpretation of a region now, as perhaps a combination of cultural provinces, is focused on a cohesive and shared identity with ideally, self-defined, and mutually supportive social and institutional agencies that maintain both a high level of embedded and external social relations.

Cultural provinces can be expected to have narrative communities. By definition such communities are individuals or groups that self-consciously regard themselves as members of a single community defined by believing a particular story or interpretation of society (Shalizi 2000). We could also look for schemas or routines, which impose a form on perceptions, grammar, language, and individual interpretation (Benzon 1996). This would aid the structuring of both the global and the local in context.

For Popper and Popper's (1999) work, their story focused on how different groups identified with the Buffalo, via conservation, spiritual terms, or via economical necessity. This approach negates the singular and internally integrated concerns geographers such as Simonsen (2000) may have with an explicit connection between space and the idea of a culturally distinctive unit. It does so because there is also a focus on what binds such provinces across broader degrees of space. There is a recognition on the one hand, of the artificiality of such boundaries (although mereological boundaries may rationalize this), yet also a pragmatic realization that policy instruments themselves are bounded (as noted earlier). However, this province approach seeks to associate the boundaries of policy instruments to the dominant collections of practice that can be identified within a space of operation and is, therefore, not a metalevel approach to this understanding. For the case of small firm policy support, for example, the stories of individuals who span various provinces and propagate modified or unmodified values and preferred practices about the appropriate form of social relations to adopt within the provinces they serve could also be a policy focus. Civil servants, journalists, university lecturers, business support staff, small business bank advisers, accountants, and so forth would be such important individuals within cultural provinces.

Neave (1998) also suggests that the location of important institutions in a province helps identify with the development of a regional consciousness. Such institutions would include administrative operations, jails and courts of justice, newspapers, workers associations, rotarian and horticultural societies, ecclesiatical boundaries, and police forces. An examination of the location of such institutions would also help indicate the diversity of cultural provinces in regions. The outcome would be a virtuous circle for the development of a cultural province, with regional consciousness developing and being supported

by narrative communities that themselves are further embedded by locating administrative offices and authority within that province.

It has already been argued that positioning this article within a social methodological line of inquiry necessarily requires some historical review and context although, as Jørgensen (1999) suggests, this should be limited and stated at the outset of the investigation. This is especially important, given the youth of the small business support service in the UK in general (from a standing 1978 start). Small businesses, despite their economic significance, have been politically difficult to capitalize on and hence have been neglected both as economic and political actors (Tilley and Tonge 2003).

From a surface level interest, it can be noted that an "enterprise culture" was the label given to the particular articulation of a diverse group of politicians toward the value and status of self-employment during the 1980s in the UK. The associated activities used to establish this collection of interests identified the preferred practice of policy-makers and hence a means of shaping the environment in which individuals sought employment.

The implementation of these preferred economic activities relied on the creation of specific concepts and terms. The use of the terms "small and medium-sized enterprise" (SME) and "clusters," for example, surround and stratified these policy preferences creating knowledge applied to cultural provinces and regions. This stratification is continually reflected and reconstructed in academic papers and theories and governmental initiatives (Cohen and Musson 2000). No particular thought, however, was attached to the contextuality of the SME. Such applied knowledge constrains some policy actors who are not recognized as being associated with such socioeconomic labels and actions, yet who may be intrinsic to the development and growth of SMEs in a region or cultural province. Such broad labels may also allow other dominant actors to tell the "story" of the policy problem and just how to view the SME, their needs, and performance requirements (Howlett and Ramesh 1995). The creation of such an enterprise culture, is not just a political activity but one that extends beyond this sphere, to the "… wider world outside, where its meanings further multiply in number, and fragment in effect…." Cohen and Musson 2000, p.32, citing Ritchie 1991).

The enterprise culture is a discourse, portraying one understanding of the ways of thinking and producing meaning in a society (Lenk 1996 , p.108). In this case it has been predominately state focused. When an individual's or firm's activities are viewed as an outcome of social relations, it is relying on certain knowledge attributes (which encompass beliefs, practices, ideologies, and perceptions; from Jørgensen 1999). These are not permanently fixed but subject to change. As an example, Anderson and Jack (1999), through their studies of entrepreneurs in the Highlands of Scotland, are keen to emphasize that one function of social relations in such coherent environments is to establish cultural province knowledge attributes. They argued from this provincial focus that the dominant practices were local prestige and influence, which were more important motivating factors than profit.

