THE CONTRIBUTION OF DEPRIVATION AND DISADVANTAGE TO ENTREPRENEURIAL SUCCESS

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This research lends support to the suggestion that successful entrepreneurs experienced deprivation or disadvantage in their childhood or early youth. It is suggested that those childhood experiences are key to the entrepreneur’s significant capacity to withstand or not notice aversive and stressful situations, and therefore be willing and able to continue in the face of maladaptive and less adaptive outcomes generated through the entrepreneurship process. Specifically, those experiences of deprivation or disadvantage contribute to entrepreneurial success through the development of resilience. It is suggested that resilience is an enabler of sustained entrepreneurial action, which itself is a precursor to entrepreneurial success.

INTRODUCTION

Why do some people and not other people become entrepreneurs? The search for the character, trait or situational premise that explains the capacity of a person to function effectively in the face of the adversity, stress, and uncertainty of entrepreneurship, and which differentiates them from non-entrepreneurs, has generated considerable discussion (Alvarez 2005; Gartner 1988; Sarasvathy 2004). It is an important question, because in the answer to this question lies the potential to target, expand or enhance the pool of entrepreneurs and by so doing the wealth of the community.

Whilst there is considerable focus in the literature on the positive aspects of entrepreneurship, the benefits it brings to the economy and the individual entrepreneur, there is also factual and anecdotal evidence that being an entrepreneur generates a wide range of stressors (Alstete 2008) that can lead to reduced psychological (Hmieleski and Carr) and physical well-being (Burger 2008). For example, the bankruptcy of a business leads to a process of grief (Shepherd et al. 2009), and the behaviour exhibited by entrepreneurs has been described as “Type A” or heart-attack prone (Begley and Boyd 1987; Burger 2008). Nonetheless, entrepreneurs clearly take action in pursuit of their business goals and in the face of intense pressures. Whether these pressures are greater than those experienced by managers or non-founders has been the subject of discussion (Timmons et al. 1990).

Kets de Vries applied the expression “the dark side” to entrepreneurship (Kets de Vries 1985) and use of the term to describe less positive aspects of entrepreneurship has crept quietly into entrepreneurship’s literature. The “dark side of entrepreneurship” has been used to allude to the formative experiences of the entrepreneur (Kets de Vries 1985), the difficulties arising from the interface between entrepreneurial characteristics and managing an entrepreneurship (Beaver & Jennings, 2005), the response by the entrepreneur to the stress inherent in the processes of entrepreneurship (Shepherd and Haynie 2009), the negative outcomes of entrepreneurial passion (Fisher and Langan-Fox 2009), and the suggested link between psychopathology and entrepreneurship (Hisrich et al. 2007).

Use of the term “the dark side” serves to focus attention on the fact that the process of entrepreneurship is difficult, challenging and not for the faint hearted. It is suggested that, given entrepreneurship’s dark side, the capacity in an individual for sustained entrepreneurial action may be a function of early life formative experiences.
Qualitative research has been undertaken that, in part, explored the early life experiences of successful entrepreneurs and lead to a re-consideration about how and why such experiences contribute to entrepreneurial success. This paper reports on the findings of that research with respect to the entrepreneur’s early life experiences of deprivation and disadvantage.

**Deprivation and Disadvantage**

The idea that some form of deprivation or disadvantage experienced in the childhood of entrepreneurs contributed in some way to entrepreneurial success, has been supported (Collins et al. 1964; Kets de Vries 1985; Madlin 1985) and disputed (Bird 1989) in the literature.

In a 1960-62 study of 150 small business manufacturing entrepreneurs in Michigan childhood patterns of security and insecurity, love and hate, support and insupport were found to provide the modes of coping on which the subsequent act of entrepreneurship was modelled (Collins et al. 1964 pp. 37-69). Kets de Vries found that the relationship with fathers, or lack thereof, impacted on the child and the resulting of feelings of rage, insecurity and low self-esteem defined the entrepreneur (M. Kets de Vries, 1996; M. F. R. Kets de Vries, 1985). Venture Magazine reported on a survey of its 1,934 readers in which 55% of business founders described their fathers in negative terms (Madlin 1985). Venture Magazine’s findings were suggested to support the view of Eva Thompson, from the University of Massachusetts’ Small Business Development Centre, who with respect to what was known of entrepreneurs was quoted as saying “…there’s usually some kind of deprivation - financial, physical, or emotional – in their childhood relationship with their father…” (Madlin 1985).

