The story's end : a narrative analysis of entrepreneurial exit

GILL, Jameson

Published version

GILL, Jameson (2015). The story's end : a narrative analysis of entrepreneurial exit. In: EURAM 2015, Warsaw, 16 to 20 June.

Title: The story's end: A narrative analysis of entrepreneurial exit

Short running title: A narrative of entrepreneurial exit

Abstract

Based on a period of participant observation I examine the exit of the Managing Director from a family owned business. The study reflects on theories of entrepreneurial exit at both the level of the individual and the organisation. Through the adoption of a two step empirical analysis based on narrative theory, conclusions are drawn regarding the events and the Managing Director's actions which were antecedent to his announcement of exit. The article contributes insights regarding how an individual entrepreneur might come to make decisions regarding their exit from their firm, with respect to the context in which the firm operates. The article provides both a thick description of one local culture that will be useful for stimulating reflection amongst practitioners and prompting the operationalisation of more nuanced variables that might be adopted in future survey research.

Keywords

Entrepreneurial narrative, entrepreneurial exit, narrative analysis, family business

Introduction

The manner in which entrepreneurial actors withdraw from their commercial roles is a topic important to the entrepreneur, their firm, the industry and the economy (DeTienne, 2010). Indeed, the issues surrounding entrepreneurial exit are widely discussed in the popular press and books (DeTienne and Cardon, 2012). In the United Kingdom, for example, news papers tackle exit planning related topics such as the legal implications of exit (Birmingham Post, 2013), or discuss the importance of managing exit as part of personal wealth planning (Aberdeen Press and Journal, 2013). Advice and information, for entrepreneurs considering an exit from their firms, is provided by the UK Institute of Directors (www.iod.com) and a simple web browser search will return links to similar consultancy based advice and services.

Although, most entrepreneurial literature focuses on the various stages an organisation and entrepreneur might pass through before the exit stage, (DeTienne, 2010), entrepreneurial exit is becoming a growing area of scholarly interest (Cefis and Marsili, 2011a; DeTienne, 2010). However, very little academic research exists to document or explain entrepreneurial exit decisions (DeTienne and Cardon, 2012) and that which does focuses on large publicly owned organisations (DeTienne, 2010). In this article, I take the opportunity to study an instance of entrepreneurial exit which occurred during a period of ethnographic participant observation. I completed the research as part of a broader based project designed to investigate competing sales and production perspectives at a small printing firm based in the north of England. My data captured the events and actions which took place at the firm during the period when the Managing Director (MD) decided to exit the business.

To analyse this context, I synthesise three themes which are emergent in the extant literature; entrepreneurial exit, narrative and micro discourse. The micro discourse view eschews attempts to apply foundational theory to organisational context and instead proposes the development of a polyphony of context specific research (Ardley and Quinn, 2014). Consequently, the paper contributes a thick description of one MD's exit (Geertz, 1973) that suggests that entrepreneurial exit theory ought not only to consider the phenomenon at both the level of the individual and the firm, but how the two levels interact with each other in context specific instances. Such insights can help practitioners to reflect on their own circumstances and exit decisions. Additionally, the findings constitute a critical review of the survey orientated research that has so far been undertaken in respect of the topic and indicate a more extensive range of potential antecedents to exit which might be considered via the survey method.

The paper is organised in the following sections. First, I review the extant literature and synthesise it with both the narrative view and the notion of micro discourses. Next, by drawing on a period of ethnography at a small UK printing firm, I describe the application of narrative method to consider the events and points of view surrounding the MD's exit from the firm. The findings are described as a two-step process moving form structural narrative to evaluative narrative analysis and the paper concludes with a reflection on the exit literature and the value of a micro discourse orientated approach to the topic.

Entrepreneurial exit theory

Within the literature which addresses entrepreneurial exit, there tends to be a focus on either firms or industries as the level of analysis, rather than the individual (DeTienne, 2010) and, consequently, much extant research suggests that entrepreneurial exit is based primarily on firms' performance (DeTienne and Cardon, 2012). Indeed, literature based on the organisational ecology perspective, defines exit as the exit of a firm from a population of similar firms (Hessels et al., 2011). Where firms cannot compete, sooner or later they will leave the market (Cefis and Marsili, 2011a).

However, it is becoming recognised that well-planned exit strategies can be evidence of entrepreneurial success (Cefis and Marsili, 2011a). Entrepreneurs, as individuals, may choose to exit to reap the rewards of their success (Cefis and Marsili, 2011b), thereby moving innovation into established firms via mergers and acquisitions (Cefis and Marsili, 2011a). Therefore, entrepreneurial exit can occur in two contexts (Cefis and Marsili, 2011b; Dehlen et al., 2012), either the transfer of control over an entrepreneurial firm or the liquidation of the firm through quitting a business (Hessels et al., 2011) which no longer offers value creating opportunities (Salvato et al., 2010).

Consequently, there has been some debate over whether researchers should consider the exit of the entrepreneur or the exit of the firm they operate (Davidsson and Wiklund, 2001; Wennberg et al., 2010). In contrast to the organisational ecology view scholars have adopted the entrepreneur as the unit of analysis to define entrepreneurial exit as the process by which the founders of privately held firms leave the firm they helped to create, in terms of varying degrees of ownership and decision making, (DeTienne (2010; DeTienne and Cardon, 2012; Salvato et al., 2010; Wennberg et al., 2010). Subsequently, there have been a number of topics pertaining to the level of entrepreneurial exit, which have been contributed to the literature. In general terms however, the contributions adopt survey methods to address the range of modes of exit which might be taken, either by an individual or by a firm with respect to certain antecedents (Cefis and Marsili, 2011b; Dehlen et al., 2012; DeTienne, 2010) and the range of complicating factors which may intervene in the process of exit (Balcaen et al., 2011; Cefis and Marsili, 2011a, 2011b; DeTienne and Cardon, 2012; Salvato et al., 2010; Wennberg et al., 2010).

