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**A study of the regional economic development impact of a
university led entrepreneurship education programme for
small business owners**

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Abstract

The health and performance of the small- and medium-sized enterprise (SME) sector is crucial to regional and national economies of most developed countries (Jones, Macpherson and Thorpe, 2010; Thorpe, Cope, Ram and Pedler, 2009). In recognition of this, Higher Education Institutions (HEIs) have been supported through government policy to provide training programmes for SMEs aimed at developing a higher level of skills that will support small business growth (European Commission, 2003; Lambert Review, 2003; Leitch Review of Skills, 2006; DIUS, 2007, 2008; Zhang and Hamilton, 2010). In this paper we explore the relationship between entrepreneurship education and regional development by examining a programme delivered by a higher education institution for growth-oriented small business owners. We concern ourselves with addressing the overarching questions: *What is the impact of HEI and SME engagement on entrepreneurship education? And How does HEI/SME engagement impact on a regional economy?* To deal with these questions a qualitative approach to the research was adopted to examine the situations of five SME owner/managers over a five year period. Findings show that entrepreneurship education delivered a range of economic benefits to SMEs and the region. Moreover, through engaging owner/managers have the opportunity to interact with others and this supports the growth and development of the business.

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Abstract

The health and performance of the small- and medium-sized enterprise (SME) sector is crucial to regional and national economies of most developed countries (Jones, Macpherson and Thorpe, 2010; Thorpe, Cope, Ram and Pedler, 2009). In recognition of this, Higher Education Institutions (HEIs) have been supported through government policy to provide training programmes for SMEs aimed at developing a higher level of skills that will support small business growth (European Commission, 2003; Lambert Review, 2003; Leitch Review of Skills, 2006; DIUS, 2007, 2008; Zhang and Hamilton, 2010). In this paper we explore the relationship between entrepreneurship education and regional development by examining a programme delivered by a higher education institution for growth-oriented small business owners. We concern ourselves with addressing the overarching questions: *What is the impact of HEI and SME engagement on entrepreneurship education? And How does HEI/SME engagement impact on a regional economy?* To deal with these questions a qualitative approach to the research was adopted to examine the situations of five SME owner/managers over a five year period. Findings show that entrepreneurship education delivered a range of economic benefits to SMEs and the region. Moreover, through engaging owner/managers have the opportunity to interact with others and this supports the growth and development of the business.

1. Introduction

In this paper we explore the relationship between entrepreneurship education and regional development. More specifically, we examine a programme delivered by a HEI for growth-oriented small business owners and its impact on the regional economy. This interaction between higher education and small businesses was funded by government, driven by European, national and regional policies (CEC, 2006; DIUS, 2008; NWDA, 2009). It has been the subject of studies which demonstrate a positive economic impact on the economy of the North West of England (Ferris, 2003; Cox and Taylor, 2005; Wren and Jones, 2006; Flores-Romero, Robertson and Sanyal, 2008).

The entrepreneurial learning literature stimulated within the HEI the development of entrepreneurship education for small business owners. This took the form of an integrated learning model (ILM) to provide a series of experiential learning activities designed to trigger reflection that would lead to learning. To test this hypothesis the ILM was enshrined in the LEAD programme (a 10-month part-time course for SME owner/managers). This research confirmed the essential role of reflection in learning beyond our expectations. Participants could articulate that the different elements of the programme prompted them to reflect and change their world-view and their everyday practices. In undertaking this research around the ILM what emerged was the added benefit of high levels of trust existing between non-competing like minded owner/managers, strong networks that endure beyond the programme and learning taking place in these networks.

We present the findings from a study which followed five entrepreneurs over a five-year period. These small business owners participated in a development programme (LEAD) between 2004 and 2006. The programme concentrates on two areas; the business itself and the personal development of the owner/manager, providing a framework to increase profitability, diversify and grow the business. Qualitative techniques were used to consider the situations of our participants and record their experiences. For the purpose of this study we concern ourselves with addressing the overarching questions: *What is the impact of HEI and SME engagement on entrepreneurship education? And How does HEI/SME engagement impact on a regional economy?*

We argue that our research is testing the relationship between entrepreneurship education and regional development. We show that the HEI specific processes of LEAD, based on experiential learning and reflection, accelerate the build up of trust. Further, we show that the creation of a HEI generated network of entrepreneurial owner/managers, funded by regional government, creates social capital within the network and there are indicators that the social capital and the networks have endured years after the engagement with the HEI has finished.

This paper is organized in the following way. First, a review of the literature relating to HEI-SME engagement, the relevance this has for economic impact and the role of entrepreneurial learning in informing SME engagement is provided. Following this a discussion about the methodology used to operationalise the research questions is provided along with background material about the participants used for this study. Thereafter, the findings from this study are discussed. Finally, conclusions, recommendations and some direction for future scholarly inquiry are provided.

2. The impact of HEI/SME engagement

The health and performance of the SME sector is crucial to regional and national economies of most developed countries (Jones, Macpherson and Thorpe, 2010; Thorpe, Cope, Ram and Pedler, 2009). Often seen as “tiny acorns from which large oak trees can grow” (Thorpe *et al.*, 2009: 201), the view of government throughout the developed world is that this sector should be supported and encouraged. In order to achieve this, a number of government schemes and policies have been introduced in the United Kingdom (UK) to encourage interaction and engagement between HEIs and SMEs (Johnston, Hamilton and Zhang, 2008).

2.1 The drivers for HEI/SME engagement

Ideally HEI-SME engagement is seen as a two way practice, the notion being that while HEIs are encouraged to interact and engage with the smaller business community, SMEs are enticed to play a “demand-led role” by government and to collaborate for research and teaching opportunities (Johnston *et al.*, 2008). Ultimately, the underlying assumption is that both parties need to get smart to stay competitive (Yusuf, 2008). This is primarily for three reasons. First, the rise in the importance of the knowledge economy means that by forging links between universities and business, knowledge will be stimulated, ideas will be exchanged and so nations will become more competitive (Yusuf, 2008). The ability to learn through acquiring and applying new knowledge is important for enhancing organisational performance especially within the SME sector (Jones *et al.*, 2010). Second, is the realisation that the funding situations for education are becoming difficult and so alternative sources have to be found if universities are to survive (Yusuf, 2008). Third, through such links the HEI is perceived to potentially be able to play a critical role in revitalizing and regenerating regions through facilitating economic growth and stimulating and sustaining SME development (Johnston *et al.*, 2008). This being the case, it is probably not too surprising there has been an increasing amount of research looking at the role of HEIs in shaping economic enterprise and development (Coenen, 2007; Cox and Taylor, 2006; Gunasekara, 2006; Johnston *et al.*, 2008; Woollard *et al.*, 2007).

