

RESEARCH ARTICLE

Are we ignorant about enterprise: Questioning assumptions?

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Abstract

Twenty years ago Gibb suggested that despite an ‘explosion of research’ into enterprise, there had been ‘a growth of ignorance’. To see if that still applies, this paper looks at the nature of ‘knowledge’ and in particular at how our knowledge about enterprise has evolved. It suggests that to build our enterprise understanding, assumptions were made but not subsequently reviewed and verified. For instance it seems to have been assumed that enterprise is a sub-set of business, with the apparent consequence that big business-based thinking is applied also to small businesses. The paper concludes that there is a *prima facie* case that ignorance about enterprise still prevails and there are examples which support this conclusion. In consequence, until the questionable assumptions are highlighted and their foundations recognised and corrected, we should not claim a leading role for our thinking or promote it as an appropriate basis for enterprise policy.

Keywords: enterprise; ignorance; half-life of knowledge; scientific method; questionable assumptions

Introduction

Academic recognition of enterprise and/or entrepreneurship may have started as early as the 1940s. For instance a paper by Arthur Cole (1942) of Harvard University entitled ‘Entrepreneurship as an Area of Research’ was published in 1942 and it was 5 years later in 1947, also in Harvard, that the first entrepreneurship course in the United States was said to have been delivered (Katz, 2003).

However for some time it remained a minority interest and, as one observer put it, even in the late 1970s entrepreneurship was ‘academically ‘flaky’ and lacking in a scholarly body of knowledge’ and ‘little research in entrepreneurship [went] on and consequently the literature on it remained thin’ (Plaschka, 1992). Nevertheless, awareness of it grew and it can be argued that it was the release of Birch’s (1979) findings about the role of small firms in job creation which triggered much of the current level of interest in this subject. Because that was a time of rising unemployment in many countries, the suggestion that it was small businesses which created jobs captured the attention of governments – and that attention led in turn to the availability of budgets for the exploration and encouragement of entrepreneurs and small businesses. In the UK, for example, government pronouncements made frequent references to the need for an ‘enterprise culture’ and the 1980s became known as the ‘enterprise’ decade (Bridge & O’Neill, 2018:19).

This year marks the 40th anniversary of Birch’s initial report and in the subsequent years the level of academic involvement grew considerably such that, as Gibb observed in 2000: ‘since the 1980s and particularly into the 1990s there has been an explosion of research into entrepreneurship and the small and medium enterprise’. It has also been reported that between 1990 and 2013 the numbers of academic papers published on entrepreneurship grew from fewer than 100 to over

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5,000 – an annual growth rate of just over 12 per cent (Meyer, Libaers, Thijs, Grant, Glanzel, & Debackere, 2013).

It might have been expected that this explosion of research would lead to an increase in knowledge but, in the paper in which he reported the ‘explosion of research’, Gibb also highlighted that, despite ‘a substantial growth in both the academic literature and in the grey literature of the press, journals and consultant reports ...’ there had been ‘a growth of ignorance’, a major manifestation of which ‘is the emergence of a number of outstanding ‘mythical concepts’ and ‘myths’ which are considerably influencing the establishment of policy priorities’. If there was indeed a growth of ignorance has that changed and has the time come, 20 years after Gibb first wrote that, to reassess his conclusion?

Enterprise or Entrepreneurship?

The paragraphs above refer mainly to ‘entrepreneurship’. When referring to start-ups this may have been the term initially used but ‘enterprise’ then become popular, particularly as a term encompassing the area of both start-ups and small businesses/SMEs – although it would seem that ‘entrepreneurship’ has subsequently again become a popular term for this wider meaning. However ‘entrepreneurship’ has other contradictory meanings so its use can be confusing (Bridge, 2017) and, except when quoting directly, this paper uses ‘enterprise’ when referring to the area of knowledge about start-ups and small enterprises and the people involved with them and to teaching about them and/or to policies for them.

Aim

The purpose of this paper is, in the context of how knowledge may be acquired and held, to consider the validity of some of the current received wisdom about enterprise and the assumptions which appear to be behind it – and thus to see whether, in this area, elements of ignorance might still prevail.