However, the manner in which influencing factors lead to the choice of exit route remain largely unexplored (Dehlen et al., 2012) so it has remained an under-developed variable (Wennberg et al., 2010) and, consequently, there have been calls for further research, both at the level of the organisation and the individual entrepreneur (Cefis and Marsili, 2011a). After all, very few empirical studies consider multiple and diverse exit strategies or factors other than firm performance and this is problematic because often entrepreneurs have a choice of which exit strategy to pursue (DeTienne and Cardon, 2012). Indeed, Wennberg et al. (2010) suggest that future research should be careful to disentangle the exit of entrepreneurs from their firms and the exit of the firm itself. Insights in these areas would enable population ecologists to move away from a position where exit is treated as a homogenous failure event (Cefis and Marsili, 2011b).

However, there is also recognition that the situated context of each firm, such as the firm's performance at the time of ownership transfer and the incumbent owner’s perspective, may be an important consideration (Dehlen et al., 2012). Similarly, Hessels et al. (2011) suggest that less is known about the personal determinants of decisions than determinants related to firm-specific, industry-specific, country-specific or spatial factors. Considering the situated context of individual firms suggests that there may be discursively constructed elements to the exit decision which are amenable discourse analysis or narrative analysis (Cobley, 2001; Mills, 2004). Therefore, further qualitative research which adopts such alternative assumptions may help to provide wider ranging contributions (Gartner, 2007, 2010). Indeed, Ardley and Quinn (2014) urge scholars to direct their research towards generating knowledge of the micro discourses of management which promotes context and individual meaning in management decision making.

This ‘bottom up’ knowledge generation is in contrast to much of the extant knowledge available on entrepreneurial exit which has tended to be the culmination of large scale survey projects. Such research makes a priori assumptions about what theory might be usefully applied to operationalise variables leading to a range of theoretical positions having been employed including; Stiglitz’s (2000) information asymmetry theory, Becker’s (1964) human capital theory, Kahneman and Tversky’s (1979) prospect theory, Gimeno et al.’s (1997) threshold theory, Nahapiet and Ghoshal’s (1998) theory of social capital and the theories of industrial economics (Caves, 1998; Geroski, 1995).

Consequently, although the authors who have adopted survey methods recognise the problems related to their use of secondary data (Balcaen, 2011; Cefis and Marsili, 2011b; DeTienne and Cardon, 2012; Hessels et al., 2011; Wennberg et al., 2010) and the difficulties of non-response where primary data has been collected (Dehlen et al., 2012), a reviewer of the discipline must content with the extra difficulties of heterogeneity in the underpinning theoretical assumptions which nevertheless posit generalizable findings, through the use of statistical modelling. Although it may not be statistically generalizable, qualitative research may help to develop the field of entrepreneurial exit by authentically revealing the reality of situated contexts (Tracey, 2010) as discursively embedded in a situated context (Ardley and Quinn, 2014). Indeed, such qualitative research has been identified as valuable in wider entrepreneurship research (Gartner and Birley, 2002).

Narrative, organisations and entrepreneurship

One qualitative alternative to the logico-scientific approach to social research is that associated with narrative methods (Gartner, 2007; Hamilton, 2013). Indeed, narrative has been posited as a fundamental component of human experience (Abell, 2004; Cobley, 2001; Gould, 2000; Labov, 1972; Latour, 1991; Levi-Strauss, 1955) which underpins life in organisations (Czarniawska, 1998, 2004). People draw on the stories held in their memories to guide their interpretation of the events they experience, based on their expectations of the future via the triad of expectation, memory and attention (Cobley, 2001). Consequently, Fisher (1984) contrasts the often assumed 'rational world paradigm' with his proposal of the 'narrative paradigm' and suggests that people usually act on the basis of narrative rationality; their judgement of the validity of a certain story.

Larty and Hamilton (2011) list 33 different approaches to narrative analysis in the wider ranging entrepreneurship research published between the years 2000 and 2010. Narrative research enables a focus on peoples' texts in place of a priori theories (Gartner, 2010) and, therefore, it can uncover the models used to talk about entrepreneurship and provide new ways to talk about the phenomenon (Gartner 2007). Entrepreneurs' life stories can be a source for entrepreneurial learning (Rae and Carswell (2000), thereby acting as inspirational tales (Smith, 2002). Indeed, such stories of both success and failure are often reflected in novels and biographies about entrepreneurs (Smith and Anderson, 2004; Mantere et al., 2013).

In this study, I analyse an instance of entrepreneurial exit which occurred during a period of ethnography which involved the collection of narrative data. The data captured the story of the firm in question and the part played by the exiting MD. The findings contribute both a micro discourse to the literature from which a polyphony of alternative analyses might grow, and provides context specific details which might better inform future alternative research study designs.

Methods and analysis

Narrative studies have been linked to ethnographic modes of data collection (Gubrium and Holstein, 1999; Hymes, 1996; Iverson, 2009) and Salvato et al. (2010) have suggested that a case study approach might be applied to qualitatively study entrepreneurial exit. In this study I draw on data collected during a period of ethnography which I completed whilst employed in a sales role at a small printing firm. The project had been undertaken to investigate the cultural conflict which occurred at the firm as a production orientation dominated an alternative sales orientation. To maintain the anonymity of the firm and those associated with it, I shall refer to company as CaseCo,

CaseCo

CaseCo was a small printing firm, employing less than thirty people, located in the north of England. The firm printed a range of items such as leaflets, brochures and posters, all produced and supplied to customer specifications. However, competition to win orders was intense and work was usually focused on monthly sales targets which, if achieved, would satisfy the production capacity of the firm. CaseCo's organisational customers tended to have a roster of several print suppliers and, with little to distinguish CaseCo from similar competing firms, quotations were often price sensitive. Through my broader based research I had already identified that cultural conflict occurred at the firm as a production orientation competed with, and tended to dominate, and alternative sales orientation.