2.2 The regional impact

Noteworthy amongst recent studies of the regional economic impact of universities is a body of work addressing the work of Lancaster University. Some eight years into a period of sustained engagement with regional SMEs, Wren and Jones (2006) conducted an evaluation of the impact of Lancaster’s LEAD¹ Programme. During the period 2004-2006 LEAD delivered a ten-month development programme to 67 micro business owner managers. Their *ex-post* evaluation employed a questionnaire, receiving 42 responses from the 67 companies involved in LEAD. They reported positive impacts on firms by encouraging owners to develop a more strategic approach and improve the general management of the business. More specifically, they found median and modal annual sales increases due to LEAD were in the range £100,000 to £250,000, compared with average annual sales turnover for the firms of around £1 million. Even taking the pessimistic view that LEAD had no effect on non-respondent firms, the mean annual sales increase due to LEAD was £130,000 a year across all 65 firms. They concluded that LEAD had substantial effects on business operations and outcomes, and that the LEAD programme was successful in achieving its objective of promoting business development and growth.

Going beyond the single-project level, the consulting firm Arthur D. Little undertook an appraisal of the impacts likely from an investment in a new building at Lancaster. Based upon interviews with small business clients of the university, they concluded that investment of £4.5 million in the Lancaster Leadership Centre would produce a strongly positive economic impact in the North West of England (Ferris, 2003). The report recommended that the investor, the North West Regional Development Agency, should produce a good practice report on the business support activities of the Lancaster University Management School. In response to the endorsement that came in the Arthur D. Little report, Lancaster staff published a case study on the impact of LUMS on regional economic development (Cox and Taylor, 2005). Examining forward linkage effects that would result from a higher degree of engagement with regional SMEs, they demonstrated the substantial positive impacts that the university sector can have on regional economies. They singled out the effects that university work with businesses can have on increasing SME sales turnover, and thus on regional economic competitiveness.

Finally, at the cross-campus level, Flores-Romero *et al.* (2008) analysed the impact of eight business engagement teams from a range of faculties and departments at Lancaster University. Their survey received 242 responses from 495 target companies which had been supported over the two-year period January 2006 to December 2007. They found increases in employment which exceeded regional averages for comparable firms from equivalent sectors (an annualised rate of 9% for assisted enterprises versus a North West range of -2.2% to 0.2%). They also recorded increases in sales turnover, profit and gross value added. Moreover, they recorded that respondents attributed positive contributions to their business growth as resulting from the interventions by the university. They concluded

¹ LEAD was funded by the North West Development Agency, and the programme is currently being rolled-out across the NW of England via a network of twelve delivery partners. This roll out will see the total number of LEAD alumni exceed 1,500 by 2013. In addition, LEAD Wales is about to be launched by Swansea University, and will see over 600 SME owners from that country benefit from the programme by 2015. Lancaster University is assisting these new providers to develop and deliver their programmes, and the impact of LEAD is now evident at a significant scale.

that every £1 of public grants spent on supporting businesses generated an increase of between £2.40 and £4.30 of additional sales.

This suite of studies, all dealing with a single institution over a period of three years, gives a consistent message that appropriate engagement between a university and regional small businesses can yield tangible realised business benefits. This work has also produced a host of real benefits for the university. In addition to funding and the new posts that come with it, these include more abundant opportunities for student placements and projects with real local businesses; enhanced access to companies and entrepreneurs for research purposes; ready availability of practitioners who are willing to contribute in classroom and seminar teaching; an increased salience across campus of the need for, and benefits accruing from, meaningful engagement with the business world; and, perhaps most importantly, a changed perception in the business community at large of the readiness of the university to engage with business.

2.3 SME entrepreneurship education to date

Historically, business and management schools, especially university-based schools, have had an increasing impact on business knowledge, how it is transferred and delivered to students and managers (Gibb, 2009). Nevertheless, their delivery of knowledge has met with criticism, particularly within the realms of entrepreneurship and the wider SME sector (see Gibb, 2009: 200). Criticism probably stems from the fact that such schools were established to serve the needs of large organisations, but since the 1990s as structures have changed, entrepreneurship has appeared in curriculum (Pittaway and Cope, 2007; Gibb, 2009). However, there is a belief that entrepreneurship is best taught outside such schools because of the narrow context they offer compared to the wider context of entrepreneurship (Gibb, 2009). Yet, establishing relationships with universities can have substantial rewards for SMEs (Gilbert *et al.*, 2008). Nevertheless, it is often the case that small business owner/managers have to be “bribed to attend formal programmes of learning” (p. 209); the driver to participate is often the development of the business, the solution to a problem, ability to grasp an opportunity, benchmark the business or simply curiosity and the need to move away from isolation (Gibb, 2009).

HEIs have been providing a growing number of training programmes for SMEs (Zhang and Hamilton, 2010). This strategy has been supported by government policy and is viewed as a mechanism for developing higher level skills and supporting small business growth (European Commission, 2003; Lambert Review, 2003; Leitch Review of Skills, 2006; DIUS, 2007, 2008). However, the link between what universities do in terms of training and how this impacts on organisational performance is coming under increasing scrutiny, especially in recent times when policy makers quite rightly have to justify how much money is spent and how it is allocated (Thorpe *et al.*, 2009). According to Ram and Trehan (2009), there is also an issue over business support interventions which have been criticised for being top-down, product oriented and not designed to meet the needs of the smaller firm (Anderson and Gold, 2006; Bennett, 2008). Possibly as a consequence of the encouragement they have received from policymakers but also as a response to the criticism such interventions have faced, HEIs involved in small business and owner-manager provision have been shifting away from the more traditional means of education delivery and towards facilitating entrepreneurial learning through more innovative methods (Zhang and Hamilton, 2010).

As illustrated earlier, the LEAD programme is delivered through Lancaster University Management School. It was established with funding from the North West Development Agency (NWDA). From the HEI perspective there was an assumption underpinning the development of the programme that the design should be driven by a theoretical understanding of how small business owners learn. At the time the ILM was being developed for the LEAD programme there was a relative lack of understanding about small businesses and how they learn (Deakins, 1996; Rae and Carswell, 2001; Harrison and Leitch, 2005). However, there was an important emergent literature in the area of entrepreneurial learning which commonly focused on the owner manager as the unit of analysis (Reuber and Fischer, 1993; Gibb, 1997; Cope and Watts, 2000; Minniti and Bygrave, 2001; Rae and Carswell, 2000; Cope, 2003). This literature aimed to develop an understanding of the learning ‘experienced by entrepreneurs during the management of a small enterprise’ (Cope, 2003: 429).

This emergent literature held the view that small business owners learned from their experience. This understanding suggested that experiential learning theories would be an appropriate basis for designing what Cope (2003) described as entrepreneurial ‘learning mechanisms’ (p. 430). The individual elements of the ILM were not innovative or particularly new. The combination of the elements and the ethos of reflection were, however, unique. This understanding was derived from the emerging entrepreneurial learning literature and its focus on experiential learning theories. Researchers appeared in agreement that small business owners learn through experience. Cope (2001; 2003), drawing on organisational and adult learning theorists, emphasised that learning took place in reflecting on that experience. His work concluded that reflective processes and learning ‘are inextricably linked’ (p. 443).

The elements of the LEAD programme seem to represent triggers for reflection. The theory suggests that in provoking the participants to reflect on their own practice learning takes place. The effectiveness of embedding reflective processes was evidenced by two changes made in the early days of the programme in response to feedback from the small business owners. Firstly, there was a request to put on ‘learning and reflection’ days where participants could

take stock at various points in the ten months of the programme. Secondly, the first cohort was offered mentors, but this was deemed by the participants to be unhelpful. It was often the case that the mentor would offer advice and be directive whereas the participants had learned to rely on the reflective process to find solutions for themselves.

