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Two's Company: An exploration of the ongoing relationship between two people who found and manage businesses together and how that relationship contributes to the survival of their organisation.

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for the degree of Doctor of Philosophy

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Abstract

The continuum of desirable leadership skills and attributes ranges from long-term vision to short-term control. It takes an exceptional person to cover such a broad span, yet both leadership and entrepreneurship literature tend to focus on the single leader as 'super-person'. On the other hand, organisational literature of both growth and survival draws our attention to the potential management crisis occurring when initial entrepreneurial leadership proves inadequate to manage the transition into a more mature organisation thus necessitating either a change of leadership or the demise of the organisation. The need to move between entrepreneurial and conservative management styles which Slevin & Covin (1990) call 'cycling', aptly describes this paradox but their model again concentrates on the individual. Personal observation suggested there were many incidences of an alternative model of successful leadership cycling, namely the founding and leading of an organisation by two people, either affective couples or work associates, thus avoiding the need for changes of leadership as the organisation grows.

There has been little empirical research as to whether this is an appropriate model of entrepreneurship/leadership even though this could result in a model of the full leadership continuum. This research attempts to remedy this, focusing on the relationship between joint founder/leaders of organisations, and investigating the effectiveness of this unit of management in relation to the leadership paradox. As statistics indicate that 5 years seems to be the watershed in the survival of new organisations, this study looks at companies founded and managed by two people which have continued and developed beyond that period and seeks to understand what elements in the dyadic relationships may have contributed to the business' continuance. It has as its aim the building of a model of cyclical dyadic leadership which, while set here within the context of business start-up, may well have application within the wider corporate setting. The focus is on the people who choose to work in partnership and their evolving relationship: how and why such a relationship is formed, what were their initial intentions for founding and the effect of that relationship on the organisation.

This final thesis is presented as a journey through the process of doing research: it aims to report on and analyse both the findings and elements of the actual research and the way of doing research thus giving insights into both an appropriate way of doing research and also into the chosen subject matter. This stems from an intrinsic belief that research findings and methodology are innately linked and thus of equal relevance. The research employed a realist ontology and used a grounded theory approach, using a series of longitudinal case studies which employed a variety of methods which were adapted and refined as the themes emerged.

The final proposed dyadic leadership model themes can be outlined as follows:

Intimacy: The working relationship between the dyad , whether based on marriage, work or friendship, is an intimate relationship and as such introduces emotional elements into the work environment which result in a specific dyadic culture; it is this relationship which is the reason for founding.

Commonality: The choice of partner drives the decision to found and it is the commonality of interests, intent and values which is a prerequisite in the choice of partner; commonality drives the later choices of business strategy, and provides the ground rules for the business.

Complementarity: Complementarity of skills is an important factor in the decision to found and the early part of the business as it forms the basis for the choice of business activity and the initial allocation of roles; initial allocation of roles is thus based on content skills rather than management skills, and as the business grows, fully complementary roles are needed to sustain the organisation; inappropriate behaviour results from both inappropriate allocation of roles and from problems as the intimate dyadic relationship operates within a work environment; the subsequent development of complementary behaviour and management styles become important for the survival of the organisation.

Convergence/Divergence: The initial intentions of the dyad shapes the organisational development by either limiting or facilitating growth; divergence from the original common intent can be disruptive as the organisation develops; divergence can also result in the social context as married couple's relationships become closer both at work and socially while work associates increasingly disassociate work from social activities.

Organisational Survival: Dyadic founder/manager relationships result in singular organisations which are strongly influenced by both the emotional and rational elements of the relationship; the dyadic start-up can become an extremely successful organisation when successful cycling of the leadership role takes place between the partners.

Acknowledgements

A part-time research journey is both long and fraught with difficulties, particularly while maintaining a demanding work schedule. My heartfelt thanks go to my partner Hamish Johnson, who constantly supported my endeavour, knowing from his own experience the frustrations of doctoral research; my supervisor Silvana di Gregorio who sustained me during long periods of enforced research inactivity and maintained my motivation; my doctoral panel of Sue Vinnicombe, Cliff Bowman and Donna Fraser who brought me back to the reality of what rigorous research means and contained my frequent forays into attractive, but unrelated, avenues of exploration; the unnamed and numerous members of an informal network of contemporary students and friends on whom I could call on for help and advice; the management and work associates of Gemini Consulting who understood my need to carry on my research and enabled me ultimately to balance the demands of both work and academia.

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PART 1: Organising The Journey

1. INITIATING THE JOURNEY: THE RESEARCH BACKGROUND

This introductory chapter has four main purposes

- To introduce the concept of the research journey
- To describe the pre-start background to the research project in order to set the context for the research content, design and methods
- To summarise the gap in the knowledge in order to validate the choice of subject
- To describe the framework of the thesis and give chapter summaries

1.i. The Journey

Excellent research can be characterised equally by interesting results and by the clarity of the trail of evidence which the research process uncovers during the journey of discovery. The image of a journey, and its associated language, is thus a common thread throughout this thesis, used in tracking both the voyage towards understanding the meaning of the findings of the research, and also the discovery of a way of doing research which was both appropriate for the subject and for my personal style. In addition, the actual process of logging and writing up the research in a form suitable both for the academic and practitioner audience was a journey of learning in itself. As Partington states, 'Managers try to learn from academics.....On the other hand, practitioner demand for knowledge is accompanied by an equivalent academic desire for empirical data'. (Partington 1998 p.3) The research journey therefore exists on three levels (Fig.1. a.) and has three distinct audiences.

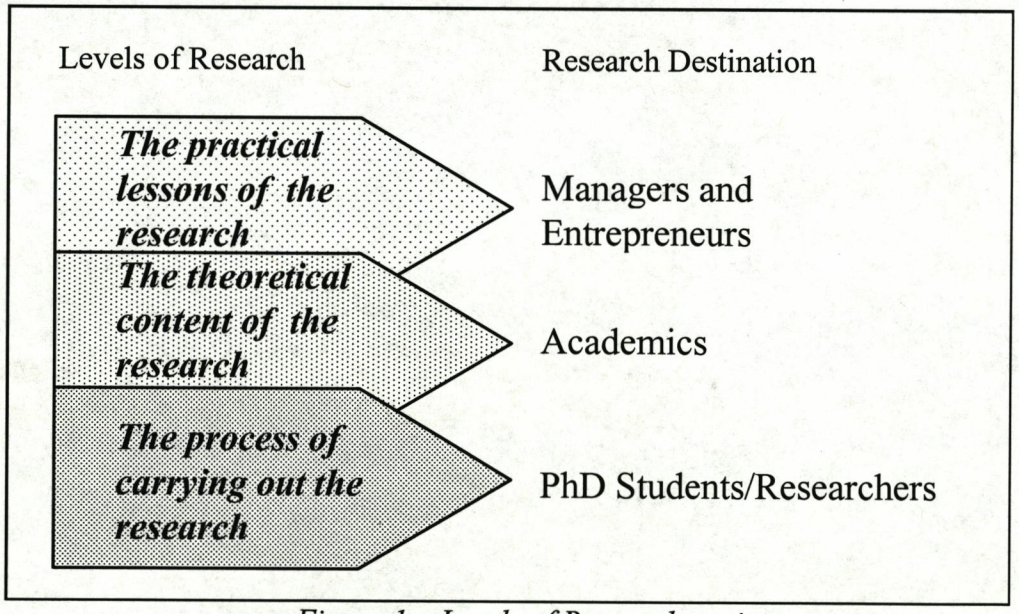

Figure 1a Levels of Research project

1.ii Personal interest in the research project

1.ii.i Background

The start of the research journey was long before the actual PhD project commenced. In 1981 I started a company to design and sell men's clothing. It was an era of great entrepreneurial activity in the textile sector and I came across many other people who had started similar operations but who had, unlike myself, done so in conjunction with a partner. At the time, I did not consciously register this fact but later, when designing

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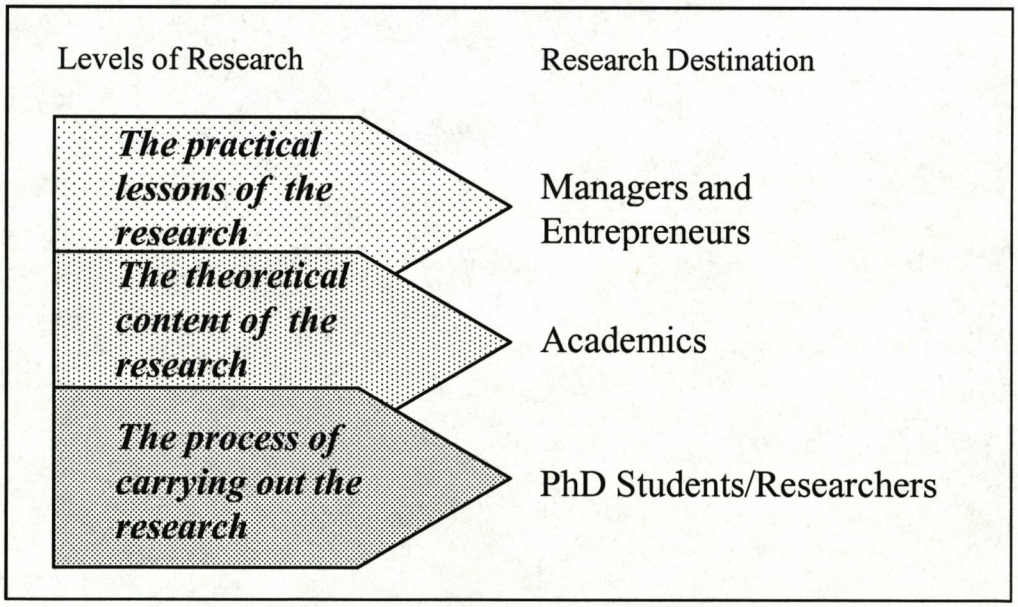

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the clothes as well as running the business became increasingly difficult, I began to wonder whether the partnership solution to business start-up was a viable alternative, one which might provide complementary skills and roles along with mutual support.

My own solution was to recruit a business manager but when I was later obliged to sell the majority of my company to ensure its continuing existence, I noted that many of these 'partnership' companies were still operating apparently as before. This reinforced my interest in the co-preneurial approach as a possible way of ensuring organisational survival. Since then I have been mentally filing away instances of 'creative couples' in many other industries and wondering whether there were any common factors to be identified. The questions started to form: was the choice of partner intuitive or conscious, emotional or practical? Did each recognise something similar in each other or consciously look for something different? Did intimate partners (married or not) carry their intimate relations into their business relations? Were their skills and attitudes complementary? And, most relevant of all, why did they start a company together as opposed to on their own or not at all?

These questions led me to think about such organisations and whether a couple-generated organisation might be distinctive and thus might represent a viable model of business start-up and organisational growth. Were the kinds of organisation that they formed different from those of sole founder/managers? Did the organisation survive because they were partners or because they were a particular set of partners? Was the fact of partnership largely extraneous to the growth of company and were other elements such as the product and external environment of greater importance? If the partnership structure worked in some cases, how does any organisation come to possess the right structure?

Before I embarked on this piece of research I had already investigated organisational life cycles as part of my MBS dissertation through management writers such as Flamholz (1990) and Greiner (1972). It was thought that owner/founder companies tended to suffer from an 'adolescent' stage, a period when initial enthusiasm and impetus needed to be tempered by the realities of professional management in order for the organisation to survive. Were there complementary elements in a partnership which could provide a solution to this organisational crisis? And if this partnership survived and grew, did the joint running of the company solve that leadership paradox of vision and control, that 'master of two ends of the spectrum: ideas at the highest level of abstraction and actions at the most mundane level of detail' as Peters and Waterman (1985 p.318) call it: if creativity and control represented the two ends of a spectrum, and were deemed difficult to find in one person, would not a couple-run organisation perhaps supply both?

The decision to initiate this research journey was thus based on a long-standing personal interest and fuelled by the belief that the pull/push relationship between creativity and control is fundamental to the survival of all businesses. Coming from what was initially a set of practitioner questions, the project had both a practical and academic aim of generating a model of business start-up and survival, one that could be used by both budding entrepreneurs to help avoid some of the pitfalls of start-up and also by academic researchers to further thought leadership in the entrepreneurial sector: as has been previously stated, the intention of the research project was to both build academic theory but also to provide insights which were of practical use to managers. There has been increasing questioning of the relevance of academic

management research (e.g. Daft & Lewin 1990) which uses active management processes on which to base its findings but which, at completion, has little practical usage, either being couched in a language which is not easily accessible or being confined to a small academic readership. It is evident, shown by the increasing flow of popular management books, that there is an audience for management theory in a palatable form and this project attempts to fill a gap in providing accessible material based on empirical data rather than purely popular conceptions.

1.ii.ii Personal methodological preferences

I had however a problem in initiating my PhD research. Following my MBA, I realised that the enjoyment of accomplishing my researched dissertation on leadership of creative companies such as design consultancies came not only from the subject matter which opened the way towards related areas of research, and thus my PhD subject, but also towards the actual process of research which I found absorbing and fulfilling. The MBA dissertation thus marks the true beginning of this research journey.

The dissertation however also enabled me to realise that the traditional hypothetical deductive approach to the subject neither was completely sympathetic to my own more inductive way of working nor was a quantitative approach likely to generate the depth and richness of data that I needed to elicit an understanding of the relationship of these two people. As Partington (1998 p.7) says, 'Theoretical sensitivity……comes not from the following of procedures but from a combination of the sociologist's innate ability to conceptualise and formulate theories, from his or her personality and temperament, and from the knowledge of his or her area of research.' In addition, it became increasingly obvious that this was an area where theory needed creating, not proving: my discovery of the existence of grounded theory (Glaser & Strauss 1967) allowed me to find a way into my PhD research and work both in a manner which I found appropriate and also in a way that allowed rigorous generation of theory.

The research project covered a period of seven years with two periods of de-registration. The problems caused by part-time research are already many, even without stopping completely for periods of up to one year: the difficulty of refitting 'the research hat' after a day's work; the fact that I discovered that about 3 days of thorough immersion is needed before productive thought or work emerges; the need to create an atmosphere of academic rigour in non-conducive places of work such as hotel rooms while on client projects; and, above all, the constant need for self-motivation in order to continue. Inevitably, research which is perpetually started and then put on long-term hold causes even more problems of dislocation and de-motivation. These problems of part-time research were partially alleviated by the grounded theory approach: a more linear manner of working such as the traditional hypotheses-proof-deduction methodology would have been difficult to maintain. Each new start entailed a reappraisal of what had previously happened or had previously been written, and this enforced iterative approach allowed me to turn what could have been a major barrier into something positive by allowing me to constantly revisit and thus familiarise myself intimately with my data, enabling generation of categories and themes which were constantly pared down and expanded as greater insight resulted. It also allowed me also to keep thoughts simmering in the back of my mind and to hone them mentally before committing to a particular direction .

My preference in my consulting work has always been to work in an action learning environment where as new situations arise, the outcomes are assimilated before being tried out, modified and ultimately either accepted or rejected before building the learning into the next 'loop'. This preference fits well with the research process which is essentially iterative and which I have attempted to express in Figure 1.b as a 'loop' process rather than the more usual linear schematic. While initially instinctive, as the research progressed the process became gradually formalised and structured with an increasing use of relational databases and key-word tracking through computer word-processing programmes. A good example of this process was the way the initial literature search enabled the gradual sifting of research paradigms, which led to the discovery of a personal research philosophy, which led to different areas of literature search and thus to the relevant research methodology and theoretical sampling process which eventually led to the first findings which started the loop again. This reflects the grounded theory approach of Glaser and Strauss (1967) in using theoretical sampling which 'loops' in decreasing circles until theoretical saturation is arrived at. As in all active learning processes, the logging of the activities through a research diary was of prime importance, and the existence of milestones which enabled either a paradigm shift or the confirmation of the current activities were the impetus for successful completion of the project.

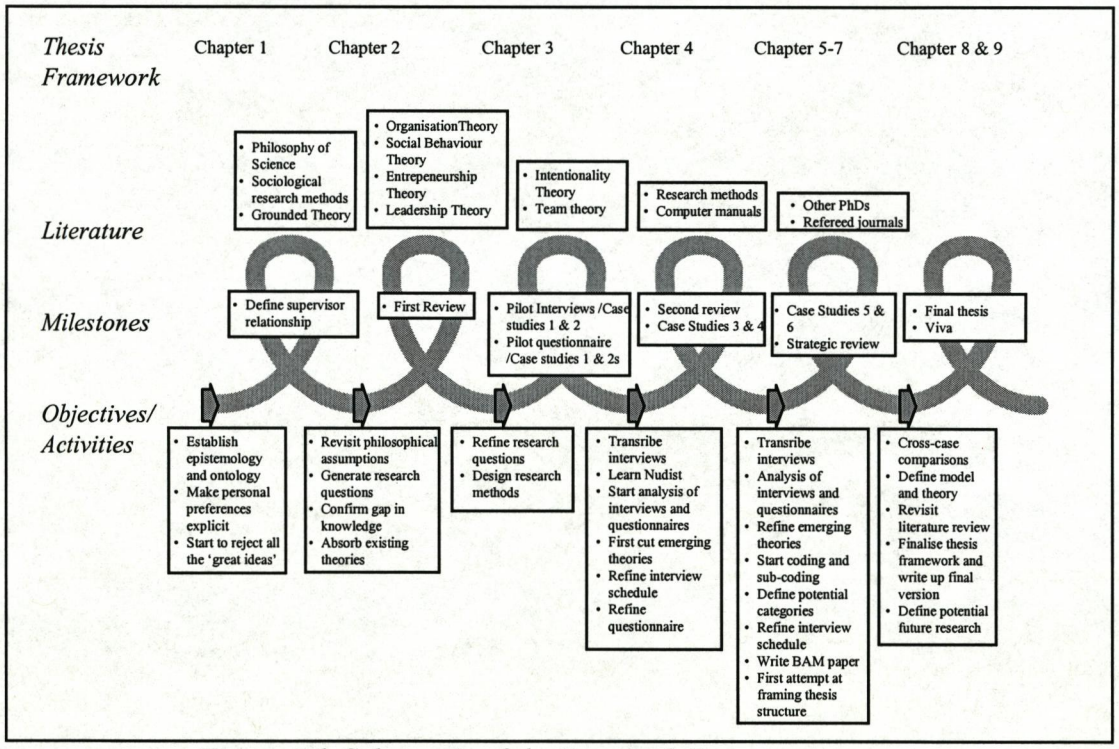

Figure 1.b Schematic of the Research Process

1.iii The importance of the research project

The origins of this research sit within many theoretical bodies. As with all research, there were many false starts and much of what was read was abandoned or consigned to background understanding: it is however as important that these dead-end routes are charted as it is to chart the theories which were deemed relevant, and Chapter 3 deals with this. I have emphasised the extent to which the whole research process was a journey and that though the research was extended over seven years due to the part-time nature of the research and work commitments which was not ideal, this enabled

me to take a longitudinal approach and to use grounded theory to build up information in order to focus on what was really relevant. The main theories which were used as a starting point for the research are as follows:

1.iii.i Pre-organisational intentionality

There is a new school of thought, stemming from the growing body of entrepreneurial research, which claims that the factors of intentionality prior to, and at new venture creation can have far-reaching consequences on the form, and thus survival, of the organisation (e.g. Bird 1988). As Bird says, 'The founder's intentions determine the form and direction of an organisation at its inception. Subsequent organisational success, development....., growth and change are based on these intentions, which are either modified, elaborated, embodied or transformed. Thus, intentions affect a venture's success..... here defined as the firm's survival and growth.'(1988, p.444) It is within the context of intentionality that it is intended to look at organisational survival of two-person organisations.

Using this theory, the couple is thus important for three main reasons:

- Firstly, the phenomena of two people starting a company is very different from one person or several people doing so and the kind of company they form will be very different. If one believes in the importance of intentionality and pre-organisational factors in organisational survival, any variance in the founding context is an important element.
- Secondly, if the individuals recognise their strengths and weaknesses and construct their partnership accordingly, the resulting unit could be the answer to many of the organisational weaknesses such as lack of control and lack of vision associated with organisational failure.
- Thirdly, the fact that they are two may highlight reasons for starting businesses which are not commonly understood.

1.iii.ii. Entrepreneurial typology

In most management literature, when reference is made to the personalities associated with leadership or entrepreneurship, the reference is singular, as in 'the founder', 'the entrepreneur' or 'the leader'. When mention *is* made of teams or groups, it tends to be within a vertical context such as superior-subordinate or as a team within an existing organisation, as shown in an increasing body of literature (e.g. Kakabadse 1991). The shift in power and authority away from the individual and towards a team owes something to the climate of our times. Individual power is seen as corrupting and undesirable; wide-spread higher education has increased the number of people wanting to manage and management has become a profession; morally and intellectually it is difficult to accept individual authoritarianism; the sheer complexity of the business world with new technology, competition and legalities means that few, if any, lone operators can embrace them all. As Belbin (1981 p.ix) points out, 'The management team has become the stable alternative, a means of running a company effectively so long as the right combination of people can be found'. However, while the theory of team effectiveness is increasingly widely embraced, the possibility of a management team of two people starting a company together is rarely addressed.

A team or partnership founding structure is one of the most common in new business ventures: for instance, it has been estimated that 57% of technology-based start-ups in the US were begun by groups (Bird 1989). It is difficult to ascertain exactly how many organisations are started by two people as many companies are not registered,

but personal observation suggests that it is a common occurrence. The recent spate of new high-technology ventures, where the need for varying technical skills is great, has led to some interest in research into team enterprise but very little research has been conducted into the couple enterprise except into mom n'pop businesses (Cooper 1970) and into certain professional partnership ventures (Timmons, Smollen & Dingee 1977): the majority of entrepreneurship research assumes the sole founder. In addition research conducted into entrepreneurial activity typology has identified nine sub-sets (Kunkel 1998):

1.Corporate Turnaround	Transformation and strategic renewal of an organisation through the radical restructuring of the organisation's portfolio of businesses units.
2.Intrepreneuring	Forming new ventures from within an existing organisation.
3.Business Turnaround	Transformation of an existing business unit through the radically restructuring of the business unit's strategic direction
4.Product/Process Development	Transformation or radical restructuring of a functional unit within an existing business unit through the development of new products, processes or modes of doing business.
5.Need Driven Independent New Venture	A high growth-potential, independent new venture started for the purpose of fulfilling a perceived market need.
6.Technology Driven Independent New Venture	A high growth-potential, independent new venture, started for the purpose of commercialising a particular technology.
7.Income Substitution New Venture	A'mom 'n' pop,' low growth-potential, independent new venture intended to replace the income that one or more individuals could have earned from gainful employment.
8.Income Supplementing New Venture	A new business started to create extra income on a part-time basis.
9.Hobby / Lifestyle New Venture	A venture for which making a profit is not a primary motive in the founding but that is, instead, founded for the purpose of allowing the entrepreneur to pursue a hobby or lifestyle that would not be possible or economical

Figure 1.c. Kunkel's Typology of Entrepreneurial Activity

While it could be argued that co-preneurship could include elements from each of the sub-sets (particularly 8 and 9), there are indications that two-person organisations may form the basis of yet another sub-set for whom the style and place of working within their life overrides other imperatives of profit or commerciality .

1.iii.iii. The dyadic relationship as a model of organisational survival.

New firms account for the majority of all business enterprises, so the subject of their failure or survival is important. The statistics for company mortality in both the US and the UK are devastating: it is estimated that 54% of businesses in the US do not survive longer than 1 and a half years (Quinn & Cameron 1983) and approximately 50% of businesses in the UK do not survive 5 years (Department of Employment 1992). The social and economic cost is great.

Both academics and practitioners have been concerned to develop an understanding of the factors leading to organisational survival. It is an area of research which has grown in topicality in the late 1970s and 1980s as a result of the increase in business failures,

bankruptcies and hostile take-overs (Cameron, Sutton & Whetton 1988, Whetten 1987). This contrasts with the research of the 1960s and early 1970s which tended to focus on organisational success (Goodman & Pennings 1977). The prevailing thrust appears to be that the probability of organisational survival can be increased by possessing the right form of organisation, as Hunt, Baliga & Peterson (1988 p.61) describe it, ' a combination of strategies, structure and processes' .

The search for theoretical models of the right form has tended to fall into two schools: the population ecological approach (e.g. Hannan & Freeman 1989), which argues that the right form is selected by environmental forces, and the strategic choice approach (e.g. Mintzberg 1983), which argues that it is the formulation of strategy which affects organisational outcomes. Much of this work tends to be cross sectional and static rather than dynamic and longitudinal and tends to ignore the historical aspects of the organisation which mould its structures, strategies and processes. As Hunt, Baliga and Peterson (1988 p.62) say, 'it is as if a photograph rather than a motion picture were used to represent reality'.

There is a growing popularity in practitioner literature on the importance of teams and working relations within corporate life (e.g. Belbin 1981). While it has echoes of the contingency and 'right fit' theories of leadership (e.g. Adair 1983), the emphasis on relationships in entrepreneurial start-ups has not been a feature of this body of research though relationships in the workplace in general such as 'linking pin' relationships(Likert 1961) or more general organisational theory (e.g. Weick 1979) have been important. Research that leads to any prescriptive results would thus be valuable. The review of the literature indicated that, in order to provide new insights, it would not be sufficient to fine-tune existing theories or simply to focus on a new interpretation of existing data. The fact that little empirical research exists in the fields of intentionality and team entrepreneurship indicated the need to theory-build rather than theory-prove, and this had implications for the choice of methodology.

The anticipated contribution to theoretical knowledge will therefore be in the areas of

1. Pre-organisational intentionality: the value of common intent in organisational start-up

2. The addition to the work of entrepreneurial typology in identifying a new kind of start-up

3. Dyadic complementarity: the identification of complementary attributes, behaviours and roles which may lead to the leadership couple as a model of organisational survival.

1.iii.iv. Grounded theory

In addition, the fourth area of knowledge relates to the manner of doing research. It is fundamental to this research that it was undertaken within a realist ontology and epistemology and conducted within the general approach of grounded theory. This research is thus both a journey of discovery in both the way of researching and also the understanding of the data uncovered. While grounded theory is becoming increasingly accepted as a research model, particularly in the medical field in the USA, the body of management research which uses this technique is relatively in its infancy and any example of its constructive use can only serve to increase its credibility. It is for this reason that I consider the articulation of the experiences of the

research of importance, albeit secondary to the content. My way of reporting is thus essentially narrative and the framework of this report charts this double voyage of discovery: it is thus in parallel a document about how grounded theory can work and a report of my findings which generate a proposed model of dyadic leadership.

The fourth area of knowledge enhancement will thus be in the area of

4. Grounded theory: to demonstrate the value of the grounded theory approach to this kind of research..

1.iv. The Thesis Framework

Throughout this paper references to 'couples', 'partners' or 'co-preneurs' indicate the two person founder/manager unit. The definition of the 'couple' is two people, whether married or not, of either gender and of any age, who come together to found and run an organisation. 'Founder/Manager' refers to the dual roles of both individuals. Companies which were started by one person and then employed the other were excluded (unless the business changed direction as a result of the second person joining and they were equal partners) as the concept of equality was important in order to elicit their reasons for, and mode of, business start-up. The 'organisation' studied needed to have survived for at least 5 years and to operate for profit and growth within a national or international context (which excludes local 'mom n'pop' businesses such as corner shops etc.) The 'survival' of the organisation refers to the continuing existence of the organisation with the continuing presence of the two founder/managers and implies no criteria for success or failure. An organisation which fulfilled these criteria but which has been sold or changed organisationally in some way is deemed to have survived.

This thesis therefore follows the chronological structure of the research which will in parallel 'unravel a new part of the theoretical argument being made' (Yin 1989 p.139), point out the usefulness for practitioners, and relate how the process of research unfolded.

The following is a précis of the chapters and the material they cover: the thesis is divided into two parts, the first covering the background to the research, and the second, the actual research findings.

PART 1: Organising the Journey

Chapter 1 (this chapter) sets out the background and the reasons for initiating the research journey including a summary of the gaps in the current knowledge which this thesis attempts to fill. The methodological position is outlined as are the research design, principal findings and thesis structure. It is the only chapter which is not strictly chronological as the aim of this chapter is to summarise and to demonstrate the thesis framework which of necessity must take place at the end of the piece of research.

Chapter 2 expands on the research methodology. The first steps in reviewing any literature were in order to understand the philosophical framework. Discovering the alternatives to what were initially an extremely limited knowledge of the philosophies of science and their associated methodologies opened new avenues and was a key milestone in the development of the research. It changed the direction for the content

literature search into areas of cognitive and behavioural science which I had not previously contemplated following. This chapter gives an explanation of the realist ontology and epistemology at the heart of the research and how the use of grounded theory was thus an appropriate way of conducting the research.

Chapter 3 is a review of the wide body of literature on leadership theory, organisational and survival theory, entrepreneurial theory, and relationship and team theory. The review seeks to outline the current knowledge in these fields and show how theories were accepted or rejected as part of the research journey. It is argued that research into co-preneurship is limited, tending to concentrate on the processes of organisation rather than the relationship, and is rarely empirical. It also builds on the work of Bird (1988) and entrepreneurial intentionality in looking at the organisation from point of conception through survival. The review leads to the formulation of a main research question which asks whether a continuing dyadic relationship can fulfil the leadership needs of a changing organisation thus contributing to its survival. This question provided the framework for the design of the empirical study.

Chapter 4 describes the research methodology undertaken as a result of the conclusions drawn from the philosophical review and literature search. It describes how the step processes of grounded theory were used and adapted and details of case selection, data collection and analysis procedures are described. In addition, it addresses the practical limitations of doing research within a limited time scale and also analyses the choice of computer package. It outlines finally the emerging themes and how they were arrived at.

PART 2: the Journey

Chapter 5 is the first of the three chapters which deal with the findings of the research. Originally the chapters were organised in a strictly chronological order by case study but the material proving repetitive (happily for the generalisation of the research and unhappily for the reader), I decided for structural reasons to reorganise the chapters into how the main findings/concepts or categories were exposed and built on chronologically. This chapter deals how and why the partners chose each other within the concept/category of **Commonality,** and how commonality of intentions, values and interests defines the relationship as intimate, influences the culture and strategy of the new organisation, and determines the behaviour of the ongoing relationship.

Chapter 6 deals with the category of **Complementarity.** It looks at the complementary 'content' skills which drive the decision to found and the initial allocation of roles; it analyses the management skills necessary for an organisation and looks at the way that the couples coped by developing complementary roles; and it defines the reasons for negative behaviour which must be translated into complementary behaviour if the organisation is to survive. It also deals with the phenomenon of **Projection** as part of the paradox of intimate relationship/working environment.

Chapter 7 covers the findings on the context of the **organisation**, comparing the variables between the case studies, looking at the possible ramifications for entrepreneurial typology of the dyad, and investigating whether the fact of being two has allowed the organisation to survive through the first phase of the organisational life cycle.

Chapter 8 brings together the findings from the previous six case studies and shows how they contribute towards the building of the model of **Dyadic survival**. The model attempts to show the linkage between initial choice of partner and the outcome of the dyadic behaviour in organisational terms. It deals with the concept of convergence/divergence within the dyad, following the growth of either convergent or divergent behaviour from the initial decision to found, through the continuing relationships and finally, predicates the likely outcome of the relationship. It offers a model which has applications both for academic researchers and practitioners.

Chapter 9 draws conclusions from the study, both with regard to the way of doing research and with regard to the content. It looks at the way that the research was ordered and written up and recommends 'best practice' for future researchers. It acknowledges the drawbacks of the actual piece of research, draws implications for future research and reiterates the contribution to knowledge which the research has made both for academic and practitioner use.

The **References** include all quoted and referenced material.

2. BEGINNING THE JOURNEY: THE RESEARCH PHILOSOPHY

This chapter restates and amplifies the aim of the research and how it underpins the underlying assumptions of the research philosophy. The need to define the philosophical issues as a precursor to undertaking research, and how the choices generated by these philosophical issues define the ontological and epistemological stances thus shaping both the research questions and the research methods, are discussed. The appropriateness of a realist perspective and its antecedents are defined and argued in relation to the subject of the research and linked to the grounded theory approach to theory building which is more completely described in Chapter 4, as are the associated research methods. The way that the philosophical stance informed the literature search is summarised as an introduction to Chapter 3.

2.i The Aim of the Research: Theory and Model Building

The question of why the research has been undertaken has been touched on in sections 1.ii and 1.iii (pp 13-18). It can be argued that all research must have as its aim some benefit to society. In organisational research, this can be further refined as specifically benefiting the business community while, at the same time fulfilling such academic criteria as rigour and demonstration of reasoning . However, the majority of academic organisational research remains outside the general awareness of managers even though management education is becoming increasing the norm for either entrants to corporate life or as 'on-the-job' training. In addition, the increasing use of external consultants within companies is expanding both the vocabulary and the theoretical knowledge of practitioners. However, this knowledge tends to come from more popularist writings and, when empirical research is used as a basis for decision making, this tends to be taken from within the functionalist paradigm, where the emphasis is on prediction and control (Morgan 1990). As Daft & Lewin (1990 p.1) state, 'the body of knowledge published in academic journals has practically no audience in business and government', thus challenging the link between validity and usefulness.

That there is a desire for, and a need to make available, more and different academic research for the practitioner is shown by the increased subscription levels from managers to publications such as Harvard Business Review and the growth of the management guru such as Tom Peters. What these sources have in common is twofold: firstly, an ability to communicate in a non-academic language which is understandable and practical, and secondly, an increasing emphasis on the behavioural aspects of organisational theory away from the predictive. The increasing importance of behavioural research can be illustrated by the growth towards the cognitive perspective which emphasises the mediating role of the manager between environmental stimulus and behavioural response. There is increasingly recognition of the centrality of emotions and feelings in the every day experience of working in an organisation. (Fineman 1996). Tenbrunsel et al (1996 p.13) asserts that 'the shift towards the cognitive perspective has arisen from the pressure to develop psychological theories which address the activities and interests of managers and which provide managers with more levers for change'.

If one therefore accepts the premise that organisational research holds little value if it has no practical application, it can thus be argued that the current dominance of theory-proving research holds little value for the practitioner and that theory-building

thus becomes of increasing value. As Partington (1998 p.3)) states, 'Writers such as Mintzberg (1979), Eisenhardt (1989), Parkhe (1993) and Burrell (1996) argue that pre-paradigmatic, evolving status of research into organisational processes makes it appropriate for researchers to put more effort into building new theories from empirical data'. Broadly speaking, the argument of these writers is that too much organisational research is deductive and theory testing, 'characterised by the premature application of quantitative methods, and not enough is inductive and theory-building, using more qualitative approaches'(Partington 1998).

Parkhe (1993), in particular, argues that as organisation research is in an adolescent stage, no one research tradition is well enough established to claim dominance and it is therefore appropriate to challenge paradigms and build new theories from empirical data. The fundamental methodological issue of the relative precedence of data over theory or vice-versa is thus, it is argued, necessarily in favour of starting with a 'clean slate' approach to allow theoretical flexibility in what is basically an emerging research area. This research adopts this stance but believes that even in theory building it is necessary to have a starting framework. This framework should be driven by a clear philosophical stance which predicates the research questions and design.

2.ii. The need for philosophical clarity

As Hughes (1990 p.11) says, 'The relevance of the philosophical issues.... arises from the fact that every research tool or procedure is inextricably embedded in commitments to particular versions of the world and knowing that world.' Thus the research question and methodology can only be established within a clear, personal, philosophical stance. The journey to discover what ontology fitted best with my personal preferences and also with the subject of the research was often tortuous but ultimately rewarding. For many researchers, as for myself, the wish to undertake research starts often with fairly inarticulate and woolly expressions of what exactly are our personal philosophies. It was therefore necessary to research and understand the literature of the philosophy of science prior to undertaking any 'content' literature research.

Blaikie (1993) clarifies the various philosophical stances and suggests that there are various pragmatic choices which may be made based on often unconscious preferences of ideological and religious beliefs and values, or more conscious influences such as the constraints or preferences imposed by academic institutions or subject discipline. Though this may have the ultimate effect of reducing, and simplifying choices, he stills argues that attention must be given to issues such as how theories are generated and tested in order to defend a particular research strategy. Easterby-Smith, Thorpe & Lowe (1991) are prescriptive in their rationale for the need to understand philosophical issues: firstly, in order to clarify research design and its attendant questions of data and its interpretations; secondly, in order to understand practical limitations of particular approaches; and thirdly, in order to allow researchers to work in domains which may be outside their practical experience. The necessity of clarity in how one interprets the world, and how one translates that into meaning is of absolute importance in order to anchor a piece of research within a meaningful framework.

2.iii The Ontological and Epistemological Stance

The growth of Social Science as an entity separate from the natural sciences has entailed a questioning of the traditional ontological and epistemological stances. This questioning has led to a focus on two main opposing ontological assumptions:

- That social reality exists independently of the observer and thus, objectively, it is subject to laws of cause and effect in much the same way as the natural world. It consists of individuals' views of reality, and thus the researcher's task is to reinterpret and reconstruct those meanings.
- That there is a subjective domain of meanings and interpretations created by social actors, substantially different from the world of nature in which reality exists externally and independently of the observer and thus the researcher's task is to identify causal explanation and basic laws.

These opposing stances are variously described as 'German idealism' and 'sociological positivism' (Burrell & Morgan 1979), 'naturalistic' and 'rationalistic' (Guba 1990), 'phenomenology' and 'positivism' (Easterby-Smith, Thorpe & Lowe 1991) and 'the interpretative alternative' and 'the positivist orthodoxy'(Hughes (1990). These two polar views of social reality are associated with different epistemologies: for the interpretivist, knowledge is educed from the meanings and concepts used by social actors themselves and, for the positivist, phenomena which are directly observable are the only things which can be truly known. They are thus often linked with different research methods, as their approaches to how this knowledge about the social world can be obtained also differ: interpretivism with the qualitative methods used, for example, by anthropologists and positivism with the quantitative methods mainly used in the natural sciences. Quantitative research, carried out within a positivist paradigm, is still the favoured method in management research though increasingly qualitative research, within the interpretative tradition, is gaining favour as the question of the appropriateness of the rules of scientific method to the study of people is increasingly raised. As Blaikie (1983) says,' the major task of Interpretative social science is to discover why people do what they do by uncovering the largely tacit, mutual knowledge, the symbolic meanings, intentions and rules, which provide the orientations for their actions.' (p.176)

Within the context of the broadest definition of my research topic - the phenomenon of co-preneurial start-ups - the personal preference for qualitative research through personal contact with the actors enabled me to make some initial decisions: the research could have taken the direction of a quantitative study of like start-ups through broad survey techniques involving statistical analysis which would have become a totally different piece of research and one in which I was neither personally interested or technically competent to undertake. In addition, the prevailing methodological tendency amongst my immediate contemporaries was towards cognitive studies. My subject for research, with its emphasis on the interaction of the dyad within a defined context, therefore initially seemed to fit well with the work of the symbolic interactionists, the movement started by Mead (1934). Symbolic interactionism, 'an explicitly social science approach to the study of social life' (Bryman 1988) is one of the main schools within interpretivist ontology. The main aims of the original symbolic interactionist school were:

- To attempt to explore and describe experience within society, treating consciousness, language, communication and meaning as emergents from the social process
- To re-approach to the same phenomena in terms of subjectivity, treating the given in experience as arising epistemologically and experientially within what Mead calls the 'act'
- To attempt to describe what is given in experience by means of a radical theory of temporality which takes the present as the locus of reality.

Sociological social psychology is particularly linked with symbolic interactionism, and as the research increasingly focused on the relationship of the dyads rather than their context, it seemed an appropriate approach. As Stryker & Serpe (1982 p.200) says, 'The most general and theoretical propositions of symbolic interactionism assert that structured role relationships impact on self and through self on social behaviour, and that there is a reciprocity in the direction of impact'. McCall & Simmons (1991) believe that to understand any episode of human interactions is thus to comprehend the multi-layered meaning of an interchange of messages, as Mead (1934) calls it a 'conversation of gestures'. They suggest that analysis at multiple levels is increasingly valid in dealing with multi-layers as it looks at the holistic situation and 'any single-level analysis of interaction necessarily strips away the contextual influences of higher-level social units' (p. 60). This seemed particularly relevant for this research which touches primarily on three levels: the individual, the dyad and the organisation. McCall & Simmons do however sound a note of warning, 'rare is the data base that permits rigorous, nomothetic analyses at different levels' (p.77) and point out that multiple level analysis is difficult to generalise, a fact which also led me towards the category saturation method of grounded theory.

However, there is an fourth level or layer of my research which looks at the actors and their social interaction within a defined context, that of the organisation that has survived: there is thus both a subjective and an objective reality. It was this need to address this potential conflict which drove my search for an ontology which better fitted both my preferences, my subject and eventually the research design. Within the interpretivist tradition, there exist different perspectives and within those perspectives, different theoretical frameworks and within the symbolic interactionist perspective, there exists several schools which diverge radically. Denzin points out symbolic interactionism comes in multiple varieties (1991) and the original definitions of Meade and his close followers lack a layer of meaning which has been addressed by others such as Bhaskar (1975) and Harré (1986) and which has developed into realism. For instance, Blumer (1969 p.60) developed a variety of interpretivist epistemology which anticipates realism and expresses the view that 'there is a world of reality out there that stands over and against the human being; that this reality becomes known and changes through the actions of human beings on and towards it; and that the resistance of that world to perceptions of it is the test of validity of the perceptions'; he also developed methods of investigating which covered both qualitative and quantitative methods. Outhwaite (1987) argues, however, that treating realism purely as a different epistemological stance is not sufficient and that realism requires a different ontological view, which can be seen as a bridge between the positivist and interpretivist standpoint. It is important here to underline that this realist approach defined here is sometimes referred to as 'new realism', or 'transcendental realism'. Pawson & Tilley (1997) define the difference as making 'the leap from

scientific realist explanation to realist social explanation.....realist social scientists have forced their gaze down from the initial, rather metatheoretical concerns to the workaday practicalities of doing empirical work.' (p.56)

Thus Bryman's (1988) description of symbolic interaction is too simplistic: within the overall framework, researcher's such as Denzin have continued within an essentially interpretivist ontology, whilst Layder, as an example, have developed a realist ontology. This symbolic interactionist view within a realist ontology is that social order is viewed as the product of an interplay between system parts representing a negotiated order, and an examination of the practices and interactional patterns through which people come to build up and develop relationships and patterns of organisation, a description which seemed to fit the research subject well. 'The focus .....is clearly on the biographical elements of social experience and represents another aspect of the link between individual identity and experience and the situations and settings that are the stuff of everyday social life.' (Layder 1993 p.77)

Outhwaite (1987) states, ' Realism is a common-sense ontology, in the sense that it takes seriously the existence of the things, structures and mechanisms revealed at different levels of reality'. (p.19) He argues that there must be a relationship between the social sciences and common-sense social knowledge, and that this common-sense approach enables us to have intuitions about social processes which provide a good starting point into the subject matter. As he says, ' The social scientist directs his or her attention to an object of inquiry which is already defined in certain ways in the world of everyday life and language.... [he or she]will typically seek to re-describe this object so as to bring out its complexity, the way in which it is determined by its internal and external environment as an outcome of a multiplicity of interacting tendencies'. (p.56) While research within a positivist ontology starts with well-defined hypotheses, research within a realist ontology is therefore necessarily tentative and finally non-prescriptive. Building on the work of Bhaskar (1975), it emphasises the need to look at the relations between social structures and the activities they govern, distinguishing between causal interdependence (between social structures and human representations of them) and existential intransivity.

Bhaskar (1975) argues that reality exists in three overlapping domains: the empirical (experiences or observed events), the actual (events whether observed or not) and the real (underlying tendencies or mechanisms which may or may not give rise to events). Outhwaite (1983 p.322, emphasis in the original) illustrated this by his much-quoted example of a watch: 'My watch has a mechanism in virtue of which it has the power to, as we say, tell the time. But for this to happen there are three main conditions. First, the mechanism must have its causal powers intact: it must not be for example 'broken'. Second, the mechanism must be activated: I must remember to keep my watch wound up and set to the correct time zone. And third, although the watch will, if these conditions are satisfied, 'tell the time' 24 hours a day whether or not I observe it, it will only tell *me* the time if I *observe* the *event* of the hands pointing to 11.15, an event produced by a latent structure or *mechanism'*.

This logic may be applied to the research: the watch is the dyad which is activated by the start-up of their organisation. Their relationship will continue and will form a series of events but will have no reality for *me* unless I choose to observe or experience it. Thus as Tsoukas suggests, the researcher's task is to try to merge the real and the actual domains through the process of research (1989). The basis of the

realist approach is thus the concentration on the organic linkage between macro and micro levels of analysis. 'Viewing society or social reality as a series of interdependent levels each with its own distinctive characteristics enables the researcher to be sensitive to the different units and time-scales that are involved in social processes and social changes', states Layder (1993 p.8), emphasising the importance of both subjective and objective reality and the need to make sense of this by model building.

The subject of my research, with its complex linkages (both between the individual and the dyad, and the organisation and the context, the whole situated within different timescales) and its aim of model building fits well into the realist framework. From a philosophical perspective, therefore, a mixed methodological approach in the realist ontological tradition from a realist symbolic interactionist epistemological viewpoint offers the best means of gaining knowledge about the social world in which the research questions have been posed and thereby answering the questions. It matches Layder's (1993) realist definition in that the focus here is clearly on the biographical elements of social experience and represents another aspect of the link between individual identity and experience and the situations and settings that are the essence of everyday social life.

This research therefore adopts a realist ontology and epistemology which allows a multi-layered approach to the research, both in its subject matter and also in the mixed quantitative/qualitative methods used. As the theory of organisations is still in a relatively embryonic stage, in particular with regards to behavioural cognitive research, a theory building approach passing through the stages of exploration, description and explanation (Blaikie 1993) will be used. The starting point of theory building research should be a set of research questions informed by an exhaustive literature research which will also shape the research framework.

3. CONSULTING THE GUIDE BOOKS: THE RESEARCH FRAMEWORK

3.i Introduction and background

The ideas which are frequently the starting point for grounded theory research projects are often little more than instinctive and intuitive, with little empirical basis. It is not clear whether they are genuinely insightful or merely personally revelatory and they have little or no points of reference other than personal experience. Among the first steps of a research journey are therefore the systematic trawling of all, and any, seemingly relevant texts.

The continual search and rejection of theories is a vital part of any research journey and the logging of this pilgrimage, at first in a haphazard and then increasingly rigorous fashion, enabled the creation of a trail of evidence which is essential to excellent research. I initially kept a database on my PC in which I logged each book or article that I had read under the author, title and key words plus a short summary. As my search through the literature became increasingly vast, 'reading' was replaced by 'skimming' with notes to myself to return to particular areas of interest which inevitably became less and less frequent. It was the discipline of focus which enabled me to exit the forest of data and start making sense of it and translating it into information. The iterative process of discovery, enthusiasm, disenchantment and rejection enabled previously meaningless studies to be revisited when they suddenly revealed themselves to be the missing link in the gradual piecing together of the research jigsaw. I started linking pieces of reading together and writing up my own thoughts so that when the time came to present some conclusions, some of the work had already been done. Often the frustration of seemingly wasted hours pursuing some fertile route only to find that it was apparently irrelevant, and then to recall that work some time later, is ultimately one of the most satisfying aspects of research.

Much of a sociologist's work involves reading and interpreting the writing of others. When embarking on a literature search for a research project, it is initially difficult to make judgements as to whether an article or a study has relevance, either in the content or in the methods used in relating the evidence to the theory. At one end of the continuum there is within management literature an increasing tendency for 'guru'-driven articles and books which have apparently little empirical referent. At the other end, there are the refereed journals of impeccable reputation and, in between, a significant proportion of reports based on empirical research but which are necessarily presented in a highly condensed format, and thus it is often difficult to ascertain whether the methodology used is robust or indeed appropriate. The need for expertise in 'deciphering' the research is thus essential.

Rose (1982) provides a framework which proved invaluable when starting the project. It is primarily developed for studies which have theory-testing as their aim, and comprises what he calls the A, B,C,D,E method. It can be argued, however, that his framework is less applicable to research which has as theory-building as its aim, though he would argue that 'theory-construction inevitably entails an initial act of imagination which is then checked by testing.....[and] it is relevant to ask whether the constant comparative method [of grounded theory] really avoids all elements of theory testing' (p.126). It is suggested, however, that it is relatively simple to adjust the model to incorporate both theory testing and theory building research (Figure 3.a) and it is the second model which was used throughout this project.

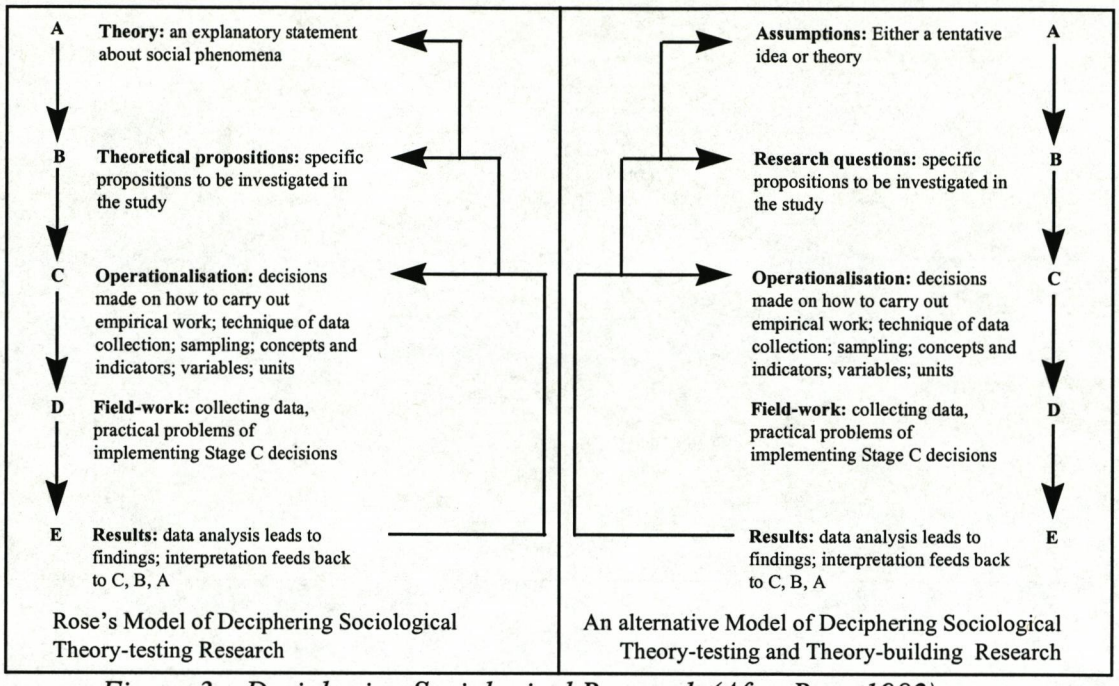

Figure 3.a Deciphering Sociological Research (After Rose 1982)

My journey took me down many false roads.

- I initially concentrated on organisational theory which led to the study of **leadership** (section 3.ii.), particularly that of transformational and transactional leadership and the difference between leadership and management, which helped me clarify both my understanding of the role of leader/manager and also provide me with one of my research tools. I also looked at the trends in leadership research, in particular the increasing emphasis on behavioural aspects. While this also proved valuable in discovering the vast body of literature that existed and in clarifying the different roles needed within organisations, it seemed to have little relevance to the context of the nascent organisation, being mainly predicated upon large organisations with highly structured forms.
- It did reveal however the literature on **organisational life stage** (section 3.iii.)and situational leadership which proved helpful in organising my thoughts on why and how organisations survived.
- At this stage, my research was still focusing on the organisation rather than the personalities involved, and it was the review of the **entrepreneurial literature** (section 3.iv.) with a focus on entrepreneurial personality research which enabled me to focus on the behavioural aspects of my subject.
- This led to a study of **relationships** (section 3.v.), concentrating on the theories of social exchange, social networks and interpersonal relationships which eventually proved to be the most relevant to my subject. This last section is also covered in some detail in Chapter 5 and Chapter 6.

3.ii Leadership Theory and Literature

Research and popularist statements on theories of what constitutes management and leadership are amongst the most popular areas of interest in organisational inquiry. Management theory has been evolving since Taylor and scientific management (1912) nearly a century ago. Parallel to the attempts at defining what managers do, and what

management is, were various attempts at defining whether leadership and management were synonymous. From Taylor onwards, the work developed through Fayol (1916) and classic management, to the human resource theories of the 40's and 50's, the Contingency theories of the 60's and 70's and the situational leadership and personality theories of the 80's. A review of the literature on managerial leadership undertaken by Yukl (1989) evaluated the major theories and summarised the major empirical findings, showing that the then current major topics and controversies in the field of managerial leadership research were topics such as leadership versus management and the importance of leadership for organisational effectiveness. The review indicated that significant progress has been made in the eighties in explaining managerial leadership, with an increase in the scope of inquiry and the variety of methodology used.

In the nineties, a more balanced theoretical perspective has arisen, replacing the extreme situationalism of the 1980s, and, as Chemers & Ayman (1993) suggest, emphasising the behavioural areas of leadership research such as the ethical considerations of leadership, the concept of leadership as a shared process within a team and greater emphasis on elucidating the cognitive, affective, and interpersonal processes in leadership. It is interesting to compare the two lists: that of the eighties is primarily concerned with macro issues while that of the nineties with increasingly micro studies with a behavioural slant. However, whatever the topic, most of the leadership literature deals with large corporations and must therefore be treated with caution within the context of business start-up.

3.ii.i. The concept of leadership as a shared process within a team

Managerial team or group research exists within two main bodies of literature, that of organisational or leadership research and that of entrepreneurial start-up. The organisational aspect will be dealt with here and the entrepreneurial aspect in section 3.v.i. In addition, behavioural research into teams outside the managerial context will be dealt with in section 3.v.ii.

As Ilgen et al (1993) show, the research into teams in a managerial context has developed through the fifties and sixties with research into the way groups interact, through a period of relative inaction in the sixties and early seventies until Steiner (1974) predicted a new resurgence of interest which eventually manifested itself in the late eighties with studies such as Hackman (1990) and Bettenhausen (1991). Ilgen et al, building on work done by Steiner (1986) and McGrath (1984), define a team as having four characteristics: firstly, as consisting of two or more individuals; secondly, as interacting with one another; thirdly, being interdependent in some way; and finally, having shared goals. They also call attention to the differences between larger teams and dyads: as an example, coalition formation is not relevant in dyads and they also question the concept of leadership in a partnership. Where the concept has been touched on, for instance, in Graen's dyadic theory of leadership (Dansereau et al 1975; Graen & Scandura 1987), it focuses on leader/follower dyadic relationships within a team where there is more than one relationship. As they show within their literature review, Ilgen et al suggest that the current state of team research, and particularly the aspect of leadership within it, has started to shift to 'that of developing theory rather than developing solutions to problems facing teams in on-going situations.'

McGrath & Gruenfeld (1993) suggest that there are six main formulations of theory

which exist in team or small-group research and which treats groups in a dynamic and systemic manner, as typified by these research examples. All have marginal relevance to my research in that they touch on aspects of either methodology or idea-generation.

- **A Time, Interaction and Performance (TIP) Theory of Groups** (McGrath & Gruenfeld 1993). This theory argues that groups make contributions along three dimensions; the organisation or system in which they are embedded; their component parts; and the group itself as a continuing social structure. In other words, at both macro and micro levels: this 'layering' aspects fits well within the realist approach and provided assurance that my approach had validity.
- **Decision Development and Adaptive Structuration in Groups** (Poole & DeSanctis 1989). Poole argues that situational contingencies lead groups of different types, performing different tasks, to follow different decision paths. While the situational aspect of my research has not been emphasised, the concept of 'right fit' again provided a theoretical benchmark against which to compare my findings.
- **Punctuated Equilibrium and Time-based Transitions in Groups** (Gersick 1989). This research follows the organisational survival body of theory which suggests that a group's development follows a pattern of 'normal' plus 'transitional' periods of work which drives the strategy and direction of the group. This has relevance to the project and Gersick's work, often using grounded theory, is again referred to in section 3.ii. The element of change over time is crucial to the development of the theory of dyadic survival as will be shown in the findings.
- **Patterns and Determinants of Group Socialisation** (Moreland & Levine 1982). Working within a group's life span, this research addresses the pattern of group activity situated within the maintenance of the group as a social unit, thus providing the means for determining not only what groups do and which paths they choose or construct but also how the group itself changes as it navigates these paths. The theory indicated some possible areas of generalisation for the research.
- **Life Cycles of Behaviour Settings** (Wicker & King 1988). Wicker proposes four stages of a life cycle of behaviour settings (preconvergence, convergence, continued existence and divergence) all of which are characterised by different resources and different dynamics. Their focus is on the setting or context rather than the internal qualities of the groups. This research, though not replicating the punctuated equilibrium approach, also has relevance to the research project as it mirrors the stages of organisational, and therefore relational, development.
- **Transactionalism in Community Contexts** (Altman & Rogoff 1987). This macro theory treats the relation between individual and community as a dialectic that pervades human activity and experience and puts special emphasis on the holistic nature of people and psychological processes, their physical and social environments, and a variety of temporal qualities. While the context is not directly replicable, the emphasis on the holistic view was an indicator for my research.

All the above quoted researchers argue that all other bodies of group and team theory omit the dimension of time which, they argue is fundamental to this type of research and which has previously been neglected. This fits well within the realist approach and all six theories are relevant to this study, albeit conducted with larger groups than dyads. However, this research tends to ignore, or treat in a minor way, the dynamics of leadership within the group. None are either directly or totally relevant, and as with much of the literature read during this project, are interesting either for ideas on methodology or as confirmation that while associated research exists, the behavioural

aspect of the project is unique.

The subject of leadership within small groups tends to be left to those involved with entrepreneurial research and, yet, there are indications that the subject is one of great and current interest as the incidences within the business pages of newspapers and other less empirically based articles show. Typical of this is an article written by Kur (1997) indicating that what he calls 'team leadership' is by inference the new 'kid on the block', though the implications of the article are not clear.(Figure 3.b) Today's climate is for consensual leadership as demonstrated by the outcry against Tony Blair for what is perceived to be an increasingly autocratic stance over policy matters and rumours that the cabinet is increasingly excluded from decision making. It is argued that studies of leadership in small groups within the body of organisational research is of great value, both for small companies where it is crucial, and for teams within large corporations where increasingly project teams are becoming the norm in moving the business forward.

MICROLEADERSHIP	TEAM LEADERSHIP		MACROLEADERSHIP
Task	One task	Multiple tasks	Mission, purpose, vision, strategy
Participant	One person	Team or group	Organisation or community
Situation	One situation	Several simultaneous situations	Many simultaneous situations
Timeframe	Immediate Timeframe	Intermediate Timeframe	Long Timeframe
Focus	Leader focuses on follower task acomplishment	Leader focuses on success of team	Leader focuses on survival and success of organisation
Behaviour	Psychological	Social-Psychological, group dynamics	Political, historical, sociological
	Typical Model: Hersey & Blanchard (1988)	Typical Model: Kur (1995)	Typical Model: Kouzes & Posner (1987)

Figure 3.b A continuum of Leadership Choices (Kur 1997)

3.ii.ii. Leadership over time: situational determinants of leadership and leadership style

The second area of leadership research which is relevant to the subject of the research is the wide subject of leadership style and the situational determinants of that style in order to understand the role that potential 'cycling' (Slevin & Covin 1990) can play within the dual leadership role. It has been suggested that situational theories have been replaced by a revival of universalistic theories which 'reassert the existence of an overriding 'best' leadership style' (Chemers & Ayman 1993 p.xvii). However, there is little empirical evidence that this true. There are two main streams to this body of research; the first attempts to define what leaders/managers do and the second attempts to define their characteristics and style. Both streams demonstrate an extremely varied set of opinions, much not stemming from empirical work.

If one defines management in the macro sense as the all encompassing science of running companies with the functions of planning, organising, controlling and directing, it can be argued that leadership is a part, albeit an important one, of that

whole. This is an important point within the context of this research. If there is clear differentiation between varying management skills, activities and behaviours and if there is a demonstrated clear need for these different attributes in different circumstances, whether organisationally, economically or politically, then the real value of dyadic leadership model building becomes more evident. There is still much discussion of what exactly constitutes management and/or leadership by many exponents of management theory, albeit lack of consensus as to whether these roles can be carried out by one person. The leader/manager as one person is typified by Mintzberg (1971) who suggests that the role of leader is only one facet of the ten roles encompassing all managerial work, albeit the most widely recognised, and Leavitt (1978) who views the managerial process as threefold: path-finding (creation, entrepreneurship and leadership), decision making (the rational approach) and implementation (people orientated).

One the other hand, there is an approach which suggests that the roles and activities are different. Zaleznik (1977 p.71-72) is very clear, 'Leaders and managers differ in their conceptions. Managers tend to view work as an enabling process involving some combination of people and ideas.....leaders work from high-risk positions, indeed are temperamentally disposed to seek out risk and danger', and he is backed up by researchers such as Kanter (1984) and Stevenson & Gumpert (1985). These arguments are linked to the transformational/transactional approach with adherents such as Bass & Avolio (1993), House & Shamir (1993), and Avolio, Waldman, & Yammarino (1991). One could argue that the advantages of combining transactional and transformational leadership styles and attributes into an overall framework of leadership/management, whether in the guise of one or more people, covers all the requirements for leading and managing an organisation.

In addition, it is useful to understand if there are leadership traits which can be identified and isolated in order to understand whether the co-preneurs researched fitted any leadership/management pattern. The historical concept of leadership has gone through various stages: leadership, up until this century, was largely perceived to be military or political with the industrial revolution ushering in the 'captains of industry' as the third main area. The main difference between the first two and the last was the assumption of leadership by those born into the appropriate ranks and the more recent idea of 'self-made man': pre-industrial revolution, the majority of leaders came from the upper classes and this automatic assumption of leadership through birth and upbringing still continues today though better and more widely available education and the recognition that management can be taught are gradually eroding the system. These historical precedents have fuelled the 'born or bred' debate as typified by William James (1958). This assumption of leaders being born is called trait theory. It was initially popular in the 1930's and subsequently became unfashionable. However, there has been a resurgence of interest in the idea that certain characteristics or traits can be isolated in successful managers through the work of such researchers as Maccobi (1981) who took a more anthropological approach, suggesting that there are four main character types which make successful managers: the craftsman (master-builder, self-contained); the jungle fighter (power); the company man (service); the gamesman (risk-taker).These categories fit in neatly into the four types of organisational culture as described by Handy(1976): task, power, role and person. However, as the dyad represents a combination of personalities, neither of the partners may demonstrate any of these traits and, even if they do, they may be irrelevant.

There is another dimension in the leadership debate, that of style which focuses on autocracy v democracy. This debate has been continuing for many years (e.g. Hersey & Blanchard 1985, Blake and Mouton 1964). Most studies opt for the democratic or supportive style of leadership as resulting in reduction of conflict and higher morale but little evidence has been produced to show that this necessarily results in improved productivity and in fact, in repetitive work, an autocratic or structured style has been shown to be more effective. After the style theories, which are now seen as a reaction to autocratic management in America, there grew up the contingency approach, which admits the findings of the style theorists but allows the management style to change according to external elements. Fiedler (1967) developed this further by looking at how the variables should be treated in different contexts: he put forward the theory that a directive style of management was appropriate either when the situation was good (i.e. the leader well-liked, the task clear, the power base respected) or bad(vice-versa). The interim situation responded more favourably to a more supportive democratic style. Charles Handy(1976) assembled the elements most researchers suggested as being required for successful leadership and produced what he called the 'best fit' option. (Figure 3.c).

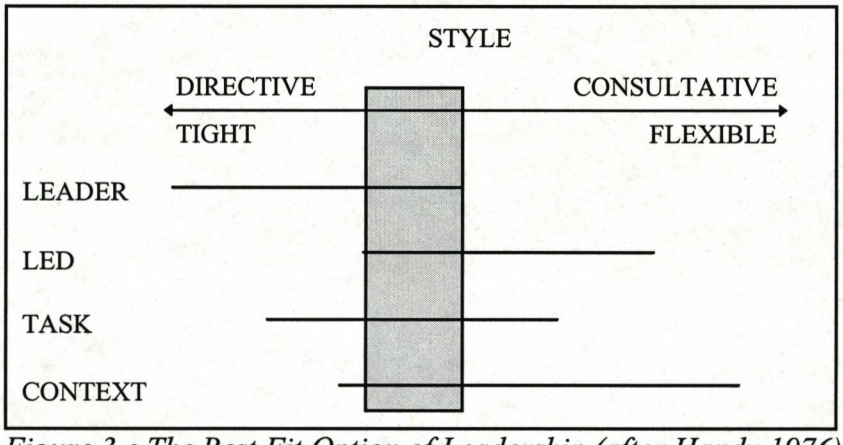

Figure 3.c The Best Fit Option of Leadership (after Handy 1976)

He suggests that if the elements do not fit, there has to be change, either in the leader (i.e. in value system, confidence in subordinates, habitual style, personal contribution etc.), the people making up the group(i.e. psychological contract, interest, tolerance, cultural factors etc.), the nature or definition of the task(type of task, time-scale, complexity, importance etc.), the context or organisation(power bases, relationships, structure, technology, etc.). This is important in terms of the growth of the organisations studied over time, and, as the aim of the study is a model of dyadic organisation, the best fit model using a cycling between two styles may well be appropriate.

In terms of leadership, it becomes clear that the necessity to be flexible is of prime importance. A study of USA top managers in 1982 (Lillebo) revealed traits common to all successful managers. While originally divided originally into intellectual, entrepreneurial, socio-emotional and interpersonal groupings, an arbitrary sub-division into transformational and transactional groups, setting the two groups in opposition allows the building of a possible model for use in the fieldwork. (Figure 3.d)

TRANSFORMATIONAL	TRANSACTIONAL
Conceptualisation	Logical Thought
Diagnostic Use of concepts	Efficiency Orientation
Pro-activity	Self-control
Spontaneity	Perceptual Objectivity
Self-assessment	Team member
Stamina and adaptability	Status Orientation
Self-confidence	Oral Communication
Unilateral power	Socialised power
Self-regard	Group co-operation

Figure 3.d Transformational and Transactional management characteristics (after Lillebo 1982)

This is not to say that there are not successful manager/leaders combining both sets of characteristics, but it is rare to find them. It is for this reason that empirical research into two people management/leadership situations is important. The balance of power can alter according to environmental circumstances and using 'the best fit' theory, one leader will correspond better to different circumstances and cultures: one only has to look at Thatcher (the transformer/leader) and Major (the transactor/manager). Slevin & Covin (1990) have developed this into their theory of 'cycling' between leadership styles according to situational circumstances, albeit within a large corporation context. It is proposed to take this concept a further step forward by developing the idea into a cycling not only of styles, but a cycling of the two people concerned as appropriate for the circumstances.

What became clear after reading through the evolution of theories of leadership and management was that these theories were relevant to my research only in that they could help analyse the activities and attributes of my subjects and for that reason I needed to define my management/leadership terminology. Eventually, I decided on the following terms: leadership would be considered as an aspect of management and, by giving the term 'transformational management' to that aspect and 'transactional management' to all other aspects, I would able to identify what was the full panoply of skills, activities and behaviours necessary to complete the perfect business manager. This I would then be able to use as a basis for analysing whether my couples had, together, the raw material to achieve that perfection. As Peters (1982 p.287) says, 'An effective leader must be master of two ends of the spectrum: ideas at the highest level of abstraction and actions at the most mundane level of detail.' Therein lies one of the foci of this research. If the complete spectrum of leadership and management skills can be demonstrated to be covered within two people, this could have implications for the survival of organisations and for a dyadic model of leadership. It can therefore also be inferred that the transactional or managerial skills are those which come into play as a later stage. The inference is that those organisations who do not make the necessary organisational adjustments to allow for different skills, are those who will not survive.

3.ii.iii. The cognitive, affective, and interpersonal processes in leadership

Leadership theories typically portray the leadership processes as rational and logical as in Vroom & Yetton's model of normative decision making (1973). Similarly, House's path-goal theory (1971) assumes a rational sequence of behaviour from leader to follower. These and other theories do not take into account the emotional dimension of leadership though some of the trait theories list some emotional characteristics such as inspiration and motivation. The assumption is however that

leaders are predisposed to respond in ways which are limited and habitual. For instance, the task-motivated leader is likely to respond with positive affect to diligent, hard-working subordinates and vice-versa (Fieldler & Chemers 1984). There is increasingly an awareness of this cognitive aspect in leadership research, portraying the leader as more spontaneous, perhaps disorganised and, in the terminology of the prior research, irrational. For instance, Chemer's integrative model of leadership (1993) presupposes that a leader's sense of efficacy is 'dependent on pervasive self-confidence and optimism that arises from personality-situation match which is as much perception as reality' (p.330). He believes that behaviour is strongly influenced by unconscious orientations and motivations, and that when the leaders responds to followers' reactions, strong emotions like the 'relationship-motivated person's fear of conflict may energise the leader's reactions without careful, rational assessment' (p.330). In these respects, Chemers is reflecting the insights from the transformational models of leadership where the leader/follower relationship is defined by a strong emotional response. While much of this research is in its infancy, it is clear that there is a direction in leadership theory towards capturing the strong affective relations that are part of social, and therefore organisational life, and recognise the interactions of emotion, cognition and behaviour in group activity.