Method

The paper is based on an examination of the arguments that ignorance about enterprise still prevails, including both reasons for expecting it and specific examples of where it might be found, in order thus to see if a *prima facie* case for its existence can be made. Therefore the paper looks, in general, at how knowledge is developed and retained and, in particular, at how our knowledge about enterprise appears to have evolved.

Knowledge in almost any subject, it suggests, is not a set of absolute facts which are retained by everyone who studies that subject. It is usually a set of assumptions and theories which, in accordance with the generally accepted scientific method, should be tested and then observed and applied until they are found to be wrong or inappropriate. Also the body of such knowledge is not often retained by all the individuals exposed to it but is instead held by supposed experts and in repositories such as published literature to which individuals make reference when they need it – a bit like cloud computer storage accessed when necessary by individual IT devices but not to any large extent stored on those devices.

Therefore the paper examines the evolution of our enterprise knowledge to see if that might be the situation in this field. In particular, it seeks to identify and examine some of the assumptions and theories which apparently underpin our received wisdom to see if they represent useful learning or instead appear to be questionable and to contribute to continued ignorance.

Might Ignorance Prevail?

‘For the great enemy of truth is very often not the lie – deliberate, contrived and dishonest – but the myth – persistent, persuasive, and unrealistic. Too often we hold fast to the clichés of our forebears. ... We enjoy the comfort of opinion without the discomfort of thought’.

John F. Kennedy

Before looking at possible examples of questionable 'knowledge', this paper asks if it is likely that, after all the research that has been done into enterprise, entrepreneurs and small businesses since Birch, ignorance about them would still prevail? It considers the possibility that we might not know as much as we think we do – not least because of how our knowledge about something usually evolves and is retained.

The scientific method

How do we know what we think we know? Usually, we observe and from that make inferences and assumptions and build theories which seem to fit our observations. That is the core of what is referred to as the scientific method with the important addition that, having formulated theories, we should then test them and, if they pass, still be open to the possibility of further evidence and only use the theories until any such evidence queries and/or disproves them. That is how scientists try to operate: distinguishing what we do know from what we do not and trying to move from what we do know to find out about things we do not know – but being aware that the new learning we discover may query some of the old.

However, any implications of contrary evidence which might falsify a theory can take a long time to be acknowledged – and such evidence does not automatically lead to knowledge being 'reset'. For instance even a classical scientific development such as the Copernican revolution, which recognised that the earth revolved around the sun and made a significant contribution to Newton's thinking about gravity, was not fully accepted for centuries despite the wide availability of evidence which was not compatible with the rival earth-centred view (Warburton, 1992). It can also happen that theories are adopted without rigorous, objective, controlled trial, evidence. Continuous 'trial and error' is the way better knowledge evolves – provided we seek the evidence of any 'error' and correct it – but often we forget and assume that, once established, 'facts' are true for ever and do not need to be revisited. We may instinctively seek confirmation that our ideas are right – but we should instead assume that they may be wrong and look for appropriate feedback so that they can be improved. However, have we done that for enterprise?

The half-life of knowledge

We think we know a lot, not least because of our history of apparent progress in scientific understanding, and it may take time to find the limitations of some theories. For instance, Newton is often hailed as one of the giants who provided the foundations upon which physics built a reputation as one of our most deterministic sciences. Yet, although his 'laws' of gravity replaced earlier thinking and are still accurate enough for many applications, Einstein's ideas have provided a better explanation and been shown to be more accurate. This example and things like the ascent of quantum mechanics show that, even in the apparently rational and basic science that is physics, some older 'knowledge' expires as new concepts are developed. Thus it has been suggested (e.g., by Arbesman, 2013) that our knowledge about any subject has a half-life: the period of time over which 50 per cent of the current knowledge in that field is likely to be shown to be incorrect and/or superseded – because it is found to be wrong or irrelevant. One of the fields in which this is very obvious is medicine where the rate at which knowledge evolves is relatively fast with half-lives of 10 years or less being quoted for some of its branches (and see Case study 1). This concept would also support a view that, if we are not prepared to check and discard knowledge which has passed its 'use by' date, we will not create space for new views and so we will not progress in our thinking.