Subsequent literature has reinforced the importance of experiential learning for SME learning (Cope, 2005; Corbett, 2005; Politis, 2005; Clarke, Thorpe, Anderson and Gold, 2006; Pittaway and Cope, 2007). Some authors also note the importance of a social dimension to learning (Taylor and Thorpe, 2000; Cope, 2005; Pittaway and Cope, 2007). This is supported by studies of the LEAD programme suggesting that learning from each other, 'peer learning', is taking place (Zhang and Hamilton, 2009).

HEIs can provide a theoretical understanding of how to support enterprise education for different groups. Pittaway and Cope (2007) studied an undergraduate entrepreneurship module in terms of experiential learning. Rae (2005) based a programme for 'mid-career' entrepreneurship on an 'opportunity centred approach' (p.556). He used his entrepreneurial learning model to provoke the participants to reflect on the programme rather than an underpinning of the process. Nevertheless, his design was theory led. Evidence suggests that enterprise education based on the foundations of on-going research in the field of entrepreneurship appears to deliver positive economic benefits to SMEs and the region.

It is against this background that this research is set. More explicitly, we deal with the questions: *What is the impact of HEI and SME engagement on entrepreneurship education? And How does HEI/SME engagement impact on a regional economy?*

3. Method

To deal with these questions a qualitative approach to the research was used to examine the situations of five SME owner/managers who participated in the Lancaster University LEAD programme between 2004 and 2006. As part of the learning process, participants were encouraged to interact, engage with and support each other throughout this programme². Participants for this study were originally interviewed at the beginning and in the middle of the programme and follow up interviews were carried out by the lead author (himself a practising entrepreneur)³ in March 2009.

Delivery of the programme utilises an 'Integrated Learning Model' that is based on experiential and observational learning manifested in Action Learning, one-to-one coaching, business shadowing and exchanges and inspirational and business master classes. In dealing with our research question, an objective was to consider what impact, if any, LEAD had on these delegates five years after they had completed the programme and importantly had it impacted on their learning experiences and business activity. We felt five years was an appropriate period of time to see if that impact was still there and after a period of time.

3.1 Approach

Qualitative techniques were deemed appropriate for this study because we were dealing with soft and complex issues involving elements of process over time (Curran and Blackburn, 2001; Oinas, 1999). Such issues are difficult to quantify (Hammersley, 1992). Moreover, as Leitch, McMullan, and Harrison (2009) point out, most work that has looked at programmes of this nature within the smaller business context have been quantitative by nature using a pre-developed, behaviourally-based leadership assessment tool (Bryman, 2004; Hunter, Bedell-Avers and Mumford, 2007). While such an approach offers some benefits it also comes with a range of limitations and hinders understanding (Denzin and Lincoln, 2005). Thus, approaching our study using qualitative techniques was felt to not only offer the opportunity to deepen understanding but also broaden our knowledge about entrepreneurship education, how this might impact on the small business owner/manager, his/her activities and over time.

To consider the experiences of our individual respondents, data relating to their situations, learning activities and experiences of engaging was gathered. A framework for data collection and analysis was developed from the

² Zhang and Hamilton (2009) illustrate that the programme included eight elements: (1) two-day overnight experiential events when participants got to know one another; (2) master classes covering specific skills such as finance, marketing; (3) action learning where six participants met six times over the course for a full day, and the set members adopted a questioning approach in order to help the issue holder get a deeper understanding of his or her issue and reach a conclusion; (4) coaching and mentoring by experienced and trained professionals; (5) consultancy projects applicable for each participants, mainly on marketing, competitor analysis, business planning or growth; (6) shadowing and business exchanges where a pair of participants visited each other's business for two or three days observing and giving feedback to their pair on his or her leadership (shadowing), and working in their partner's business for a week to run a mini-consulting project (business exchange); and (7) an electronic discussion space (www.theleadforum.co.uk) to support communication and peer-to-peer interaction between everyone involved in LEAD.

³ ESRC Business Placement Fellow entitled "Entrepreneur-in-Residence"

literature review. This approach provided in-depth and detailed information. To generate data and understand the areas under investigation from the perspective of respondents involved, three research approaches were used. These were 1) participant observation in each of the five businesses, 2) informal interviewing of owner/managers and 3) a review of materials and transcripts generated from the owner/managers five years previously and whilst on the LEAD programme. Notes relating to the participant observation and informal interviews were recorded in a diary as a way of placing respondents in context. In-depth interviews were recorded and transcribed. This provided the opportunity to understand, through their reflection, how this programme had impacted on them as individuals and the businesses in which they were immersed.

3.2 Respondents

The sampling method we chose was purposeful, whereby respondents were deliberately selected with a specific purpose in mind (Punch, 2005: 187). This purposeful sample was selected on the basis that we thought the particular individuals selected would provide interesting examples and that we could learn about their experiences and the impact of those experiences had been on the business. However, in choosing our respondents we wanted to ensure that we received a balance in terms of research participants. Accordingly, we looked to select a balance of owner/managers from the 67 participants on LEAD programmes during this time to interview based on sector, structure of business, turnover and number of employees. This resulted in two manufacturing companies, one service company and two SME support service companies. There is a spread of Limited companies, family businesses and sole traders. The turnover of the five chosen companies varies across the range of turnover reported for the whole cohort (£150,000 to £2.7m).

Details about individual respondents are provided in Table 1. This table also provides an indication of reasons for joining the LEAD programme. In addition, a brief description of each person is given and the status of their company in 2009.

Insert Table 1 about here

3.3 Analysis

The process of data analysis also followed a similar approach to that used in previous work that has considered entrepreneurial learning (see Ram and Trehan, 2009). Data analysis used the key research themes but was supplemented by categories that were identified as being appropriate and which emerged during the process. This meant reading and re-reading interview material, revisiting notes and material generated through the data collection process, summarizing and categorising. So, the process was iterative rather than linear (Ram and Trehan, 2009).

3.4 Methodological issues

This study set out to deal with the questions: *What is the impact of HEI and SME engagement on entrepreneurship education? And How does HEI/SME engagement impact on a regional economy?* To achieve this, the first part of this paper provided us with a preliminary theoretical framework about the role of HEIs, their regional impact through the learning experiences of owner-managers and was used to inform our understanding.

We all work with the HEI concerned so wanted to ensure we were not looking at things through “rose tinted glasses”, and therefore only finding what we wanted to find. To deal with this issue we purposefully looked for contradictory indicators and cases but found few. This provides us with some confidence that our interpretation of the accounts we were given reflect the actual processes and the impact that took place.