Within a leadership dyad the interpersonal processes are of prime importance and it might be argued that more time is spent in dealing with these dimensions than with any rational procedures, though a set of decisions or activities would still be the outcome. The literature which currently addresses these concepts, albeit not in a managerial context, is to be found within the social psychology and psychology disciplines and will be covered in section 3.iii.i. The findings will also demonstrate that the relationship at the heart of this research conforms to an 'intimate' model like that of a marriage rather than the 'role' model which is typically assumed to be that of the workplace and that therefore much of the managerial research is often irrelevant.

3.iii Organisational and Survival Theory and Literature

This review begins with an examination of the development of the literature of survival with particular reference to the life cycle theory of organisations, which will be expanded on in Chapter 7. It evaluates the current research in the light of pre-organisational intent and examines organisational paradoxes inherent in the management of organisational change with particular reference to the part that the couple founding structure has to play.

The emphasis on survival (Cameron & Whetten1988; Meyer 1988; Whetten 1987) corresponds with contemporary business concerns during the period of the eighties and nineties as opposed to the organisational research of the sixties and seventies which emphasised success and development particularly in large organisations. As Meyer & Zucker (1989) pointed out, many of these large organisations survived during the 30 years of uninterrupted growth even though they performed consistently poorly. What Stinchcombe (1965) calls 'the liability of newness' is shown in the declining mortality rate of organisations over time (Carroll & Delacroix 1982). Fichman & Levinthal (1991) argue that, like relationships, organisations can start with an initial stock of assets such as prior beliefs, trust, goodwill or psychological commitment. 'If a relationship starts with an initial stock of assets, the risk of the relationship dissolving at its inception is reduced.' (p.444) It has been suggested that survival and success depend on an organisation's ability to adapt its internal structures

to external contingencies: in other words, adaptable organisations with leaders with the right psychological traits, experience and skills to accomplish both the entrepreneurial and managerial tasks necessary are more likely to survive (Cummings 1988). All these findings fit well with the concept of pre-organisational intent as a major component of organisational structure.

Within the context of this study, organisational survival starts the moment that the organisation has formed: the test of survival is the organisation's continued existence. This means that after the pre-organisational phase when the initial structure, processes and aims are set, the organisation becomes subject to outside influences not previously experienced, so that the experience of change starts immediately. These influences can vary from financial exigencies, employment policy, re-location, and new clients, to cite a few, and a flexible organisation is needed which is able to take all the strategic decisions necessary to cope with those changes.

Organisational birth, growth and survival are subjects which are touched on, implicitly or explicitly, in most management research. However, much of the work on organisational survival tends to ignore the importance of the circumstances of birth and the key variable of multiple founders. Much of the research on organisational growth has been theoretical rather than empirical and Kamm & Nurick (1993) have grouped the theories into three schools of literature of organisational growth, the 'population ecologists', the 'state' theorists and the 'stage' theorists.

The 'population ecology' school (e.g. Hannan & Freeman 1989)assumes that organisations do not have much control over their survival or failure and that the environmental characteristics surrounding their formation explain their survival. It takes the population of organisations as its unit of analysis and examines the structural, political and economic conditions in the environment that give rise to the creation and dissolution of various forms of organisation. The ecological approach tends to be macro-social and tends to ignore the micro perspective of organisations. As Van de Ven (1980 p.87) points out, 'what is needed is a more balanced viewpoint on the relative importance of environmental conditions versus human choices and behaviour in shaping the structures and processes of new organisations'. Researchers such as Pfeiffer & Salancik (1978), Cummings (1988) and Kalleberg & Leicht (1991) suggest that those organisations which survive best are those that best adapt to fit the opportunities and threats of their environments, and which are particularly dependent on 'the leaders' 'psychological traits, experience, and skills needed to accomplish the entrepreneurial and managerial tasks necessary for organizational survival and growth.' (Kalleberg & Leicht 1991 p138).

The 'state' school suggests that an organisation's existence at any given point of time can be described as a dynamic equilibrium. (e.g.. Gersick 1991, Miller & Friesen 1984, Tushman & Romanelli 1985). Punctuated equilibrium theorists differ from 'stage' theorists in their belief that change does not always result in forward movement and that it is not possible to predict a commonality of development between individual systems of the same type. While the fundamental theses of 'stage' and 'state' schools are radically different, their findings are not dissimilar: both assume that crisis has to follow stability.

The 'stage' school suggests that organisations develop in an evolutionary manner following an *a priori* sequence of transitions (Flamholz 1990, Novelli & Tullar 1988,

Quinn & Cameron 1983, Kimberly 1979, Greiner 1972). These stages are variously described but Greiner's (1972) schema is indicative (Figure 3.e)

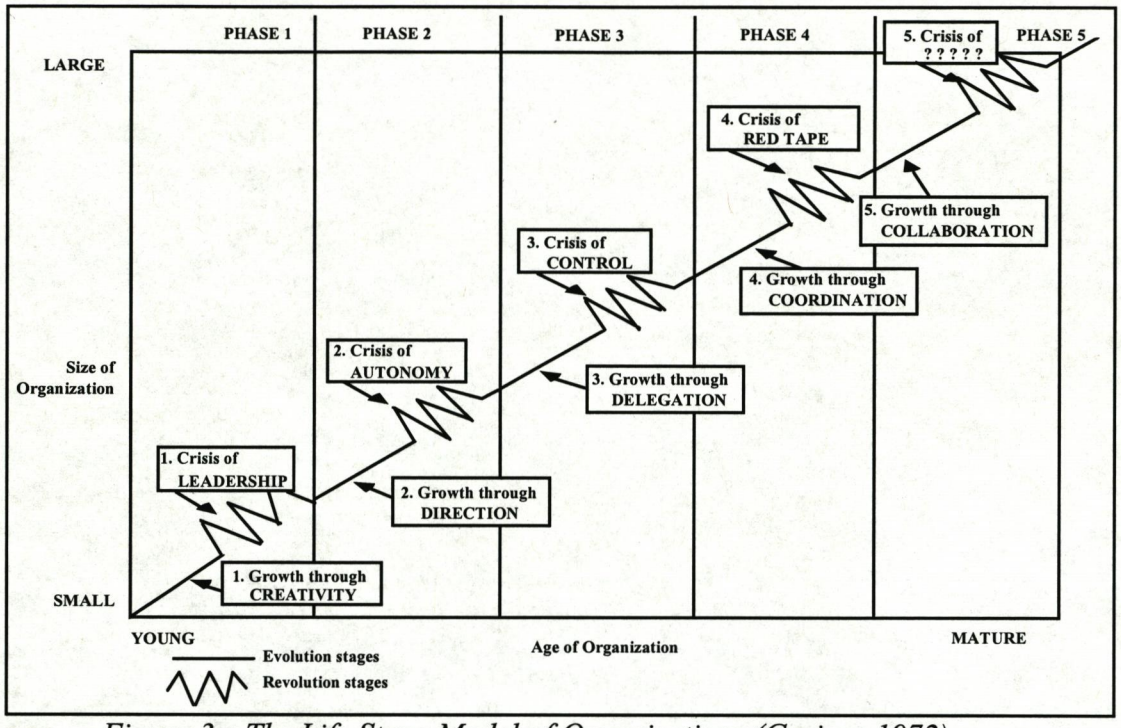

Figure 3.e The Life Stage Model of Organisations (Greiner 1972)

There has been much work on the organisational life-stage concept, and there is general agreement among the theorists that a number of stages, normally between five and seven are involved: generally speaking, all the models suggest that organisations may progress sequentially through major stages of development though there is much debate as to the scales of time and size during which these changes occur. There is also debate as to the validity of this school due to the initially anecdotal, rather than empirical, nature of the findings but researchers such as Novelli & Tullar (1988) are lending respectability to the life stage theory with data based research.

The 'stage' theory of organisational growth has proved attractive to researchers and practitioners alike as it neatly compartmentalises each period of transition. Much of this work is theoretical though longitudinal studies such as Van de Ven (1980) go some way to providing a new empirical direction. It is also not clear exactly when and how this crisis happens and this will be discussed in relation to the choice of sample. Despite this limitation, there is much to be learned from the extant work in that it provides a basis for model building: what is useful is the notion of the necessity of change according to context and it is from this point of view that it will be used in the research.

3.iii.i Surviving the crisis of leadership

A central theme in Greiner (1972) is that the type of person who can create an organisation is different in many respects from the type that can manage it at subsequent stages of growth. Flamholz (1990) agrees with this, '...at some stage 'entrepreneurship' is not sufficient and the nature of the organization must change.....[while] management is often not a decisive factor in the early stages of a

new venture success, it is essential if a firm is to continue to grow successfully and profitably throughout its life cycle.'(p.18)

For example Flamholz (1990 p.274) describes, '... two different sets of leadership tasks that must be performed in organisations. One of these can be termed the 'macro' tasks of leadership.....These include establishing a strategic vision for the firm, monitoring and managing the process of organisational development, and managing the corporate culture. The other set are 'micro' tasks. These are the tasks of operational leadership, which include all of the day-to-day things that must be performed to influence people to produce the products and services that the organisation offers to the marketplace'. This is echoed by Zaleznik (1977), Bass (1990), and Tichy & Devanna (1990) in their work on transformation and transactional leadership. Belbin (1981 page 44);'While Plant [creative] managers are relatively uncommon in secure and established firms and organisations, they are much in evidence in newly formed companies. Abilities and qualities needed to start a firm are very different from those that enable a firm to consolidate its success. A brilliant entrepreneur may therefore become both the reason for a firm's rise and the cause of its downfall.' If this is the case, two people founding and managing a company could manage to fulfil all those tasks, either by division of tasks and roles, or by having a complementarity of skills and personal attributes used at different times and in different functions. The identification of these individual tasks and roles, and skills and attributes are thus key to this research.

Kalleberg & Leicht (1991) also maintain that an organisational life cycle model of leadership needs to accepts that top level leadership requirements vary across different stages of an organisation's life cycle. They describe these stages and relevant requirements as follows:
a) birth, with the need to create an organisational vision to develop a viable strategy, and to acquire necessary resources for establishing the organisation;
b) growth, with the need to maintain stakeholder confidence, to acquire additional resources, and to build commitment;
c) maturity, with the need to renew organisational commitment and to develop strategies for organisational revitalisation without substantial adverse impact on ongoing operations.

In addition, some of these models suggest that each stage of development is associated with a unique set of problems. Kuratko and Hodgetts (1989) suggest that marketing and financial problems are characteristic of start-up while the growth stage is associated with problems related to organisational design and general management issues. Kazanjian (1988), in his study of 100 firms in various stages of growth, identified 18 types of problem of which some, such as sales and marketing and strategic positioning were commonly important at all stages, while some, such as external relations (financial resources and backing) were more dominant at start up and some, such as organisational systems (including administration, financial systems, structure and information systems) were more dominant at growth stage and beyond. All the studies indicate the need for flexible and expert leadership.

If the intentions of the founders shape the birth of an organisation, the form in which it grows and the likelihood of its survival, then the phenomenon of dual founders should have a profound effect on this transition stage. The previous section (3.ii.) indicates that complementary skills and attributes are necessary to provide effective

leadership, and it is possible that, as most organisational growth literature argues for the replacement of the founder by a professional manager at a transitional stage of growth in order to ensure survival, that dual founders (whose organisations have survived) may be sufficiently flexible and have sufficient breadth of expertise to sustain both these roles and thus survive the transition. This is one of the major areas to be explored in the research.

3.iii.ii Identifying the crisis

As the studies on organisational growth are normally retrospective, the identification of organisational crisis is normally after the event. One would like to think that it would be possible to identify these crises before they happen using a number of specified criteria and practitioners such as Adizes claim to do this to great popular acclaim and great personal profit. Daily & Dalton (1992) have coined the expression, 'the threshold firm', for the company which appears to have outgrown the expertise and resources of the entrepreneur-founder. This implies both a rebirth and a loss of control of the organisation as a whole and may imply a change of both culture and of strategic vision. The threshold firm is often described in case studies and thus must be a common occurrence. If it is common, there should be symptoms, which can be identified, and remedies put in place before the crisis happens, the transition then either passing unnoticed or with relative ease. However, such identification appears to be problematical, the criteria ranging from size to age to turnover to external factors: my findings on this matter are addressed in Chapter 7.

Throughout all the studies there is thus the central idea that companies need different managerial styles as they grow so that the entrepreneur must either undergo a style change or be replaced, but again the concept of team management is rarely, if ever, mentioned as a solution.

The need to cycle between differing management styles has links to the theory that organisational transformation occurs through the interplay of paradoxical tendencies (Ford and Backoff 1988): 'paradoxes are important because they reflect the underlying tensions that generate and energise organisational change ' (p 82). Quinn & Cameron (1988) argue that organisational effectiveness is inherently paradoxical and that to be effective, an organisation must possess attributes that are simultaneously contradictory, even mutually exclusive. They cite research showing that organisations which recovered successfully showed the following paradoxical, though one could argue complementary, characteristics:

1. Proactive entrepreneurial behaviour directed towards long-term growth and conservative, self-protection mechanisms for short-term survival
2. Simultaneous concentration on the external environment and internal resource
3. Leadership attention to symbol as well as substance
4. Domain defence-limiting stakeholder influence- as well as domain offence-influencing important stakeholders
5. Core culture reinforced while innovation helped changed character of organisation.

They also identify similar paradoxes such as loose and tight coupling, role specialisation and role generality, continuity of leadership along with infusion of new power, deviation-amplifying and deviation-reducing processes, expanded versus reduced information for making decisions, disengagement with past strategies and reinforcement of roots. The fundamental issues of entrepreneurship, creativity and control, also represent an organisational paradox: one implies freedom to have and

develop ideas, the other direction and discipline. Within an organisation they are deemed to be equally necessary and should therefore be complementary: there are implications in this for the management of organisations. The dyadic solution to management is a potentially viable way of dealing with the paradox.

3.iv Entrepreneurial Theory and Literature

This review begins with an examination of the development of the concept of intentionality in organisational and entrepreneurial literature. Issues of definition are addressed and the relevance of this concept to couple founding is discussed in the light of recent work. It then reviews the different fields of entrepreneurial research, many of which are relatively recent.

3.iv.i Entrepreneurial Intentionality: Its Origins, Development and Definition

Quinn & Cameron (1983) suggest that, as 54% of all businesses in the USA fail within one and a half years of inception and that the median age of all firms is only seven years, that it would seem that increased understanding of the design and development of the new organisation might be significant for both theoretical and practical reasons. Just as psychologists contend that many of the patterns of adult life are due to childhood experiences and conditioning, so one can also look at the birth and growth of an organisation in the same manner. However, many researchers tend only to involve themselves with an organisation at one particular period and the implications that the conditions surrounding the organisation's birth and early development may have for levels of success or effectiveness later on are rarely considered. (Kimberly 1979). Stinchcombe (1965), Kimberly (1979) and Van de Ven (1980) argue that the early development of organisations has profound influence on their form and Katz & Gartner (1988) state that 'life cycle models of organisations..... would benefit from an expanded description of the variables characterizing organisational birth.' (p 435) . Bygrave (1989) links founding conditions to chaos theory when a tiny change in the initial conditions produces a big, unexpected change in the final outcome and suggests that it is useful as a reminder that 'non-linear systems, such as those we might expect to find in entrepreneurship, are potentially fraught with problems if we try to make predictions about their future behaviour'(p.28).

The effects of environmental and organisational founding characteristics on organisational growth and mortality are explored within the field of organisational behaviour by Tucker, Singh & Meinhard (1990). Using Stinchcombe's theory of imprinting (1965) - that organisations construct their social systems with the social resources available at the time of their founding and that they tend to retain the characteristics they acquired at founding over the course of their life spans - they suggest that 'organisations founded under different environmental conditions, and with different initial characteristics, would exhibit different rates of change' (p 183). Empirical studies supporting this have been undertaken by researchers such as Kimberly (1979) who found that the characteristics of the founding members have strong influences on the organisation's development and survival. In 1985, in the entrepreneurial field, Gartner (1985) used work done by social psychologist Weick (1979) on organisations to challenge current entrepreneurial research which concentrated on studies of the individual entrepreneur and the entrepreneurial context. He suggested that behaviour during the creation of a new venture is fundamental to the definition of the form of that organisation and that, during that time, the intentions,

resources and network exchanges are established which will define the emerging organisation.

Most of the above deal with the stage immediately following the birth of an organisation and there is a neglect of what Hansen & Wortman (1989), Katz & Gartner (1988), and Van de Ven, Hudson & Schroeder (1984) call the pre-organisation, the stage of organisational growth which precedes the actual formation, which crystallises the entrepreneurs' intentions and lays down the roots of its future development. Learned (1992 p.41) describes it as follows, 'initially they [the new ventures] exist only as thoughts, as ideas, as dreams of the individual. Through the organizing process, the founder's thoughts are sometimes (but not always) translated into a pre-organisation (an attempt to found) and then sometimes (but not always), an organisation (a successful attempt to found).'

The suggestion that there is a state prior to actual founding is important both from the conceptual point of view and also because it represents a major change of direction in entrepreneurial research towards areas underpinned by social psychology, such as the complex relationship between entrepreneurial ideas and their consequences. It leads to questions about how entrepreneurs create, sustain and transform their organisations and, as Gartner, Bird & Starr (1992) suggest, as a result, the study of entrepreneurship has become the exploration of 'how specific patterns of interlocked behaviour are generated.'

In 1988, Bird took the work a stage forward by directing attention to entrepreneurial intention within pre-organisation and building a behavioural model of what she calls 'the contexts of intentionality' (Figure 3.f) which is relevant both for looking at the

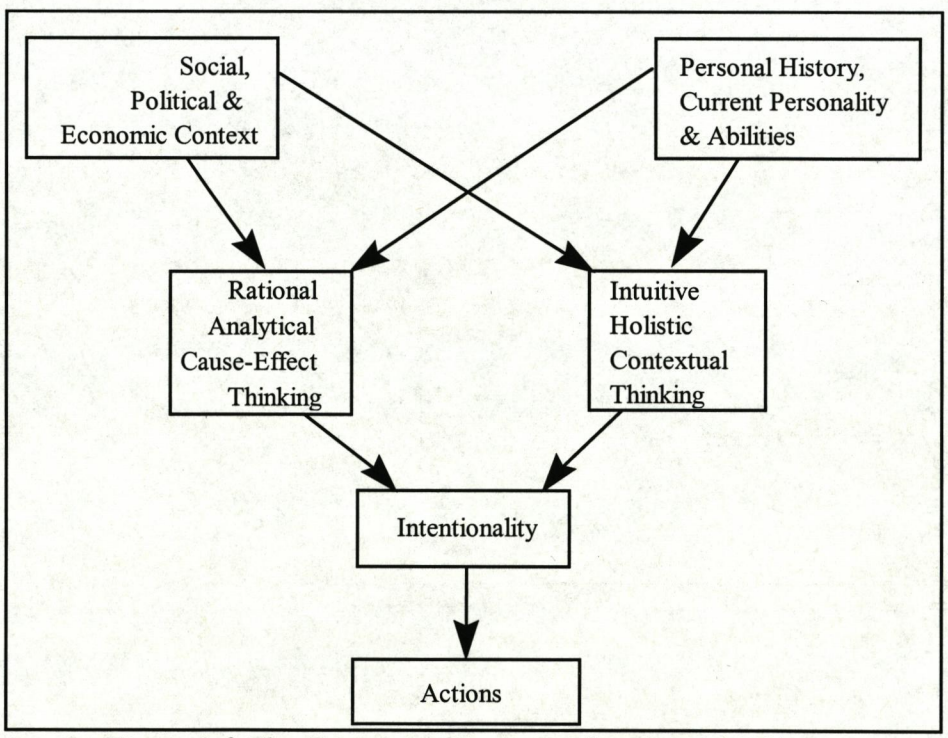

Figure 3.f The Contexts of Intentionality (Bird 1988)

pre-organisational stage and the developing organisation. As Bird (p. 442) states, 'Intentionality is a state of mind directing a person's attention (and therefore

experience and action) towards a specific object (goal) or a path in order to achieve something (means) ..... Entrepreneurs' intentions guide their goal setting, communication, commitment, organisation'. This model is useful as a framework for studying intention because of its emphasis not only on the personal and environmental context, but also its recognition of the different kind of thought processes involved. Bird claims that the subject of entrepreneurial intentionality is very important, '...because the creating, structuring and sustaining of organisations are based on entrepreneur's personal ideas and experiences, rather than formal theories of management and organisation, these entrepreneurs create organisational theories that may later be discovered and analyzed' (p.451).

The implications of this statement are far reaching for entrepreneurial research: as a relatively young discipline, entrepreneurship is ideally placed as a subject for theory building and yet much research over the past few years has been embedded in working with theories from within general organisational behaviour. Despite the important contribution of Bird's work to the understanding of pre-organisational intent there remains an important aspect which her theory fails to address, that of the possibility of team or partnership founding. It is suggested that the fact of being two inevitably renders the situation more complex and dynamic and, by the fact that there is not only a single stream of intentions, the potential for discord and failure is great.

3.iv.ii Entrepreneurial Activity

Many studies have explicitly or implicitly acknowledged the fact that there are different types of entrepreneurial activities and that these different types should not all be lumped together in empirical research (Sandberg 1984, 86; McDougall 1987; Birch 1987; Woo, Cooper & Dunkelberg 1991; et al). Kunkel (1998) suggests that because of the different environments within which entrepreneurial activities can take place and the different motivations of the entrepreneurs, the goals and performance of organisations influenced by entrepreneurship may be significantly different between diverse classes of entrepreneurial activities. He poses questions as to whether general research into entrepreneurship should treat these different kinds of start-up as discrete variables, or whether the nature of entrepreneurship per se should allow them to be treated in the same manner for research purposes. The existence of an attempt at producing a typology based on intentionality has significance for the choice of case studies in this research. If, as is suggested, intentionality is paramount in defining the shape of the future organisation, then it could be argued that there should perhaps be an initial screening to ascertain which potential respondents conform to the same type. However, for the purpose of this study, the focus is not on <u>what</u> the intentions are, but whether they are explicit and common between the co-preneurs.

However, sequential to this argument is whether, as the intentions are coming from a dual source, there perhaps exists a further type of entrepreneurial activity, which because it is started by more than one person (but is explicitly not mom n'pop), is fundamentally different from the suggested typology while having elements of the other sub-sets. While this is not a prime focus of the research, there may well be valuable indications which could add to the body of knowledge. In summary, it suggested that within these classifications of entrepreneurial types there are differences in personal characteristics, motivation, preference for certain activities and style of management. In the context of the two-person founder/manager relationship, it is thus the combination and complementarity of the individual attributes which are relevant and how they contribute initially to the commonality of entrepreneurial

intent, the reciprocity of the actions and subsequently to the behaviour of the organisation, both during creation and subsequent survival .

3.iv.iii. Founder Traits and Characteristics

Indeed, one of the major schools of entrepreneurial research is based on identifying individual traits and behaviours (e.g. Sandberg & Hofer 1986) or their difference to other organisational beings (e.g. Olson 1987), though there is disagreement as to its validity (Gartner 1989). Empirical attempts to measure entrepreneurial traits and behaviour have yielded conflicting results. As Shaver & Scott (1991 p.39) state, 'through the years, most of these personalogical characteristics have been discarded, debunked, or, at least, found to have been measured ineffectively.' In a field where no common definition exists of either entrepreneur or enterprise, it is not surprising that evidence is often suspect. However, as Learned (1992) suggests, the emphasis should not have been on establishing differences between entrepreneurs and other people but rather on establishing whether there are personal characteristics which lead, firstly, to an intention to found and, secondly, to a successful founding. Sapienza & Grimm (1997) have taken this route to predict organisational performance, building on the work of researchers such as McDougall, Covin, Robinson & Herron (1994) who argue for an integrated approach (a combination of some or all elements: entrepreneurial characteristics, strategy, industry structure, founding conditions). They suggest that the following characteristics variables are predictors of survival:

- parental background (entrepreneurial).
- education(relatively high level).
- experience (within the sector).
- orientation (entrepreneurial).
- age (younger) have gained sufficient empirical or theoretical support.

In addition, they suggest that during the start-up phase, there are process variables which are also positive predictors:

- planning (extensive).
- outside help (extensive).
- perceived opportunity (pull).
- multiple founders (team)

Both the process and characteristic variables will be revisited in Chapter 7, in order to ascertain whether the same indications hold good with regard to the dyad founding under analysis.

Chell, Haworth & Brearley (1991) also challenge the idea of using a traditional trait approach in entrepreneurial research, citing the accumulation of conflicting evidence. They maintain that exploration of cognitive structures of individuals through accounts of their behaviour is 'crucially important in examining relationships between behaviour and the stage of development of the business' (p.153) and agree with Timmons (1978, 1977) that entrepreneurial types can be distinguished by attributes and behaviour shaped by different role and task demands.

A way of addressing the paradox of sole entrepreneur versus team member, as personified by the dyad, can perhaps be found within this entrepreneurial

characteristics typology literature (e.g. Smith 1967; Timmons 1978; Smith and Miner 1983; Cooper & Dunkelberg 1986; Woo; Cooper & Dunkelberg 1991; Miner, Smith & Bracker 1992). There is general consensus on two distinct types, the craftsman or inventor (e.g. highly principled, limited business skills, long term vision) and the opportunist or promoter (e.g. fast buck artist, super salesman, boom-and-bust) as typified by Smith & Miner (1983) It is possible to use this typology in two ways: firstly, to compare the individuals characteristics within the dyad in order to identify if the dyad conforms to the typical entrepreneurial type. Secondly, the typology can be used to identify a highly creative entrepreneurial type who lacks management skills by comparing the characteristics to those of the professional manager: whenever individual attributes are described as being necessary for management, leadership etc. or for organisational tasks, there tend to be two sets of opposing or complementary constructs.. If one examines the description of the inventor and compares it with descriptions of creative individuals (e.g. Amabile 1988, MacKinnon 1962), the similarity is striking. All entrepreneurs can be termed creative as the act of entrepreneurship is the act of creating an organisation (Gartner, Bird & Starr1992) but it would seem likely that an ideal entrepreneurial partnership represents both the inventor/highly creative and the professional manager/less creative.

McClelland & Burnham (1976) and Weiner (1969) suggest that individuals such as entrepreneurs who have high achievement-related needs tend to initiate achievement oriented activities but it is possible that those achievements can be intrinsic as well as extrinsic. They suggest that while entrepreneurs as a total group are intensely goal oriented, the goals for creative people relate to internal achievement as opposed to external. If a highly creative person decides that starting a business is way of exercising his creativity and need for freedom while a more opportunistic, management type recognises that this is an opportunity to fulfil his goals of making money and securing a future, the combination of the two in a partnership would seem ideal. However, within the context of intentionality, the combination of differential goals might be potentially conflicting.

Rubenson & Gupta (1996) have attempted to conceptualise the understanding of the interplay between the evolving organisation and the unique characteristics of the particular founder in order to better understand this disconnect in organisational growth. They acknowledge that there is liable to be a crisis in the new organisation when the founder leaves. 'Most corporate leaders equate relinquishing organisational control with death.....while others in the firm look forward to a new era '(p.21).

I suggest that their original model (shadowed boxes) may be adapted to the dyadic model by the addition of three elements (bold boxes).(Figure 3.g) This research grew out of life-cycle approach where typically, the initial succession was prescribed late in the take-off stage and before the high-growth stage. Clifford (1973) asserted that the initial succession was needed at this relatively early point because the founder usually cannot adapt to the more complex needs of the maturing organisation.. Hofer & Charan (1984) chart the fact that whatever the process and whatever the outcome it is usually a sticky affair. Even though this research is again predicated on a single founder, the relevance to this project is in the holistic attitude to the variables, though there is an emphasis on rational rather than emotional elements.

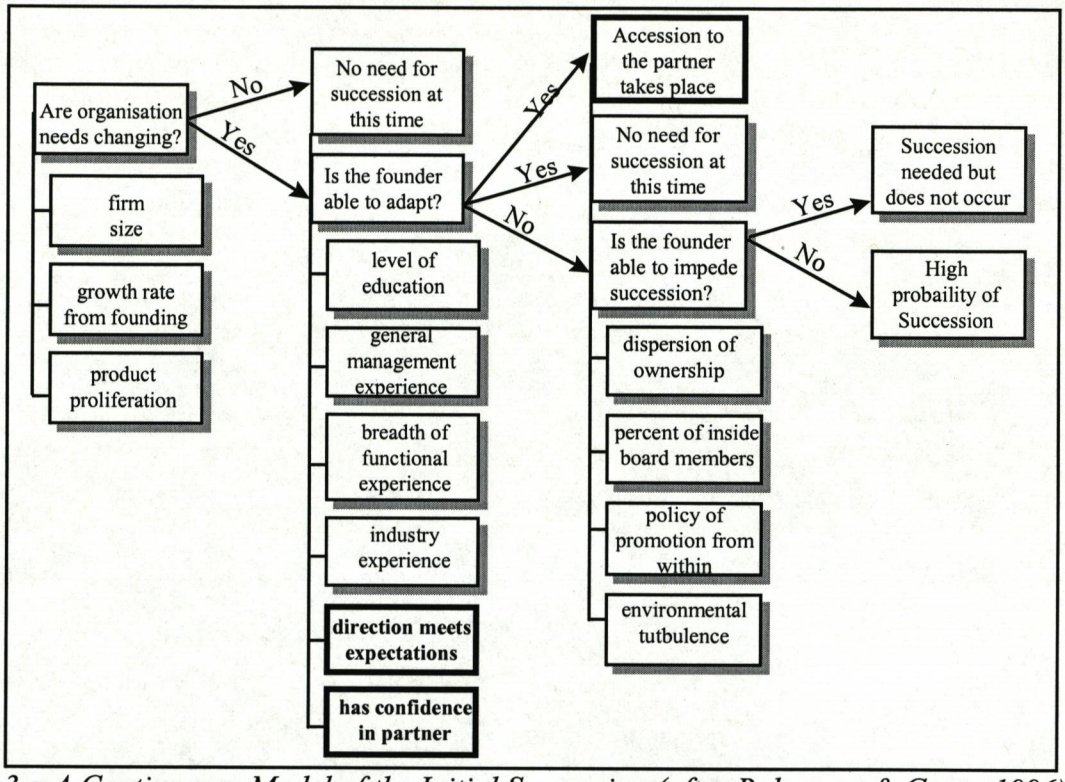

Figure 3.g A Contingency Model of the Initial Succession (after Rubenson & Gupta 1996)

It is also possible to make a distinction in the way that highly creative and less creative people think. There is recognition that there is a difference between the two sides of the brain (Ornstein 1977) which results in different types of activity: on one hand, logical, analytic thinking and on the other creative, synthetic thinking. Referring to Bird's 'contexts of intentionality' diagram (1988, Figure 3.g), one notes the division of types of thinking which in an organisation created by two people, could perhaps be analogous with the two types of people. Creativity in the context of this project is thus not only the description of a personal set of characteristics, skills and motivations, but also the outcome of a partnership between two differently-oriented people. It could be argued that only the couple together is truly creative as they act as enabling agents for the creative process and that the kind of organisation that they form is ideal for nurturing creativity. As Kao (1989) says, 'Logic without passion is sterile, while inspiration without analysis is often arbitrary or misguided. The bureaucrat without the taste for change and innovation is as stuck as the entrepreneur with brilliant ideas but limited management skills'.

The problem with researching entrepreneurial intention is that intentions change over time and within different circumstances particularly in a developing organisation . It is possible that entrepreneurs interviewed retrospectively will have modified their goals so that it would be difficult to elicit their prior feelings. One of the advantages of researching the couple is that the original intentions will tend to have been articulated and so more easily remembered, and one partner can act as a control for the other.

3.iv.iv. The team-founded Organisation

An entrepreneurial team or partnership has been described as 'two or more individuals who jointly establish a business in which they have an equity interest' (Kamm, Shuman, Seeger & Nurick 1990 p.7), and as involving a business context where two or more peers share ownership and responsibility and as 'one where partners are

involved in creating new value through a start-up venture or in the transformation of a going concern'(Bird 1989) . Brown (1988) cites Reich's use of the term 'collective entrepreneurship' describing 'a team of specialists operating within a horizontal management hierarchy to transform ideas quickly into better products' (p.20). Bird (1989) makes the point that many ambiguities arise in any discussion of partnership in that, apart from the difficulty of obtaining statistics, there is also the question of timing -pre-or post start-up-, and whether there are outside partners who have at one extreme an equity position but no input and at the other a supportive role (i.e.., a spouse) with no concrete organisational involvement. The simplest team is composed of two people and involves two personalities, two sets of abilities and motivations, and two careers (Bird 1989) and it is this team which is the subject of this research. Teams are significant for both researchers and entrepreneurs in that they are a more common occurrence than the entrepreneurship literature leads one to expect and they affect their firms performance.

There is very little recognition in the literature of entrepreneurship that a partnership or team is a valid structure for a new business venture. Most literature concentrates on individual entrepreneurs, their traits and behaviour (Gartner 1985, Hofer & Sandberg 1987), the difference between them and non-entrepreneurs(McGrath, MacMillan & Scheinberg 1992) and their place in the business environment (Olson 1987). As Bird (1989) suggests, what research does exist is sparse, mostly anecdotal, and lacks a theoretical base. As Kamm, Shuman, Seeger & Nurick (1990 p.7) state, 'Systematic, descriptive research is needed to define the dimensions of entrepreneurial teams, to identify the costs and problems of identifying these teams, and to identify successful strategies for resolving the problems.' However, there is a strong indication from peripheral information from other studies, from personal experience and from the popular press, that teams and partnerships are a common form of business start-up and as such are a valid subject for research. It is impossible to determine the number of businesses started by multiple founders rather than by an individual but estimates indicate that the incidence is significant. The American census of 1977 (Birch) reported that 8% (1,153,000) of existing businesses were partnerships and one can reasonably assume that many more began as partnerships and changed format. Hartman's (1986) study of *Inc.* top 500 firms found that over two-thirds to have been started as a partnership which implies not only a high incidence of multiple founding but also an indication of their survival and success. Bird (1989) also touches on whether multiple entrepreneurship is more or less successful than individually founded companies, while acknowledging that the definition of success is difficult. For instance, Baty (1974) suggests that they are more likely to succeed and Collins & Moore(1964) that they are not; Teach, Tarpley & Schwartz (1986) report that the number of founders correlates with volume of sales. In the UK, the team founder/managed organisation has a higher chance of survival than a sole trader according to the Enterprise Allowance Scheme Report (1987) and, according to the same source, half the new enterprises in the UK registered for VAT will not last beyond 5 years. In America, a 1988 *Venture* study of the 100 best performing firms, newly launched on the stock market, indicated that 56% of them were team ventures. It is difficult to analyse much of this data as it is based on different definitions of teams and partnerships, and survival, but the indications are that multiply founded ventures are significant both in their numbers and in their ability to survive, though not necessarily to succeed.

Recent work done on high technology start-ups (e.g. Cooper & Dunkelberg 1986, Feeser & Willard 1990) suggests that in this sector teams seem to be a common founding element. 'If the skills, abilities, and experiences of the entrepreneur constitute a valuable asset for the new firm, those contemplating entry into industries where demands for those assets are likely to be high might seek to supplement their own skills, abilities and experiences with those of others by assembling a team of individuals to undertake the new venture. Indeed, there is strong empirical evidence that high technology firms are most often started by teams' (Feeser & Willard 1990).

Shapero (1972) indicated that 57% of technology start-ups in a small geographical area were begun by groups but 27% of non-technical companies also had multiple founders. Cooper (1973) found that 59% of high technology firms in a wide geographical area were started by two or more people. Reviewing Cooper's study, Gartner (1985) suggested that high technology companies, with their emphasis on highly specialised skills which one individual is unlikely to embrace, are distinctive in their need to call on others in order to form an organisation. In a later study, Cooper & Dunkelberg(1986) suggest that team ventures are sector related quoting past studies of high-technology firms where the percentage of team founded companies ranged between 48% and 61% whereas team founded firms represented only 15% in the retail and service sector. Roberts' (reported in Brown 1992) studies suggest that many high-tech companies are formed by groups of individuals who are looking more for independence than for further achievement and that companies started by teams are more likely to be successful than companies started by single founders because team members are more likely to have complementary skills. Bird (1989) suggests that founder-teams seem to be most important when resources are scattered as they are in high-tech or in third world situations and this point could have relevance for design-led industries. However, all the quoted studies investigated high-tech companies which is indicative of their recent growth and economic importance, while other industry sectors have rarely been monitored for the incidence of team founding. Indeed a study of 122 female entrepreneurs (DeCarol & Lyons 1979) showed that 38% of all respondents started their business with partners and that few of these were in the high-tech sector and thus there may be no real indication that industry, gender or location has a significant part to play.

It is surprising that little research has been undertaken into the couple, as distinct from a larger team, as a unit of organisational start-up. Anecdotal evidence and personal experience indicate that the couple is a common form of group enterprise: Marks & Spencer, Rolls & Royce and Mappin & Webb are three well-known examples. The research literature rarely mentions the specific type of organisation a couple would establish or the different couple types such as married or intimate (either heterosexual or homosexual), family relatives, friendships from other contexts or existing co-workers. It is inevitable that the fact of being two rather than one or three or ten etc. will have a major effect and, as such, is important in defining the organisation's future survival.

Couples are mentioned in research into family ventures but rarely as the central issue. The family firms researched are usually low-growth, 'Mom n'Pop' types (Kepner 1983) which, when at least 75% of all American corporations are family-owned or -controlled and generate half the US GNP and employ half the workforce (Kennesaw State College Family Enterprise Center 1988), should indicate a difference of emphasis for future research. In Kepner's research, the couple is generally married,

the spouse suffering from the entrepreneurial activities of his or her mate: 'the social demands of the business may seriously intrude on the energy and time available to the couple alone' (Kepner 1983 p.66). Handler (1990) addresses the nature of sequential entrepreneurship in family business succession and suggests that it can be conceptualised as a mutual role adjustment between entrepreneur and next-generation family members. The development of a workable entrepreneurial team and effective working relationships with subordinates is critical not only to the creation of a new venture, but also to the role adjustment associated with the future succession of the organisation. This study also provides a theoretical framework for mapping the entrepreneur's role in the succession process over time and also treats parent/child or sibling relationships. Married or intimate couples who found companies other than mom n'pop types tend to be treated anecdotally as in Burns and Kippenburger's study(1988) or as a sub-issue as in Chell et al (1991). Homosexual couples are rarely treated as married couples but as friends or co-workers and their homosexuality is rarely addressed. However, press reports and personal experience suggest that, along with heterosexual couples, such entrepreneurial teams are not unusual: whether this is an important variable is another matter and is debatable.

The importance of gender in entrepreneurial teams is rarely a central issue: as in most entrepreneurial research, the emphasis is on the sole entrepreneur. The position of women in business has been studied recently, and as more women have seen self-employment as a possibility has the development of women as entrepreneurs (e.g.. Hisrich & Brush 1984). According to *The State of Small Business* report (US Government 1986) the number of female sole proprietorships grew by 6.9% against 3.7% of all proprietorships. This does not take account of any group foundings including women though Scott (1986) mentions that 16% of her female respondents had gone into business with a relative, usually a husband. There is however little empirical evidence on how gender differences affect entrepreneurial organisational performance. As Kalleberg & Leicht (1991) state, 'Few studies have directly compared male and female entrepreneurs, and we were unable to locate any studies that examined the determinants of organisational survival and success separately for businesses headed by men and women.'(p.137) Received wisdom has it that women are disadvantaged in business, whether entrepreneurial or corporate, by such factors as socialisation processes, educational experiences, family roles and lack of business networks. Kalleberg & Leicht's (1991) work on male and female entrepreneurs in Indiana showed that, contrary to commonly held views, there was little difference in success and survival between the genders. As with all research into survival, it is difficult to sample failed businesses so that, as is implied by the research undertaken into women in corporate life, perhaps only the exceptional women survived.

Scott (1986), believes that the US will be seeing more women creating billion-dollar businesses because women's attitude to team building and consensus is more applicable to being a leader during the growth stages of businesses than those of men. Stevenson (1986) states that an increasing number of professional women are joining or starting family companies, seeking either opportunities not readily available elsewhere (a better chance to break through the glass ceiling and reach the top position), or more flexible schedules while they are raising small children. However, there is little empirical evidence to support this. The field of research in the area of entrepreneurial gender differentiation is wide open, particularly in the area of entrepreneurial team building, though this is not the focus of this research.

In summary, the existing literature on teams is a mixture of empirical and anecdotal, corporate and entrepreneurial, psychological and sociological. The new thinking on intentionality is exciting in that it provides a way of advancing entrepreneurial research beyond descriptive studies, and is particularly relevant in discussing the impact of dyadic founder/managers on organisational form and survival.

There are thus indications that the team approach to new business ventures is:

a) of high incidence and increasing
b) particularly adapted to highly creative activities
c) needs complementary skills and characteristics of members to avoid problems
d) can prove effective for the survival of the enterprise
e) is of prime importance in establishing entrepreneurial intentions

3.v Relationship and Group Theory and Literature

One of the main debates in organisation theory concerns whether organisations are functionally rational, technically restrained systems, or whether they are socially constructed, subjectively meaningful embodiments of individual action. The voluntaristic (as opposed to the deterministic stance) suggests that individuals and their created organisations are 'autonomous, pro-active, self-directing agents... individuals are seen as the basic unit of analysis and source of change in organisational life' (Astley & Van de Ven 1983 p.247). This fits with the notion of intentionality as a major influence on organisational structure and suggests that the key to the 'right form' is the founders themselves and the reasons they have for founding which become manifest in the organisation.

Stinchcombe (1965) puts forward the following reasons that people start organisations:
1. They need to express alternate ways of doing things which are not easily done in existing circumstances or organisations
2. They believe that the organisation built will be sufficiently effective to warrant the initial effort and resources
3. They will receive benefits, either intrinsic or extrinsic, from the better way of doing things
4. They can get hold of the resources of money, power and legitimacy needed to build the organisation
5. They can defeat or avoid being defeated by their opponents

Since the unit under discussion is the dyad, one could add,
6. They believe that starting an organisation together will have advantages over starting it alone.

The advantages of the two-person business are the subject of this research. Having established the common intention of founding the business, it is necessary to establish what kind of organisation they intend to found.

3.v.i Individual behaviour and intentions leading to the formation of the dyad

If as Bird (1988 p.445) says, 'the intentional process begins with the entrepreneur's personal needs, values, wants, habits and beliefs', then the personality of the

entrepreneur is an important element of organisational intentionality, and subsequently, survival. Those individuals with entrepreneurial intentions are generally acknowledged to be overwhelmingly different from non-entrepreneurs. (Olson 1987) In terms of goal setting, for instance, an entrepreneur uniquely initiates, directs and organises the new venture with the freedom to structure the venture according to personal preferences. The only founding situation different to this is when a couple or team decides to found and intentions have to be negotiated and co-ordinated.

A pre-organisational stage with dual founders has, to my knowledge, never been studied in depth. Kamm & Nurick (1993), in their study of team venture formation, devote a paragraph to the discussion of the generation of ideas by a 'lead entrepreneur' as opposed to a 'group approach', the former referring to when an individual recognises an opportunity and gathers a support network, and the latter to individuals more motivated by 'the perception of the benefits derived from the relationship than from the benefits of the task accomplishment'.(p.18) They make no references to similarity or differences in aims or goals. It should be emphasised that the couple founding situation is fundamentally different from the normally cited one of the sole entrepreneur and the individual intentions of both partners need to be made clear both as to why they have chosen to act together rather than separately and why they both wish to form an organisation.

Any treatment of dyads in organisational research tends to be hierarchical - superior/ subordinate relationships (e.g. Barry & Bateman 1992; Graen & Scandura 1987; Likert 1961; Simon 1957; Barnard 1938) or inter-organisation network dyads (Larson 1992). In entrepreneurial literature, the tendency is to refer to small-size family run 'mom n'pop' businesses (Handler 1990). Barnard (1938) was the first to propose a theory of 'dyadic organisational behaviour' which put forward co-operation as the essence of organising, with the dyadic relationships being a balance of inducements and contributions. Simon (1957) used this theory as a basis for his theory of 'organisational equilibrium' which uses the process of negotiation in which personally valued inducements are made available to participants in exchange for organisationally valued contributions, a theory which is reminiscent of social exchange theory: he considers that this reciprocity is an essential factor in an organisation's survival. This is also reminiscent of social network theory (e.g. Granovetter 1985; Wasserman & Galaskiewicz 1994). Basic to this approach is the assumption that organisational actors are embedded within a network of relationships. These ongoing relationships provide the constraints and opportunities that, in combination with characteristics of individuals, issues and organisations, help to explain behaviour in organisations. A social network is a set of actors and the set of ties representing some relationship between the actors. Granovetter (1973) has developed the concept of the 'strength' of a relationship which refers to the frequency, reciprocity, emotional intensity and intimacy of that relationship and which is very relevant to this research. However, all the above are either based on vertical, multiple or extra organisational relationships which, if the essence of a dyadic relationship is 'influence and authority' (Leavitt 1978), differ radically in these elements from those found in a partnership and therefore have little relevance to the horizontal founder/manager relationship.

While there has been little research into couples in an entrepreneurial or managerial context, there is a large body of research into dyads (e.g.. marriage partners, doctor-patient relationships etc.) within other disciplines. The fields of psychology and social

psychology are rich in material on the individual, the dyad and the group and, though much of it is beyond the scope of this research, it is within these fields that the most interesting literature on dyadic relationships occurs which will be drawn upon during the findings as referential points(Chapters 5 and 6). These studies tend to look at the relationships in terms of common, reciprocal or complementary behaviour, with the added complication of projection between dyadic members, and can be grouped under the general heading of 'compatible relationship' theory. (e.g. Ickes 1985; Berscheid 1985; Clarke 1985; Reis 1985)

3.v.ii. Commonality and Projection

The unconscious process of projection, exemplified when we recognise some commonality of personal aspect in another person, is thought to initiate relationships of many sorts and is a key concept in psychology (Bird 1989). If it occurs in affective relationships, one can assume that it also occurs at the entrepreneurial and organisational level though little work has been done on the subject; Hodgson, Levinson & Zaleznik (1965) studied the 'dominant coalition' of top executives and found that projection took place. The result of projection is often conflict, which arises through distortion of individual perceptions and emotions leading to rivalry, avoidance, tension and ultimately a power struggle. Interestingly, much of the practitioner literature on business partnerships focuses on internal conflict and ultimate dissolution. It would seem that being the same type of person within a partnership, or to project that similarity, is problematic and this was thus one of the main foci during the fieldwork for this project.

On the one hand, it is self-evident that we prefer to work with people we can trust, which implies a similarity of attitude. There is an increasing interest in trust within the organisational context leading to issues of ethics.(e.g. Vetlesen 1994, Jones 1991) Using Granovetter's terminology, in a 'strong' relationship, co-operation, trust, intimacy and empathy develop between two people: interaction is frequent and each party reciprocates the trust and positive affect of the other. Similarity of race, age, gender, education etc. also leads to more comfortable, less complicated situations: the greater the difference, the more difficult the communication and the harder to find common values and eventual agreement. On the other hand, a recognition of personal strengths and weaknesses can lead to identifying complementary partners who can provide the missing attributes and skills. According to interpersonal theory (Campbell 1980; Middlebrook 1980), some combination of five qualities predicts the choice of affective partner:

1. objective likeability (i.e.., physical attractiveness, competence, resources)
2. proximity (i.e.., geographical or easy communications)
3. finding the other person rewarding or pleasant to be with
4. **similarity of attitudes, interests, and personalities**
5. **some complementarity of characteristics** [my emphasis]

The choice of business partner tends to reflect the same elements, borne out by Timmons (1978) who found the choice of partners idiosyncratic and emotional rather than rational, Ladd, Kanter & Wigan (1980) who studied partnerships coming from existing friendships and Handler (1990) on family relationships. It is the paradox of similar or common versus complementary which needs to be examined: the definition from the start of what needs to be common and what needs to be complementary in the relationship.

Weick goes some way in providing a framework for this problem and comments (1979 p.91), '... people converge first on issues of means rather than on issues of ends. Individuals come together because each wants to perform *some* act and needs the other person to do certain things in order to make performance possible. People don't have to agree on goals to act collectively.....Partners in a collective structure share space, time and energy but they need not share visions, aspirations or intentions.' He suggests that as groups form, the emphasis is first on common means, though not necessarily towards common ends, interdependence being perceived as mutually valuable. He states (1979 p.92), 'perhaps the most important consequence of treating the developmental sequence as starting with *diverse ends -------> common means* is that it preserves the crucial point that people *create* social structure. .....Once the members converge on interlocked behaviours as the means to pursue diverse ends, there occurs a subtle shift away from diverse towards *common ends.* The diverse ends remain, but they become subordinated to an emerging set of shared ends. This shift is one of the most striking that occurs in group life and is exceedingly complex.' This is illustrated in Figure 3.h and has already been put forward as a preliminary premise by this researcher, Jarvis (1997) This is an extremely important distinction in the discussion of dyadic intent as a first reaction would suggest that if Bird's ideas on intentionality are correct, the reverse is true and that the diagram should begin with common ends. (Figure 3.i)

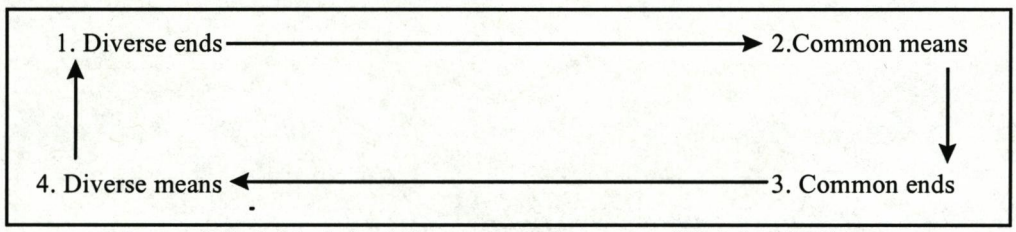

Figure 3.h A Model of Group Development (Weick 1979)

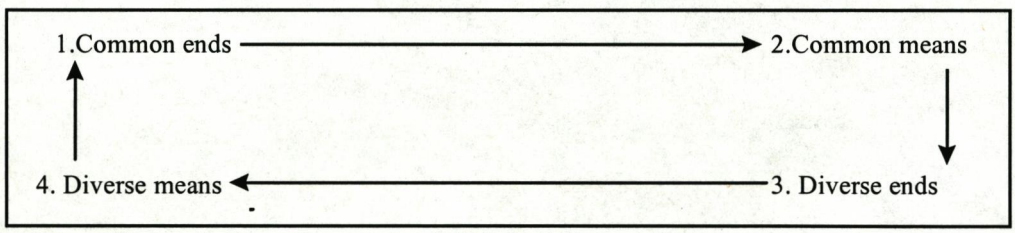

Figure 3.i An Alternative Model of Group Development

Little work has been undertaken to explore what takes place during the negotiation and co-ordination of intent prior to, and the shift that takes place after, organisational formation: this shift is central to this research.

3.v.iii Reciprocity

Another important point in the discussion of the common or complementary aspects of dyadic relationships is the concept of reciprocity. 'We can define relationships as situations in which individuals seek mutually to satisfy needs'. says Leavitt (1978 p.114). Reciprocity thus incorporates commonality of purpose but complementarity of effort and should be looked at as part of the negotiation and co-ordination of intent. Social exchange theory attempts to 'explain social life in terms of exchange principles by analysing the reciprocal processes composing exchange.....An individual who supplies rewarding services to another obligates him. To discharge this obligation, the second must furnish benefits to the first in turn. If both individuals value what they

receive from the other, both are prone to supply more of their own services to provide incentives for the other to increase his supply and to avoid becoming indebted to him' (Blau 1992 p.ix). While this theory originally had many critics as being both psychologically reductionist and confused in its mixture of economic and social applications (Emerson 1990), it is now accepted as the major theory applying to the uniquely dyadic relationship and focuses on the benefits accruing from the relationship. This will be used extensively within the findings.

While Blau was working within the field of social psychology, his ideas have been used within organisations. For instance, Cohen & Bradford (1989) have developed 'a law of reciprocity' within organisations, describing it as a way that influence can be generally acquired without formal authority but which could also apply specifically to partnerships. They put forward a taxonomy of 'commonly traded currencies' which include those related to:-

Inspiration	vision, excellence and moral/ethical correctness
Task-related	resources, assistance, Cupertino and information
Position-related	advancement, recognition, visibility, reputation, importance/insiderness, and network/contacts
Relationship-related	acceptance/inclusion, personal support, and understanding
Personal-related	self-concept, challenge/learning, ownership/involvement, and gratitude

Allport's work on collective structures (1962) also illuminates this concept of mutual benefit. 'There is a pluralistic situation in which for an individual ...to perform some act...that he 'desires' to perform .....it is necessary that *another* person....perform certain acts (either similar or different and complementary to his own), we have what can be called a fact of collective structure.' (Allport 1962 p.17). The two-person relationship is thus predicated on dependency, mutual need and reciprocal rewards: before their organisation can exist, these relational aspects have to be addressed. As Leavitt (1978 p.114) says, 'Relationships are characterised by dependency; and dependent situations are likely.....to be dynamic and ambivalent'. The dynamism can be the reason for organisational survival but the ambivalence can be the reason for its downfall. The organisation, in the context of this research, is the chosen situation 'in which individuals seek mutually to satisfy needs', to reiterate Leavitt (1978), and as such has an influence on the kind of relationship developed.

The major difference between the business relationship, as opposed to the affective relationship, is that it tends to be task-oriented rather than relationship-oriented. Task orientation requires an instrumental, reciprocal relationship so that the relationship itself is a tool for the accomplishment of a task or goal. Steele (1979) lists some of the purposes of instrumental relationships as follows:

- they allow complex tasks to be broken down among individuals with diverse skills. As Brown (1988 p.88) states, 'Role differentiation can facilitate division of labour in the group as well as contribute to people's identities'.
- for some people with strong needs for affiliation, doing work in a relationship is intrinsically more satisfying than working alone.
- forming interdependent goal-oriented relationships can help to reduce competition between parties. As Brown (1988 p. 219) says, ' If conflictual goal relationships generate hostility and competition, then common or superordinate goals should lead to friendliness and cooperation'.

It is thus indicated that instrumental relationships need a balance of commonality of intent, reciprocity of effort and complementarity of tasks and roles. In addition, the non-hierarchical nature of the partner relationship is essentially one of equality in status, despite differences in capital commitment, expertise, function, personality, motivation and control. However, the assumption is that the dyadic founder/manager relationship, as it exists within a business context, is an instrumental, task-oriented relationship, whether affective or not, and the indications from this research is that this is not the case.

3.v.iv Complementarity

There is an opinion that commonality, apart from the fundamental intent and recognition of reciprocal need, is not desirable for founder/managers. It is not unusual to find dire warnings as to the viability of partnerships (Bird 1989, Kamm, Shuman, Seeger & Nurick 1990). As Timmons (1979) points out, when writing about his consultative experiences with entrepreneurs, founding partners may be initially tied together by friendship or working association plus an enthusiasm for the new project and that this may not be sufficient to carry the organisation beyond its initial phase. He suggests that one of the major reasons for this is 'the existence of similar rather than complementary experience and capabilities among founding partners.' (p202) He also suggests that other major points of conflict are attempts to maintain equality of shareholding and effort, difference of goals and values, inadequate reasons for starting a business, ethical conflicts and a lack of personal awareness of strengths and weaknesses. The process of finding partners can be haphazard or casually arrived at (Timmons 1978, Silver 1983) and Timmons(1979) states that, as a result, 'substantial disaffection ..... becomes a problem for the founding partners within five years of launching a venture'(p. 197).

Most of the partnership manuals, albeit mainly directed at professional partnerships such as lawyers, are thus generally pessimistic, talking about avoidance of conflict rather than structuring synergy. The question of synergy in a partnership is important in any discussion of the dyad as an organisational structure. Using the definition of synergy as, 'the working together of unlike elements to create desirable results unobtainable from any combination of independent efforts' (Craig & Craig 1974 p.2), Bird (1989 pp.230-231) looks at partnership synergy 'as the transformation of individual contributions into a product that is greater than the sum of the separate contributions. The degree or quality of partnership synergy is a function of the expertise, background, resources, and character of the individuals, the complementarity of their differences, and how these differences are organized and orchestrated.' As Kenny and Kashy (1991) suggest, people in dyadic social interaction co-ordinate their thoughts, feelings, and behaviour. At the extreme, this co-ordination represents a 'merging' of two people into one as people transcend their own identities and become something together that never was before.

Feeser & Willard (1990) looks at a team approach to founding which permits individuals to bring their own particular expertise to the start-up, whether it is technology, finance, or management. In addition, they suggest, the pooling of capital, the sharing of personal risks, and the psychological support of knowing that others are 'in the same boat' may enhance the prospects for subsequent performance: synergy may very well result. Weick continues this argument, (1979 p.89-90), 'Organising is accomplished by processes.....Processes contain individual behaviours that are interlocked among two or more people..... the behaviours of one person are contingent

on the behaviours of another person(s) .....The structure that determines how an organisation acts and how it appears is the same structure that is established by regular patterns of interlocked behaviour.'

The question of synergy is also addressed by Belbin (1981) in his seminal work on defining team roles, where he suggests that what is needed in a well-functioning team is not well-balanced individuals but individuals who balance well with one another. Beckhard (1980) on optimising team-building efforts, Macmillan, Siegel & Narasimha (1985) on team member's functional expertise and Timmons (1979) on team members management skills and decision-making styles, all indicate that teams which consist of members with either different approaches or skills, or experiences or backgrounds, make for the most creative and productive units and avoid 'groupthink' (Janis 1971). However, most team research has focused on teams within corporations and it is necessary to establish whether entrepreneurial teams are different. As Brown (1988) suggests, becoming a team is not necessarily a natural result of working together. A team implies a meshing of purposes, people listening to one another, and group decisions: fuzzy role definitions, diffused priorities, miscommunication and disruptive personal styles can mean the breakdown of the team. 'When a group is committed to the same mission, when members of the group are appreciated for their special qualities, and when members care about the performance of their fellow members as much as they care about their own, then there is a team.' (p.20) The identification of complementary attributes of individuals within partnerships thus seems to be key towards the understanding of which team-founded ventures survive: as Bird (1989 pp.222-223) says'....we would expect the most effective entrepreneurial teams to include complementary skills, as well as differences in experience, style, resource networks, and so forth.'

Bird (1989), drawing on research undertaken by Timmons (1978), Macmillan, Siegel & Narasimha (1985) and Goslin & Barge (1986) into attitudes of venture capitalists towards investment decisions in start-up companies, suggests that perhaps the people who choose to become partners or team entrepreneurs are radically different from the general image of the individualist entrepreneur, not conforming to the generally agreed entrepreneurial characteristics of low needs for affiliation, moderate social skills, strong need for autonomy etc. As she says, 'Entrepreneurs in general do not sound like team players or team builders' (Bird 1989 p.206). This is an important point and one which is rarely addressed in entrepreneurial literature, which tends to make the assumption that entrepreneurs act alone.

3.vi. Research questions and framework

The literature research thus enables the researcher to identify and summarise the main theories which are relevant to the research. As has been previously stated, an initial 'trawl' through the literature allowed me to form the view that this research would be theory building rather than theory proving, and the extensive in-depth reading which was undertaken reinforced this point of view:

- The relevant theories within the **leadership** literature indicated that while there were supporting theories of what constituted effective leaders and managers which would enable me to compare the effectiveness of those being studied, they were undertaken within research into larger corporations which thus provided a different context, and they also focused on individual rather than dyadic leadership. However, Leavitt's description(1978) of managerial processes, path-

finding (creation, entrepreneurship and leadership), decision making (the rational approach) and implementation (people orientated), has been taken as a basis for the design of a generic model of skills, roles, and associated tasks which can be used to measure the presence or absence of complementary skills. In addition, there was evidence that there was increasing focus on the behavioural aspects of leadership, and research into subjects such as time, interaction and performance theory of groups(McGrath & Gruenfeld 1993) and decision development and adaptive structuration in groups (Poole & DeSanctis 1989) provided indications of useful directions of research of leadership in groups, albeit larger ones.

- The **organisational survival** literature proved more directional. Organisational life cycle theories (e.g. Greiner 1972), albeit tending to be more anecdotal rather than empirical, the situational leadership theory of 'cycling (Slevin & Covin 1990) and the work of the punctuated equilibrists (e.g. Gersick 1991), all provided direction and focus on how to develop the research into the aspect of the organisation over time. Comparative reference will be made to both Greiner's and Slevin & Covin's models. Again, the proviso must be made that they were developed within the context of large organisations and are therefore not directly applicable.
- **Entrepreneurship** literature was also fruitful. As the study of entrepreneurs is currently in relative infancy, particularly with regard to the study of intentionality and typology, much of the research is still tentative and either at early theory building stage (e.g. Rubenson & Gupta 1996) or concerned with reviewing what little theory exists with the aim of stimulating further research (e.g. Kamm, Shuma, Seeger & Nurick 1990). This has the effect of producing much idea generation which was stimulating and led me in new directions. In particular, the work of Bird (1988) on intentionality and Chell et al (1991) on entrepreneurial characteristics was helpful, enabling me to develop embryo ideas into firmer concepts. Again, proviso must be made that much entrepreneurial research fits the model of single or lead entrepreneur which not only is not the case here, but, it is argued, some of the conclusions reached on that basis will be shown to be invalid or partially so in the case of equal dyadic partnership.
- The **relationship** literature came almost entirely from outside management research, in the fields of psychology and social psychology. The review conducted here touches on the major theories of interpersonal relations such as commonality, complementarity, reciprocity and projection, and in-depth reference will be made to more specific studies in chapters 5 and 6 in order to avoid repetition. In addition, the debate on what type of relationship working dyads have will be addressed. The literature on team entrepreneurship was also reviewed but was found to be limited and therefore useful only in as much as it defined the gap in the existing knowledge of dyadic start-ups.

In summary, the literature review enabled me to define and refine my research questions. Because this research focuses on the relationship between two people within an organisational context, these research questions need to articulate both the behavioural and structural aspects. Eisenhardt (1989) stresses the importance of the initial definition, at least in broad terms, of research questions, and the articulation and re-articulation of these over the period of the research has proved crucial in defining its direction. The literature search, while lengthy and encompassing many theoretical bodies and content sectors, proved invaluable in helping to focus.

Two sub-questions were defined, leading to the main research question:

1. Do the individual intentions, values and interests of the prospective partners influence the type of organisation founded?

The subject of intentionality, while relatively new, is crucial in defining the context of the emergent organisation and in providing the framework for subsequent activities and outcomes.

2. Is there a specific combination of complementary skills and behaviours which predicates both the decision to found and also the roles they assume in the organisation which ensures the continuation of the relationship?

The definition of a set of characteristics, skills or behaviours was one of the main outcomes of the literature search, both in leadership/management and entrepreneurial terms, in order to provide a framework against which to compare the dyads.

3. **Can that continuing dyadic relationship fulfil the leadership/management needs of a changing organisation thus contributing to its survival?**

The combination of the two sub-questions and the knowledge gained from the literature search on leadership/management and organisational survival will enable the main research question to be answered. The answer will enable a model of organisational dyadic survival to be built.

4. Deciding the route: The Research Design and Methodology

4.i. The Research Design

Having established a clear philosophical stance and defined the research questions, certain directions of the actual research become established and the route that the research should take becomes clearer: at this point in the research journey, it is not so much knowing what one is going to do but what one is not. There are still options left to be settled one way or another: the decision to theory build rather than theory prove has been made but the way to go about it needs determining; while it is clear that the research will be qualitative rather than quantitative in nature, the most appropriate methodology needs to be decided; the research questions have been defined but who or what is the unit of analysis has yet to be resolved; the eventual data must be analysed but what approach should be taken and whether a software package should be used is still not clear.

At this point of the research project, the subject of grounded theory became of great importance. Personal preferences for flexible approaches and action learning made the discovery of grounded theory initially very seductive. Further investigation showed that not only was its general approach attractive but it also provided a disciplined framework in which to carry out rigorous research. In addition, readings of actual pieces of grounded theory discovery by researchers such as Orona and Star & Bowker (all quoted in Strauss & Corbin eds. 1997), were among the first pieces of empirical research which I found genuinely exciting and stimulating to read. The actual presentation of the research showed that academic research could be readable and presented in such a way that researcher and practitioner alike could understand and use the findings. The discovery of grounded theory was a defining moment in the research.

4.i.i The Research Approach: Grounded Theory

Grounded theory was developed by Glaser & Strauss in the 1960's and grew out of the Chicago school of symbolic interactionist research when they felt the need to provide a counter-balance to the accepted doctrine of logico-deductive theories in sociological research, which they argued demonstrated an 'embarrassing gap between theory and empirical research' (Glaser & Strauss 1967 p.vii). In contrast, grounded theories were developed directly from empirical data thus fitting what they considered to be the four basic elements of useful theory: they would fit the real world, they would work across a range of contexts, they would be relevant to the people concerned, and they would be readily modifiable. They initially set out their ideas in *The Discovery of Grounded Theory* (1967) which developed the dual concepts of 'theoretical sampling', whereby the process of data collection is controlled by emerging theory, which was linked with the 'constant comparison' method of joint data coding and analysis. As Partington (1998 p. 6) summarises well(italics are used for Glaser & Strauss' own terminology), '*Incidents* of phenomena in the data are *coded* into *categories.* By comparing each incident with the previous incidents in the same category, the researcher develops theoretical *properties* of categories, and the *dimensions* of those properties. As the study progresses the focus changes from comparing incidents with one another to comparing incidents with properties of the category that resulted from initial comparisons of incidents. The theoretical sampling and constant comparison processes lead towards the *theoretical saturation* of a reduced set of categories within the boundaries of the emerging theory. *Memos* -

records of ideas relating to categories - and the categories themselves, form the basis of written theory. Explored in different field settings and broader contexts, *substantive theory* may be developed into more abstract *formal theory'*.

Initially their ideas were seen as guidelines rather than rules for carrying out research, based on the premise that researchers have quite different investigatory styles, talents and preferences, so that a standardisation of methodology would only constrain and stifle social researchers' best efforts. However, Strauss continued to develop the approach with partners such as Corbin (1990) and developed a more prescriptive step-by-step approach which is often daunting and complex for the novice researcher, as personal experience has shown. In addition, much of the research which is undertaken following the strict 'paradigm model' of Strauss & Corbin is firmly situated within the symbolic interactionist school which normally works within a participant observationalist research strategy, which, as will be seen, is neither the main research method employed within the realist stance nor is used for this particular subject matter.

Other researchers have also developed personal views of grounded theory. For instance, Blaikie (1993) views grounded theory as an abductive research strategy, in other words one concerned with achieving explanation rather than simply description, rather than as a purely inductive process as originally described by Glaser & Strauss (1967). The description of the process of theory generation is 'one of trial and error in which tentative hypotheses are entertained and informally tested in the context of the continuing data gathering' (Blaikie 1993 p.192). The process is normally both sequential, shifting in emphasis from data gathering, during the early stages of research, to coding and analysis in later stages though, as the categories become clearer, gathering and analysis become virtually simultaneous. However Turner (1981) argues that grounded theory draws upon some of the basic ingredients of analytic induction: the chief components according to Turner are:-

1. After some initial data collection, 'categories' are introduced which fit the data.
2. These categories are then 'saturated' to ensure their relevance and range is suitable.
3. The categories are then redefined more conceptually and more generally, specifying the inclusion criteria
4. These general definitions act as a guide for further research and to further category sub-summation
5. Hypotheses are formed about the connections between categories and under what conditions thus forming an emergent theoretical framework
6. The emerging relationships are tested under extreme conditions.

As Bryman (1988 p. 84). describes it, 'This approach.....allows theory to emerge from data, so that it does not lose touch with its empirical referent; it provides a framework for the qualitative researcher to cope with the unstructured complexity of social reality and so render it manageable; and it allows the development of theories and categories which are meaningful to the subjects of the research, an important virtue if an investigation is meant to have a practical pay-off.' As previously stated, it is important that this research is concerned with the real world, both from the actors and the practitioner point of view: the true spirit of grounded theory holds that it is advantageous to avoid a contextualist bias in order to allow the research to become applicable to other settings, in other words to move from substantive to formal theory.

As flexibility was one of the original cornerstones of the concept, it is thus perhaps inevitable that looser versions of grounded theory have been developed and used by researchers such as Gersick (1994), which retain the distinctive flavour of the concept while being a personal version. The approach in this piece of research was to take the fundamental premises as originally developed by Glaser & Strauss, use Glaser's more prescriptive method as a referent, and then to tailor the process to fit my way of working and my research, using as the ultimate criteria simplicity and 'consensual validity'(Gouldner 1970). As Partington (1998) concludes, 'If .....a researcher is willing to address the particular implications of applying grounded theory in *this* study, with *these* assumptions, using *this* data, the study is more likely to reach a successful conclusion' (p.17)

4.ii. Research Methodology

The choice of research method stems from 'an allegiance to a distinctive position in relation to how social reality ought to be studied'.(Bryman 1988 p.118). The methodology is therefore predicated by the philosophical stance but also by the subject matter. The major areas of this research are team entrepreneurship and organisational intentionality as a function of survival, and, as has been noted, all are sectors with little previous theory. In particular, Kamm, Shuma, Seeger & Nurick (1990) point out, qualitative methodology is needed at the relatively low level of knowledge about the formation of entrepreneurial teams. Theory building is thus required. As previously stated, Bird (1989 p. 451) suggests that,'[because] the creating, structuring and sustaining of organisations are based on entrepreneurs' personal ideas and experiences, rather than formal theories of management and organisation, these entrepreneurs create organisational theories that later may be discovered and analysed'. As the aim of this research is to build a theory of dyadic survival, a research strategy is therefore needed which is particularly applicable to this kind of research which encompasses all the stages of exploration, description and explanation (Blaikie 1993) and which is in an area where little or no previous work exists so that the researcher is required to develop theoretical ideas as well as gather empirical information.