Bird (1989) has reviewed the literature and found no overwhelming support for this view, instead noting that entrepreneurs did not universally experience such a pattern in family dynamics, and patterns of deprivation and disadvantage were to be found in the backgrounds of non-entrepreneurs. Furthermore, Bird notes a preponderance of entrepreneurs whose early family life was characterised by balanced, nurturing and supportive family backgrounds (Bird 1989). Indeed, Kets de Vries’ seminal work on the dark side of entrepreneurship, which contributed to the suggestion that entrepreneurial success has its genesis in the deprivation and disadvantage of the early life of the entrepreneur, was based largely on an in-depth psychoanalysis of only one entrepreneur (Kets de Vries 1996).

Anecdotes about the childhoods of well-known entrepreneurs come readily to mind giving support to the suggestion that successful entrepreneurs did have childhoods characterised by deprivation or disadvantage and that somehow these childhood experiences drove or shaped their ambitions. For example: Lindsay Fox (Australian “trucking magnate”) came from an impoverished background (Negus 2004); Richard Pratt (Australian “cardboard king”) fled Nazi persecution as a child and had a humble background (Stewart 2007); Sidney Myer (founded an Australian “retail giant”) was an immigrant Jew who fled poverty in Russia to come to Australia (Sidney Myer Fund and The Myer Foundation History 2009); Bob Ansett (founded Budget RentACar and other transport companies) had a relatively poor childhood living for a while in a USA trailer park (Ansett and Pullan 1986).

At the heart of this discussion and these observations is the implication that experiences of deprivation and disadvantage somehow motivate certain individuals and thereby contribute to the attainment of entrepreneurial success. There may be a grain of truth in this observed connection between deprivation and disadvantage and entrepreneurial success, although perhaps indirect. That is, deprivation and disadvantage may contribute to entrepreneurial success through their role in developing resilience. The development of resilience in childhood provides explanatory link between the observations of deprivation or disadvantage in childhood and the evidence that many entrepreneurs have childhoods characterised by balanced, nurturing, supportive family backgrounds. That is, the development of resilience requires the combination and interaction of both risk factors and protective factors in the early years of an entrepreneur.

**Adaptation**

Charles Darwin’s ideas on natural selection and survival of the fittest resulted in the development of ecology, the study of the relationship of organisms with and between their environments (Moos and Tsu 1976). Human ecology is mainly concerned with the study of communal adaptation, but recognises the integral role of individual adaptation in successful species survival (Moos and Tsu 1976). Adaptation is what individuals do when striving towards an acceptable compromise and in so doing they use a range of coping, defence and mastery behavioural strategies involving the simultaneous management of three variables: securing adequate information, maintaining satisfactory...
internal conditions; and keeping up a degree of autonomy (White 1975). White (1975) comments that when an individual engages in adaptive behaviour designed to suit their own purposes it can be interpreted by others as signs of maladjustment or worse:

...in the psychological and psychiatric literature there lies a concealed assumption that dangers must be faced because they are not really there, that any delay, avoidance, retreat, or cognitive distortion of reality is in the end a reprehensible piece of cowardice...

...Tactics of delay and refusals to participate, frustrating as they may be to the psychologist and thus all too readily given a derogatory tag like “anxious avoidance” and “withdrawal”, may actually in the highest tradition of adaptive behaviour... (White 1975)

Longitudinal studies have been published which report on the successful adaptation to their circumstances by children who experienced forms of deprivation and disadvantage in their early years, and of whom a large proportion go on to have successful adult lives (Kadushin 1975; Schoon 2006; Werner and Smith 2001). So it appears that whether or not experiences of deprivation and disadvantage overwhelm a child or not might be related to each individual child’s capacity to adapt, and that behaviour that is adaptive for one individual may be viewed as something undesirable by an observer of that behaviour.

Resilience Defined

Garmezy is generally credited as being the founder of the contemporary research into resilience (Rolf 1999). In an interview, Garmezy defined resilience is manifest competence despite exposure to significant stressors; it is the combination of psychosocial elements and biological predispositions, that is resilience is what results from an aggregation of protective factors (Rolf 1999).

The existence of resilience is not readily evident. The various definitions of resilience are derived from differing sources of information about the presence of resilience. Resilience is recognised as being present when there is evidence of: a benign or less malignant outcome in the face of life stress; forestalled adverse developmental outcomes that would otherwise arise because of personal or environmental characteristics; the factors that protect from and therefore forestall adverse outcomes; the factors that promote stress or risk (Kaplan 1999).