As “entrepreneur in residence” (EIR) the role of the interviewer himself is interesting because not only does he have an appreciation of the world of the HEI, he also comes from and still lives the world of entrepreneurship and business. This did seem to impact on the interviews and the level and depth of information generated, respondents seeming open and willing to engage but also frank, honest and extensive in their responses. The EIR has over 25 years of varied experience being an SME owner/manager and brought world views on the life of an owner/manager to the research. In establishing contact with the participants, setting up the interviews and touring the businesses prior to the taped final interviews he was able to quickly establish a rapport with the owners in a way that was empathetic to their day to day lives. The respondents were able to see him as part of their world and as a result were more open than they might have been. Some respondents felt this was a useful ‘go-between’ positioned between the fast changing world of the SME and the more stable world of the HEI. He was able to intuitively respond to observed behaviour and was keenly aware of the ethical framework. Thus, respondents were told of the study’s purpose, agreement was requested to tape the interviews and respondents were assured of anonymity. The objective was to obtain a first-person description.

4. Findings

This section presents a discussion of the data and findings from the study. It is organised around three themes; the impact and the outcomes of engaging with entrepreneurship education (LEAD), the experience of engaging and the role of trust, and finally reflection and experiential learning. Due to the quality and richness of the data and to help

illustrate how views and perceptions changed over time, we have presented the data in table format. Where applicable, more illustrative examples have been drawn on and presented in the discussion around these themes.

4.1 The impact and outcomes of engagement

Section 2 summarised evidence of the economic impact on the business and the region of the LEAD programme. In this analysis we illustrate how delegates articulated the impact and outcomes of the programme. Participants were able to articulate dramatic changes in terms of themselves and the business during the programme and indeed years later see Table 2. Robert emphasised that one of his greatest changes was in how he ran his business. In 2004 he said, *"I do a massive number of hours, you can't expect people who you are paying to do the hours you do"*. Five years later he said, *"When I'm not needed in the office now, I go home"*. Rose commented that *"To the outside observer my company probably looks the same but anybody who spent a day in it five years ago would not recognise it in terms of atmosphere and attitude now"*

Insert table 2 about here

Specific themes emerging from the analysis included increased confidence, learning to delegate and changing the way they run the business. Confidence was a key theme during the programme. Amanda commented during the programme, *"One of the biggest things that I have got from LEAD was a lot more confidence"*.

On joining a group of other non-competitive small business owners participants quickly realised that they all shared common problems. They all to some extent discussed the feelings of isolation and loneliness in running their businesses. The LEAD programme helped them to realise that their issues were an inevitable part of their context not necessarily a symptom of their own failings. This helped them to grow confidence in their own abilities. Illustrating this five years later Amanda said, in relation to working with other like minded LEAD participants, *"it gives you a confidence in who you are and what you have to say"*.

A number of the participants displayed characteristics underpinning their feeling of loneliness and needing to be seen to be in control and as a result delegation does not feature to any great extent. What came out of the research and was not specifically thought of in the design of the course was the extent to which the HEI generated network helped address the issue of loneliness. Amanda commented five years after the programme, *"There is a degree of isolation being the leader but when you realise that others [on LEAD] share in these feelings it gives you a confidence in who you are"*. Rose comments that her business has a very formal leadership style and that, *"the leadership has been quite dictatorial"*. However, five years after completing LEAD she notes that, *"there is much more delegation and training. It's less formal and more relaxed."* Prior to starting LEAD Robert didn't believe that his staff could do what he could do so delegation never featured in his thinking about leadership, *"the characteristics of leadership are massive. I think ability is important"*. In his view he was the only person who could "do" all the tasks necessary for the business, *"it is far too easy for me to expect everybody to be able to do what I can do"*. Five years later he recognises this style of behaviour as inadequate and comments, *"I felt that I had to nail myself to the desk and I wasn't leaving until the last person left. I don't feel that need now. I'm more confident in myself because of that"*.

The increased confidence and better delegation demonstrated by all the participants' resulted in them doing things differently in their businesses. Duncan says, *"LEAD has given me a completely different view on how I deal with people. I try of help people make sense of what is happening around them and help them to see change as a benefit not a curse"*. Rose who now sees her role as, *"giving people the tools to find their own answers"* has embedded the reflective processes in her management practice. Amanda says, *"my behaviour is definitely different in recent years as a result of LEAD. I had to conform to the image I upheld of myself at work. Now I'm me. I say what I think in any situation, professional or personal"*.

4.2 Experiences of engaging and the role of trust

Owner/managers at all stages in the business life cycle often have limited access to people they can talk to about the issues that concern them. The data demonstrates that the LEAD programme appears to create openness and trust amongst its participants. Trust appears to play a big part in the way individuals were prepared to engage with the HEI and with each other. It is possible to speculate that without trust it is unlikely that participants would be willing to be open about their worries and concerns. This is evidenced in what Laura says before she starts the LEAD programme. She articulated her nervousness, *"I didn't know if I was going to be able to compete with them"*. Talking about their staff at the beginning of LEAD most of the participants displayed a Theory X (McGregor, 1960) view of how useful they were. If you are not monitoring them they will stop working was one opinion, staff will always try out for the easy life was another and it's the lack of decent staff that is stopping my company being great. Initially, there is little evidence of trust with their staff.

Insert table 3 about here

However, interviews during LEAD and years after LEAD show the dramatic nature of the change participants have experienced. The same people who did not really trust their staff are now confidently expressing their involvement of

staff as a good thing. Amanda said, *“I see myself far more as a leader than a manager. Part of that is the trust in my LEAD friends that has allowed me to trust my staff better”*. All of the participants felt that they had to be immersed in the LEAD process and that it took time to build up trust. As Laura says, *“the length of the programme [10 months] meant you built up good relationships, had I just gone on a short programme for two weeks I don’t think I would have got the same sort of benefit”*.

Interestingly, one of the most dramatic effects of the LEAD programme is the rapid establishment of early trust brought about by the overnight experiential. Participants spend two days doing a variety of team building exercises through use of the outdoors. For most if not all of the participants this is the first time they will have experienced such an event and it will be rare for them to take two days out of running their businesses. This experience sets the scene for the next 10 months and participants refer back to these two days throughout the programme. To some extent if you take any group of people and put them in quasi-social setting outside their work environment you will get a bonding affect. However, the pedagogy of LEAD, based on experiential and observational learning has all elements contributing to the speeding up of trust. Although not an academic programme, participants are very much made to feel part of the university; they sit in lecture theatres, the language is biased towards academia and programme content being delivered although practical in nature is always anchored in relation to theory. In addition, delegates recognise the structure of the university as being an established reputable place of study (Zhang and Hamilton, 2010). Participants naturally have a world view of a university just as they would have a hospital. Participants recognised this in their interviews after LEAD. Laura who thought the university was important, Rose and Robert who did not think trust would have been created without the university and Amanda who felt the university simply channelled the activities in a professional way to bring out the learning. All which shows the relevance of the HEI in this process

From the beginning of the research it was clear with all participants that this programme had an impact on the owner/manager, especially over time. However, what was really interesting was that the owner/managers interviewed all felt that the culture of their organisations has changed significantly. This was probably an outcome from the confidence in their abilities LEAD had provided. The increased confidence and skills of the owner/manager has freed up the working relationships within each company so that employees are more confident about the communication processes and more proactive behaviour is observed. Respondents felt that these benefits to the business were only achieved through joining LEAD. This programme not only changed the way individuals perceived their role but also in how they actually managed their business. All respondents discussed LEAD as having a positive impact. Respondents talked about an instinct for something or a gut feeling before starting LEAD and felt that they now have increased confidence to believe in themselves and act on these instincts in a more professional manner. They also appreciate time away from the business not only to improve the work/life balance but also recognising that time away gave them the opportunity to reflect on what they can observe is happening in their company.