The firm was owned and managed by three brothers, one of whom was the MD who, during the period of my ethnography, left to become an employee at another company. Orders and enquiries sent to CaseCo by customers were received at CaseCo by two 'customer account' people, the Customer Account Manager (CAM) and the Customer Account Executive (CAE), cost-plus prices and production schedules were calculated by two estimators, artwork was prepared by three art workers and there were a number of staff who ran the printing presses and delivered finished items. Two of the owners' wives managed the accounts function and the third owner's wife worked part-time during busy periods. I reported to the MD, however, communication at the firm tended to be informal occurring as people in the small working group carried out their work rather than via formal reporting procedures.

Data and Methods

There is no single method of research in narrative social science (Czarniawska, 2004) so the work of others should be used by each researcher as a source of inspiration from which they can derive their own approach to fieldwork. In narrative research, the outcome should be a meaningful account for others, so the range of narrative methods should be regarded as a 'toolbox' from which the researcher can choose the analytical tools which best suit the purpose of the study at hand (Bal, 1997). I collected data in a participant observation diary to facilitate the two-step narrative analysis suggested by Larty and Hamilton (2011) where an initial structuralist analysis (step one) enables a second stage of deeper semantic analysis (step two). To facilitate this approach, I used my observation diary to collect data based the two major components of Labov's (1972) narrative syntax. Firstly, 'complicating factors' which are the actions and events that occurred as CaseCo interacted with customers and, secondly, 'evaluation', the points of view of those who appear in the data.

Sets of complicating factors which presuppose each other can be considered together as narrative functions and in a narrative account one function 'leads to' the next as the logic of a narrative's plot unfolds (Barthes, 1975; Propp, 1968). Evaluation can occur through directly expressed opinions or through the use of lexical items and grammar (Labov, 1972; Thompson and Hunston, 2003). It can enable an interpretation of the apparent facts and putative causality on which people's points of view are based (Abell, 2004; Cobley, 2001; Czarniawska, 2004; Labov, 1972; Propp, 1968), thereby providing access to people's narrative rationality (Fisher, 1984; Smith and Anderson, 2004).

To record the data, often I could sit in the open plan office and write notes as the day's events occurred. At other times I made short notes which I wrote up soon afterwards. Where possible, I recorded what I thought might be important quotations verbatim (Hammersley and Atkinson, 1983; Porter, 1993). To gather the evaluative data, I took advantage of natural conversations to provoke further discussion either by asking questions (Czarniawska, 2004) or prompting reactivity (Gill and Johnson, 2002) to my sales point of view. This would often result in a production orientated response (Chang, 2008; Davies, 1999; Hammersley and Atkinson, 1983; Labov, 1972). By the time I concluded my data collection, I had recorded a series of complicating factors related to the interactions with ten of CaseCo's customers, the points of view of my colleagues in relation to the events which had taken place and, by chance, the circumstances surrounding he MD's announcement that he would be leaving the firm to take up a role as an employee at another firm.

Findings

I present the findings of the study in terms of the two step approach suggested by Ricoeur (1973) and Larty and Hamilton (2011), which I have modelled in figure 1. Step one is grounded in the broader based analysis to which this study is linked during which I analysed the structure of my diary data to interpret the sales and production perspectives. From the complicating factors captured in the data, I identified a number of narrative functions. Step two consists of, first, an exploration of how the MD acts in relation to the narrative functions identified during step one, i.e. the events at CaseCo in the weeks prior to the announcement of his exit from the firm, and second, an analysis of his reflection on the circumstances.

PUT FIGURE 1 ABOUT HERE

Step one

To interpret the competition between the sales and production perspectives at CaseCo, using the NVivo 8 software, I coded each of structural complicating factors as either supportive of the sales culture, supportive of the production culture, or as neutral in respect of either cultural perspective. Then, by reviewing the coded data, I identified 12 narrative functions (Barthes, 1975; Propp, 1968) which occurred as CaseCo interacted with the 10 customers represented in the data. Four functions were attributable to each of the sales and production orientated complicating factors and four were attributable to the neutral complicating factors. I have summarised the range of narrative functions and their definitions in table 1.

PUT TABLE 1 ABOUT HERE

As CaseCo operated to fulfil each of the customers' requests the complicating factors combined to form a narrative trajectory which described the manner in which CaseCo in its response, fluctuated between the functions related to the two cultural perspectives and those classified as neural. Subsequently, I sorted the data so the series of functions relating to each customer could be listed in temporal order, i.e. the story of CaseCo's interaction with each of its customers. Table 2 illustrates the series of functions relating to one of CaseCo's customers, Echo Ltd (pseudonym). Propp (1968) notes, the same narrative function might be performed by different combinations of actors from one telling of a story to another and once the data was organised with respect to CaseCo's customers, it showed that the MD appears as an actor in both the sales and production orientated functions, as the interactions with CaseCo's customers occur. In the first column of Table 2, I have indicated where the MD appears in the narrative trajectory associated with Echo Ltd and this finding indicated that in the second step of my analysis, the focus ought to be on how the MD plays a role in both the sales and production cultural perspectives at CaseCo.

PUT TABLE 2 ABOUT HERE

Step two, part one - the role of the MD in the cultural conflict at CaseCo

By reviewing the functions associated with each of CaseCo’s customers, the MD could be seen to act in respect of both the sales and production cultural perspectives at the firm. In fact the MD appears in two different respects, both in person and through invocations of his authority by other people at the firm. When appearing in person, the MD tends to appear as an actor in the INSTIGATION function where he encourages, and contributes to, attempts to attract orders and new customers. However, once orders are placed the MD tends to adopt the production perspective. Consequently, he becomes the focus of tension when the sales and production perspective come into conflict with each other.