Accordingly, resilience is variously defined as that ability to adapt in the face of trauma, adversity, tragedy or even significant ongoing stressors (Newman 2002), it embodies personal qualities that enable one to thrive in the face of adversity (Connor and Davidson 2003), and is often considered a personality characteristic that moderates the negative effects of stress and promotes adaptation (Ahern et al. 2006). Frequently the quality of resilience is attributed to individuals who in the face of overwhelming adversity are able to adapt and restore equilibrium to their lives and avoid the potentially deleterious effects of stress (Wagnild and Young 1993). Resilience may be viewed as a measure of successful stress coping (Connor and Davidson 2003). Resilience is also used to describe good developmental outcomes despite high risk status, sustained competence under stress, and recovery from trauma (Werner 1995).

Kaplan (1999) offers a model to understand resilience that encapsulates key constructs inherent in the various definitions of resilience:

... the components should include, as a minimum, constructs representing outcomes and those reflecting the “causes” of such outcomes. These variables as they have appeared in the literature may be considered parsimoniously under three rubrics: outcomes, risk factors (and their complements), and protective factors (and their complements)... (Kaplan 1999).

Outcomes

Resilience derives its meaning from its relationship to more or less desirable outcomes, and these outcomes are typically defined using normative judgements about the appropriate responses given the culture, environmental circumstances and stages of development (Kaplan 1999). Outcomes are subjectively defined as desirable, and can be a positive or negative range of states including: physical health, substance abuse, psychopathology, maladaptive behaviour, competence, self-actualisation, and reality-oriented self-acceptance (Kaplan 1999).
Mastern (2001) uses lists of developmental tasks for judging appropriate adaptation and therefore inferring resilience. For example school adjustment (attendance, appropriate behaviour), academic achievement, peer acceptance, having at least one friend, moral conduct (following school, family, community rules) are indicative of good outcomes in childhood. In teenage years tasks such as adjustment to pubertal change, romantic relationships, and coherent identity are used. In adulthood indicators are related to earning a living, establishing a family and performing community service (Masten et al. 1988). Successful outcomes for at risk children can be recognised as having been achieved where the adult conforms to the descriptors “competent, confident, and caring” (Werner 1995).

Risk Factors
In order for a person to be considered resilient, they must have had a significant threat or risk to their development that could have had the potential to derail normative development, and have an observable track record of meeting major expectations of a given society or culture in the context of behaviour of children of that age and situation (Masten 2001). Risks are actuarially based predictors of undesirable outcomes, risk factors have been operationally defined as both individual events and as accumulations of individual events, and have been used to create indicators of development with a view to predicting the risk that children will experience poor outcomes in adulthood (Masten 2001).

Accepted high risk factors in childhood for maladaptive outcomes in adulthood include family social and economic disadvantage, parent-child interaction, family violence, death, illness, divorce, parental deviance or mental illness, abuse, family conflict and family change (Fergusson and Lysney 1996; Masten 2001; Masten et al. 1988).

Protective Factors
Several studies have looked at protective factors that are present in the characters and environments of at risk children who display successful outcomes. Protective factors are resources that can moderate the person’s reaction to the risk exposure so that adaptation is more successful than would otherwise be (Werner 1995). A broad range of protective factors can be grouped into individual characteristics (eg. positive temperament, internal locus of control, high self-esteem, positive emotions, moderate to high intelligence), family factors (eg emotionally supportive and warm relationships with at least one parent, effective parenting styles), school factors (eg access to quality schools, feeling a sense of school belonging, good peer relationships) and community factors (eg social support from adults, involvement in other prosocial organizations) (Cohn et al. 2009; Murray 2003). Frequently cited factors include connections to competent and caring adults within or outside of the family, cognitive and self-regulation skills, positive views of self, motivation to be effective in the environment, spirituality and temperament, problem solving abilities, attractiveness to peers and adults, manifest competence and perceived efficacy; planfulness and aspiration (Fergusson and Lysney 1996; Garmezy 1996; Masten 2001; Richardson 2002).

Protective factors are interactive with each other and with the child’s developmental processes and experiences, and can also be indirect in their protection of the child (Murray 2003; Rutter 1990). There is evidence that children with a coping pattern that combines autonomy with a successful ability to recruit competent adult caregivers or who have temperamental characteristics that elicit positive responses from a wide range of caregivers are more likely to develop resilience in later life (Werner 1995). Protective factors could be viewed as a continuum in that at one end the factor represents a risk to the child (eg ineffective parenting) and at the other a protective factor (eg effective parenting) (Murray 2003).