4.3 Reflection and experiential learning

The participants articulated learning through reflection in interviews conducted during the programme, linked to the various elements of the course. Five years later they still recalled what Laura called a *“major light bulb moment”*. Learning through reflection was linked to each of the elements of the programme but many commented on it being the combination that was important, for example Rose said *“I think it was probably the whole thing, I think each strand brought its own particular piece to the jigsaw”*.

During the programme the SMEs referred to the importance of reflection. This study appears to confirm empirically the role of reflection in the entrepreneurial learning process. More empirical work has been called for in the literature (Harrison and Leitch, 2005). The metaphor of light bulbs occurs more than once. Amanda said she thought the programme would be all about the business, but the emphasis on personal reflection made her feel that it was about her, and her practice. The participants also commonly articulate taking those reflective practices back into the business, for example drawing on action learning principles to deal with staff problems.

Insert table 4 about here

The data collected five years after completion of LEAD suggests that participants had fundamentally changed the way they ran their businesses, dealt with their staff and customers (See Table 2). The widely endorsed view that entrepreneurial learning is based on experience and is action oriented (Young and Sexton, 1997; Deakins and Freel, 1998; Cope and Watts, 2000; Minniti and Bygrave, 2001) is linked to calls for a deeper understanding of how exactly SMEs learn from experience (Reuber and Fischer, 1993; Harrison and Leitch, 2005). Subsequently researchers have drawn on learning theorists to develop helpful explanatory conceptual frameworks. For example, Corbett, 2005 drew heavily on Kolb’s (1984) experiential learning theory to develop a model of opportunity creation. More broadly, Cope and Watts (2000), Cope (2001; 2003; 2005) relies on a whole range of theorists from individual, organisational and adult learning literatures. Learning is crucially linked to reflection and to the notion of different levels of learning (Cope, 2003: 432). Higher levels of learning are associated with intense reflection (Cope, 2003: 444). These higher levels of learning are described as having ‘the capacity to create entirely new assumptions and strategies for effective action’ (Cope, 2003:432). Duncan refers to the programme *“making me re-appraise what I do”*. The way the elements of LEAD *“sort of triggers things off”* as Rose comments, appears to have the capacity to change the business

practices of the participants in significant areas, that the impact studies suggest beneficial to the business and the region.

5. Further Analysis; networks and social capital

Hoang and Antoncic (2003, p167) define a network as “a set of actors and some set of relationships that link them”. What became apparent to us is that through the LEAD programme the HEI instigated the creation of a new network with a clearly defined set of actors and very specific relationships. While the HEI’s role might be described as that of broker (Aldrich, 1989) it was clearly important and supported by several key elements. These elements were primarily trust in the individuals running the programme and the ability of the HEI to create a supportive and comfortable environment assisted through the use of social events. The findings from this study suggest a number of things. First, that while it might be useful if mechanisms could be identified to speed up the process of the creation of a social network high in trust it has to be borne in mind that the building of trust relies on a social process and that this can only be developed over time. Second, that not only is trust required but also an ongoing commitment by the HEI to participants. Closure of the social structure is important for the existence of norms and for the trustworthiness of social structures that allows the growth of obligations and expectations; closure creates trustworthiness in a social structure (Coleman, 1988).

The LEAD programme is funded by the local development agency (NWD). Neergard and Ulhøi (2006) found that government agency may destroy existing cooperative arrangements. Others (see for example Jack *et al*, 2010; Zhang and Hamilton, 2010) have concerns about network intervention and instigation within the small business context. However, what the findings from the study reported here show is that it was the HEI which actually provided the mechanism which facilitated the network process. In turn this led to the development of social capital which helped to support the owner-managers and their activities. By bringing people together in the way it did the LEAD programme established through the HEI might even be described as a catalyst for creating change.

Social capital creates benefits to individuals by virtue of participation in groups and on the deliberate construction of sociability for the purpose of creating this resource (Portes, 1998 discussing Bourdieu 1985). This new network quickly established social capital [resources embedded in relationships (Burt, 1992a; Burt, 1992b)] and something usable in other networks that the owner/manager is part of. In other words the creation of a uniquely new network that deals specifically with the loneliness issues of owner/managers frees up the owner/manager and brings about an improvement in their social capital in other networks. Value for the business came about by being a member of LEAD and through the acquisition of a support network. This support network consisted of individuals with whom respondents felt comfortable and at ease. Social capital was formed through the development of social trust. Others have demonstrated that with whom entrepreneurs have ties has implications for the ways in which the business is operated, managed and functions (Greve and Salaff, 2003; Jack, 2005; Elfring and Hulsink, 2007). This is supported from the findings of the study reported here.

For respondents the importance of social context in influencing economic activity is clear (Aldrich and Zimmer, 1986). Through the LEAD programme contacts were converted into socio-economic bonds through the development of trust. This conversion process took place as understanding about each other took place, as knowledge about the other was increased and as participants generated experience of each other and learned how to trust the other but only over time. Once this conversion process was established, respondents were enabled to “use” their network ties to others and the social capital that resided within those ties to the benefit of their activities. In many ways the socio-economic bonds generated through the LEAD programme helped determine the future shape and form of the business. The work reported here begins to show the influence of time on the creation of networks and social capital. By demonstrating the positive role that the HEI had on this process through engaging these owner/managers in an entrepreneurship education programme, it also extends recent work which considers evolutionary perspectives on networks and co-operation in and between organisations (Neergard and Ulhøi, 2006; Hite, 2005).

All participants had some involvement with a network prior to starting LEAD. All of them viewed their networks as an external resource and not part of their organisation. Attitudes varied depending on how happy or otherwise individuals were about participating. Rose, in talking about her network experiences, expresses herself saying, “*I would literally be standing outside the door with sweaty palms and it would take a lot of will power not to just walk away*”. Whereas Robert confidently attended a network and was honest about his sole purpose was to sell, “*I go and sell to people there... I wasn’t looking to learn anything from them*”. It is clear from the comments presented in Table 5 that time involved with LEAD has built up participants networking abilities with startlingly different views four or five years after LEAD. Amanda sums up the change with her frank admission, “*I’ve got a LEAD friend and he tells me things he wouldn’t even tell his wife*”.

Insert table 5 about here

Comments suggest that what the LEAD programme has done is provide a mechanism for the emergence of a network of individuals and through this network social capital has been created which supports individuals. However, what is

also interesting is that it was the LEAD programme that provided the mechanism for the creation of network social capital. Moreover, the ability of LEAD to survive outside the University is questioned. This is especially interesting because enterprise agencies amongst other bodies throughout the UK seem to be increasingly looking to encourage networking by SME owner-managers (Chell and Baines, 2000). The findings here show that networking involves a social process over time but that unlike the more formalised mechanisms frequently offered and encouraged by enterprise agencies, HEIs might have a significant role to play through mechanisms like those reported here. It might be that other bodies involved in the promotion of networks take heed.