4.ii.i. The Research Map

Having established theory building as the aim and grounded theory as the approach, the actual design of the way of doing the research or the methodology needs to be defined. The subject is complex in nature and therefore the research design needs to simplify the complexity in such a way as to help the emergence of the richest possible data . Firstly, there are the individual skills and behaviours which have a bearing on the formation of the dyadic relationship; secondly, there is the development of that relationship through time; thirdly, that relationship through time happens within the context of the emergent organisation; and lastly, the whole is situated within the external context. Layder (1993 p.7-8), writing from a realist standpoint, makes the point that as social reality is complex, there needs to be a way of capturing 'the interwoven nature of different levels and dimensions of social reality.....the realist approach attempts to address this complexity by offering a layered or 'stratified' model of society which includes macro (structural, institutional) phenomena as well as the more micro phenomena of interaction and behaviour'. He suggests a 'research map' framework which 'relates to the problems of bringing macro and micro analyses closer together'. (Figure 4.a). The bases of this map are four elements: the self (biographical experience and social involvement), the situated activity (dynamics of

face-to-face interaction), the setting (immediate environment of social activity) and the context (macro social forms such as class and gender), all situated within the wider dimension of history as a dimension applicable to them all. He suggests that using this map as a framework for the research design will have two effects; firstly, to enable the researcher to establish organic links between the macro and micro dimensions, and secondly, to sensitise the researcher to different units and time-scales that are involved in social processes. In addition, it enabled the clarification of focusing the research.

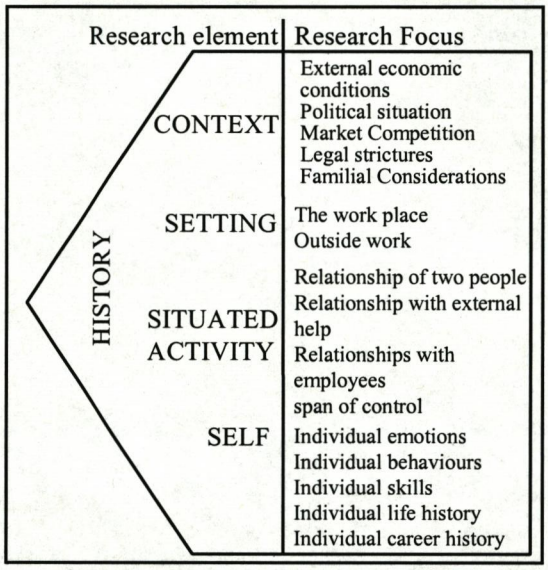

Figure 4.a Personal Research Map/Research Focus (after Layder 1993)

Layder's map became an important referent throughout the research process and, as will be seen (Figures 4. e, f) was used as a framework for defining both the type of method and the constituency it addressed. It was also used as a check on the process of writing up the findings in order to ensure that all elements of the original research design had been followed.

4.ii.ii. The Research Methods

It was thus necessary to ascertain which of the various research methods was most appropriate. The main research strategies relevant to a social science study include experiments, action research, surveys, histories, analysis of archival information, case studies and ethnographies (Easterby-Smith, Thorpe & Lowe 1991). Each strategy has various ways of collecting and analysing data and each has its own inherent strengths and weaknesses. There is a school of thought that suggests that some strategies are more appropriate than others for particular types of research such as case studies for exploration, surveys and histories for description and experiments for explanation, but as Yin (1989) points out, much research encompasses many approaches. As a realist approach accepts the validity of both subjective and objective evidence, so differing strategies may be appropriate. However, there are differing points of view and typologies as can be illustrated by Wolcott (1992, Figure 4.b) and Tesch & Stewart (1990, Figure 4.c). Wolcott takes the definitions of the aim of research, experiencing, enquiring and examining, as stated by Blaikie (1993) and links the major methods to each of the aims. It can be argued that by dividing them on this basis, no one method is specifically linked to an ontology or epistemology and thus if the aims of the research are multiple as in this case, the use of various methods within a study is permissible.

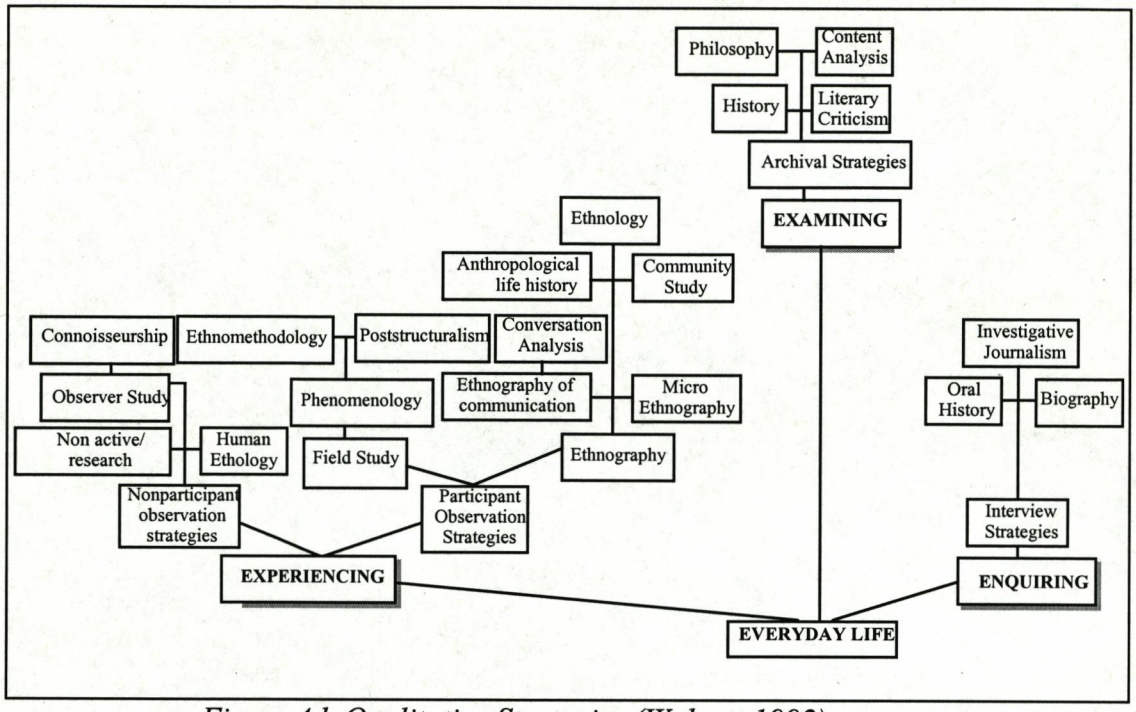

Figure 4.b Qualitative Strategies (Wolcott 1992)

Tesch & Stewart (Figure 4.c), as another example of qualitative research method typologies, take the point of view that specific methods are linked to specific stances. What however is attractive about their typology is the starting point of the research interest. In this case, it can be argued that the research has the multiple aims of discovering regularities both in the identification of elements and the discerning of patterns as well as the comprehension of the meaning of text and actions through interpretation. If one uses the typology, this would mean the use of Event Structure analysis through grounded theory and the use of case studies and life history. It can be argued that like many typologies, it is too prescriptive and misses the links and multiple possibilities of a varied approach to methods. Furthermore, one could argue that by classifying only qualitative methods rather than including also those aligned to quantitative research is also too stringent as well as emphasising the great divide. Morgan (1983) points out the dangers of being too prescriptive and rigid in the classification of strategies as this can have a constraining effect. For instance, the unique path of transcendental realism to event structure to grounded theory has no links to symbolic interactionism and therefore to the various participant techniques which are at the heart of much of grounded theory.

However, some strategies can be discarded as unsuitable. For instance, a classic experimental design would be inappropriate for this research as the subject is the interaction of two people over a period of time which would be impossible to replicate in a controlled experiment. However, a type of experimental technique was considered in order to establish the current state of interaction. Ickes & Tooke (1988) put forward an observational method called the dyadic interaction paradigm which they used to study both the overt behaviour and covert feelings of dyadic member during a period of unstructured interaction. This involves covert videotaping of a five minute period of interaction, with subsequent individual viewing and commenting on specific moments of that interaction, followed by joint viewing and comment. They put it forward as particularly applicable to 'metaperspective taking, intersubjectivity, and

empathetic accuracy.' (p.97) The complicated physical conditions needed for this method make this inapplicable to multi-organisational research. The elements of joint discussion within this methodology proved however to be a useful guide and were used within this research.

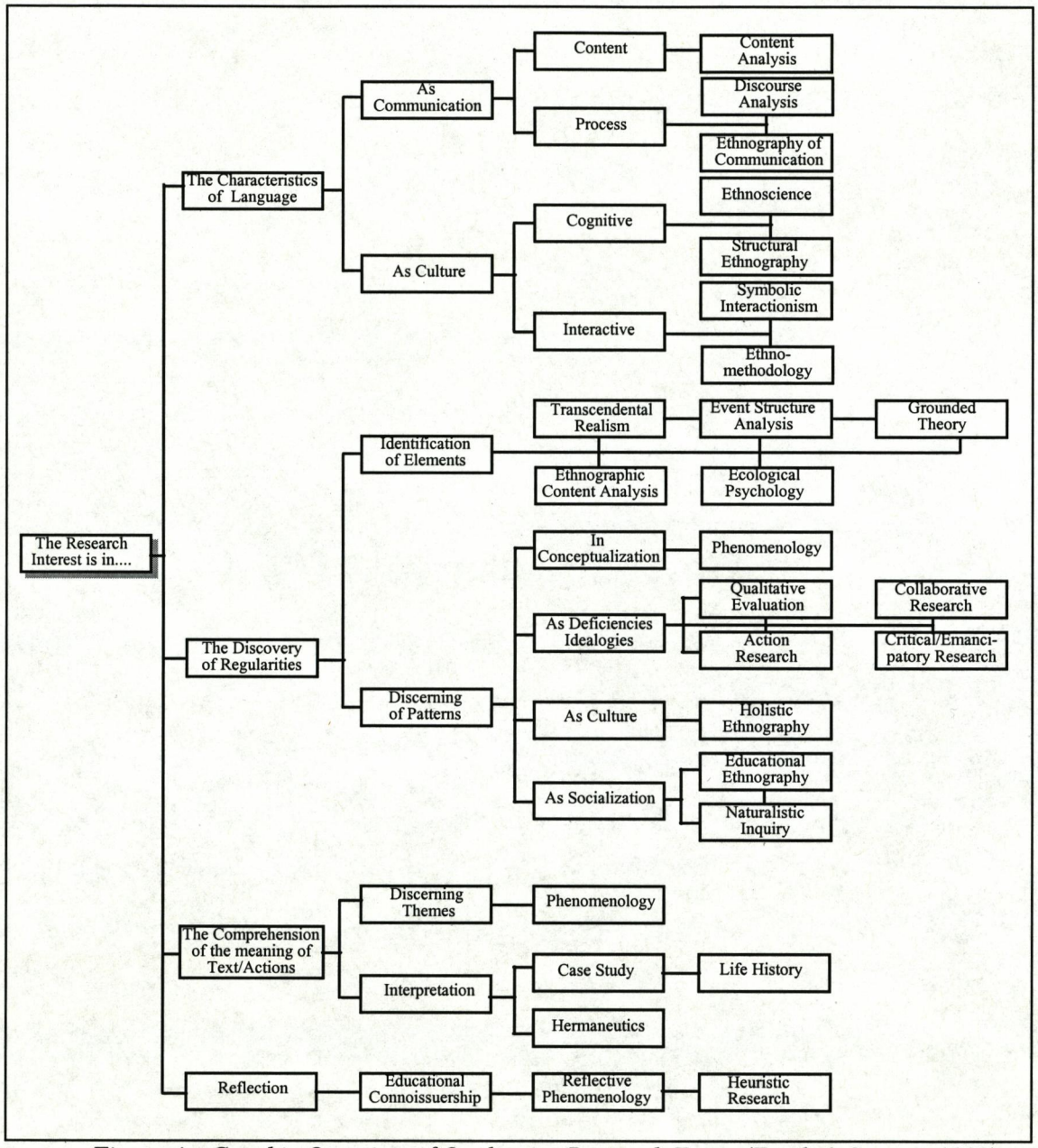

Figure 4.c Graphic Overview of Qualitative Research Types (Tesch & Stewart 1990)

A survey is also inappropriate due to the difficulties of accessing data on the numbers of companies set up by dual founder/managers. It is also not indicated for in-depth research where behavioural aspects are of prime importance. However, existing social survey material on patterns of employment was investigated in order to examine the incidence of partnerships and their outcomes and a mini-questionnaire was used in order to elicit demographic data and to save time during interviews. Within this mini-questionnaire, a scaled comparison tool was used to ascertain the feelings of partners towards their own abilities and to that of their partners. The use of histories is to a certain extent implied as the interviews and mini-questionnaire involves retrospection

and the use of a longitudinal approach inevitably involves reconstruction of events. There is debate about the use of longitudinal research as it involves the reconstruction of events, but in this case not only was it inevitable but also desirable as it encouraged the actors' own interpretation of events and also mirrored 'the view of social life in processual terms' as Bryman (1988) advocates.

Participant observation, which is the basis of qualitative research, often displays 'the tendency for participant observers to bring into play a number of data gathering methods' (Bryman 1988) and this was here the case. The methods summarised by Silverman (1993) as suitable for qualitative data gathering: observation, analysing texts and documents, interviews, and recording and transcribing were all used in part for answering the research questions posed here: the analysis of documents only formed a small part of the contextual study as has been demonstrated in the literature review (Chapter 3). The difference between the methods is that either the researcher acts as a passive observer of social life (through observing or recording situations relevant to the questions being researched, or by analysing relevant texts), or acts as a more active participant through interviewing. In this case, the 'passive' methods were used as a way of understanding the context and setting and, by establishing 'factual' data in advance, allowed the researcher more freedom to explore more abstract concepts. In addition, use of the questionnaire enabled comparisons to be made between couples even on relatively non-contentious data, and revealed surprising anomalies.

The case study was thus chosen as the most appropriate method, being most suitable for in-depth investigation of a longitudinal nature and most appropriate for the generation of qualitative data. Yin (1989 p.23) defines the case study as follows: 'an empirical enquiry that investigates a contemporary phenomenon within a real life context.....in which multiple sources of evidence are used'. Each case study within this research encompassed a relationship within a business start-up and continuation context. Evidence was adduced from histories, interviews, participant observation and comparison tools. Yin also defines five important components of a case study research design:

A. The study's questions. The research questions are concerned with exploring, describing and explaining whether a dyadic relationship can contribute to the survival of their organisation. The specific questions with regard to the dyads' intentions and skills and behaviours expect to form the basis of emergent theoretical propositions.

B. The study's propositions, if any. As has been previously stated, hypotheses are not necessary, or even desirable, for this type of research. However, research which is totally propositionless should not be purposeless as its aim should be to develop propositions. Typically, grounded theory research starts at least with intuitions or tendencies which draw on personal experience as is the case here (see Chapter 1 pages 13-15).

C. The study's units of analysis. The dangers of not defining the unit of analysis are dangerous, leading to lack of clarity during the actual fieldwork and the subsequent analysis. The choice within this research could have been the organisation, the individual entrepreneur, the start-up or the relationship between the two people starting the organisation. As the project developed, deciding on the dyadic relationship as the key unit of analysis was fundamental to establishing the focus particularly as the aim was to theory build through cross-case comparability.

D. The logic linking the propositions. See 4.i.i. for a description of the grounded theory method of constant comparison, which in the absence of a positivist, deductive strategy starting from hypotheses, develops the relationship between the research agenda, the data and the emerging propositions which are eventually developed into a theory or model.

E. The criteria for interpreting the findings. Again a typical positivist piece of research relying on quantitative data has highly developed criteria for establishing that multiple occurrences of variables have statistical significance. As has been previously argued, the type of ontology, epistemology, and therefore methodology, which have been deemed suitable for the subject of this research, do not have as its aim the quantification of variables. There is however a necessity to have a clear set of criteria in order to demonstrate a rigorous trail of evidence. The criteria used here are again based on the constant comparison method which allows concepts to be developed as the research journey permits the acquisition of more data which either indicate saturation or rejection of those concepts. These concepts are gradually developed into classifications which should be parsimonious, capable of describing comparable situations within the defined unit of analysis and should be gathered from the actors' own accounts.

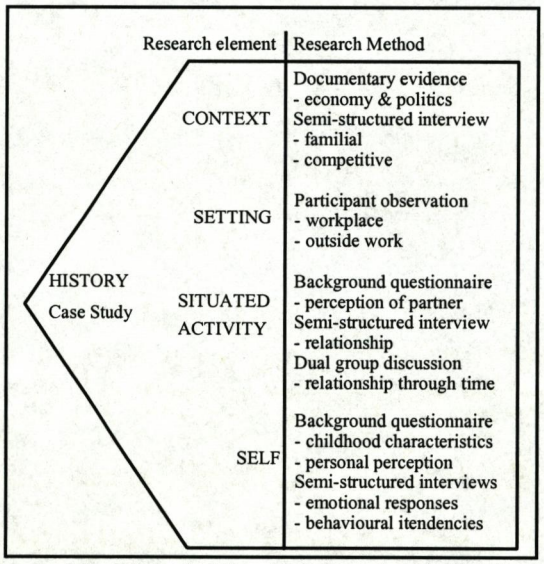

Figure 4.d Personal Research Map/Research Methods (after Layder 1993)

There are a number of practical and technical issues which need to be addressed in selecting the number and type of case studies. The subject of the research is the relationship of the couple within their organisation. In this research therefore, the sample consisted of teams of two people who have been together long enough to experience both start-up and growth phases but, in the pursuit of accuracy, should not be too far removed from the firms' beginnings. It would not therefore have been appropriate to engage in a single case study, though Yin (1989) states that this can be undertaken either when the case study is to be used to test a well-formulated theory, or when the case is unique and therefore has no comparators, or when the case presents an exceptional opportunity to study a particular phenomenon which is not the case here. He thus distinguishes between 'sampling logic' of survey designs and 'replication logic' of multiple case studies which is analogous to series of cross-experiments.

A case study approach with a combination of participative observation, semi-structured interviewing, self-administered questionnaires, examination of documentary material and, finally, dyadic discussion was used. Using the research map framework (Figure 4.e), the various methods were aligned with the macro and micro layers of the research.

4.ii.iii. Case Selection

The aim of qualitative research is 'to collect the richest data possible'(Lofland & Lofland 1971), typically using techniques such as in-depth interviewing with small samples of people: to work with larger samples would be unduly time-consuming and would threaten the success of the research with data 'overload', or as Miles & Huberman (1984) put it, 'Social processes have a logic and coherence that random sampling of events or treatments usually reduces to uninterpretable sawdust.' Given that the aim of qualitative research is not to secure statistical significance but rather, as Glaser & Strauss (1967) advocate, to accomplish 'theoretical sampling', it is only necessary to select sufficient numbers of people, situations etc. which constitute case studies in order to achieve 'saturation' of the developed categories.

From the point of view of the validity of the research it was however necessary to have sufficient case studies which could be compared. Within the grounded theory approach, the number of case studies can be defined by the rapidity with which similarities occur between findings which lead to theory saturation: it is of necessity an open ended question when starting the research as the findings of the first case can lead to the selection of the second and so on. Layder (1993 p.44) reinforces this by stating , 'the researcher must select comparison groups according to their theoretical relevance in furthering the development of emerging categories, properties, hypotheses and integration of theory. The constant selection and control over comparison groups is part of the dynamic and emergent design of the research process and encourages the development of properly grounded theory'. However, as Miles & Huberman (1984) point out, though there is advantage and logic in this way of working, too loose a research design can be unfocused and unmanageable. Accepting that this is true, it is argued that as the groundwork, research questions and approach for this research were sufficiently rigorous and well-documented thus providing a disciplined framework, the advantage of flexibility and the need for theory building through saturation justified the grounded theory approach to choosing cases.

The number of case studies also depends on a number of other factors. There are practical considerations of time and availability of organisations to be studied: in this research, it was difficult to identify organisations which corresponded to the criteria of having been started and led by two people. This was because many of them were still relatively small and therefore tended not to be registered as limited companies. In addition, where public records existed, there were often registered directors who played no part in the business and yet, because of their existence, hid the fact of dual leadership. It was necessary therefore to rely on personal knowledge or journalistic identification of organisations such as articles on specific pairings, which had the effect of limiting the possible number of case studies. Sometimes identifying one organisation led to identification of others as there seemed to be an informal network of such companies.

The aim therefore of the case study selection for this research was to seek diversity through different situations in order to get a rounded view, it not being necessary to generalise in order to build models or theories. Given this wide scope, deciding on the selected population was not simple: the choice of the situation, the kind of actors, and the total number to be involved has been complex and iterative. For instance, to have limited the couples in question to only those who were previously work associates would have led to missing a large pool of experience from those who started businesses while married. Conversely, allowing too great a difference in age of business could have been potentially difficult. However, it is necessary to have a sampling logic and the starting point for the choice of the first case study was twofold and simple; firstly, that the organisation under investigation should have been started and run by two people; secondly, that the organisation should have been started over five year's ago thus enabling a period of sustained existence to be studied which is important within the context of survival.

As with any grounded theory approach, undertaking the first set of interviews and analysis, allowed the redefinition of the choice criteria. Rather than narrow the scope, the choice was made to broaden the description and to encompass the four dimensions of the research map (Figure 4.e). For instance, the two person start-up was broadened to include any logical continuation of a single person's activity as proved to be the case in the first case study. In addition, the business started was defined as being 'for profit' as it was important that this was a commercial operation when defining the intentions of the co-preneurs.

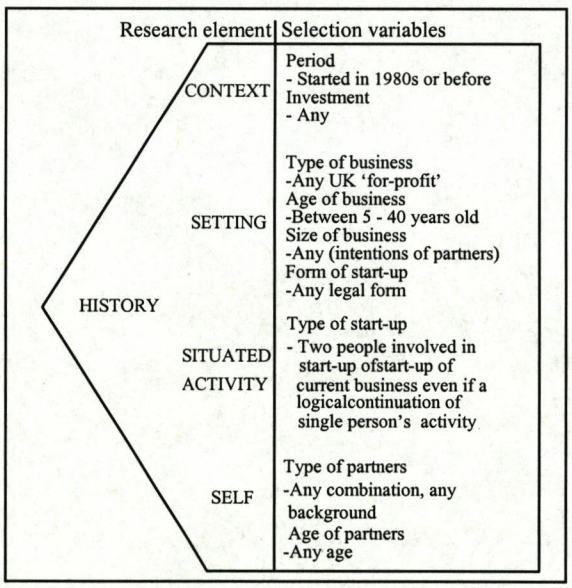

Figure 4.e Personal Research map/Selection Variables (after Layder 1993)

In all, eight sets of relationships were studied which were sufficient to give strong indicators of the theoretical concepts. As the case studies progressed so the criteria were again refined and the explanation and rationale for each expanded. The final set of criteria are as follows:

A. Age of organisation - 5 years or more which allowed for the organisation to have survived the initially difficult years of start-up

B. Type of industry - any type as it was not considered to be relevant whether the organisation operated in the service or manufacturing sector. In the end, all case studies were in the service sector due to coincidence rather than choice
C. Size of organisation- any size as it was argued that according to the different intentions of the co-preneurs, the organisations might develop in many different ways
D. A for-profit organisation as public sector or charitable organisations were unlikely to be formed by co-preneurs
E. UK based for practical reasons
F. No gender or age criteria were applied initially to the choice of couple but as the research continued, it became necessary to include examples of both affective and non-affective couples as differences between these couple types emerged.

Initially, the selection was made according to the above criteria from candidate organisations already known to me: access was thus not a problem, neither was continuing access for the purpose of observation and longitudinal study. As the subject matter of the research was of great interest to the actors, there was both little resistance to it and also active encouragement. This enthusiasm tended to become problematical in cases where the interviewees were well-known to the researcher, when it occasionally proved difficult to remain neutral. Of the eight case studies, three of the couples/organisations were known to me and formed the first wave. The other five came through more circuitous routes such as through articles mainly found in the business sections of the broadsheets and through friends of friends, and in this way, a list of thirty potential cases were chosen. Each company was written to explaining the nature of the research and requesting approximately 2 hours of their time. Of the thirty communicated to, five written refusals were received and, eventually, after telephoning several times to the remaining twenty five, two additional co-preneurs/organisations agreed to see me. The remaining three came from serendipitous meetings with acquaintances or business colleagues who knew 'someone who would exactly fit the bill.'

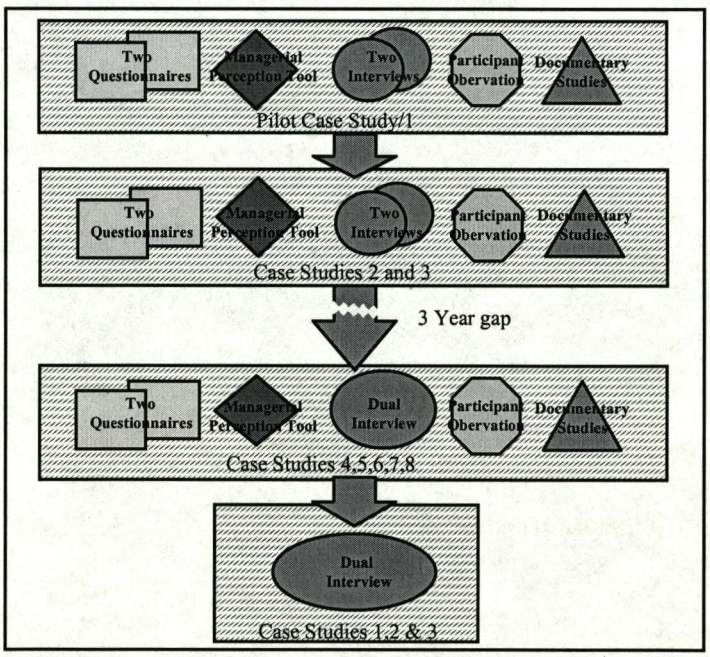

Figure 4.f Research Schedule

The same research methods were used in both the pilot and subsequent studies in this research project, though focus changed as categories emerged. The pilot study was intended to both demonstrate the efficacy of these methods and the appropriateness of the methodology and also to provide the first building blocks for theory generation. As a result of each research intervention, modifications have been made both to the techniques and their content and also to the subsequent codification and analysis. The pilot study consisted of the complete menu of methods: 2 questionnaires, 2 interviews, observation, and documentary study. The couple were revisited three years later as part of the follow-up study and at that point, were interviewed together. Immediately following first analysis of the first case study, two further case studies were conducted, again with a follow-up joint interview to complete the case. (Figure 4.f)

Having chosen the case studies, all were either sent a questionnaire or informed that it would be brought at the same time as the interview. Sending the questionnaires was not a good idea as they tended to be lost as neither was leaving questionnaires behind to be filled in after the interview as they never got completed without constant reminder. All meetings were confirmed by telephone the day before and the participants reminded of the reason for the interview and how long it would take. Most importantly, they were asked to provide a quiet room and to stop all telephone calls for the duration of the interview, both of which all respondents found extremely difficult.

The Co-preneurs eventually chosen, their relationship and their organisations were as follows (the names have been changed):

	Co-Preneurs	***Status***	***Business Sector***
Case Study 1:	Mike & Joy	Married	Training Consutants
Case Study 2:	Tim & Hilary	Married	Material and Design Consultants
Case Study 3:	Roger & Ben	Work Associates	Publishers
Case Study 4	Giles & Kit	Work Associates	Architects
Case Study 5	Matt & Kelly	College Friends	Fashion Designers
Case Study 6	Geoff & Colin	Work Associates	Management Consultants
Case Study 7	John & Chris	Work Associates	Graphic Artists
Case Study 8	Mandy & Gill	Social Friends	Fashion Designers

4.ii.iv Data Gathering

In this section, the set of data gathering tools (questionnaires, semi-structured interviews, participant observation, and documentary studies) is detailed and the links between the various methods are explained in order to validate the research framework as illustrated by the research map (Figure 4.a).

4.ii.iv.i Questionnaire Design

The questionnaire was originally conceived as a way of saving time during the interview by previously establishing demographic data and factual information about the joint company. It was later expanded to include two typologies: the first, a childhood characteristic survey based on the typology used by the Minnesota Test of Creative Thinking (1967) in order to understand the correlation, if any, with the original results; the second, a Managerial/Leadership Perception Tool (MLPC) was designed using ideas taken from a variety of sources (i.e. Henry & Walker 1991,

Lillebo 1982) in order to understand personal and partner perceptions of each other. It was not designed with the view of gaining responses which had any statistical significance, but one of the surprising results was the biased unanimity of responses to many questions which was beyond the possibility of coincidence.

The first section covered the period of pre-work (Figure 4.g) and included the childhood typology and information about family position, hobbies and education. Since the questionnaire was written (1991/2), further research on childhood influences on entrepreneurs has been published e.g. Cooper & Gascon (1992) on positive influence of higher education, which might have led to a richer set of questions but it was decided in the interest of having comparable data not to expand the questionnaire. The data was used to understand whether there the respondents profiles matched those of single entrepreneurs.

THE QUESTIONNAIRE

This questionnaire forms the basis of academic research into the characteristics of dual founder/managers of organisations. It will be followed up by an interview. The questions asked here are to establish family background and other relevant demographic data which may also relate to the organisation of which you are a founder. This questionnaire and interview are being used for research for a Ph.D. dissertation. It would preferable to be able to quote your name and the name of your organisation if using data from the questionnaire and interview but if you would prefer to remain anonymous please indicate this below.

Background

1. What position were you in your family?*(Circle one only)*
First born (only child) First born (other siblings) Second born Other

2. These are some descriptions of children. Which ones would you consider to be descriptive of yourself as a child? *(Circle all applicable)*

Over-active physically and/or mentally*(delete as applicable)*

Has Annoying curiosity	Had a serious illness
Good sense of humour	Reads rather than plays
Enjoys nature	Likes to work alone
Uncommunicative	Daydreams
Observes others	Feels left out of things
Persistent, won't give up	Non-conforming
Constructs and builds	Doesn't mind being different
Few friends	Respect for father
Affection from mother	Positive sibling relationships
Enjoyment of competitive sports	Independent

3. What form of education did you follow?*(Please ring one in each educational level)*

PRIMARY:	Local Primary	Private Prep	Other
SECONDARY:	Secondary Modern	Grammar	Day Public
	Boarding School	Technical School	Other
HIGHER:	University	Art College	Teacher Training
	Polytechnic	Other	None
FURTHER:	Management Course	Other	None

4. When did you decide what career path you would follow?*(Circle one only)*
Early childhood (before 10 years) Adolescence (up till 16 years)
Early adulthood(up to 22 years) Later

5. What was the major influence in choosing your career?*(Circle one)*
Family School Friends Other's work Own ability
Other *(Please specify)*.....

6. What were your hobbies and recreational interests while at school?*(circle all applicable)*
Participative sport Spectator sport Craft oriented activities Group Activities
Other *(Please specify)*.....

Figure 4.g Questionnaire section 1/Pre-work

The second section covered the work period including work experience prior to starting the company and information about the start-up of the company itself. Information was obtained on the turnover, size, form and age of the company and the financial backing which it had received. (Figure 4.h) This section proved useful when comparing the respondents in order to analyse whether there was a common profile.

Career

7. What was your first employment? *(Circle one)*
Large Company Small Company Own Company Self-employed Other

8. How did you finance your organisation's start-up? *(Circle all applicable)*
Bank loan Family money Government Grant Own savings Other

9. When did you and your partner start the organisation? *(Circle One)*
5+ years ago 10+ years ago 15+ years ago 20+ years ago 25+ years ago

10. What was your relationship with your partner prior to starting the organisation? *(Circle One)*
Married or co.-habiting Friends outside work Work associates Other

11. How would you describe the growth of your organisation? *(Circle One)*
Gradual/incremental Fits and Starts Meteoric Other

12. When you started the company, how many people were employed? *(Circle One)*
1-5 6-10 11-20 21-50 More

13. How many people are now employed ? *(Circle One)*
1-5 6-10 11-20 21-50 More

14. What is your company's current turnover ? *(Circle One)*
Under £500,000 £500,00-£1m £1m-£2.5 £2.5-£5 £5m+

15. How would you describe the position your company is currently in along the continuum below? *(Circle one position)*
Thriving Just Surviving
/_____/_____/_____/_____/_____/

16. What reason would you give for this position of your company?
(Circle all applicable)

External Economic	Financial Management	People Management
Expansion	Clients	Changing Market
Competition	Personal attributes	Technology
Leadership	Creativity	Unions

Others (*Please specify*).....
.....
_____

Figure 4.h Questionnaire section 2/Work

The final part of the part of the questionnaire covered the MLPC and was the most surprising of all in terms of richness of response. (Figure 4.i.) The expectations were that partners in a couple would show a tendency to opposing characteristics and that would feed ideas on the likely complementarity of the co-preneurs. However, the elicited data enabled the research to develop a major category which formed one of the pillars of the model built and directed the research into areas of social psychology and social network theory previously not explored. In terms of a grounded theory approach to research, it is a good example of the way that having a framework for the research gives the study structure but allows the researcher to be open-minded and not closed off to possible new directions in the research. In the pilot study, care was given to ensuring that all terms were clearly understood by going through the list with the respondent after the questionnaire had been completed and replacing words with synonyms where there was not complete understanding.

17. The following are a list of words placed in opposition. Please mark your current perception of yourself on a scale of 6 (relating highly to left-hand concept) through to 1 (relating highly to right-hand concept). Please . Please try and do so spontaneously and without too much reflection.*(Please circle one number on every line)*

Long Term	6	5	4	3	2	1	Short Term
Financial Profit	6	5	4	3	2	1	Intrinsic satisfaction
Status Quo	6	5	4	3	2	1	Growth
Career building	6	5	4	3	2	1	One off Project
People	6	5	4	3	2	1	Things
Systems	6	5	4	3	2	1	Environments
Verbal	6	5	4	3	2	1	Visual
Numerical	6	5	4	3	2	1	Spatial
Serialist	6	5	4	3	2	1	Holist
Linear	6	5	4	3	2	1	Lateral
Listener	6	5	4	3	2	1	Talker
Analysis	6	5	4	3	2	1	Synthesis
Problem oriented	6	5	4	3	2	1	Solution led
Pessimistic	6	5	4	3	2	1	Optimistic
Adaptive	6	5	4	3	2	1	Innovative
Conformity	6	5	4	3	2	1	Diversity
Cautious	6	5	4	3	2	1	Experimental
Transact	6	5	4	3	2	1	Transform
Straightforward	6	5	4	3	2	1	Complex
Static	6	5	4	3	2	1	Fluent
Laissez-faire	6	5	4	3	2	1	Persistent
Pragmatist	6	5	4	3	2	1	Idealist
Authority	6	5	4	3	2	1	Persuasion
Accepting	6	5	4	3	2	1	Critical
Logical Thought	6	5	4	3	2	1	Imagination
Reactive	6	5	4	3	2	1	Proactivity
Objectivity	6	5	4	3	2	1	Spontaneity
Team member	6	5	4	3	2	1	Independent
Socialised	6	5	4	3	2	1	Unilateral
Financial reward	6	5	4	3	2	1	Intrinsic reward

18. I would now like to ask you to repeat this exercise but now in relationship to your current perception of your business partner. Please mark your partner on a scale of 6 (relating highly to left-hand concept) through to 1 (relating highly to right-hand concept). Please try and do so spontaneously as before (*Please circle one number on every line)*

Long Term	6	5	4	3	2	1	Short Term
Financial Profit	6	5	4	3	2	1	Intrinsic satisfaction
Status Quo	6	5	4	3	2	1	Growth
Career building	6	5	4	3	2	1	One off Project
People	6	5	4	3	2	1	Things
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Conformity	6	5	4	3	2	1	Diversity
Cautious	6	5	4	3	2	1	Experimental
Transact	6	5	4	3	2	1	Transform
Straightforward	6	5	4	3	2	1	Complex
Static	6	5	4	3	2	1	Fluent
Laissez-faire	6	5	4	3	2	1	Persistent
Pragmatist	6	5	4	3	2	1	Idealist
Authority	6	5	4	3	2	1	Persuasion
Accepting	6	5	4	3	2	1	Critical
Logical Thought	6	5	4	3	2	1	Imagination

Figure 4.i Questionnaire section 3/Managerial/ Leadership Perception Tool

4.ii.iv.ii Interview Schedules

Understanding founder-managers' own conceptions of relationship and organisation requires an 'interventionist' research method. It was decided therefore to use interviewing as the main method of gathering data for this research project. Structured interviews were discounted from the start as restraining interviewees' responses in much the same way as a questionnaire, while totally unstructured interviews were considered equally inappropriate for providing too little focus: it was

important to provide a life-stage framework for each interviewee in order to understand any differences and changes taking place through the life of the organisation. Carrying out semi-structured interviews, incorporating a number of specific prompts and open-ended questions, appeared to be the best way of minimising these problems. While allowing interviewees to 'ramble', the method allows 'the interviewee in rambling [to move] into areas which interest him or her. The interviewer is losing some control over the interview.....but the pay-off is that the researcher reaches the data that is central to the client' (Measor 1985).

Kamm, Shuman, Seeger & Nurick (1990), in their research into entrepreneurial teams, suggest that individual in-depth interviews should ideally be conducted with all partners and also with an external observer who is familiar with the team such as banker or lawyer: both partners were interviewed separately but the selection of an external observer has proved problematic, particularly in those instances of organisations which have maintained their original status of just two people. In addition, the study called for the actor's own responses rather than other people's perception. However, as previously mentioned Ickes & Tooke (1988) put forward an observational method called the dyadic interaction paradigm which they used to study both the overt behaviour and covert feelings of dyadic members during a period of unstructured interaction which while not simulated exactly here was adapted to become the joint interview. It enabled both the findings of the original interviews to be verified, further comparisons to be made, and also allowed for direct observation of the dyad's interaction.

Subject matter such as organisational survival lends itself ideally to longitudinal research. Initially, it was not thought possible to carry out longitudinal studies, but outside pressure enforced a period of PhD de-registration, and utilisation of this time enabled the second interview to be undertaken. While not conforming to the strict definition of longitudinal study, which tends to take place continuously over a period such as three years, the gap in time enabled a more continuous view over time which can be termed as longitudinal within Bryman's definition (1988): there is often an implicit longitudinal element built into much qualitative research which Bryman explains as both the symptom and the cause of viewing social life in 'processual terms'.(p.65) He continues, 'The emphasis on process can be seen as a response to the qualitative researcher's concern to reflect the reality of everyday life which, they tend to argue, takes the form of streams of interconnecting events. Further, [they] argue that this is precisely how people experience social reality, so that the inclination to emphasise process is in part a product of [their] commitment to participants' perspectives.'

An open-ended approach was used to generate the initial data on their opinions, attitudes to each other, characteristics and skills. From this it was hoped to develop a classification of complementary attributes and to generate a comprehensive though not necessarily exhaustive classification scheme which might be theoretically and practically useful. The classifications might provide a basis for theory and research related specifically to survival of entrepreneurial start-ups. The results of these interviews would be used to draw conclusions on the role of the co-preneurs' relationship on the particular organisation's survival.

The development of the research meant that three similar interviews were developed. The first, which was used in the first three case studies, was conducted sequentially with the individual entrepreneurs, so that there was no conferring. (Figure 4.j)

InterviewSchedule 1
Individual Interview

Thank you for agreeing to talk to me. I am looking at a number of companies which were founded and managed by two people. The purpose of my research is to look at why people start companies together and what part their working relationship has in the success of the company. The purpose of this particular interview is to ask you about the actual founding of the company and your relationship with your partner and how, if a t all, the company and your rela tionship has changed today. I will be conducting the same interview with your partner and then arranging a session when we can all sit down togetherEverything you say to me will remain confidential and not attributable to you without your prior consent.

I am going tobegin byasking you about starting your company [previously established demographic details via fill-in questionnaire]

1. Can you remember what were your reasons, stated or unstated, for starting the company?	Probes: particular employment circumstances meeting other person casual/formal discussions existence of business plan extrinsic/intrinsic
2. On reflection, do those reasons reflect what you feel now about having started the company?	Probes: crystalisation/ diversification of intent
3. What do you think were your partner's reasons for starting the company?	Probes: amount and kind of discussion amount and kind of stated intent conflict/agreement same as yours
4. On reflection, do those reasons reflect what you feel now about having started the company?	Probes: crystalisation/ diversification of intent
5. What do you feel were the strengths that you brought to the partnership ? The weaknesses?	Probes: attributes skills other relationships money
6. What do you feel were the strengths that your partner brought to the partnership ? The weaknesses?	Probesattributes skills other relationships money
7. Did you feel co-equal with your partner when starting the company?	Probes: emotionally equity
8. Do you feel the same today?	Probes: emotionally equity
9. Do you think that being two has helped or hindered the growth of the company? Why?	Probes: support skills
10. Did you allot yourselves specific roles at the beginning?What were they?	Probes: lead entrepreneur unilateral/bilateral functional/skill roles emotionally based
11. Has that changed today?How?	Probes: formal/informal other senior people relationship with them
12. Did you initially institute any formal structures? What?	Probes: describe how you go about making major decisions titles decision making rules regular meetings
13. Has that changed today?	Probes: different roles success or failure
14. Would you describe your relationship as harmonious? Why (why not)?	Probesdescribe last major disagreement out of work relationship
15. Looking back is there anything you would change in the way the company started and has grown?	Probes: relationship, lifestage structure being two

Figure 4.j Interview 1/Individual

Each interview took approximately an hour and a half and while the interviews were semi-structured, they all covered the same areas and tended to follow the same order. The pilot interview was more structured, having chronological sections which the respondents found difficult to follow and repetitive to answer: this was subsumed into a shorter sectionless interview for later use which went backwards and forwards in time. The rationale however behind the schedule was as follows:

1) The first part of the interview covered the decision to start the business (Q1-Q4). The main purpose of this section was to elicit information about the interviewees' plans and intentions and, as in all questions, there was emphasis on both the work and out-of work contexts. Questions were asked in order to have both a personal response and an opinion as to the partner's response. This was done in order to be able to understand both the closeness of the relationship by comparison of the responses and also to begin an understanding of any potential conflicts.

2) The second and third parts of the interview originally dealt with the birth and first years of the organisation. In reality, it was difficult to keep these apart: the sequential form of the interview was perhaps alien to the interviewees and, in the subsequent coding, these were subsumed under a 'growth' heading . This section sought the interviewees' views on what was important to them about their business and their relationship (Q5-Q14).

3) In the final section of the interview, each partner was originally asked explicitly about the 'life stage' of the business (Flamholz 1990), asked to reflect on any changes affecting the current position and what effect the changing circumstances had on their relationship. The pilot interviewees had initial difficulty with the concept of 'life stage', but eventually warmed to it and thus in the final form, rather than form a specific question, it became part of the probes. The final question (Q15) thus became more general in terms which allowed the respondent to reflect, and 'ramble', which elicited many rich and, often unprompted, thoughts about the nature of organisational growth.

The second interview (Figure 4.k) was conducted with the five remaining couples. They were interviewed together rather than individually for several reasons. Firstly, for practical reasons: as they were people/organisations that were not known to me personally, it was difficult to obtain two hours of their time rather than the six which a full set of interviews would have probably taken. Secondly, having undertaken the first of the joint interviews, the richness of the data gained and the lack of inhibition compensated for any potential lack of intimate detail which might have been gained in an individual interview. Thirdly, the ability to study their interaction proved invaluable, and as I had not previously met them separately, I had no prior knowledge of how they might act. And finally, and most importantly, as the subject and unit of analysis was the relationship, I felt that the change in method was not only justified but preferable.

The interview thus followed the rationale of the individual interview - intention→ relationship→ organisational growth/survival - but was tailored to the requirements of dealing with two people. It still followed a chronology of pre-start, birth and growth/now but was structured in such a way to allow discussion between partners. The technique and the role of the interviewer/researcher was thus subtly but radically

changed as there was no longer a direct question/response mechanism. (This will be discussed more fully in section 4.ii.iv.iii. Participant Observation.)

Interview Schedule 2: Joint Interview
Pairs not previously interviewed separately

Thank you for agreeing to talk to me. I am looking at a number of companies which were founded and managed by two people. The purpose of my research is to look at why people start companies together and what part their working relationship has in the success of the company. The purpose of this particular discussion is to ask you about the actual founding of the company and your relationship with your partner and how, if at all, the company and your rela tionship has changed today. I shall encourage you to be as frank as possible and if there is anything you would prefer not to say in front of your partner, we can arrange a separate interview at another timeEverything you say to me will remain confidential and not attributable to you without your prior consent.

1. Can you tell me about how you first got to know one another?	Probe: First meeting Circumstance Emotions Business/personal Duration
2. Did you envisage working together from the start?	Probe: Complementary skills Complementary behaviours Attraction
3. Can you remember what were your reasons, stated or unstated, for starting the company?	Probes: particular employment circumstancesmeeting other person casual/formal discussions existence of business plan extrinsic/intrinsic
4. On reflection, do those reasons reflect what you now feel you want out of the company?	Probes: crystalisation/ diversification of intent
5. What do you both feel were the strengths that you brought to the partnership ? The weaknesses?	Probes:attributes skills other relationships money
6. Did you feel co-equal with your partner when starting the company? And today? Why?	Probes:emotionally equity
7. Do you think your relationship changed during the period you have been working together?	Probes: Lifecycle of organisation Lifecycle of relationship Personal v Work Roles Responsibilities
8. Would you describe your relationship as complementary?	Probes: Two parts of whole Completing picture Synergy
9. Do you think that being two has helped or hindered the growth of the company? Why?	Probes: support, functional/skill roles emotionally based formal structures unilateral/bilateral
10. Would you describe your relationship as harmonious? Why (why not)?	Probes: describe last major disagreement out of work relationship
11. Looking back is there anything you would change in the way the company started and has grown?	Probes: relationship structure lessons learnt

Figure 4.k Interview 2/Couples not previously interviewed individually

The third interview or mini-group discussion (Figure 4.j.) took place 2/3 years later with the co-preneurs of cases 1, 2 and 3. There was the same procedure for contacting the interviewees but the request was made for a joint interview. No-one objected to this format but it was interesting that all respondents opted for the discussion to take place in the work situation presumably as being less intimate. In each case, the format did not appear to be inhibiting and had the added advantage of allowing observation of the pair's dynamics and relationship (see 4.ii.iv.iii Participant Observation). The

format was again semi-structured but was deliberately even less structured than before with emphasis being placed only on the themes of organisational growth and changing relationship. It built on the experience gained from interviewing the previous couples together.

Interview Schedule 3
Joint Interview: Couples previously interviewed separately

When we last talked, nearly threeyears ago, you described to me how you had set up and grown your business together. What I would like to do today is to revisit the lasthree years and find out if anything has changed.

1. Firstly, has anything fundamental changed about the structure of the business?	Probe: financial legal board outside help staff premises
2. And has anything changed in the content of your work?	Probe: new clients difference of approach international new areas of expertise
3. And has this changed your business's income level/structure?	Probe:progression/regression new directors reason for increase/decrease
4. You may remember that I asked you last time about the life stage of your business, whether it was a child, adolescent, mature etc? What do you feel now?	Probe:fundamental differences in feeling towards the business whether thought of selling/getting out whether as enthusiastic
5. What about the way you work together? Has your formal relationship changed?	Probe:Roles and responsibilities strengths v weaknesses way the day is spent formal meetings different tasks different power balance managing v doing
6. And what about your personal relationship, has that changed?	Probe:time spent together more or less amicable decision making
7. And finally, what do you think are the most important lessons learned that you would use to advise someone else starting a business?	Probe: anything would have changed in the way the business started and has grown partnership a good idea.

Figure 4.1 Interview 3/Couples previously interviewed individually

In all cases, the interviews were taped and transcribed in full as soon as was possible after the interview. In addition to the data collected, observation notes were made about each interview immediately after it ended. These were used to give added insights, to help interpret what the interviewees had said and, above all, to log the observations of the relationship dynamics

.

4.ii.1v.iii Participant Observation

Participant Observation is one of the basic methods of qualitative research. However as Bryman (1988) observes, 'participant observers are rarely simply participant observers: they often conduct unstructured interviews, examine documentary materials, and even carry out structured interview and postal questionnaire surveys. One reason for the employment of a variety of techniques is that it allows inferences or 'leads' drawn from one data source to be corroborated or followed up in

another..... [and it incorporates] the need to address another layer of reality through an auxiliary method'.(p.47-48) Participant observant was used here as the auxiliary technique, as a supporting tool to corroborate and enrich the data gained from the other sources with regards to the relationship between the co-preneurs. The difficulty of maintaining contact and having access to all relevant situations and processes was not possible within multiple case studies and over three years.

The role and activities of the participant observer can vary greatly. Bryman (1988) uses an example of what is entitled 'total researcher'(no involvement in the researched activities as for example as a silent member of an audience), 'researcher participant' (as with unstructured interviews), and 'total participant' (where the researcher acts spontaneously as a friend or advisor). The debate in participant observation involves the interaction of the researcher and the researched and at what point the researcher stops being objective and starts to influence the research data. It is a fine line to negotiate the change between 'researcher participant' and 'total participant' as the study proved. In case studies 4, 5, 6, 7 and 8, where the respondents were unknown to me and were interviewed as a couple, I experienced great difficulty in maintaining neutrality, in particular when appealed to for my opinion during the discussion. Eventually, I developed a technique of finishing the discussion in 'researcher participant' mode and deliberately and explicitly switching to 'total participant' mode for a separate session of advice, and in some cases, feedback. These post-interview sessions had two advantages: firstly, they enabled me to continue observation of the couples' interaction, albeit in a different situation; and secondly, they enabled me to make some kind of 'pay-back' for the time spent by the co-preneurs which made for a mutually satisfying conclusion.

The observation of the couples allowed me to note data such as their body language, the seating position during the interview, the precedence of one or other in answering questions, the tone they used in speaking to one another and the way that discussion developed between them. These data, while not fundamental to the analysis process, proved invaluable in supporting the emergent concepts of commonality and complementarity in the theory building process.

4.ii.iv.iv. Documentary Studies

At the start of the research it had been intended to study many documents during the research in order to gain background and insight into the couples' way of working. However, as the research developed it became evident that firstly, it was going to be extremely difficult to obtain relevant documentation, and secondly, that the importance of this documentation diminished as the research focused increasingly on the relationship rather than the organisational context. The type of documents originally looked for were business plans, terms of agreements, budgets, memos and letters: the lack of these in all organisations used as case studies was universal. What became evident was that one of the features of a co-preneurial organisation was its informality at least between partners: requests for such documentation elicited surprise rather than embarrassment.

The other possible route in documentary studies is the life history method which entails the reconstruction of lives of the individuals involved in the research, usually from diaries and autobiographies. This was considered at the start of the research but was rejected as major focus of the research would then have become the co-preneurial

characteristics rather than the relationship but elements of their life history was elicited from the questionnaire and analysed as appropriate.

4.ii.v. Coding and Data Analysis

Writers on qualitative methods agree that the basic processing of data involves moving from the raw data, by means of coding, to more general categories, from which are developed higher level theoretical concepts, thus enabling the framework of the theory itself to be built. Bryman & Burgess (1994) observe that analysis in qualitative research is continuous in that it interweaves with other aspects of the research process and researchers vary in terms of how soon they engage in explicit data analysis. The development from the original research concepts through the coding process into clarification of core categories has been instructive and this research project has been an iterative process with constant revision of all elements. In particular, the development of an hierarchical taxonomy whereby the interview data can be coded has been an important step in the analysis process used and is a fundamental concept of grounded theory.

As has been previously mentioned, Strauss(1987) developed a ten step process of qualitative analysis which has been argued is too prescriptive:- 1. The concept-indicator model; 2. Data collection; 3. Coding; 4. Core categories; 5. Theoretical sampling; 6. Comparisons; 7. Theoretical saturation; 8. Integration of the theory; 9. Theoretical memos; 10. Theoretical sorting. The specific analysis process for this project has followed the steps closely but has adapted them when expedient to do so.

The adapted process worked as follows:

1. Conceptual Framework (1.Strauss/The concept-indicator model)

The generation of background concepts provided provisional pointers to relevance's in the data. As Layder (1993) points out, the main requirement of a concept within the realist framework is that it should be two-sided and therefore capable of referring to both subjective and objective aspects of the social world. The starting point for the empirical study was ontological and epistemological assumptions and the theoretical underpinnings which in turn generated the open-ended research questions, which made a simple conceptual framework. The concepts generated were 'individual intentionality', 'dyadic complementarity' or 'being two', and 'organisational survival through partnership', the third of which also has the added dimension of the notion of time and space, which, according to Layder, can 'further enhance their utility' (1993). Within Strauss' form, the indicators associated with the concepts were the different forms of interaction, the types of intentionality expressed and the different types of relationship through time. This step can be described as follows:

Conceptual Framework(C) = philosophical stance(P) + theoretical antecedents(T) + research questions(Q).

2. Research Strategy. (No corresponding step in Strauss)

The conceptual framework enabled the definition of the unit of analysis, in this case the co-preneurs' relationship, which in turn enabled the definition of the research methods and population. This link is important in that together step 1 and 2 define the pre-fieldwork phase of the research which in grounded theory research tends to go either unreported or is minimised (e.g. Kram & Isabella 1985).

Research Strategy(R) = unit of analysis(A) + research methods(M) + informants(I)

3. Data Collection
The second step of data collection has already been covered and matches Strauss.

4. Development of Categories (Strauss/3. Coding and 4. Core Categories)
Strauss' third and fourth steps were subsumed under one heading of 'Development of Categories' as the use of a software package made the activities iterative and therefore difficult to separate. In addition, much of the highly procedural detail was abandoned as being too complex but was actually used though not explicitly. For instance, the use of the terms *open coding* (fragmenting data), *axial coding* (putting data back together in new ways), and *selective coding* (selecting the core category and relating it to others) were abandoned, though the methods themselves were actually used through the way that the software worked. They were accomplished with the help of QSR NUDIST (Non-numerical Unstructured Data Indexing Searching and Theorising). This is a computer-aided qualitative analysis software package which has the advantage of avoiding the need for a paper-based filing system to accommodate coding, of facilitating structured coding of the interview data by means of a 'tree' index system, of allowing searches of the index system and cross reference codes easily and quickly, and of permitting the creation of memos whenever necessary to chart the development of analysis of the data. The tree structure of NUDIST is particularly useful as it allows visual reminders of the proliferation or otherwise of codes and facilitates the ordering and re-ordering of concepts: it can become ' a map of the project, altered and elaborated on as the project proceeds' (Richards & Richards 1994). NUDIST is invaluable in helping prepare a trail of evidence illustrating the logic and soundness of the analysis of the data by the use of the tree-structured index. This helps the researcher consider broader categories within which the coded data may fit, and thereby aids the progression of the analysis process towards what Strauss calls theoretical sampling and saturation, in other words, identifying categories which pull together the data, and developing theoretical concepts from them. However, while using NUDIST assists greatly in the storage and manipulation of data and codes, and the exploration of relationships within the data, it has its limitations. Computers can help in the indexing and retrieval functions of qualitative data management but they cannot perform the creative and intellectual task of devising categories, or of deciding which categories or types of data are relevant to the process being investigated.

Using the first case study data, (individual interview, questionnaire, participant observation and documentary evidence), the pilot data were first coded into categories which were generated by the text: each code used in the analysis of the data became a 'node' in the NUDIST system which were either subdivided into further categories, which in turn generated new branches in this structure, or they were grouped under senior nodes. The use of the computer thesaurus was invaluable for looking for related text: for instance, starting with the concept 'irritation', the thesaurus suggested words such as 'exasperation', 'anger', 'vexation' and 'stress' which then became in themselves starting points for word searches until the subject was exhausted.

Initially, in order to make first sense of the data, two general groupings were used. The first was Base Data where the complete interviews were coded according to gender, plus the details taken from the questionnaire under appropriate codes such as family position, first employment. This is illustrated in Figure 4.m and was retained throughout all the subsequent iterations. The concept of the Base Data grouping is fundamental to the use of NUDIST where cross comparisons and correlations can then be made which then resemble a quantified approach to analysis if required.

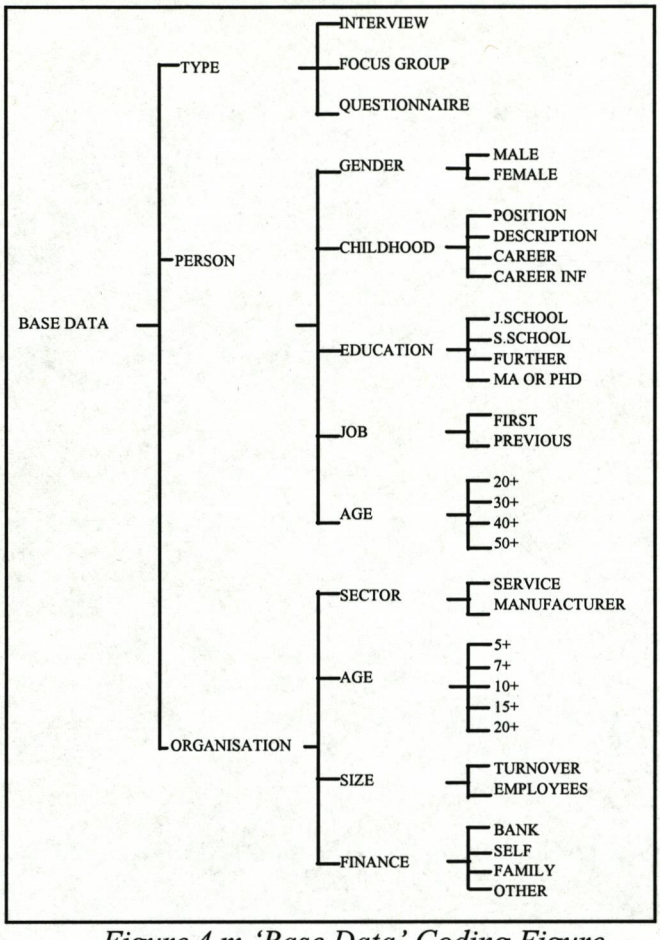


Figure 4.m 'Base Data' Coding Figure

The second grouping was 'Time' which encompassed the various stages of the organisation in imitation of the initial life-stage concept of the original interview. This grouping was divided into 'Before' or pre-organisation, 'Growing' or start-up, and 'Now', allowing cross reference between the general categories and the corresponding period of time. (Figure 4.n) Initially, this approach seemed to be logical, providing a sequential approach to both the relationship and the organisation.

The categorisation and coding proved to be time consuming, and several approaches were made before an acceptable first solution was found: it was accepted that several more iterations and much refinement would be needed in order to structure the tree in the most efficient and fertile manner. The learning process of using NUDIST was lengthy and, at times, only a determination to persevere overcame many initial difficulties of both understanding the programme's logic and its mechanisms. At times, the process seemed mechanical and to remove the immediacy and liveliness of the data which was at the heart of this kind of study. Other contemporaries who embarked on the use of NUDIST abandoned it in favour of using the word search facility in word processing computer programmes and, at times, this alternative seemed preferable with its direct links to the writing-up process. However, during the process of research, an updated version of NUDIST was released which addressed many of the frustrations of the initial package, making it visually easier to understand and providing faster and easier search mechanisms. During the initial coding of the data for this project a total of 156 nodes were created.

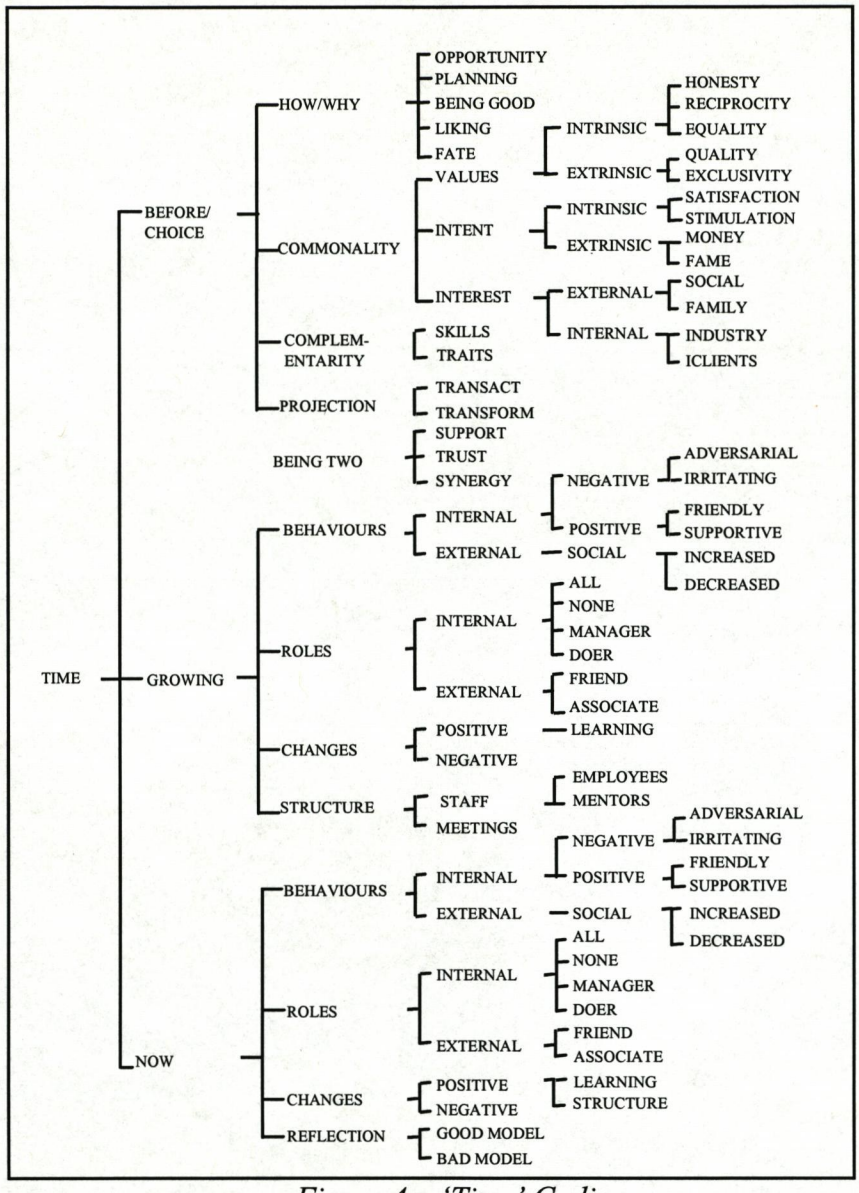


Figure 4.n 'Time' Coding

As further case studies were completed, and as the unit of analysis and focus of the research became established, several further iterations of the coding were carried out and an attempt was made to simplify the structure. The 'Base Data' coding was kept, as was the 'Time' coding as a point of reference though all the previous coding was copied and realigned within the new categories. As coding was completed, cross references were undertaken in order to understand the relationships between coding and gradually, a third set of categories with direct reference to the emerged. The basis of this coding was the emergent categories of what was 'common' and what was 'complementary' in the partners with the resultant understanding what were the common threads which could lead to a model of what constituted a divergent or convergent relationship. By this time, the data was extremely familiar and the coding process therefore simpler in tracing the relevant data but more complicated as the understanding became deeper. The ability of NUDIST to write memos for the original coding allowed the trail of evidence to be retraced in order to understand not only the mechanics of the coding but also the logic of the thinking behind it. Several iterations took place which resulted in several different groupings of codings, but gradually the saturation of the concepts enabled a finalised version.

This is demonstrated here by a logical framework which, while not showing the often torturous route and previous iterations, pulls together the resultant groupings and show the basis for the resultant model (Figure 4.o). What also became obvious is that not only was there a grouping of individual categories which formed the basis of the theory building, but also, equally importantly, a sequential linkage over time of events as demonstrated by the growth of the 'complementary skills' category in section 6.ii.

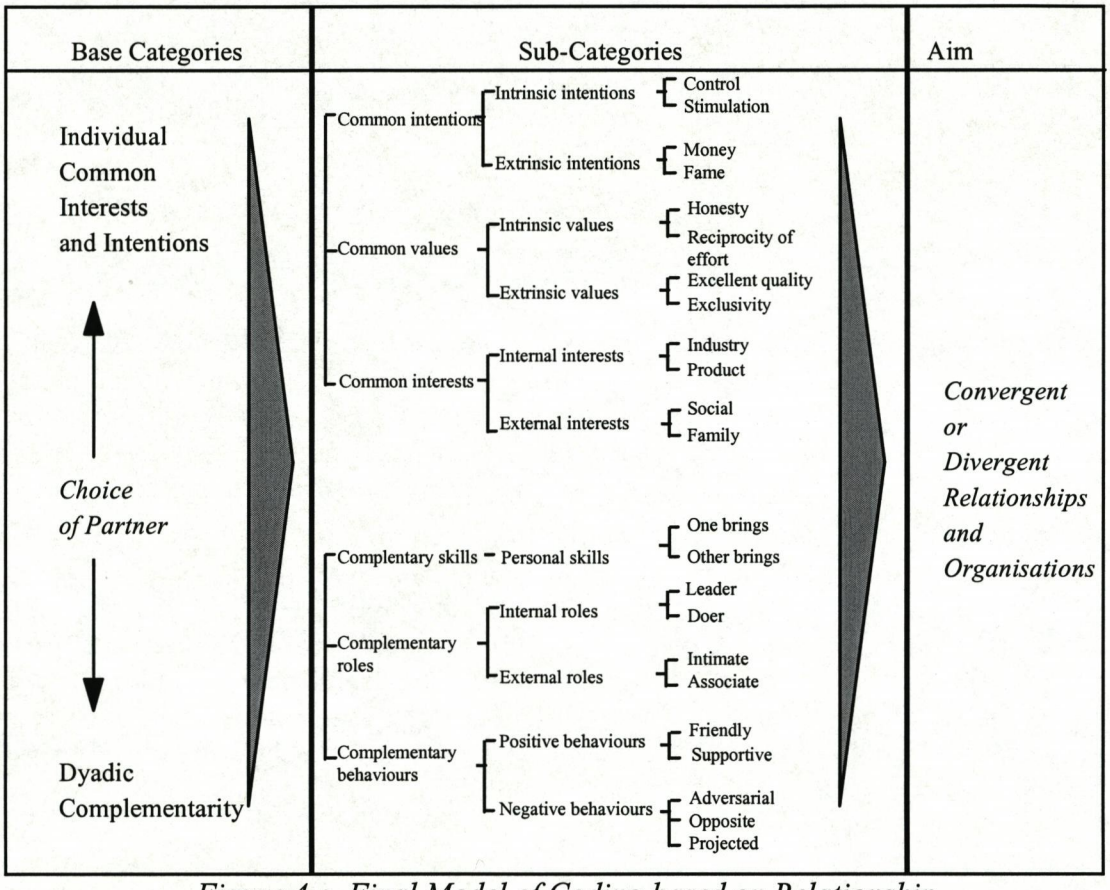


Figure 4.o Final Model of Coding based on Relationship

Orona (1997 p.179-180) describes her experience of coding: 'I did line-by-line coding, first quickly to get impressions and then, once again but this time slowly to test my impressions and to raise each impression to a higher conceptual level.....I then went back and more slowly reread the interviews to see if my 'impressions' fit and to conceptualise the data.....I found all my notations on [a particular set of] statements were somehow related to time and so, when I went back to the second coding, I re-labelled them as 'temporality', writing a memo to myself about the subjective and objective elements of [the subject].' My experience was very similar, particularly in the iterative way of working and the use of memos to which Orona gives four uses: unblocking, integration, crystallisation or 'blue skying'. She also mentions the use of diagrams (to both show process, depict lines of action and to integrate the relationship between them) which she believes 'are the least utilised tool in the analytical process yet can yield great understanding of the conceptualisation being developed. If the researcher is unable to graphically depict 'what all is going on here', he or she is probably not genuinely clear of the process yet' (p.181) My personal preference has always been to demonstrate a concept graphically as well as

using copious diagrams in the way she suggested, I also used them as a way to validate a description.

Step 5. Deriving Theory through Comparisons (Strauss/5. Theoretical Sampling and 6. Comparisons)
Strauss' fifth and sixth steps, theoretical sampling and comparisons, are fundamental to grounded theory. 'Theoretical sampling implies constant comparisons between the data covered in the research .....and such comparisons will force the researcher to ask questions about whether the observed events or activities are different or the same as the ones they are compared with, and why, and thus will help to clarify analytic distinctions in emergent theory.' (Layder 1993 p.139)) This is the first stage in identifying typologies which will aid in model building: examples of this will be covered in the findings.