Resilience Disputed
The contribution of risk and resilience factors to positive outcomes in adulthood has been well documented through empirical longitudinal studies (Fergusson and Lysney 1996; Kadushin 1975; Schoon 2006; Werner and Smith 2001). Other studies of children in particular risk situations such as family breakdown, chronic poverty, parental psychopathology and war (Werner 1995) have also provided rich information on the concept of risk and adaptation. The risk and resilience framework resonates so well with practitioners and theoreticians that interventions are suggested as being applicable to enhance adult outcomes for children in other situations, such as children with disabilities (Murray 2003), immigrant children (Yeh et al. 2008), and children who have or have had chronic physical illness (Pless and Stein 1996).
However the construct of resilience is not without its critics. To some resilience represents an incomplete theory which makes subjective value judgements about outcomes, risks and assets, and assumptions about the cause of adaptations that may not have been explicitly described or consciously examined (Rigsby 1994).

The identification of factors as risks is contentious (Rutter 1990). For example the presence of these factors may be temporary, they may impact differently on those exposed to them, their presence may not be indicative of the presence of a risk, and people experiencing such factors may not perceive themselves to be “at risk (Schoon 2006). The traditional approaches to stress research – family background or social structure, cumulative stressful events, and singular stressors – all share limitations involving conceptualisation of risk, and do not provide an explanatory solution to the highly differentiated arena of stressful experiences and the variables that are associated with adjustment (Gore and Eckenrode 1996).

Others see a practice of automatically invoking resilience as a quasi explanation for virtually any factor associated with reduced rates of negative outcomes among high-risk children (Richters and Weintraub 1990).

Resilience and Entrepreneurs

Despite the criticisms of the complex non-linear causes and the incomplete understanding of its components, resilience is widely accepted in the literature as a phenomenon that exists when functional outcomes are perceived in the context of risk and life stressors, or adaptation to a risk situation as a consequence of the interaction of a range of risk and protective factors (Olsson et al. 2003). See in particular Richardson (2002) and Masten (2001) for in depth reviews of the resilience literature including empirical studies. Accordingly, the resilience framework provides an opportunity to explore and perhaps explain the entrepreneur’s capacity to withstand stress and sustain action that in turn can lead to successful entrepreneurial outcomes.

Maslow provides an explicit place for experiences of deprivation as a precursor to success, because of the motivating effect such experiences can have. Maslow suggests that experiences of threatening deprivation can (consciously or unconsciously) motivate an individual to take adaptive action to avoid threats to survival. (Maslow 1970). The resilience framework presents us with risk factors interacting with protective factors to lead to successful outcomes. It is suggested that the extent of an individual’s ability to take adaptive action is contingent upon their development of resilience.

Furthermore, it is plausible to suggest that the individual might not recognise an end to the need for this adaptive action, or the adaptive action becomes habituated because of its recognised contribution to survival. Thus the continuation of the adaptive behaviour may offer an experience well beyond mere survival. Because this adaptive behaviour has been continually employed, thereby building capacity in the individual excess to the requirements for mere survival, such behaviour might be able to take the individual to an extreme form of survival - success.

Adaptation and resilience offer an opportunity to attempt to explain the apparent capacity for entrepreneurs to continue in the face of the stressors and uncertainty that characterise entrepreneurship. Adaptation leads to the development of resilience, and thus the construct of resilience may provide an explanatory linkage between the entrepreneurs’ early family life and their capacity for sustained entrepreneurial action. That is, it is possible that entrepreneurs’ childhood experiences of deprivation and/or disadvantage motivated them to take action to overcome stress and adversity, and concomitant with the active presence of protective factors they were able to do so thus developing resilience. It is suggested that it is resilience developed in childhood that contributes to the entrepreneur’s ability to sustain entrepreneurial action in the face of stress and adversity, which in turn contributes to entrepreneurial success. Thus:

Proposition 1: Successful entrepreneurs will have experienced the adversity or stress associated with experiences of deprivation and/or disadvantage in their childhoods. Specifically, in childhood they will have experienced one or several of the following: poverty, economic difficulty, family violence, death, illness, divorce, parental deviance or mental illness, abuse, family conflict and/or family change.
Proposition 2: Successful entrepreneurs will have personality characteristics that have been identified as constituting internal protective factors in the face of adversity or stress. As children they will have been optimistic, displayed a spiritual faith, displayed behaviour indicative of intelligence, and engaged in proactive action that provided positive consequences in their lives.

Proposition 3: Successful entrepreneurs will have experienced external factors constituting protective factors in the face of adversity or stress such as connection to competent or caring adults and supportive external environments.

METHODOLOGY

The purpose of this study was to explore and build a theory that could be used to develop and inform a model explaining sustained and successful entrepreneurial action, which would be empirically tested in a subsequent study using a scale derived from the results of this study. In this study a basic hermeneutic approach was used to explore the relationships between the independent variables (deprivation and disadvantage, personality, passion, obsession) and the dependent variables (firm success and entrepreneurial success). An example of a critical decision made by the entrepreneur was used as a means of exploring the variables and possible relationships in the context of their entrepreneurship.