In the first column of Table 2, I have distinguished between the instances where the MD appears in person and where his authority is invoked by others, with respect to CaseCo’s interaction with Echo Ltd. The series of narrative functions in question refer to two customer complaints, requests for compensation and CaseCo's reaction to the circumstances. Although the MD’s authority is invoked in support of the sales perspective, he only contributes in person in support of the neutral or production perspective, so a dilemma is implied. The following extracts of the data pertaining to Echo Ltd.'s interaction with CaseCo help to illustrate the dilemmas faced by the MD. Other actors who appear in the data are those employees based at CaseCo’s office that received and responded to customer communications, the Customer Account Manager (CAM) and the Customer Account Executive (CAE).

The MD makes his first appearance in function nine of the series of functions related to Echo Ltd. when I invoke his authority as part of the FIRM’S PROPONENT function because I did not have the authority to offer discounts of the size requested by the customer.

The customer has asked for a discount due to problems they have encountered with a set of printed leaflets which were supplied by CaseCo. The customer thinks that the artwork they supplied for the firm to print has not been properly reproduced. Having investigated the issues, I found that the complaint appeared to be valid. The total price of the order was approximately £2000.

Function 9: Firm's Proponent

I contact the customer to say we have found the problem and will discuss a discount with my MD when he returns from holiday tomorrow.

However, before I have an opportunity to speak with the MD, the CAM invokes the authority of the MD to comment on the situation through a series of three functions. First, through the COMMENTARY function she introduces the production perspective as an alternative to the sales perspective. This is articulated through the firm's processes of managing customer artwork and the proofing process, through which the customer approves the manner in which their artwork has been prepared for printing at CaseCo.

Function 10: Commentary

The CAM has mentioned the E___ complaint to the MD who has been in and left again, now due to return in the middle of the day. The CAM says that the MD is not very happy thinking that the customer has decided to proof a low res' PDF rather than a printed proof which would show the artwork as it is sent to the press.

The technical distinctions regarding methods of proofing and the MD are combined by the CAM and manifested as INVOCATION, in function 11, to provide an alternative perspective to that of the customer.

Function 11: Invocation

A PDF in his mind [the MD] *is a lower level of proofing.*

Consequently, through the logical progression implied by narrative functions this combination leads, in function 12, to OBJECTION. Once again the MD is invoked in favour of this position, with the addition of another element, the firms rush to deliver the items. Of course, the customer does not know what the circumstances are during the production of their items nor, it could be argued from the sales perspective, should they need to know.

Function 12: Objection

He [the MD] *apparently thinks in light of this and the fact that we rushed to deliver before Christmas that £700 is far too much a discount to ask for.*

So far, the MD has been aligned with both perspectives by others working at CaseCo. However, in function 13 he makes a personal appearance in the series of narrative functions and moves to the neutral function, EXPLORATION, in which the customer and I join him. Of course, a 5% discount (approximately £100) is one tenth of the compensation requested by the customer.

Function 13: Exploration

When I speak to the MD personally over the phone later in the day he offers a good will gesture of 5% reduction on the price which I offer to the customer over the phone. The customer says he'll consider it with his colleague.

The process is then complicated by a second complaint from the same customer. On this occasion, following a request for a printed carton, CaseCo has instead printed individual sides of a box rather than a box template. Although the order from Echo Ltd. did not include a template outline the customer had asked for a carton and the estimators had included this feature in the price. Faced with this information, the MD agrees to resupply the items free of charge (FOC) via SUBMISSION in function 33.

Function 33: Submission

The MD calls me back late in the afternoon about the E___ issues. He says we weren't asked for a carton but we've included the cutting in the price so we'll redo the job FOC.

Interestingly, whilst the two complaints are being considered together, in function 35 of the series, the MD suddenly acts to introduce SUBMISSION in relation to the initial complaint about the leaflet as well.

Function 35: Submission

He asks me to get a sample or further drawing. He still wants to be tough about the brochure but then says

*"Oh **** it, give 'em 10%" – MD*

I say I'll pass it on and hopefully tie things up.

However, the MD's move from 5% to 10% discount is insufficient for the customer and, in function 36, the customer acts to reject the MD's proposed solution through DISMISSAL.

Function 36: Dismissal

"Is your MD the kind of bloke who'd cut his nose off to spite his face?" - Customer

Following function 36, the contact with Echo Ltd. continued for a period of time as further efforts were made to maintain the relationship between the two firms. However, eventually, CaseCo was rejected as a supplier. However, in an attempt to restart the relationship, later the MD rejoined the sales perspective and he and I visited Echo Ltd in an attempt to regain them as a customer. I captured evaluative data relating to the meeting in my diary and I review this evaluative element next.

Step two – part two

The MD's support of the production perspective which, as I have shown above can lead to poor customer satisfaction, seems to contradict his efforts to encourage sales contact. Indeed in the evaluative component of my data there is evidence that the MD experienced dilemmas in light of this contradiction. Although the MD had sought to avoid offering anything more than a gesture of good will to resolve the complaint of Echo Ltd., as the following passages of data demonstrate, the subsequent loss of business led to sales actions and greater concessions.

The following passages of data related to the meeting at Echo Ltd. During which the MD, the customer's representative and myself attempt to recover the business relationship between the two firms. Passage 1 follows the MD's opening suggestion that CaseCo should discount the disputed order by £500, an amount already far in excess of his previous suggestions which had not exceeded approximately £200.

Passage 1

The customer goes on to say that in order to tie things up with his MD can we make the discount £600. The MD agrees immediately and the problem is sorted. I am sat there wondering why it's taken 5 weeks to get to this and why is the MD's attitude so fundamentally different from earlier in the day.