Strauss' fifth and sixth steps were subsumed into one as, it can be argued, they are mutually inclusive. NUDIST is ideally designed for this stage as the search mechanism as its various tools are able to replicate the systematised cause-and-effect schema or paradigm model which is the core of Strauss and Corbin's paradigm model (1990). However, their recommendation of using a conditional matrix in order to trace relationships through eight levels of situation (international, national, community, organisational and institutional, sub-organisational and sub-institutional, group/individual/collective, interaction through to action) was not used, the preferred route being to use the four levels or layers suggested by Layder (see section 4.ii.i), context, setting, situated activity and self. The comparisons were made between situations, organisations, individuals, and couples in order to generate similarities.

Step 6. Theory Definition (Strauss/ 7. Theoretical saturation, 8. Integration of the theory, 9. Theoretical memos, and 10. Theoretical sorting)
As with previous steps, it was difficult to separate each of his steps into discrete activities and therefore they are included under the more generalised heading of theory definition. Chapters 5, 6 and 7 on the findings will illustrate the process in action.

Theoretical saturation was arrived at more quickly than expected: from the second case study, patterns already started to emerge and subsequent case studies allowed the refinement of the comparisons. By the sixth case study, clear theoretical building blocks emerged and the final two case studies added little in terms of new conceptual thinking. It could be argued that this was due to novice research and relatively closed thinking, thus enabling avenues of research to be closed down too quickly, but every effort was made to ensure that this was not the case. The converse was demonstrated by the fact that several new concepts were generated which were outside any prior assumptions, an important strength of grounded theory. As Orona (1997 p.177)) states, '....although I had entered the project with a [particular] interest....., I found myself drawn to, and surprised by, categories that had nothing to do with [my original interest].'

The process of theoretical integration, memos and sorting was achieved in much the same way as the original coding and categorisation except at the theoretical level. One of the strengths of grounded theory is that it is essentially a non-linear process. As Orona describes the way of working (p.178-182): 'I wrote, sometimes several pages, sometimes only paragraphs, but always following the grounded theory approach. That

is, I wrote as the thoughts came to me with no need to be orderly or linear. The only mandate was to write what was emerging from the data. I did not try to make any sense of anything yet. Instead, I let the data talk to me.....I believe the beauty and strength of the grounded theory approach is that it is not linear. Instead, the approach allows for the emergence of concepts out of the data - in a schema that allows for introspection, intuition, ruminating as well as analysis in the 'traditional' mode..... Merely describing the techniques seems insufficient. Intertwined to the utilisation of the technique.....is how the individual person interprets and makes use of them.'

In summary therefore, a simplified grounded theory approach was taken to the analysis process which, while taking into account the step-processes suggested by Strauss, uses them in a way that fits the realist ontological and epistemological approach, the research focus and my preferred style of working. (Figure 4.p)

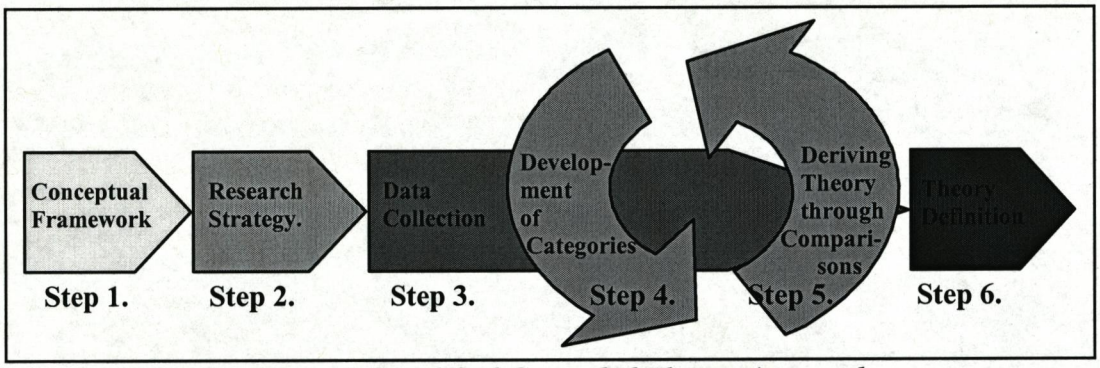


Figure 4.p A Simplified Grounded Theory Approach

Layder (1993) commenting on grounded theory suggests that ' Glaser and Strauss's position insulates itself from the possibility of a convergence of aims and interests between humanist and more objective or scientific forms of research and theory. This is just the sort of convergence that is envisaged by some versions of 'realism'..... Glaser and Strauss's conception of grounded theory needs to be prised open to accommodate this kind of dialogue between positions.' (p.54). It is hoped that this simplified approach allows this to happen by adopting a more flexible process which encourages mixing 'discovery' methods in order to elicit both subjective and objective reality. It also adopts a more flexible approach in both its acknowledgement that awareness of extant theory rules out the totally 'blank sheet' approach originally advocated, and also allows a far from strict adherence to the originally suggested sequence of data collection through to theory generation, while, it is argued, keeping the spirit and rigour of grounded theory.

The findings presented in the next three chapters are thus the outcome of a simplified grounded approach as a result of applying a 'new realist' position by adapting previous approaches to one which suited my personal style and preferences. They encompass analysis of data drawn not only from interviews and participant observation, but also from statistical comparison of questionnaire responses. This has enabled a richness of meaning to be uncovered which operates at multi-levels of context, setting, activity and self, all within the concept of growth over time

PART II: THE JOURNEY

Chapter 5. ITINERARY 1: COMMONALITY

5.i. Introduction

Such is the nature of grounded theory, that the actual research journey starts even as the planning is underway. Since this is the case, a disciplined structure is necessary to keep on track. The personal versions of Layder's research map (1993) introduced in Chapter 4, that were used to frame the research strategy and the direction of the fieldwork, were thus helpful both at the conclusion of the fieldwork to confirm that all aspects of the fieldwork had been covered, and at the start of the findings report to provide a framework (Figure 5.a)

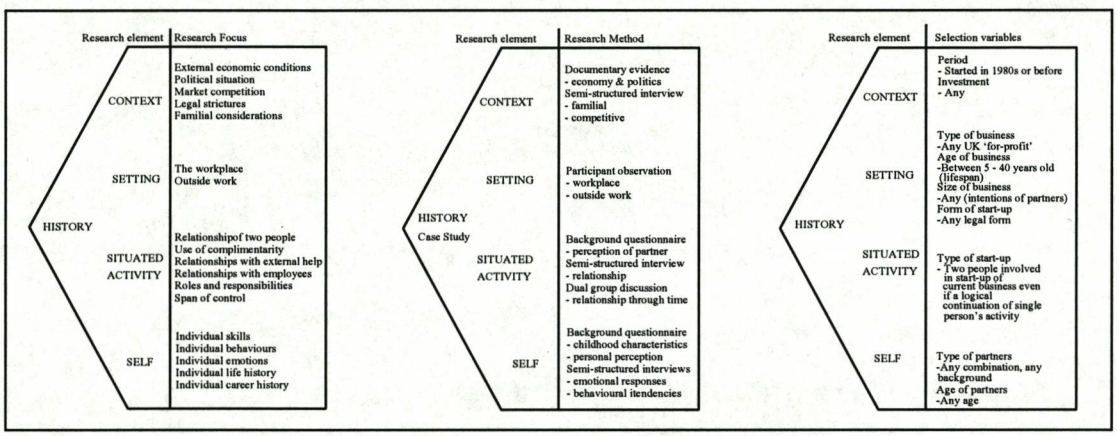


Figure 5.a Fieldwork Map(combination of Figures 4.a,d and ,e)

This chapter thus starts with an overview of the findings framework and the summary of the chapters which form part of Part II.

5.i.i. Findings framework

The analysis proved complex, the complexity being generated by the multiple dimensions of the research: the individuals, the pair, the organisation and temporality. Thus the individual responses contribute to the dyadic relationship, which in itself forms part of the organisational structure, the whole being situated within the context of time. The research map format has thus proved useful in ensuring that the process of both the analysis and findings was rigorous: each category has been mapped against the format, and this map has been used to illustrate the framework of the findings with a sub-category map at the beginning of each section to clarify the logic of the process. Just how complex is illustrated by the findings matrix (Figure 5.b) which takes all the individual findings maps (Figures 5. c, g, i, j, m, n),and plots them on the axes of 'time' and 'the elements of the relationship'. It can be seen that the categories relating to that which is common in the relationship are focused at the beginning of the time span, particularly in the pre-start-up phase, while those relating to what is complementary in the relationship are focused at the organisational stage of the relationship: there are inevitably overlaps as neither set of categories are entirely discrete. The matrix however enables not only the demonstration of the discipline exercised in the way that the findings were developed, but also illustrates the causal links between the categories and sub-categories laterally (how the choice was made and how the relationship developed), and vertically (in each discrete time slice during the development of both the relationship and the organisation). The use of this type of diagram was essential on different levels: initially to help understand how to organise

the findings, secondly to help make sense of those findings, and thirdly, in helping to find a coherent way to communicate the process of the research. This last highlighted a choice that needed to be made: whether the findings should be presented sequentially within a theme as in 'common intentions/choice of partner and decision to found' followed by 'common intentions/organisation start-up' or alternatively, whether they should be presented by discrete time slice as in 'common intentions/values/interests within choice of partner and decision to found'. The argument can be made for the former in terms of the richness of comparing one category over time, and for the latter in terms of using the reality of temporal division over the imposed categories of intentions/values/interests in a way which could demonstrate the causal links between categories. Either argument is valid but, after several false starts, finally I opted for the former as being less repetitive and thus potentially more coherent, both for the reader but also in developing the argument.

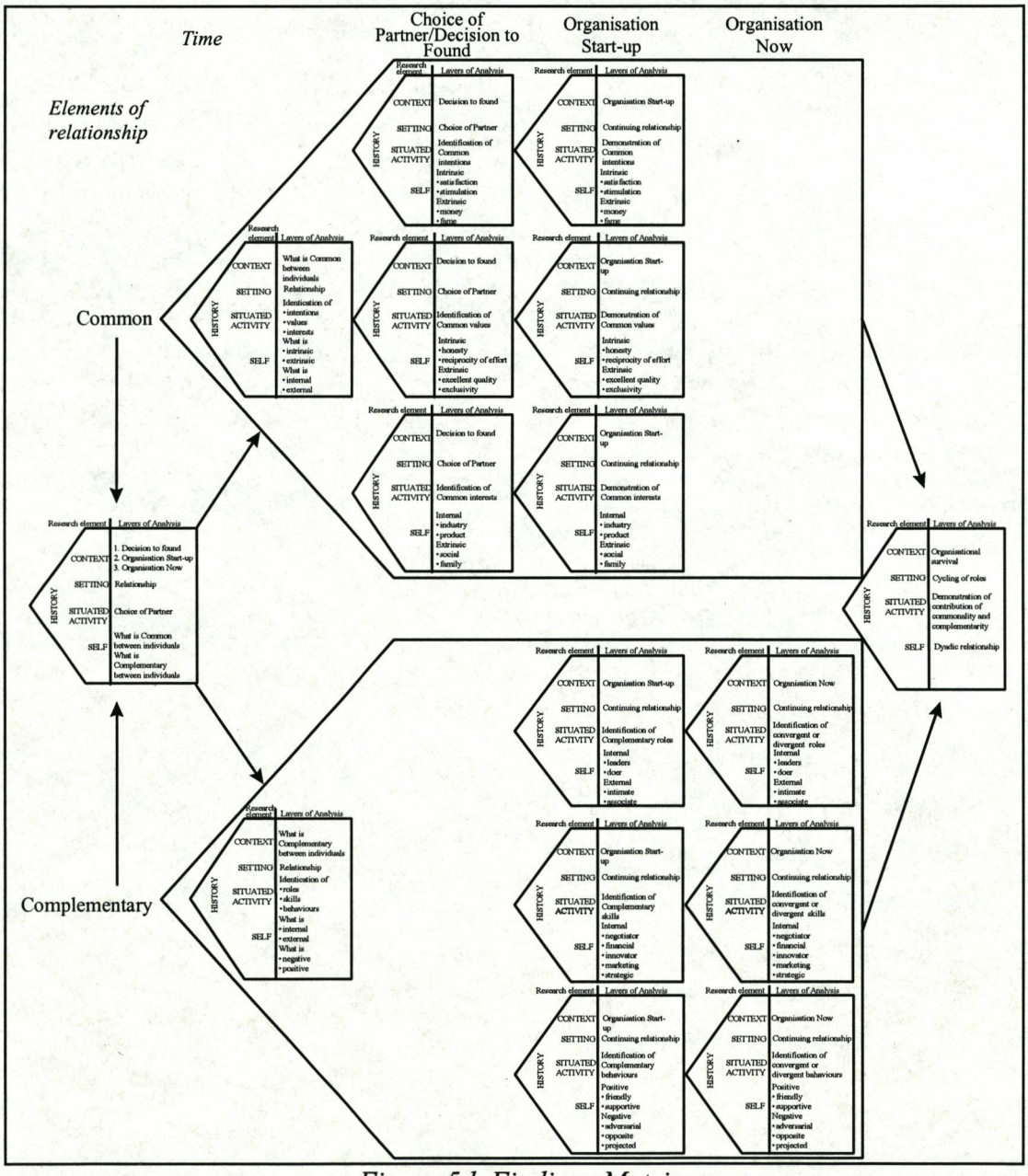


Figure 5.b Findings Matrix

The findings chapter framework and logic is as follows:
Chapter 5: this chapter aims to answer the first research question, whether the individual intentions, values and interests of the prospective partners influence the type of organisation founded. Recalling interpersonal theory (Campbell 1980), the category of **commonality** was therefore looked at in order to answer this first question. The coding process searched firstly in the period of pre-organisation by analysing what process was used in choosing the partner, and thereafter traced the effect of that choice on the relationship and the organisation..

- The **intentions** (5.ii) of the individuals in starting a business together were dissected to ascertain whether they were similar or dissimilar within each partnership and eventually to provide evidence that commonality in the choice of partner and the decision to found was fundamental to the longevity of the continuing partnership. The various intentions were grouped under the headings compatibility, control, stimulation, money and fame, and market opportunities These intentions were then analysed in the context of the continuing relationship and growth of the organisation by seeking what effect they had on the development of the organisation.
- the **values** (5.iii) of the individuals were analysed both during the pre-organisational choice stage and later during the organisation's development in order to interpret their effect on the organisation and the development of the relationship.
- the **interests** (5.iv) of both individuals were studied in order to establish whether alike or not, both in their work and their social settings.
- finally, all the findings were combined (5.v) with the aim of establishing the theme of commonality in the various relationships in order to answer the first research question, and secondly, to show the importance and the place of this theme in the eventual model. In addition, the subject of common intentions was looked at in the context of the strategy of the continuing organisation. The objective was not to show whether all couples had the same intentions, values and interests and therefore can be compared one couple to another, but that each couple demonstrated whether they, as two individuals, had similar intentions, values and interests.

Chapter 6: this chapter aims to answer the second research question, whether there is a specific combination of complementary skills and behaviours which predicates both the decision to found and also the roles the partners assume in the organisation which thus ensures the continuation of the relationship. This covers the second part of Campbell's theory, and the **complementarity** (6.i) of the partners throughout the relationship was analysed in order to determine whether this was fundamental to the relationship, and to answer the second question.

- their **skills** (6.ii) were analysed as to whether they were complementary and in what way, and were related to their organisational roles
- the **roles** (6.iii), both allocated and assumed by the couples, were studied throughout the organisational life span, particular attention being paid as to how they were allocated, whether they changed and why. The subject of projection in roles and behaviours is also analysed
- their **behaviour** (6.iv) throughout the relationship was dissected in order to establish positive and negative behaviours and to track both cause and effect.
- finally, the findings were summarised (6.v) both in order to answer the question and also to demonstrate the place of complementarity within the eventual model.

Unlike the findings on commonality, the couples were compared one to another in order to ascertain whether the complete range of complementary attributes and characteristics existed which would potentially conform to the cyclical theory of leadership and management within the life cycle of the organisation.

Chapter 7: this chapter aims to answer the third research question, whether the continuing dyadic relationship fulfil the leadership needs of a changing organisation thus contributing to its survival. The changing context of the **organisation** through time was thus analysed and linked with the changing relationship in order to provide the macro view of the research.

- different **variables** (7.ii)in the case studies such as type of start-up, age, gender and size of organisation were studied and an opinion is reached as to whether they were contributing factors in how the various organisations had grown over time
- the **life cycles** (7.iii) of the various organisations were considered and compared, and an opinion is given as to whether their crisis of leadership had been reached and successfully dealt with and whether the dyadic relationship had contributed to that success and how.
- within this context, the question of whether the dyadic organisation fulfilled the criteria sufficient to develop a new entrepreneurial **typology** (7.iv) is debated and an argument put forward for a new category.
- finally, the findings (7.v) were summarised both in order to answer the question and also to demonstrate their place within the eventual model.

Chapter 8: Finally, all the findings were linked together in order to build a theory and model of dyadic leadership as a continuous element of organisational **survival.**

- it explores whether the factors of commonality (choice of partner), and complementarity (working relationship) are the prime contributors to convergent, or ultimately divergent, sets of relationships and organisations, and relates the factors to Weick's model of **common/divergent aims/means** (8.i)
- it relates the findings to **recommendations for practitioners** (8.ii)
- the '3 Cs' **model** is presented 8.iii). The aim of this model, as previously stated, is as an expression of the theory of dyadic organisational survival for the academic community.

Chapter 9: This final chapter steps back from the findings and looks to the future.

- it explores the implications of the findings for future research, suggesting some of the most fruitful avenues to be explored (9.i)
- it summarises the contribution made to knowledge by this research and analyses its shortcomings which may impair its validity if not addressed (9.ii)
- it offers a concluding thought as to the usefulness of the research (9.iii).

A short biography of each couple is included to provide the context of the findings: detailed analysis of this context will take place in Chapter 7. As previously stated, the co-partners researched have had their names changed in order to protect their confidentiality. All couples fulfilled the criteria of being equal founder/managers of their organisations except Mike & Joy whose equally owned company was first started by Mike, although the direction changed when Joy joined.

	Co-Preneurs	*Status*	*Business Sector*
Case Study 1:	Mike & Joy	Married	Training Consutants
Case Study 2:	Tim & Hilary	Married	Material and Design Consultants
Case Study 3:	Roger & Ben	Work Associates	Publishers
Case Study 4	Giles & Kit	Work Associates	Architects
Case Study 5	Matt & Kelly	College Friends	Fashion Designers
Case Study 6	Geoff & Colin	Work Associates	Management Consultants
Case Study 7	John & Chris	Work Associates	Graphic Artists
Case Study 8	Mandy & Gill	Social Friends	Fashion Designers

Mike & Joy are a married couple who started their training consultancy in 1985 when Mike started on his own after engineering a desired redundancy from a senior personnel role in a large organisation. Joy at that time was still at work within a large corporation in a senior Human Resources function and joined the company in 1989. They had met at Business School during an MBA programme when Joy was in her late thirties and Mike in his late forties and had married soon after having both been previously married. They have no children together. Their organisation had developed over time into other related activities such as training manuals and writing related books but it essentially remained a two-man band throughout the period of research. External help was recruited as the business grew, but in administrative roles rather than in additional help in fulfilling the core competency of the organisation. They work in both a national and international arena and generate income in the region of £100k-£500k.

Tim & Hilary are also a childless married couple who started a design consultancy in 1987 after having both worked separately as freelance consultants in their individual specialisation of retail design and colour consultancy. Tim had always been self-employed while Hilary has worked for a number of internationally renowned organisations in various senior roles. They were both in their late thirties when starting to work together, both had art school training and, when first interviewed, the business was generating less than £100k with no employees other than the partners. They had originally met through mutual friends and had been living together and working separately for approximately 3 years before deciding to work together. While initially maintaining their original specialisation, working together enabled them to develop into other areas of the design market and their current activity can now be described as materials consultancy. The company now employees administrative help and several external collaborators, generating in the region of £100-500k, including royalty and licensing agreements.

On the other hand, Roger & Ben, were originally work associates as editor and deputy editor on a monthly computer magazine, were also social friends, and had been made fortuitously redundant together which enabled them to start their long-planned company in 1988. Roger was in his mid-thirties and Ben in his early forties when they started, both had university backgrounds and had been working as business journalists for some years previously. Ben had experience of starting his own company previously, a magazine which had folded due to lack of finance, but Roger had always been employed. Starting as a two-man band initially, at the time of the first interview six years after start-up, the company activities had developed from pure publishing into conference organising and other business services, and was generating around £1.5m, had 8 employees and they had just brought in an outside chairman on a part-time basis. Currently, their turnover is in excess of £5m with 24 employees and several external collaborators. Both are married, Ben with children.

Giles & Kit are architects of international renown. They had made a certain reputation separately before deciding to form a partnership in 1987 in order to cope more easily with large projects. Both had experienced forms of collaborative partnerships previously but on an ad-hoc basis for particular projects. Both were in their late thirties when forming their partnership and had originally enjoyed a social association as well as having professional links. Both are married with children. Currently, their practice employees in excess of thirty people and has a turnover of between £2.5-5m.

Matt & Kelly met at college where he was studying fashion and she was taking a fine art course in 1988. He is homosexual and she is heterosexual and they have a particularly close relationship, having shared not only all work and social activities since college, but also a house together until recently when he formed a permanent relationship: they are thus classified as primarily affective partners. Neither have worked for other companies other than in casual employment and their business has grown out of the clothes they started to make together and sell at college when both were in their early twenties. Their business has been both phenomenally successful on the international stage, and has also experienced near-bankruptcy. They currently employ in excess of ten employees and have recently expanded into retail, as well as wholesale fashion, generating turnover in excess of £1m.

Geoff & Colin are management consultants who met when working for one of the large practices and who eventually were made redundant in a cycle of down-sizing in 1991. They had however been previously working together in other organisations and thus their partnership was, to a certain extent, pre-formed. Their partnership is the only one which has no joint physical entity, though they have at times hired a serviced office and worked with other external collaborators. They are both married, Geoff with children and Colin is childless with a successful wife working in financial services. Geoff is in his fifties and Colin in his thirties and they generate together income of between £100-500k.

Mike & John are graphic designers with an international clientele. They met socially when both operating as independent free-lancers, and worked together loosely before starting their current company in 1990. Both are art school trained and were in their thirties when starting to work together. Mike is married with one child while John is unmarried. Their graphic design studio currently employs three other people and they work with a number of external collaborators. They generate a turnover of between £100-500k.

Mandy & Gill also work together as designers, but of women's clothes at a couture level. They started their business in 1987 having met originally on a pattern cutting course, and re-met accidentally which precipitated their working together. Their business has a high reputation, making clothes for royalty among others. They are both married, Mandy with a small child. They currently employ around twenty people and are the only couple which have their own production unit as well as being a primarily service company. They generate over £1m turnover.

It is important in the grounded theory approach to research that, where possible, the respondent's own words tell their own story as it is their words which demonstrate the richness and the relevance of the data to the theory which is being built. For this reason, extensive use is made of quotations from the interviews. Codes are used in the

identification of the source: [J] after a quote indicates that it comes from a joint interview and [S] from an individual interview. In addition where comments on the respondents' words are made during the quotation they are enclosed in [ ] and are made in regular type rather than the italics of the quotations. The notations [A] for affective and [W] for work are also used to define the type of partnership where appropriate.

It is also important to note here the manner in which the quotations and graphs have been used. In some cases where it was important to demonstrate the like-mindedness of each couple, quotations have been used from both partners in order to establish this commonality. In other cases, quotations are included from each couple rather than each partner whether there is the necessity of demonstrating comparability between sets of partners. In yet other cases, where it was deemed that using quotations from each couple was repetitious, a selection or example is used as being illustrative of a common theme. The same criteria applies to the questionnaire material From a strict grounded theory point of view, it could be argued that the use of a complete set of data (all partners, all couples) should be used in order to indicate the soundness of the theory saturation. However, it was decided to use only sufficient quotations needed to demonstrate a point in order to maintain a logical flow and make the argument easier to follow.

In providing a findings framework for this research, it is also imperative to define what kind of relationship it is that co-preneurs have, as that sets the basic context for the research.. An arbitrary division into affective and work-based couples was made at the start of the research when deciding on the sample. However, there is a broad division within social psychological research into three main types of relationship: between studies of role relationships (i.e. employer-employee, doctor-patient etc.) where people do not know one another that intimately; intimate relationships where the basis is love, usually in a familial situation; and lastly, non-intimate relationships which are based on acquaintance. This last is irrelevant to the relationships under discussion, but it could be argued that, depending on whether the co-preneurs came from a work associated or affective route, that both the role ('exchange' relationship, Clark 1985) and the intimate ('communal' relationship, Clark 1985) type of relationship is under investigation here. Clark (1985) provides a useful behaviour typology according to type of relationship which will be used as a checklist in order to assess/confirm the type of relationship. (Figure 5.c)

Behaviour	*Type of Relationship*	
	Exchange	*Communal*
1. Prompt repayment for specific benefits	+	-
2. Giving and receiving comparable benefits	+	?
3. Requesting repayment	+	-
4. Keeping track of individual inputs into joint tasks	+	-
5. Helping	?	+
6. Accepting/seeking help	?	+
7. Distributing rewards according to needs	?	+
8. Use of concensus rather than majority rule as a decision strategy	?	+
9. Responsiveness to emotions	?	+
10. Taking the other's perspective	?	+

Figure 5.c Differential behaviours in 'exchange' and 'communal' relationships (after Clark 1985)

I believe that one of the findings of this research is that the relationship under study is fundamentally an intimate relationship, whatever the entry route (though the degree of intimacy may change). It should be thus treated as such throughout the findings, and any reference to extant theory thus will come from fields not normally associated with management research. In a striking demonstration of this, <u>all</u> couples, as shown by these examples, make reference to their working relationship as a form of marriage:

Giles [W]: *..... that's why we've survived now after five years, probation period, we're comparing this to marriage, this partnership, to begin with we propped each other up, you have to have this trust in each other, you also have to know because we have to understand the direction, if we're deviating...then you tell each other.*

Colin [W]: *.....my first loyalty is to Geoff and will continue to be so, and the intimacy will always be there in some way between us. In a sense, the relationship has gone from being co-conspirators against the world , to really working together, and therefore Geoff's lot is tied up in mine, for better or worse.....*

Kelly [A]: *No, it's not just a business, it's about something which is our life, we think together, we go out together, we work together, we live together.....*

Roger[W]: *It's a bit like a marriage, yes we probably spend more time together than a married couple if you add up the hours.*

John [W]: *It's like marriage without the dirty socks.....*

Mandy[W]: *..... my relationship with Gill is the only long term relationship I have had outside my family and my husband.....to have a relationship with a friend which is that long and that deep, as family, in a funny way, it's a very good dry run for marriage when you're talking about getting on with someone on a day to day basis*

Tim[A]: *.....it's not two like-minded people going down the same track, it's totally complementary. We've developed this code of behaviour where we automatically reinforce each other's weaknesses and you would never achieve that without working so closely together, even though we're married.*

Joy [A]: *I think our personal relationship has been strengthened out of it, it has actually gone hand in hand and it is actually nice working together, our interests are totally common.*

If then we are talking about essentially intimate relationships, the basis for both starting and running the business becomes different from other businesses. However, there is the added complication that these intimate relationships are existing in a working environment where there is normally a task culture which could prove to be threatening to the relationship. It is this paradox of emotional v. rational which lies behind the findings and which will addressed in the model.

5.ii. Common intentions

Sager(1976), from the family therapist perspective, suggests the concept of a contract within each marriage is a useful one to use to make sense of the relationship, as '....it refers to a person's expressed and unexpressed, conscious, and beyond awareness concepts of his obligations within the marital relationship, and to the benefits he expects to derive from marriage in general and from his spouse in particular' (pp.4-5)

Figure 5.d The dyadic 'marriage' contract

The concept of a marriage contract is a useful tool in which to frame the findings. (Figure 5.d) It will be argued that an initially well designed, and ultimately well-executed, marriage contract will be a major reason why the relationship, and thus the organisation, have survived.

The intentions of the couple are therefore the basis of the contract. The importance of intentionality has been defined previously; in the words of Bird (1988), 'intentionality is a state of mind directing a person's attention (and therefore experience and action) towards a specific object (goal) or a path in order to achieve something (means) ..... Entrepreneurs' intentions guide their goal setting, communication, commitment, organisation'. (p. 442) Used in management terms, they are the equivalent to long range strategic planning within an entrepreneurial setting, but even more importantly in this research, used in terms of the dyadic 'marriage' contract, they set the common rules of engagement which guide their future direction. In some ways, the concept of intentionality is the overarching context of the research: the other concepts within commonality, those of values and interests are, to some extent, sub-sets of intentionality, as can be argued, are those of complementarity of skills, roles, and behaviours, contributing as they do to the realisation of the original intentions. It is argued therefore that the articulation of common intentions within the dyad is essential for the long term survival of the organisation as, by defining the end-game, they shape the structure of the business, the rate and type of growth, the culture and ways of working.

5.ii.i. Common intentions: choice of partner and decision to found

The common intentions of the co-preneurs were analysed using the research map (Figure 5.e).The context of this section of the findings was within the decision to found and the setting was the choice of partner. The categories and sub-categories were developed as seen below, with a sub-set of coding beneath the various categories which encompassed the wording used by the respondents. This section on intentionality has been divided into time divisions as it is important to understand if initial decisions or discussions changed over time.

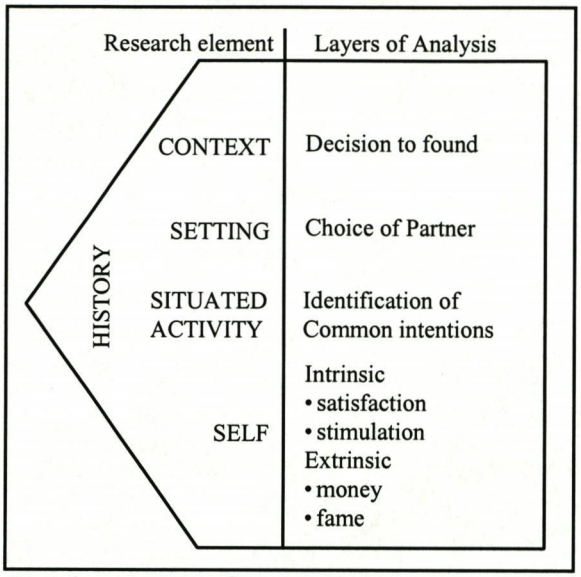


Figure 5.e The context of commonality: initial aims and intentions

Choosing a partner is not simple and finding one who is **compatible** over a long time is even more difficult. As Reis (1985) says, 'The choice of acquaintances and the development of friendship is a complex process characterised by systematic differences in social inference, recursive patterns of influence and reaction, and progressive assessments of rewards and alternatives.....most, if not all, of these factors tend to operate without the actors' conscious awareness, and the process is difficult to perceive in action because relevant covariation information is not readily accessible'' (p.209) The respondents demonstrated this by being inarticulate about the reason for choice of working partner particularly, as in most cases, there had not apparently been a defining moment of decision or one that was conscious or seemingly deliberate, there being instead a sense of inevitability in the choice of partner. This is particularly so within the affective partners as their choice of each other had already been made previously and not in the context of co-founding an organisation. For example, Matt & Kelly [A] and Tim & Hilary both described their choice of each other as being inevitable:

Matt: *Well. we both started at art college at the same time, I was doing fashion and Kelly was doing Fine Art and I think we sat together on the first day in the canteen*

Kelly: *I was really shy and quiet, I found things really difficult....*

Matt: *Yes, we were both really outsiders, didn't really fit in and right from the beginning, we just sort of started to do everything together and then we shared a house with other people and I used to dress Kelly for parties and she started to do the prints for my clothes and basically we just did everything together.....* [J]

Tim: *We just sort of drifted into it: we ended up both doing what we had been doing previously and doing it together..... Our business and personal relationship is one and the same. It would be interesting to wind back and see how our personal relationship would have developed if we hadn't worked together and the other way round.....*[S]

Many elements of commonality (Campbell 1980) were found within the interviews indicating that the choice of partners with whom to start companies is little different from those in affective relationships. The choice of organisational partner occurs within two main situations, which both fulfil the first and second affective criteria of objective likeability and proximity; firstly, situated within an affective relationship, and secondly, situated within a work relationship either within a college setting, a

similar business sector, or within the same company. The findings indicate that there were two intertwined routes in the choice of working partner: that of the affective partners (Tim & Hilary and Matt & Kelly) who were predominantly led by initially emotional factors followed by rational factors, and that of the work associates (Roger & Ben, Giles & Kit, Geoff & Colin, Chris & John and Mandy & Gill) who were initially driven by more rational motives and then emotional factors. The difference in approach can be understood by comparing the previous affective couples' statements to that of Giles & Kit's [W] description which is rational and pragmatic, though already with overtones of emotion:

PJ: *Did you feel a kind of recognition when you met one another?*
Giles: *I think we had respect for each other from a work point of view.*
Kit: *We were both interested in the arts, both fairly passionate, Giles had been working a great deal in the arts and I'd been working in some quite central projects in the arts, or interiors, so that was a common thread and was a good basis, it was an area where we could really develop but, I suppose there was also the element of recognition from the point of view of, I suppose, sort of liking one another.* [J]

Chris & John, Mandy & Gill and Geoff & Colin [W] both showed the same rationality in the choice of partner, and also demonstrate the same, almost casual, attitude. As Reis (1985) says, 'the systematic patterns that would highlight people's roles in active constructors of their social lives are usually obscure' (p.210):

PJ: *Did you have a sense of recognition when you met one another?*
Chris: *I think it's a bit strong to say that, it sounds almost like a thunderbolt, looks across a crowded room that sort of thing, and I don't think it was like that but yes we laughed at the same things, hated the same things that sort of stuff*
John: *I would agree, a kind of shared response to situations, I don't mean in the business sense but more personally.* [J

PJ: *Why don't we start at the beginning, how did you meet?*
Gill: *We went to the same college to learn pattern cutting*
Mandy: *We didn't know each other before, we didn't really know each other there*
Gill: *Mandy knew everybody*
Mandy: *.....and Gill was the chicest person there, so....[kisses fingers]*
Gill: *But we didn't really mix with each other*
Mandy: *No, it was about 6 months later, Peter Jones*
Gill: *No, John Lewis*
Mandy: *We bumped into each other, had a coffee, started to chat*
Gill: *And six months later.....*
Mandy: *No, Gill, it wasn't six months, it was straight away, though we started officially later. I invited you, we had a good old gossip, you came round next week, I 'd forgotten, was in my pyjamas, panicking as I had to finish something for a client, and you helped, yes you did, you helped me finish that jacket for a client. ....what! oh we've got something here* [J]

Colin: *We were told that there was a retrenchment and that a number of people were to be made redundant. Geoff and I were both made redundant within twenty minutes of one another so we looked around and.... Geoff suggested we might set up a business..*
PJ: *What, immediately?*
Colin: *Yes, we went for lunch, our old offices were just off Victoria Street and we went to Parliament Gardens by Millbank and sat there looking at the Thames and had a chat. He said "look, let's give it a go".....Frankly, I didn't have a great deal of other options at the time so we decided to give it a go. I knew the score in as much as it would be difficult to get another job as consultancies were laying off people and I'd worked with Geoff and got on reasonably well with him so it seemed reasonable giving it a shot. That was about it, there was about an hour's discussion and we'd sort out the details as we went along.* [S]

Geoff: *It seemed the right thing to do. The alternatives were quite frankly limited and we had been called in together and we found ourselves together afterwards and , almost surprisingly for me as I'm not known as making decisions quickly, I realise now that I had probably had this model in mind for some time.* [S]

The findings therefore agreed with Bird (1988) in her model of the contexts of intentionality developed on the basis of single or lead entrepreneurship: the development of the model to incorporate the element of the dyad adds the difference in the emphasis given to either the emotional or the rational route of the choice of partner depending on the kind of couple. (Figure 5.f) The only variation which seemed to make a difference to the way the working partner was chosen was the single person impetus start-up within an affective relationship (Mike & Joy): this could almost be classified as a classic lead entrepreneurial start-up and thus outside the remit for this research, but it is included as the organisation did not take on its continuing form until the entrance of the second partner.(this will be investigated in Chapter 7 in order to understand whether the variation was indeed fundamental).

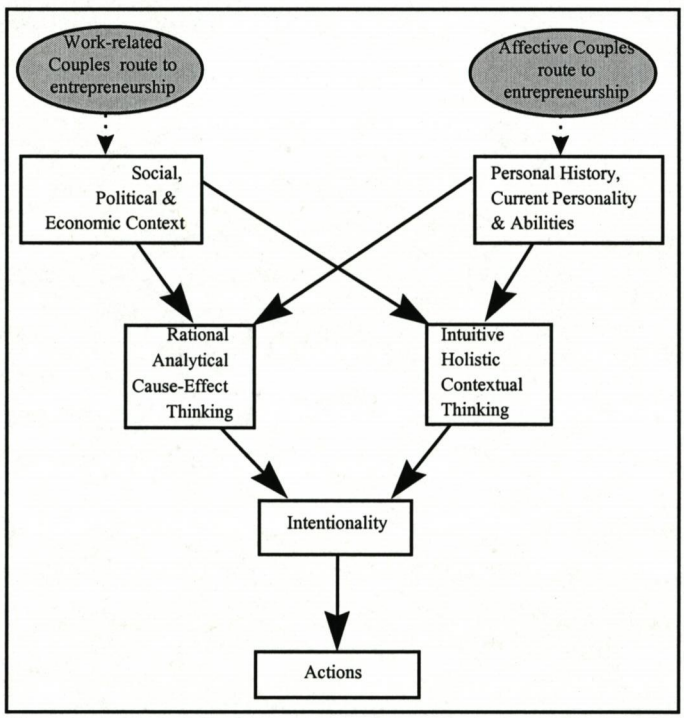


Figure 5.f Different routes of affective and working couples in the choice of partner (after Bird 1988)

On the other hand, Mike & Joy fit Bird's original model: the decision to join forces was a mixture of the rational and emotional, complicated by the fact that Joy was essentially joining in a business that Mike had started albeit with support from Joy, both in helping with the administration and in supporting psychologically with advice and encouragement. Both quotes are continuous speech and demonstrate both the emotional and the rational within them.

Mike: *During the period of time when I was on my own, if Joy hadn't been earning then we couldn't have survived and she was very supportive psychologically at that time she would come home and we would have a laugh and nobody would call and nobody would ring and nobody that I was trying to contact wanted to talk to me and when I think back what did I actually do all day, literally I would sometimes take the telephone off the hook to see if it was still connected and to see that it worked, I would dial TIM, just to hear another voice.....*

[Emotion] *Well, being two has helped in a number of ways, one is that although we have separate particular areas of skill there is a broad area of overlap now.... You can get the chemistry going with two people, but there have been occasions before Joy came in the business I would have the flu or something like that and I would still go and do the business whereas I really ought to have been in bed and then if ones partner is known to the client this is very important. And you know yourself that they can deliver whatever it is to about the same order that's been that's really been very good, ...if you bring in a separate person then there is all manner of problems. So it has been very good from that point of view..... so we have genuinely gone from essentially a one man band to a two person band although it is actually more than two because one plus one is more than two in fact.* [Rationality] [S]

PJ: *So going to the point where you actually decided to come into the business, why was that?*

Joy: *Well these things are a sort of mixture of push and pull for me I think there is no doubt about it that a major event which is something that would be completely unusual to this situation but I lost a baby, I had a baby daughter and that was an extremely traumatic event for me and after that ploughing ones way up through my organisation's hierarchy was totally meaningless. And a thing like that makes you really step back in your life and look at it and say what do you want out of your life and I at that stage I looked at my life and thought my God what am I doing, do I really want to do this for the next 20 years and I said to myself no. And it took a while because I realised that probably I had to give it some time after losing the baby to get myself back into any sort of normal state.* [Emotion] *I stayed on and it gradually evolved that what I wanted to do was to leave and I didn't want to go into another organisation, but I wanted a different sort of lifestyle and that combined with at the time the business was doing very well, the business had begun to take off, it was clear that there was work there that I could go and do. I think Mike was slightly ambivalent about it. I felt at that stage that I was in a difficult position, maybe because again I wasn't going in as an underling, I wouldn't have found it easy to take a sort of secondary position, I did actually try quite hard, I think he felt' how could she possibly come in and want to be an equal at this point, I've been running it she's not really done a lot'. I think he had a sort of concern about who was really going to be running the business at that point.* [Rationality] [S]

Therefore it would appear that the choice of person is based on the combination of what Bird (1988) calls 'the rational, analytical, cause and effect thinking' and the 'intuitive, holistic, contextual thinking'. Both elements come into play, the work associates need some emotional factors to add to the rational and conversely, the affective partners needing rational motives to add to the emotional. When it comes to the actual decision to found, the same rational and emotional forces come into play in the same sequence. For instance, the comparison between Geoff & Colin [W] and Tim & Hilary [A] indicates that once they had, in effect, chosen one another, both types of thinking contributed to the decision to found.

Colin: *The idea was initially a case of let's.... survival is not quite the right word, but what we wanted to do was make a living. This was not a good time to do anything much so it was "we're in business together because it's much easier". Geoff is a sociable person in the sense that he needs someone, he's commented on that recently, he needs someone to work with and to share things with because he's not a loner. I'm more the loner but I knew that I couldn't succeed on my own so it was good... he valued some of the things that I had, he rated my intellect and my abilities as a consultant and therefore, was very keen to work with me.* [S]

Geoff: *I think I realised that you need that kind of relationship, I find it very difficult, I mean, I do it sometimes, I do go off and do work on my own. But I find it very, very difficult.* [S]

Tim: *We didn't really plan it, we didn't think about the ramifications of living <u>and</u> working together. It actually happened by incremental bits of work: I was doing jobs separately at the beginning. We got them started and Hilary helped me on some bits and then I helped her when she set up on her own. I helped her with some things and gradually we thought we could actually make more money doing something along her line.* [S]

Hilary: *We were already living together and it seemed, why not, we get on well together. I was working on my own, he was working on his own and it was our own project and then we kind of came together on another project and it developed from there that maybe there were other things that we could do together that we hadn't yet thought of.* [S]

The same mixture can be seen in Giles & Kit, Chris & John and Mandy & Gill.

Giles: *What happened was that Kit there was working abroad, and the possibility of a job came up in this country, with a consultancy which was looking for a broad understanding, I think you were then seriously trying to find work basically in London, so you came back and came to me and said, shall we go in together as a team for this consultancy work so we did actually sit side by side on that on that project ..... But that was really the first time we sat down together and started talking about a philosophy, yes, most probably, it was the key. There was also one, wasn't there at the Hayward?*

Kit: *Yes, you suggested to the Hayward that I got involved with them.*

Giles: *I was asked to work on something, I had a lot of work on and they said to me, if there's anybody I'd like to work with, and I though of the person who I'd met fairly recently, but I couldn't take it on myself. That's how we got in touch, basically.*

PJ: *But did you start the dialogue immediately about the possibility of becoming partners?*

Kit: *No nothing happened for a while, it was actually about four years before we set up together, it was like passing ships... it wasn't love at first sight.* [J]

Chris: *Well, I had been working freelance as had John though in slightly different fields of design - he was more into cartoons and the actual 'arty' side of graphics where I was very much into layout and that sort of thing- and, when we met at a party,(through you actually, if you remember!), we were both at a point where we were both looking for offices and both had clients who were wanting more than we could do for them, and it just seemed practical to get together though we obviously liked one another as well, that was part of it.*

John: *Yes, he seemed like a good bloke and it seemed a sensible thing to do.* [J]

PJ: *Did you think it was going to work?*

Gill: *Absolutely, I think I had my moments when I worried but basically, we didn't plan, we just said let's start a business and we did, let's work together rather and it's grown into a business, we've got fourteen of us now, and it's quite frightening, you don't think about it, because if you did you'd run away*

Mandy: *I didn't give a damn, I was twenty one and having a good time* [J]

The emotional aspect of the partnership is an important one, and as has been previously suggested, one which has not been a focus of academic research into managerial relationships generally. It indicates that in the dyadic start-up the relationship is an intimate one and for that reason, a unique one within a work situation. As Berscheid (1985) suggests, in order to be compatible 'the emotional tenor of the relationship should be generally harmonious' (p.149). The emotional nature of these dyadic relations has a fundamental effect on the type of businesses they grow.

The third of Campbell's criteria, finding the other person rewarding or pleasant to be with, is thus fulfilled in a different sequence according whether the relationship is fundamentally affective or work-associated: the micro-factors of choice are linked both to the behaviour and emotional responses, and to the attributes and skills of the two people concerned. On a pragmatic level, similarity of race, age, gender, education etc. leads to more comfortable, less complicated situations. There was much similarity of background for the couples and any major variants such as age only surfaced as problems later. For instance, even in the family hierarchy, three out of the eight couples had exactly the same position. (Figure 5.g)

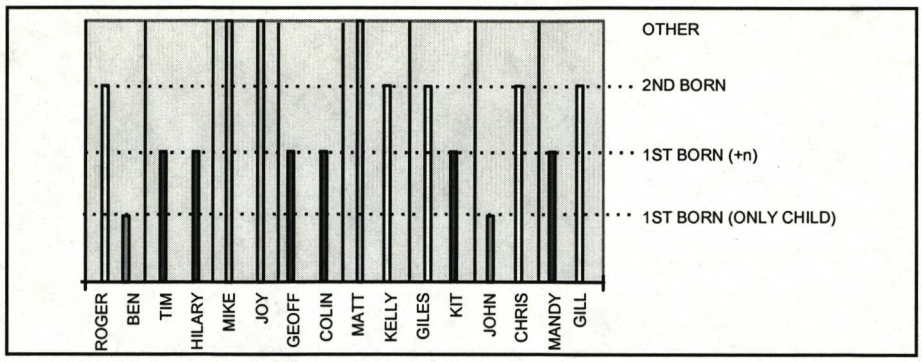


Figure 5.g Comparison of family birth positions

In addition, research into creativity has indicated that a high proportion of highly creative people are first born, in particular only children, and 50% of the respondents fill the first born criteria, albeit only two out of sixteen were only children. Very little of the creativity research, which concentrates on artists, scientists, musicians etc. has been used to investigate the entrepreneurial personality and this is an area of research which may be fruitful.

Educationally all the respondents were very similar, the majority having followed a classic English state educational route from primary school to grammar school (mostly pre-comprehensive respondents) through to some form of tertiary education. All respondents went on to some form of tertiary education varying from university (8), art school (7) and ballet school (1). However, the only four respondents with MBA's were Geoff & Colin and Mike & Joy, and only Roger indicated that he had been on some form of management training. This is an important point generally within this research as will be seen when the need to switch into management roles rather than 'content' roles becomes important. In addition, of the sixteen people interviewed, eight, which did not include the four MBAs, had only worked for small companies previously, in which there was little likelihood of management training. The couples themselves had roughly similar educational backgrounds, the only differences being, for instance, Tim having gone to prep school and Hilary to primary. (Figure 5.h)

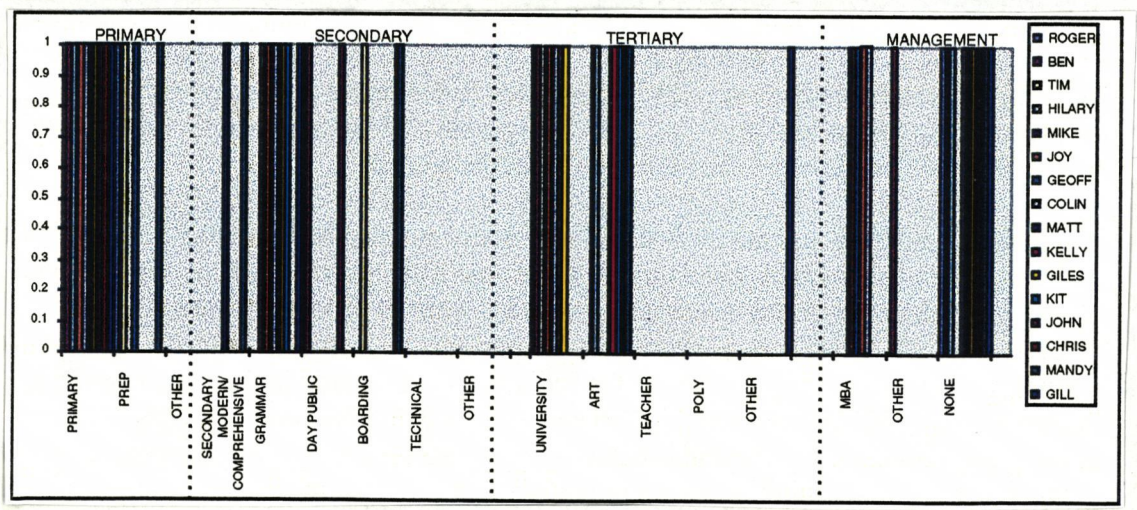


Figure 5.h Comparison of Education

Twelve out of the sixteen chose their career on the basis of their own ability, and as can be seen (figure 5.i), most of them made that choice relatively late.

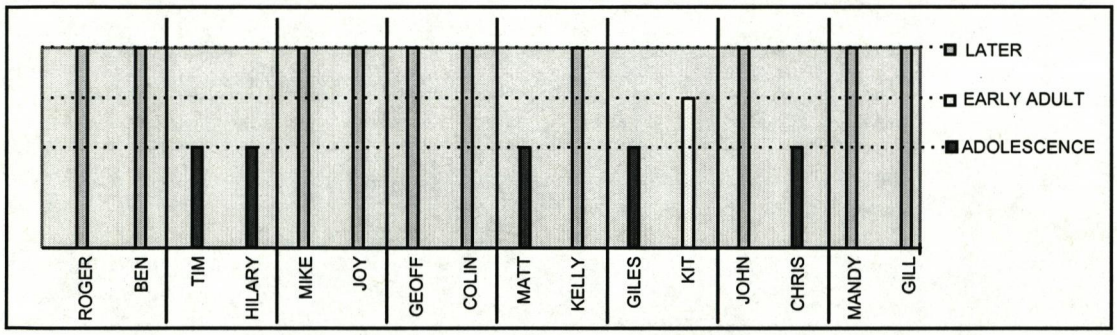


Figure 5.i Comparison of Career Start

Both these points are important, not only from the similarity point of view, but also as an indicator of the kind of people who become involved in dyadic entrepreneurial set-ups. The indications have already been that the decision to found is not made by one person who then looks for the other person in order to found, but instead the finding of that person is in itself the reason to found. This would suggest that dyadic entrepreneurs do not necessarily follow the patterns of single entrepreneurs who can be driven by market opportunities and personal need for self-aggrandisement.

It can therefore be seen that all couples demonstrate compatibility both on the rational and the emotional level, and have sufficiently similar backgrounds. As Berschied (1985) states, people prefer others who validate their point of view, and Reis (1985) agrees with this stating, 'dyadic functioning is enhanced if both individuals perceive reality similarly, as many activities require consensual decisions.' (p.227) This also reinforces Clark's intimate relationship model previously cited.

As previously stated, in 1988, Bird expanded on prior entrepreneurial research by directing attention to entrepreneurial intention within pre-organisation, stating, 'Entrepreneurs' intentions guide their goal setting, communication, commitment, organisation'. Having chosen one another and made the decision to found, the interviewees explicit intentions in starting the company are therefore of great importance and central to the model of dyadic survival. These aims and objectives stemmed variously from emotional feelings such as of feeling the need to be in control, of not being appreciated in a prior workplace, or of searching for something often undefined that was missing in their life, in other words intrinsic reasons or the need for personal satisfaction. This corresponds to the hierarchy theory of needs - existence, relatedness and growth - which suggests that creative people relate to the higher intrinsic needs more than the lower extrinsic ones.

For instance, all respondents indicated that a major reason for founding a business was a strong desire for **control**, even though there was little clarity either about what that would look like or what the necessary processes were in order to achieve that control. In addition, the control was expressed by all partners as a unified concept; there is no evidence of unequal power or desire for individual supremacy in their expression of intentionality. (see also section 5.iii. on social equity and reciprocity). This corresponds to Clark's differential behavioural model (1985), reinforcing the concept of the co-preneurial couple as essentially an intimate relationship. This desire for control shaped the initial start-up phase but also has had strong implications in the

structure of the organisation going forward. For example, Roger & Ben [W], Mike & Joy [A], Colin & Geoff [W], Tim & Hilary [A] and Matt & Kelly [A] are very explicit about how important the control factor was, in Roger & Ben's case the prime motivation.

Roger: *.....for about a year before the magazine actually folded we began to explore ways of actually setting up. In fact both of us were of like minds in that we didn't want to set up a company which we didn't control. And the fact of the matter is that if you don't have any capital of your own it is extremely difficult to start a company and maintain control. So we spent six to nine months having a series of discussions with a variety of partners,..... and in most cases the problem was that we had no track record or that we were determined to maintain control of the company. We had this sort of simile going at the time that we kept insisting that we wanted to choose the colour of the curtains.* [S]

Ben: *.....such a big area which could be exploited through multi-media publishing conferences, and videos and reports and so on and so forth. We were both interested in, we were very interested in the research base side of it, in other words we didn't just want to be the kind of publisher that provides packaging for other people's ideas and materials we wanted to generate and control the whole caboodle ourselves.* [S]

Mike: *[Before we started]There was a guy I forget to mention that we had a very close relationship with, we had his name and details on our headed paper and vice versa and the intention was that we should actually combine and that we would buy, Joy used to call it bankruptcy hall, we would buy a training centre initially here but then he got the idea of buying a chateau in France which he actually did but at the time, Joy told you about the baby, well it just wasn't comfortable to go into a venture that wasn't totally in our own control.* [S]

Joy: *We are both also quite strong personalities I would have said and we both like our own way. I think if you have been senior managers in organisations liking ones own way is necessarily an attribute and having one's own business, I think you want confidence in what you want, in what is required and also the drive to push it through so I think both of us were rather good at that and the ability to exercise that was, I think, one of the motivations for the business* [S]

Colin: *It gave us much greater control, it gave us much more frustration working for somebody else, particularly if they're not particularly competent or have unrealistic expectations of what can and can't be done. So there was the control issue.* [S]

Geoff: *Yes. We don't have anything external in the sense that a public company is going to have the stock market, or there's an owner, you know... we don't have that pressure. I must say that the secure feeling of organising our own life and having the freedom to make decisions about whether to take a job or work with a particular person was seductive.* [S]

Tim: *If you have to live in London, or if you have to live in England, if you have to live somewhere and feed yourself, you might as well do it in the way that gives you the most stimulation and pleasure and allows you a certain control over your own lives.* [S]

Hilary: *I think it is a luxury to do something you enjoy with somebody you like to be with and where you can envisage where it might go and you are in control.* [S]

Matt: *Right from the start we wanted to have something which was ours, working in our own special way, not beholden to other people*

Kelly: *Yes, without spelling it out to ourselves at the time, that's always been the basis of our working together, doing what we want in our way an extension of what our lives are together* [J]

Control of the business was less explicit in Giles & Kit [W], Chris & John [W] and Mandy & Gill's [W] motivation in deciding to start the business but it is implicit in their need to use their business to achieve common aims. For instance, Giles & Kit insistence on quality is a form of control in itself, as is Roger's.

Giles: *I think that the one common thing is that we totally focused on was quality, that's most probably not good for business, so it was that striving to produce perfectionism, if there was any philosophical idea. So that's directed us in a lot of things in actually pushing to get the best out of a project.*

Kit: *Yes, in order to achieve that perfectionism, you need to have a handle on everything that's going on,, for instance the cost, you know when you're spending money and when you're not.* [J]

Roger: *That was if you like our big idea, our big advantage, we developed a series of events, titles for conferences, reports to put forward which they were just better than anything else in the marketplace, we focused and understood the concerns that the audience had and eventually we got a kind of a high ground position in the market because producing high quality events, the conferences and reports we decided would be very high quality, this wasn't a strategy driven decision it was really reflective of like the values David and I had but it proved in retrospect to be a sound decision. Whereas in the marketplace in which we operate, particularly in terms of conferences, there are a lot of low cost, cheap and cheerful providers and I think one of the reasons why we perform better in the recession than our competitors would, I think, we have succeeded in building a certain amount of customer loyalty and quite a reasonable sort of brand reputation but it didn't go through a Michael Porter-like sort of analogy, we're not going to be a low cost player we are going to be a high value added it just added to the value statement we had we didn't like to be associated with market bon marché activities.* [S]

Chris & John and Mandy & Gill saw the concept of control in the choices that they made in terms of the way of working.

Chris: *There's the old adage about starting a business in order to have the freedom to run one's life in a way you want and of course, it's never like that, in fact, you work longer hours, up all night because its yours but then at least you make that choice……*

John: *We certainly work harder together than we did apart, at least I certainly do*

Chris: *Me too*

John: *But, you're right it's our choice* [J]

Gill: *I had done a short spell in someone else's workroom, and I never ever wanted to work for anybody else again ……*

Mandy: *Yes, we just wanted to work the way we wanted to work*

If the desire for control is fundamental to both partners, it can be assumed that as the business starts to grow that this will become an issue. As will be seen, this is one of the main drivers of organisational structure going forward.

In some cases there are also explicit statements of the need for **stimulation** in the decision to found, both in the sheer enjoyment of starting up, but also in the sense of idea generation: this can be compared later to what all the respondents felt of having worked together for some time when the aspects of being two and using each other as a sounding board or support came truly into play. (section 5.ii)

Ben: *Oh, it was quite, it was really quite stimulating to decide to go for it ,it was quite exciting because there was so much going on, sort of taking off, nothing that we did went wrong so it was very nice ...* [S]

... we thought we knew what we were doing. ..... the reason for doing it was because we thought we could do it pretty well. I think I was as fed up with working for publishing houses I

think everyone working for their employer they, its a pretty narrow existence,... it is all sort of partly an indictment of the limitations that are placed on them in that area in that way so the prospect of becoming a pensioned spade did not appeal attractive to either of us. [S]

Roger: *Do I think Ben would have done it on his own, no I don't, I think we rather egged each other on..... it was the first time I had ever started up a company so my goodness I haven't done this before this is incredibly new that's quite nice if you are in a rut this is new and very challenging so yes* [S]

Well, because it was extremely frustrating to work on the area that we were involved in because we knew there were far more opportunities than the magazine was seizing..... Ben and I were somewhat sceptical about the quality of the consultancies, we thought we could do better ourselves.. .... we did it much more for intrinsic satisfaction -curiosity, change of approach in terms of being a journalist, fresh challenges and so forth. [S]

Chris: *I suppose part of the starting up together was the charge that I got from getting together with someone else. Before every decision was made on my own, every move I made depended solely on me and had ramifications solely on my life and, yes there was the responsibility, but that also was positive, there was the feeling that it really mattered now, that we could spark off each other*

PJ: *You originally mentioned that the original impetus was more practical, that it was more about finding an office, using each other for clients, did that change?*

John: *Yes, what Chris is saying is true, it almost surprised me, a sort of added benefit, unexpected but suddenly horizons widened, things which maybe one hadn't envisaged before became a possibility, yes we definitely found there was a different dimension. right from the start* [J]

Mike: *I had had a reasonably good career but as I got promoted more and more I found myself getting moved away from the actual sharp end of the organisation that I was working for and I actually enjoyed what I was doing but as I become more senior I did less of it, which is not unusual and then at the same time I found myself getting locked in the organisation I was working for which was not a huge organisation, I mean big enough but it would not have offered me it wasn't offering me the opportunity to either diversify within the organisation or it proved not to be an easy point from which to move at that age. I felt very pleased to start the business and I was almost schoolboyish ,delight at getting my letterhead printed. Business cards printed with my name, silly things like that. So there was the almost schoolboyish joy if having this new toy which was the business.* .[S]

Joy: *I had worked in three sets of industries I have very strong management background and also very strong perspective on business because I had worked at all sorts of different levels, I had worked at spaced strategic levels in head office but also worked very much at the operational levels in organisations so my span of experience is remarkably good and I have always wanted in my career which was why I have had several different careers in many respects because I always felt as a young manager to have wanted to do all these different things. I just simply wanted to do them all, I wanted to try them all out and one of the joys of starting your own business, it enabled me, I suddenly developed into very much an area of my own and a lot of work had come and is coming out of that which is very much and I think Mike would accept is an area that wouldn't have developed without me being in the business at all.* .[S]

It seems therefore that excitement and change are necessary to these dyads and that one of their intentions in starting an organisation is to fulfil that need.

From the extrinsic point of view, the desire for **money or fame** are the prime motivations for starting a business. As has been suggested, entrepreneurs are normally seen as a group which are intensely goal oriented which seems not to be the case here other than perhaps Roger & Ben [W]: it may be that the mutual need for a partner suggests that the classic entrepreneurial stereotype does not fit and that other less obvious goals such as not wanting to remain an employee, or of wanting to use skills

which they felt were better than those currently available in the marketplace are more of an extrinsic motivation for the start-up.

For instance, all respondents other than Roger & Ben were emphatic that **money** was not part of the joint intention in starting the business, though all recognised the need to be profitable.

Tim *Money is part of the motivation though we didn't set it up to make money. For us, it is the creative act and we don't like the 25% of admin. work which takes us away from the main activity.....I don't think that either of us thought about becoming millionaires, it was more a case of doing what we wanted and making some money out of it, money to survive rather to empire build.* [S]

Hilary *No, we didn't think we were going to build an empire or become millionaires. We needed to earn a living because that is what we needed to do and but it was primarily to do the things which really interested us.* [S]

Joy: *I have no great desire to be a millionaire, never have been as long as I have enough money to do what I want to do that is quite sufficient for me* [S]

Mike: *No not really the financial side was really not that important and if anything I was looking for the business to make sufficient to live as we wanted* [S]

Kelly: *What we're interested in is the money we can make through selling our work to enable us to continue with our work.*
PJ: *So you never set off in the beginning thinking we're going to make a million pounds?*
Kelly: *Never.*
Matt: *It's never been about that. The problem we would have is that we would have to introduce that third person to be that business person, who would actually know and want to structure it to make a lot of money. And ultimately we're incredibly selfish people in that we will work and talk and go through it until to bring in a third person would almost stifle it, you know, we've had that, we've had people that have come and it's like .....no way* [J]

John: *God, we are the last people to talk about wanting to make large sums of money, it's kind of not within our make-up, we would have been doing different things, been different people*
Chris: *There's a kind of aspect here of being perennial students, there's something about English college life which if you don't get early into the marriage, kids, mortgage syndrome, seems to set your views on life, the way you live it.* [J]

Giles: *So what's directed us in a lot of things is actually pushing to get the best out of a project. I think that would come before yachts, so that we aspire to produce good quality work, not to aspire to buy mansions in the country..*
Kit: *No-one makes great money in the arts, that's the one thing, anyone who makes money in the arts is not truly creative..... If you're dealing with a client... you know, it's a wonderful world that we have it, it's desirable, last minute, it's about... it's not necessarily about seriously gearing things to churn things out, they take a lot of effort and dedication .....*[J]

Geoff: *As long as we're making enough money, living comfortably and enjoying what we do we don't have that pressure, that external pressure that demands that someone grabs it by the scruff of the neck and tries to manage it.*
PJ: *Let's say something came along like an enormous contract where you were actually forced into a situation where you might have to bring more people in and it did become a really money-making business.....*
Colin: *I suppose there's potentially a situation where a large company comes along and offers a two year contract that will make people something. I'd like to think it's possible but I think it's*

more of a wish or a dream than reality given where we are and what we're actually pitching and the strengths that we have. It's never been an idea of making it rich or creating empires, just 'let's just make a go of this thing'. Very low expectations in terms of what we wanted out of the business. No sense of size, no sense of which sectors, we were just thinking about being general management consultants .[J]

PJ: *So did you start the business to become millionaires?*
Mandy: *No*
Gill: *No*
Mandy: *No*
Gill: *We've lurched from financial problems to financial problems depending on the time of the year, but we believe that the important thing is to make perfect clothes, to send our clients home perfectly happy, that's what is more important*
Mandy: *So we aren't very good at making money, and as the business gets bigger, we make more money but we spend more*

Ben: *.....well, we didn't have specific financial goals but we did have expectations and it has always been, well, its a standing joke now but the aims were sort of a yacht in the south of France,* [S]

Roger: *I think speaking personally I am sure Ben and I both harboured or cherished ambitions the thing would work so well and take off that within five or ten years we would be on our yacht in the West Indies* [S]

Fame was not mentioned at all as a spur for starting the business though all partnerships were started either to operate in international arenas, or the partners were already doing so separately. It is therefore evident that peer or potential client recognition would be a prime necessity for growth or survival. That this aspect of peer respect underlies the decision to found comes more from the previous statements about quality (Giles & Kit) and mention of the kind of clients that working together has enable them to work with, as for instance with Tim & Hilary [A] or the need to be known for business reasons as with Chris & John [W] . Peer recognition becomes more important as the business becomes more established as will be shown later (section 5.ii.i)

PJ: *And did the type of client changed when you started working together?*
Tim: *One previous small customer became our biggest because of the kind of work that we could do for him together*
Hilary: *Not really, we've always worked with global corporations, they've always been big players in their field. The only thing that has changed is our ability to be even more flexible as the business environment changes.* [J]

PJ: *If money wasn't important, what was?*
Chris: *Well, rich and famous always seem to go together and it certainly wasn't my aim to become famous.....*
John: *Mine neither*
Chris: *.....though obviously there's fame and fame. I don't think we expected to be suddenly featured in 'Campaign' or 'Design Weekly' but it would obviously have been in the back of our minds that we needed to get known otherwise there would have been no work.* .[J]

Some of the couples, but not all, recognised untapped **market opportunities**, the classic entrepreneurial springboard, but they recognised them because they had the right skills to exploit them. With all couples there is no sense of either partner being unsure about their abilities or questioning whether this was the right course; uncertainty about the their own content skills or about starting the businesses was

never expressed by any couple in describing the decision to found. One explanation for this is that being two has a mutual support function and this will be explored further when investigating complementarity (Chapter 6).

Tim: *The market we were in was changing radically and doing badly so we perceived an opportunity. We both knew that we couldn't, and didn't want, to stay as we were. lt was just that it was us and a fortuitous combination where we both had skills that came from different areas which when combined were applicable to the niche which to our knowledge at that time was one that didn't really exist anyway. The market was there but no one had trawled it.*

PJ: *Has working together changed your way of working?*

Hilary: *I think it's fundamentally altered our way of working: it's now about getting product to market and we are implicated in many more aspects of our client's business than before.* [J]

Ben: *.....it was obvious that there was a huge gap in the marketplace for information about what people were doing and how they could do, how they could make much more use of information technology in business terms..... and as I said earlier the reason for doing it was because we thought we could do it pretty well when we knew as well as or better than others about particular areas of business that we had seen a lot of over the previous five years of what we knew from that area we thought we knew what we were doing.* [S]

Roger: *[when we were working at the magazine we organised a conference] and then marketed it and it was a roaring success..... So that set us thinking. We had also in 87 got involved in researching a report which we published through the magazine on strategic IT consultancy. Again through the magazine we did quite a lot of work looking at how companies were developing IT strategies and why in many cases they seemed to fail and there were a lot of consulting firms who were offering services in the marketplace. Ben and I were somewhat sceptical about the quality of the consultancies.....so we took our ideas to the publisher to research a report a directory of consultants in this area plus several chapters of advice on how to choose and use a management consultant project and he was deeply unconvinced about the viability of the whole thing and I think in fact he only forecast that we would sell 35 copies. In the event we printed 100 and we sold them for £400 and we sold them all within about 6 months and so that also I think confirmed that that there were certainly a niche, seem to have a market, so we began in part to exploit that opportunity, secondly we were disenchanted with the magazine and the management of the company which we felt didn't understood this particular marketplace and we had demonstrated that we knew better.* [J]

Matt: *Well. you were working at Harrods, and we used to see all this stuff coming in and we always used to say that we could do better and then we put together a small collection and took it around the shops near your mum's house in Brighton...*

Kelly: *...and one shop took the whole lot so we had to rush home to make some more and then they sold out and we had to keep on making and, thank god, my mum helped out by lending us some money and giving us their old car and suddenly we both had to give up our jobs and we started selling to other people and David Jones at the Hackney Fashion centre helped us and suddenly we were up and running* [J]

Kit: *We met working on a project at the Tate Gallery, Giles was designing an exhibition and I was working on a tent pavilion outside, which was all part of the same event.*

PJ: *Did you have to work together?*

Giles: *We did, not particularly that closely, it was just the first time we started talking together, we liked each others work, I think we respected each other, actually thought we were both rather good at what we do* [J]

Mike: *Well, we discussed it for quite a long time and I think there was a spur on this with a situation which came about when a colleague asked me to set up a public sector part of his business in consultancy and when without explanation he withdrew that offer at very short notice and my sense to get in touch with him was thwarted by his aggressive attitude and I liked the idea of what he had suggested and I had done quite a bit of thinking as to how I*

would set up the part of his organisation and it seemed natural to take those ideas and do them without him, the skills were there if not better [S]

Joy: ..... I developed into the role [of a consultant] much better than I anticipated and probably Mike anticipated, though he has always been a great, one of the marvellous things about Mike is that he's a great challenger he always says he can to it, don't worry about it you can do it, you can do it better than most people and in that sense he has always brought that confidence to work but he has always felt that I could have gone on and done bigger and better things and actually it's true, we go from strength to strength [S]

John: I don't think that we approached working together by saying there's a gap in the market, a real opportunity, as we said before, it was more a pragmatic solution, but obviously we must have thought it through to an extent that there were opportunities otherwise it wouldn't have been sensible to start anything

Chris: I think it was more the feeling that 'I'm quite good at what I do', he's quite good at what he does, we need to work, why not together [J]

Colin: We refined it as we went along but there was a clear sense of where we should position ourselves, depending on other consultancies, the idea was to have complementarity with the other consultants in as much as they thought themselves to be project management experts we'd be the strategy experts, and where they thought themselves to be strategy experts we would be the project management experts [S]

Geoff: We basically work as a team, it's the two heads are better than one in this game, and we structure it, we divide it up and we come back together in order to make our recommendations, how you're going to present it and how do we go from there, we've both been in the consulting game for a long time, so we know what we are doing . [S]

In **summary**, the common intentions and aims of the couples can be grouped under the following headings: rational and emotional recognition of like thinking; the desire to control their own lives; intrinsic needs of satisfaction and stimulation rather than extrinsic needs of money and fame; the desire to use perceived skills to develop their market. These findings reinforce the initial contra-indications (Jarvis 1997) of Weick's (1979) theory of group development which states that people come together in the first place because the other person(s) enables them to achieve a certain act, in other words converging on means rather than ends. To restate his own words, 'people don't have to agree on goals to act collectively....Partners in a collective structure share space, time and energy but they need not share visions, aspirations or intentions.' (p.91) The findings here indicate that the creation of social structure is achieved precisely **because the aims are common**, not the reverse: the research indicates that the couples had common goals with the common means as a sub-dominant theme. All parties brought clear personal goals to the partnerships; it is clear that the organisations are seen as vehicles for personal ends.