Data was collected through an hour-long interview with 10 entrepreneurs. Thirty minute interviews with key referents of five of these entrepreneurs (either spouse or business partner) were used to triangulate the information. The questions developed to explore the variables were derived from a review of the entrepreneurship literature, particularly those empirical articles reporting interviews in which entrepreneurs spoke about themselves and their businesses; and from discussions with colleagues, press articles, autobiographies by entrepreneurs, and biographies about entrepreneurs ('Man in the Mirrors' 2006; Alstete 2008; Ansett and Pullan 1986; Ashton and O'Toole 1999; Baum and Locke 2004; Bird 1989; Kets de Vries 1996; King 2008; Kisfalvi 2002; Preston 2007; Schindehutte et al. 2006; Smith 2004; Wudunn 1990). The questions used for the discussion with referents were a direct subset of the questions put to the entrepreneur.

Key areas explored through the questions were: what the entrepreneur was like as a person; how passion came into their life and business; the critical decision and how the entrepreneur’s decision was viewed by the entrepreneur and by others; passion and emotion’s role in that decision; obsession and passion in the work and personal life of the entrepreneur; the early childhood of the entrepreneur; how the entrepreneur was as a child in comparison to other children; money making activities undertaken by the entrepreneur as a child; work-life balance; and entrepreneurial and business success. All entrepreneurs and referents were asked the same questions, with some variation where circumstances required it. All entrepreneurs and referents were provided with a copy of the interview questions prior to the interview. In all cases this was at least 3 days prior to the interview, in most cases longer.

The interviews were transcribed and the transcripts reviewed for the emergence of themes, similarities, and differences.

Sampling

The sample is comprised of 10 entrepreneurs and 5 referents. Purposive sampling was used identify potential participant entrepreneurs because it enables the targeting of cases that would most likely be able to provide rich data to enable the exploration of the variables and identify emergent patterns (Eisenhardt 1989; Saunders et al. 2007). It is the purpose of this study to explore the proposed relationships and from this develop a quantitative questionnaire; therefore the results from these targeted cases are likely to be relevant in explaining more typical cases (Patton 2002). Particularly informative cases were sought to ensure that the data collected was from cases whose status as entrepreneurs would be unequivocal in the eyes of the discipline of entrepreneurship, and purposive sampling is a valuable sampling technique for such an objective (Neuman 2000).
Recruitment Procedures
In keeping with the suggestion that researchers limit their theories to the topic they investigate in order to move beyond the definitional quagmire evident in entrepreneurship (Shane 2006), this study uses the following criteria to define an entrepreneur. An entrepreneur is a person who founded a for-profit business, in which he or she holds (or held) a majority shareholding, from an opportunity he or she identified. That for-profit-business must generate/ have generated sustainable income streams for more than five years, and employed more than three full time employees in addition to the entrepreneur, and enabled the entrepreneur to be financially self-sufficient through the profits generated by the activities of that for-profit business.

Two methods were used to identify prospective entrepreneurs for approach: personal recommendation (ie the entrepreneur’s business was known to either the researcher or a colleague) or being a past recipient of a state or national award in recognition of their contribution to business or entrepreneurship. The absence of freely available demographic data that would address the criteria above resulted in the use of indicators as proxies for the criteria. These indicators were: an existing business, or business exit through successful sale of business; more than five consecutive operating years for the business; evidence of business growth through media reports or physical evidence of geographic spread of business locations or listing on a stock exchange; business award or government accolade for contribution to business. See Table 1 for descriptions of the participating entrepreneurs.

A total of 23 entrepreneurs were contacted, of whom 15 were award winners. The attempt was made to gain equal numbers of award and non-award winning entrepreneurs, and equal number of men and women. Of those contacted, 12 agreed to participate in the research, 6 declined, and 5 did not respond. Of the 12 who agreed to participate, one did not offer an appointment time despite one subsequent prompt and this was interpreted as a decision to withdraw from participation, and a second one was unable to participate in the interview within the timeframe allocated to this study.

A total of 10 entrepreneurs were interviewed, of whom 8 were recipients of business or entrepreneurship awards or accolades. The proportion of award winners agreeing to participate was very high (75%), even though award winners comprised only 15/23 of those approached (ie 65%).