Case study 1 Ignorance in the field of medicine

The field of medicine offers a clear case of how our knowledge can change and develop as new thinking emerges. In early times healing was associated with the gods and was practiced by diviners, shamans and witch-doctors. The first essentially secular medicine in the West is said to be that of the Hippocratic doctors who decried traditional and religious healers and promoted theories based on observation of real patients. A major step for later medicine after the 'dark ages'

was thought to be the rediscovery of their theories, one of which that of the 'humours' in a body. There were supposed to be four 'humours' which were thought to be in balance in a healthy person. Blood was one of these humours and was believed to make you hot and wet. Thus someone with a fever was thought to have too much blood. (Porter, 2003 – and others)

So bleeding was often prescribed. It was apparently evidence-based policy and was the accepted practice. The medical establishment backed it, doctors were taught to do it, patients believed in it, and many of them got better after being bled. So it was not surprising that when, in December 1799, George Washington contracted a nasty sore throat and breathing problems his doctors bled him. When he did not respond they bled him some more. Four such bleedings removed over half his blood in the space of about 10 hours and after 2 days he was dead. His reported symptoms are consistent with an acute inflammation of the epiglottis but newer thinking suggests that it was probably the bleeding which killed him.

However, improving medical practice was not just a case of abandoning bleeding – but of abandoning the humours theory and all its implications. For instance, under this theory any illness (a dis-ease) was thought to be the result of a humour imbalance and thus the theory offered no concept that illnesses could be due to diet deficiencies, to poisoning, or to the invasion of germs – and so the different types of illness were not recognised. Indeed initial findings that cleanliness was helpful in preventing disease were often discounted because they did not fit with the prevailing theory. For instance, during the Franco-Prussian War in 1870/71 the French military medical staff ignored such ideas completely whereas the Germans did introduce some of Lister's antiseptic procedures for treating wounds and achieved noticeably better results.

So bleeding was not just an issue on its own but the consequence of a wrong foundation theory which had other implications – and replacing that foundation required new thinking such as an understanding of the circulation of blood and of the mechanisms of infection. The humours theory initially appeared to be an evidence-based advance on previous superstition but eventually it too was found to be wrong. However, while it lasted, it did not just lead to harmful treatments (although even they may sometimes have had a positive placebo effect) but it also served to delay further advancement because of the limitations of its constructs.

And medical knowledge is still evolving not least because there are still questionable assumptions. Johan Hari has recently reported how his depression was diagnosed as being the result of a lack of serotonin in his brain – but repeated prescriptions of drugs to restore his serotonin level did not produce any lasting improvement. So he tried to investigate why. His conclusion was that 'the notion that depression is caused by a chemical imbalance is just 'an accident of history', produced by scientists initially misreading what they were seeing, and then drug companies selling that misperception to the world to cash in' (Hari, 2018:29).

'Cloud' storage

A further factor in the limitations of the knowledge we sometimes think we have is that of how we hold/store that knowledge. As individuals we may think that we have learnt a lot but how much of the detail of what we have been told do we remember? It has been suggested (for instance by Sloman & Fernbach, 2017) that we do not retain all that we hear or read – but we think we know it because we know where to find it. It is as if it was 'cloud' stored and what we retain are, not the details themselves, but the links to where we think we can find them – whether that is in our notes, text-books, articles or other places available on the 'web.' And sometimes we may think we know about things because we have heard that the knowledge exists, even if we have not actually accessed it ourselves:

'A lot of human understanding consists simply of awareness that the knowledge is out there' ... 'We typically don't know enough individually to form knowledgeable, nuanced views about new technologies and scientific developments. We simply have no choice but to adopt the positions of those we trust' (Sloman & Fernbach, 2017).