There is thus here an indication that one of the major reasons for continuing entrepreneurial dyadic organisations is this commonality of aims or intent. To reiterate Brown (1988 p.219), ' if conflictual goal relationships generate hostility and competition, then common or superordinate goals should lead to friendliness and co-operation'. It is therefore not surprising that so many partnerships fail as the process of choice, as indicated by the study so far, is far from rational though that element comes into play during the process of founding.

Recalling Bird (1988 p.444) who said that, 'the founder's intentions determine the form and direction of an organisation at its inception. Subsequent organisational

success, development..., growth and change are based on these intentions, which are either modified, elaborated, embodied or transformed', it can be seen that the commonality of intent during the period of dyadic entrepreneurial start-up is a prime building block for building the dyadic survival model.

5.ii.ii. Common intentions: continuing relationship

The effect of these common intentions has also been analysed within the context of the continuing relationship of the couples (Figure 5.j). Following the same sequence as the findings of the previous section, the descriptions used by the respondents in the interviews illustrate that their intentions which had played a part in the choice of partner and also in the decision to found were fundamental to the way that their organisations developed over time.

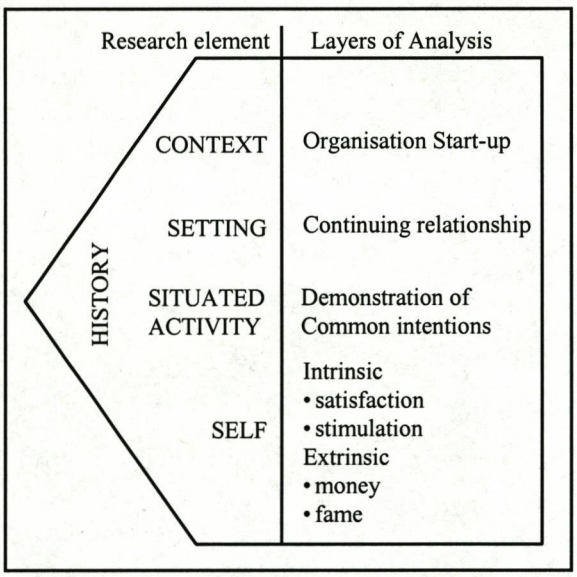


Figure 5.j The context of commonality: continuing aims and intentions

The rational and emotional recognition of continuing like thinking or **compatibility** is demonstrated by the descriptions of their ways of working together and the evidence of growing interdependency. As Reis (1985) says, 'compatibility can therefore be regarded as the extent to which the relationship helps both partners to fulfil their needs.....this suggests the importance of interdependence, and, in particular, of transformational tendencies....in which the other's outcomes are taken into account' (p.226) This again, reinforces Clark's model of intimate role behaviours (see page 97)

Matt: *It's not a conventional way of working, we don't know anybody else who ... well we don't know how other people work.*
PJ: *Do you feel that you have invented a way of working which is particularly yours?*
Kelly: *When we have had a kind of problem and we think of a solution and it works, I quite like that.* [J]

Hilary: *I don't think we could have done it if we hadn't been together. All the steps forward have been an extension of our joint skills and for each step we have supported each other.....*
Tim: *I don't think either of us would have been able to start a business that would have developed like it has. We would not have ended up doing what we were doing now if we had started separately.*
Hilary: *I think the way we worked before, and that is the way we were carrying on, so the work that we were choosing to do was not necessarily changing, it was the fact that working together*

..... Probably if working together, although I don't know how much of that we thought at the time but if working together would have let us reach areas of work that we couldn't have reached separately which certainly has been the case so that was really part of it at the time but I don't think we thought that through deliberately . [J]

Kit: *In the second year of setting up we'd won a few competitions but we'd never had that problem [organising and managing], that came overnight with our first big project, straight away but I still remember, a friend came here, we chatted upstairs, Kit and I and the friend, and he said 'I like your work,, but which one of you is the tough guy, because you've got to have a tough guy.' I think it was the worst thing about Kit and I was that we lacked that..... although we're different characters in the way in which we approach the work neither of us have that, the business sense, we've both come in from a creative background though we've tried to be more business like...*

Giles: *It was in the sense that we'd started to work together with this clear philosophy, quality in everything we do, and with a large project we realised that there were other elements, we had to get organised.....I certainly entered this partnership without any great organisational skill. Although having run my own show I'd never worked in a bigger office but Kit has. Whereas I've always been working for myself. And that's what I think Kit brought to the practice - the knowledge about a big practice. I was based on a solitary existence. But you're not noted for you managerial skills either.....*

Kit: *[laughter]* [J]

John: *It was very clear right from the start that we if we wanted to make a go of this we had to establish a common sort of identity, remember we had only worked separately before and while we both knew the kind of things we both did, I suppose it wasn't obvious that what we did would click, I don't mean in the way of working, I think we had both sussed that we were workaholics, I think you are if you are freelance, or even that we would react to things in the same way but it was amazing, right from the start it was sort of seamless even though we did different parts of things*

Chris: *Yes, that surprised me, neither of us are talkers, well you know that, so a lot of things were never said outright, I don't know but we're probably saying some of them for the first time with you, a kind of therapy..... but we just seemed to fall into a way of doing things which suited us both.* [J]

Colin: *.....we were each other's port of call in terms of any information, help, thoughts about the business, and in the sense that, although we worked with other companies, we certainly didn't confide in them, people in those companies in terms of what we were planning to do, hoped to do. We did our work and kept quiet.....but we do share things with each other and we do talk about developments, ideas, initiatives, stresses, strains and business and therefore it has a certain amount of the intimacy..*

Geoff: *Well I explained how you were the signal box of the outfit so I certainly feel that when we decided we needed to bring in other people so I certainly felt myself to be off slightly, away from the centre when that happened, but then ultimately the strong relationship is us.* [J]

Mandy: *....equal with responsibility, equal with emotion but I think that why it works so brilliantly, I've heard of partnerships where it's not equal, and that's just not fair and someone gets more say, and that's just not on.*

Gill: *Yes, and when one of us is under pressure, one of us is low and tired, the other one steps in*

Roland: *It has also been very good, she has had a very steep learning curve but in areas that I would previously have regarded as very much my own professional area I think she has caught up within certain areas and I think she has probably surpassed me in some so we have genuinely gone from essentially a one man band to a two person band although it is actually more than two because one plus one is more than two in fact.* [S]

Joy: *Yes I think it does allow you to broaden your horizons and we move into areas that one of us will have some strength in and therefore one will see opportunities for the other so that's where it all feeds off itself and what has been to have a combination I think of well between the two of us we have got a very strong combination of skills. I think that's what it is, each one of us on his own is missing some and once you've got that range it just opens so many more doors makes you so much more flexible I think now in this respect I regret not joining the business earlier, looking back I can't see what would have made one do it, where I was in my thinking career I didn't but I think because of the way we have seen the effects of both of us being in the business doing to the business it would have actually brought the development forward had I been in earlier* . [S]

Ben: *... Yes I think there were some ventures which would have happened or not have happened if one or other of us had been running it which may or may not have walked in and been developed into something fairly similar. I think there is no doubt that it would have been ended up as different animals and balance of the actions well perhaps not so much in the way that they were run I don't know, interesting, we were, tweedledum and tweedledee basically because we did everything together, we literally made a joint decision. Nothing was made, no single decision or anything was made unilaterally.* [S]

Roger: *It meant in the early days when most of your success is getting the product into the marketplace, I meant there were two of us to do it and it also meant that we would have a very fruitful discussion so the product would be refined and pruned through a process of discussion. We spent a lot of time in the early days working together on the same product which is something which has changed subsequently so the early days we were very much like tweedledum and tweedledee we went everywhere together like Siamese twins almost joined at the hip so I think that was the strength that I bought but Ben was the same.* . [S]

The desire to **control** their own lives also became more strongly articulated, particularly in the areas of decision making, which allows flexibility and external finance. Roger & Ben's retrospective quote indicate that the ability to control becomes more difficult as the company grows and that aspect will be covered in the section on survival and growth (section 7.i.iii.)

PJ: *So do you feel that you have more or less control over the business?*

Tim: *I think we generally feel more in control over everything, we're less unsure of ourselves with clients and tend to be more in the driving seat. The only thing difficult to control is the amount of time we put into the business, we never stop working..... I think this might change when we gear into the next phase which is actively pro-active. At the beginning as I am doing now I've got other people working on other projects outside the business but I am controlling them.....*

PJ: *That is a different thing isn't it?*

Tim: *That's the way I see the whole thing moving not by employing large numbers of people so we can change direction by working with external people at the drop of a hat to satisfy the needs of somebody.* [S]

Hilary: *Yes I think we're more in control, more organised, more planning, I think we understand far more the nature of what we can do and what we want to do to be more selective, more confident. and beginning to understand exactly what we want and what we are prepared to do. I think we have been quite immature in a way, leaving ourselves too much option, we are now actually looking at opportunities.* [S]

Matt: *We just took this decision about 2 years ago that we would rather close down than continue in that way*

Kelly: *We just kept on a couple of the people to help make and pack, and we paid off the bank loan - we will never borrow money again in our lives. They were in the position to tell us what to do and we never want to be in that position again. It took us a long time but we didn't care and now we run the business as we want*

PJ: *And did being in partnership help during all this rather difficult time?*

Matt: *Oh my god yes, you have to understand that what our work is and how we work, who we are, it's not being in business, we don't see it like that, we just knew that the way we were going was not right for us. But you have to understand that it is ours and nobody else's, and because it's nobody else's they're never going to care about it as much as we do. To us it's everything.* . [J]

Kit: *But I think I'm more of an organiser because I'm less confident about my abilities being sorted out. I think Giles operates on a day-to-day basis more intuitively than I do, probably more confident about his intuitive ability, able to sort out any situation and I feel that I have to get organised because only by being organised can I sort things out and stay in control……*

Giles: *Yes, where I think...what's interesting since we got bigger, where Kit and I had this sort of dialogue that went on, which, of course, the more you work with somebody, on the strength of the partnership you have to have dialogue……..you also have to know because we have to understand the direction, if we're deviating...then you tell each other, because Kit is right you have to take charge.* [J]

Joy: *I can't think of anything I would less like to do to be perfectly frank than build a company having worked in them I am not sure there is any great difference at a senior level in somebody else's as to running your own but so I have never been a driving force for that and maybe because of that me not wanting that it has kept us just ourselves and we use associates as and when but in a very loose sort of way but we limit the growth and the size of the business and its ours. I personally now don't think, I enjoy what we do and how the business operates at the moment and I think Mike now does.* [S]

Mike: *I look at our business I look at the contracts that we are working on now, the new contracts coming along, money that we bank our reserves if you like and if we, I mean we have got a decent cushion we have got a far better cushion than most people in employment with two months three months notice or whatever, so that's a feeling that I have now, definitely being in control of my own destiny, being in control of, now being secure in the business of what work we take and what work we don't take. We can actually chose. So we take it all.* . [S]

Chris: *One thing we've never wanted is to be beholden to other people, whether it's the banks, too big clients or whatever. That's what freaked me out about the Japanese situation, they seemed to be wanting to take over, they even came in one day and started trying to move the furniture around and ordering new equipment……*

John: *We soon put a stop to that, I mean it's nice to have a retainer and all that but , though we didn't actually say very much, looking back we both resisted in our own inimical ways and the result is that we've got them where we want them now.* . [J]

PJ: *And do you both feel more or less in control of the business?*

Ben: *Well, both more and less actually because before in the growing stages, that is not just being flippant, but before you had that direct control that resulted from your immediate responsibility for bringing to the marketplace whatever it was you had to develop.....*

Roger: *Well indeed I still do....*

Ben: *Well, me too up to a point, but it is a decreasing, we hope, percentage of the total or will become so the control, the answer is the control will become more indirect I think that would be correct to say. Indirect in as much as we would be asking people to produce the conferences, the reports, rather than doing it ourselves but during the initial stages that control was total and that's how we wanted it.* [J]

Geoff: *We could, in some ways. almost do with being more structured but as I explained, the difficulty, I think, in terms of how we go as a foursome. ..... have already commented to Penny that three is infinitely more complex than two and four is infinitely more complex than three so if we did want to form some informal ..... we would have to get more formal and we couldn't laissez-faire and yet actually be totally in control as we are at the moment.*

Colin: *I think that's one of the attractions, certainly from my perspective, in terms of the current arrangement [with external associates] in the sense that we are mutually independent as the*

three trading entities, but Geoff and I are not mutually independent and we do share revenue and therefore Geoff's lot is tied up in mine for better or worse, but we are independent of both Roger and Andrew, so that if we decide we don't want to do a great deal of work they don't suffer and vice versa. [J]

There is also a new area of common concern about **control linked with money**. It is a common occurrence in small entrepreneurial start-ups, and one experienced by many entrepreneurs, whose ability to 'get by on a shoestring' is often central to their success stories, when there is a tendency not to take risks and be cautious particularly with money. (All couples here own their companies fifty/fifty.) However, Venkataraman, Van de Ven, Buckeye & Hudson (1990), when identifying this tendency, also point out that it often leads to the downfall of the company due to getting into 'tight coupled' transactions which lead to interdependencies and further leveraging. This concern with money is also linked to agency theory which argues that the lower the level of ownership, the greater the tendencies to consume resources for personal use and conversely the greater the ownership, the smaller the consumption (Jensen & Meckling 1976). That the couples interviewed are aware of this phenomenon is well illustrated, though sometimes through a joint aversion as with Matt & Kelly [A] or sometimes relating to one partner rather than the other as with Mike & Joy [A].

Matt: *... and the right price ... for the right thing. We're so cautious it's unbelievable. Because we've been bitten; because we've owed money to the bank we never want to be in that situation ever, ever, ever again.*

Kelly: *I think you have to pay attention to it the whole time. I don't think you can think you have cracked it. You have to think that sooner or later you're going to have to tighten your belt, and it does go in those kind of ways, you definitely see that. And when it goes back then well you are pleased because you think that will compensate you for any unforeseen thing. .* [J]

Ben: *Well yes, I think it is far more resilient now than it was, it was quite hard because you are faced with difficult questions and uncertainties and the reason why, I mean the reason why the business has grown or been able to grow is that we set out to be very frugal in our demands on it so we didn't try to run the company like some kind of slush fund, we were always very careful to retain as much as we could in the company so that we could grow, this adverse, aversion, to being in hock to other people and banks so it was quite difficult then* [S]

Roger: *That's a problem you see for a small company in that you are always watching the money and the thought of bringing in people and paying five hundred, no a thousand pounds a day is the going rate, is just out of the question.*[S]

Joy: *He is definitely the entrepreneurial one and I wouldn't hesitate to say that. Ever since I have know him he has always had ideas for businesses and if anything I suspect I have held him back. He is a risk taker, I'm not a risk taker and the idea of getting vastly in debt to the bank..... So I think in the past I have held him back but maybe that was no bad thing* [S]

Mike: *When I started on my own, I because I had studied up I was the nominated company secretary and Joy was the other director and she was nominally the finance director and we'd agreed that I wouldn't take any serious financial decisions without her say so. This has continued and while sometimes I want to explore something new, like for instance bankruptcy hall, it is generally Joy who is the voice of sweet reason and while I sometimes get frustrated with her being so risk adverse, it's generally right in the long run .* [S]

PJ: *And at the beginning if I understand correctly you didn't take an office together, you kept separate.*

Geoff: *No, we went low overhead, which in a way we've remained, because these days you don't need it, the world has changed. But I'm conservative in a way, we've always run it on a fairly tight rein, there's always money in the bank since we started.* . [S]

Colin: *Geoff said that when he was alone he'd set up this system book-keeping and I said fine! OK, let's do it. He's got a very simple system which is paper based and pencil driven and he just gets on with it..... It's very simple, very low overhead which is the best way in a small outfit like ours.* [S]

The intrinsic needs of satisfaction and **stimulation** rather than extrinsic needs of money and fame were also still articulated. A new aspect of stimulation, that of creating an environment in which to **learn and experiment** also starts to appear. Wegner, Giuliano & Hertel (1985) in their work on cognitive interdependence in close relationships, talk about what they call 'transactive memory', the process of building shared thinking processes entailing as they say, 'not only the transfer of knowledge, but the construction of a knowledge-acquiring, knowledge-holding, and knowledge-using system that is greater than the sum of its individual member systems.' (p.256) In the early days of a relationship as each member of the dyad becomes cognisant of the background, abilities, behaviours etc. of the other, so the dyad's transactive memory grow as a whole and, what the couples here describe as a period of learning, starts to take place. As Wegner, Giuliano & Hertel (1985) say, 'couples typically begin in a relationship by revealing information about themselves to each other; starting with fairly mundane surface information, they move on to disclose more private knowledge of themselves. And, when they are trading knowledge of their life goals, personality traits, emotional investments, or other personal qualities, they are also building the differentiation of their transactive memory. Each fact about the self that is revealed to the other lends the other a sense of one's expertise and experience.' (p.265) They go on to discuss differentiating of roles within the relationship as an extreme example of differentiated transactive memory and this will be revisited in Chapter 6.

Hilary: *Well, we have really expanded and we are changing all the time. When I look back to two years ago and who were our competitors, people like A and J, well, that's just not true anymore. I don't think I could really say who our competitors are, we seemed to have carved out a niche for ourselves .....I think it was a learning time, I didn't see it as starting something new if I would have done I would have been prepared I felt it was a very very gentle continuation so that was why one did it we did it without fear, well I say I did it without fear, I can't speak for Tim, but it was a logical progression so it was like two, there must be an analogy here, two things going on their own path and then just melting together or something moving quite fast and inexorably. I felt it was reasonably seamless move I'm not very clear about* [S]

Tim: *I would describe the first few years as a rebirth, a new cycle, taking expertise acquired and lessons learned each time and building it into something new. I think before that we felt that a conscious decision to expand might backfire, you know, the company getting larger and us losing the flavour of what we were doing. We feel we're constantly learning, as soon as the first rush of romance as far as the work went we were floundering around. I'd liken it to being dumped on a desert island with a teaspoon and a ball of string and being asked what do you make of this.....* [S]

Matt: *But we haven't got time to do that, all the boring stuff, we're too busy to try to work out how we work on all the ideas. Things don't just come like that, you know, it's quite hard work.*
PJ: *So is there someone who does practical things like invoicing for you or do you do all that?*
Kelly: *We have an accountant who comes in every Friday and deals with all that for us. Then I work with it as well. But our main activity is developing our ideas* . [J]

Kit: *I think to add to that we've never really thought of what we do as business unlike a lot of people going into partnership together. It's a way of doing work and of providing a service but ultimately it's about being successful. The kind of success that we want is to produce projects that we feel satisfied with....*

Giles: *Yes, we keep on about quality but that's ultimately what it's all about, being proud of what goes out and has our name on* [J]

Mike: *[Working for a large corporation] I felt that the ideas that I had weren't being given full rein. Now I work for myself either I am in control of those or the companies that I work for as a consultant in fact value those ideas better as an external agent than they did an internal agent.* [S]

PJ: *But it sounds that overall you are very happy that you decided to start the business?*

Joy: *Yes I think we are and I think it all worked very much better for the pair of us than either of us would necessarily have anticipated, we actually get a real buzz out of doing it and that has been the real sort of positive point out of the whole thing which has been a nice side of it.....* [S].

Mandy: *It was a big learning curve.....*

Gill: *I was 23, she was 21 and we had done a 6 months pattern cutting course and everything we learnt, we practised on our clients, it was expensive.....*

Mandy: *It wasn't confidence, it was blind, stupid, balls, we didn't know what we were getting into, it came as a shock and half to discover we might have to have someone who knew about money. It was like.....it took us 9-10 months to cotton on to the fact that we had charged enough so that we made money, so we could eat* [J]

Chris: *We've had to a lot of, what I call, growing up. We've started to take advice, not all good as its turns out viz. our tax problems, but we had different people in to help us do the books that sort of thing*

John: *Yes, the sort of thing that quite frankly neither of us are good at but also it takes us away from our main aim, that of turning out really good work, developing some really bright ideas. And the computer side of things has really revolutionised what we do, the way we think .* [J]

Ben: *I don't think there is anything I would change about the way in which the company was started up because I think it was a natural learning process that was very helpful I think we have learnt an awful lot not only about the way in which we can make this work, I still don't think we know half of what we ought to know but it actually enabled us to learn and that's the most important, it was structured in such a way that it wasn't destructive or counter productive, stresses and strains about dealing with the unknown which it was very much the case in the early days, it was good it was informative.* [S]

Roger: *Yes I would have to say that I think certainly initially the first couple of years which went very well and you were going from a static start as it were and you were in that first sort of exciting first year first two years and everything was going well and people coming aboard and to some extent you were learning about what you were doing but that was very satisfying and one of the other things I am sort of aware of I think it is a very common sort of experience that the first year or two when you experience a lot of growth the excitement and satisfaction spur you to put in a lot of time and effort and energy and you get this very sort of dynamic first year or two where you are putting in long hours and everything seems to be paying off and everything is new and wonderful and the products are new, the process of managing people, growing the company, dealing with all the issues, it is all first time round, it is new, it is very challenging so it is very hard work but it is of the kind of gratifying type so the stresses are more a kind of stimulating than a debilitating kind if you like*[S]

The desire to use perceived skills to develop a gap in the market has also continued. As a direct result of the benefit of having two people to stimulate ideas mutually, all the couples started to develop into **new directions** fairly quickly into the start of their organisations. Some have come about through the single mechanism of the couple

while others, like Roger & Ben, Colin & Geoff, and Hilary & Tim have introduced other people into the equation. This phenomenon also confirms Shapero & Sokol's research (1982) into the determinants of new business success, where they define 'pull' start companies which are started for positive reasons and 'push' start companies, which are started in response to negative events such as job loss, and as such, have a less positive atmosphere in which to expand. All the case were 'pull' starts as opposed to a 'push' starts, even Geoff & Colin who had been thinking about going on their own for some time, and therefore continued in that direction. While research as to whether 'pulled' companies are more successful than 'pushed' companies is inconclusive as yet (Cooper & Gascon 1992), the indications from this study would tend to argue that the 'opportunistic' firms, such as the case studies here, which demonstrate greater market awareness and creativity, have a greater chance of success and that those 'pushed' companies may have conversely a much lower survival rate.

Matt: *That's one of the things why we are going to work in a new way, with the idea of this shop and this space and that we can introduce something every month. If we want to do that, or maybe it never gets anything introduced, it always stays the same.*

Kelly: *I think our relationship is ready to go, ... it's ironed out a lot of its creases and I think it has battled its way through, and I think that is brilliant.* [J]

Hilary: *Well, as you know, we have spent the last two years developing this new Project that for the purposes of this interview we still can't say a lot about; I remember the last interview we had just started talking to Cs and it was even more hush-hush.*

Tim: *The Project has actually become our calling card for other clients; it's taking us into new product areas like plastics when we were in textiles. It's actually changed the whole direction of the business and it's enabled us to move on from what we were doing into a whole new field. What's great is that it's really is the end result of bringing both our skills into play and developing something new*

Hilary: *We've used V. [Professor at Ashridge], as you know, to guide us through the minefield of negotiation for the new Project but quite frankly, we have learnt so much from him, our need for him has lessened. We've also had to work with Patent Agents and lawyers and a great deal of time and money has been spent with them.*

Tim: *Well, we work with a colour physicist and a polymer chemist on the new Project, we wouldn't have needed that before.* [J]

Roger: *But what I am saying is again if you are looking at the issue of two partner companies probably, well, it depends on the business, but if you started off like we did where it was very much a communal responsibility where both partners were involved in all things like the parental development and then children begin to as it were take on discrete areas of responsibility for parts of the business, you create a potential problem at least in as much as neither partner can have the same degree of insight into what is happening and certainly control over what is happening as maybe in the case when you are an equal participant in that process*

Ben: *But having said that there are mechanisms which will not, well, you will never turn the clock back to what we were doing because this is a different business, but there are mechanisms whereby a lot of these, I mean what Ian is describing is relatively trivial, relatively trivial, on the more important substantive issue of what we do and what we don't do there are mechanisms of sort of forums for us to resolve that and new product meetings which are beginning to work. They have been a long time coming but they do work and I think that has been quite a useful growing experience really because other people are involved, it is not just Ian and I sitting down opposite a table and arguing the toss, I mean, there is, it is a collective and that is one of the reasons why we have introduced it because otherwise the business would never have a chance of developing and that was as it were instilled in other people in the way that we think it is best to go along.* [J]

Joy: *I suppose that it interestingly enough the one that the new book is on which is training analysis and training evaluation but particularly training evaluation I suddenly developed into very much an area of my own and a lot of work had come and is coming out of that which is very much and I think Mike would accept is an area that wouldn't have developed without me being in the business at all.* [S]

Mike: *Not now I don't see it as my business, I would have done, well I did for the first year, maybe two years that Joy joined me in the business, and really that's quite understandable because we were still working on my clients on my business but over the last couple of years I think since Joy has very special skills we have moved into areas that I would not have moved into and I think Joy mentioned earlier when we were talking about the book her unique skills that has helped in evaluation and training and now it is unlikely that I would have moved into that particular area. And that is one where Joy has a unique blend of skills and that has opened another door and that in particular has really made it 'our' business* [S]

PJ: *So why did you feel the need to bring these two [new associates]in, I mean, did you feel that the partnership was running out of steam, or what was the drive?*

Colin: *I wouldn't position us as the partnership running out of steam in terms of a partnership but it was a sort of growing feeling that it was more attractive to do our own work with people that we respected, our own work in terms of direct contact with the client, with people that we respected, with people that we could work with very easily, working as sub-contractors leaves and unpleasant taste in the mouth but you're always managing a distance between yourself and the client, yourself and the other contractors and you're working with people that perhaps you don't rate very highly. Therefore if we could bring people in that we did rate very highly it might stimulate us professionally and enable us, perhaps, to do more direct work because we would be a larger, critical mass, particularly when the initial one was just getting in someone*

Geoff: *I would go along with that* [J]

Kit: *Of course, the more work you have on, the less chance you have to nurture and to pick up, understand the people who work with you.... in a way, I think it's actually very difficult to grow. I think that I find when you talk about partnerships, I've never... ..the bigger the practice, obviously the better the work that we're getting in, we're now getting some of the major work in this country. But, for me the whole process of work is actually falling, and unfortunately, being a pessimist, I do not like what we do because we never reach where we should reach, so it's never how far we've got to somewhere it's how far short we've fallen*

Giles: *Kit <u>can</u> be more positive about things, I'm never going to change, Kit will tend to go forward whereas I'm defending but having said that, despite the difficulties of managing a larger practice, we are working in areas and in size of project we couldn't have done on our own* [J]

Chris: *We've definitely got into new things together. I think I mentioned computers well they've revolutionised what we do. We can produce books now instead of leaflets and we are actually going into joint publishing venture with other companies which we could never have envisaged*

John: *Chris is definitely the one who got us into that side of the business but, with due modesty, I think I've contributed. It's sometimes an advantage to be computer illiterate to start because you ask them to do things someone who do what they were doing would even try and when they work, you've actually created something new. .* [J]

Reputation in their chosen market sector and peer recognition becomes more important as the business becomes more established and therefore is looking either to expand into new markets or to increase market share.

Kelly: *We've travelled a bit now so we understand more, a few of the things that money can buy. You don't understand the other side of life. We understand that now...*

Matt: *You know, we've been to Japan ...*
Kelly: *... We did think how did that start over there and then we realised that they must know us.*
Matt: *It's really odd, it's unbelievable, because you do start to think that some people are interested in what we do and how we do it. That sort of panic sets in, and then we think that's good, who would want to know..... .* [J]

John: *Are we well known? Well, that's difficult, we certainly have a reputation among the people that know us*
PJ: *For what?*
John: *Oh good work, on time, reliable, all the things we want to stand for. But as for being well known, I really don't know how to answer that*
Chris: *I think we said before that it wasn't our prime aim in life but having said that we have got a certain reputation, I've been asked to teach at one of the main art colleges as a visiting professor, things like that, it's actually quite important I suppose, I think we both realise that there's no point in hiding your light under a bushel if you're in business, you know, the best kept secret in the west....* [J]

Hilary: *We get an increasing amount of press and publicity through our clients. I suppose one of things we are good at, well I am in particular, is networking, introducing one client to another, being part of various professional bodies, acting as an external examiner, teaching at the Royal College, that kind of thing*
Tim: *It's very much her bag, but it's wonderful she does it, to see her work a trade fair, I'm full of admiration and, on a business level, it certainly works. We have built up a reputation and have many more clients, many more prestigious clients and we have experienced a reversal of roles with them: now it is us which drive the projects not them. [J]*

Joy: *I think I am able to build up good relationships with clients, Mike is good at that as well I think it is a strength, being a consultant it is one of the things you have got to be able to do. A lot of my clients although it is a business relationship it is more than that it is they are people that will ring me up not on a consultancy basis but just chat to me about things that are happening. .* [S]

Mike: *[when I started the business on my own]suddenly there was no business there and.... I had not been sufficiently business aware to keep the marketing effort going at the same time as I was working up the business. So I was back to square one. One of the joys of working with Joy is that we can get a chemistry going with clients, if not both of us, then certainly one and that way your marketing is almost done for you as the word gets around.....* [S]

PJ: *What are the qualities that your company stand for*
Gill: *Great clothes, service for our clients and a great environment to work and sell our clothes in*
Mandy: *Quality, service and style. They come to us by word of mouth, on the grapevine that is the only way we get clients. The business has grown and grown every year but we're not in the big league yet*

Kit: *We have to share, initially we both went into clients...we spent a lot of time together with clients, and now, just because of the sheer amount of work and time constraints, Giles will look after one client and I will look after another. We'll both attend key meetings occasionally*
Giles: *It's difficult that, because also the perception from a client you're the partner working on it, one of us will be sitting at the table and be very much involved in it, you're not the client, the client automatically assumes that you're the partner working on it, so again, it's all quite divisive, these things, everybody's trying to put Kit in one corner, me in another, what does he do best... and it doesn't always work like that, but I don't think we'll ever be able to change that. We're different personalities but at the end of the day it is the sum of the piece. I don't know if that's what you're trying to get at, what that spark is...what ignites? All that I know is that the practice is growing, the word is out* [J]

Colin: *I couldn't have made a success of it, because I didn't have the contacts. We sort of sat down on a park bench the day we were made redundant and took the view - OK we'll give it a go not by trying to get end clients but by trying to work through other consultancies to add value to their services etc. I didn't have the contacts and in the first year Geoff carried me, very much so. I have an emotional and financial debt to repay and we found that the relationship was working very well. I had someone to turn to in terms of issues, comments and felt much more secure as there was two of us bobbing about in this rather uncertain ocean*

Geoff: *Yes, it proved to be a brilliant decision in a way because I think if we'd gone out and tried to say "well what do other consultants do, they do work for other companies" and if we'd gone out there and done that we'd have folded but by picking off outfits that I knew, I could see which clients Colin would fit in with by picking off people who we felt would fit in - it gave us regular long term business, month in, month out, invoices, income.... now we are at the point that we have a certain reputation we can spread our wings a bit, that's why we're bringing in these other people.* [J]

Roger: *[our client list] has just grown really. Well, sorry again the proviso would be that although the type of product, event and report has remained the same we have entered new customer segments..... So the organisation profile has remained the same in its largely the Financial Times thousand, major public sector bodies but the individual customers within the organisation now come from a wider range of functional areas with different responsibilities.*

Ben: *It is possible with the growth of the business that we will be able to take advantage of more opportunities than we could in the past because it is providing we have achieved the profit that we want and then we have more cash to develop these things, and in the past it has not just been people, the scarcity of people, that has prevented us from doing this, it is just that we haven't had the money. We put a lot of money into developing the reports business and we should be seeing more of that coming back. We've got the market profile now we can actually start to exploit it.* [J]

In summary, **the intentions of the couples have been translated into reality** in the first years of their businesses: all the previously identified aims are still important and there are some minor variations such as the concern for economy which have come into play. It will be shown that different mutual aims between the respondent couples may be a predictor of different organisation structure and difference in organisational outcome. This is because in dyadic organisations, commonality drives business strategy: when there is a divergence in common intentions so there is disagreement over the direction of the business. The findings therefore can be grouped as follows, with all partners citing control as their major aim in starting their business whether in terms of destiny of the company or personal control over their lives; even some of the secondary aims such as stimulation and quality can also be grouped under the wider heading of control as the expression of that intention demonstrates the importance of that element within their lifestyle. It is intended to build up this chart as the values and the interests of the couples are defined. (Figure 5.k)

Case	*Co-Preneurs*	*Type*	*Main Intentions*	*Values*	*Interests*
1:	Mike & Joy	A	Control, lifestyle		
2:	Tim & Hilary	A	Control, stimulation		
3:	Roger & Ben	W	Control, wealth, reputation		
4	Giles & Kit	W	Control, quality, stimulation		
5	Matt & Kelly	A	Control, way of life		
6	Geoff & Colin	W	Control, stimulation		
7	John & Chris	W	Control, stimulation		
8	Mandy & Gill	W	Control, lifestyle		

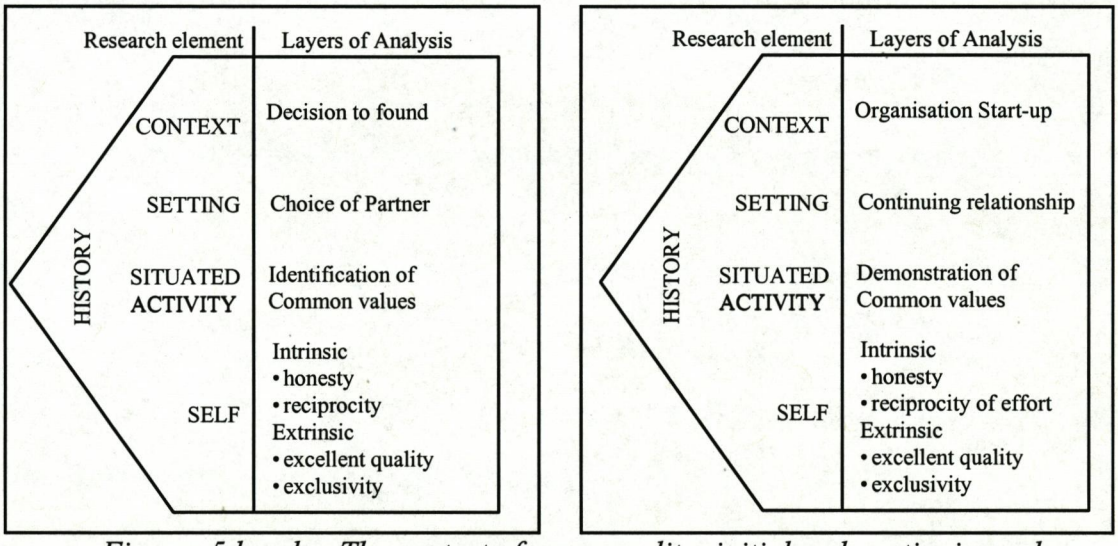
Figure 5.k Co-preneurs main intentions in starting their organisation

5.iii.Common values

In order to create a rounded picture of the couples' intentions in starting the company, it is also necessary to look at what might be termed as two subsets of intentionality, that of common values and common interests. As defined by the dyadic 'marriage' contract, the values are the metaphysical or abstract expression of the dyadic context which defines the culture of the organisation, whereas the interests are the physical expression which defines the sector or products the organisation will concentrate on. In interviewing the couples, it became evident that the initial recognition of qualities in the partner were deeply rooted in shared values and moral stances. Values recognition is one of the most commonly understood reasons for intimate relationships. As Reis (1985) says, citing numerous prior references, 'the types of partners one chooses reflects one's values and ideals.' (p.221) It has already been seen how important the emotional elements were an important factor in the choice of partner, and this is strongly reinforced by the couples' statements on the values which were meaningful to them.

5.iii.i. Common values: choice of partner, decision to found and continuing organisation

The research maps illustrates the layers of analysis of choice of partner within the decision to found, and also the continuing relationship, as it is difficult to isolate the temporal phases in this case due to overlap. (Figure 5.1 and m)



Figures 5.1 and m The context of commonality: initial and continuing values

As has been previously stated, there has been long debate within social psychology as to whether role relationships are fundamentally different from intimate relationships: this is important within the context of this research as, has been seen from the findings on intentions, these dyadic business relationships, whether stemming from affective or work situations, while having elements of both the role and the intimate type of relationship, are primarily intimate relationships. Another example of this type of debate is within equity theory, the theory which deals with those elements in social psychology concerned with justice in interpersonal relationships, and social exchange theory, where recent research argues that it is equally important in the both kinds of relationships (Hatfield, Traupmann, Sprecher, Utne & Hay 1985). This debate is extremely important within the definition of the couples' values as they are fundamentally emotional in context and thus it can be argued that the demonstration

of values as a linking pin of the relationship is thus a reinforcement of the essential intimacy of these relationships. The sharing of a common set of values was cited many times by the participants as a prerequisite for working together and later, as the defining factor for overcoming other relational difficulties. These values are used as a framework or set of ground rules which are fundamental both to the relationship and the business and seem to be one of the major recognition factors: many respondents actually used the phrase 'a common set of values'.

Ben *I think it is very important to have a common set of values. If one partner was obsessed with jetting out in five years and the other one was just looking for a satisfying life style and a reasonable living I think you would have problems.* [S]

Roger *I think we share a common set of values When it is only two of you I think it is very important that either explicitly, but more implicitly, you have to have this common set of values otherwise you will find yourself coming into conflict on a daily basis just about the way things are done.* [S]

Tim *We don't even think about whether we have the same principles, the same philosophy, it's just there, it's so obvious, we don't need to articulate it.* [S]

Hilary *Of course we have the same values, it's why we got together in the first place....our personal and our business relationship is one and the same so there's no question of there ever being any divergence. [S[*

Kelly: *It has always been the most important thing for us to work in a way which we want, we don't care what other people do, we have our own rules, and they're really strict, we wouldn't ever want to do anything in business we wouldn't do in our own lives.*
Matt: *I don't know how to explain it, it's what we are is what we do, we don't have to spell it out to each other* [J]

Giles; *Yes, we have tried to... build up a sort of ethos, which comes from us, its a way of seeing the world, moral vocabulary.....*
Kit: *I think moral vocabulary is a good way to describe it* [J]

John: *Part of the recognition of the other was what I suppose you would call a common set of values, a way of looking at the world, which I don't think we have ever actually said, 'these are our rules, this is the way we do things'.....*
Chris; *Yes, I think it comes from shared experiences, I don't mean shared together, but common experiences which have given us our way of looking at the world* [J]

Gill: *....and I think it was understanding each other and basically developing our own roles within the business, understanding that we both have strong points but different ones, and I might not agree with everything Mandy does but at the end of the day what she is doing for the good of the business and the reason that this business is moving along is because of her. And she disagrees with the things I do and it's the same, do you see.....*
Mandy: *....that's right*
Gill: *And rather than criticising each other, becoming more tolerant of each other, in the end we have the same values, the same reason to be here*

Colin: *Yes, we'd shared a common past in a number of respects, we'd worked together, first bits of consulting, the first elements of being a consultant, so therefore there was a shared understanding of what a consultant's assignment ought to be, a shared understanding of how one deals with clients, what it is to be a consultant, what it is to deliver value, ethically, what it is to maintain commitment, a sort of, call it the way we operate together...*

Geoff: *...was common., a sort of shared value*
Colin: *Yes, I mean if you want to use a cultural bind, in as much as the whole concept of consulting at a values, process level, it was shared.* [J]

Mike: *.....of course we share values. That's part of deciding to get married not just starting a business together* [S]

Joy: *Fundamentally, our values are the same that's why in the long run, whatever the ups and downs, we come to an equitable decision, we respect each other* [S]

Particular values are also quoted as being importance. For instance, the aspects of **trust and honesty** are extremely important: this confirms the tenets of social network theory within organisations (e.g. Granovetter 1985). Matt & Kelly cite honesty as being of prime importance, and in fact, demonstrated this recently with a precedence-making court case against a world-famous designer for stealing their ideas, which they won. Roger cites a sense of humour, interestingly, along with John & Chris the only explicit mention, though personal observation suggests that this was a common value amongst all couples as there was plenty of incidences of joking and mutual laughter during the interviews.

Matt: *..... because we have always operated in a totally honest way*
Kelly: *Yes* [J]

PJ: *I know you had started a business before, had Roger?*
Ben: *No, so he had to trust me.* [S]

Roger: *We both feel very strongly about what we would call selfish or office conflict which sometimes arise or politics, I think we are very like minded in that sense we won't stand for it so when it is only two of you I think it is very important that either explicitly it can be done but more implicitly you have to have this common set of values otherwise you will find yourself coming into conflict on a daily basis just about the way things are done. I think that probably extends values to you have to get on so a common sense of humour more than anything probably in point of fact the ability of the one to make the other one laugh is actually quite important.* [S]

Hilary: *Yes, and we both knew that we had to come up with the goods and, even if we work in different ways, we absolutely trust each to deliver.* [S]

Giles: *.....this partnership, to begin with we propped each other up, you have to have this trust in each other, you also have to know because we have to understand the direction, if we're deviating...then you tell each other.* [J]

Joy: *.....one of the marvellous things about Mike is that he's a great challenger he always says he can to it, don't worry about it, you can do it, you can do it better than most people and in that sense he has always brought that confidence to work for both of us* [S]

John: *One of the great sustaining features of a partnership is that there is someone else there to bounce things off and you let them get on with things and you know that even if they cock things up, you'll be there to pick up the pieces and vice versa and they did it all for the right reasons anyway, so you just shrug your shoulders and get on with the next thing.....*
Chris: *One of the great things about being together is having a laugh, you know, that moment of the day when you are absolutely knackered and it's all too much, and you start to laugh and it's probably not even funny really, but we can be weeping with laughter.....* [J]

Boszormenyi-Nagi (1979), again talking from the family therapy perspective, describes the trust concept as follows: 'genuine trustworthiness cannot be imposed by either forcible oppression or by manipulative skill. It has to be deserved or merited on the basis of a multilateral input or investment of all the partners. The balance of relational fairness depends on a relatively symmetrical investment of trust in caring mutuality' (pp. 247-248). This seems to be the case with all the couples who were studied, and this theme of caring mutuality leads to the discussion of the need for reciprocity in the relationship and the themes of justice and equality. To return to the framework of the marriage contract, Sager (1976) suggests ' .....what must be emphasised above all is the reciprocal aspect to the contract: what each partner expects to give and what he expects to receive from his spouse in exchange are crucial.' (pp.4-5) The whole area of social equity theory and social exchange theory is very relevant to this thesis: hypotheses suggest that the more equitable relationships are, the more compatible they will be and the longer they will last (Hatfield, Traupmann, Sprecher, Utne & Hay 1985). The comparison with the five stages and crisis points of the intimate relationship indicated by them with that of the organisational life- cycle model of Greiner (1972) shows some similarity of emotional elements(Figure 5.n). While the crisis points of the life-cycle are somewhat different, as are the reciprocal growth processes, there is a similarity in the way that the accrual of experience engenders a stage change. The first phase in each cycle is particularly relevant to the case studies as these are the stages that the couple and the organisation are going through. This dual model will be referred to in Chapter 7.

	PHASE 1	PHASE 2	PHASE 3	PHASE 4	PHASE 5
Organisational Life cycle Theory (After Greiner 1972)	1. Crisis of LEADERSHIP 1. Growth through CREATIVITY	2. Crisis of AUTONOMY 2. Growth through DIRECTION	3. Crisis of CONTROL 3. Growth through DELEGATION	4. Crisis of RED TAPE 4. Growth through COORDINATION	5. Crisis of ????? 5. Growth through COLLABORATION
Social Equity Theory (After Hatfield, Traupmann, Sprecher, Utne & Hay 1985)	1. Crisis of INTIMACY 1. Growth through EQUITABILITY DATING	2. Crisis of COMPATIBILITY 2. Growth through CONTENTMENT STEADY	3. Crisis of INEQUITABILITY 3. Growth through RESOLVING COMMITMENT	4. Crisis of CHANGE 4. Growth through TRUST MARRIAGE	5. Crisis of COMMITMENT 5. Growth through REESTABLISHMENT OF EQUITY RESOLUTION/ DISSOLUTION

Figure 5.n Comparison of Organisational and Intimate Relation Life-cycles

Equally important is the articulation of **reciprocal effort** and support in the way of working. Sager (1976) also states that '...it is most important to realise that, while each spouse may be aware of his own needs and wishes on some level of awareness, he does not usually realise that his attempts to fulfil the partner's needs are based on the covert assumption that his own wishes will thereby be fulfilled.' (pp.4-5) Affective couples articulate this differently from work associates as their support continues into outside work life but are absolutely in agreement with it being essential to be equal within the partnership. All partners talk about equality but Mike & Joy are particularly interesting as they come from a single impetus start-up and their equality has been thus arrived at slowly rather than as an automatic assumption from the start.

Joy: *I think once I became established as actually bringing something to the business that was different from what Mike was bringing and I think Mike saw the fact that the two of us together in fact that the whole was much greater than the part. I suppose it is a two way thing really it made me feel more confident about my role in the business and so I relaxed and probably was less pushy and aggressive about my role, I relaxed into it and therefore he was*

able to relax as well so I would say now that our working relationship is pretty sound. It isn't often now that we have furious disagreements and we do have disagreements about the way to approach things but we will resolve them. It may be resolved in the sense that we decide to do what Mike wants or what I want. We decide fairly early on OK that the person will lead with that and go with his/her view of it and it doesn't leave any bad feeling about it at all. I think we respect each other very much now for what we bring to the business and our own particular skills and attributes and I think once you have got that respect and it is firmly there then I think everything else falls into place, even if you have disagreement [S]

Mike: *.....we do have some ferocious arguments but common interest is at the heart, I think we have the ability now to see that those arguments are really based on a common objective, it is not the arguments that one would have with somebody, you know who doesn't have ones interests at heart, I think that's the point that we both recognise however horrible the other person is that however stupid the argument there is a common interest* [S]

Ben: *Yes well we were, we own the company down the middle and I think it is fair to say that we have laboured equally in the vineyard right from the start* [S]

Roger: *We are in total agreement that we would never find someone [who would work as we do] but saying it I think we continually don't believe that such a person would be easy to find someone with all the criteria which include sharing all the counter values and everything else that Ben and I share as well as being able to do the job and taking equal strain* [S]

Hilary: *No, not really. We're still equal partners. I don't think we could have done it if we hadn't been married. All the steps forward have been an extension of our joint skills and for each step we have supported each other. The fact that we can work together over the weekends, in one way means we never stop.*

Tim: *Yes, it's an emotional roller coaster but we couldn't have survived without the other.* [J]

John: *The business has always been straight down the middle. I know there's all sorts of theory about one person having a greater share so that if a decision has to be made, there's always one person who can take that step, but it doesn't work like that*

Chris: *Yes, I can't really think of an occasion when we've fundamentally disagreed about the big things, the direction of the business, little things OK, but that's just day to day frustrations, even if we don't talk much about it all in the open, I can't ever remember going home sort of seething with resentment that what we are doing is not what I want to do.* [J]

Gill: *.....we both have to reassure each other that we are working equally. So for instance, I get in earlier so I work a longer week, but I take a longer holiday and before I go away I'm checking that it's OK with you. It's only recently with Adelaide being born that we are out of here at a reasonable hour. But we've always been equal with money, equal with time.....*

Mandy: *....equal with responsibility, equal with emotion but I think that why it works so brilliantly, I've heard of partnerships where it's not equal, and that's just not fair and someone gets more say, and that's just not on.*

Colin: *At a practical level it's just about having someone there as a sounding board, someone to, sometimes, guide, give encouragement. Even at more remote level when Geoff and I are working together, you're not alone, it's actually quite comforting in the sense that there's someone there willing to share his fortunes with mine, in the first year, year [When I wasn't contributing much]giving it up in half and thinking, well, I own two-thirds of this! So, that is actually quite positive - I hate to use a friend's psychological security but there is something that creates a lot of uncertainty, barren periods, you're always looking through months but you haven't got a day's work booked for what may be ten days over nine months. In a sense it's that I've got someone else to rely on* [S]

Geoff: *We basically work as a team, it's the two heads are better than one in this game, and we structure it, we divide it up and we come back together in order to make our recommendations, how you're going to present it and how do we go from there, then we do it either one person or both, and then we bill and we share everything down the middle.*

Kit: *That's it, I think the other thing, it's inevitable, and that's needed if we're each looking after a project, the other one comes in and shakes it all up. It does come back to this trust at the end of the day, no matter how much he doesn't put his oar in, then you have to respect the fact, in reflecting on things, you have to come back and say "he said it, he means it, he's not doing it for any other reason than he believes there's another way" and if you don't hold onto that - if you didn't feel that or I didn't feel that, then ultimately I should just set up my practice and he should set up his. No matter how much we're at odds, it's that respect again. If that's not there, ultimately, as long as we believe our partnership is worth... is a good cause, then that's fine but as soon as that stops Kit will be off going plodding his path and we should call it a day*

Giles: *But we've never reached that point, and I don't see why we should, I suppose that's the true meaning of partnership, understanding that we both have a passion, an equal passion for what we do and want to achieve*

The extrinsic set of values have been covered in part in section 5.ii. on the intentions of the couples, particularly those of quality and the special nature of the work. There is also an expression of concern about the value of **quality** as representing the integrity of the relationship rather than as a specific aim or product of the association. There is also intimations of the expression of what Clark (1985) calls 'responsiveness' in her definition of intimate behaviour with the partners acting as a quality control.

Roger: *I won't let go until I feel it is of sufficient quality, so across the company in general, and specifically in products, I tend to be constantly sort of acting upon things and in an ongoing way trying to intervene, to fine tune, check that's OK just to, to use a metaphor sort of the juggler who has a plate of best china sitting on the end of a 15 bamboo poles, run up and down the line, I sort of, I am always concerned, give the stick a waggle and make sure it is going round and round still . In my case.....I tend towards perfectionism, I am not a perfectionist but I tend to kind of, I like to keep sort of teething away at something.* [S]

Ben: *.....we are the corner delicatessen and they are the supermarkets that are slinging it out, we can't really prove this, we haven't done any research, but we think that our approach of being a small player and focus on premium quality, premium priced, high standard product quality-generated, high customer satisfaction is what stood us in good stead, whereas although the competition we are talking about are basically factories if you like they are conference factories, I feel we both act to ensure that quality is assured* [J]

Joy: *We are very different sort of people in terms of our approach to work. I am very detailed and I always say one of my greatest drawbacks is that I am a perfectionist and I don't know when to stop being a perfectionist, I don't draw the line. Mike isn't, to Mike 80 per cent is fine and that difference between 80 and 100 per cent can actually, if you are a perfectionist, cause quite a lot of stress and heartache and we had already come across this in dealing with other things in our lives so I was aware of that very basic difference .... Would we in some way be able to work together, maybe I have dealt with my perfectionism and Mike was somehow able to come partly towards me in moving up from his 80 per cent of it a bit further up.* [S]

Mike: *I am very practical, I am very pragmatic, I am relatively unflappable and I will when pressed I will go for a 75% option. Now that helps me stay unflappable because you are not going for perfection that is both a strength and a weakness. Joy is very much a perfectionist which once again is a strength and a weakness. It is a strength in terms of quality of product that we develop and it is a weakness in terms of if you have got a lot of business a lot of work a lot of things to do then I can find it very irritating to be held to perfection when I believe 75% will suffice but again I think we've worked that out and the quality of our product is always at a very high standard* [S]

Kit: *But then, on our day-to-day the way that the relationship actually interweaves is actually quite complex, and we do this thing of changing roles, devil's advocate role....*

PJ: *Consciously?*

Kit: *...devil's advocate role, I just play.....*

Giles: *Consciously.*

Kit: *If Giles goes all practical on a project I will go all romantic or try to ..... and Giles will do exactly the opposite to me. But it's a very powerful way of testing the project.* [J]

Matt: *Yeah, well, that [getting into heavy discussions]is probably the best thing because at least you can be passionate about it still. If it was 'Oh, all right then, you do what you want to do', it's always about what I want to do, what we want to do, it's always about the actual design part of it.*

Kelly: *I think that because it is a proper relationship, it's bound to crop up. What we're passionate about is producing what we want in the way we want it, the essence of us, the best we can do*

Chris: *I don't think that either of us have ever thought 'that piece of work he's done is lousy' or if we have we have a subtle way of suggesting an idea of making it better. I'm just trying to think of an occasion.....well, I remember really struggling with something for [ABC] and I think I knew in my heart of hearts it wasn't that good but we had a mass of work on and I didn't want to distract John but I think I found a way to leave it around or something knowing that he would find a way to say something constructive and he made just a simple comment something like "have you tried it in negative" and suddenly I saw the solution.....*

PJ: *Does that strike a chord?*

John: *Yes, again it's not explicit, I think you know us well enough to know that neither of us are very good at spending hours discussing things, maybe a good thing I don't know, but, yes, I think I can say that I can't remember a time when something went out of the studio and I thought 'oh god, we can't send that out' so we do have a sort of automatic check and balance thing*

In summary, the values of the partners, whether initially in the choice of person, during the founding period or later during the growth of the business, have been an extremely important element in the development of the relationship. All couples demonstrated the need for a **common set of values** in order to provide the 'rules of engagement' but these were not an imposed set of rules but were rather an extension of those factors which initially attracted the individuals one to another. Thus it is the couple who mould the culture, and when the aims and values are highly principled, so the climate for the business will also be so and decisions will be made according to these rules. These rules were common not only between partners but also across all case studies with minor variations. The value set will be looked at again in the findings on organisational survival to verify whether they enabled couples to overcome difficulties either by using them to underpin a way of working through problems together or by recall as to what had initially brought the couples together in the first place. (Figure 5.o)

Case	*Co-Preneurs*	*Type*	*Main Intentions*	*Values*	*Interests*
1:	Mike & Joy	A	Control, lifestyle	Trust, equality, quality	
2:	Tim & Hilary	A	Control, stimulation	Trust, support, quality	
3:	Roger & Ben	W	Control, wealth, reputation	Trust, humour, quality	
4	Giles & Kit	W	Control, quality, stimulation	Respect, equality, quality	
5	Matt & Kelly	A	Control, way of life	Trust, equality, quality	
6	Geoff & Colin	W	Control, stimulation	Trust, equality, quality	
7	John & Chris	W	Control, stimulation	Trust, humour, quality	
8	Mandy & Gill	W	Control, lifestyle	Trust, equality, quality	

Figure 5.o Co-preneurs' main value sets

5.iii. Common interests

The common interests of the partners are also a sub-set of their common intentions. Interests are used here in the external context of the relationship, or as described in the dyadic 'marriage' contract as the physical context, whether according to industry or product or whether in a social or familial context, as opposed to the common values which are the internal or metaphysical context of the relationship.

5.iii.i. Common interests: choice of partner and decision to found

The identification of the common interests occurs first within the context of choice of partner and decision to found and then later on, those interests play a part in the ongoing relationship. (Figure 5.p and q)

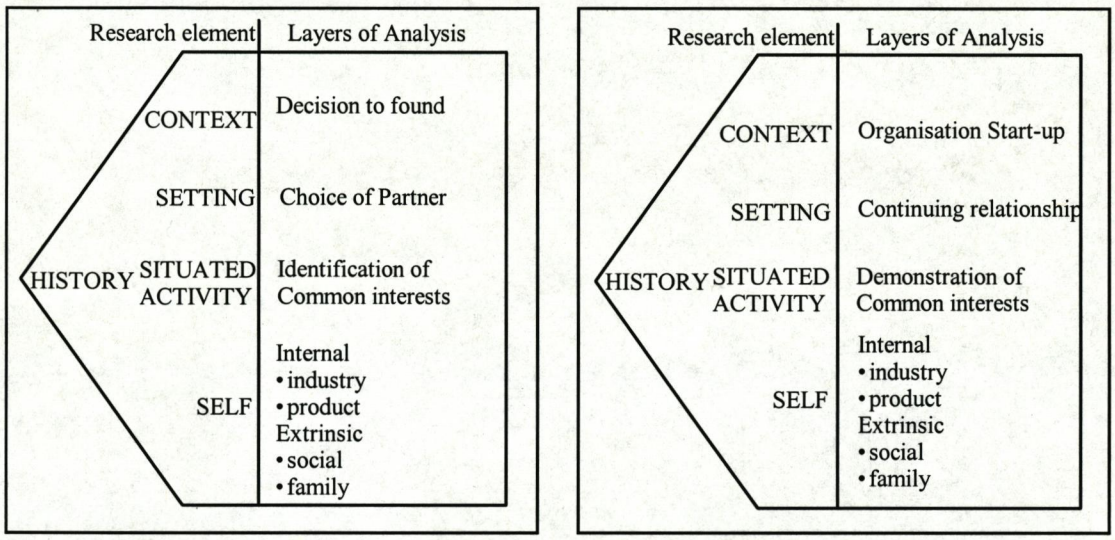


Figure 5.p and q. The context of commonality: initial and ongoing interests

The initial choice involves seeking out people with like interests in either or both the field of activity which will constitute the core competencies of the organisation or other social interests. While it is evident that married couples have a common familial interest and thus need the industry link in order to start the business, what is interesting is that the work couples also seem to need the double interest of social or familial activities. For instance, all work associates initially cite friendship as one of the main drivers of getting together. As Reis (1985) states, 'research....supports the relevance of shared activity preferences for the choice of spouses or close friends.' (p.221) He continues that research, 'indicates that activity-related aims can be fulfilled more readily when couples share a social environment.' (p.226)

Roger: *I think if your relationship with your partner is on a friend's basis, which ours was as well as the obvious work connection, sometimes that can be difficult later on. We still do we go to concerts and stuff but compared to the early days when we spent time in my kitchen discussing life and the universe ..... [S]*

PJ: *Did you like one another as well?*
Ben: *Oh yes. I would say so. We have both been sort of buddies with sort of complimentary tastes and so on. So yes, we share some common interests, we go out to concerts..... [S]*

Kit: *Yes. To start with it was obviously more than just the work, I had worked with other people before and I couldn't describe those relationship as friendship*

Giles: *Inevitably, there has to be something that ignites the spark, it was obviously respect for each other's work and a passionate interest in the arts but beyond that, there was something else which made us want to spend time together which we certainly do now……[laughs]*

John: *I think we said that we originally met socially and it could have stayed at that, I think we would still be seeing one another, going out for a drink, dinner, those sorts of things*
Chris: *Yes, I don't think we would have lost that, the friendship was definitely part of the reason to start to work together.*

Mandy: *No, the way I remember it is, the day we started working together, we started playing together, everything, I came out with you and your mates, we were just inseparable from that day……*

However, as the business relationship progresses, the friendship seems to change in nature, going from warm to tepid. This will be explored further in Chapter 7 in the light of the effect of convergent and divergent behaviour on the survival of the organisation.

Roger: *Well one of the practical problems is increasingly it becomes difficult to criticise your partner. I think if your relationship with your partner is on a friend's basis and you are friends acting on that level and the guy you know has failed to do something important or he has discounted your advice and gone ahead and done something or he has done something in a way you feel is maladroit or he should have asked you it is difficult if you are both mates on the one hand and company directors and colleagues on the other, if he has done something in your area if I was really in charge of marketing and Ben had done something which I feel is stupid or he should have asked me about it I feel I should be entitled to say Ben that is stupid don't do it again but at the same moment if he is a friend it is quite difficult to do. Unless you manage to work through these sort of things it may well be in fact a real problem……. but I think the result of it all has been perhaps slightly sadly, not without a certain regret, that I find myself sometimes, well basically, just seeking out fewer social activities.*

Ben: *……yes surprisingly, speaking for myself I haven't grown sick of the sight of him, so from my point of view it is quite, yes, quite interesting. I think the relationship is very good, I suppose if the business has not run a reasonably promising course, I don't know what strains that would have imposed, whether we would have both been just good friends, I don't know because that would have raised questions whether it would have been different really radically different opinions as to what was or might have been but it hasn't been like that*

PJ: *So do you see each other out of work, or is there a division?*
Kit: *There isn't much time...*
Giles: *We used to more, we don't quite as much, especially when you usually leave the office between nine and ten in the evenings...*
PJ: *But I mean, did you in the earlier days...you know, family get togethers...etc.?*
Kit: *We just see so much of each other....*
Giles: *We don't socialise very much at all with anybody at the moment...(laughter)It'd be interesting you know,... let's get back a little - we set up the practice when we were...well, my first daughter was born, we were working across the road then...I suppose we saw more of each other then*

John: *Funnily enough, having said that, we don't see that much of each other out of work now. I suppose it's to do with changing family circumstances, new babies, new partners but I think it's also due to the fact that we see so much of each other all the time…..*
Chris: *We said it was like marriage, and we see probably more of each other than we do our respective other halves, but the marriage analogy stops there, it's increasingly good that we*

have separate existence's, can get away to charge our batteries. I've never said that to you before....

John: *Yes, but I entirely agree*

Even within the non-sexual affective relationship of Matt & Kelly, there are also changes from the original pattern of totally mutual existence.

Matt: *.....you have to realise that this is not just a business relationship or not just a friendship*

Kelly: *.....well we don't really do that now....*

Matt: *Yeah but until about three years ago, we did.*

PJ: *So what was that like?*

Matt: *Fantastic to begin with; because all we did was talk about work, but it came to a point where all we ever did was talk about work, all of the time.*

Kelly: *So it went from really constructive to really destructive. I mean towards the end it got destructive fairly quickly, not that it had been destructive for years.*

Matt: *At the time we had so many people here, we had no space at home; there were always people, the phone was there, there were people there.*

Kelly: *.....suddenly you've got to know what other people are doing and really truthfully and selfishly we were only really prepared for what we took with us. That's the way we were thinking. So therefore if you had niggly things at work due to other people coming into the place, you're like, you know .... So we did need our own space ... and we've got older as well, we've turned thirty which is quite a landmark age, and I think we just thought we can't go on like this forever, we can't have this fantastic yet strained relationship forever.*

Matt: *I think it was really scary, our decision to start not living together, but it was probably the best thing we ever did because as soon as we did that we did have space.*

There are even intimations in the sexual affective relationships that having space to be on one's own is necessary or that the activities in the business are now less shared so that a separate identity is maintained. This is an important concept in social psychology, what Reis (1985) calls 'Interdependence of Two Selves', and does not indicate incompatibility but rather an acknowledgement, or a deep recognition of what is necessary to keep the relationship compatible, which is one of the attributes of a close, or strong, intimate tie.

PJ: *During that first two years, do you think your relationship with Hilary changed during that time?*

Tim: *Yes. We got an awful lot closer. I don't think we would have got into each other's trousers as much as we have done if we had both had separate jobs but we wouldn't have seen each other long enough to have been able to sort it out, all the personal complexities though some new ones did arise....*

PJ: *And do you think your business relationship improved as well?*

Tim: *Our business and personal relationship is one and the same. .... I don't think I would have survived if I had been married to somebody else but there is no way that I would have started that in the first place*

PJ: *Why is that?*

Tim: *Emotionally I don't think I would want a partner that volatile but, funnily enough, living separately I don't think it would have worked and working together but not living together it wouldn't have worked. So it is this odd situation and out of three or four options, living together and working together is the only one that works. The corollary is that when we leave the studio, we are still together and we have very little opportunity to be just oneself. I'd love to know what life would be like if I could be one person in a job and one person at home. Working and living together, you can't ever pull the wool over the other person's eyes..... sometimes, I long to find out*

As Knudson (1985) states, 'marriage begins when two individuals, each with a separate definition of reality, attempt to develop a new, shared "consensually valid" definition of each other, the relationship between them, and the place of their relationship in the broader network of relationships in which they live.' (p.233) It

would seem that the price of living mutually in both work and social time can be very high which is why there is an attempt to find space. This will be further investigated in the section on division of roles (Chapter 6)

All couples have per se a common interest in their sector or industry, though as with Tim & Hilary [A] and Chris & John [W], their initial specialisation was complementary rather than exact. There are no examples here of couples who started together because, for example, one had business skills but knew nothing about the sector and the other partner had the sector experience. That this commonality of business experience has potential pitfalls will be explored in Chapter 6 on complementarity. It was however, a prime motivation in starting the business together and as such is important.

5.v. Summary

As Reis (1985) states, 'Two closely related partners may influence each other substantially, resulting in complex patterns of interdependence at the behavioural, affective, and cognitive levels.' (p.226) This has been demonstrated here by all the couples concerned. The element of commonality, whether in intentions, values or interests is an important concept in the building of intimate relations. By researching longitudinally, it was possible to gain insights into the development of the relationship over time, and thus to understand how that commonality served as the basis for growing the organisation in the direction that both partners desired. It can be seen that that commonality, while being desirable, and indeed fundamental, to the initial choice of partner, has potential pitfalls if the certain elements of commonality, such as forced proximity or like work experience, are not dealt with as part of the developing relationship. This will form the basis of the next chapter.

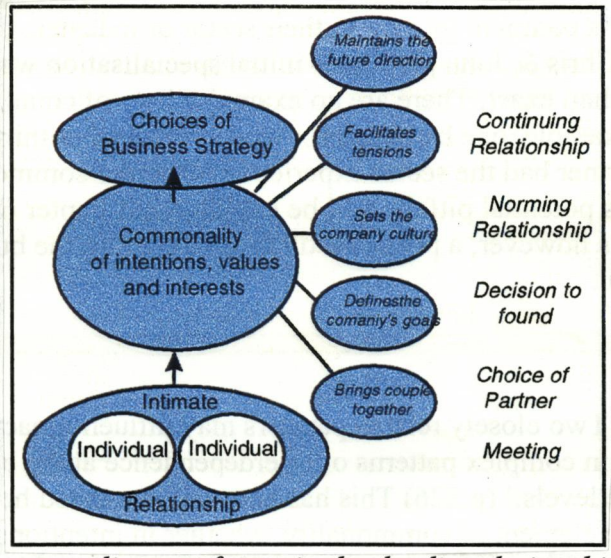
It has been previously suggested that the relationship between the couples is an intimate one, which in itself renders the dyadic start-up unique by the emotional motivation for start-up. These findings on commonality reinforce that view. It will be argued in the next chapter that as the organisation grows so the context develops into one of work where the intimate relationship is less apposite and that this can cause tensions.

Figure 5.r indicates the summary of the common intentions, values and interests which are relatively common across all case studies. There are however small differences between partners which may surface later and thus play a part in the differential development of the organisation. This will be investigated in Chapter 7.

Case	*Co-Preneurs*	*Type*	*Main Intentions*	*Values*	*Interests*
1:	Mike & Joy	A	Control, lifestyle	Trust, equality, quality	Sector, family
2:	Tim & Hilary	A	Control, stimulation	Trust, support, quality	Sector, family
3:	Roger & Ben	W	Control, wealth, reputation	Trust, humour, quality	Sector, jazz
4	Giles & Kit	W	Control, quality, stimulation	Respect, equality, quality	Sector, family
5	Matt & Kelly	A	Control, way of life	Trust, equality, quality	Sector, family
6	Geoff & Colin	W	Control, stimulation	Trust, equality, quality	Sector
7	John & Chris	W	Control, stimulation	Trust, humour, quality	Sector, friends
8	Mandy & Gill	W	Control, lifestyle	Trust, equality, quality	Sector; family

Figure 5.r Co-preneurs main intentions, values and interests

Figure 5.s thus summarises the first building block of the dyadic relationship model, showing the sequential elements of commonality over time with their associated functions, as have been described here.



5.s Commonality as a factor in the dyadic relationship model

This chapter therefore has two aims in parallel: firstly, to begin to answer the first research question, whether the individual intentions, values and interests of the prospective partners influences the type of organisation founded, and secondly, by doing so, to demonstrate which elements of commonality are fundamental to the building of the eventual model. The indications are that individual intentions, values and interests are in effect what is common between the couples and thus forms initially the basis for being together. This commonality then makes the start-up of the organisation easier by providing some basic ground rules within which to operate. Finally, there are indications that later on in the growth of the organisation, reference, either conscious or unconscious, to what is common between the couple can smooth out the rough patches and is instrumental in defining business strategy.