Each participating entrepreneur was invited to suggest a referent who might be willing to participate in the research. A copy of the questions to be put to the referent was forwarded to the entrepreneur as part of their process of considering the request for a referent. Six entrepreneurs provided contact details for a key referent. The key referents nominated were spouse/life partners who also worked in the business (4), close friend and business colleague (1), and a close business advisor (1). Of the nominated referents, one did not respond to the invitation to participate from the researcher and this was interpreted as a lack of willingness to participate in the research and no further attempt was made to engage this potential referent in the process.

Interviews with the Entrepreneur
Each entrepreneur was emailed a copy of the Extract of the Entrepreneur Interview Schedule prior to the interview and a consent form, and asked to have in mind for the interview a critical decision they had made in their business. The entrepreneurs were advised that several questions, related to this critical decision, would be asked. The entrepreneurs were invited to review the questions prior to the interview, but advised it was not requirement to do so. Entrepreneurs were advised that the Interview Schedule represented the planned questions for the interview and that others may suggest themselves as the interview progressed.

Due to the distance between the researcher and entrepreneur most interviews took place over the telephone. Of those entrepreneurs collocated in the same city as the researcher, only one preferred a face-to-face meeting. Each interview took between 36 minutes and 64 minutes, the average duration of the calls was 61 minutes. The majority of interviews took place at the appointed time. In one case, a follow up telephone call of approximately 10 minutes duration was undertaken to clarify some information that had been provided. In one other case it took several attempts to identify a mutually suitable time to call; and two interviews could not progress at the agreed time and were rescheduled to a later date.
The interviews were taped using a digital voice recorder via a telephone line tap to avoid the attenuation and noise often associated with acoustic coupling. The taped interview was then transcribed using voice recognition software, and another software program was used to assist in the sorting, coding and storing of the data.

The question schedule was followed with practical variation as necessary. For example where common sense dictated that a question had already been answered during an earlier question it was not asked when it appeared on the schedule. In some cases additional probing was required in order to get the entrepreneur to speak to the question rather than around it, or to follow up a comment that was particularly interesting.

**Interview with the Referent**

Five referents participated in the study. Each referent was emailed a copy of the Referent Interview Schedule prior to the interview, and a consent form. The referents were advised that other questions might be asked as the interview progressed. The referents were invited to review the questions prior to the interview, but advised there was no requirement to do so.

Each interview took between 27 minutes and 43 minutes, with the average duration being 32.6 minutes. The majority of interviews took place at the appointed time, although in one case it took several attempts to identify a mutually suitable time to call and then the call had to be rescheduled to a later time on the day. The researcher constructed preambles to introduce the research and to lead into the questions based on how the interview with the referent was progressing. The two non-family referents particularly enjoyed the process and asked to be kept informed of progress of the research.

**RESULTS**

Most of the entrepreneurs interviewed expressed an experience or several experiences in their childhood that could be described as either or both of deprivation or disadvantage, and were examples consistent with the risk factors identified as contributing to the development of resilience.

The evidence for deprivation or disadvantage in the backgrounds of all the entrepreneurs comes from explicit statements made by the entrepreneur, or recognition by the entrepreneur of some level of dissatisfaction within their childhood lives, or is suggested by the researcher based on comments made by the entrepreneur. As children a number of the entrepreneurs did not recognise their situation as one of deprivation or disadvantage but as adults they did express an understanding of their experiences or a desire that their children not be exposed to similar experiences. For example:

E2  …but... I accepted the circumstances I was never ...you know ...that's just the way it was. I wasn't angry about it... and we just made the most of what we had…

E6  I look back on that and it must be horrific but I don't remember it as being horrific. Well if I look at it I would not like to think that my children would have to survive what I did.

E7  …but at that young age we weren't aware of the financial... my parents probably protected us from that pretty well…

E9  …but we didn't feel like we're missing out on anything we didn't know any different so you know we didn’t miss out on anything…

It appears that even as adults some of the entrepreneurs do not recognise their circumstances as having disadvantaged or deprived them of anything, whereas in relating the anecdote or history to the researcher they have highlighted something that to the researcher indicates they were deprived of key inputs or disadvantaged by key circumstances. That the entrepreneur recalls the fact as part of their history suggests that they may well feel the experience is somehow crucial to them whilst not articulating, or perhaps recognising, its contribution to their development during the interview. For example:

E4  … I guess the blanks for them were things like well how are we going to afford to do some of these things or how we going to support our child going to university or whatever….and I understood all of that anyway…
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<td>12 yrs, sold</td>
<td>25 yrs, sold proportion, now 16% shareholding</td>
<td>5 yrs, current</td>
<td>10 yrs, failed</td>
<td>15 yrs, current</td>
<td>25 yrs, current now reduced shareholding</td>
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<td>Canberra</td>
<td>Melbourne</td>
<td>USA</td>
<td>Ballarat</td>
<td>Regional QLD</td>
<td>Regional VIC</td>
<td>Childhood Friend &amp; Work Colleague</td>
<td>Melbourne</td>
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<tr>
<td>Referent</td>
<td>Business &amp; Life Partner</td>
<td>Life &amp; Informal Business Partner</td>
<td></td>
<td>Business Mentor</td>
<td>Life &amp; Business Partner</td>
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Table 1: Key Characteristics of Participating Entrepreneurs & the venture discussed
E 3 …I just thought it was the luck of the draw... So.. I just thought that was life.