So our 'knowledge' may not be reliable

We want to know about enterprise, we hear about it and use the vocabulary associated with it, and some of us even attempt to teach it. Therefore we think such knowledge does exist even though we do not ourselves know all the detail. So we trust the sources – but what if they are not trustworthy? We believe that we know things because we think we know what knowledge is available and where to access it – but we do not actually retain it all ourselves, depending instead on depositories of traditional thinking. We trust received wisdom – not least because it is recorded, vouched for and/or preached by the established authorities (such as the 'leading' authors and/or journal editors/reviewers). But we do not usually check their assumptions and so, if they are wrong, what we retain are links to ignorance.

This paper suggests that if, as in other subjects, our knowledge about enterprise has evolved by trial and error then it too may 'decay' over time as parts of it are shown to be wrong, misleading or irrelevant. The question is not whether it has a half-life, but whether that half-life is likely to be long or short. If enterprise, like medicine, is an applied science, as Bygrave (1989) has suggested, it might similarly be expected to have a relatively short half-life. It is not, however important to determine exactly how long that half-life might be but to accept the principle that decay in 'knowledge' is to be expected.

Therefore, if we do not identify, check and the reassess the assumptions we make, it is likely that at least some of our 'knowledge' will not withstand careful examination. Further, if we do not retain all that knowledge ourselves because we have not actually 'downloaded' much of it, we will not really be familiar with it and so are less likely to notice any associated problems and contradictions. Therefore, for reasons such as these, we might expect that some ignorance about enterprise could still prevail.

The Evolution of our Enterprise Knowledge

Does ignorance about enterprise prevail? As indicated in the introduction, since the early 1980s, there has been what has been referred to as 'an explosion of research into entrepreneurship and the small and medium enterprise' (Gibb, 2000) – and not only of research but also of teaching and learning which has been categorised as for, through or about it (Hannon, 2005). It is also suggested that this was to a significant extent the result of government interest in enterprise and a desire to know how levels of it might best be supported and increased.

We want explanations and reliable forecasts but the reality is that to get them we build theories based on assumptions which seem to fit/explain the behaviour we observe, and then forget that they are only assumptions. Our exploration of enterprise had to start somewhere so it would appear that a variety of theories were adopted. Indeed it has been suggested that much of our enterprise knowledge was initially based on a series of assumptions (Bridge & O'Neill, 2018), but these were not always recognised or recorded as such – not least because some of them may have been subconsciously acquired. Itemising all these assumptions and constructing a definitive chronology of their adoption is not, however, practical – or indeed necessary for the purposes of this paper. What this paper seeks to do is show that assumptions were made, at least some of which may be questionable, and therefore it looks retrospectively to suggest what the foundation of some of those assumptions might be.

As a starting point, a credible scenario is that when enterprise started to be studied one of the key assumptions made was that it was, or could at least be treated as, a sub-set of business – and therefore its study and teaching could be assigned to business schools/departments. However, the consequence of this was that it was considered from a business perspective – but it would appear that our default understanding of business is essentially big business-based. So a consequence was that this thinking was applied to all forms of enterprise, including the smallest of businesses (and anything called a 'business' such as forms of self-employment), without a conscious recognition of its implications (an example of an assumption that something that seems to apply to part of a

spectrum applies to all of it). The assumption of the relevance of big business-based thinking could however be said to be associated with a series of other assumptions such as the following:

- That maximising profit is the aim of any business.
- That the business is the key focus, not the person(s) behind it.
- That business decisions are based on impartial logic, not social influence.
- That business planning is essential, even for new ventures.

Examining that scenario

So let us examine that scenario, beginning with the context. The key driver for the increased attention that has been given to enterprise over the last 40 year has been government interest. Governments have viewed small businesses as supposedly the main creators of new jobs, and other economic benefits they are thought to provide. As Landström and Johannisson (2001) have summarised it: ‘for good reasons, new and small businesses are seen collectively by politicians and decision makers as the solutions to the problems of a stagnating economy and growing unemployment’ (p.228) and many have also been influenced by a neo-liberal view of the ‘capitalist’ system and therefore of the value of profit as a motive for entrepreneurs to create businesses and generate growth. Enterprise was seen to be a subject encompassing entrepreneurs and small businesses so it would have seemed natural to assume that it was a sub-set of business.