The first part of the theory of dyadic organisational survival thus states that the common intentions, values and interests of the dyad contribute to organisational survival by providing the basis for an equitable, compatible relationship which underpins the strategy, culture and behaviour of the growing organisation.

However, commonality is not sufficient to ensure the continuation of the relationship and the business, and indeed may prove to be a difficulty if it is the only element of compatibility which is present. As Chapter 6 will demonstrate, the element of complementarity is of great importance as the relationship matures.

6. ITINERARY 2: COMPLEMENTARITY

6.i. Introduction

As has been shown, commonality is the necessary element which brings the partners together in the first place, provides the set of common ground rules, and helps smooth differences which begin to surface later in the relationship and organisation. The second corner stone of the dyadic relationships studied is complementarity, whether of skills, roles or behaviours. As has been previously stated, the elements of commonality are particularly important early in the relationship, while it seems that the elements of complementarity come into play at organisational start-up and as the organisation starts to develop. To reiterate Timmons (1979), founding partners may be initially tied together by friendship or working association plus an enthusiasm for the new project and that this may not be sufficient to carry the organisation beyond its initial phase due to 'the existence of similar rather than complementary experience and capabilities among founding partners.' (p202)

Complementarity has here been studied at the level of the individual within the relationship, focusing on what is internal or external and negative or positive to the relationship.(Figure 6.a) Complementarity seems to be the key to what Ickes (1985) calls 'the integrative functioning of the relationship'; the common elements previously identified tended to be within the emotional domain, and it will be shown how important the complementary elements are within the activity-based domain or functions. Recalling the dyadic 'marriage' contract (see Figure 5.d), the complementary elements cover the areas of how the couple are going to achieve the commonly desired outcome (skills), working in what ways together (roles) and by reacting to each other in what way (behaviours).

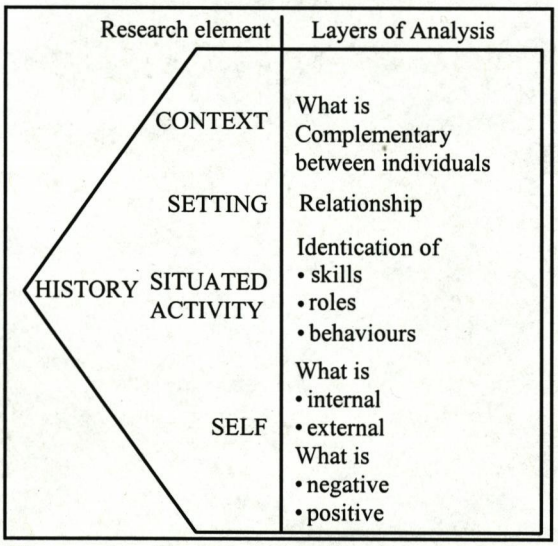


Figure 6.a Complementarity research framework

The aim of this chapter is to answer the second research question, whether there is a specific combination of complementary skills and behaviours which predicates both the decision to found and also the roles the partners assume in the organisation which thus ensures the continuation of the relationship, and secondly, by doing so, to demonstrate which elements of complementarity are fundamental to the building of the eventual model.

6.ii. Complementary skills

The identification of complementary skills is the first step in defining the relationship as something more than that based on either some innate recognition of common ground, or what has been, up until the decision to found, a purely affective partnership. The analysis of the complementary skills covers thus the stages encompassing the decision to found, and the start-up of the organisation through the first years when the structures are being put in place which will shape the organisation: as the organisation develops, and new skills are required so either the partners acquire new skills or help, whether internal or external, is taken on. Initially, the skills focused on are thus those which each partner brings to the relationship and which may, or may not, form part of the decision to found and secondly, those which will enable the relationship, and thus the organisation, to continue. The analysis framework demonstrates the main areas of investigation. (Figure 6.b)

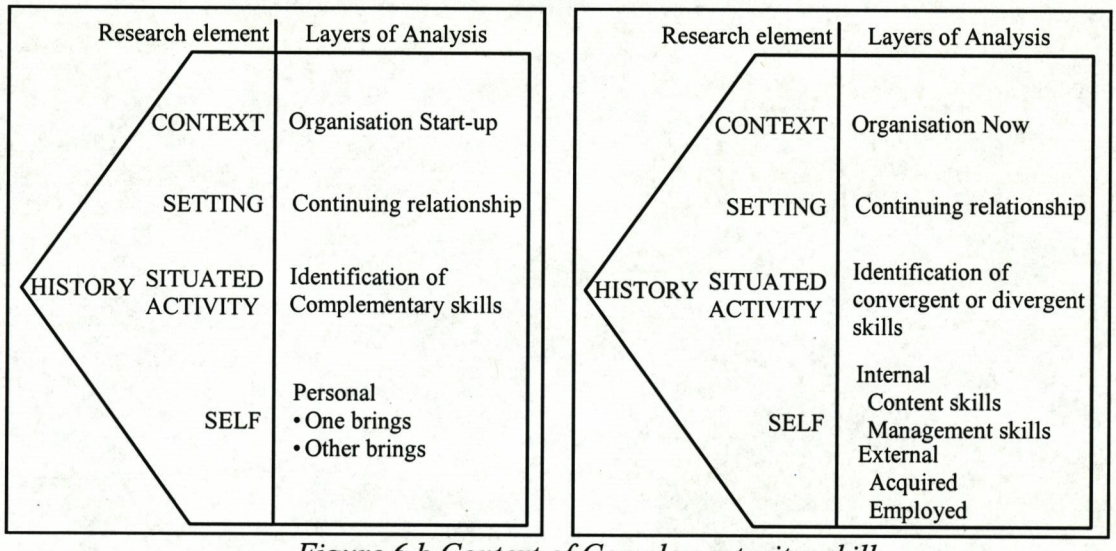


Figure 6.b Context of Complementarity: skills

As previously stated, research indicates that the identification of complementary attributes of individuals within partnerships seems to be key towards the understanding of which team-founded ventures survive. As Bird (1989) says'....we would expect the most effective entrepreneurial teams to include complementary skills, as well as differences in experience, style, resource networks, and so forth.' (p.222-223) echoing the complementarity theory of Winch on lasting couples (1958) developed within marital relations research. While agreeing with the basic tenet of complementarity theory, Knudson, (1985) states, ' a recurring criticism has been that no rationale has ever been provided for stating which needs will be complementary. On the face of it, it is implausible that all couples in a large group study will evidence complementarity on exactly the same needs'(p.245) What has been developed, however, is the suggestion that different complementarity needs exists dependent on the developmental stage of the relationship.(e.g. Loevinger 1976 and Kegan 1982, on development of the self).This is an important point here as the partners at the start of their working relationship were unable to articulate their complementary needs (there is only an awareness, or in some cases perhaps the hope, that the other person is bringing something else to the party that will add value), while as the organisation develops, so the complementary needs become both more explicit and more congruent with the stage of development.

There is thus a typical sequence of events in the assessment of complimentary skill needs which develops over time and as the relationship and the organisation change. Mandy & Gill are a good example of this sequence: their initial decision to get together was fairly haphazard, based on a recognition of the fact that they seemed to get on well together. The decision to found is based on the tenuous footing that they are both bringing some different skill, albeit not well defined, to the party.

PJ: *So, why did you start a business together, you said you didn't know each other that well?*
Gill: *Well, maybe we had bigger, grander ideas [laughter]*
Mandy: *As I said, Gill was the chicest thing I had ever seen in my life....*
Gill: *And you had more clients than I had, you knew more people*
Mandy: *And what happened, was you helped me finish Rosie's jacket, that first day, you came in the car to help me deliver it, OK, that was the first time she had come round to my house, and she just joined in and it was like....what! oh we've got something here and it was almost the next week, she came round to the house and we played, we had a bit of fun.....*
Gill: *.....We had no idea.....*
Mandy: *Yes, we did [laughter]*
Gill: *I had this vague idea I wanted to do collections*
Mandy: *Over coffee, back at John Lewis, Gill announced she wanted to do collections, I wanted to do private clients and .....that's where we've ended up, doing collections <u>and</u> private clients. Because that's what we want [laughter].* [J]

The next stage came as a result of working closely together and involved developing an understanding of what exactly the other person could do. They go through a stage of doing the same things out of necessity before settling down to what one might call a 'preference pattern' of working

Mandy: *Yes, but it started quite intensely, the thing I remember about it, is that one day we just started work together, that was it.....that was the last time we ever sorted it*
Gill: *It was quite amazing, that two people, we didn't know each other, we knew nothing about each other.....*
Mandy: *...and we just sort of started working together, whoomph.....*
PJ: *Do you different things?*
Gill: *Yes, now we do, but not when we started, we just did everything and anything like you have to, but then I realised that Mandy could pattern cut at twice the speed and in her own way, much better than I could, and things like that, and after that it went very quickly, I preferred hand finishing, you preferred machining, you saw more clients.....* [J]

The next stage developed that 'preference pattern' into a more formal arrangement in which the actual roles become more defined, not necessarily in the original format and here two clear distinctions emerge, between 'content' skills, which tend to be the ones which triggered the decision to found, and 'business' skills, which are the skills which become needs as gaps in competencies become evident.

Mandy: *No, it's a very clear division now.....*
Gill: *Mandy does finance, systems, technical*
Mandy: *And Gill does clients, style, design, fabrics....*
PJ: *And does that work well?*
Mandy: *Yeah*
Gill: *It's great that we both enjoy what we do, I'd hate the other not to like what she does. And I know that I can't do most of what Mandy does, or would want to do it, and vice versa. At the beginning we both did everything but now we've got to the point that if one person walked out we wouldn't continue because the other one couldn't do what the other one does.* [J]

As the business grew so did the necessity for more structure, and it was necessary to take on more people, again a typical occurrence, which in itself can lead to problems.

Gill: *About two years ago, when we got those other people in……*

Mandy: *What had happened was, we had always worked together and very gradually we started to move apart, our roles in the business were more defined, we weren't talking any more, we didn't like each other very much, and we were disagreeing about everything……*

Gill: *I think, we were expanding very quickly*

Mandy: *….and learning a lot of lessons along the way……..my attitude had been that we are going to hire the best people that we can find to work for us and we were going to curtsey to them. If they said that was the way it was done well, that was the way it was done: we are talking about finance and production here, my areas. And they were the most heavyweights we could have dreamed of employing and we went yes sir, no sir, and then realised that it was possible to disagree with them and they didn't appreciate it and I had to understand that no matter experienced they were, I had to understand that if I disagreed with them , I was the boss, I had to take responsibility for their actions, if they made a mistake, I hadn't even bothered to investigate the decisions they were making, so it was my fault, I was blind. They made some hairy mistakes, both of them, and I grew up a lot and I fired them.* [J]

The final stage of the sequence is in reaction to the previous changes and tends to take the form of a clarification of the business as a whole, both in terms of structure and strategy.

Gill: *….and I think it was understanding each other and basically developing our own roles within the business, understanding that we both have strong points but different ones, and I might not agree with everything Mandy does but at the end of the day what she is doing for the good of the business and the reason that this business is moving along is because of her. And she disagrees with the things I do and it's the same, do you see……*

Mandy: *….that's right*

Gill: *I think we went through a stage where we brought someone in to run the business, there were three people, it was very difficult, whereas now, we don't have that, we know at the end of the day it's just the two of us that are important and no-one is going to do anything that jeopardises our relationship, in the past the people that have come in have pulled us one way and another and we've learnt that ……..It's a very different business now, it's a much happier business, there were a lot of tensions, there was an 'us and them' situation which they imposed, and we would go into the workroom and there would be sniping and now, we hope, they come to us with a problem.* [J]

This typical sequence during the organisation's growth can be schematised as in Figure 6.c.

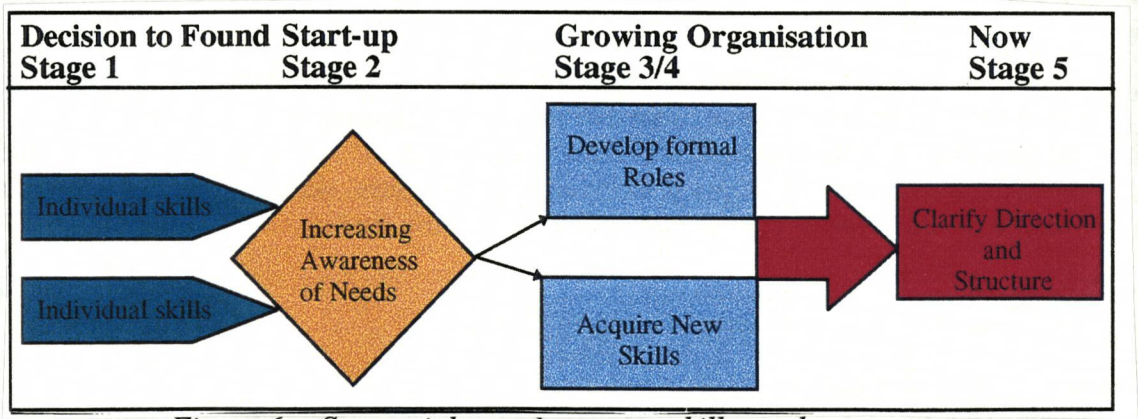


Figure 6.c. Sequential complementary skills needs assessment leading to role definition

This same sequence is mirrored in the other case studies, albeit with a totally different initial set of skills. For instance, Tim & Hilary, as an affective couple, knew each other well but the circumstance of starting a business together called into play new

skills that they couldn't supply themselves and they took the route of external consultants.

Stage 1

PJ: *Can you remember what your reasons were stated and unstated for starting the business?*

Tim: *At first we were both working freelance and in complementary areas.....It actually happened by incremental bits of work: I was doing shops separately at the beginning. We got them started and Hilary helped me on some bits and then I helped her when she set up on her own. I helped her with some things and gradually we thought we could actually make more money doing something together* [S]

Stage 2

Tim: *The partnership started off with the idea that we could service the manufacturing industry. Hilary had the skills as far as colour was concerned- she would not have been able to do it on her own as I provided the technical know-how and the implementation skills. We ended up as we have done since where she makes the initial moves and I then take it over finding new solutions or new ways of making it work.*

Hilary: *I have always taken the role of the frontman and I get things moving and Tim has tended to go into the works, the factory behind me though this very much depends now on the type of client we have- we increasingly make trips apart though at first we did almost everything together.*

Stage 3

PJ: *Are there any more formal roles that you have taken, for instance in the managing of the business?*

Tim: *I handle all the paper work. She does all the telephone communication and her own work for clients and when it comes to doing the actual proposal it might be us working together but I do the actual writing...*

PJ: *Who deals with the bank?*

Tim: *I do as well..... General business, all the admin.....What I like to do is take off her as much of the crap as possible because I think I do it quicker, less messing about and I am concerned that all that shouldn't take time.* [J]

Stage 4

Hilary: *..... as we've had new clients and new needs, we've taken on an assistant*

PJ: *So Caroline represents your only help?*

Tim: *No, we work with specialists from the outside on an ad hoc basis....., we work with a colour physicist and a polymer chemist on the new Project, we wouldn't have needed that before.*

PJ: *And what about business expertise?*

Hilary: *We've used V. [Professor at Ashridge], as you know, to guide us through the minefield of negotiation for the new Project but quite frankly, we have learnt so much from him, our need for him has lessened. We've also had to work with Patent Agents and lawyers and a great deal of time and money has been spent with them.* [J]

Stage 5

Hilary: *At the start we had no money to employ people and then you come to that stage where you still can't afford them but you need them to do all the things you can't do, well don't have time to do as well, but what's happened is we also have learned from all of them and we have actually got to a point where we've learnt so much, where we are absolutely clear about what we want to do, where we want to go and how much help we need to do it. Quite a turnaround.* [J]

John & Chris came to the realisation quite soon in their working relationship that although their skills were complementary in terms of the actual content of their work (design), they were too similar in other aspects to make running the business a pleasure, and, like Tim & Hilary, went the route of external consultants. As both case studies have opted to stay essentially a skills based, two person unit, it could be argued that having employees on a permanent basis creates an imbalance which is certainly demonstrated here.

Stage 1

John: *I suppose you could say that I brought the drawing skills and Chris brought the layout skills*

PJ: *And did you know who was good at doing what?*

Chris: *Yes, we'd both seen each other's portfolio and recognised that we could both do different things better than the other, which was obviously useful.* [J]

Stage 2

John: *To start with it worked really well, we both sort of mucked in and got the work done. I tended to do the drawingy bits, but if there was a need to do something else, I just got down to doing it.*

Chris: *Actually, looking back it worked at the start as well as it ever has done..... we didn't have that many clients and so we had time to get it right, what really started to make things difficult was when we actually started to operate and we suddenly realised that were things like invoices and accounts which someone had to do or we would die of starvation.* [J]

Stage 3

Chris: *Initially we tried doing everything ourselves, so that if I took responsibility for a job and was the one to work on it mainly then I would be responsible for invoicing, getting the money in, it was chaos*

John: *Yes, we were meant to fill things in in books and of course sometimes we did, and sometimes we didn't, so we sort of divvied things up, I sort of took over selling to clients and Chris tried to sort out the admin. chaos.* [J]

Stage 4

John: *Eventually, we took on some help, both with the design side and the admin. We had a bookkeeper cum secretary who was horrified by the mess she found*

Chris: *She was wonderful in all sorts of ways but the problem is when you have two guys working on a 24 hour basis and there's this person who takes an hour for lunch and goes off at five. It was like having an alien living with us.* [J]

Stage 5

PJ: *So have you sorted out the early chaos?*

John: *We're on our way there, we use external people now as and when we need them. The tax thing really knocked the stuffing out of us for a long while, but I suppose, looking back, that situation had been building up for some time. I hate to say that we were incompetent but looking back neither of us either had the skills or, perhaps more importantly, we didn't realise we needed them.....*

Chris: *I wished we'd had the money to get a decent accountant earlier, I wish we'd saved all that creative energy which should have been going on our clients instead of which we wasted it on bloody worrying about how to run the business, but anyway we're still here.* [J]

There is thus starting to emerge a clear picture of the division between the 'content' skills, which are part of the decision to found, and the 'business' skills, which only come in to play later on in the relationship. Even the most business 'savvy' of the couples, Roger & Ben, experienced problems in making the transition from Stages 1-2 onwards: note Roger's awareness that commonality has potential problems.

Stage 1

Roger: *Well I think we both brought kind of product development strengths; I think we both had this sort of fairly deep understanding of this type of, I call it product generically, if you like so one of us knew the product and one of us knew the line of business. I think in the long run that proved to be, it had its drawbacks as well as its strengths, but it meant in the early days when most of your success is getting the product into the marketplace, I meant there were two of us to do it and it also meant that we would have a very fruitful discussion so the product would be refined and pruned through a process of discussion. We spent a lot of time in the early days working together on the same product which is something which has changed subsequently so the early days we were very much like tweedledum and tweedledee we went everywhere together like Siamese twins almost joined at the hip* [S]

Stage 2

Roger: I think once again I always felt that I had a slight flair for the marketing activities and I found therefore that I tended to gravitate towards those and increasingly spend more time being involved in that area and managing the people. Ben continued to be involved I think that what happened was that we would each own a number of products- conferences reports or whatever it was- and in principle we would therefore be responsible for the marketing but increasingly as we have grown I've, if you like, taken a board level responsibility for the marketing function…… I think it is important though that you have complimentary skills. I think if you are good at some of the same things otherwise you are too different again this is all very contingent because I mean, in maybe other types of business, you can split things up much more easily I think into manufacturing, distribution something else, but certainly in this type of business I think you need quite a lot of complementary as both overlapping but also complementary skills. I think that is the most useful thing in a way of having two people working together, they can bring something else as well as just being there. [S]

Stage 3

Roger: In terms of other things I don't think that I am as good a manager, whatever that means, as I would like to be and I think we now are beginning to understand what the skill of management in the round is but I think in some respect this also applies to Ben. I should be careful here because management covers a wide range of activities I think one of the major conclusions I have drawn is that when you are talking about the growth of the company as opposed to the start of the company especially having to transform your own role from doers to managers and I think more than anything else that quality is the single thing which inhibited further growth, if you like, the more rapid growth of our company. Analogically it is very difficult to give up micro managing and to give up the doing so in the first couple of years Ben and I were actively researching, writing, editing, desk top publishing the reports, and to compensate we researched them, we had agreed the speakers, we wrote the brochure copy and we wrote sales copy. [S]

Stage 4

Roger: ……and when you get to a certain size and your mode of activity has expanded you can't do it all yourself; it is all about bringing in people who have the skills or to whom you can pass on the skills and you are into coaching and managing but making that transition has been very difficult and I think it has been difficult for several reasons and I think it has been difficult because I think we didn't take enough advice early enough about making that transition explicit…… I don't think we have finished the process of redefining the nature of the role between ourselves [S]

Stage 5

Roger: I think there was, a kind of, we didn't understand the sorts of changes that you have to make to move from being a 6/7 person company to being a 15 person company or half a million to a million and a half and I suspect the same is true about going from where we are today to doubling our size, that another major transformation in the nature of activity so as the company grew I think personally I began to worry about my deficiencies in the area of management I think partly we understand what management means in general and perhaps more particularly in the context of my company: I knew what people did unlike ICI but I did have the understanding given that I would still be doing some of the doing, how to fill the rest of my time to add value to the company……we are doing some work to understand better what Ben's and our strengths are and do some psychological profiling to understand that and both also understand our relative strengths and weaknesses and the way we interact we the aim of mapping that against, if you like the sorts of role, we expect to have increasingly over the next year or two and identifying mismatches and if necessary identifying what special development needs to take place to help us to do that thing. [J]

Roger makes a point which is true for all the couples when he differentiates between the difficulties of transitioning from 'doing' to managing'. This is a point which will be returned to further in the discussion of roles and also in Chapter 7 in the discussion of the survival of the organisations and the possibility of cycling between the roles. While the initial 'content or 'doing' skills are sector dependent and therefore difficult

to define as a generic, complementary needs 'wish list' for business start-ups, the business or 'managing' skills are the same across the wide variety of sectors and it is thus possible to define them broadly, albeit their emphasis changes according to company size and type. These generic skills form the basis of the formal roles which are either allocated or assumed within the organisations, and using Timmon's description(1977) of managerial processes, it is possible to design a generic model of skills, roles, and associated tasks which can be used to compare the presence or absence of complementary business skills, and the eventual effectiveness of roles. (Figure 6.d) There is never a question of the couples not being aware that those skills are necessary as the organisation grows but rather whether they have the ability to fulfil them

	Professional Manager
Personal Attributes and Characteristics	Proven Skills & expertise Can establish goals Can direct and motivate Self-confident Decisive Competitive Thinking about next job Cautious risk taker
Role and job demands	Oriented to org.anisation's values, status and rewards More routine work pattern Security builds up Less risky Management skills crucial Maintenance & efficiency

Figure 6.d Managerial Skills, Roles and Tasks (after Timmons 1978)

For instance, Giles & Kit are typical of the mixture of employment and self-learning which often occurs in business start-up in the way that they managed to develop or acquire the managerial skills indicated in the above model.

Stage 1

Giles: *.....we were different characters in the way in which we approached the work, neither of us have that, the business sense, we both came in from a creative background though we tried to be more business like, I suppose both of us carried the vision of where we are going, its the nuts and bolts side we're not so hot at.....*

Kit: *But I think I was more of an organiser because I was less confident about my abilities being sorted out. I think Giles operates on a day-to-day basis more intuitively than I do, probably more confident about his intuitive ability, able to sort out any situation and I feel that I have to get organised because only by being organised can I sort things out. And I think I generalise more than Giles, he pushes the strength out of you, I have a tendency to look at the broad picture of things and I escape from the background things such as detail.* [J]

Stage 2

Giles: *I think it's fair to say that for the first eight or nine years things worked well and I think you can do... providing you have a small team when you build and designing... you can only go so far but I think you can do it fairly well. You have a handle on everything that's going on, the cost, you know when you're spending money and when you're not.....and we'd never had that problem, that came overnight, straight away we realised when our current manager came here, we chatted upstairs, Kit and I and in the first instance we said we hear good things about the way you work, and he started to talk about all the things you have to do to run a*

proper business, including being the tough guy. I think it was the worst thing about Kit and I was that we lacked that..... . [J]

Stage 3

Giles: .....we are different things at different times, but most probably....we do play different roles...what tends to happen, for example, I'm either the partner looking after the budgets, we have our own quotes. Although we might formulate a project conceptually together we tend to, if it's one of Kit's project, or he has the type of contact that will develop to get it , I would enter into design sessions, both sometimes, out of...it's not necessarily character but you will be devils' advocate because you know you have to upend things so we both play that role. But we definitely have developed a more defined way of working. [J]

Stage 4

Giles: The organisation side of things isn't particularly strong... we've had to have other people come on board to do things and of course, the more that happens the more you have to prompt, the more you tend to rely on them so I think I certainly entered this partnership without any great... Although having run my own show I'd never worked in a bigger office but Kit has. Whereas I've always been working for myself. And that's what I think Kit brought to the practice - the knowledge about a big practice. I was based on a solitary existence. But you're not noted for you managerial skills either, we've both had to learn a lot..... [J]

Stage 5

Kit: Obviously, as we've grown in size, we've more than doubled in size over the last year and a half, we've had to operate more like a business because although we have large amounts of money coming in and out, that is the secondary thing. We've been forced to get our act together and our associate partner deals with business plans, projecting ahead and all those very necessary things

Giles: We've both had to develop more people management skills. We both...yes, we like hiring, but we're not so keen on firing. Actually that's about the worst thing we have to do ..... Of course, the more work you have on, the less chance you have to nurture and to pick up, understand.... in a way, I think it's actually very difficult to grow. I think that I find when you talk about partnerships, I've never... ..the bigger the practice, obviously the better the work that we're getting in, we're now getting some of the major work in this country but to actually grow is incredibly difficult as it gets more complex to manage. [J]

However, as seen with Tim & Hilary and John & Chris, there are couples who, while following the same sequence of stages, consciously decide that growing the company into a large organisation does not fit in with their intentions. These couples, of which Matt & Kelly are typical, still need to have business skills but in a simplified form.

Stage 1

Matt: I used to dress Kelly for parties and she started to do the prints for my clothes and basically we just did everything together.

Kelly: Yes, I did the prints for his degree show..... . [J]

Stage 2

Kelly: ...and one shop took the whole lot so we had to rush home to make some more and then they sold out and we had to keep on making and, thank god, my mum helped out by lending us some money and giving us their old car and suddenly we both had to give up our jobs and we started selling to other people and David Jones at the Hackney Fashion Centre helped us and suddenly we were up and running

Matt: It was amazing really, I suppose it was quite exciting but it just seemed to have a life of its own and it just took over and we had to start doing things we had never done before. [J]

Stage 3

Matt: We decided that we better divide things up a bit so we have an accountant who comes in every Friday and deals with all that for us. Then Kelly works with it as well.

Kelly: Yes, I suppose you could say that I started to do the more practical stuff, but the rest of it, the hard part, the creative part we still do together. [J]

Stage 4

Matt: *Soon after that, we found this place with two other people and we had to get people to help pack, then to make the clothes and then the others weren't doing too well and we decided to take on the whole building because we were really busy at the time, and we were working like crazy, that was about four years ago*

PJ: *Did you enjoy that period?*

Kelly: *Looking back, no not really because somehow we were out of control. Yes, it was great to be suddenly doing well, but we never really saw the rewards, and we were forced to get on the treadmill of two collections a year and then we had to borrow money from the bank in order to fulfil the orders and then people didn't pay and it just got out of hand.....we just couldn't cope with everything.* [J]

Stage 5

Matt: *We just took this decision about 2 years ago that we would rather close down than continue in that way*

Kelly: *We just kept on a couple of the people to help make and pack, and we paid off the bank loan - we will never borrow money again in our lives. They were in the position to tell us what to do and we never want to be in that position again. It took us a long time but we didn't care and now we run the business as we want. .....We did it really wrong and were completely reluctant bosses. We did the whole thing where you're so completely relaxed that you're so completely on the same level you don't look at us as a boss and it does get abused, I must admit, and that is really disappointing.* [J]

Geoff & Colin are another example of a couple who consciously makes the decision not to expand in the conventional sense. Instead, in Colin's words, they decide to set up a 'post-modernist' organisation by working with another two consultants on a loosely defined basis, but it is evident from the quotes that the lack of structure and clear roles is causing problems.

Stage 1

Colin: *No, the idea was initially a case of let's.... survival is not quite the right word, but what we wanted to do was make a living. This was not a good time to do anything much so it was "we're in business together because it's much easier". Geoff is a sociable person in the sense that he needs someone, he's commented on that recently, he needs someone to work with and to share things with because he's not a loner. I'm more the loner but I knew that I couldn't succeed on my own so it was good... he valued some of the things that I had, he rated my intellect and my abilities as a consultant and therefore, was very keen to work with me. We decided to operate in that way and take it from there, but of course, Geoff being a consultant for eighteen years, knew a lot of other people and other contacts whereas I didn't, the only one's I had contacts with were the ones that had just gone bankrupt! So we just sort of kicked it off.* [S]

Stage 2

Colin: *The logical flow from the strategy we initially adopted was that we'd have to play multiple roles which suited me and suited Geoff. We refined it as we went along but there was a clear sense of where we should position ourselves, depending on other consultancy, the idea was to have complementarity with the other consultants in as much as they thought themselves to be project management experts we'd be the strategy experts, and where they thought themselves to be strategy experts we would be the project management experts.* [S]

Stage 3

PJ: *So have you ever had any specific roles or formal structure that you've worked with him?*

Colin: *No, not particularly, the only clear division of labour is that Geoff looks after the administration - he does the invoicing, he does our accounts.*

PJ: *Has he always done that?*

Colin: *He volunteered, I sensed that he wanted to do it. I have complete trust in him so I said fine, OK, do it. It's something I don't particularly want to do so if someone volunteers I'm hardly going to turn around and say "no, let's argue about it!" The thing is that we don't have much*

else to divide up into roles, we both sell, Geoff more than me to start with because he had the connections, now its evened up. [S]

Stage 4

Colin: The way I rationalise it now is that we were really not worried about creating an entity as CG Associates that had it's own life, it's own existence, that it was just a vehicle for Geoff and I to do what we wanted to and for me, that's become a cornerstone of how, looking at the business, it is there to facilitate, not to constrain, the whole concept of giving CG Associates it's own identity, culture and all that was abhorrent. But I still have a tension with that in as much as I can rationalise it, but I'd like, perhaps, to grow it, to do something with it. There's a conflict... . [S]

Stage 5

PJ: So now you are four, however loosely coupled or double-coupled or whatever you are, is there a sense that this is perhaps... you have explained that it could potentially be more difficult relationship for people because it's more complex, is there a sense that there may be a bigger role in managing the situation that someone has to assume?

Colin: I've been desperate not to let it get to that point, I keep joking to people about this post-modernist consulting organisation, as a sort of signal that something is new, as well as trying to define what post-modernism is. The intention is not to manage 'manage'..... - trying to keep the formality down to an absolute minimum and if there is value to be had, in terms of drawing some people in on assignments or development it will happen, and if it doesn't happen, then that's fine as well. Again, it ties into the more formal structures that then tighten the coupling, creating mutual pressures, mutual demands and I suspect it will not, unless it's then taken on as a 'serious business' business it won't flourish, so I suspect that I might be fighting a losing battle, one of the guys, Phil, he's positioning us, him and myself, he's saying, 'you're the strategy boss, what I do is managing development', and that's aspiration to management, he has to pigeonhole us, or we perceive him as having to pigeonhole us, and he said that, and both Geoff and I had an emotional gut reaction - "uuurghh, no! not what we're about, we do all sorts of different things!". [J]

In summary, all the couples demonstrated complementary 'content' skills as a major factor in the decision to found. However, as the business grew, the need for complementary 'business' skills grew too, and the recognition of this has created problems which have been more or less satisfactorily sorted out, either by one partner acquiring those skills or outside people being brought in to provide the missing skills. Which skills are needed, from a generic model of management skills, to what extent and how they are fulfilled is dependent on the intentions of the couple towards the growth of their business. The stage model of complementary growth indicates that the recognition of these skill gaps, and the resultant need to create a more formal structure is one of the major reasons for role allocation and this is the subject of the next section.

6.iii. Complementary roles

It has been shown therefore that role allocation develops both from the needs of the business and the availability of the skills to fulfil those needs. There are sets of roles which are internal to the business, and which can be divided broadly into doing and managing roles, and there are also external roles, where each couple plays different parts, though rarely so explicitly, in their out-of-work life. The framework for this analysis is shown in figure 6.e.

The division of tasks within specific roles takes place, as we have seen, early on in the relationship with an automatic division of the tasks usually based on 'preference patterns', such as Mandy becoming the maker/machinist and Gill becoming the finisher/hand sewer. This then develops, as the business starts to grow, into a more

formal division of roles, sometimes through preference and sometimes imposed, and these roles are divided into content and business roles.

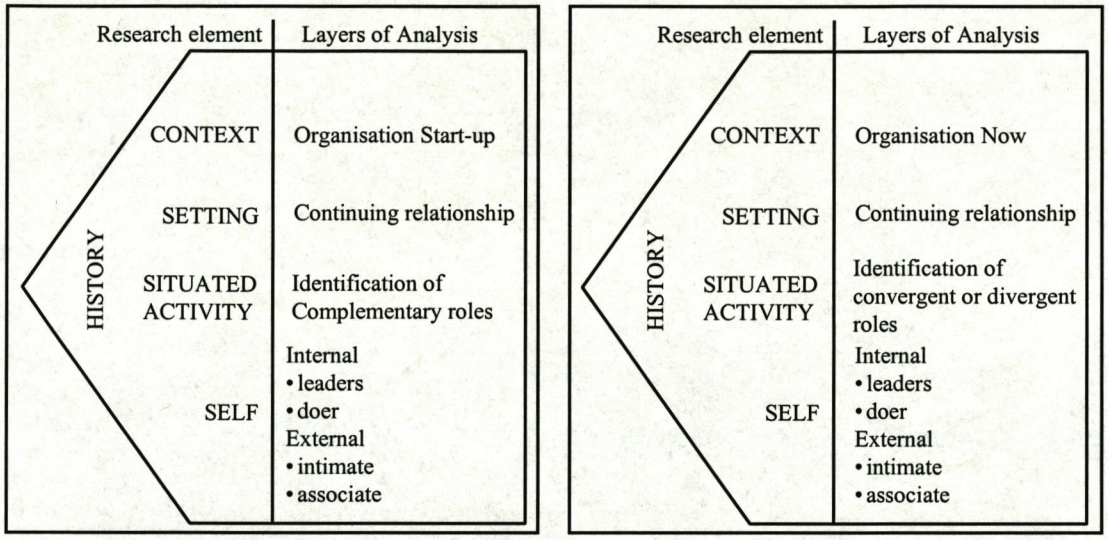


Figure 6.e The Context of Complementarity: Roles

I would suggest that the desire for formalisation comes from the couples' need to impose order on a situation which is potentially out of control, coming as it does at the point when the type of working relationship/organisation is usually entering a period of either growth or change which necessitates different skills, particularly with regard to business expertise. This suggestion embraces both aspects of the analysis framework: the difficulty in cycling between doing and managing, and the problems of putting an intimate relationship under the strain of becoming a working relationship and thus operating on two levels simultaneously. It corresponds to Greiner's 'crisis of leadership' or stage 1 of his organisational life cycle model (1972), which is solved by delegation, and Hatfield et al's 'crisis of intimacy' which is solved by equability, exactly as in these cases. This is epitomised by Roger's description of an early period of the business when the original friendship between he and Ben was under threat, and the business was growing fast.

Roger: I would guess there is a kind of inevitability about this unless I think it may well be different for individuals, it may well be possible with two people, it may depend on how close the friendship was in the first place you can work through this and you get satisfaction on two levels ..... one minute you can say what a complete tosspot you are and the next minute you can say 'are you coming round for a drink' sort of thing. I think it would be difficult even with the best of friends, there might well be, I just haven't an answer to that, I don't know whether in other companies it is different when people come together as friends, if you like, then the friendship goes completely. It may well be something to do with our failure as a company to identify management roles initially, clearly I think there is something there which I feel we need to work on which is a hangover from the past when we were both involved in everything and we both felt we could, had a right as it were, not to be criticised about whatever it was that we were doing whereas the situation where the roles have been split up and apportioned and therefore in each case one of the directors was acknowledged to be, if you like, responsible, the expert or at least responsible and had therefore a legitimate right to criticise the other, it may be easier and maybe we are suffering from this sort of grey overlap like who is responsible for this and that may increase some of the misunderstanding where one of us thinks he should have asked me or I know better than him or whatever.....

Levinger & Rands (1985), in their work on marital and intimate relationships, suggest that complementary role division is essential both at a macro level, in order to make

for smooth running, but also at a micro level, where it affects communication, mutual influence, and the nature and frequency of disagreement. As they say, 'at times, a given role arrangement will facilitate interaction, rendering smooth the partner's progress towards mutual goals. At other times, the same arrangement will impair interaction, especially if the partners are locked into inflexible patterns or if they fail to meet their responsibilities.' (p.323) In the case studies, role definition is therefore used initially as a response to uncertainty in order to facilitate interaction, and the subsequent redefinition of roles as a response to conflict or problems in order to meet responsibilities more effectively, and as a result of not achieving the appropriate role structure initially. (The question of <u>why</u> the initial role structure is sometimes inappropriate will be covered in section 6.iii.i, as will the specific business roles allocated) This can be illustrated by adding another layer, that of functional response to an emotional situation, to the previously developed sequential role definition model. (Figure 6.f)

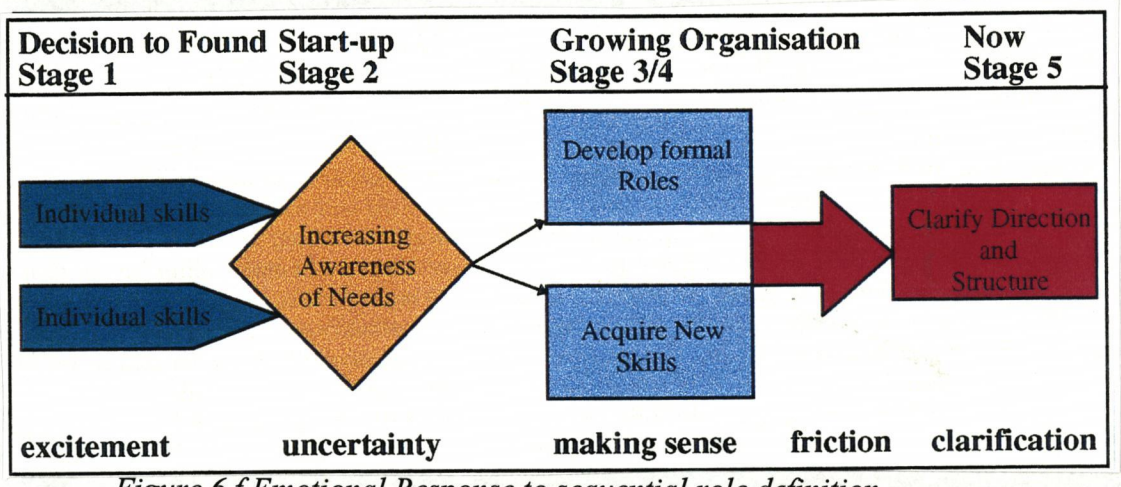


Figure 6.f Emotional Response to sequential role definition

The 'content' or 'doing' skills, and therefore the equivalent roles, are taken for granted and are thus automatically allocated to the appropriate person, and there is little evidence that there is any conflict arising from this. Thus, at the heart of both the periods of uncertainty and the friction is the need to acquire 'business' or 'managing' skills. (A word of caution needs to be interjected here as none of the couples studied, by chance, were couples made up of one person with business expertise and one with content expertise: there may be in these cases a different bias, though one could argue that, while the skills gap may be smaller, a similar dividing-up of roles would be needed for the organisation to both function well and ultimately survive.) This can be validated by all couples, albeit some within the context of a faulty allocation of roles between themselves, and some within the context of a faulty allocation of roles to employees. There is also a difference in skills needs between size of company, as the locus of control becomes important. (cf. Matt & Kelly's decision to stop the growth]. The case of Mandy & Gill, typical of the larger company, has already been cited: although the role division was explicit at stage two and three, the allocation of those roles was faulty, culminating in stage four in the firing of the imported managers. The result of stage five is almost as if they had come full circle, but this time with greater knowledge and experience: the clarification of roles in their case took the route of acquiring new skills in order to keep control of the business.

<u>Stage 5</u>

Gill: *I think we went through a stage where we brought someone in to run the business, there were three people, it was very difficult, whereas now, we don't have that, we know at the end of the day it's just the two of us that are important and no-one is going to do anything that jeopardises our relationship, in the past the people that have come in have pulled us one way and another ……*

Mandy: *……In and out, up and down, though strangely I think it has gone back to when we started. I think now it has gone back to how it first was, completely different human beings who have huge amounts in common* [J]

Mandy: *…… well, until last year I didn't know how to read a balance sheet…… and now I do, and what I have learnt, what I have understood is that the amount of investment is incredibly low for the size of business that we have grown, so even if we are not rolling in it, we know that we have actually got a sound business. A really cheap investment! That's the sort of thing I thought I couldn't do before but now I can, and it's much better that I do it rather than some top-notch financial guy who got up our noses.* [J]

The other businesses, Roger & Ben and Giles & Kit, which have developed into multi-employers have similar experiences though they have both opted for the outside expertise route in order to manage the business better albeit in different ways, and in Roger & Ben's case, to provide facilitation on their, at times, conflicting roles.

Stage 3

Roger *Well there has been a significant change as I mentioned earlier whereas we were sort of Siamese twins. I think at least two years ago we recognised that we couldn't it was just not time but skill effective so we split up the business into certain areas. We did it initially in terms of products, Ben would be responsible for a certain product and I would be and then to some extent we also moved towards that in relation to management processes. So I think that I am nominally responsible for Marketing and Ben is nominally responsible for financial reporting and budgeting and Ben seems to be basically involved in things like offices and property like moving the office and equipment and basically we just get on with it..... I suspect though that we haven't done this sufficiently rigorously and there is still a hangover in the sense it can be a strength in a way because having for the situation where I operate entirely on my own in marketing product whatever but I suspect we haven't actually clarified the role.* [S]

Stage 5

Ben: *……..we had a non-executive chairman and he still is the only non-executive person we have; we have no other, his role has been evolving but it is essentially the same....before he was helping us to set up management systems that are now in place and those have largely been put in place so latterly he has been helping us to define our own roles better and develop ourselves into those roles which is something that is currently underway, so he still fulfils the same fundamental role in a Board context acting as another pair of eyes and ears in the business and questioning things and helping us to resolve problems.*

PJ: *You say you have more people. How many people now do you have?*

Roger: *Including ourselves we have 21 full time equivalents. There are others in the company who are part- time members of staff, part- time librarian, part-time systems manager...*

PJ: *And outside help, do you have freelance, that kind of thing, consultants?*

Ben: *On a project basis we do but not on a standard basis other than the two people……*

Roger: *I mean I think the basic way, basically we have developed products and services, hasn't really changed, except we try to get other people to do it and we try to manage them..... The general issue we are encountering which is as you go from being a small to large company increasingly, even if you are the owner or joint owner, you haven't got the same degree of control, you can't let people in to be conference directors or exhibitions directors or marketing directors and be constantly undermining them, constantly wanting to do it your way even if you don't always agree and that's I think in a sense that is what is difficult for owner-manager-directors, it is knowing how often do you actually just bite your teeth, at what point do you feel you should intervene, what point is the quality of the product going to suffer, how much rope do you give someone to make the mistake and learn and in that context the personality of input is very important. If you are the sort of person who controls then that is*

extremely difficult, if you are not then it is much easier, the result is to be position in between, I think [J]

Stage 5

PJ: *So do you find yourself doing less doing...and more managing?*

Giles: *No, I don't think more managing, we worked that out, we're not terribly good at it, we decided that it was important to focus where we are adding real value.... ..., so apart from the creative side, I think that the critical thing is, as with any.... it's the relationship with clients, that's probably where we spend more time....with clients than a lot of partnerships do.*

PJ: *So if you don't manage, who does?*

Kit: *I think we mentioned our MD, he takes a load off our shoulders now. Giles is right, our time is spent with clients, we have to share now, initially we both went into clients...we spent a lot of time together with clients, and now, just because of the sheer amount of work and time constraints, Giles will look after one client and I will look after another. From that point of view, we have very clearly defined roles.*

Giles: *It's difficult that, because also the perception from a client you're the partner working on it, one of us will be sitting at the table and be very much involved in it, you're not the client, the client automatically assumes that you're the partner working on it, so again, it's all quite divisive, these things, everybody's trying to put Kit in one corner, me in another, what does he do best... and it doesn't always work like that, but I don't think we'll ever be able to change that. We're different personalities but at the end of the day it is the sum of the piece.*

Tim & Hilary, however, as an example of a business which stayed small, were similarly quite clear in what the roles were and who did them but did not feel the need to put a formal structure in place at the point where the business was. However, they both recognised that if the next stage was expansion, then a different structure and way of working would be needed.

Stage 3

Tim *We have no kind of formal structures at all. We did try it but it doesn't work because everything is so sort of flexible.....I have thought I would like it and it would help if it was a bit more formal because I think it puts an order of importance on things because otherwise if you let the whole thing run its inevitably the first thing you think about or the most worrisome thing it tends not to be the most urgent or the most critical.*

Hilary *We have never allotted ourselves specific roles, it just happened, though we do all the things we have to do to run the business effectively, like money management, marketing etc. There have never been any formal structures at all, or times when we sat down regularly, meetings where we actually sat down and discussed things. We have thought of having a more formal structure like having a meeting once a week to actually go through stuff, yes we say, let's have a breakfast meeting to go through but we are doing that constantly and I think that is interesting about the kind of relationship we have.* [J]

Stage 5

Tim: *I would describe it[where we are now] as a rebirth, a new cycle, taking expertise acquired and lessons learned each time and building it into something new. We feel we're constantly learning. I think before that we felt that a conscious decision to expand might backfire, you know, the company getting larger and us losing the flavour of what we were doing.*

Hilary: *I think that's right; we thought about it, we even started by taking on a secretary, but somehow we didn't dare, it seemed like tempting fate.*

Tim: *Even now, we hold back in our thinking. I mean we could make two separate businesses, a sort of exponential explosion but we hesitate, I think we realise that the next step could make something else that we don't necessarily want.*

PJ: *Is it that move from having to manage a business rather than be the 'doers' that scares you?*

Hilary: *It's partly that: I mean we've thought of sub-contracting the colour business and concentrating on the product development side but we are really not sure which direction to go, it would mean hassles in having to spend time managing it. I think we both realise that the one thing we don't want is to stop what we're good at, which is the creative bit, so we're in the age-old dilemma of how to expand when people want just Tim & I.*

Similarly, Matt & Kelly have worked through the times when the relationship and the organisation were dysfunctional because of the dysfunctional roles.

Stage 5

Kelly: *Yes, and I think relationships can go wrong when you get disappointed in the other one because of something they've done. But I don't think there have been any big examples of that and any problems we've had we've both been really keen to work them out anyway. I think people look at somebody and say, you know, 'I really hate the way they do that', and that's how it crumbles and falls and there is no interest in maintaining it, there has to be an element of that. We've probably worked our way through that rather than just let it crumble. Our relationship has gone through so many different ways to be maintained and now I really believe we are ready to go because the rubbish has been cleared up, which has taken, as it would in any relationship, it has taken years to do. There is no real disappointment that either of us could bring that we wouldn't be prepared to patch up because we both know there is so much worthwhile.*

Matt: *It's never been about that. The problem we would have is that we would have to introduce that third person to be that business person, who would actually know and want to structure it to make a lot of money. And ultimately we're incredibly selfish people in that we will work and talk and go through it until to bring in a third person would almost stifle it, you know, we've had that, we've had people that have come and it's like .... Maybe if we met the right person it would be good, it would be good to have someone to take that pressure off, to come in and say 'you can make money doing this, X, Y, Z. You know if you license this or that out you can double that or make another bob out of what we do.' But we haven't got time to do that, we're too busy to try to work out how we work on all the ideas.*

Joy & Mike have always maintained separate roles, mainly due to the way that the business was started.

Joy: *Yes I think it does and we move into areas that one of us will have some strength in and therefore one will see opportunities for the other so that's where it all feeds off itself and what has been to have a combination I think of well between the two of us we have got a very strong combination of skills. I think that's what it is, each one of us on his own is missing some and once you've got that range it just opens so many more doors makes you so much more flexible..... .....I think I acknowledge that Mike was the driving force to set it up and if the chips were really, really down on a disagreement about the future direction of the business as long as I didn't think it was actually disastrous I would accept that his view should prevail because as I say I think I see it more, its more his business than our business. I suppose partly in my heart of hearts I still do think that but it's pretty deep down and I think it only comes to the surface every now and again and I even hesitate to say it now actually I think it is now very much jointly our business*

PJ: *You don't think there is any residue of any kind of male/female in that, rather than to do with competencies?*

Joy: *No, no to be honest it has never been an issue between us at all I can honestly say I think Mike in that sense has no hang ups about that and so I think if there is any residue about one above the other purely relates to the fact that he set it up in the first place. And also possibly because he is the one that has that strategic vision, he is the business man*

Therefore, whatever the size of the business, the need for a more formal structure and management roles as defined in figure 6.d was required to a greater or lesser extent dependent on the size and type of business. For instance, it is evident that organisations with few employees need little people management and that the financial management processes are less complex. In contrast, smaller companies tend to be more dependent on their own skills and therefore acquire personal management expertise which is sometimes wider in span that their counterparts in larger organisations.

The effect of the organisational growth on external roles is also important, as it has an impact on the relationship as a whole. For instance, Mandy & Gill still have a best friend/confidante exchange of roles which provides support, but this has changed from their original relationship of 'playmates' to one which doesn't impinge on their private lives.

Stage 1

Mandy: *..... the way I remember it is, the day we started working together, we started playing together, everything, I came out with you and your mates, we were just inseparable from that day.....* [J]

Stage 5

Gill: *What's strange is that we never talk to one another*
Mandy: *It's rather awful*
Gill: *We're probably best friends*
Mandy: *We are....*
Gill: *But we never talk, it was only the other day for instance that we were with a client and I started talking about my holiday in Thailand and Mandy said, 'I haven't.....*
Mandy: *heard a thing about it'*
Gill: *.....and I realised I'd never spoken about it. Our relationship revolves talking about work and nothing else*
Mandy: *Put it this way, if the shit hits the fan for me, there's one person, well my husband and Gill, she's the person I talk to, call on but we don't talk about our private lives* [J]

It can be argued that as emotional content of the working relationship is high, so the need to 'escape' for the non-affective partners grows. This can be seen in the other non-affective case studies where the element of support remains crucial, but the need for external socialising lessens.

PJ: *So do you see each other out of work, or is there a division?*
Kit: *There isn't much time...*
Giles: *We used to more, we don't quite as much, especially when you usually leave the office between nine and ten in the evenings...*
Kit: *We just see so much of each other....*
Giles: *We don't socialise very much at all with anybody at the moment...(laughter)It'd be interesting you know,... let's get back a little - we set up the practice when we were...well, my first daughter was born, we were working across the road then...I suppose we saw more of each other then but having said that, there's no need to see each other out of the office, we actually have our social time here in a way in that if there's a personal problem, we sort it out here, we've said it's like a marriage, and it is, we support each other* [J]

Colin: *[Our relationship]was tight enough to provide support, both emotional and workwise in terms of generating more work, but loose enough so that people were not mutually dependent and therefore had this over sense of responsibility.....that gives people freedom without them feeling isolated or alone, without a friend in the world.* [J]

Even the affective couples have complementary external roles, albeit an extension of their marital or quasi-marital relationship, as illustrated by Tim & Hilary and Joy & Mike, where both demonstrate an increased emotional commitment..

PJ: *And what about your personal relationship? How has that changed?*
Hilary: *It's stronger than ever....*
PJ: *Would you say the same Tim?*
Tim: *Yes, it's an emotional roller coaster but we couldn't have survived without the other.*
Hilary: *We're sometimes depressed together... .....and we talk about and support each other through it. And sometimes one is depressed and not the other and so we're very supportive of each other. I mean I'm the more neurotic one and Tim just assumes the supportive role or Tim gets his head entirely into creating something new so I organise life so that it goes on.....* [J]

Joy: *Looking back at those early stages [when Mike was on his own] I suspect I wasn't as supportive personally as I could have been because I was in a very demanding job myself and it was very hard to find time to support each other at times like that* [S]

Mike: *We have some ferocious arguments from time to time but, at the same time now we are working together, I know that we both have the same interests at heart, and that the reason that we're arguing is that we want the best for the business and therefore the best for the other. I think we support each other basically through thick and thin, each providing the other with whatever is needed at the time. Funnily enough, I think we are in some ways far more in tune emotionally as a result of working together.* [S]

In summary, complementary ' content' skills drive the decision to found, and the need for complementary 'business' skills drives the acquisition of those skills, either by the partners or externally. The growth pattern therefore predicates the type of skill needs exactly as Loevinger's (1976) and Kegan's (1982) models of life stage growth predicts. The decision to acquire those skills or not is thus the first differentiator and predictor of eventual size of business. However, the allocation of roles tends to take place at two stages, those of initial allocation and subsequent clarification. This demonstrates that there problems at the original allocation. The question is therefore why the couples 'made mistakes' in their initial allocation of roles. This is one of the most complex of the interactions between the partners and is called projection and will be dealt with in the next section.

6.iii.i Projection of roles as a factor in the dyadic relationship

Projection is the phenomena by which one person recognises some commonality of personal aspect in another person and therefore projects his or her own needs on to the other person. Hodgson, Levinson & Zaleznik (1965) suggest that the result of projection is often conflict, which arises through distortion of individual perceptions and emotions leading to rivalry, avoidance, tension and ultimately a power struggle. This research has found that projection does indeed take place and results in firstly, an inappropriate allocation of roles, and secondly, as a result of the role allocation, in potentially relationship-threatening behaviour which would ultimately have the affect of terminating the organisation if unresolved. This section deals with the inappropriate allocation of roles.

Using the Managerial/Leadership Perception Tool (MLPC) developed for the questionnaire, couples were asked about the perception of themselves on a 1-6 Likert scale on opposite concepts and then about the perception of their partner using the same concepts and scale in order to measure projection. This approaches the phenomena of projection from a simple perspective while Secord & Backman (1965) have developed an in-depth model which has some similar aims based on an elaborate calculus of behavioural stability and change and which has similar research components:

- an aspect of the person's self-concept
- the person's perceptions of the person's own behaviour related to that aspect of the self-concept
- the person's perception of relevant aspects of the other

In their model, the person seeks to achieve congruency: in other words, for each person's self-perception to be the same as the other's perception of that person and vice versa. Secord & Backman suggest that stable relations result from congruency as

individuals tend to develop positive feelings towards each other, and thus lends empirical support to the conception of an intimate dyadic relationship as a mutual identity-confirming dialogue.

As the MLPC was only administered once to each couple, it unfortunately only represents a snapshot of a situation at a given point in time, rather than a comparison of the couples responses at different stages of the relationship and organisation which would have resulted from multiple administration. However, three couples responded after five years in business, three after eight years and two after twelve years together, and all responses illustrate the same similarity/disparity of self and other perception which ultimately led to projection both in roles and behaviour. There is some disparity in all opposing concepts but a few are used here as examples.

There are two ways that the projection takes place: firstly, when there is disparity of perception of the other which reflects that person's self-perception; and secondly, when there is no disparity between self-perception and other's perception and still inappropriate role allocation takes place in contra-indication of the findings. For instance, some of the opposing concepts related directly to the financial role. The first example is the opposing concepts of cautious and experimental: it can be argued that a business with an experimental finance director would be at risk, while the reverse would be a better fit. If one takes the example of Ben and Roger, it can be seen that Roger scores himself 4, and thus inclined towards cautious, while Ben scores himself 2, and thus inclined to be experimental. Their perceptions of each other differ, but not to an extreme: Ben thinks Roger is 6/ultra-cautious, while Roger scores Ben as marginally more experimental than cautious. On the basis of this, it would seem obvious that Roger should become the finance director. (Figure 6.g)

However, this is not the case at all, and as can be seen, the allocation of the finance role to Ben becomes a contentious point. (Note even the different way of talking of the partners, Ben rather muddled, Roger precise)

<u>Stage 3</u>

Ben: *.....So I am hilariously, I am notionally in charge of finances*

PJ: *Oh that is interesting..... [laughter]*

Ben: *I have the responsibility for seeing that is done in fact now we have just got to the stage when I used to do all the budgeting and planning by myself and by and large it hasn't been bad, it's not been, it hasn't certainly, not perfect and there has been lots of anomalies but it has sort of seen us through to now, I'm quite surprised.*

<u>Stage 4</u>

Roger: *..... he is a classic, you know, sort of muddled man and his desk ever since I've know him, his desk ends up covered in heaps of paper and it's fantastically irritating for everyone else. I'm more a clear desk kind of person, and various secretaries try and I've got at him, we have joked about it but that is the way he is, he can function occupying 10 by 6 inches surrounded by paper and he can set to work, actually I don't think he is at all good at time management or at all good at planning. .....He is not a planner and he is not a deliverer to plan, he is not 'where are we on schedule, what's the next stage', that's just not Ben, so one of my roles is constantly checking that Ben is aware of the next milestone. The board meeting he wouldn't produce actual figures for it, well until recently, he had it all in his head and prior to each board meeting you go in the office at half past nine and he is busily rehashing the sales figures and updating the budget for the month. He is not the sort of person who thinks 'next Monday board meeting, I really must knuckle down tonight and do the figures, I know I'm going to be out Friday etc.', that kind of thing*

Stage 5

Ben: *It has got too complicated now and one of the people the staff is a part-time management accountant/finance director small business-type, there has been a sort of re-division. One of the things we have recognised, if you like, is that the sorts of roles we expect to have increasingly over the next year or two mat change and we have started identifying mismatches and if necessary identifying what special development needs to take place to help us to do that thing.*

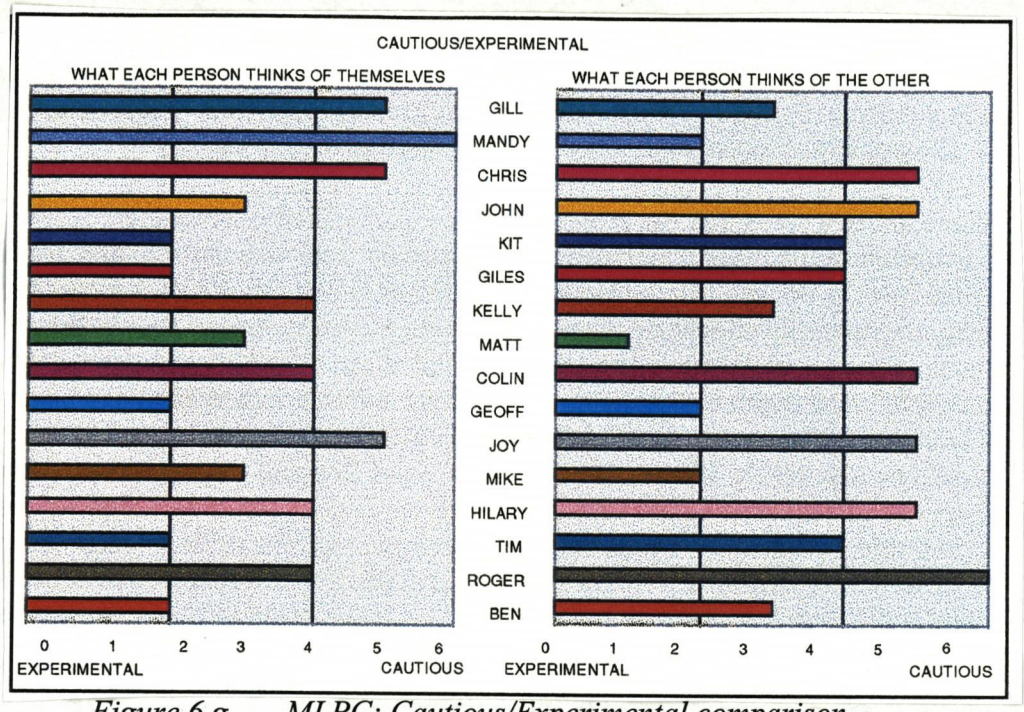


Figure 6.g MLPC: Cautious/Experimental comparison

The same is true when the opposing concepts of numerical and spatial are looked at for Ben and Roger. However, some people do get it right as Mandy (responsible for finance, scoring 6) and Joy(responsible for finance, scoring 6) demonstrate (Figure 6.h)

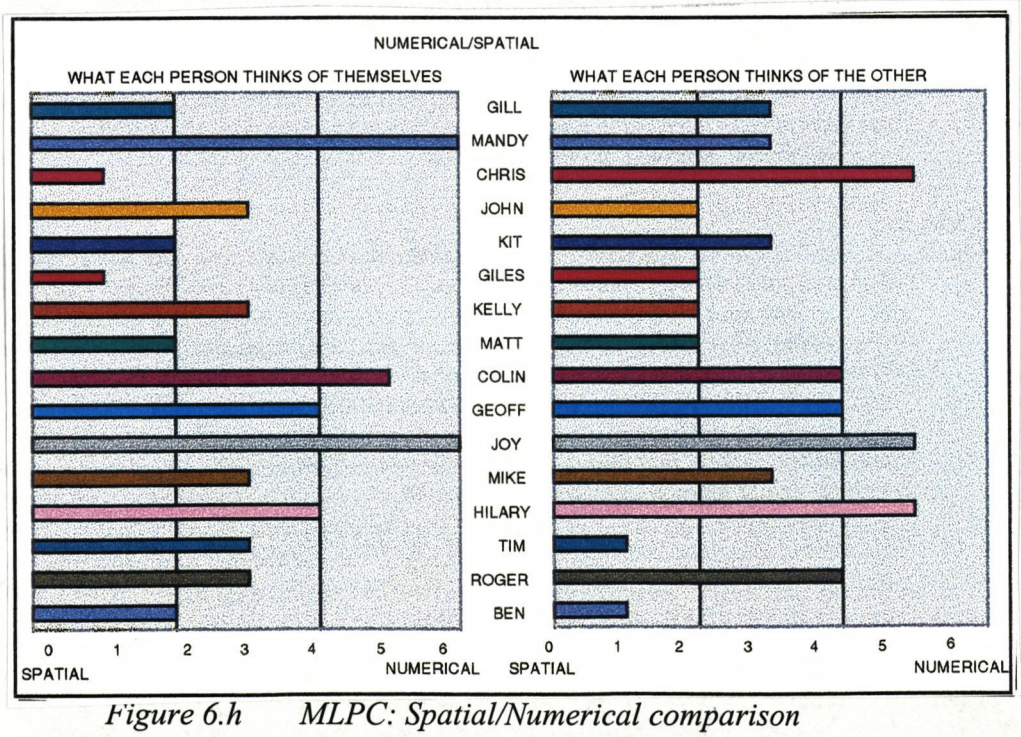


Figure 6.h MLPC: Spatial/Numerical comparison

There are various possibilities as to why is this the case as projection can take place for a number of reasons. For instance, as has previously been suggested, the initial allocation of roles takes place at a fairly early time in the working relationship and it is perhaps an attempt on the side of one partner to compensate for any feelings of inadequacy by offering to do the inappropriate role or conversely, the other partner compensating for feelings of superiority by offering the inappropriate role. Secord & Backman suggest five categories of what they call congruency restoring processes of which the first is perhaps most in evidence here.

1. Cognitive restructuring where one person misperceives the other's behaviour in order to achieve congruency with his or hers self-concept
2. Selective evaluation where one person demonstrates that they value more the congruent interpersonal system components and devalue the non-congruent
3. Selective interaction where a person only puts themselves in situations where congruency is likely to occur
4. Evocation of congruent responses where a specific technique is developed in order to achieve congruency
5. Congruency by comparison where when one person confronts the other person with incongruency, the effect is minimised by attributing the traits to others.

Alternatively, Knudson (1985) suggests that as within an intimate relationship not all complementary needs can be met, thus only the most important ones will be congruent. He however states, 'we can currently say virtually nothing with confidence about which aspects of the self it will important to confirm in which situations in order to promote compatibility'. (p.238) If one sums all the actual differences between self-perception and other's perception, and expresses them as a percentage of the whole potential differences, it can be seen that on average there was a 75% similarity which tends to validate Knudson's point. However, there are still important individual variations with the most congruent scoring 85% similarity (Geoff & Colin, figure 6.i) and the least congruent scoring 61% similarity (Mandy & Gill, figure 6.j).

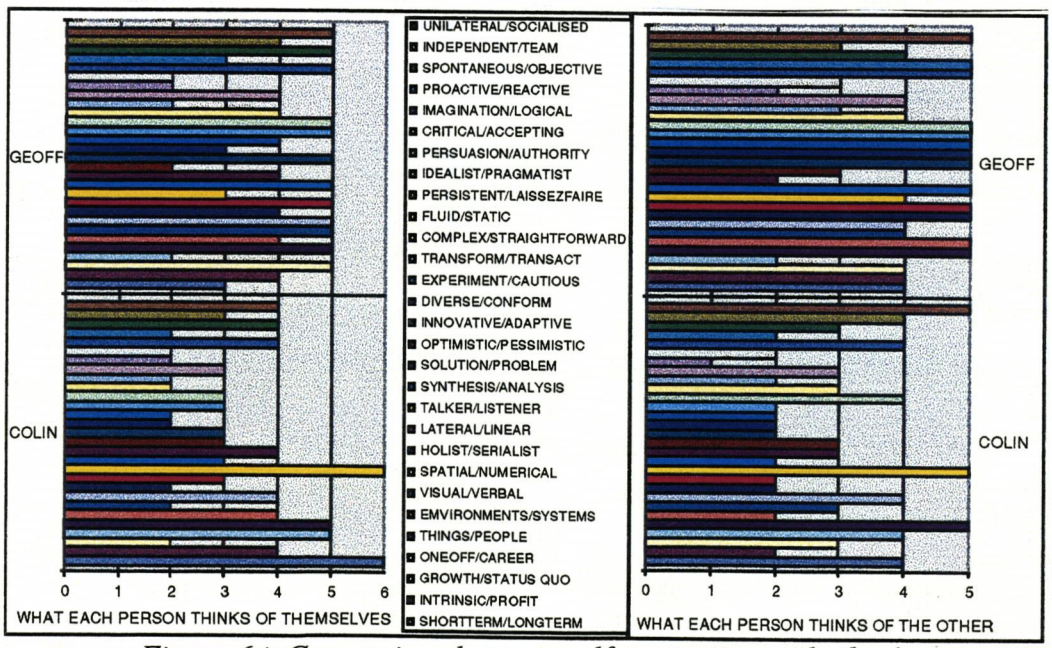


Figure 6.i Comparison between self-perception and other's perception: Geoff & Colin

Geoff & Colin are the least emotionally involved of all the couples studied in that they do not share office premises, often do not work together to fulfil a client project, have never socialised and may only have telephone rather than face-to-face contact for several weeks or months. It could be argued that of all the respondents their scoring was therefore the most objective and the similarity is remarkable. For instance, Colin, who describes himself as the 'high octane' partner and who is potentially more emotional, has a slightly more extreme perception of Geoff in 31% of the concepts (+1 or +2), agrees exactly 38% of the time (0) and takes a marginally less extreme view (-1) 21% of the time. Geoff, who describes himself as 'cautious', is even more accurate, and as would be expected has a higher percentage less extreme than more extreme, having a 45% total agreement (0), a 20% slightly more extreme view (+1or +2), and a slightly less extreme view 35% of the time(-1 or -2).

As this survey is not attempting to demonstrate any real statistical significance from the analysis, any generalisation would be dangerous. However, in its use as a comparator between one couple and another or between partners in opposing concepts, the evidence is valid and tentative conclusions can thus be drawn, thus suggesting that this is a fruitful avenue for further research.

From Geoff & Colin's scores, it would seem that perhaps the key to the different results is the closeness of the couple and it would thus seem likely that the affective couples would score less congruently than the work couples. However, the average congruency of the affective couples is 77%, and the work couples is 76%, which on one hand validates the argument that, in effect, this dyadic relationship can be termed as intimate, but on the other demonstrates that the hypothesis is unlikely.