Perhaps the greatest benefit of the LEAD programme is the way the creation of a new network that is high in trust, accelerates the social capital, and provides peer-to-peer role models that inspires leadership development within its participants. To a great extent all the interviewees displayed this. Evidence that networks of social capital are being created and that there is a benefit accruing to the participants permeates all of the transcripts from the five interviewees. The LEAD programme creates a new network and there is evidence of social capital being built up within the network.

Social capital has been said to represent an investment of social resources with expected returns and that those expected returns can apply directly or indirectly now or possibly in the future (Anderson *et al*, 2007). Certainly our data seems to link with the notion of social capital. The idea of social capital implies that individuals should look to develop associations and build bonds that are applicable to their business and activities (Anderson *et al*, 2007). Moreover, the argument is made in the literature review that the generation of social capital is a good thing for owner/managers whose world otherwise can be a lonely place (Fafchamps and Minten, 1999; Liao and Welsch, 2005). However, a key aspect of building relationships with others is trust and this aspect of trust comes through clearly in our data and others who have looked at similar issues (Zhang and Hamilton, 2010). Trust has been described as a “coin of social exchange” (Anderson *et al*, 2007: 244) and it is social trust that is seen to facilitate co-ordination and co-operation between individuals (Putnam, 2000). So trust could be described as an important aspect of social capital. What the data demonstrates here is that the LEAD programme helped to facilitate the creation of trust.

6. Implications and conclusions

The purpose of this study was to consider the questions, *What is the impact of HEI and SME engagement on entrepreneurship education? And how does HEI/SME engagement impact on a regional economy?* In addressing our questions this study presents a number of interesting findings and has implications for researchers, practitioners, policymakers and those involved in the design and delivery of SME engagement programmes at HEIs.

The findings illustrate that the research influenced LEAD programme based on experiential learning and reflection, engaged the SME owner/managers, increasing their capacity to learn and in turn their knowledge. The wider group of SMEs were able to report an above average increase in GVA within the regional economy (Wren and Jones, 2006). The striking feature to come out of this research is the impact of the HEI generated network and the learning that took place as a result of being in that network. This supports the argument that entrepreneurs learn as and when they need knowledge and that they have a preferred style of experiential learning (Cope, 2003; Deakins and Freel, 1998). It also supports the work of Henry *et al* (2005) because it demonstrates that if we want to be able to assess the outcomes of an entrepreneurship education programme then those involved in entrepreneurship education need to understand what they want to achieve from that programme. The findings also demonstrate that the impact on the regional economy is that a RDA funded and HEI generated network established a group of SME owner/managers that is high in trust and where there is evidence of learning taking place through peer to peer activities. Additionally, this network has endured up to five years after the engagement with the HEI has finished and there appears to be evidence that the social capital is transferring to other networks of the owner/managers. However, this is an area that requires further exploration. Nevertheless, similar to Pittaway *et al* (2009) we found that building informality and a social element into the design of the programme is important because it provides owner/managers with the opportunity to develop relationships, trust and social capital.

What this study also shows is that for the small business owner-manager there can be benefits of engaging with the HEI sector. The networks in which the small business owner-manager engaged provided the opportunity to bring about change. Such change had a positive impact on the development of the SME and the individual business owner-manager. Moreover, owner-managers were immersed in a supportive environment where they were able to share experiences and seek support and advice. Thus, for practitioners this study demonstrates that engaging with the HEI sector and this type of programme can aid the business development process.

For those involved in HEI engagement of a similar nature as that reported here, this study demonstrates that the creation of trust and sociability are key aspects for the long-term success of the experience of engaging. However, this must be coupled with content that is rich in reflection. It is, therefore, important that HEIs recognise what creates these aspects as they may well be context specific. This work does suggest that the intermediary plays an important role. Within the context of innovation, Howells (2006) notes that more research which considers intermediaries, the

types of functions or roles they offer, how these have evolved over time but especially the nature of network relationships they are immersed in is needed. We would like to see more on most aspects of the network relationship and especially the role and impact of entrepreneurship education.

For researchers, it is evident that more work is required which considers the role and relevance of agencies in business engagement. While previous work has brought into question if agencies, especially those established and supported by Governments, do actually have a role to play (Neergaard and Ulhøi, 2006; Jack *et al*, 2010; Zhang and Hamilton, 2010), the work reported here demonstrates a successful engagement story which would not have happened without the agency. This is interesting because it has been argued that the HEI-SME interface can be difficult and fraught for many reasons (Johnston *et al*, 2008). Through our study we hope to have contributed to the debate and to have demonstrated a positive outcome from this relationship and how this was brought about through an entrepreneurship education programme. Nevertheless, this is only one example. Therefore, it would be useful if this study was replicated. The longitudinal nature of this study has perhaps helped us identify the patterns we have. We feel this has been an advantage in terms of expanding knowledge and understanding of HEI provision of entrepreneurship education and the potential impact this can have on regional economies.

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Table 1: Respondents

Entrepreneur	Business Activity	Year business established	Turnover	No. Staff	Lead Cohort	Reason articulated for attending LEAD
Rose	Insolvency Practitioners	1992	250,000	7	2004/05	Avoid getting bogged down in routine matters and grow the business
Laura	Estate Agents	2000	300,000	12	2004/05	I felt I was missing 'focus' in my personal development
Robert	Sports Fertilizer Sales	1998	650,000	10	2005/06	We have a good company; it should be a great company. I need help to make the next big step with my business
Amanda	Outside TV production	1997	2,700,000	29	2005/06	I often feel alone and I'm worried that lack of leadership skills could be a constraint of the business
Duncan	Accountancy	1996	600,000	13	2005/06	To help my team, my clients and myself to achieve our true potential
Rose	Rose is owner/manager of insolvency practitioners with offices in Preston and Carlisle. Unsure of whether she wanted to drive the business for growth as a sole shareholder she decided to sell her business to one of the other participants on LEAD, a finance company that was looking to expand its portfolio. Remaining with the company she re-located to Carlisle where changes in her personal life have give her a new direction.					
Laura	Laura and her husband run an estate agency which has seen significant growth during the period of investigation. Laura moved from a well paid executive job with a national retailer to work in the family firm when a new placement meant moving to London. From a shaky start Laura became a driving force in the business diversifying the company into a number of other areas. The housing downturn from the end of 2008/09 has forced the business to sell off some of the less profitable elements but the company continues to trade.					
Robert	Robert's company provides a specialist turf management system for sports organisations especially premium golf clubs and football grounds. The company provides fertilizer for grass surfaces and an intense management system to ensure the turf is of the highest standard. Robert has built a strong relationship with one key supplier and recognises that this is a blessing and a curse. He has a range of blue chip customers who always want Robert as their point of contact. This, coupled with Robert's self accepting inability to recruit satisfactory sales staff, limits Robert's time to be away from the business.					
Amanda	Originally recruited by the start up entrepreneur of a outside TV broadcast company that provides large screen TV's for major sporting events, Amanda quickly became much more that the entrepreneurs right hand woman and became the managing director of the company. Amanda was aware from the start that the entrepreneur cast a long shadow but she fought hard to develop management and growth systems for the company. Post LEAD she became increasingly aware that she was doing too much and a forced period or rest has allowed her to re-focus on more strategic growth for associated companies.					
Duncan	Duncan could fit into the stereotypical chartered accountants very easily coming from a big firm practice to set up his own local practice. However right from the start he decided to be different and this could be seen in his choice of marketing materials that sometimes got him into trouble with his fellow practices and with his Friday morning bacon sandwich sessions for anyone who just wanted to pop into their accountants. From the beginning Duncan recognised the changes that were sweeping through the compliance industry and started to develop his business into new areas for accountants to provide an enhanced service					