However sixty years ago, Penrose (1959) pointed out that, as businesses grow, they change and that ‘the differences in the administrative structure of the very small and the very large firms are so great that in many ways it is hard to see that the two species are of the same genus ... we cannot define a caterpillar and then use the same definition for a butterfly’. Nevertheless, small enterprises are referred to as small business so it would have seemed natural to categorise them as businesses and apply business understanding to them – although it would seem that this business understanding is essentially big business-based. For instance, big businesses are generally organised in ‘silos’ with the different disciplines (marketing, production, finance etc) carried out in different departments – and business schools generally mirror that and organise and teach those disciplines separately. This is usually how business is learnt by business ‘professionals’ (such as professional managers, accountants, consultants and academics) with the result that default business ‘knowledge’ is essentially big business-based.

Thus, more by default than deliberate intention, and despite the observations of Penrose and others, the assumption is made that an understanding of ‘business’ which is essentially based on big businesses is nevertheless also applicable to small businesses. Therefore, unthinkingly, it is assumed that they should operate in similar ways with the same driving motivations – and one of the assumptions often made about big businesses is that their aim is profit. Under US law, apparently, shareholders could (until the creation of the benefit or ‘B’ corporation) sue corporate executives of any ‘for profit’ businesses if they did not focus on maximising profit. Also Milton Friedman once famously declared that ‘the social responsibility of a business is to increase its profits’ (but see Case study 2). Thus it is not surprising that many people believe that businesses are focused primarily on profit – despite findings that in reality many owners of smaller business have wider and/or different motives (e.g., Amit, MacCrimmon, Zietsma, & Oesch, 2001; Reijonen & Komppula, 2007; Hurst & Pugsley, 2011; Balog, Baker, & Walker, 2014; Galloway, Kapasi, & Wimalasena, 2019).

Case study 2 The social responsibility of a business is to increase its profits

In 1970 the New York Times Magazine published an article by Friedman (1970) under the headline ‘The social responsibility of a business is to increase its profits’. Many seem to believe that businesses should try to increase their profits and a few might attribute that view to ‘expert’ pronouncements like this, but fewer still will have actually read the relevant article. So it is a prime example of deferring to an apparent expert and accepting their wisdom at second hand without actually inspecting what was said. In this case, a reading of the original article reveals that

Friedman was referring to large corporations, whose shareholders might indeed primarily seek profit. Therefore his subject was not all businesses – but those larger businesses whose shareholders have bought their shares in order to increase their wealth. To think that this applies to all businesses is, therefore, an example of knowledge being held remotely with those who have heard of the headline, especially the smaller group who can quote it, thinking that they know what was said.

Another feature of a big business-based view is that the business itself is taken to be the key focus. Again it seems natural to make this assumption because businesses would indeed seem to be the subject of business studies, but it has been pointed out, for instance, by Scott and Rosa (1999), that the key influence on small businesses is often the entrepreneurs who found and own them. Therefore, if the unit of analysis is the business, which it often is, then this will not provide a full picture and to understand why these businesses behave in the way they do it is necessary to look at the entrepreneurs and at what is influencing them and what they are trying to achieve. If many small businesses are to a considerable degree extension of the lives and/or activities of their owners, the assumption that the business should be the focus of studies is likely to lead to key motivations being missed.

It can also be argued that it is from a big business-based perspective that the clamour for business plans has come – combined with a deterministic assumption that we can forecast the future because if we try hard enough we will be able to identify the mechanism at work behind any phenomenon. However, although business plans have often been advocated as the essential tool for preparing to start a business (e.g., Burns, 2014), many people are now querying this (e.g., Brinckmann, Grichnik, & Kapsa, 2010; Bridge & Hegarty, 2013) and recognising the advantages of other approaches, such as effectuation (Sarasvathy, 2008), lean start-up (Ries, 2011) and anti-fragility (Taleb, 2013). They are not saying that business plans never have uses but that they have been lauded as if they were the only tool available to guide new ventures – and it has been assumed that they are always helpful. It may also be interesting to note that many of the advocates of business plans are not small business owners but instead business professionals such as academics, accountants, bank managers, consultants and support agency staff. Is it the case that, while business plans may be of use to some of the professionals (for instance, providing bank managers with an apparent justification for a loan to the business), they also believe in them because that is what their peers seem to think.