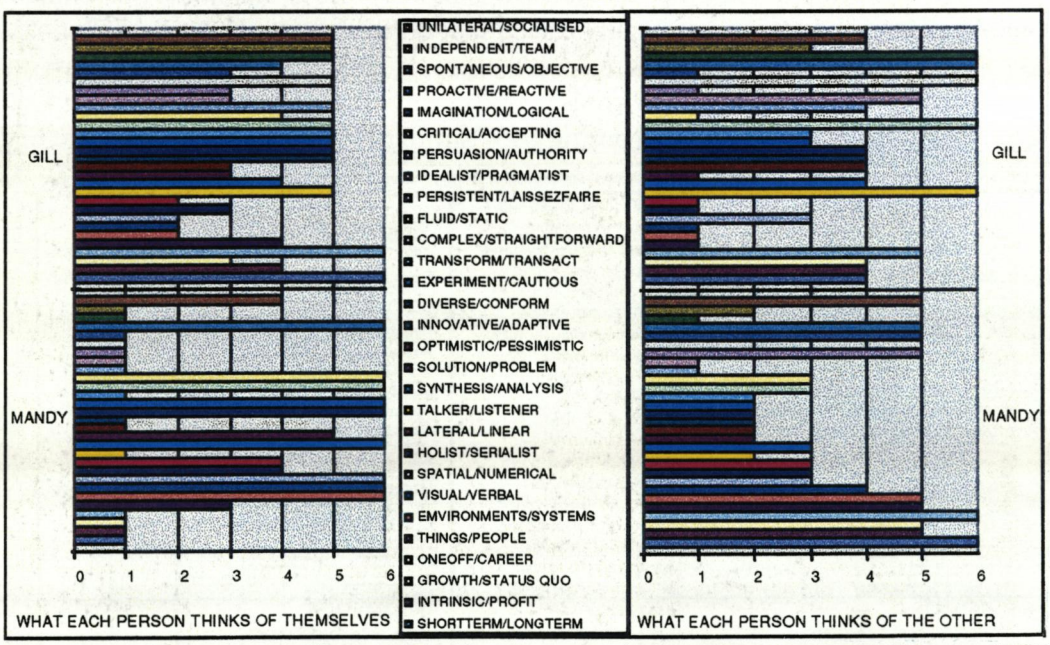


Figure 6.i Comparison between self-perception/other's perception: Mandy & Gill

The question therefore can be posed as to why then is there a disparity between the highest congruent (Geoff & Colin) and the lowest congruent (Mandy & Gill). Both are work associates but there is a difference of gender so is possible that is the answer, though as there is only one female/female couple this is difficult to validate. However, the indications are that this is also not the case: if the average is taken of all female

respondents irrespective of partner the congruency score is 70%, while the male congruency score is 77%, a small difference, but removing the two extreme scores of Geoff & Colin and Mandy & Gill renders both male and female congruency scores as 75%. The answer would seem to lie elsewhere.

The difference between Mandy & Gill is quite marked in some concepts but little in others. The major difference in congruency is as a result of Mandy's responses which tend to the extreme: 35% of her self- perception scoring is either 1 or 6, compared with the next highest persons' scores of 13% (Matt) and 12% (Ben), while on the other's perception rating she again has the highest extreme score with 24%, followed yet again by next highest Matt (19%) and Ben (14%). Unlike Geoff & Colin there is little similarity between the way the couple scores and it seems therefore that this is also a tool which allows the researcher to identify those respondents which take a more extreme, or it could be argued a more emotional attitude to life in general.

If one analyses what Mandy, Matt and Ben say, and compares them to the other respondents there is a marked difference in type of language, content and manner of expression and also a recognition from the partners that this is the case. For instance:-

Mandy:..... the day I knew we were partners was the day I phoned you up at 4 o'clock in the morning and said' come over and take over the sewing of this jacket because I can't do it anymore' and you came over and did it, no, you came over and held my hand.....

Gill: No, I took over and finished it, and we went together and delivered it to the client at 10 o'clock in the morning

Matt: I think it was really scary, our decision to start not living together it was probably the best thing we ever did because as soon as we did that we did have space you know the sort of thing every morning there would be someone to wash your things, you could wake each other up, you could go in the car and travel into work together, you come and pick me up, we go and have lunch together, we go out together I mean it is a bit like, Oh my God, ...

Ben: Roger was more of a cautious type, not a selfish sort of slimy pessimistic individual or a killjoy, he was far far more cautious, sort of 'we must be careful or we should look into it' in the first year we turned over £240 grand and he was, 'I can't afford to do this etc.' and that's all typical of the way which he was much more cautious than I was.....

This element of emotionality within the relationship is therefore important in the context of projection. It is also important in suggesting that within couples there may be a more emotional and a more rational partner. Thus, when asking questions as to whether a dyad is a successful model of entrepreneurial start-up and continuation, not only is one looking at potential cycling between different styles of leadership, but also at a cycling between rational and emotional, at appropriate times for the successful dyad, and inappropriately for those less successful. This point will be returned to in the discussion of organisational life stages (Chapter 7), but that extremes exist in all couples is amply illustrated within the MLPC.

For instance, there are other extreme examples of projection in the comparison of appropriateness of roles. If we take the role of marketing and sales for which the concepts of listener/talker and verbal/visual are relevant, there is relatively good congruency about the way people perceive each other and themselves. (Figures 6.k and l)

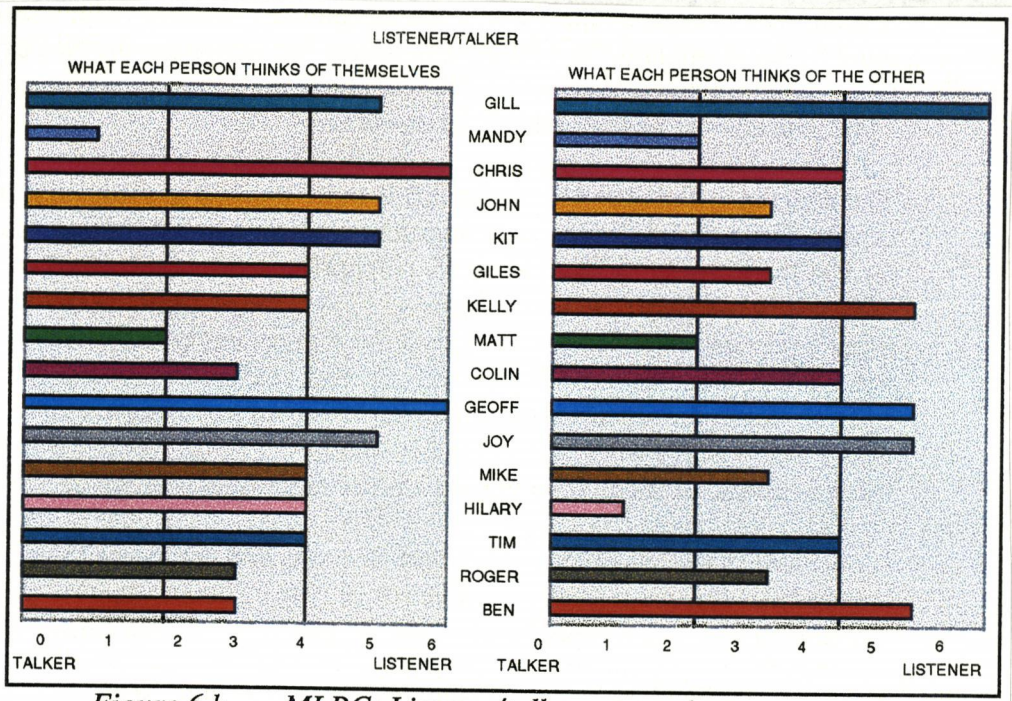


Figure 6.k MLPC: Listener/talker comparison

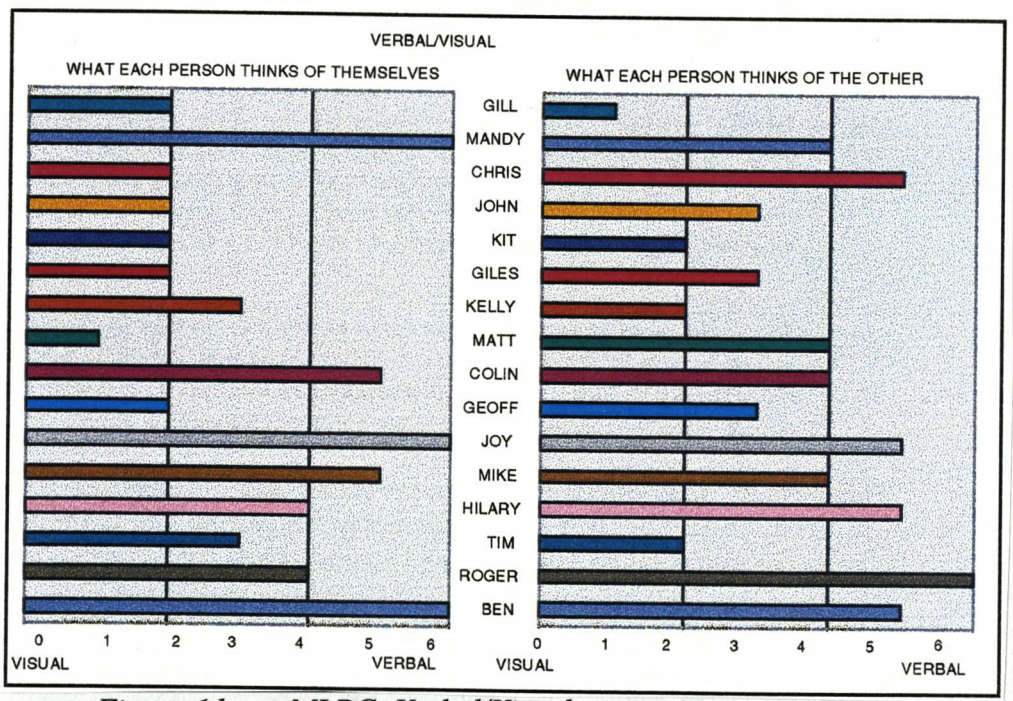


Figure 6.l MLPC: Verbal/Visual comparison

It could however be argued that the skills associated with sales would be talker and verbal and yet the initial role allocation does not indicate this: for instance, Gill(self-perception: high scoring listener 5, high scoring visual 2; other's perception: highest scoring listener 6, highest scoring visual 1), Chris (self-perception: highest scoring listener 6, high scoring visual 2; other's perception: medium scoring listener 4, high scoring verbal 5), and Geoff (self-perception: highest scoring listener 6, high scoring visual 2; other's perception: high scoring listener 5, medium scoring visual 3).

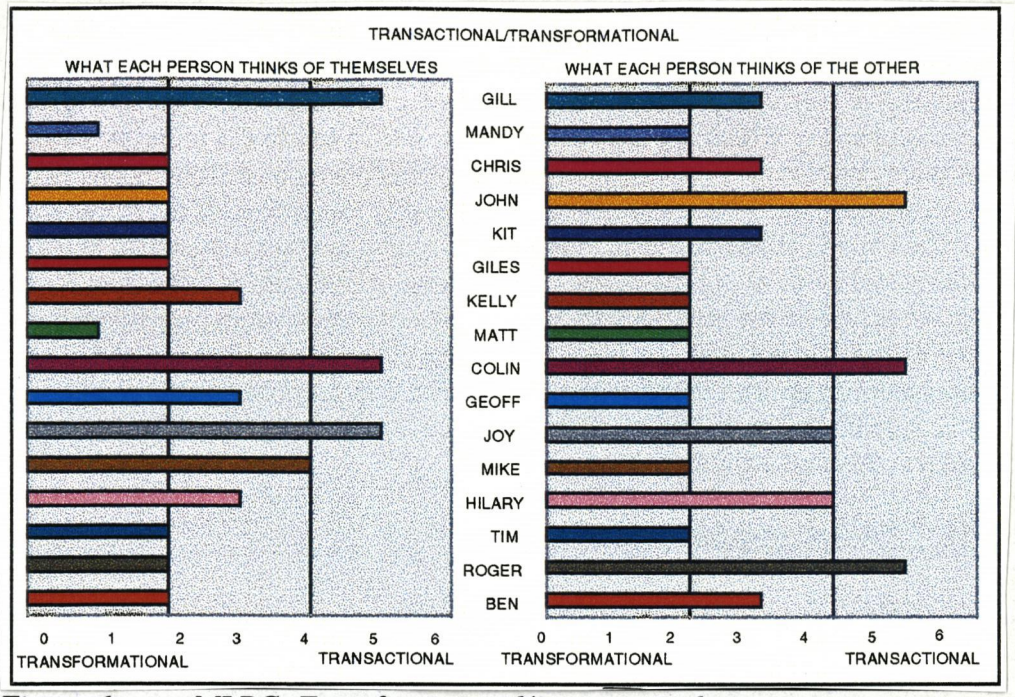


Figure 6.m MLPC: Transformational/transactional comparison

The same strange allocation of roles also happens in the realm of administration: it should be more likely that the person in charge of administration would score highly on the transactional scale while the avowed strategists, such as Mike & Colin should score highly on the transformational role, but this is not the case. (Figure 6.m)

For instance, Tim is a classic case of wrongly attributed administration role (2/transformational) and Hilary also acknowledges this, both when talking about it and when attributing an identical score to him on the MLPC.

Tim: *I handle all the paper work, she does all the telephone communication and her own work for clients and when it comes to doing the actual proposal it might be us working together but I do the actual writing, general business, all the admin, I deal with the bank. What I like to do is take off her as much of the crap as possible because I think I do it quicker, less messing about and I am concerned that all that shouldn't take time, I let it build up for a bit and do it all together* [S]

Hilary: *Tim does the management of it in terms of the admin stuff. Yes, that kind of just happened because he could work the computer, absolutely true. He took on the computer but can't work the fridge, the washing machine or the car radio, it is kind of a joke but not entirely because Tim does take care of that which surprised me I guess but he does, he has always done the bills too but doesn't do them at home, quite strange.* [S]

The rationale is emotionally based even though he also provides a rational view: he wants to save her time for doing things that he assesses she prefers doing and perhaps this is an indication as to why the projection happens even within affective couples who should know one another well. The rationale could be based therefore on the perception not of the ability of the other person but of their estimate of their enjoyment of the role. As Clark (1985) suggests intimate relationships 'are characterised by member's obligations and, usually, by their desire to be emotionally responsive to each other's needs'(p.121) and she reinforces this by suggesting that this special responsibility goes beyond the level of responsibility felt for any other person. She also suggests that taking the other person's perspective may contribute to maintaining compatibility. Generally, this seems to be the case amongst the

respondents, with the exception of the two extremes of the less-emotionally involved couple and the highly emotional individuals. Recalling from Chapter 5, Wegner, Giuliano & Hertel's (1985) theory of differentiated transactive memory, which is the dyadic memory which is built as opposed to the individual's memory which is prior, intimate couples often see fit to organise themselves into differentiated roles in order to selectively and efficiently use their increasing awareness of the other's preferences. As Berscheid (1985) suggests, ' one has to recognise that the emotional events that bubble and swirl along the surface of turbulent relationships have their origin in the infrastructure of the relationship, the patterns of causal interconnections between the activities of the partners' (p.149). In summary, the possibility of projection being the unconscious result of emotional responsiveness is proposed but it is only put forward as an hypothesis at this point. The study of behavioural projection in section 6.iv.i. looks at this and validates the suggestion .

6.iv. Complementary behaviours

The study of complementary behaviours completes the analysis of complementary needs in the case studies. As with complementary skills and roles, the analysis took place within the framework of the continuing relationship and organisational start-up and looks at those behaviours which are positive, and thus contribute to the well-being of the relationship, and those which are negative, which are therefore threatening to both the relationship and the survival of the organisation. (Figure 6.n)

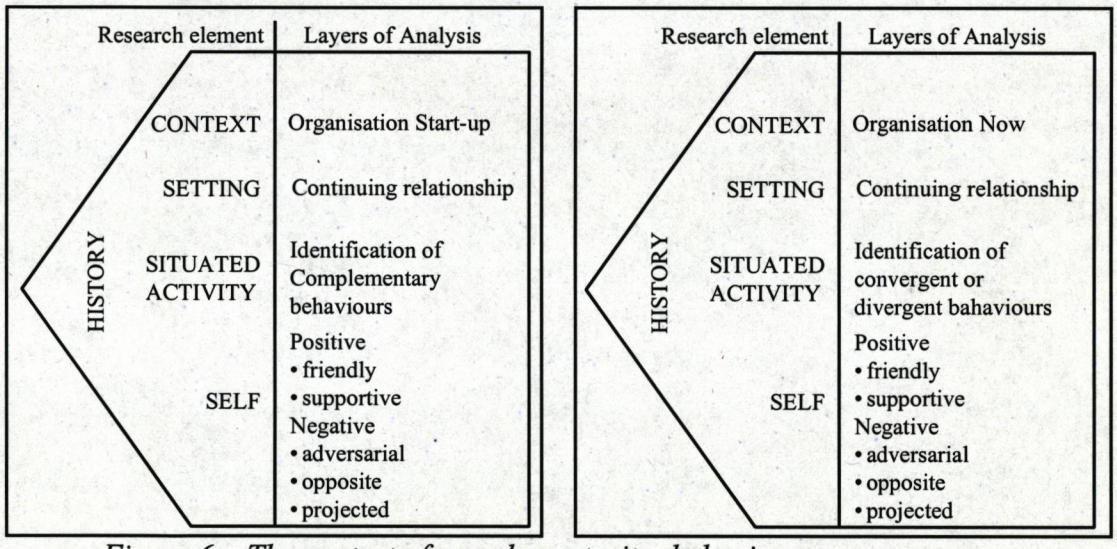


Figure 6.n The context of complementarity: behaviours

Positive complementarity of behaviour has already been touched on in section 6.iii. on complementary roles where the concept of support and friendly behaviour was discussed. Reciprocity has also been covered when looking at the commonality of values with regard to trust and mutual support. In addition, as the relationships grew initially, even without formal allocation, partners tended to fall into informal supportive roles, such as 'fine-tuner', ' devils advocate', 'scurrier-around', 'catcher-upper', 'non-worrier', 'the mouth', 'the grafter' and so on, and the behaviour associated with these roles started to become part of the pattern of the working relationship. There is little or no evidence of negative behaviour as the start of the working relationship. I would suggest that this need for reinforcing behaviour in the early part of the relationship is driven partly by the need for arriving at consensual

decisions when starting a business together, partly as a necessary validation that the initial choice to start was correct, and partly because one of the reasons for starting the business together was their mutual liking. Reis (1985) talks about the 'operation of ego-defensive needs' influencing harmony in the ongoing interaction, by which he means that each person within the dyad needs to simultaneously serve as self and as stimulus for the other. As he says, 'if the threat produced by one exceeds the other's capacity to cope, then tension and a lack of satisfaction are likely to result.' (p.227) As all partners demonstrated an initial dyadic commonality of intention, the existence of tension early on should be rare and this was indeed the case. Hilary & Tim are an example which is typical of all responses.

Stage 2

Hilary ..... *if we were in two separate rooms doing it we couldn't have put the two things together and got what we got, we don't do separate projects, we work on the same project and make them more which I think is important.....you can bounce ideas off each other and use the other to make sure you are on the right track. It gives you confidence, and having more confidence then you can go for better clients. For me, it is a true partnership: the sum of us two is far greater than one plus one.* [S]

Tim *It's a constant egging on.....it's not two like-minded people going down the same track, it's totally complementary. We've developed this code of behaviour where we automatically reinforce each other's weaknesses and you would never achieve that without working so closely together..* [S]

This 'honeymoon' stage is typical of relationships. A popular formula which is much used in business consulting, and which can be summarised into four stages (Figure 6.o), illustrates this initial stage, with the storming and norming phases being typical of the subsequent stage. The question is why the relationship has to go through these stages and what triggers the passage between stages.

Forming	Storming	Norming	Performing
• Initial stage • Just a collection of individuals at this stage • They begin to form an identity	• Usually involves quite a lot of conflict • Underlying assumptions and attitudes are displayed and fought out	• The team starts to try things out and develops trust	• The team starts to perform most effectively • The team is resourceful, confident, open and flexible

Figure 6.o The four stages of team development

As the organisation grew, either in age or size, negative behaviour thus starts to be reported. Having been so involved with all the aspects of what was common in the relationship at the start, the fresh stress of the relationship may be attributed to some lack of real understanding of each other's complementarity and of its value in providing potential synergy. However, following stressful periods, all couples articulated both an understanding of the value of complementarity even when it was irritating and was thus a potential source of conflict, and also a recognition that the resulting conflict needs to be worked through. Roger & Ben are typical.

Ben *There has never been any real falling out on the way on my side. I think the irritation that arises or has arisen in the past because we are very different and go about things differently.*

It was quite hard to, I suppose to, accept that was the way that person worked and that the results in the end might be entirely satisfactory, there was an element of that whereas now I think all the experience not being all that bad there is now an acceptance there are some aspects that will not change on either side. I would say it was more tolerant from that point of view. [S]

Roger *It's a bit like a marriage, yes we probably spend more time together than a married couple if you add up the hours. Yes, there are irritations and you know your expectations but over time I suppose my assessment that they have been ironed out to some extent, we know not to go too far in one direction to sort of actively irritate the other person. But having said that it doesn't mean to say there isn't any fierce discussion. But it is very interesting because our judgement, and I think the temperament issue aside the judgement, has always been pretty similar I think that in a way is what makes it work because I think if I consistently came to different conclusions to Ben about people, about everything, I don't think it would work. He might come at it from a different way and he might have different reasons for reaching the decision.....but interestingly the subject is coming back onto the agenda, in fact we have a board meeting tomorrow at which our external chairman will present a paper on his ideas on the roles of the two directors, our value, it is more the concept of looking at what we can bring to the company individually, what we should be doing rather than how we relate to each other but my feeling is that if we are going to double the turnover again in the next three years we will have to be much more clear about what individually we are doing, what we are responsible for, how we work together and how we value it.* [S]

A number of opposing behaviours were articulated as were indications that some of those behaviours were irritating. All partners however were able to articulate this irritation to each other and thus to deal with the problem to a greater or lesser extent depending on the magnitude: it is to be assumed that this is the test of longevity. The following are some of the juxtapositions of behaviour which were articulated but none were felt to be ultimately threatening to the organisation suggesting that the initial common ties were strong enough to cope with some behavioural conflict: 'organised' v 'disordered', 'long-term' v 'short-term', 'cautious' v 'high risk', 'analytic' v 'instinctive', 'amenable' v 'stubborn', 'flexible' v 'tenacious'. Overt expression may be reason for avoidance of conflict: behaviour exchange therapy is a concept within marriage guidance (Follette & Jacobsen 1985) which seeks to replace negative behaviour by replacing it with positive behaviour and part of that therapy involves the articulation of what is pleasing and what is not. For instance, Mandy & Gill are very open about their irritation as are Joy and Hilary.

Mandy: *How many times have we had physicals?*
Gill: *We haven't had a physical for eight years [laughter] actually we've in twelve years had two major fallings out.....She's the volatile one and I am the calm one*
Mandy: *And when she gets freaked out, I get really worried*
Gill: *You take the bull by the horns and really go for it, and I am the one who pulls you back*
PJ: *And what does she do that really irritates you?*
Mandy: *What used to piss me off a lot about you is that you never made your bloody mind up. I have made my mind up before the question has been asked and Gill would want to sit on it for what felt like a month and I used to get so pissed off, but she's improved, it's only a couple of days*
Gill: *It's true, I do sit on things*
Mandy: *It really used to piss me off and I told her that but it's much quicker these days*
Gill: *It's because I am a perfectionist and I am always looking for the ultimate, whereas Mandy will want to see something there even if it not the ultimate*
Mandy: *Sometimes I convince myself it is the ultimate just to get it out of the way. But now, I've got so much respect, that when she does make her mind up, it <u>is</u> ultimate, it <u>is</u> perfect, it's no longer an irritation we are just different people.*

Joy: *It isn't often now that we have furious disagreements like we used to and we do have disagreements about the way to approach things but we will resolve them. It may be resolved*

in the sense that we decide to do what Mike wants or what I want. We decide fairly early on OK that the person will lead with that and go with his her view of it and it doesn't leave any bad feeling about it at all. I think we respect each other very much now for what we bring to the business and our own particular skills and attributes and I think once you have got that respect and it is firmly there then I think everything else falls into place, if you have disagreement. It is really disagreements between colleagues that you would get in any sort of business about how to do something. How to approach it and at the end of a disagreement nothing is damaged by it. In the earlier stages of the business we would have disagreements that merged into unpleasant disagreements and that was stressful as well it merged into personal relationships. So funnily enough I think our personal relationship has been strengthened out of it, it has actually gone hand in hand and it is actually quite nice working together. When we had separate corporate lives which were very hectic and very busy (a) we see more of each other but (b) I think we are both much more sympathetic to each other's way of being and working. [S]

Hilary: One might have a stronger opinion than the other so he backs down .... depends on the thing I wouldn't say one or other or us comes to mind not only of us constantly forcing the other to back down or being stronger I feel that part of our strength together is that we are very strong but in different ways and mutual and that is a very important part of that so we will always listen to each other and disagreements we have tend to be short and sweet, not carrying on the next day. I think we agree about the big issues about work and if we don't we always discuss them

In some cases, such as Mandy & Gill, external facilitation was called upon as has already been seen with Roger & Ben..

Mandy: Actually, there was a period, it took Freda, who's our major right hand person, old friend and all that, to actually get in a management consultant from outside to see if he could sort me and her out and he was very sensible, and he said, 'my grandson could run the business better than you two: stop fighting, start moving together' and that was it really
PJ: When was that?
Gill: About two years ago, when we got those other people in
Mandy: What had happened was, we had always worked together and very gradually we started to move apart, our roles in the business were more defined, we weren't talking any more, we didn't like each other very much, and we were disagreeing about everything. And Freda, just couldn't stand it so she got this guy in and he basically said, Mandy, Gill has got a sensible view point stop putting her down all the time and said exactly the same to Gill, and it worked and we got straight back together

The trigger for the change between what has previously been seen as positive behaviour and is now interpreted as negative is probably a reaction to increasing knowledge of the other and possibly also a reaction to the overly common beginnings. However, there exist empirically proven theories of interpersonal behaviour based on the circumplex model (e.g. Kiesler 1983) which has as its premise that the dyad's interpersonal behaviour is complementary and compatible if they are both reciprocal on what is termed the dominance-submission dimension, and also correspondent (the same) on the love-hate dimension. For instance, a typically complementary relationship would show correspondent behaviour such as co-operation and reciprocal behaviour such as leadership/obedience. It could be that what we are seeing here is that while there is correspondent co-operative behaviour, the concomitant reciprocal behaviour is not present, and instead there is correspondent dominance behaviour as both try to lead, which in an equal business partnership may well be the case. Good examples of this is Joy describing what she felt when she came into the business started by Mike, which is typical of Stage 3 and 4 in the dual start-up as shown by Roger & Ben

Joy: *I asked myself whether we would in some way be able to work together ..... We are both also quite strong personalities I would have said and we both like our own way... and therefore I had this concern that both of us would have a very strong desire to get what we thought was the right thing in and that we would be at each other hammer and tongs over it..... it would be interesting to see what Mike says about me coming into the business. I think he was slightly ambivalent about it. I felt at that stage that I was, maybe because again I wasn't going, I wouldn't have found it easy to take a sort of secondary position, I did actually try quite hard, I think he felt how could she possibly come in and want to be an equal at this point, I've been running it she's not really done a lot. And I think he had a sort of concern about who was really going to be running the business at that point. I suppose that probably the first year was not an easy year from that point of view. I felt that I was pushing to get more and more into the business and I felt he had a slight resistance to it.....Sometimes I would say that I felt I think that one of the ways I would remember it would be that sometimes I felt that I could actually do something , go in and do a particular job and he would be saying, 'Ah ha I'm not sure you are quite ready for that.' And that was how I perceived it. I mean looking back he may have been right, it is very hard to make that judgement, I thought I was ready for it, we sort of edged forward in different ways. I mean I won some and I lost some along the way. But I think it took that first year to almost prove myself: during that year I was very much picking up his clients, clients that he had established and I was coming in on the back of that relationship and I think my role in the business improved enormously when I developed my own areas and my own clients. I don't think there is now any doubt that we, that we are fully equal partners.*

Roger: *..... the problem is that I find most sort of irritating is actually <u>me</u> having to get things done as I said earlier.....I think there is two reasons, actually I think it is pragmatic, I think one is this look in changing behaviour: I think a lot of changes we need to make are behavioural changes. I think the directors, the management thing, the whole business of how do you do it and secondly, I think most of the time you are running you are running up against time constraints actually which result in exhaustion, if you have got a small company with key people all running themselves ragged, the amount of time they have available to making change happen is very limited. It's not like a large company where you have got the same problems but I think the chief executive can cope with life, functions set up, change teams working at it all the time. I am aware of the problems but Ben and I, we don't need that; it is a pure kind of conundrum, if you like, because we are well versed in management theory and our problems are dealing with the practical restraints of making it happen given limited time*

PJ: *You have obviously recognised this as you have brought in this executive non executive chairman?*

Roger: *Well I think we recognised that our management was a bit of a shambles but I think he admits that he hasn't made the kind of impact that I think he expected on the company for reasons that we are not entirely clear about it either and it is mainly to do with behaviour changes. I think changing Ben's behaviour has been more difficult than changing mine for some reason. I think I am readier for change, it's hard to describe it, and I think possibly one of Ben's great strengths is his stability, he is a very stable person, I think, but he is very much set in his ways, he is not flexible, he does things his way, ... So to some extent I am not at all sure whether Ben could be a successful company manager in the kind of classic company who would have nothing to do with products, if you like, it may well be that Ben's greatest value added will be up to his knees in product issues and if so then we are going to have to carve a role for him and maximise his value added in that kind of manner. It would be better for the company if Ben were a better quote 'manager'. This sounds very critical....*

Shaver & Hazan (1985) develop the circumplex theory further by giving it the added dimension of personal need satisfaction, which we have seen is at the heart of these relationships in the findings on common intentions. They argue that interpersonal circumplex exists at multiple levels, not only what is 'publicly communicated' (the behavioural level), but also what is 'privately perceived' (the personal needs satisfaction level), and that when the two levels are not perfectly congruent, incompatibility results. That this happens with the case studies is demonstrated by the MLPC tool where the 'privately perceived' is not always the same as the public communication.

We have already seen that there has been projection of behaviour which led to initial faulty allocation of roles. I would suggest that, in addition to the possible reasons already put forward, the faulty allocation of roles was another trigger which started the period of so-perceived negative behaviour. Using the circumplex model, if the dominance-submission axis is wrongly attributed or the resultant behaviour is correspondent rather than reciprocal, then incompatibility is sure to result. If, in addition there are personal needs which are not being satisfied, the incompatibility may be seriously threatening to the continuance of the relationship.

Thus if one uses the MLPC for behavioural and needs assessment rather than for role allocation purposes, when the projection was hypothesised to take place out of consideration for the other's emotional needs, it could be that the perception of the other is the other side of the coin and is in fact a private statement of their own personal emotional needs.

If we take the example of the authority/persuasion axis (figure 6.p), which has elements of the dominance/submission circumplex axis, we can see that there is diversity in self-perception and the other's perception. For example, Roger & Ben are reversed, Ben scoring himself 6/ highly extreme authority while Roger scored him as 1/ highly extreme persuasion. If therefore Roger expects Ben to behave in persuasive manner, which we have already seen he does from the quote about what irritated him, and Ben thinks that he is, and should be, behaving in an autocratic manner, we can see that there would be irritation. Conversely, Ben's perception of Roger is very similar to Roger's self-perception, and as we have seen, he feels less irritation than Roger does.

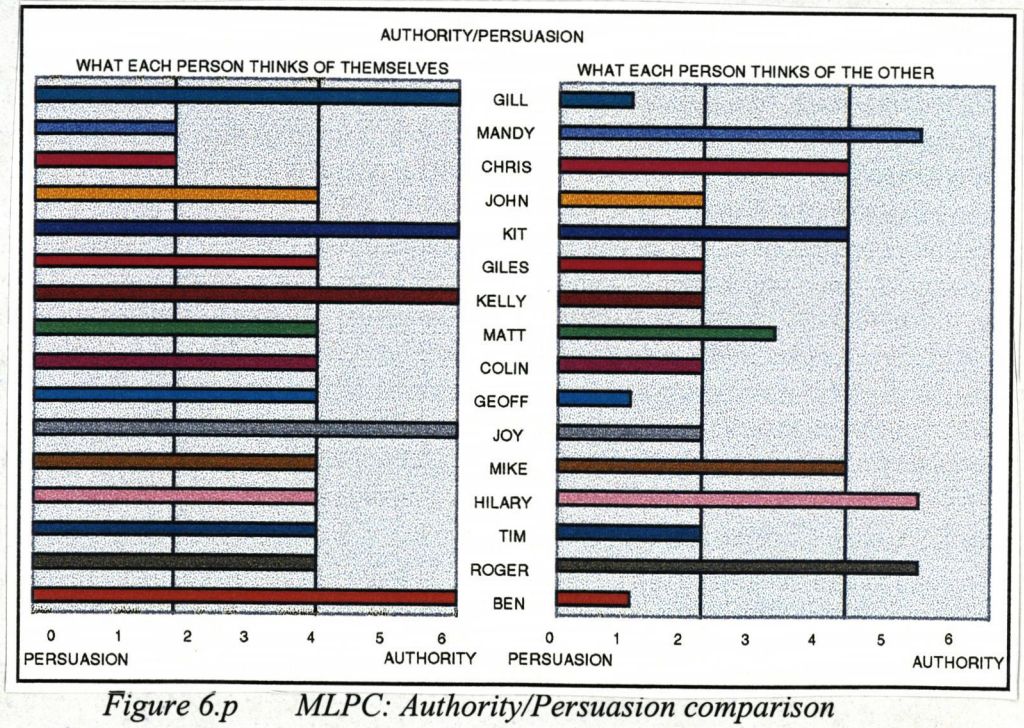


Figure 6.p MLPC: Authority/Persuasion comparison

As a second example, the same can be seen of the logical/imaginative continuum (Figure 6.q)

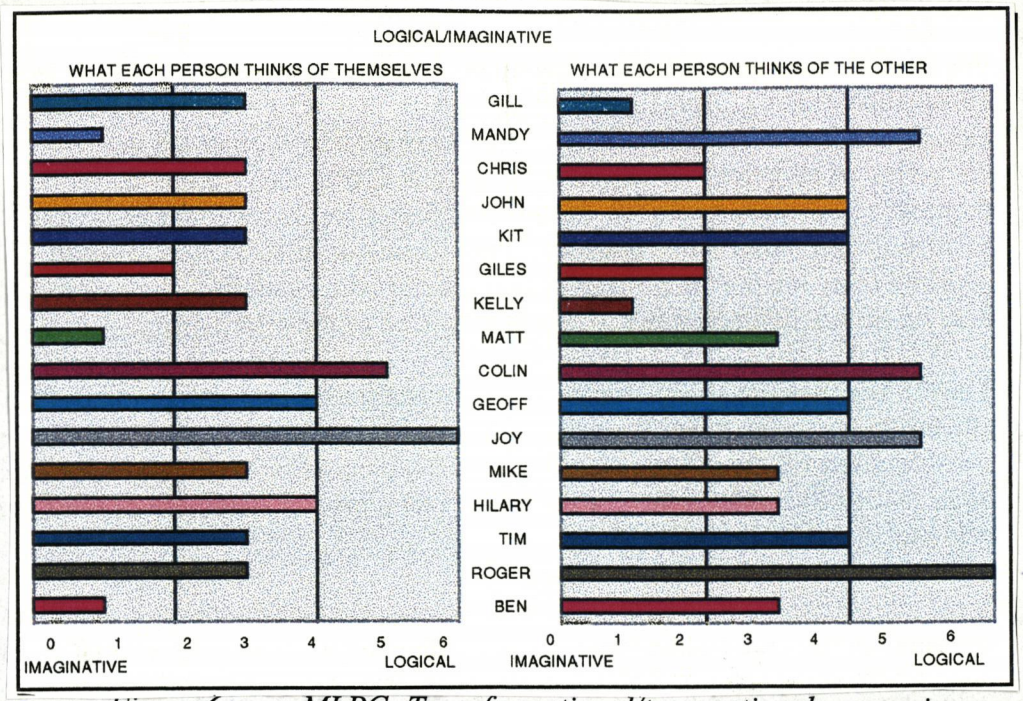


Figure 6.q MLPC: Transformational/transactional comparison

Mandy, for instance, self-scores herself as 1/highly extreme imaginative and Gill scores Mandy as 5/extreme logical, while Gill sees herself as 5/extreme imaginative and Mandy scores her at 3/mildly logical. Referring back to their irritation over decision making, it can be seen that the complementary satisfaction of needs is potentially problematic, and yet the couple have now worked through the problem.

Wegner, Giuliano & Hertel (1985), in their work on transcriptive memory already referred to, state, 'we believe that the potential for transcriptive memory makes intimacy among human beings possible, allowing them to develop a form of interdependence with each other that is both lasting and continually in flux. The immediate implications of this idea are twofold: First, a dysfunctional or incompletely operative transactive memory in a relationship should portend the breakdown of closeness; Second, many of the personal difficulties that accompany the dissolution of an intimate dyad should be traceable to the absence of transactive memory'. (p.271) It could therefore be that the period of negative behaviour , which if it continues would lead to dissolution of the partnership, is a period of flux within the acquisition of transcriptive memory when both partners are flexing their individual muscles after a period of relatively tranquil commonality, and which, as both partners are strong personalities, leads to experimentation of roles before achieving the 'best fit' to which we have seen Charles Handy (1976) refer.

6.iv. Complementarity as a factor in the dyadic relationship model

In summary, the process of achieving complementary roles through successful allocation according to complementary skill, and defining acceptable complementary behaviours appears to be extremely difficult. It is the period which covers this process when the partnership is in danger of breaking up due to seeming incompatibility. This concurs with the previously mentioned data of the majority of partnerships breaking up within five years. The process is exacerbated by complex emotional needs issues which result in projection which itself results in inappropriate allocation of roles

which in itself exacerbates the negative behaviour which is typical of this period which is itself driven by personal satisfaction needs. (Figure 6.r)

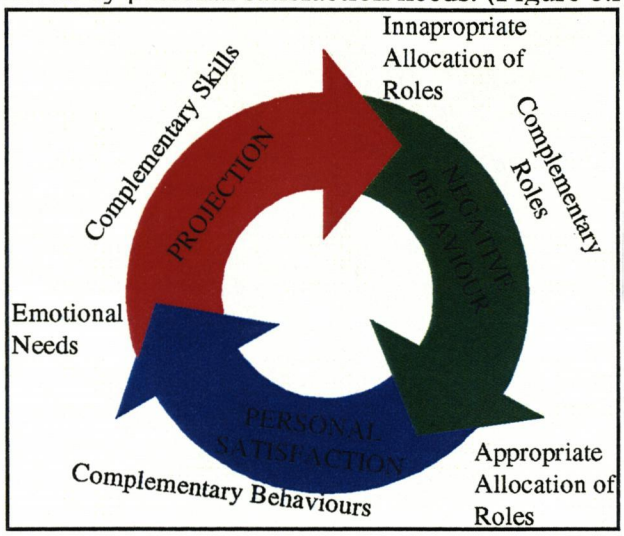


Figure 6.r The Complementarity Sequence

The 'glue' which seems to bind them together, and enable then to overcome the difficulties, is commonality, as we have seen in the previous chapter, commonality of intentions, interests and values, as is demonstrated here by Roger.

Roger: I think we share a common set of values, I think I never having managed people in the past I have found it difficult to do it as well as I would like to do it and I think by extension the sort of disciplines of management, of very good management, I think are difficult to understand really from trivial things like time management to things like understanding common management processes, budgeting, project management and so on. I still feel that I need the strength my skills of doing brought, I think the important thing though is that by the way finishing this point I think Ben has similar problems in some of those areas. The important thing if you are looking at management processes I think the thing when there are two of you the fundamental things is to have some kind of common values which result in an agreement about a way of doing things

The second research question, whether there is a specific combination of complementary skills and behaviours which predicates both the decision to found and also the roles the partners assume in the organisation which thus ensures the continuation of the relationship, thus has a complex answer. In the start the complementary skills are skills of doing, and these are necessary to the decision to found but these are sector specific rather than generic. The skills of managing are the ones which predicate the roles each partner play and these are generic but can be distributed differently according to skills. Each couple recognised the same generic management skill necessities but fulfilled them in a different way, employing outsiders to fulfil those needs which were outside their competencies, or shaping the business so that the needs became less important. It was found that the incorrect allocation of roles can lead to non-complementary or negative behaviours and thus the conclusion is that the correct allocation of roles covering all aspects of management is crucial to the continuation of the relationship and thus of the organisation.

The second aim of demonstrating which elements of complementarity are fundamental to the building of the eventual model are shown as follows (Figure 6.s) It can be seen that the effects of complementarity overlap with the effects of commonality which results in projection.

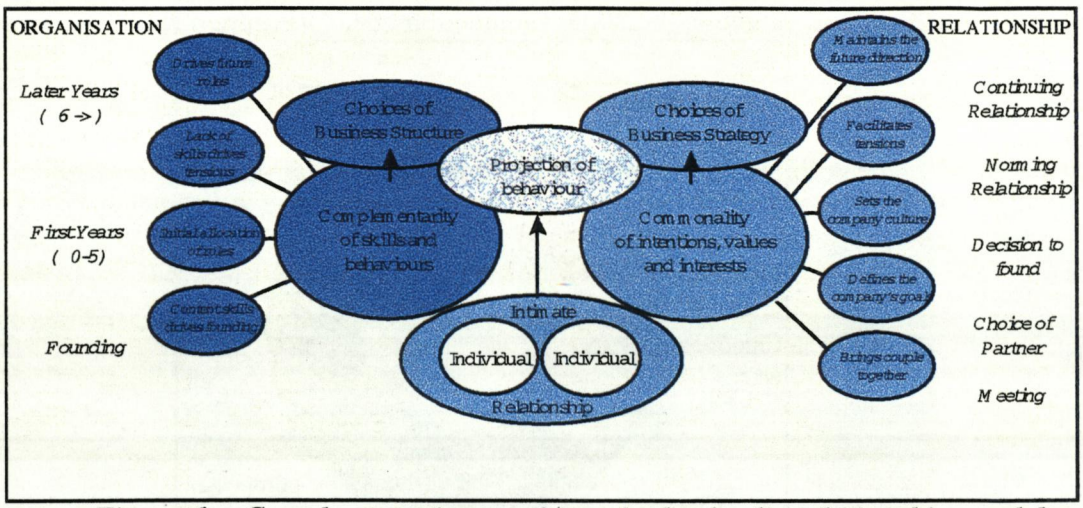


Figure 6.s Complementarity as a factor in the dyadic relationship model

The second part of the theory of dyadic organisational survival thus states that if the dyad has complementary skills and behaviours, this will contribute to organisational survival by enabling the couple to identify appropriate complementary roles and thus formulate an appropriate business structure.

Commonality and complementarity thus represent the first two building blocks of the proposed model. It is however necessary to understand both these elements within the context of the changing organisation which is the subject of Chapter 7.

7. ITINERARY 3: ORGANISATION

7.i Introduction

This chapter aims to answer the third research question, whether the continuing dyadic relationship fulfils the leadership/management needs of a changing organisation thus contributing to its survival. In order to do this, the **organisation** through time is analysed and linked with the changing relationship in order to provide the macro view of the research. (It should be reiterated here that this research did not set out to analyse the effect of the external context of the organisation.) Firstly, the different variables of the different organisations are compared to each other in order to ascertain whether there are differential elements in dyadic as opposed to other organisational start-ups. Next, the findings on the complementary attributes are used as a basis to understand both where the different organisations are in their life cycles and also, whether being two has facilitated the various organisational crises. Thirdly, all the findings are linked in order to suggest that dyadic start-up represents a new type of entrepreneurship. And finally, all the above are summarised in order to show how they fit within the dyadic model. The findings are situated within the findings map below (Figure 7.a)

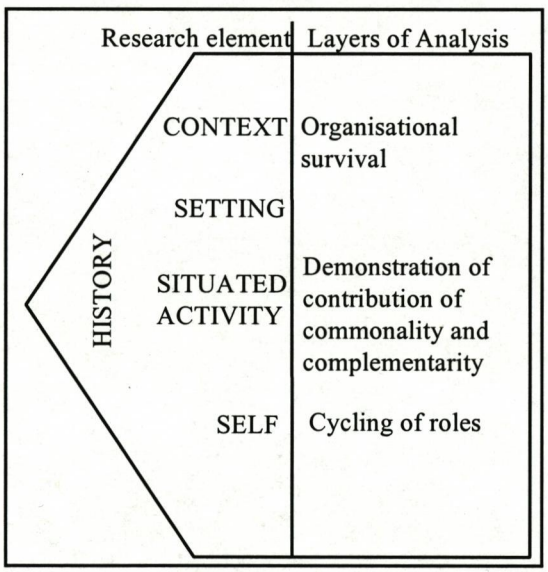


Figure 7.a The Context of Survival

7.ii. Organisational context

The organisations researched all started within the years 1987-1991 which were the final years of the entrepreneurial Thatcher administration. However, the stock market crash happened in 1987 and for most of the start-up and early years of the organisations, the UK was in recession or semi-recession.

	Co-Preneurs	*Status*	*Business Sector*	*Year*
Case Study 1:	Mike & Joy	Married	Training Consutants	1989
Case Study 2:	Tim & Hilary	Married	Material and Design Consultants	1987
Case Study 3:	Roger & Ben	Work Associates	Publishers	1988
Case Study 4	Giles & Kit	Work Associates	Architects	1987
Case Study 5	Matt & Kelly	College Friends	Fashion Designers	1988
Case Study 6	Geoff & Colin	Work Associates	Management Consultants	1991
Case Study 7	John & Chris	Work Associates	Graphic Artists	1990
Case Study 8	Mandy & Gill	Social Friends	Fashion Designers	1987

The recession seems to have hardly touched the respondents: only Tim & Hilary reported being badly affected by it.

PJ: *How do you remember those first few years?*

Hilary: *Very difficult, because I don't remember them as being a period of time although I suppose they were ....If we take it from the time when we had the studio times were difficult. I'd say times were difficult up until now because the recession kicked in for us about four years ago now and we were just, I always remember that people said it would take at least three years to get a business going, we were just about to get quite a few projects going, one big one in particular and the recession came and that was cancelled because of the climate and that was the one that would have really set us up so consequently it became not doing badly with some work and always about to make it and the recession so that was the seven years* [interview 1994] [S]

Roger & Ben mention it in passing as do Geoff & Colin, but both within the context of it having passed them by.

Ben: *Oh, it [getting started] was quite, it was really quite stimulating it was quite exciting because there was so much going on, sort of taking off, nothing that we did went wrong so it was very nice ... we now know that might have been, some things we made some decisions rather late on that we should have made earlier and better but apart from that it was jolly, you know, jolly good stuff, it was even despite recession the fact that it was there, it was a shock to the system it didn't stop us moving forward* [S]

Geoff: *Yes, because we were in the depths of the recession, it proved to be a brilliant decision in a way because I think if we'd gone out and tried to say "well what do other consultants do, they do work for other companies" and if we'd gone out there and done that we'd have folded but by picking off outfits that I knew, we did really well.* [S]

There is the possibility that the sectors in which each company was operating were recession proof, being highly specialised. For instance, Kit & Giles were architects, a sector which was extremely badly hit by the recession, but their specialised sector was in museum and art-related buildings, which firstly, have a long gestation period so funding is allocated years before, and secondly, are prestigious so tend to be safeguarded. Tim & Hilary may have been badly affected because their work was highly linked to manufacturing, which experienced difficult times, or it could be that their expectations of growth were not met, so they translated this into the effect of the recession.

It is probable also that being two contributed to being, if not recession-proof, at least recession-hardy. It has been demonstrated that a partnership, if working well, is supportive and stimulating. All partners have also talked about the benefits of being able to bounce ideas of each other and of being able to make decisions based on discussion and having a 'devil's advocate' approach. All businesses were in the potential high growth phase immediately after the initial start-up when often enthusiasm is the major reason for success, and it is probable that being two brought a more reasoned and planned approach.

In addition, the low-cost nature of set-up also contributed to all the businesses surviving this difficult economic period. Figure 7.b shows the type of financing used by the businesses during start-up. It is remarkable both from the fact that only 5% of all financing was from the banks, but also that the businesses have grown considerably from very small beginnings: last month, Roger & Ben's turnover reached over £6m for the first time and they are in take-over talks.

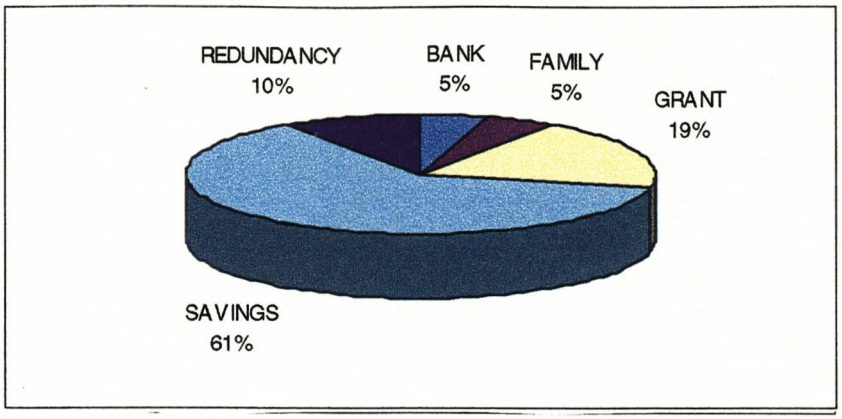


Figure 7.b Start-up Financing

The point of low financing costs is important: it enables companies to ride out recessions, and it allows the partners to keep control, both by not owing money but also by not having to dilute share ownership. (All companies started fifty/fifty and remain so) Since the companies started up, the majority have remained adamant in staying outside the bank's reaches, as exemplified by Roger & Ben, and this decision has also generated a careful attitude to money.

Ben: *I mean the reason why the business has grown or been able to grow is that we set out to be very frugal in our demands on it so we didn't try to run the company like some kind of slush fund, we were always very careful to retain as much as we could in the company so that we could grow, this adverse, aversion, to being in hock to other people and banks so it was quite difficult then because although, then again retrospectively, yes, it worked out very well*

Others who had recourse to banks have tended to do so *in extremis*, like Matt & Kelly who, as has already been seen, were forced into borrowing money for rapid expansion, and Mandy & Gill and John & Chris, who borrowed money as a result of lack of financial planning often typical of small companies.

Mandy: *.....it came as a shock and half to discover we might have to have someone who knew about money. It was like.....it took us 9-10 months to cotton on to the fact that we had to charge enough so that we made money, so we could eat*

Gill: *We've lurched from financial problems to financial problems depending on the time of the year, ...And we still don't plan for the crises, they still creep up on us so we've never got a contingency plan. We started with a sewing machine and five hundred pounds. And if we had known anything about business we would have gone to the bank manager with a plan and asked for £x amount.*

Chris: *I can't believe how hopeless we were with money for two people that seem to manage their own affairs pretty well. I know we had large capital outlay with the new computers.....*

John: *.....and then we got screwed by the tax authorities which didn't help*

Chris: *And quite frankly, there are times when as the VAT comes round yet again and then we pay the taxes and then, and then, we seem to lurch from bankruptcy to riches in a constant cycle. You asked me why I had written 'fits and starts', well, that's the reason why, actually I agree with John, the business has actually been nicely incremental from a turnover point of view..*

All businesses started small and developed gradually according to the respondents (Figure 7.c), even that of Chris & John (for whose response see above). The gradual progression may be typical of dyadic businesses with their mixture of emotional and rational responses from the partners, and it seems to have allowed all the businesses to build a firm footing for the future. As we have seen, it gave the partners time to learn,

to concentrate on delivering quality to their clients, and to iron out organisational difficulties which started to arise as the business grew older.

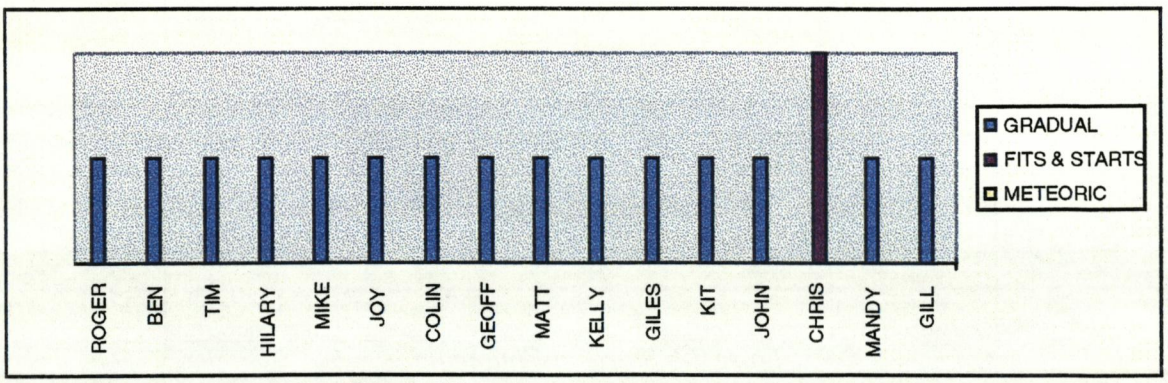


Figure 7.c Rate of Start-up

All businesses have grown in both number of employees and turnover, though some like Matt & Kelly have deliberately limited their growth in line with their original intentions. (Figures 7.d and e)

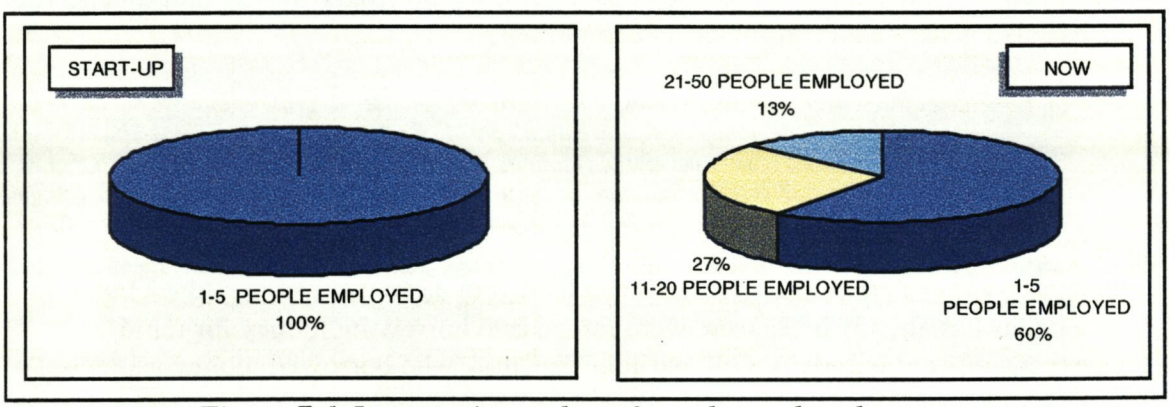


Figure 7.d Increase in number of people employed

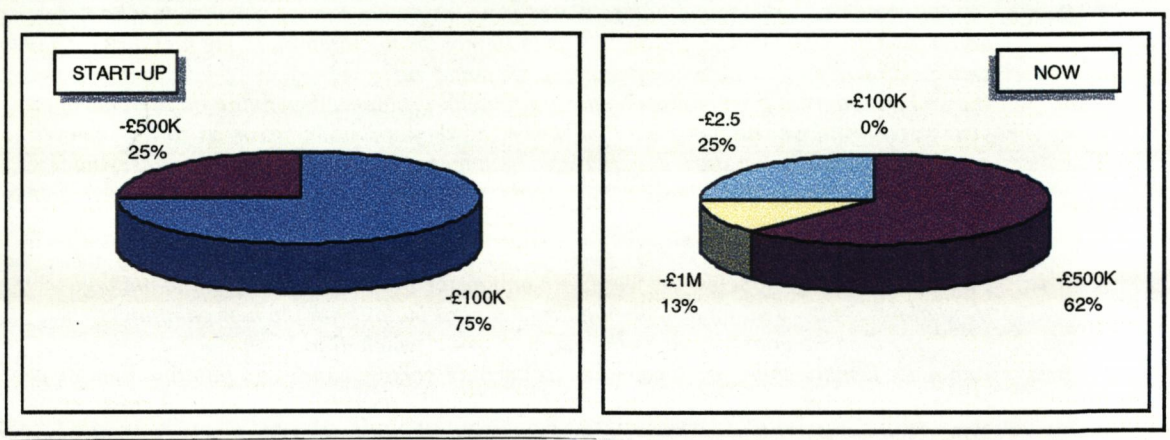


Figure 7.e Increase in Turnover

The turnover of the companies, which has also grown steadily, demonstrates the difference between these companies, however small, and the mom n'pop entrepreneurial start-ups. All companies, though started for the intrinsic reasons shown in the findings, nevertheless understand the need for growth. Indeed, the need

for stimulation, which was one of the drivers of starting the companies, predicate a demonstration of growth through turnover.

The type of growth of the companies can be divided into two groups: those for whom growth comes primarily from company growth (size and turnover), and those for whom growth comes from primarily personal growth (control and ideas). There are inevitably overlaps between the two as we has seen from the intentionality findings but the form of the company indicates which intentions were strongest. For instance, as we can see in Figure 7.f, Roger & Ben, Giles & Kit and Mandy & Gill fit the first model (all over 10 employees and £1m turnover), while Tim & Hilary, Mike & Joy, Colin & Geoff, Matt & Kelly and John & Chris fit the second (all under 5 employees and £500k turnover).

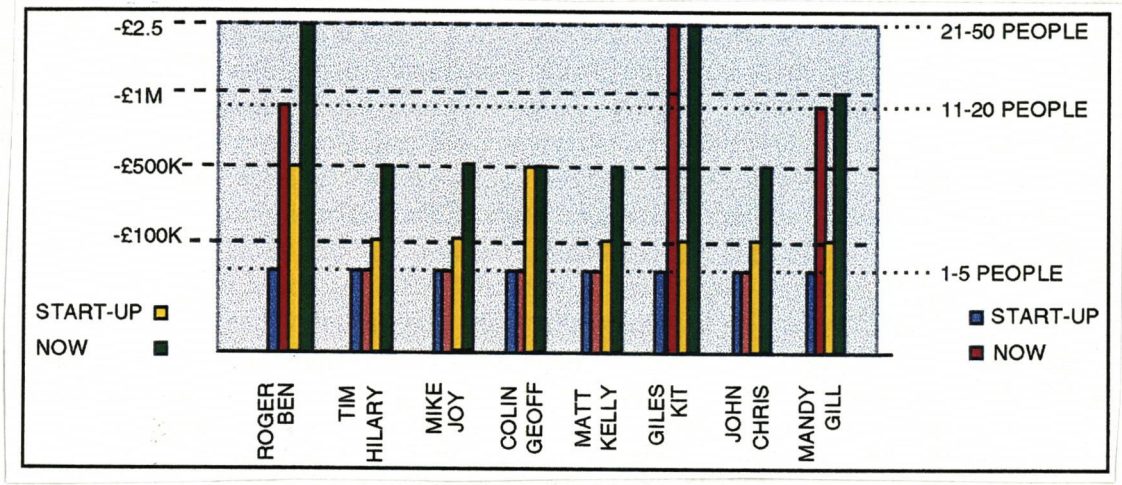


Figure 7.f Difference between companies' growth

This picture is coloured by the fact that all the second group have chosen to use external collaborators as opposed to employees, but that in itself is an indication of their primary intentions. It is possible that there are couples with smaller organisations who have aspired to grow a bigger company and failed to do so, but the indications are that this is not the case. Growth in those companies is aimed to be achieved out of differentiated services which can accrue more income rather than increased size of company. Tim & Hilary are a good example, expanding into areas of royalty payments rather than fees.

Hilary: No. We haven't achieved that much especially in terms of the business developing but the idea of developing, getting bigger could only happen if we work together..... I wouldn't want our relationship to change, I mean our working relationship as well because that is very much the core of how we feel changing or how we might move on or develop, difficult to say because we are at a point when we don't know what is going to happen but we are prepared for something different to happen and think that it very well might essential to that to anything changing that what we are talking about is based on what <u>we</u> do and the attraction is that we can make more money from it

The question is whether there is a fundamental difference in the first group's founding characteristics to the second group's. The first group are all single sex, two both male and one both female, whereas there is a mixture of affective and single sex couples in the second group. However, there are many recorded incidences of married couples and single sex couples of both genders who have built multi-million pound companies, and the same for smaller successful companies, so it would seem that this is not in itself a differentiator, though there is little empirical research to support this

indication or not. It is thus suggested that gender has little bearing on the outcome of dyadic entrepreneurial units. The age factor does not seem to play a part either: every couple is of a similar age within the partnership except for Colin & Geoff, (small companies), and Roger & Ben, (larger companies). The younger couples such as Matt & Kelly and Mandy & Gill who both started their companies in their early twenties, again represent one of each types of companies, as to two of the older couples, Chris & John and Giles & Kit. This would also seem to demonstrate that familial situation is not a major factor either.

There is also no indication that **all** the sixteen respondents demonstrate particularly strong entrepreneurial characteristics (Figure 7.g) Again using the MLPC, there is a mixture of what is illustrated as the successful entrepreneurial characteristics. For instance, Gill & Mandy score 5 and 1 respectively on the laissez-faire/persistent continuum as they also do on the independent/team axis. Other couples have equally disparate scorings and there is no one profile which one can point to as being typical of the successful entrepreneur. (Figure 7.h) For instance, within the couples there is not one exceptionally entrepreneurial person and one not. However, taking the couple together there is evidence of most of the typologised characteristics. It can therefore be argued that not only are there complementary skills and behaviours which drive complementary roles, but this complementarity stems from the fact that the two people are fundamentally complementary personalities. It has been previously demonstrated that the couples have a combination of more emotional/more rational characteristics, and this would indicate that this is one reason that the couples decided to found businesses together rather than apart. When asked if they could have started the business that exists today on their own, fifteen out of the sixteen respondents immediately answered negatively, and the sixteenth modified his response later in the interview, demonstrating clearly that these are not what is considered to be ' typical entrepreneurs'.

	Successful Entrepreneur
Personal Attributes and Characteristics	Personal Drive Persistent Strong Character Competitive Independent Takes educated risks Builder Has realistic goals Ethics
Role and job demands	Own values/standards Hard work Sacrifice Business comes first Knows the business Team Builder Long hours initially Five to ten years to build business Innovation & creativity

Figure 7.g Entrepreneurial Characteristics (after Timmons et al 1977)

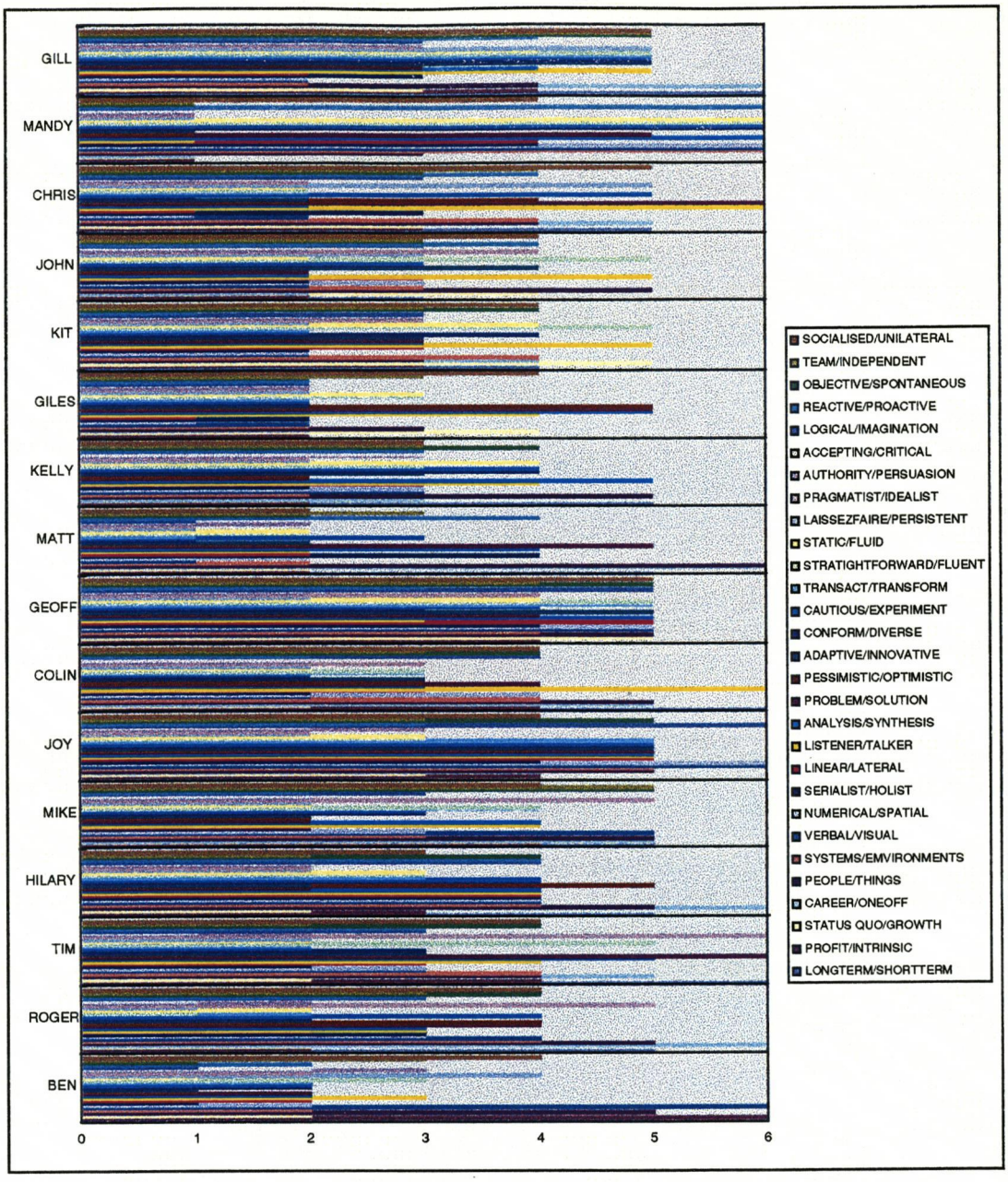


Figure 7.h MPLC partner profiles

There are varying types of start-up within the case studies which can be classified as follows: **situation driven** - both partners find themselves in a situation and go for it together (Roger & Ben, Giles & Kit, Mandy & Gill); **seamless transition** - both partners carry on together what they were doing separately, (Tim & Hilary, Matt & Kelly, Geoff & Colin, Chris & John) ; and **single person impetus** - one person has the idea and the other person joins in (Mike & Joy). The only variation which seemed to make a difference to the way the working partner was chosen was the single person impetus start-up within an affective relationship (Mike & Joy): this could almost be classified as a classic lead entrepreneurial start-up and thus outside the remit for this research, but it is included as the organisation did not take on its continuing form until the entrance of the second partner. None of these variations seem to be specifically linked to different outcomes except those to were opportunity driven -the pull model.

There is the assumption that the three larger companies are in fact more successful than the others, but this is not in fact the case, or is not perceived to be the case by the respondents.(Figure 7.i) When asked to measure their success along a continuum of thriving through to just surviving, the majority felt that their companies were at least doing satisfactorily, the only one considering themselves not to be so doing so was for financial reasons, having been fined for non-payment of tax, and when pressed further, even they admitted to being doing well.

Chris: *You're right, we're actually doing extremely well, income's up, the clients are staying, in fact we're working harder than ever just to keep up with the work that keeps coming our way*

John: *But we are still struggling along, not paying ourselves our a fortune, and sometimes it seems, well oh what's the point, so that's why I put 'just surviving'*

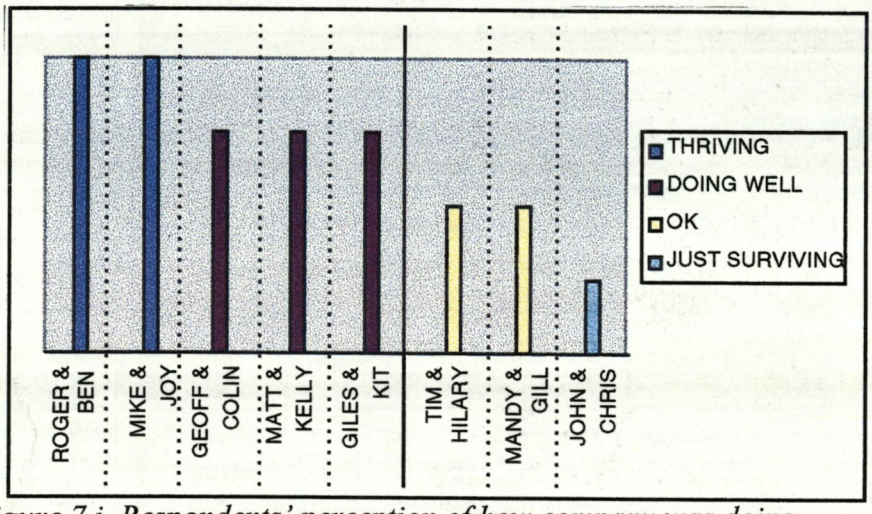


Figure 7.i Respondents' perception of how company was doing

The same is true of Tim & Hilary and Mandy & Gill who scored themselves as no more than satisfactory. The perception demonstrates a pessimism driven by recent circumstances, in Tim & Hilary's case an unsuccessful negotiation to sell the rights of an invention, and in Mandy & Gill's case a recent chat to the bank manager.