It may not, of course, always be the case that small organizations will be comprised of mutually supportive individuals, and Nooteboom (1999) has developed the term of "cognitive distance" to describe the variance between the objectives of individuals in an organization. In terms of how knowledge is being used competitively by those individuals, the concept could be adapted to also account for the varying extent to which members in a small firm share similar values and meanings (and have small cognitive distances) or have divergent values and meanings (and have large cognitive distances). As suggested previously, it can be hypothesized that small firms that exhibit small cognitive distances between the objectives of individuals in those organizations would come from the same/similar cultural provinces. Such organizations would have significant knowledge redundancy, through an overlap of complimentary capabilities that are mutually understood by members of the small firm (Nooteboom 1999). Policy instruments that seek to build on cultural provinces shared business practices would be concerned with firms that have small cognitive distances.

Overall, as Neth (2001) states, giving meaning to a region is an act of translation between past and present. This association between regions, knowledge, and individuals, is largely the reason why attempts to simply transpose the success of metaphors such as "Silicon Valley" or "Route 128" to other regions and nations have failed. They lacked a focus on this province—knowledge association did not recognize the importance of local market demand pull for such activities and most importantly failed to identify meaning with the narratives underlying the choice of policy activities.

Developing a Provincial Methodology

In this section, some practical observations are made based on the conceptual arguments presented so far. In particular, this discussion addresses the statement that a focus on behaviors and social processes, rather than market share or organizational structure, can inform the practical identification of cultural provinces and cognitive distances in smaller organizations.

May (2001) describes the complete participant approach to research as one in which the researcher fully engages in the activities of the individual or organization under investigation. This is an action research agenda, in which the researcher is working with research participants on matters of genuine concern to them (Rigg et al. 2002). A key problem with this intensive form of observation is the time required for the researcher to become an accepted part of the context within which observations take place and hence ensure the collected data has validity. The increased access to the rich social data though is viewed as a worthwhile compromise and is often a balanced compromise in small firm research (Curran and Blackburn 2001).

Lesser levels of organizational immersion, such as observer as participant and complete observer, are also outlined by May (2001) as viable ethnographic approaches to collecting data, although their outcomes depend on the depth to which the investigation proceeds and the researchers' goals with the investigation (following Jørgensen 1999; Rigg et al. 2002). As was suggested previously, this depth of analysis requires a clear stated conceptual position, especially when our concern is with values and practices in a cultural province where the researcher may not be able to directly identify or intuit the value of a given observation for the competitiveness of the smaller organization. An appropriate methodology, therefore, is not pure action research driven (Rigg et al. 2002) but is concerned with adopting a participant observer position. This seems a reasonable compromise to extract meaningful and relevant contextual data within the practical constraints of fieldwork in this sector of the economy. Rigg, et al. (2002) further cite Lewin's (1946) original action research cycle and the Chicago School's view, to outline changes in the knowledge of a social system—as part of a cycle of action and reflection. However, the surface focus of this methodology is only concerned, therefore, with steps 1 through 3 of the 6 original research action steps, which helps maintain an ambiguity in constraining the location and shape of the province :

1. Problem statement
2. Diagnosing the problem
3. Devising actions for the problem
4. Taking actions to resolve the problem
5. Evaluating the outcomes of the problem
6. Redefining the problem

If we recap on the discussion so far, the key reason discussed for the eclectic development of investigative methodologies into small firm research is that they represent a highly heterogeneous collection of human activities, either individually or in groups, where formalized proce-

dures and activities from the more familiar large enterprise have little immediate benefit to bring to our understanding. It is no surprise, therefore, for Hill (2002) to state that there is no such thing as a "typical" small firm. The phrase "business as usual," which could be argued as the driving focus behind small firm operations, both hides the nature of contextual practices and explains them, which are typically problem and survival oriented for the small and micro business (Hill 2002; Pownall and Skinner 2003). So while The Chicago School tradition of action research suggests that social relations between individuals in organizations and in the region may and do differ, they also take forms that display similarities, which have been argued here to form cultural provinces.

A second key reason for the development of a range of investigative approaches to researching small firms not discussed earlier lies with the level and degree of access the researcher has to the individuals that constitute the small firm. Hill (2002), citing Easterby-Smith, Thorpe, and Lowe (1993), acknowledges that often there is a compromise between maintaining academic rigor while facilitating access to rich data sourced from multitasking individuals in small firms. Rigg, et al. (2002), for example, offer ample evidence of how they had to balance this compromise when working with second-generation Asian entrepreneurs who were keen to use the external "consultancy" of the researchers, in preference to the academic "twaddle" of the proposed research. Both Rigg, et al. (2002) and Hill (2002) state that flexibility in the chosen methodology is a key requirement of a successful small firm research strategy. This is an issue that May (2001) argues is also a key strength of longitudinally based ethnographic data collection, in which the length of time over which data is collected, allows the research to be flexible in its approach and context, especially when documentary evidence can be very hard to locate and when the research questions driving the analysis may themselves initially be vague or unclear.