There have also been assumptions of omission – one of which is the assumption that social influence has little, or no, relevance to the behaviour of small businesses and so can be ignored. Because businesses are inanimate and are supposed to be guided by rational thinking towards profit maximisation (as traditional economics has assumed) we assume that social influence does not have a significant effect on those deliberations. Marketing professionals may recognise that human purchasers may be socially influenced, for instance when buying fashionable items, but such factors are not thought to influence business decisions which are supposed to be made on the basis of logic in pursuit of the profit. But, as pointed out above, this assumption does not recognise that small businesses are often an expression of their owner/managers – who are socially influenced. Humans are a very social species, whether we recognise that or not – and the owners of small businesses are no exception. In launching its Social Brain project the RSA pointed out that ‘our current models for predicting behaviour are impoverished because they have not yet properly acknowledged the external social factors that shape human decision making’ (RSA, 2008). We do not notice the influence (see Case study 3) and therefore think we are rational. So it would seem that this influence has often been ignored – and we assume that supposedly objective rational decision making prevails.

Case study 3 The prevalence of social influence

The notion that we are rational individuals who respond to information by making decisions consciously, consistently and independently is, at best, a very partial account of who we are.

A wide body of scientific knowledge is now telling us what many have long intuitively sensed – humans are a fundamentally social species, formed through and for social interaction’ (Rowson & McGilchrist, 2013).

‘Independent thinking is to humans as swimming is to cats – they can do it if they have to’ (Earls, 2011).

‘Even when we make self-conscious decisions these are partly constituted by systematic biases that are fundamentally social’ (RSA, 2008).

‘So convenient a thing it is to be a reasonable creature since it enables one to find or make a reason for everything one had in mind to do’ (Franklin, 1791).

Results

That is a scenario of how an initial assumption might, in turn, lead to a series of further misleading assumptions which now appear to prevail and to inform our enterprise thinking – although we may not be aware of their connections and so correcting one will not necessarily lead us to question the others. Some are considered above but there are more. For instance, a follow-on from the application of big business-based thinking and a profit motivation is the assumption that all businesses have a growth imperative – and possibly associated with ideas of determinism is the assumption that entrepreneurship exists as the distinct deterministic condition we have supposed it to be. However, the existence of that entrepreneurship is questioned by Bridge (2017) and there are many examples of businesses which have not tried to grow – and it would even seem that some of the oldest businesses in the world fall into this category (West, 2018: 406).

However, as acknowledged above, many of these apparent beliefs have been challenged – so why has the message not been more widely received? In the first place it takes time for new knowledge to become generally accepted and it is human nature not to accept evidence that would require a change of view – as suggested by Kahneman’s concept of theory-induced blindness: ‘an adherence to a belief about how the world works that prevents you from seeing how the world really works’ (Arbesman, 2013 – describing Kahneman’s ideas). Also, an examination of some of the articles apparently refuting aspects of the conventional wisdom suggests another possible reason. For instance, the article by Welsh and White (1981) which points out that ‘a small business is not a little big business’ nevertheless treats small enterprises as businesses, albeit small ones. They describe them as dealing with issues such as raw materials and manufactured goods inventories, warehousing, materials handling, advertising, brochures, depreciation and share holders. It does not appear to recognise that many small enterprises are, in effect, the efforts of self-employed people, who tend to be classified as small businesses because they are not in employment, and who may not have to deal with many of these issues – and so are not well described by such a business model. Also an article by Reijonen and Komppula (2007) which shows that many craft and rural tourism businesses do not want to grow tends to present them as exceptions to the general model, rather than suggesting that the growth model is wrong and that it is businesses which want to grow which might be the exception and should be viewed differently.