Table 2: The impact of engaging on the owner/manager and the business

	Pre Start of LEAD [From October 2004]	Middle of LEAD [April 2005]	Five years later [Feb 2009]
Rose	The business had a very formal leadership style which isn't where I sit happily. I think in the past the leadership has been quite dictatorial. Within my organisation the roles are very clearly defined and generally people don't have the opportunity to work with others. The team doesn't see themselves as a team. I think it is always very difficult when you don't, when you can actually fulfil 90% of your role without interaction with other people and we are not an open plan office so people shut their doors and get on with it	I am more confident in my leadership ability and I communicate better. I have also learnt that I have tended to want to communicate but have worried too much about other people's views on whether I should or not rather than just going with my instincts. So I am learning to trust those instincts a bit more really rather than worry about what the others think.	The long term impact of LEAD has been significant. To the outside observer my company probably looks the same but anybody who spent a day in it five years ago would not recognise it in terms of atmosphere and attitude now. There is much more delegation and training and a lot more coaching techniques used. It's also become a less formal environment and more relaxed. Pre LEAD I saw my role as providing answers, now I see my role as giving people the tools to find their own answers. Recognising the same problems in other people and then thinking well actually that's the same problem I've got so if they can deal with it like that, stop seeing different experiences but people having, no matter what the business, similar problems. It stopped some of that presumption that I think a lot of small business owners have is that I'm the only one in this situation. It's the same the world over, it's just small business owners
Amanda	One of the concerns is that I am too involved with management and not leadership and I think that I can see more and more the divisions between the two. I think management is where you actually tell people what you want them to do and leadership is where you help them make the right choices; I think leaders need to be intelligent and I think that society classes intelligence as having some form of qualifications, but I don't – I think being a leader is something you are more born with than taught how to be.	One of the biggest things that I have got from LEAD is a lot more confidence. None of this has been a blinding flashing light, the difference is that my perception of myself has gone from being in his shadow [the main shareholder] whereas I feel now that I stand completely autonomously and that I believe I am the best person in the business to run the business.	The first thing that comes to mind is the fact that there is empowerment in understanding that others are like-minded and share in similar experiences/pressures. There is a degree of isolation in being 'the Leader' but when you realise that others share in these feelings it gives you a confidence in who you are and what you have to say, even if it doesn't conform to the norm. Knowing that others on LEAD had doubts allowed me to accept my own. I often still refer to things I learnt at LEAD and there's more of a mental 'its ok to think/feel this because X said the same or X wouldn't put up with that'; My behaviour is definitely different in recent years as a result of LEAD. I often felt like I had to conform to the image I upheld of myself at work. Now I'm me. I say what I think in any situation, professional or personal. I can't be perfect stereo-typically, I can't be everything to everyone, but I do get it right a lot of the time and bring things to the table that others don't see. Staff do take the mickey about things I do or say but I know they always turn to me for help and direction so I have their respect, as well as feeling more comfortable allowing myself to be just that.
Duncan	I'm going on LEAD because I want to see whether there is anything that I doing from a management point of view and a business development point of view that needs to be changed. I'm going on it in the hope that I will come across completely new ideas to ways I had not dealt with before.	The reason I came on LEAD was because I wanted to develop further than I have and I expected that when I came on it there would be new ideas, new approaches, new techniques, that I would then be able to apply to my business and also to apply to clients businesses with any problems. Some of the master classes fit into that category	LEAD has given me a completely different view on how I deal with clients and also staff and the various issues that they bring with them. Previously I would have been sorely tempted to dive in sort the problem out (without having any idea about any external factors) and thinking that the client or member of staff appreciated that being done. Sometimes they did and sometimes they DEFINITELY didn't!; In quite a few cases had I actually taken more time to look and listen I would definitely have done things in a more LEAD orientated way. I now use my own life experiences (including Tales from LEAD) to try and give people a framework to work on and identify the possible steps that they could take to deal with the problem or decision that they need to deal with; So having gone from a purely financial role I now find myself as a new age accountant who actually tries to coach people in to finding the best paths for themselves, and their families in a number of cases, who

			tries to help people make sense of what is happening around them particularly at times like this and also helping them see that change is a benefit not a curse.
Robert	I think the characteristics of leadership are massive. I think ability is important. I think consistency is a very important thing. I don't think you can act one way one day and another way another day. It is far too easy for me to expect everybody to be able to do what I can do. Bluntly if they could all do what I can do they would do it for themselves and they wouldn't work for me. Also the hours – I think when it's your own business you do whatever hours – I mean I do a massive number of hours. You can't expect people who you are paying to do the hours you do even if they are committed to the target you are setting	I still work longer hours than anybody else. I can't see that changing. One of my complaints is why nobody else works the hours I do, but I keep being told it is because it is not their business. I still don't see that as a reason. I am joking with you to an extent. I am actually planning next year that I will be even more actively involved. I certainly want to be on the road more. I want to try and use my strengths more and focus on what I do better	Probably the biggest difference between then and now is that when I'm not needed in the office I now go home. Whereas before I felt that because it was my business I had to nail myself to the desk and I wasn't leaving until the last person left and I was the first person to arrive in the morning. I don't feel that need now. I think I'm more confident in myself because of that; The single biggest benefit I think that LEAD offers any of the people who go on it is it doesn't tell you what to think but it makes you think.