Research investigations that are short, repetitive, and do not interfere with organizational direction and pace provide a solid basis for collecting rich data and differentiating between similar and dissimilar practices in small organizations that establish cognitive distances and the location of a cultural province. An important analytical point from May's (2001) discussion that can be incorporated into this emergent methodology, is to focus the research questions on the collections of social meanings. These collections of social meanings rest on observed practices and meanings and their rules of propagation. The collections of meanings approach considers observations that encompass the social relations and resource based perspectives

discussed previously. As a methodology, we can use the themes discussed in May's (2001):

- *Meanings focused*—Identify cultural norms. What are people's definitions of the situation and variations in the scope of rules at work in the social context?
- *Practice focused*—What are the recurrent categories of talk and action that are apparently significant in the current context (but aware of the reflexivity of the researchers choices)? How, for example, are differences dealt with inside the organization (cognitive distance)?
- *Episode focused*—What are the collections of activity that are out of the ordinary and unexpected events in the individual and organizational environment? This can include illness, marriage, business acquisitions, or significant changes in the environment for example.
- *Encounter focused*—These describe social patterns and rules of behavior that emerge as individuals work together, either formally or informally, to achieve a mutually satisfactory goal.

In the earlier discussion, May's (2001) themes would constitute the schemas of business practice within SME provincial business operations. Within these four collections of social meanings evidence of cognitive distance and cultural provinces can be identified. May also then describes the different levels at which these collections of meanings arise. It is a perspective that is very similar to that of Johanisson and Dandridge's (1995) dynamical systems approach but instead focuses at one level beneath the interest of their model to consider the inputs into the individual, the organization, and an organization as a collection of individuals. Thus, the construction of tacit knowledge of an individual is the context within which meanings, practice, episode, and encounter focused observations are made. These four social meanings of a cultural province reflect

- *Roles*—These are the labels used by people and organizations to undertake their own activities and describe those of others. They are a form of the symbolic character of social capital.
- *Relationships*—Changes in the form of the interaction of people over time.
- *Groups*—Individuals who have mutually recognized themselves as a social entity with hierarchies, cliques, and mutually supportive mechanisms.

- *Organizations*—Are one step beyond groups and reflect what was discussed as the provincial affiliation of individuals to a particular group set of values, practices, and norms that they then sustain and practice. They constitute an important element of the individual's habitus.
- *Settlements*—Are typically groups and organizations that exist and operate within a defined geographic territory.

Some research questions that can then be derived from these themes and be asked of small business managers and their employees are shown in Table 1.

The list of themes and questions discussed above represent a first attempt to qualify the concepts (schemas, cognitive distance, routines, and cultural provinces) discussed earlier in this article. It is, therefore, far from an exhaustive list; and given the nature of the methodology, it can be expected that additional questions would arise. Answers to these questions, would allow the researcher to interrogate policy instruments and determine their cultural fitness, cognitive relevance, and distance and their appropriateness for the region and cultural province under analysis.

Conclusions

This article has explored the literature on the relationship between the firm, the individual, and its contextual environment. It is a desirable goal especially for policy practitioners and the development of an integrative model of small firm development but one that necessarily involves a multiplicity of factors and interests; for example, where the competitive interpretation of areas are termed advantaged or disadvantaged is too broad to fully describe the potential for regional development. Indeed, it has been argued that contextualized and localized knowledge, is an important source of competitive advantage for the smaller enterprise. Similarly, the argument in this article preferred to adopt the concept of cultural provinces as a narrower and more effective term to describe particularly cohesive areas, which share business values, knowledge, and practices.

This was the key methodological argument of Jørgensen's (1999) discussion of avoiding meta-narratives to account for different levels of practice in knowledge development. Instead, only surface observations derived from conceptual positions are viewed as acceptable to understand knowledge development and propagation. The conceptual position of this article has argued that surface observations are narrowly defined to cohesive areas—cultural provinces—and these are the source of narrative