Has what has happened been that, although problems with aspects of established thinking have been identified, they have been treated as one-offs and/or exceptions to the rule and their impact has not been sufficient to reset the default thinking underlying them? Thus, while errors might have been highlighted, it is suggested here that their ‘cause’ has not been tackled by tracing the views back to their source and correcting it. If their origins lie in a set of interlinked and questionable early foundation assumptions, as this paper indicates, then it would seem that, once accepted, such thinking becomes the established wisdom and is therefore believed by many to be correct – and evidence of problems with parts of it is not seen as a reason for suspecting its foundations. As Thomas Paine put it nearly 250 years ago: ‘A long habit of not thinking a thing wrong, gives it a superficial appearance of being right, and raises at first a formidable outcry in defence of custom’ (Paine, 1776).

Conclusions and Implications

This paper considers the nature of ‘knowledge’ and its acquisition which suggests that, despite our best efforts, there are reasons to expect that ignorance could still prevail. The half-life analogy may not be exact and does not suggest that all knowledge will eventually found to be wrong – just some of it. The issue then is how much is wrong and those who do not accept that any supposed knowledge in their area might be suspect will not be prepared to improve on what they know. However, not only does some knowledge decay, but also we do not actually ourselves retain as much knowledge as we think we do. Much of our knowledge is instead held in cloud-like repositories of traditional thinking (for instance in books and papers) so we tend to trust it is correct even though we have not ourselves tested it. The apparently knowledgeable may think they are aware of this knowledge, and have access to it as and when they need it – but their links to it may not be updated by any new knowledge. The implications are that this received wisdom is assumed to have been verified by the establishment but, because it is not actually known in detail by individuals, any failings in it are not apparent and aspects of it not therefore questioned. Individuals only see parts of the picture and therefore tend to assume that, if what they see does not conform to expectations, it much be an exception to the rule, not a negation of it.

Thus there are grounds for thinking that ignorance could prevail and, in the area of enterprise, the analysis of the evolution of our supposed knowledge suggests that it does. While there are a number of significant findings, reports and/or papers which query parts of it, their import takes time to be assimilated and to reach all the places where such knowledge may be stored. Also, the parts those findings address generally, tend to be viewed as individual exceptions and not linked back to query their origins. However, this examination of our enterprise ‘knowledge’ indicates that it is based on a foundation of linked assumptions, many of which appear to be questionable, and that in turn means that other associated ‘knowledge’ could also be suspect. This view is further supported by the findings that many enterprise policy initiatives, which have supposedly been informed by such knowledge, do not appear to work (Bridge & O’Neill, 2018: Ch.16 and see Case study 4). It is not that all the assumptions are wrong but it would seem that they are not all right. Further, if a foundation assumption is wrong, then any other assumptions based on, or derived from, it should also be questioned. In some cases rather than right or wrong it may be more like shades of grey than black or white and/or with some assumptions possibly being applicable only to a limited range of applications rather than to the full spectrum of possibilities.

What are the implications (for policy and practice)?

If, in building a corpus of knowledge about a subject, assumptions are made, they should be identified and tested and, if that is not carefully and relatively quickly done, the longevity of the assumptions leads to them being passed on as established facts. This appears to have happened in the enterprise field as this paper illustrates with a number of examples, such as the following, all of which the paper suggests are arguably wrong:

- The assumption that an understanding of ‘business’ which is essentially based on big businesses is nevertheless also applicable to small businesses. Thus, unthinkingly, it is assumed that they should operate in similar ways with the same driving motivations – such as a primary focus on maximising profit.
- The assumption that we can forecast the future – because if we try hard enough we will be able to identify the mechanism at work behind any phenomenon.
- The assumption that social connections, and social capital, have little impact – because it is assumed that we all act individually (to maximise our individual wealth) guided by objective logic – as traditional economics has assumed.

- The assumption that ‘entrepreneurship’ exists – that there is such a condition which can be developed and which will, in turn, lead to more people becoming entrepreneurs (and acting as we suppose entrepreneurs do/should).