Table 3: The experiences of engaging and the role of trust

	Pre Start of LEAD [From October 2004]	Middle of LEAD [April 2005]	Five years later [Feb 2009]
Rose	If my manager has got her door shut she knows that she will walk out and find people chatting and it is fine within reason but you know they actually have to be at a level where they are doing the work because it needs to be done not because the boss is going to walk in any minute	The building of trust by realising that other people are dealing with similar issues is very helpful and useful. I have lots of friends but very few who are in business and it is completely different owning a business as opposed to being employed in one. So for me this is probably the only opportunity I really have to be completely open with people who understand exactly because they are in the same boat	I think to have that trust where you've got people who are going through the same pressures and the same experiences is invaluable. There are very few opportunities to do that because most people you come into contact with in business are with customers or suppliers, neither of whom you ever want to admit you've got a problem to.
Amanda	If you are incompetent then people think they can get away with things with you. It is just human nature for people to try out certain things for and easy life. The problem that we have is the team underneath us aren't strong enough yet and we need to get more people in place but we are not making money at the moment so I have to run myself ragged and it is all a bit of a vicious circle at times.	One of the things that I am worrying about in the back of my mind is when it all finishes because at the moment I have got people around me on LEAD who have similar problems. I have got people to talk to that I trust and I have got friendly, calm faces around. I'm going to be a bit sad when it ends.	It was never that I didn't trust the people I work with but for some silly reason I kept them all in departments depending on what their job was. On LEAD certain people in the first few days appeared to be quite stand-offish and they have actually been some to the people that I became closest to. I do see myself far more as a leader, before I saw myself as a manager. Part of that is the trust in my LEAD friends that has allowed me to trust my staff better
Robert	We have got a good business and we should have a great business. We have a number of difficulties. I am very bad at identifying people who would be good for the business – very bad at it. I have appointed half a dozen salesmen that haven't worked for us and they have cost me £20-25,000 each to find out that they are not going to work. Now partly that might be that I am getting wrong in directing them which is partly why I wanted to find out more about leadership	My style of leadership is something I have looked at, I don't think I have changed it fundamentally. I think I have tweaked it in a number of areas because of LEAD. One of my staff described it as a benevolent dictatorship which I think is a fair description and I do tend to be very positive on how I like things done. I have included other management far more in decisions and discussed things with them far more. I have actually had a sales meeting that I didn't attend and I got the sales force to run their own sales meeting.	I changed the business a lot because of LEAD. I think the atmosphere in the company is better, the staff are happier, everybody like being here more. I sent Jill, who is in charge of administration, on LEAD. She is more confident, she understands more where the business is going and that's without me talking to her and I think that's come from the university
Laura	When I first went I was very very nervous about starting the LEAD programme. I am a graduate myself but that was twenty years ago. My biggest fear had to do essays and do exams. So I felt quite nervous because I wasn't sure what these other business owners were going to be like, and I didn't know if I was going to be able to compete with them	Because we did all disclose some personal information, we built up real trust. And I know that if I've got a personal issue that I don't want to discuss with my husband, I just ring one of them and say how do I tackle this?	I think the fact it was the length of the programme meant that you did build up friendships and good relationships with people along the way. Had I just gone on a short programme for two weeks I don't think I would have got the same sort of benefit.

Table 4: The role of HEI and experiential learning

	Middle of LEAD [April 2005]	Five years later [Feb 2009]
Rose	<p>I think for me the one of the problems I have found is that the master classes are wonderful because you get lots of ideas but sometimes the chance to reflect and really consider and maybe implement things – there isn't enough time.</p> <p>I think maybe a realisation that there is more than one way of looking at things.</p>	<p>I think it was probably the whole thing, I think each strand brought its own particular piece to the jigsaw, or maybe side to the piece to the jigsaw.</p> <p>[LEAD] sort of triggers things off and even though you think oh this is going to be a nice jolly time it doesn't apply to my business inevitably its starts, things come through and you're into oh yes mmm. But without the coaching and the action learning the opportunity to develop those thoughts wouldn't happen in the same way I think because I think you're right taking time out of the business per se is invaluable and it should almost be compulsory that every business owner does that I think because it's the time away from the desk that gives you that opportunity to focus on things</p> <p>I'm a great fan of action learning because I've done more action learning since that first lot. And I think from the very basic level of the opportunity to improve your questioning skills and your coaching skills effectively[] And being able to work through a problem gives you a great learning opportunity</p>
Duncan	<p>And [LEAD] is making me reappraise what I do and why I do what I do</p> <p>An unusual though they are, I've seen quite a few different thought processes from the different members on LEAD</p>	<p>And LEAD was very useful for my point of view because it gave me a number of different tools [] as an alternative way of dealing with things</p> <p>But [LEAD] is definitely something that without a doubt makes a difference. And it made a difference from my point of view</p>
Laura	<p>The master class speakers have given me real insights into their minds, experiences to relate back to life. It's also a good insight to meet other business managers and to see what the university is doing, what training opportunities there are – I've driven past it may thousands of times and not really thought about what goes on</p>	<p>that opportunity to meet different people or to have different learning experiences</p> <p>Well the key thing that LEAD changed, all things mental, physical</p> <p>The master classes made a massive difference because the content, I always picked something out from the content that was relevant to me at the time and I think I've said before the Chris Moon one particularly where he said whatever life throws at you don't be the victim. And that was a major light bulb moment for me</p>
Amanda	<p>I thought it would be more about the business and I was quite shocked how much it was about me. I can see that to some extent that I am the business and the way I behave.</p> <p>So I sit there and it's like loads of light bulbs coming on</p> <p>It is all just led it has all been a build up to where I am now and the reflective time without actually realising it is all adding in</p> <p>I had a problem with a member of staff the other day and I took her off site and just spent a bit of time with her a couple of hours in the evening and normally I would try and solve her problems and motivate her and I wasn't and I realised what I was doing was asking her to find her own answers</p>	<p>What LEAD is unaware of and again just in the spirit of being honest and open, which I don't know whether I put, it's all about the applications that I learnt some fantastic things at LEAD but then you can only, you only learn from it if you apply it to yourself don't you</p> <p>I don't believe that LEAD failed me in any way, because if I'd had the same model I think that I would be working in the business, not on the business</p> <p>I mean conversations I've had with the life coaches are fascinating you know that set snowballs going because I started to think about my behaviour</p>

Table 5: Experiences of engaging producing a network benefit

	Pre Start of LEAD [From October 2004]	Middle of LEAD [April 2005]	Five years later [Feb 2009]
Rose	The idea of walking into a room full of strangers and I would literally be standing outside the door with sweaty palms and it would probably take a lot of will power not to just walk away and pretend I haven't got there at all	I like the fact that it is a group of people who are like-minded but with very different experiences in business. For me the only time I talk to other business people is when I am talking to my competitors which means you don't ever talk about things honestly. So to have the networking side of LEAD is something I like.	Being able to work through a problem gives you a great learning opportunity. I think the level of support for everybody was tremendous and I think one of the great things was there was always somebody you could talk to about something
Robert	I attend a forum put together of creative industries but if I'm being honest I go and sell to people there... I wasn't looking to learn anything from them. I am the owner of my business and nobody knows the business better than myself	In my particular industry networking hasn't been a big feature but it has been very helpful to meet other people on LEAD with similar businesses. One of the important things about the whole LEAD programme has been having confidence in the other people in the group. The confidence that you could talk about your problems and know they weren't going to be talked about outside the group or anything.	The benefit of LEAD was meeting other people on the course and talking to them and realising that they had the same problems. I got as much from listening to other people on the course as from a lecture. That gave me confidence as I thought I can't be the only one who has cash flow problems and the like. Martin and I did the business exchange, I got a lot from Martin, and I still do. He and I are still in regular contact. We meet up three, four, five times a year on various things. We meet and we talk and we discuss problems and I find that very very useful.
Amanda	There are things like the Federation of Small Businesses and so on which I am a member of. But people don't get to know each other. You meet once a month or once a quarter and it's a fleeting visit. So, whilst you do talk to a lot of people and know what they are doing, there are very few people you can just talk openly to about you business.	I do believe you learn from people I think no matter who they are. If you come into contact with them in your network you should try to take something from it	I've got a LEAD friend and he tells me things he wouldn't even tell his wife and I tell him things that most people might be shocked at and I'm okay with that