Theme	Participant–Observer Goal	Research Questions Arising from Four Social Meanings Themes
Source, definition and meaning of cultural province and textual artifacts.	Meanings focused	A. How is the region defined by self-identified entrepreneurs? (RELATIONSHIP). Are these component(s) reflected in the targeted policy instruments? B. What is the role of towns and cities in these definitions by the self-identified entrepreneurs? (SETTLEMENTS). Is there a symmetry with the location of the service provider? Is this identified with by the entrepreneurs?
Identification of regional narratives in cultural provinces.	Practice focused	C. What are the operative regional narratives articulated by identified and self-identified entrepreneurs and regional actors? How do these differ/reflect those constructing the targeted policy instruments? (SETTLEMENTS and SOCIAL WORLDS) D. What is the physical evidence supporting textual forms of regional knowledge? How are "stories" reported in local press? What is the relationship between different levels of regional/provincial administration? (GROUPS and ORGANIZATIONS) E. What are the apparent themes and their periodicity in the textual evidence (e.g., newspaper stories, court reports, minutes of Parish Councils, and so forth)? What is the construction of that information? To what extent do targeted policy instruments embrace those themes?
Construction of regional narratives in cultural provinces.	Meanings focused Practice focused Encounter focused Episode focused	F. To what extent are self-identified entrepreneurs open to "new" knowledge flows? What is their provincial status, access, and scope of personal contacts? What are their impressions of alternative routines and business practices? (RELATIONSHIPS and GROUPS) G. What are the given rationales for involvement with other self-identified entrepreneurs/actors in the region? What are the key motivators shaping the formation of business schemas? (RELATIONSHIPS and GROUPS) H. What is the level and scope of technology used by self-identified entrepreneurs? Is this use contingent or externally sourced (outside any province)? (RELATIONSHIPS and GROUPS) I. What are the processes employed to identify opportunities and what key (re)sources are utilized? To what extent is this OR process a cognitive/schema based activity? (RELATIONSHIPS and GROUPS) J. What are the meanings given to self-identified significant events in the histories of the actors concerned? Is this shared by other members of a small firm? (RELATIONSHIPS and GROUPS) K. What is the level of awareness of the self-identified entrepreneurs of the strategic impact of their environment on their activities? (RELATIONSHIPS and GROUPS) L. What is the evidence of a desire/need for the creation of supportive socioeconomic infrastructures both at the individual and institutional levels? (SETTLEMENTS and SOCIAL WORLDS) M. Is there evidence of a balanced culture of self-belief and self-reliance for the self-identified entrepreneurs? What are the boundary support points for this balance? (RELATIONSHIPS and GROUPS) N. How effective is the perceived imagery of the statistical/administrative region, as a supportive context for technology-based entrepreneurs? (RELATIONSHIPS and GROUPS) O. How are entrepreneurial failures handled in the environment? (RELATIONSHIPS and GROUPS and SETTLEMENTS and SOCIAL WORLDS). What are the processes involved and arising perceptions? P. What is the level of vertical integration of business support activities in the region? To what extent does this hierarchy dilute societal constructions for targeted regions/provinces? (ORGANIZATIONS and SETTLEMENTS) Q. What is the cognitive distance between policy determination, relevance, and promotion of small firm policy instruments and the small firm/entrepreneur? (ORGANIZATIONS and SETTLEMENTS) R. What is the perception of known policy instruments addressing the competitiveness of small firms? (RELATIONSHIP) S. What is the representativeness and openness of local governance to challenges from its community? (SETTLEMENTS and SOCIAL WORLD)

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Table 1
Research Questions Derived from Identified Themes

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communities, which generate localized learning and sustainable and idiosyncratic competitive advantage for smaller enterprises.

While it has been argued that narrative communities in cultural provinces will generate and sustain a level of mutual conformity on agreed business practices, the idea

that there will still be different opinions and attitudes between owner managers and staff in smaller organizations was focused in the concept of cognitive distance. Arguably, smaller enterprises, which maintained smaller cognitive distances, would be more likely to reflect a distinctive cultural province.

To bring these ideas and concepts together into a methodology that might help in identifying particular groups and clusters on cultural provinces in regions, elements from action research methodology were developed. This was viewed as an appropriate vehicle to develop a methodology as at one level of participant research; it does address surface observations and social processes. It also will include the potential heterogeneity of the small firm sector and be reliant on the observations, rather than imposing a particular framework of understanding on the data. The emergent methodology, therefore, drew heavily on the idea of looking for collec-

tions of social meanings in a region that would allow the identification of cognitive distance in organizations and, as a consequence, the location and development of cultural provinces in a region. A series of suggested research questions were finally identified from this methodology that the researcher could develop and use to explore the relationship between the individual, the smaller firm, and its context and, as stated at the start of this conclusion, support the development of more appropriate policy instruments. It is possible that such emergent improvements could include

- different use of language in policy publications;
- different formats of dissemination of policy instruments;
- the location of service providers; and
- the roles of service providers in the province/-region targeted.

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