Some people have questioned aspects of these assumptions – but the links between them appear not to have been recognised – so, where this has happened, they have been treated as individual issues and their sources and links have not been pursued to question the foundations. Therefore, to change metaphors, if the roots of any problematic shoots are not identified and removed, they are likely to continue to give rise to further problems. This is the core of the case that ignorance about enterprise does still prevail. If we do not actually know a lot but rely on the ‘cloud’, and if much of what is in the cloud does not have good foundations, then at least some of the knowledge ‘out there’ may be wrong and much of what we think we know could be misinformed. Knowledge should evolve, if it is to be improved, but is our ‘enterprise’ knowledge evolving? Knowing that something is wrong does not mean that we know what is right – but we should at least realise that and start looking for something better because, if we do not, we are unlikely to improve. Without a reassessment of such assumptions, we should not claim thought leadership and/or expect policies and development/teaching initiatives based on received wisdom to work.

Do we see things objectively or through a filter of received understanding? If our enterprise wisdom is not individually independently held but is instead based largely on ‘cloud’ stored knowledge which is sometime based on a foundation of assumptions which appear to be at least questionable, then it would seem that the ‘ignorance’ identified by Gibb does still persist. Further, if the foundations are suspect what are the implications for our supposed understanding, knowledge and wisdom – and for the policies based on them (see Case study 4)?

Case study 4 Consequent policy deficiencies

The following are some of the areas in which the assumptions outlined earlier in the paper appear to have led to policy deficiencies and thus to a very considerable waste of resources in policy application and its consequences:

- *Institutional support.* Dennis (2011) has suggested that both culture and institutions can affect enterprise but that their impact is in different dimensions. Has our tendency to ignore the relevance of human interaction led us to focus almost exclusively on the institutional dimension and ignore factors such as social capital and peer pressure – with the result that large budgets have been wasted trying to improve institutional support through programmes/schemes which have had little effect when the main barriers to enterprise are cultural?
- *Business plans.* Preparing business plans has itself become a significant area of business. But has a big business-based approach led to an undue focus on business plans with consequences which include reduced numbers and/or a slower pace of start-ups (because business plans are a deterrent), money wasted paying fees to consultants and resources wasted by owners, and time and effort wasted by academics teaching and by students writing (redundant – or even misleading) business plans?
- *Enterprise is business.* Has the assumption that enterprise is a sub-set of business led to the belief that it is thus developed through business teaching. Has this, in turn, led to time and money being spent on teaching ‘business start-up’ to students whose careers would be better helped by the development of the more generic and transferable skills required for enterprising behaviour (in any field).
- *A drive for growth.* Has the unquestioning adoption of the view that all business can, and want to, grow led to an excess of government programmes urging and/or funding business growth. However is that growth unsuited to the ambitions of many owners, and so have

those growth programmes led some of them to grow their businesses beyond their competences and/or comfort levels – to their ultimate detriment?

If academia is credibly to claim a leadership role it should be on the basis of an understanding of the limitations of current ‘knowledge’ and its applicability and use – because without such an understanding not only will misleading messages continue to be promulgated but also no improvement will be sought. However, if much of our enterprise ‘knowledge’ is based on, at best, questionable assumptions which have not been recognised and checked, then it means that the foundations of our knowledge urgently need to be reassessed and we should not rely on, or promulgate, that knowledge unless and until that happens.

If policy is based on bad foundations it should not be surprising that it does not work – so that should be recognised and, if a particular policy does not deliver, we should not think that it is an exception but instead accept that it is indeed because it is built on poor foundations. So we should admit that this emperor has no clothes and start to look for some real ones.

Ignorance can be reduced by accepting the need to upgrade some of our knowledge, by identifying its underlying assumptions and their foundations and checking to see if, in the light of current evidence, they still stand. However, as well as the assumptions identified here, there will be others – and there are more questions to ask, such as:

- *Cause and effect*: Does enterprise lead to economic growth – or is enterprise a manifestation/by-product of the conditions which lead to economic growth?
- *Enterprise education*: What is it achieving?
- *Business schools*: Are they the right place to locate enterprise as subject to be studied, taught or facilitated?
- *The influences on enterprise*: What is the relevant eco-system that supports enterprise? Is it just one which provides support to separate individual business as an ecology appears to support individual trees competing for space in a wood? Or are there unsuspected areas of mutual interaction as neighbouring trees have been found to communicate with and to feed and sustain each other (Wohllleben, 2017)?

And if we do not accept this – ignorance will continue.

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