Despite the substantial increase in compensation, when the customer suggests a greater amount, the MD agrees immediately. I record my own surprise at the turn of events in the data. It seems that whilst away from the factory and physically closer to the customer, the MD's perspective has changed. Indeed, during a separate conversation (passage 2) the MD empathises with my view that the sales perspective can suffer from the manner in which production at CaseCo operates.

Passage 2

In addition to the problems I have encountered the MD has had several issues which have affected his customers in a similar way ... This coincides with him starting to take more of a proactive selling role which means he is away from the office approximately three days a week.

In passage 2, I recorded the MD's suggestion that he has experienced difficulties in supplying customers' needs effectively. He goes on to make a putative causal connection, evidential of his narrative rationality, by suggesting that his closer association with sales activity, which includes his absence from the factory, actually leads to poorer outcomes for customers. However, passage 3 shows that the MD's point of view remains grounded in a production perspective.

Passage 3

The MD says that he is surprised that proofing problems have occurred because he thinks everyone knows the issues around proofing and what should be made clear to customers. He thinks that maybe we aren't making a big enough effort to "educate customers" about the printing process.

Passage 3 contains further putative causal connections and statements of apparent fact indicated by the MD. Firstly, that all the people involved in the proofing process know the same things about it, i.e. proofing is a given fact. This is despite a context where there are multiple methods of proofing and customers use several printing firms which might proof in different ways, a point reinforced elsewhere in the data by one of CaseCo's art workers. The MD then draws the causal link that problems must be due to the lack of education amongst the customers. The use of the term 'educate customers' suggests that CaseCo knows how to satisfy customer needs better than the customers themselves.

The MD makes this point of view evident more overtly during a meeting called to discuss the problems customers have encountered. Passage 4 shows how, when I raise an issue related to a customer complaint, the MD contradicts his point of view indicated above in passage 2, by suggesting that he does not have problems with the customers with which he is the main contact. In passage 4, I also record my reflection that the MD's contribution has ingrained the production perspective amongst others as CaseCo.

Passage 4

The MD gets irritated at this saying he doesn't have a problem with his customers and I'm the only one who seems to have a problem, so I shut up. I feel that the CAE and CAM take this as confirmation of their view.

At the same sales meeting the MD announced that he was about the leave the firm. Passage 5 shows how, although he cites some personal motivations for the decision, a large part of the move is to manage succession to one of his brothers and ensure the best leadership for CaseCo in the future.

Passage 5

The MD then announces that he is stepping down as MD and phasing out his involvement in the firm over the next few months. He has been offered a position with a customer and will retain his share in the firm thereby making him available as a consultant. The MD says that he has enjoyed the last two years but needs a change, he says that there's a large personal element to his decision which he doesn't want to go into. The MD then announces that the CS [Company Secretary] *will be taking over as MD; he says it's a good time for him to take over, he's ready to take on the role and move things on better than he can do himself.*

However, once again there is a contradiction which occurred during a later conversation between the MD and myself, which I recorded the data in passage 6.

Passage 6

He [the MD] *says that he's got sick of "ramming the point home". He says that he suggests more productive ways of doing things and "everyone agrees it's a good idea and starts to work differently then there's a weekend and everyone has forgotten" and reverted back to how things were before.*

Therefore, in contrast to the well planned succession mentioned in the preceding meeting, in passage 6, the MD suggests that he has failed in gaining the support of the staff at CaseCo and has seemingly given up trying. Indeed, he is 'sick' of the situation.

Discussion and Conclusions

The two-step approach to analysis presented above describes how two alternative perspectives are competing at CaseCo. Analysis of the narrative functions shows how the MD at CaseCo encounters dilemmas whilst managing the business because he contributes actions to both of the firm's perspectives and his authority is similarly invoked by others. Indeed, the context of dilemmas is supported by evidence provided in the MD's evaluative contributions to the data. It seems that the narrative rationality (Fisher, 1984) indicated by the MD's putative causal connections and statements of apparent fact (Abell, 2004; Cobley, 2001; Czarniawska, 2004; Labov, 1972; Propp, 1968) does not align with, at least some, customer needs. Consequently, there are contradictions in the point of view he expresses, and adopts, when interacting with either the people at CaseCo or the firm’s customers. Indeed, the dilemma is apparent when he reflects on his exit as both part of succession planning and a result of him being sick of the firm’s circumstances.

Despite the indications that the point of view of the MD is that he is sick of the dilemmas that he faces at CaseCo, he has not opted to liquidate the firm, a choice which would be available to him with the agreement of his co-owners. After all, the readiness with which Echo Ltd. is prepared to eliminate CaseCo from its supplier list and the background context of suppliers having several print suppliers, suggests that the firm has a lack of competitive advantage. It is this context which exposes the firm to the price based competition which might encourage exit via liquidation, as described by the population ecologists (Cefis and Marsili, 2011b).

Taking an outside job, of course, lessens the probability of exiting through distress liquidation or sale and the MD has taken advantage of his general human capital to achieve his move to a new job and yet maintained a link to CaseCo through which he can employ his specific human capital (Wennberg et al., 2010) via his family connections. The MD can, therefore, avoid the potential inter-family conflict, which might occur through a negative reaction to his departure (Salvato et al., 2010), by distinguishing between his ownership and executive authority (DeTienne, 2010). The MD has, in the terms of Wennberg et al. (2010), adopted a failure-avoidance strategy. However, it appears that the MD's experiences have deterred him from devoting himself to a new entrepreneurial venture in the manner discussed by Hessels et al. (2011).

Therefore, although there has been some debate over whether research on exit deals with the exit of the entrepreneur or the exit of the firm they operate (Davidsson and Wiklund, 2001; Wennberg et al., 2010), the example of CaseCo suggests this is a false dichotomy. After all, when a firm exits the market this often means that the entrepreneur has exited as well, especially in terms of failure or liquidation. Perhaps entrepreneurial exit is better conceived as a broader based change of states involving an entrepreneur and their organisation which might include a range of situated facets particular to each case best described by Ardley and Quinn’s (2014) polyphony of micro discourses.