Other entrepreneurs felt their deprivation or disadvantage keenly as children and identified that it has had a motivational effect on them. For example:

E1 … And that did have a huge impact on my life....on the positive side it made me very independent I had to look after myself a very very early age...

E5 …the first thing that I ever saw that kind of I kind of like helped me to understand what was going on for me was kind of when I saw the Addams family .... In terms of like a family that was quite happy or was kind of just doing their own thing you know that the rest of society thought it was kind of odd… it wasn't like you were bad people they weren't bad people you know it was kind of like I think that was I sort of like realise that we saw that my mum sort of did things that in a weird way not like sort of normal mums.... We were just an unconventional …

E8 Poverty drove me a bit, I was brought up in poverty and I hated living in poverty……I had this thing about money.  I knew it was my only way out.

To be successfully competitive can be indicative of both intelligence and an ability to take proactive action both of which are protective factors.  Success in competitive activities can also be in part the consequence of supportive external environments and also serve to attract the support of external environments such as schools, sporting or cultural groups and wider communities.  Being naturally competitive, seeking control, and engaging in proactive self-directed activities that generate positive outcomes are themes evident in the data.

Competitive behaviour: Seven entrepreneurs reported they excelled at schoolwork and five reported they excelled at sports.  Seven entrepreneurs offered unprompted comments indicating a competitive nature and four out of five referents also pointed unprompted to this characteristic in their entrepreneur.

Control: There was evidence in the data that having control or being in control is important to the entrepreneurs:

E4 … I'm doing what I want to do…

E5 …to define things my own way…

E7 …it's a reality that I wanted to own my own [names business type] that the bank can't take…

E8 Control … probably the biggest driver that drives me today to be probably in control … to be able to live the life I choose...

Proactive Action that provides positive consequences and autonomy: All entrepreneurs gave examples of self directed, proactive action such as: seeking out or developing money generating opportunities from an early age; undertaking leadership activities with friends and at school; taking responsibility for contributing to the financial well being of the family.

A sense of autonomy is offered as a factor that contributes to resilience.  As a consequence of parental work habits or circumstances, 7 of the entrepreneurs experienced high degree of independence expressing either minimal rules, or being aware of the boundaries and being left to their own devices, and having had the freedom to roam.  All except one entrepreneur undertook paid work or “in kind” work from a very early age that differed in nature from “childhood jobs in the home for pocket money rewards.”  Their first work activities commenced in childhood, and most described work as something that was a continual part of their lives into adulthood.

Connection to caring adults: all entrepreneurs felt loved as children by at least one parent, 7 felt loved by their father, 4 felt loved by their mother.  Eight described their home environment in terms similar
to “loving” suggesting they typically had a connection to a caring adult in their childhoods. As adults, all expressed the importance of family support and/or gave clear indications of the importance of family to them through the close involvement of family members in their businesses and lives.

*Optimism* – entrepreneurs and their referents most commonly described themselves in terms consistent with the extraversion domain for personality, in which optimism is a personality trait of the “cheerfulness” factor. Nine entrepreneurs commented on having had happy childhoods, expressing them in terms such as “exciting” and “adventurous” suggesting that as children the entrepreneurs were cheerful children, and thus experienced positive emotions including optimism, happiness, enthusiasm and joy (Johnson 2007).

<table>
<thead>
<tr>
<th>Risk Factors</th>
<th>Protective Factors</th>
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<tbody>
<tr>
<td><strong>Who</strong></td>
<td>Deprivation or Disadvantage</td>
</tr>
<tr>
<td>E1</td>
<td>Sexual abuse age 8</td>
</tr>
<tr>
<td>E2</td>
<td>Death of parent age 3 – remaining parent had to work. Economic struggle Non-English speaking parent</td>
</tr>
<tr>
<td>E3</td>
<td>Traumatised ex POW parent, Alcohol indications, frequent familial geographic relocations</td>
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<tr>
<td>E4</td>
<td>Low socio economic status Unable to access desired education; Alcohol indications</td>
</tr>
<tr>
<td>E5</td>
<td>Death of parent age 7 – remaining parent had to work. Subsequent economic stress</td>
</tr>
<tr>
<td>E6</td>
<td>Chronic illness both parents age 11; Death of both parents age 14</td>
</tr>
<tr>
<td>E7</td>
<td>Chronic economic struggle Unable to access desired education</td>
</tr>
</tbody>
</table>
Spiritual Belief – Seven of the entrepreneurs either had a sense of destiny in their childhood, and/or mentioned that they participated in organised religion. A sense of destiny is included as part of spirituality because it involves an intangible belief that can act as a help to the person in difficult times.