Therefore, although DeTienne and Cardon (2012) point to threshold theory as a lens for providing insights regarding the level of company performance which an entrepreneur might deem as a signal to exit, the example of CaseCo suggests a broader range of situated factors will influence each decision. For example, the degree of internal alignment, the number of customer complaints, or the degree of conflict encountered. Such factors might be linked to personal equity variables such as leadership qualities, resilience or even physical fitness. Indeed, there may be a range of asymmetry dichotomies, similar to the information asymmetry described by Dehlen et al. (2012), which impact on individuals' exit decisions, for example, the degree of internal conflict at a firm and an entrepreneur's personal level of resilience. At CaseCo the sales production asymmetry appears to be one important factor acting upon the MD.

It should be acknowledged that this study, due to its analysis of a single organisation, is limited in that it would be inappropriate to draw statistical generalities to wider contexts. Similarly, the approach to coding limits the analysis of the perspectives at CaseCo to two which might hide more nuanced accounts of how individuals would describe their own life at the firm. However, although empirical generalities cannot be justified, narrative ethnographies in situated case studies can make contributions to theoretical generalisations (Porter, 1993; Davies, 1999). Narratives allow subjective knowledge of situated accounts to be transformed into generalised and objective knowledge (Smith and Anderson, 2004). In particular, this study provides a case study view of how several measures of a firm's performance can combine to impact on the decision to exit, an issue which has been raised as an area in need of further research (Dehlen et al., 2012). Consequently, where survey orientated research might usefully inform macro policy related considerations this study more usefully provides an account that could help practitioners consider their own situated circumstances.

In this study, I have responded to the calls for further investigation into the nuances of entrepreneurial exit (Cefis and Malsili, 2011a) and highlighted potential new variables for further quantitative studies (Wennberg et al., 2010). The variables are related to the manner in which individuals interact with different perspectives and factors at the level of the firm. However, the study points to the complex manner in which such factors might interact and that, individual entrepreneurs construct stories about their exit decisions, different versions of which might be told to different audiences.

In the example of CaseCo, although the actual exit of the MD occurs once, there are two linguistic truths alongside the truth of the events which occurred (Cobley, 2001) because two endings to the narrative are provided. First, there is the 'move to a capable successor' and, second, there is the 'leaving due to becoming sick of the dilemmas'. Consequently, narrative studies will play an increasing role in entrepreneurship research (Gartner, 2007) because they provide a method with which to investigate the exit decision in situated organisational cases. This article contributes an example of how such an investigation can be conducted and forms the basis of a polyphony of similar accounts (Ardley and Quinn, 2014).

List of Figure and Table Captions

Figure 1. A two-step approach to narrative analysis, adapted from Larty and Hamilton (2011).

Table 1. The narrative functions identified at CaseCo and their definitions.

Table 2. The series of narrative functions relating to Echo Ltd.

References

Abell, P. 2004. "Narrative explanation: An alternative to variable centred explanation?". Annual Review of Sociology, 30: 287-310.

Aberdeen Press and Journal 2013 What every boss must consider. Available at: http://www.lexisnexis.com. (Last accessed 11 November 20).

Ardley, B. C. and L. Quinn, 2014. "Practitioner accounts and knowledge production: An analysis of three marketing discourses." Marketing Theory, 14 (1): 97-118.

Bal, Mieke. 1997, Narratology: Introduction to the Theory of Narrative. 2nd ed., London, Canada: University of Toronto Press.

Balcaen, S. S. Manigart and H. Ooghe. 2011. "From distress to exit: Determinants of the time to exit." Journal of Evolutionary Economics, 21(3): 407-446.

Barthes, Roland. 1975. "An Introduction to the structural analysis of narrative." New Literary History, 6 (2): 237-272.

Becker, G. S. 1964, Human capital: A theoretical and empirical analysis, with special reference to education. Chicago, IL: Chicago University Press.

Birmingham Post 2013 Law Firm holds Seminar. Available at: http://www.lexisnexis.com. (Last accessed 11 November 2013).

Caves, R. E. 1998. "Industrial organisation and new findings on the turnover and mobility of firms." Journal of Economic Literature, 36: 1947-1982.

Cefis, C. and O. Marsili. 2011a. "Revolving doors: Entrepreneurial survival and exit." Journal of Evolutionary Economics, 21: 367-372.

Cefis C. and O. Marsili. 2011b. "Born to flip: Exit decisions of entrepreneurial firms in high-tech and low-tech industries." Journal of Evolutionary Economics, 21: 473-498.

Chang. Heewon. 2008, Autoethnography as Method. Walnut Creek, CA: Left Coast Press Inc.

Cobley, Paul. 2001, Narrative: The New Critical Idiom. Oxford, UK: Routledge.

Czarniawska, Barbara. 1998, A Narrative Approach to Organisation Studies. London, UK: Sage.

Czarniawska, Barbara. 2004, Narratives in Social Science Research. London, UK: Sage.

Davies, C. A. 1999, Reflexive Ethnography: A Guide to Researching Selves and Others. London, UK: Routledge.

Davidsson, P. and J. Wiklund 2001. "Levels of analysis in entrepreneurship research: Current practice and suggestions for the future." Entrepreneurship Theory and Practice, 25 (4): 81-99.

Dehlen T, T. Zellweger, N. Kammerlander and F. Halter, 2012. "The role of information asymmetry in the choice of entrepreneurial exit routes." Journal of Business Venturing. Epub ahead of print. DOI: http://dx.doi.org/10.1016/j.jbusvent.2012.10.001

DeTienne, D. R. 2010. "Entrepreneurial exit as a critical component of the entrepreneurial process: Theoretical Development." Journal of Business Venturing, 25: 203-215.

DeTienne, D. R. and M. S. Cardon, 2012. "Impact of founder experience on exit intentions." Journal of Business Economics, 38: 351-374.

Fisher, Walter. R. 1984. "Narration as a human communication paradigm: The case of public moral argument." Communication Monographs, 51: 1-22.

Gartner, William. B. 2007. "Entrepreneurial narrative and a science of the imagination." Journal of Business Venturing, 22 (5): 613-627.

Gartner, William. B. 2010. "A new path to the waterfall: A narrative on a use of entrepreneurial narrative." International Small Business Journal, 28 (1): 6-19.

Gartner, William. B. and S. Birley, 2002. "Introduction to the special issue on qualitative methods on entrepreneurship research." Journal of Business Venturing, 17: 387-395.

Geertz, Clifford. 1973, The interpretation of cultures: Selected essays. New York, NY: Basic Books.

Geroski, P. A. 1995. "What do we know about entry?". International Journal of Industrial Organization, 13 (4): 421-440.

Gill, John. and Phil Johnson, 2002, Research Methods for Managers. 3rd ed. London, UK: Sage.

Gimeno, J. T. Folta, A. Cooper, and C. Woo, 1997. "Survival of the fittest: Entrepreneurial human capital and the persistence of underperforming firms." Administrative Science Quarterly, 42: 750-783.

Gould, Stephen. J. 2000. "Jim Bowie's letter and Bill Buckner's legs." Natural History, 109 (4): 26-40.

Gubrium, J. F. and J. A. Holstein, 1999. "At the border of narrative and ethnography." Journal of Contemporary Ethnography, 28 (5): 561-573.

Hamilton, Eleanor. (2013), Entrepreneurship across Generations: Narrative, Gender and Learning in Family Business. Cheltenham, UK: Edward Elgar.

Hammersley, M. and P. Atkinson, 1983, Ethnographic Principles in Practice. London, UK: Routledge.

Hessels J, I. Grilo, R. Thurik, and P. van der Zwan, 2011. "Entrepreneurial exit and entrepreneurial engagement." Journal of evolutionary Economics, 21: 447-471.

Hymes, D. 1996, Ethnography, Linguistics, Narrative Inequality: Toward an Understanding of Voice. London, UK: Taylor and Francis.

Institute of Directors 2013 Planning your exit from your business. Avaiable at: http://www.iod.com/guidance/briefings/db-planning-your-exit-from-your-business (Last accessed 11 November 2013).

Iverson, R. R. 2009. "'Getting out' in ethnography." Qualitative Social Work, 8 (1): 9-26.

Kahneman, D. and A. Tversky, 1979. "Prospect theory: an analysis of decision under risk." Econometra, 47 (2): 263-291.

Labov, William. 1972, Language in the Inner City: Studies in the Black English Vernacular. Philadelphia, PA: University of Pennsylvania Press Inc.

Larty, Joanne, and Eleanor Hamilton, 2011. "Structural approaches to narrative analysis in entrepreneurship research: exemplars from two researchers." International Small Business Journal, 29 (3): 220-237.

Latour, Bruno. 1991. "Technology is society made durable." In: J. Law (ed). A Sociology of Monsters: Essays on Power, Technology and Domination. London, UK: Routledge, pp.103-131.

Levi-Strauss, Claude. 1955. "The structural study of myth." The Journal of American Folklore, 68 (270): 428-444.

Mantere, S., P. Aula, H. Schildt, and E. Vaara, 2013. "Narrative attributions of entrepreneurial failure." Journal of Business Venturing, 28 (4): 459-473.

Mills, Sara. 2004, Discourse: The New Critical Idiom. 2nd ed. London, UK: Routledge.

Nahapiet, J. and S. Ghoshal, (1998). "Social capital, intellectual capital, and the organisational advantage." Academy of Management Review, 23 (3): 242-266.

Porter, S. 1993. "Critical realist ethnography: The case of racism and professionalism in a medical setting." Sociology, 27 (4): 591-609.

Propp, Vladimir, 1968, Morphology of the Folktale. 2nd ed. Austin, TX: University of Texas Press.

Rae, D. and M. Carswell. 2000. "Using a life-story approach in researching entrepreneurial learning: The development of a conceptual model and its implications in the design of learning experiences." Education & Training, 42 (4/5): 220-228.

Ricoeur, Paul. 1973. "The model of the text: meaningful action considered as a text." New Literary History, 5 (1): 91-117.

Salvato, C. F. Chirico and P. Sharma, 2010. "A farewell to the business: Championing exit and continuity in entrepreneurial family firms." Entrepreneurship and Regional Development, 22 (3-4): 321-348.

Smith, Robert. 2002. "Inspirational tales: Propagating the entrepreneurial narrative amongst children." In: W. D. Bygrave et al. (eds.) Frontiers of Entrepreneurship Research References 270 2002*:* Proceedings of the Twenty Second Annual Entrepreneurship Research Conference 2002: Massachusetts.

Smith, Robert and A. R. Anderson, 2004. "The devil is in the *e-tale*: form and structure in the entrepreneurial narrative." In: Daniel Hjorth and Chris Steyaert (eds.) Narrative and Discursive Approaches in Entrepreneurship: A Second Movement in Entrepreneurship Book. Cheltenham, UK: Edward Elgar, 125 - 143.

Stiglitz, Joseph. E. 2000. "The contributions of the economics of information to twentieth century economics." Quarterly Journal of Economics, 115: 1441-1478.

Thompson, G. and S. Hunston, 2003. "Evaluation: An Introduction." In: S. Hunston and G. Thomspon (eds.) Evaluation in Text: Authorial Stance and the Construction of Discourse. Oxford, UK: Oxford University Press, 1 - 27.