Anxiety and fear – Six entrepreneurs either articulated or gave examples of experiencing ongoing anxiety in childhood or during their early teens. Four entrepreneurs expressed fear as a motivator or driver in their adult experiences, but it is clear that they also experienced fear in their childhood. Two referents suggested fear as a driver for the entrepreneur’s sustained entrepreneurial action.

CONCLUSIONS

The results of this study suggest that deprivation and disadvantage may have some impact on entrepreneurial success and as such may be suitable for examination in a larger quantitative study of entrepreneurs. At a young age it appears the entrepreneurs may have developed and practiced the capacity to function effectively in the face of adversity or under stress, that is they developed resilience.

Resilience is a result of the successful operation of basic human adaptational systems which are enhanced by factors including connections to competent and caring adults in family, cognitive and self-regulation skills, positive views of self, and motivation to be effective in the environment (Masten 2001). Resilience is described as that ability to adapt in the face of trauma, adversity, tragedy or even significant ongoing stressors (Newman 2002), it embodies personal qualities that enable one to thrive in the face of adversity (Connor and Davidson 2003).

In the early years of all entrepreneurs interviewed were one or more examples of the entrepreneur experiencing deprivation and/or disadvantage giving rise to risk factors for poor and maladaptive outcomes in adulthood (Masten 2001). Accordingly proposition 1 appears to be supported by the data.

Propositions 2 and 3 appear to be supported by the data. The entrepreneurs interviewed indicated a number of protective factors such as: feeling loved by their parent/s, being successful at school or sports, having paid employment as children, setting and achieving goals, having a spiritual aspect, being competitive and largely independent as children. The entrepreneurs, and their close referents, describe themselves most frequently in terms consistent with the extraversion dimension of personality (particularly their levels of activity, friendliness and cheerfulness). As adults they appear to value highly and build close personal relationships with people who support them in their endeavours, and exclude those who do not. Additionally, these experiences, the cheerful nature of the entrepreneurs, and their capacity to build relationships make plausible the suggestion that as children they would have been successful at recruiting the assistance and attention of competent adults.

It is suggested a common feature of successful entrepreneurs may be that they faced difficult challenges in childhood, and because they had access to resources and protective systems that nurtured the development of their own adaptive systems, they developed resilience. Furthermore, many of them did not see their challenges as such, rather “just the way things were”. It is the resilience that these entrepreneurs developed in their childhoods that may be a key-contributing factor to their success in
entrepreneurship. That is, they developed and practiced at a young age the capacity to function effectively in the face of adversity, or under stress, and thus as adults are able to sustain entrepreneurial action, which in turn directly contributes to entrepreneurial success.

LIMITATIONS
This study is limited firstly by the small size of the sample, and secondly by the nature of qualitative research. Specifically, in qualitative research the life experiences, biases and understandings of the researcher are brought to bear in the interpretation of the data, and accordingly, the interpretations of one researcher may not necessarily reflect those of another researcher (Saunders et al. 2007). In particular, the interpretation of the presence of risk, protective factors and success are subjectively determined which is one of the criticisms of the construct of resilience (Rigsby 1994). Finally, the study relies on self-reported data, which can be impacted by selective recall and self-serving biases and thus itself is a limitation of the study.

FURTHER RESEARCH
The indications of the data from this research, that experiences of deprivation and disadvantage are evident in the early life experiences of the successful entrepreneurs interviewed, gives rise to further research questions. Specifically, is there empirical support for the suggestion that the early lives of entrepreneurs are typified by experiences of deprivation or disadvantage in combination with protective factors leading to the development of resilience? Is the construct of resilience a factor in entrepreneurial success through the capacity to sustain entrepreneurial action in the face of stress and adversity? A quantitative empirical study of a large sample of entrepreneurs is underway to test this, and other, hypotheses.

REFERENCES


Timmons, JA, Smollen, LE & Dingee, AL 1990, New Venture Creation, Entrepreneurship in the 1990s, 3rd edn., Irwin, Boston, MA.