Tracey, S. J. 2010. "Qualitative quality: Eight “big-tent” criteria for excellent qualitative research." Qualitative Inquiry, 16 (10): 837-851.

Wennberg, K. J. Wiklund, D. R. DeTienne, and M. C. Cardon 2010. "Reconceptualising entrepreneurial exit: Divergent exit routes and their drivers." Journal of Business Venturing, 25: 361-375.

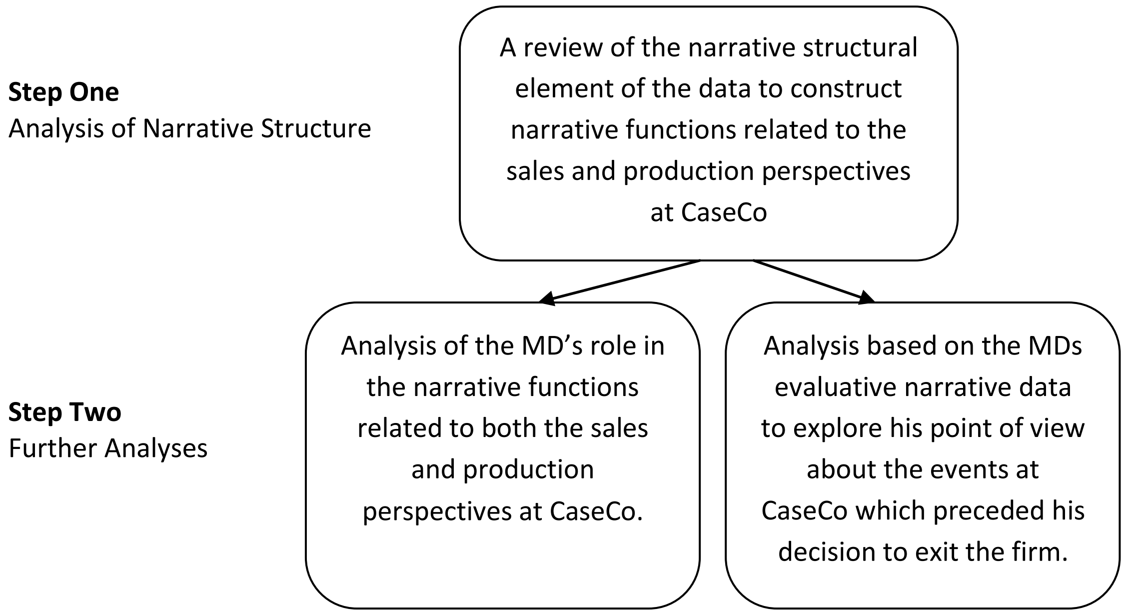

Figure 1. A two-step approach to narrative analysis, adapted from Larty and Hamilton (2011).

Table 1. The narrative functions identified at CaseCo and their definitions.

Function Category	Function Label	Function Description
Sales Perspective	Customer's Proxy	Where actions are taken to represent a customer by passing on a request, e.g. in the form of an order, enquiry, complaint, etc.
	Firm's Proponent	Where actions are taken to explain the perspective of CaseCo to a customer.
	Instigation	Where actions taken on behalf of customers are not instigated by the customer in question.
	Translation	Where actions serve to interpret customers' needs and then reflect that meaning in CaseCo.
Production Perspective	Objection	Negative actions towards an antecedent action associated with a function of the sales perspective.
	Postponement	Actions in response to an antecedent action associated with the sales perspective which serve to delay further sales orientated action.
	Invocation	Actions which serve to deny the sale perspective through the invocation of CaseCo's production processes and procedures.
	Dismissal	Actions which serve to reject CaseCo's responses to customer requests.
Neutral Perspective	Commentary	Actions which serve to comment on, or reason about, other action/events to make sense of them.
	Expediting	Actions which constitute the non-contentious aspects of work carried out in response to the needs of customers, for example despatching an order once the items have been manufactured.
	Exploration	Actions taken to explore possible solutions because there is insufficient information to act decisively.
	Submission	Actions which serve to abandon either the sales or production perspective in favour of its alternative.

Table 2. The series of narrative functions relating to Echo Ltd.

Function Number	Sales Perspective Functions	Neutral Functions	Production Perspective Functions
1	Customer's Proxy		
2		Commentary	
3	Customer's Proxy		
4		Commentary	
5		Commentary	
6		Commentary	
7		Exploration	
8		Commentary	
9 MD invoked	Firm's Proponent		
10 MD invoked		Commentary	
11			Invocation
12 MD acts			Objection
13		Exploration	
14			Dismissal
15		Commentary	
16 MD invoked	Customer's Proxy		
17		Exploration	
18	Customer's Proxy		
19		Commentary	
20			Postponement
21			Invocation
22		Exploration	
23	Instigation		
24		Exploration	
25	Customer's Proxy		
26 MD acts			Objection
27		Exploration	
28 MD acts		Exploration	
29		Commentary	
30 MD acts			Postponement
31		Exploration	
32		Commentary	
33 MD acts		Submission	
34	Customer's Proxy		
35		Submission	
36 MD invoked			Dismissal
37	Firm's Proponent		
38			Dismissal
39 MD invoked	Translation		
40 MD invoked			Invocation
41	Customer's Proxy		
42	Customer's Proxy		
43 MD acts			Objection
44		Commentary	
45 MD acts		Exploration	
46	Customer's Proxy		
47	Customer's Proxy		

48			Invocation
49	Firm's Proponent		
50			Postponement
51		Expediting	
52		Exploration	
53		Commentary	
54	Firm's Proponent		
55 MD acts		Exploration	
56		Commentary	
57		Expediting	
58			Dismissal
59 MD invoked		Exploration	
60 MD invoked	Customer's Proxy		
61		Commentary	