Tim: *If we had thought when we started that we would be working with the international list of clients that we have now, swanning around the world in business class, doing work that we would never have dreamed of doing both in the quality and type.....*

Hilary: *Yes, you're right, you're right, compared to the people who we used to be in competition with, it's like night and day, but, but we still haven't signed the big one, the one we thought was going to make our fortune, that would make our future easier*

PJ: *My external perception is that you are doing incredibly well, new showroom, tipped to make the royal wedding dress.....*

Gill: *Yes, you're right, we've come a long way from those days of just the two of us sewing in a garret, but.....*

Mandy: *It's the money that gets us down, we know we're doing really incredibly well, but that bloody bank manager, it always happens a couple of times a year.....*

The reasons for the differing perceptions are clearly demonstrated in the analysis of the reasons which respondents gave for the perceived state of their business. (Figure 7.j) It can be seen that those who perceive their business to be thriving put this success down to personal or 'doing' activities which relate to their sector, the total (clients, personal ability, creativity) equalling 56% of the reasons. In the group with perceptions of less satisfactory status, the concerns lie with the elements of managing

or skills outside their sector, the total of which (i.e. financial management, people management etc.) is 51%. This confirms the anxieties surfaced during the latter part of the organisational state when there was confusion over the ability to manage which are still continuing.

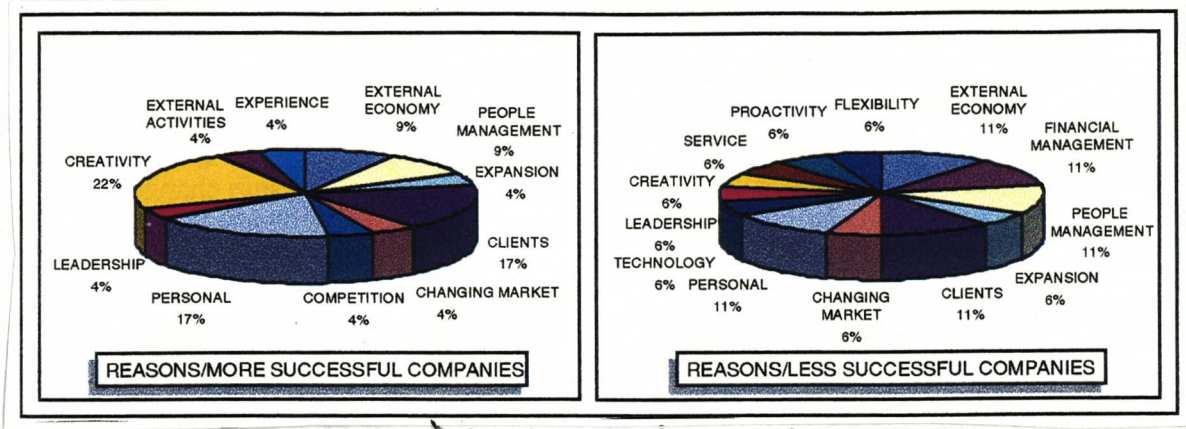


Figure 7.j Respondents' reasons for state of company

In summary, it can be seen that the different variables of the different organisations have little effect on the outcome of the dyadic relationship. There is however a differential element in a dyadic as opposed to any other organisational start-ups which is that it is the combination of the two people involved which is responsible for the 'success' of the organisation. However, there is no one dyadic entrepreneurial model in terms of criteria of individual participants. There is a phenomenon which occurs when two people with similar outlooks on life, similar values and with similar sector experience, though with complementary personalities, happen to find each other at the opportune moment and start a business together. As has been previously been stated, it is the finding of the other person which is the stimulus for the business, not the other way round. I would argue that the reason for survival is precisely because they are two, a particular two in each case, who between them supply what is necessary for the organisation to continue.

7.iii. Organisational life cycles

In order to introduce this section, it would be useful to recall and expand on both the fundamental premises of life stage schools of management, and also the varying stages that the companies went through at different times. This is so the life cycles of the various organisations can be compared, and an opinion given as to whether their crisis of leadership had been reached and successfully dealt with and whether the dyadic relationship had contributed to that success and how.

The basic tenet of the life stage theorists (Greiner 1972 et al, previously quoted) is that organisations develop in distinct stages, each one precipitated by a crisis. There is agreement amongst subscribers to Greiner's model that while these phases may not proceed in strict sequence, or may repeat themselves, each phase is distinctive and is marked by a transitional period or crisis. The successful growth of the organisation depends on the recognition of the crisis and its solution. The consensus is that the major period when the organisation is most at risk occurs between the first two phases when, for instance, the personality of the entrepreneur and the need for professional management may be in conflict. There are echoes here of the punctuated equilibrium theory which presupposes crisis as a trigger for change. Given the statistics for new

firm mortality it can be assumed that an organisation which survives this crisis has increased its likelihood of long term survival.

A central theme in Greiner (1972) is that the type of person who can create an organisation is different in many respects from the type that can manage it at subsequent stages of growth. As he says, 'in the birth stage of an organisation, the emphasis is on creating both a product and a market.....and creative activities are essential for the company to get off the ground. As the company grows larger.....the founders find themselves burdened by management responsibilities.' (p.98) However, as Smith & Miner (1983) suggest, 'this does not mean an ownership change necessarily but it does require a shift in control' (p.325), and Rubenson & Gupta's model (1996) reinforce this.

As Olson (1987) says, 'In general, it appears that although it is not essential for an entrepreneurial small business to employ people with highly developed management skills...in the start-up phase, these talents are much more important during the rapid expansion of growth phase (p.7),.....new businesses that begin very successfully must address a new set of concerns in order to remain successful.'(p.9) The potential crisis of entrepreneur/professional management is adjudged to be the major stumbling block to organisational survival: indeed most organisations apparently don't survive to experience any other form of crisis. As Daily & Dalton (1992)confirm this, '..firm survival may be contingent upon the successful transition from entrepreneurial to professional management'. (p.28)

As we have seen, that crisis did occur in all the companies researched, though not all the couples recognised it as such. In the larger companies where the crisis is more obvious and clear cut as greater resources are involved, Roger & Ben, who were the most articulate about the problem, resorted to external facilitation in order to resolve their roles; Giles & Kit decided that their energies were better placed in the creative function and recruited an MD; Mandy & Gill also recruited external senior people but later reversed the decision and acquired the skills themselves. In the smaller companies, the crisis is less explicit and yet around the 5-8 year mark, there was, as in the larger companies, a fundamental change of direction which necessitated either a different management style or the recognition that by not assuming the management functions, they were limiting the growth of their businesses. For instance, Matt & Kelly experienced a management crisis with the rapid expansion of their business and consciously decided that that route was not for them and changed to a less commercial direction; Tim & Hilary decided to expand through diversification, necessitating both external collaboration and internal clarification of their roles; John & Chris and Mike & Joy both decided to diversify and change location around this time which involved a different way of organising the business; and Colin & Geoff, in their continuing attempt at avoiding the necessity of managing, decided to expand their horizons by forming a loose association with other consultants which actually resulted in some managerial tension.

There has been much discussion as to what triggers this crisis but no clear consensus. For instance, Flamholz (1990) and Steinmetz (1969) suggest that it is size which is the indicator: Flamholz, $10m, and Steinmetz, around 30 employees and $750,000 in assets is the point of change. Miller & Friesen (1988) define the stages as birth = a firm less than 10 years old with an informal structure dominated by founder /manager and growth = sales growth greater than 15%, with a functional organised structure and

early formalisation of policies. Kazanjian (1988 p.258) states, 'The determinants of a firm's position in a particular stage of growth and the factors which precipitate that shift are at best implied'. Using this as a basis, he attempted a theory building exercise using case studies which concluded that stages are not tight, discrete passages but are fluid, overlapping from time to time. He suggests that the solution to the crisis could take two directions: either pro-active pre-organisational recognition and planning or reactive solutions such as an injection of funds, change of structure, change of personnel, new partners, new projects and products, training, new systems and outside consultants.

Terpstra and Olson (1993) reinforces this position in their study of *Inc.* 500 firms where they found that the major problems experienced during entrepreneurial start-up were significantly different from those experienced during a later growth stage (which varied between 5 and 15 years later). They suggest that problems of obtaining external financing, of sales and marketing and of product development, all decreased significantly during the later period, while internal financial management, operations management and general and human resource management increased considerably in importance. Throughout all the studies there is the central idea that companies need different managerial styles as they grow so that the entrepreneur must either undergo a style change or be replaced, but again the concept of team management is rarely, if ever, mentioned as a solution..

In addition, some of these models suggest that each stage of development is associated with a unique set of problems. Kuratko and Hodgetts (1989) suggest that marketing and financial problems are characteristic of start-up while the growth stage is associated with problems related to organisational design and general management issues. Kazanjian (1988), in his study of 100 firms in various stages of growth, identified 18 types of problem of which some, such as sales and marketing and strategic positioning were commonly important at all stages, while some, such as external relations (financial resources and backing) were more dominant at start up and some, such as organisational systems (including administration, financial systems, structure and information systems) were more dominant at growth stage and beyond. All the studies indicate the need for flexible and expert leadership.

Researchers such as Pfeiffer & Salancik (1978), Cummings (1988) and Kalleberg & Leicht (1991) have suggested that those organisations which survive best are those that best adapt to fit the opportunities and threats of their environments, and which are particularly dependent on 'the leaders' 'psychological traits, experience, and skills needed to accomplish the entrepreneurial and managerial tasks necessary for organizational survival and growth.' (Kalleberg & Leicht 1991 p138). A flexible organisation is needed which is able to take all the strategic decisions necessary to cope with the changes which can vary between financial exigencies, employment policy, re-location, and new clients, to cite a few.

All the couples in the case studies were asked about where they felt they were in terms of life stage but it proved difficult to elicit comparable answers: each person's perception of life stage and growth was different. However, I made an attempt to judge when I felt a crisis in the organisation had arisen using different criteria; from personal observation of the three factors which Rubenson & Gupta (1996) suggest presage change of leader (size, turnover and product proliferation); other observable factors such as location change; also from the interview responses, such things as

acquisition of clients, and employment policy. In some cases it was relatively simple as with Mandy & Gill who were very specific when and what their crisis was, whereas with others such as Colin & Geoff, it was necessary to probe deeper. In all cases, I judge there to have been a period of change, as perhaps crisis is too strong a word, at between the 5-8 year mark, which involved a change in the strategy or direction that the company was going in. At the same time, either as a response to that change or as a driver of change itself, there was either a change in roles, a change in staffing or collaboration, or a change in location. This corresponds to Stinchcombe's argument (1965 p.148-149) that 'new organisations....generally involve new roles, which have to be learned [and] the process of inventing new roles, the determination of their mutual relations.....so as to get maximum performance, have high costs in time, worry, conflict, and temporary inefficiency'.

	Co-Preneurs	*No. of years*	*Change Year*	*Reasons/Responses*
Case Study 1:	Mike & Joy	10	Year 6	Change of strategy, location
Case Study 2:	Tim & Hilary	12	Year 7	Change of strategy, roles, collaborators
Case Study 3:	Roger & Ben	11	Year 8	Change of size, roles, staffing
Case Study 4	Giles & Kit	12	Year 5	Change of size, roles, new MD
Case Study 5	Matt & Kelly	11	Year 6	Change of strategy, roles
Case Study 6	Geoff & Colin	8	Year 6	Change of strategy, roles, collaborators
Case Study 7	John & Chris	9	Year 6	Change of location
Case Study 8	Mandy & Gill	12	Year 8	Change of size, roles, staffing

Reference has already been made to the 'honeymoon' period which characterised the first years. As Fichman & Levinthal (1991) describe it, 'if a honeymoon period is defined as the period of time the relationship is relatively shielded from negative outcomes, then stronger commitments imply a longer honeymoon period' (p.446), which seems to be the case here, no real crisis occurring until after the previously suggested peak mortality years (up until year five) Defining the process during the honeymoon period as 'the development of relationship-specific assets' or accrual of 'social capital', they suggest that the larger the asset investment of the relationship, the lower, what they term as, the 'hazard rate' of organisation mortality will be. This is amply demonstrated by all the case studies, who by ensuring that their stock of common and complementary elements is satisfactory, are thus less susceptible to potential organisational dissolution. Again as Fichman & Levinthal (1991) state, 'if relationships become less vulnerable over time to threats to their survival, then variations in the initial endowments with which these relationships begin may have profound implications for the ultimate pattern of survival.' (p.463)

Thus, it would appear that the 'social capital' of the couples studied was of sufficient importance to overcome what Stinchcombe (1965) calls the liability of newness. The question therefore is why this honeymoon period comes to an end. It has already been suggested that some of the negative behaviours which start to manifest themselves are due to projection and mis-allocation of roles, in other words relationship related stimuli. There is however no clear cut organisational trigger for this change such as amount of turnover or number of employees, as demonstrated by the lack of difference in timing between the smaller and the larger companies. What is clear is that there is a destabilising organisational factor in all cases, such as a new client or new location, which precipitates a tension between the couples which in itself precipitates more change, or vice-versa: it is not clear whether it is the period of tension itself which is the changed circumstance. For instance Mandy & Gill were expanding rapidly and were in divided locations. They had described their irritation with each other, and only when pressed, did they relate it to external factors

PJ: *And was that a time[when things were going badly between you] when external things were happening to distract you?*

Gill: *I think, we were expanding very quickly, there was a lot of tensions……..*

Mandy: *Also we have now moved into bigger premises which helped……..*

Gill: *……. we had Mandy one side of the river producing things and me the other designing and selling them, and we say we don't talk now, we never even saw each other then, and there'd be a client waiting for a fitting and someone would be haring across the bridge with the sleeve still not in. It was a nightmare……*

In Tim & Hilary's case, the trigger was product diversification, code name 'The Project'. This resulted in having to work in new ways with different people.

Tim: *The Project has actually become our calling card for other clients; it's taking us into new product areas like plastics when we were in textiles. It's actually changed the whole direction of the business and it's enabled us to move on from what we were doing into a whole new field.*

Hilary: *The upside is that we potentially can make some money, the downside is the incredible strain it's putting on our resources, Tim and my time has always been stretched, but now at the end of each week we're always totally stressed out, we're having to deal with lawyers, patent people, hire new advisors, it's great but ghastly at the same time……..*

Whatever the trigger, it became evident that a clarification of roles and direction was needed in order to cope with this change, and all respondents went through this period, albeit in different ways. Recalling Greiner's stage model, Hatfield et al's model of social equity, and overlaying them on the complementary skill model suggested in Chapter 6, result in an illustration of how the tension manifests itself (Figure 7.k.)

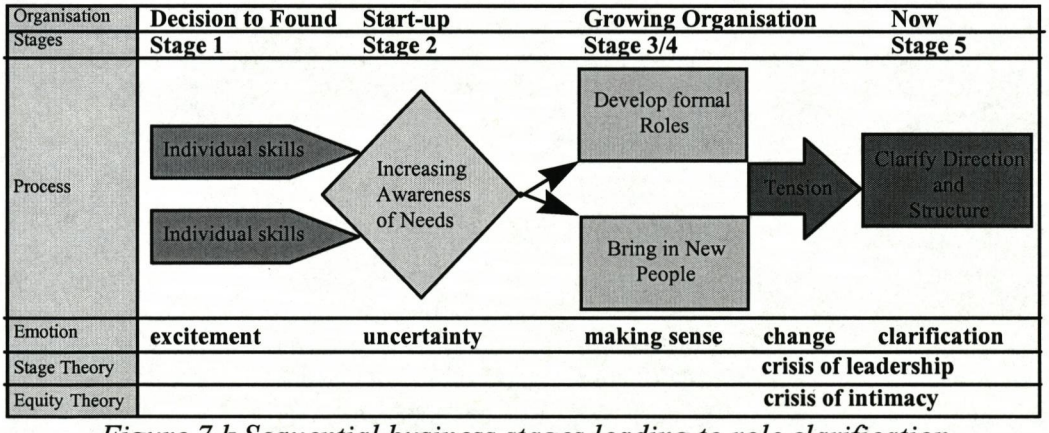


Figure 7.k Sequential business stages leading to role clarification

The crisis of intimacy has been demonstrated by the increasingly irritating behaviour between couples when the struggle of coping with their intimate relationship within the work environment, or as Fichman & Levinthal (1991) call it, the 'microfoundation for a macrosociology' (p.465), becomes increasingly fraught. The crisis of leadership is as a result of that crisis of intimacy when the organisational implications of the breakdown in the relationship become evident. However, as Levinger & Rand (1985) suggest, 'if two partners' outcome preferences correspond in most domains, and if they are skilled in co-ordinating their mutual plans and behaviours, it is likely that they can facilitate each other's goalward movement.' (p.314) One of the ways that they can facilitate the period of difficulty is by imposing structure, both in the relationship and the organisation. It has been shown that all couples reorganised the

'space' in their relationships, and we have seen a greater formalisation of roles and activities with, for instance, Giles & Kit taking on a managing director and Mandy & Gill making sure that they have support in place in case of time out of the business.

That imposition of structure, as has been previously shown, often uncovers the need for different skills, of which management skills are the most evident. The previously cited management skills are shown here in combination with the previously cited entrepreneurial skills. (Figure 7.1) Remembering the lack of profile-matching between the respondents and the entrepreneurial characteristics, there is a similar mismatch between the respondents and the managerial characteristics. However, and this is the crucial point, when the partners are investigated as a dyad rather than as individuals, there is a relatively full complement of both sets of characteristics within each dyad. (Reference MPLCP previously illustrated)

	Successful Entrepreneur	***Professional Manager***
Personal Attributes and Characteristics	Personal Drive Persistent Strong Character Competitive Independent Takes educated risks Builder Has realistic goals Ethics	Proven Skills & expertise Can establish goals Can direct and motivate Self-confident Decisive Competitive Thinking about next job Cautious risk taker
Role and job demands	Own values/standards Hard work Sacrifice Business comes first Knows the business Team Builder Long hours initially Five to Ten years to build the business Innovation & creativity	Oriented to organisation's values, status and rewards More routine work pattern Security builds up Less risky Management skills crucial Maintenance & efficiency oriented

Figure 7.1 Entrepreneurial and Professional Management profiles

All couples agree that being two has helped them to achieve the position that they are in today and that being two has helped them to facilitate through crises. This conforms to Slevin & Covin's idea (1990) about cycling through different modes and styles to match different circumstances. There are two levels of cycling which became evident with the couples studied: firstly, the cycling between transactional, day-to-day, pragmatic management which is necessary to keep the business on an even keel, and transformational, longer term, visionary management which is necessary to grow the company, the balance changing between the two types according to the organisational situation; secondly, the related level of cycling between rational, reactive behaviour and emotional, proactive behaviour according to the organisational circumstance.

It became apparent that all couples achieved both kinds of cycling relatively seamlessly during the early years of the business, with little overt realisation of its existence. Later, when problems started to occur, the need of more overt cycling

started to emerge. Roger & Ben are a good example of how the realisation of the necessity of this has come about in the later stages.

Roger: *....one of the things that our non exec chairman in fact got us to work through and recognise was that in order to grow the business successfully, it was necessary for us to bring in basically a group of people who would take over many of the responsibilities which Ben and I had been solely responsible for, particularly in the area of product development. But also in internal service function areas, so there has been a quite conscious recognition of this fact which has meant that we have brought in and are continuing to bring in people who are much more qualified, who are both older and more experienced and who are on much higher salaries than was the case two years ago and that we have actually in terms of our management processes, we have now established a sort of management group if you like of about half a dozen people which includes Ben and myself but include basically the conference director, the reports manager, the marketing director or manager, office services manager/director and an exhibition manager and increasingly these people are operating at a level which requires devolved responsibility from David and myself. And in fact at the moment one of the issues that is very much on our personal agenda is the change that is required in terms of our own roles and our management styles and the extent to which we are going to be successful at working with people at that level, it can effectively change from being very much more hands on if you like in terms of hands on the operational responsibilities to being much more hands off and delegating that back to the management group and functioning much more as a director if you like in terms of managing the performance rather than managing the operations. So that will force Ben & I to focus on what our functions are now and to make sure that whoever is best at a particular management skill is the one who does it.*

PJ: *Do you understand the terms transactional and transformational management?*

Ben: *Absolutely, you've got it, it's not for nothing we write about business, we have to move between modes and we have to get out of this habit of doing the same thing....I think we have both realised that that way madness lies.....*

All the other couples are equally aware of 'cycling', albeit not so articulate in 'management speak', as for instance Chris & John.

PJ: *Are you aware that there are times when John takes the lead and vice-versa?*

Chris: *I don't know, it's not as straightforward as that, well, actually it does happen but we don't say to each other, 'this is your bit, you're good at that, you do that', it's just automatic*

PJ: *Can you give me an example?*

John: *Yes, I recognise that that happens, when we needed to sort out the tax thing and we were both on our knees, you are just the more practical one and you took over though you were as fed up as I was and it wasn't that we weren't in agreement about it but you just did it and it was fantastic* [J]

It has already been demonstrated that the couples tend to have an emotional/rational mix and the second layer of cycling, that of between rational and emotional modes is also illustrated.

Hilary: *Yes very much I think both of us feel we wouldn't be where we are now without the other, even though we're such different people, and it wouldn't be two halves making a whole I mean separately we have to be together, if we were in two separate rooms doing it we couldn't have put the two things together and got what we got, we don't do separate projects, we work on the same project and make them more which I think is important* [S]

Joy: *Yes, together we became a more powerful business unit because we have that wider diversion I think it just sort of widens both of us more, it broadens and expands and challenges individually in a way that if it were individuals that wouldn't have happened I think that's what it is .....we move into areas that one of us will have some strength in and therefore one will see opportunities for the other so that's where it all feeds off itself and what has been to have a combination I think of well between the two of us we have got a very strong combination..... I think that's what it is, each one of us on his own is missing something and*

once you've got that range it just opens so many more doors makes you so much more flexible, able to cope. [S]

PJ: *It sounds a bit like a marriage*
Mandy: *Very similar*
Gill: *Yes, and when one of us is under pressure, one of us is low and tired, the other one steps in* [J]

PJ: *It sounds fascinating what you are describing, and, can I just play it back to you what I am hearing, after the intense period of doing everything together, now you are getting to the point where you can be three things: you can be two individuals and you can be together. Yes?*
Kelly: *Yes, and that is quite a lovely place to be.*
Matt: *To want to go on together.*
PJ: *When did that start to happen?*
Matt: *A couple of years ago?*
Kelly: *Yes, and I think relationships can go wrong when you get disappointed in the other one because of something they've done. But I don't think there have been any big examples of that and any problems we've had we've both been really keen to work them out anyway.* [J]

Geoff: *We basically work as a team, it's the two heads are better than one syndrome……*
Colin: *Geoff carried me, very much so, in the first year. I have an emotional and financial debt to repay and we found that the relationship was working very well. I had someone to turn to in terms of issues, comments and felt much more secure as there was two of us bobbing about in this rather uncertain ocean, since then the roles have changed as the business has changed, sometimes one is doing more, sometimes the other*
Geoff: *There will be a watershed when Colin gets his PhD, I think it's been very convenient for him, this, it has effectively financed him through his PhD.* [J]

Giles: *I think one thing we haven't talked about is this idea of ourselves, the opposite side of the coin, the ying/ yang that we do all the time. There's a little bit of Kit and his ego and my ego, he has an ego and I certainly have…..*
Kit: *I agree... it is a balancing thing between the ego thing and the shared thing. It works because there is the balance, because if you didn't have the ego thing, there is the worry of losing one's identity, if you naturally feel that the other one is trying to take over. But we don't, and presumably that's why it works.* [J]

Ben: *Yes I think the strain looking round and seeing people run their own businesses basically on their own is bloody tough actually going through those certainly when you are starting up. I think the pressures on individuals are much, much, more challenging, I mean challenging in different ways when you have got to reconcile two opinions but certainly sharing the load, I think for most people I think would infinitely, given that they had compatible partners, makes like a huge amount more possible……...But what I certainly would say it's a great, I found despite the problems, that great strength of this is almost at any turn you don't have to rely entirely on your own judgement ……..*
PJ: *Is what I am hearing you say that it's not so much that the sum of the parts is greater, the sum of the parts of different?*
Ben: *I think it is greater as well, I would say that the reason overall that it works I mean if you like the ultimate test is do you want to go away and do this is on your own and the answer is no I don't want to go away and do this on my own I want to do it under the prevailing conditions.* [S]

Roger: *I don' think I would have started on my own, no for all I have said, we couldn't have done it without the other, we've had to sort some things out but one of the reasons we've actually been able to sort them out is that we are two, one can take over from the other…… Maybe things would not have got where we are without putting so much effort in, I don't know on principle rather than decision there are many decisions we have taken, people we have*

appointed for example have turned out to be the wrong appointment and so forth, but I mean, I, it is interesting because I think there is a big danger for owner-directors of companies, whether you are on your own or with a partner, I think there is the danger that you can just absorb the whole of your life really and I think there was a period when probably I was putting too much in both emotionally and in terms of time if you like and I think in retrospect given my time again I would try to do it differently. Hopefully I would find my way to do it just as well by other means but I think the danger is you just don't know when to stop, you don't know when to turn it off..... [J]

In summary, all companies investigated had been through a change point equivalent to the first phase of Greiner's model (1972) of organisational life cycles and Hatfield et al's model(1985) of social equity.. They had all survived these 'crises' by different methods but, it is argued, because of the large investment of 'social capital' from the start, were in a good position to facilitate their way out of crisis. This they did by imposing structures in both their relationship and organisations, and operating within a 'cycling format' both structurally and emotionally. Although strictly outside the research format, I contacted all couples or got news of them through a third party, shortly before the handing in of the thesis, and found that all the companies are thriving and had also retained the original fifty/fifty framework. Roger & Ben's problems had become quite serious for a time with one partner taking an enforced period of rest, before resuming the joint leadership, and the reasons for this will be looked at in Chapter 8.

7.iv. Entrepreneurial typology

As already indicated, while reading the entrepreneurial literature, I became particularly interested into the different typologies which were proposed: entrepreneurial research as a whole seem to attract list making with, for instance, Timmons, Smollen & Dingee's nine role and job demands, McClelland's set of six attributes (1987), Timmons' fifteeen behaviours (1985), Slevin & Covin's three dimensions of entrepreneurial style, or Chell, Haworth & Brearley (1991) nine traits. The different typologies which had been developed around the subject were of interest because they were always predicated upon a lead entrepreneur and thus a dyadic start-up inevitable called them all into question as this research has demonstrated. Recently, the work of Kunkel (1998) has brought together some of the previous typologies by subsuming them under the banner of an entrepreneurial activity typology, which encompasses the context, the intentions and the behaviour. It is useful to recall his nine categories:

1. Corporate Turnaround
2. Intrepreneuring
3. Business Turnaround
4. Product/Process Development
5. Need Driven Independent New Venture
6. Technology Driven Independent New Venture
7. Income Substitution New Venture
8. Income Supplementing New Venture
9. Hobby / Lifestyle New Venture

I tried hard to fit in the companies that I had researched into this typology: categories 1 to 4 are completely outside the context of the respondents being at large corporation level; category 5 was primarily concerned with market opportunities; category 6 was not relevant as technology did not play a major part in any of the companies; category

7, the mom'n pops, were essentially low-growth; category 8 was part-time. The nearest category was 9 with its intrinsic aims, but even that definition was essentially for non-profit making businesses. It was not clear exactly where these dyadic start-ups fitted in and it occurred to me that perhaps they constituted a new category which does not fit the classic entrepreneurial form.

We have seen that individually this is the case as none of the respondents fit the classic single entrepreneurial model: some are in Smith's terms 'opportunistic' (Ben), some 'craftsman' (Matt), some both (Hilary); some are in Chell et al's terms 'agents of change' (Ben), some are not (Roger); some are in Timmons et al's terms 'persistent' (Mandy), some are not (Gill); some have in Slevin & Covin's terms 'proactiveness' (Mike), some not (John). In addition, they appear to have the means to be both entrepreneurial and professional managers, if the initial conditions are right, thus overcoming the crisis of leadership which is the downfall of so many start-ups. They are also unique in that the strong relationship at the centre is essentially an intimate relationship, albeit within a working environment, which drives the company's aims, strategy and structure and thus introduces a particular culture not usually present in the workplace. Above all, their companies come into being because they come together, not because an opportunity presents itself which necessitates the one person seeking out the other.

I would therefore suggest that there is a tenth category, the Dyadic New Venture, which has the following criteria:

- a for-profit organisation
- precipitated by the couple's meeting rather than any external need
- driven by aims, values and interests common to the couple
- surviving due to complementary skills and behaviours

I had no intention of challenging accepted entrepreneurial typology theories when starting this piece of research, but the findings have led me towards that direction. Interestingly enough, Layder (1993) calls attention to the fact that grounded theory is ideally placed to generate typologies but that, 'Glaser and Strauss make very little of the notion of typology building as an aid to the evolution of grounded theory.' (p.139) This research can therefore only serve as a starting point for further research into whether in fact a dyadic start-up is a phenomenon distinct from the 'normal' entrepreneurial venture, but indications are that this is the case

7.v. The Organisation as a factor in the dyadic relationship model

Recalling the marriage contract (Figure 5.d), the surviving organisation is the result of successfully adhering to it. The design of the organisation is predicated by the common intentions, values and interests and the implementation of that design is achieved by the complementarity of the dyad. The common factor in all the case studies is that their organisations have survived although the format and type of businesses are very different. The people themselves are also very different and cannot be compared as types one to another. However, the combination of the two people results in a unit which can successfully fulfil the contract.

In summary, the variables between organisations such as type of start-up or financing do not seem to have much impact on the success or otherwise of the companies. There are however two models of growth, (one which results in larger companies, the other

in smaller) which are a result of the couple's initial intentions. All respondents, whatever the growth rate of the company, felt that their business was successful and that being two had contributed to that.

All companies had been through some form of change or crisis, at approximately the same point, which was the result of, or caused by, tensions in the organisation. All couples worked through those tensions by 'cycling' roles and behaviours which were more appropriate to the stage of the organisation, in particular managing/doing and rational/emotional, which resulted in a clarity of structure and strategy. The survival of the organisation thus depended on successful cycling and this is demonstrated in Figure 7.m in the next stage of the model building.

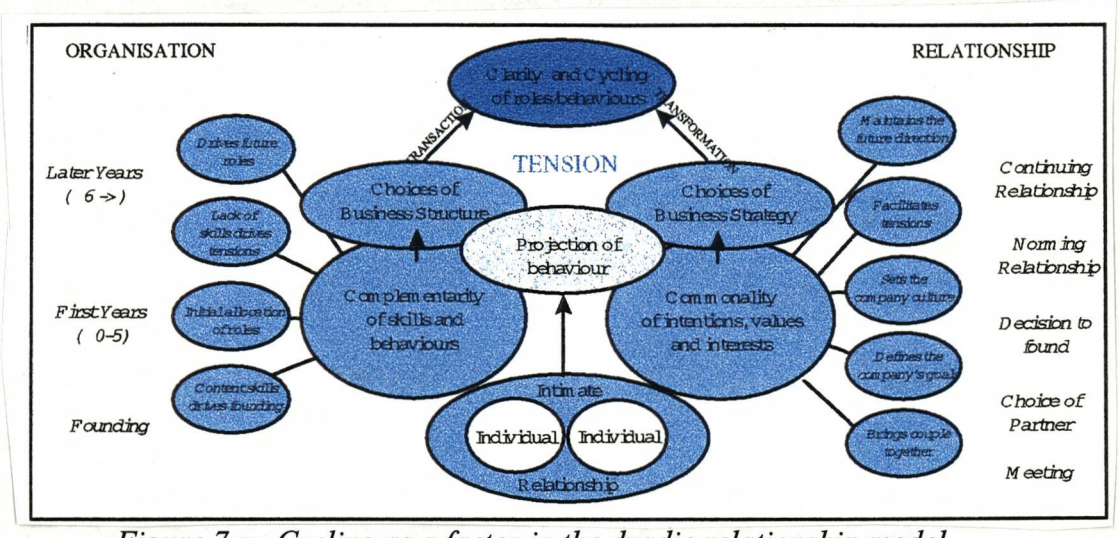


Figure 7.m Cycling as a factor in the dyadic relationship model

The third part of the theory of dyadic organisational survival thus states that organisational survival will result when mutual understanding is achieved of what roles and behaviours are appropriate in different situations, thus enabling the couple to cycle between them as appropriate.

8. REVIEWING THE JOURNEY: BUILDING THE MODEL

8.i Introduction

The penultimate chapter pulls together all the findings in order to finalise the theory and model of dyadic leadership as a continuous element of organisational survival. It summarises the previous chapters and suggests what convergent or divergent elements within the dyadic relationship result in either convergent or divergent organisations, and relates those factors to Weick's model of common/divergent aims/means. These findings are then used as a basis for recommendations for potential and existing partnerships. Finally, the resultant conclusions are condensed into the theory and model of dyadic organisational survival.

8.ii. Convergent and divergent relationships and organisations

It has been shown that the companies featured in the case studies have survived their initial crisis, and some suggestions have been put forward as to the reasons why they have endured. Statistics suggest, as has been previously reported, that many companies do not survive this first stage of growth, and in particular, many partnerships do not last. Theory suggests that the reason why the companies do not survive is because the typical entrepreneurial founder is not able to make the transition from start-up to professionally managed company, and the reason why the partnerships do not survive is that they are made up of the wrong partners. Variables in the partners' background have already been looked at in the light of their initial coming together, their decision to found and how their companies grew. It was seen that compatibility was derived from common aims, values and interests, all of which stemmed from similar cultural backgrounds, and that tensions arose out of non-complementary behaviour, lack of skills or mis-allocation of roles, none of which correlated to any background variations. It was suggested that these tensions were inevitable in an intimate relationship operating in the workplace and that it was above all the initial common intentions of the couples which maintained the ultimate stability of the organisation even when there were these periods of change and tension. The only background variation which seems to affect the way that the company develops is age of partner, and that is because it can potentially alter the original intentions of the couples.

It is a truism to state that as companies grow so the partners age in parallel, but this is a fact which is not at the forefront of the partners' minds at the time of start-up. However, as organisations grow, so the life stage of the partners changes, and therefore so potentially do the intentions, as different circumstances become important. This can cause the relationship to diverge if the partners do not maintain a common vision. For the couples who started together in their early twenties like Kelly & Matt, there was a sense of evolution and recognition that change was inevitable, but it was still important that they had a common goal and stayed together.

Kelly: *So we did need our own space ... and we've got older as well, we've turned thirty which is quite a landmark age, and I think we just thought we can't go on like this forever, we can't have this fantastic yet strained relationship forever... ... ...*

Matt: *But you have to understand that it is ours and nobody else's, and because it's nobody else's they're never going to care about it as much as we do. To us it's everything. Well, at the moment to us it's everything, in a couple of years time, who knows, it might have changed, we may have made it and we won't need to do it.*

PJ: *Do you think that is likely?*
Matt: *No I don't think so, I think it will probably move into a different phase....*
Kelly: *I don't think it will be as recognisable as this: I think it will go in a way that we would never have expected it. I think there will be different kinds of branches, more interesting. And I think that, I don't know, maybe in twenty years time there is going to be something that is mine and something that is yours as part of it.*

Another couple of twenty year olds when they started together, Mandy & Gill's life stage change involves husbands and children and a re-division of labour and priorities, but again, still a super-ordinate common goal.

Mandy: *Having had the baby, I've put my foot down, and you've put your foot down as well....*
Gill: *Thank goodness, when we started we worked 7 days a week, at least four days a week till midnight, you can't keep on working that way, there are only so many years you can do that...*
Mandy: *Yes, now I want to see my daughter. We managed to fit our husbands in round the side when we working that hard but we don't want to do it for ever, we've done it for nine, ten, years...*
PJ: *So can you see the business going on and on?*
Mandy: *Yes, if we can get this thing sorted of I can walk out of the business for the week and it doesn't fall out of bed, like I had to when I had my daughter*
Gill: *A little over a week, nearly two in fact [laughter]*
Mandy: *Yes, if we can do the same for Gill, so that she can go away on holiday or something without there being a major catastrophe, when we get to that stage, which will be about the end of this year, we can think of expanding properly, so both of us could be out of the business and it doesn't fall over, and then, God knows*
Gill; *Because really the business is just the two of us, so really we just have a name, and no-one is going to want to take over the business without the two of us, so if we want to move it on , we have to change.....But we do see it as a long term thing, we're not about to just jack it in and start something else*

Couples such as Giles & Kit , Tim & Hilary, John & Chris and Mike & Joy who started their businesses when in their thirties or later and who have familial stability, show little reflexive change as the businesses, and they, get older. However, for other couples such as Colin & Geoff and Roger & Ben, these life stage changes are exacerbated by a difference in age, which again they have recognised and worked through.

Colin: *No it was purely a work relationship that we had when we started. He lives in Bedford, he's significantly older than I, fifteen years older than I, he was a partner, I was a junior consultant. There wasn't the camaraderie there was with other people, my peers, with whom I socialise to this day..... There's a conflict...it's just that if you are going to grow something, by definition it needs to take its own identity and therefore it cannot be the vehicle for one's own self actualisation, but there is a tension floating around there within me. Geoff is less worried about it, because he's 52-53 at the moment, he's keen not to work until he's seventy or something like that, and his son is about to go to university, his daughter has finished university, so he's winding down, though he's still working very hard he doesn't have any grand ambitions. So there isn't the tension in terms of where we take this organisation, part of me says "it's where I want to go rather than the organisation" and Geoff is quite relaxed that he's happy doing the things that he enjoys doing, he's earning more money than he ever has and for him things are OK.*

Roger: *..... Ben is older than I am by several years and has much more family commitments; he is the breadwinner, he has 2 children, bigger mortgage. I live in a completely different situation, good salary no children this house probably cost about half Ben's house, quite small mortgage, even ridiculously small mortgage, so it is quite clear that if you are just looking at the financial side of the situation that Ben and I potentially after very different results; it is becoming a small issue, not an issue, but it has arisen in one or two occasions more recently as we are both now somewhat older and have to start buying things like company pensions, it is quite clear that Ben needs more money now, more revenue out of the company year on year*

than I do. I am having more trouble spending it at the moment but I would be more interested in putting it all away for the time when I am 50. But it has never really been a problem I don't think, well it has been a problem, I think Ben, if anything I have been slightly conservative on a director's salary and Ben has suffered as a result in the early years but God bless his soul he has never really held it against me. Although I can see I think this probably reflects both of us not being sufficiently organised financially in setting up the company I suspect and, I said on the questionnaire, I think that initially Ben did this for not financial reasons, he did it much more for intrinsic satisfaction -curiosity, change of approach in terms of being a journalist, fresh challenges and so forth. So that again is another area where I think it is very important to have a common set of values. If one partner was obsessed with jetting out in five years and the other one was just looking for a satisfying life style and a reasonable living I think you would have problems

Of all the couples interviewed, only Roger & Ben was exhibiting distress at the final intervention and their organisation, while remaining highly successful, has been under some tension. Looking back on the interviews, it is easy to track the growing disenchantment, particularly on Roger's side with what he perceived as Ben's irritating style of management, and the increasing awareness that the age difference was starting to matter. Roger & Ben's differences in style of working and in the disparity of age and similarity of abilities have led to personal problems. Roger has taken recently a long period of leave and they are currently looking at ways of making the business more self-sustaining; Ben, because he wants to retire and take some money out of the business; Roger, because he is looking forward to when he will run the business on his own; or perhaps they will both sell the business and do something completely different. The disparity between intentions was not obvious at the time of starting the business, though the realisation that this could cause problems soon came about and outside help in the form of a part-time chairman was brought in to facilitate the process. The current situation is now one of re-negotiated equilibrium back on a convergent path, and the company is consistently still growing at more than 10% a year. In all cases, therefore, convergent behaviour was achieved by the maintenance of common intentions.

Divergent outcomes can also come from divergent behaviour as we have seen. For instance, if the desire for control is fundamental to both partners, it is possible that as the business starts to grow that this will become an issue if one partner demonstrates a greater need for control. Reconciling differences such as this is one of the main reasons that partnerships survive, as even the best regulated couples, as we have seen, fall out from time to time. Couples deal with these differences with different strategies such as projection, reciprocity and more behavioural 'therapies' such as confrontation as has been demonstrated in the findings. One of the strategies that both affective and work-related couples use is to start to define personal space: some of this is done through defining roles so that the activities in the business are now less shared and a separate identity is maintained. This happens particularly with the larger companies such as that belonging to Roger & Ben.

Roger *And even today that's true actually because there it is too informal at the beginning you don't want any formality at all you want it all you don't need it because everyone can see what is going on, it's really transparent, and you haven't got enough people and enough delegation and when you get to about 10 people you do begin to need the process, the planning, performance reviews, project management, and people planning, recruitment, looking for new management and so you need to have those, you need to know who owns them, and be responsible and in our case, I think the problem was that we didn't really clarify who owned the processes, and what we were in practice doing, whether we were going to have weekly meetings or monthly meetings.....you need to be able to manage your time and the critical thing is ownership, you need to know who is responsible for this at the end of the day who is*

actually driving the vehicle, is it Ben, is it me, is it the marketing manager so I think that is quite important.

It also happens with the smaller companies, particularly those run by affective couples, though in a less structured way.

Hilary *No, not really, it's just we both know what we do best and so whoever has the expertise, that's who does the job.*
Tim *Well, I obviously do the technical bits and Hilary does the marketing bits...*
Hilary *And I do the organising and thinking ahead as that's what I am good at.*
PJ: *And how do you divide your time spent working with clients?*
Tim *Again, that all depends. We still see clients together, particularly at the beginning of a relationship but obviously, if it's talking to a bunch of chemists then I'll go.*
Hilary *And for instance at the weekends, Tim might go to the office to do some technical kind of thing and I might stay at home catching up on the magazines and reading which we need to do to stay on top of things.*

The need for personal space is also defined by the work-associated couples seeing less of each other out of work as we have already seen. It is probable that this separation is an appropriate way of coping with the stresses of maintaining an intimate relationship within a working environment. This is an important concept in social psychology, what Reis (1985) calls 'Interdependence of Two Selves', and does not indicate incompatibility but rather an acknowledgement, or a deep recognition, of what is necessary to keep the relationship compatible, which is one of the attributes of a close, or strong, intimate tie. As Berger et al (Berger & Kelner 1964, Berger & Luckmann 1966) argue, the principal means by which the individual's world view is sustained are the presence, the actions, and particularly the speech of significant others. As Knudson (1985) confirms, 'neither spouse unilaterally defines the relationship. Rather, each spouse's proffered definition remains contingent upon confirmation by the response of the other.' (p.235) Compatibility is thus changeable rather than fixed, being dependent on the ongoing negotiation of the interactants' relationship, as demonstrated by Secord & Blackman (1965) Weick validates this approach in his work on organisations, (1979 p.90), 'The structure that determines how an organisation acts and how it appears is the same structure that is established by regular patterns of interlocked behaviour.'

Swensen (1973) proposes the following process: 'Ordinarily in an interaction, ... the attitude and behaviour of each towards the other changes. This change is generally in the direction of consensual validation. That is, each corrects the view the other has of him, until, assuming the relationship becomes intimate, each develops a view of the other that is in reasonable harmony with the other's view of himself.' (P.44) He goes on to define two levels of interaction, that of content, which refers to the explicit information conveyed, and that of relationship, the metacommunication which actually defines the self in relation to the other person. As Knudson says (p.236), 'with each party to an interaction attempting to define the relationship in terms of these multilevel perceptions of self and other, one assumes that the various messages must be in reasonable agreement with one another in order for the interaction to continue smoothly'. Thus the development and maintenance of interpersonal relations are characterised by recurrent interaction sequences which confirm the self-perception of the other and vice versa. The reason therefore for the convergent behaviour demonstrated by all the couples is that they have recognised and worked through their problems together. It was notable in all joint interviews that there was little or no fear or embarrassment about voicing critical opinions: Mandy & Gill are a good example.

PJ: *And what does she do that really irritates you?*
Gill: *She smokes a lot.....[laughter] I've just stopped and I hate going into the kitchen and finding her puffing away*
Mandy: *.....and I hate you coming in the kitchen and finding me there when I've gone for a quiet puff [laughter]*
Gill: *.....but at least she keeps to the kitchen, and at least I know where to find her if I want a good chat.*
Mandy: *What used to piss me off a lot about you is that you never made your bloody mind up.*
Gill: *You're right, I used to take for ever [laughter]*

From my personal experience, whenever investigations are made into companies in order to understand the root problems, the major issue which surfaces is generally lack of communication. Communication was never raised as a negative issue amongst any of the couples, except as an outcome of when thing's were going badly, but it is implied throughout as being one of the major attributes of a successful partnership. Matt & Kelly and Tim & Hilary are good examples.

Matt: *It is good to have somebody there who you can experience a new colour with, and have them there so they can experience that same thing. It's having someone there to prove it happened.* [J]

Hilary: *We're sometimes depressed together in which case Tim smokes too much and drinks too much and I ..... smoke too much and drink too much! And we talk about and support each other through it. And sometimes one is depressed and not the other and so we're very supportive of each other. I mean I'm the more neurotic one and Tim just assumes the supportive role or Tim gets his head entirely into creating something new so I organise life so that it goes on.....*[S]

It seems therefore that the underlying reason for relationships to diverge, and therefore for the organisations to do likewise, is as a result of non-common intentions which in turn drive negative behaviour such as non-communication ; either non-common from the start, which would suggest an early break down in the partnership, or diverging from common due to life circumstances, which generally happens later in the relationship, particularly with younger partners or with those with disparity of age. We have seen that the findings confirm that the choice of business partner seems to be idiosyncratic and casual as suggested by Timmons (1978), but I believe that it is these intentions which trigger the partnership, and that therefore the choice of correct partner is not as haphazard as might be assumed and occurs when this commonality is recognised, albeit sub-consciously. It is therefore argued that, as suggested previously, Weick's diverse ends/ common means model (1979) is inappropriate to dyadic start-ups, involving as they do the particular combination of intimate relationship within a working environment. In other words, the relationship has to operate in both the emotional domain of ego survival (e.g. feelings, trust) but also the rational domain of substantial survival (e.g. food, money). If one recalls Weick's words (p.91) that 'Partners in a collective structure share space, time and energy but they need not share visions, aspirations or intentions.', it can be seen that this is not the case.(Figure 3.

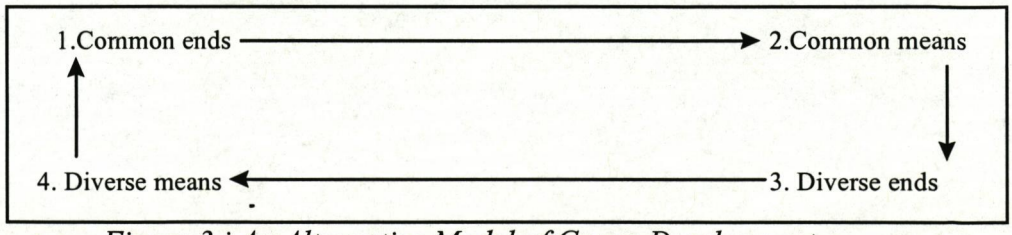


Figure 3.i An Alternative Model of Group Development

In summary, recalling the concept of the marriage contract, the partnership is successful if the implementation of the relationship aims, and the resultant organisation, is carried out according to the original design or intention. As Sager (1976) states, 'When significant aspects of the contract cannot be fulfilled, as is inevitable, and especially, when these lie beyond his own awareness, the disappointed partner may react with rage, injury, depression or withdrawal.....' (pp.4-5). For all the reasons stated, the eight case study couples found their way to maintain convergent relations and thus their organisations survived.

The fourth part of the dyadic organisational survival model thus states that the organisation will be at risk if the relationship diverges due to both diverging aims and diverging skills

8.iii. Recommendations for potential and existing partnerships

As stated in the introduction, this thesis is aimed at three distinct audiences: academics, who are interested in the theoretical content, researchers, who are interested in the research process, and management practitioners, who can perhaps draw some practical lessons from it. This section is therefore addressed at the third group, in particular those who are considering starting a partnership or those who have recently embarked on one. It comprises five recommendations which are then developed into a simple questionnaire for future dyadic entrepreneurs.

There are five main recommendations based on the research findings:

1. **Firstly, that the intentions of the partners must be explicit and common.** It has been demonstrated that common intentions are crucial to a starting a dyadic business which will survive. As Timmons (1979) says, 'unfortunately, entrepreneurs and investors are often embroiled in the heat of start-up before they discover that they have conflicting goals and values'. (p.202) A company which is started by one partner who wants to make quick money and go on to something else, and the other partner who wants to keep the company small in order to produce quality products, will not last. These intentions include a common set of values which will provide the 'glue' for the relationship during difficult periods, and a common set of interests, either related to the business or externally related. In the long run, these common intentions will be the continuing basis for the making of business strategy because they will form both the direction for the company and also provide the ethical framework for that direction. It is therefore recommended that a 'marriage contract' be drawn up, either explicitly as in a pre-nuptial agreement, or implicitly, through the relevant conversations before start-up. A suggested example is included here.
2. **Secondly, that both partners should demonstrate complementary behaviours.** It has been demonstrated that all the couples researched had behaviours which enabled them to work through problems, and that when these behaviours were non-functioning, so the relationship was under threat. An example would be that of control: while all couples indicated that control was one of the reasons for starting their own company, none of them demonstrated an overriding necessity for personal control which would have put the company at threat. Therefore a 'cycling' between complementary behaviours which is a result of sensitivity to the other partner's emotions and situation is a necessary element of the successful partnership.

3. **Thirdly, that together the dyad must demonstrate a combination of the skills necessary for being both a successful entrepreneur and a professional manager.** As Timmons (1979) states, 'a thorough awareness of one's entrepreneurial and managerial strengths and weaknesses is a prerequisite for forming a team'. (p.206) This is necessary in the years when the business starts to expand, which from this research, seems to be around 5-8 years after start-up. It is a difficult period as it forces most partners to move from 'doing' content activities to 'managing' activities. It is not necessary that one partner is the entrepreneur or visionary and that one is the manager, but that the dyad between them can fulfil these roles. Recalling Flamholz (1990 p.274), he describes the difference between the roles well: ' One of these can be termed the 'macro' tasks of leadership.....These include establishing a strategic vision for the firm, monitoring and managing the process of organisational development, and managing the corporate culture. The other set are 'micro' tasks. These are the tasks of operational leadership, which include all of the day-to-day things that must be performed to influence people to produce the products and services that the organisation offers to the marketplace'. The partners must recognise each other's strengths and weaknesses and, if necessary, use collaborators or employees to complement them.
4. **Fourthly, that the couple must be flexible and equitable.** The combination of skills necessary to ensure that the business continues must be found in both people together. As the 'best fit' theories of management demonstrate, there will be times when one set of skills or style will be more appropriate, and both partners must be ready to relinquish 'power' to the other when appropriate. The same is true of flexible behaviour which enable the smoother functioning of the behaviour. Behind this flexibility is the need for true equity within the relationship. This is the case whether in rational terms such as share holding, or in emotional terms such as balanced support. All couples researched held fifty/fifty share holdings (which is generally not recommended in partnership manuals as being problematic in decision making), and were therefore compelled to make decisions by equitable means such as discussion or 'decision cycling'.
5. **Fifthly, that the couple should engineer personal space.** It has been demonstrated that the relationship between the partners must be an intimate relationship for the dyadic model to work well. The strain of having that intimate relationship within a working environment can be great, and as has been shown, both affective and non-affective couples cope with this by greater role division and clarity in the work place. However, outside the workplace, the types of couples cope with the problem in a different way. The affective couple seems to gravitate to doing more personal activities together as well thus resulting in a stronger relationship as has been demonstrated here. The non-affective couple conversely reacts by virtually ceasing contact outside the business, and potential partners must be aware that this is the likely outcome.

These recommendations have been developed into questionnaire particularly applicable to new start ups which draws on the findings of the research (Figure 8.a). The aim of the questionnaire is to help the potential partners clarify their thinking, become explicit in their intentions in starting the organisation together, and identify strengths and weaknesses of the potential partnership which can then be addressed. It culminates in a 'marriage' contract which, it is suggested, is for both partners to sign and keep.

This questionnaire is designed for people who are contemplating starting a business in partnership. It has as its aim the promotion of discussion about mutual compatibility and appropriateness of the venture. Both potential partners should fill out the questionnaire separately, and ideally, simultaneously, but in private. Please answer all questions. There are no right and wrong answers, neither will a particular answer give assurance that your venture will be successful. However, the answers will give you a chance to discuss some important elements in your decision to found jointly and give some pointers for avoiding potential pitfalls.

1. Please ring one or more of the following alternatives:
I want to start a business in order to.....

a) make a lot of money	b) retire early	c) be able to control my own life
d) have an easy time	e) become well-known	f) be able to develop new ideas
g) take advantage of a gap in the market		h) to own a large company

2. Please ring one or more of the following alternatives:
I value the following.....

a) working hard	b) talking things over	c) honesty	d) helping
e) making decisions quickly	f) beating the competition	h) getting rich quick	I) laughter

2. Please ring one or more of the following alternatives:
My interest are in.....

a) product diversification	b) niche development	c) expansion internationally

4. Please ring one or more of the following alternatives:
My strengths are.....

a) planning	b) motivating	c) listening	d) completing
f) long-term vision	g) risk taking	h) persistance	I) talking

5. Please ring one or more of the following alternatives:
I am good at.....

a) Finance	b) Marketing	c) Product Development	d) HR
f) Administration	g) Technology		

6. Please ring any of the following statements that you agree with

a) I believe in being equal partners	b) I need to have lots of people round me
c) Once I have decided something, I do not change my mind	d) I love working on my own
e) I think I am good at personal relationships	f) I accept that 80% is good enough
g) I get easily irritated and tend to hold it in	h) I amemotional about important things
i) I am known for being rational and pragmatic	j) I find it difficult to let go of projects

k) I am quite happy to let other people do things if they are better at it than me

When you have both finished the questionnaire, sit down <u>together</u> and go through your answers:
Q1, Q2 & Q3 You should have very similar responses. If there are major differences, you should talk them through and analyse whether they are sufficiently diveregent to question the decision to work together.

Q4 & Q5 You should have a full complement of responses between the two of you. If you have ringed the same responses and left the same ones unringed, you should analyse whether there is either too great a similarity of skills or whether they are skills which can be either learnt or bought in through consultancy or employment.

Q6 You should have both ringed a, e, f, k and <u>not</u> ringed c, d, g, j. If this is not the case, you should question the suitability of working together. Ideally, one should have ringed h, and the other i, but if not, you should be aware that you will react similarly in situations and may need to deliberately take an opposite view. If you have ringed b and also Q1/h, there is no conflict but if not, discuss the prospect of being just two for the foreseable future.

Finally, sit together and fill out the following

The dyadic 'marriage' contract

We are starting the business in order to:
Our common values are:
Our common interests are:
We need to develop the following skills:
We will play the following roles:
Our behaviour will be:

Signed:

Signed:

Figure 8.a Pre-dyadic start-up questionnaire

8.iv. The theory and model of dyadic survival

As will be recalled, the aim of this piece of research was to theory build. The final section thus presents the theory and model of dyadic organisational survival that is based on the findings of the research. As the previous section was aimed at the practitioner audience, so this section is aimed at the academic audience. Parts of the theory and model have been presented in the conclusions of chapters 5, 6 and 7, and this final summary adds the elements of diversity, as has been argued in section 8 ii. to the model.

The 'Three C Model' of dyadic survival (figure 8.b) thus represents three stages that will enable a dyadic organisational start-up to be successful (the definition of success being survival as has been previously stated). The first two stages are overlapping and therefore not discrete, but the third stage is usually discrete following as it does upon a period of tension. The three stages are therefore:

1. **Commonality.** The stage which encompasses the meeting, choice of partner and decision to found is that when a high degree in commonality is necessary. Firstly, in having common backgrounds which enable the couple to meet; secondly, by recognising in each other those common elements which enables the couple to c make the choice of one another; thirdly, by having explicitly common intentions, values and interests which drive the decision to found. In addition, later in the organisational life, commonality is necessary in two further ways: fourthly, by using these common intentions to drive strategic direction throughout the life of the company; and fifthly, by providing the ethical framework and 'glue' which defines the company culture
2. **Complementarity.** The overlapping stage which encompasses the decision to found and the continuing relationship/organisation is when a high degree of complementarity is needed. Firstly, in having sufficiently complementary content skills which help the couple make the decision to found; secondly, in using those complementary skills in order to allocate roles in the initial stage of the business when some structure starts to be needed; thirdly, in developing complementary behaviours which enable the couple to support each other and overcome tensions in the continuing stages of the organisation.
3. **Cycling.** The discrete stage which enables the couple to move from entrepreneurial start-up mode to professionally managed organisation is when the necessity for a clear strategy and structure is needed in parallel and when cycling between transformational and transactional roles thus becomes necessary.

The theory of dyadic organisational survival thus states:

- that the common intentions, values and interests of the dyad contribute to organisational survival by providing the basis for an equitable, compatible relationship which underpins the strategy, culture and behaviour of the growing organisation.
- that if the dyad has complementary skills and behaviours, this will contribute to organisational survival by enabling the couple to identify appropriate complementary roles and thus formulate an appropriate business structure.
- that organisational survival will result when mutual understanding is achieved of what roles and behaviours are appropriate in different situations, thus enabling the couple to cycle between them as appropriate.
- that the organisation will be at risk if the relationship diverges due to both diverging aims and diverging skills

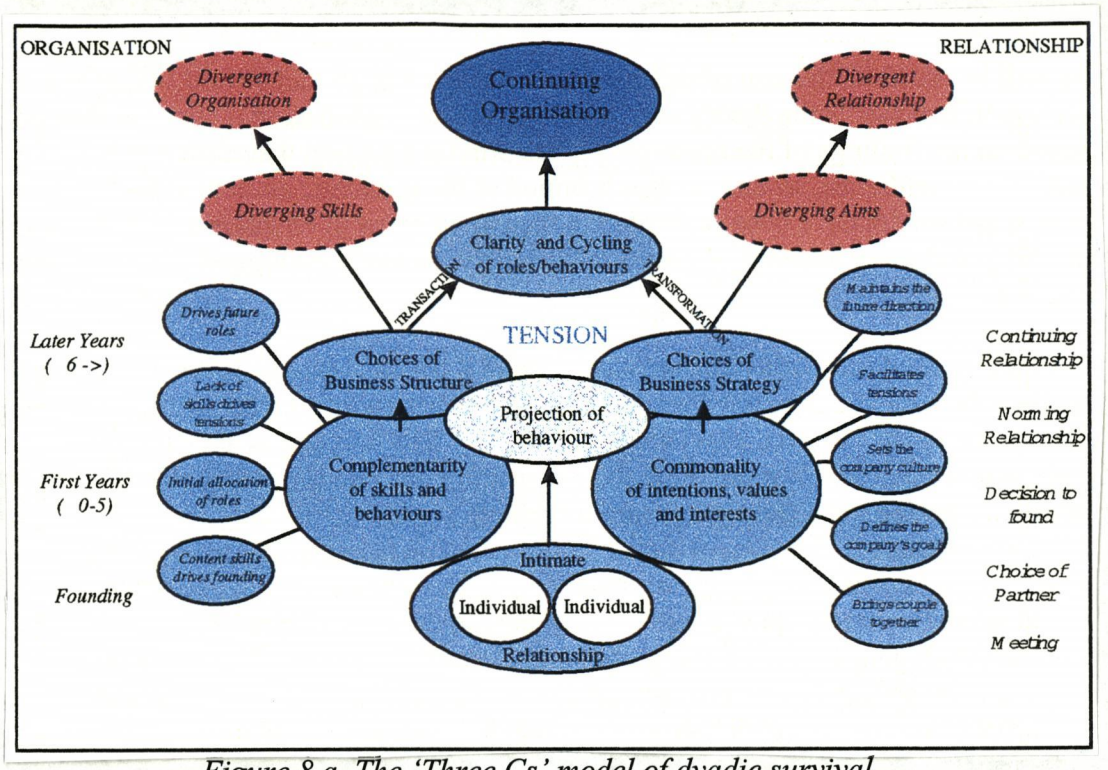


Figure 8.a The 'Three Cs' model of dyadic survival

9. PLANNING THE NEXT JOURNEY

9.i Implications for future research

There were distractions throughout the research process whenever interesting avenues of research presented themselves. As has been previously stated, the problem with this piece of research was narrowing the scope rather than broadening it as would be preferable with some other research projects. However, this was to a certain extent inevitable given my personal preferences for innovation and large concepts. While I am sure that greater focus could have been achieved even within this research, the final result is a piece of research which I still find personally stimulating (even after 7 years) and which thus has a number of areas which are ripe for further research. This research could either take the form of a spin-off in terms of an interesting idea spawned during the research, or, alternatively, further research to establish the substantive theory as formal. The ideas suggested here fall under the latter type.

- **Future organisational life stages in dyadic start-ups.** An obvious continuation of the current research would be into dyadic organisations who have continued beyond the first ten or so years, the idea being to investigate the validity of the organisational life cycle theorists beyond the first phase of crisis/growth. One of the problems with this research would be the difficulty of 'unpicking' cause and effect in organisations as they become increasingly complex through growth. It would however be possible to follow the 'small' companies identified here, which have opted for small corporate growth and large personal growth, and compare them with the 'larger' companies who have opted for higher corporate growth.
- **Triggers of change in organisations**. One of the most difficult areas in the research about which to draw conclusions was that of the reasons for the end of the 'honeymoon' period. The extant organisational theory was analysed and found wanting, and various suggestions were made, but further research, perhaps within the field of relational psychology, needs to be undertaken as to why this happens at a particular point.
- **Informal partnerships in large corporations.** A possibly more attractive proposition would be to look at partnerships within large corporations and investigate whether some of the findings on cycling are equally appropriate. Casual observation has shown that there are frequently informal partnerships at the head of large companies; sometimes the chairman/managing director combination; often the partnership between managing director/financial director; and sometimes more unlikely combinations such commercial and HR directors who effectively run the business between them. This research would have the advantage of there being more published data and a potentially larger sample available though the problem of access might be a stumbling block.
- **Dyadic start-ups in entrepreneurial typology.** Some first thoughts are offered here about the need for a new typology for dyadic entrepreneurial ventures but more in-depth research is needed to offer both a description and a set of criteria based on empirical data. The thoughts presented here are as a logical conclusion from the research conducted rather than research specifically conducted into defining a new typology. As stated previously, entrepreneurial research is relatively in its infancy, and as such, offers many opportunities for many different avenues of research: research into the dyad in the entrepreneurial context could take many other forms such as specific work on gender, family situation, reasons for failure rather than success and many more.

- **Intimate relationships within work situations.** As the research progressed, one of the emerging theories which was totally unexpected was that of the intimate nature of the dyadic relationship within the entrepreneurial start-up context. All the literature about entrepreneurs and work associates had led me to assume that the relationships, apart perhaps from those of the affective couples, were fundamentally instrumental relationships with all the relevant attributes such as being task oriented. One of the pleasures of the grounded theory approach is the way that new ideas emerge and are refined as the data gathering and analysis develops, and as more and more evidence was extracted to show that these were truly intimate relationships whatever their antecedents, so my interest in intimate relationships within a work environment grew. A future avenue of research could therefore be within this field enabling deeper understanding of both the richness to be gained from these relationships and also the problems that can occur within the work context.

9.ii Contribution to knowledge and shortcomings of the research

There were four areas previously identified as being the major contributions to knowledge of this research.

1. Pre-organisational intentionality: the value of common intent in organisational start-up
2. Dyadic complementarity: the identification of complementary attributes, behaviours and roles which may lead to the leadership couple as a model of organisational survival.
3. The addition to the work of entrepreneurial typology in identifying a new kind of start-up
4. Grounded theory: to demonstrate the value of the grounded theory approach to this kind of research.

As previously stated, this research has three main audiences, the practitioner, the academic and the researcher. The first three areas of contribution to knowledge, which are of importance to the practitioner and the academic have already been covered in depth in the previous chapters and have thus been demonstrated to have been fulfilled. The third audience, the researchers, and the fourth area of contribution to knowledge will be covered in this section.

The pleasures of carrying out research based on a grounded theory approach have already been mentioned: the surprises of new ideas emerging, the enjoyment of in-depth interviewing with its associated pleasure of realising that a respondent has said something of such revelatory depth that it will inform a new avenue of coding , the gratification when theory saturation starts to happens. I have used the image of a journey throughout this research as that was what this voyage of discovery became as I discovered the delights, and the hardships, of doing research. Working within a realist ontology and epistemology, I also had the freedom to travel by analogy on the train or by plane, whichever was most appropriate, at times using interview techniques, at others survey methods.

The freedom also enabled me to adapt the grounded theory principles of Glaser & Strauss (1967) and Strauss & Corbin (1990) and, while keeping the spirit of the originals, to invent a simplified version of working which was both more in keeping with the subject of the research and its constraints, and the realist epistemology. The

phases of the simplified version have been explicitly reported in Chapter 4. The result is a piece of research with some interesting findings which contributes to knowledge by touching on subjects not previously addressed, but also contributes to the increasing body of management research conducted within the grounded theory approach.

The findings however cannot be generalised across a broad spectrum of say, all entrepreneurs or all married people working together, though there are elements which may be relevant. Currently, therefore the theory of dyadic organisational survival stays fundamentally within the substantive area. Ideally, research should be able to be generalised, thus translating itself into formal theory and it could be argued that one of the shortcomings of the research is that it has not yet reached that stage. (One of the frustrations of a PhD is the realisation that it is an apprenticeship for research and as such is sometimes limited in its scope.) However, the application of the substantive theory to similar dyads in other situations or, conversely, to non-dyads in entrepreneurial situations would enable its progress towards formal theory, as has been previously been suggested in the new areas for research.

Related shortcomings exist in relation to the sample. In some ways, I wish that I could have expanded the sample to include, for example, more woman/woman couples or married couples who developed large organisations, but the amount of data collected from the eight couples was already enormous, which meant leaving out interesting ideas and quotations in order to focus on the main findings. In addition, I am not sure exactly what those couples would have added other than give me a sense of security that all bases had been covered.

There was also the problem of doing longitudinal research when one is reliant on memory of the respondents. In one way, this was solved by interviewing two people about the same periods and activities which gave a validation to each other, but there were differences in timing between the interviews which could have potentially skewed the data. For instance, the MLPC was only conducted once with all respondents, some completing it after seven years, some after ten and some after 12 years. Ideally, this tool would have been administered at least twice at regular intervals which would have enabled comparison between couples over time and in different phases of the business.

The problem of reporting and understanding temporality was also not completely satisfactorily solved. As was illustrated by the Research Matrix, there was not only the complexity of the individual, the dyad and the organisation, but also that of the relationship over time. The research methods should probably have been modified to enable the respondents to give their point of view at more regular intervals but problems of access and investment of time intervened.

Finally, one of the shortcomings of the research was doing it part-time. The short periods when I was able to devote myself full-time to the research project were periods of intense creativity, but as the majority of the time was spent fitting research round employment, so the thesis shows the unevenness of effort. Nevertheless, the journey has enabled me to learn vast amounts, not only about my chosen subject, but also about the process of research, and as in all good education, has left me thirsty for more.

9.iii Implications for practitioners and policy makers

Carrol (1993), asking the question as to why firms differ, put forward many different hypotheses, all of which had the common factor that 'successful firms embrace an adaptation model of organisational change'. (p.245) The dyadic firm not only has to adapt the organisation but adapt their relationship, though it is a moot point as to which comes first. Bird (1989) suggests that partners within organisations need to go through different stages and the respondents have certainly demonstrated that. They have passed from the phase of mutual usage, developing into mutual concern; from fusion or the unconscious division of labour, into differentiation into explicit roles; from living off the relationship, into living through the relationship; from resisting the limits of the other's willingness to change, to tolerating them; from negotiating détente, to true appreciation of the other.

All couples researched have successfully negotiated this adaptation of their relationship and thus their organisations have survived. They have all found the partnership to be an effective way of running a company, expressing their satisfaction both with the model and with the way it has enabled them to move forward. They all feel that being two has removed many of the strains and stresses; has enabled them to support each other through crises; has enhanced and accelerated learning; and has provided a synergy enabling them to produce more and better work than they could do on their own. They all feel that it is an highly effective model. The conclusion is that the right 'couple' is a highly effective unit and the respondents bear this out.

PJ: *And finally, is it better being two?*

Hilary: *Oh, yes, you can bounce ideas off each other and use the other to make sure you are on the right track. It gives you confidence, and having more confidence then you can go for better clients. For me, it is a true partnership: the sum of us two is far greater than one plus one.*

Tim: *It's a constant egging on.....it's not two like-minded people going down the same track, it's totally complementary. We've developed this code of behaviour where we automatically reinforce each other's weaknesses and you would never achieve that without working so closely together.*

Ben: *We've had our problems, but doesn't everyone in business, particularly in the kind of close relationship like ours. This test is to ask, 'would I have done it differently?', and the answer is 'no way'.....*

Roger: *We've gone from tweedledum and tweedledee, through a period of disaffection, but basically being together makes a whole lot amount more possible. That's my view. I think that is the most useful thing in a way of having two people working together, they can bring something else as well as just being there.*

Matt: *Our relationship is our business and our business is our relationship. I can't split it up and even think in terms of working on my own.*

Kelly: *What we're saying is that without the other, it wouldn't exist.....*

Mike: *It's the best thing we ever did doing the business together. I've got over any initial worries I had and I can truly say that we wouldn't be where we are today if we hadn't been together*

Joy: *It really has enabled us to do things we wouldn't have done on our own.....*

John: *We joke about Mutt and Jeff, but actually this is the only way to do it. It means you have to share in the rewards, but, by God, you get to share the heartaches too, and I can't tell you how much that counts.....*

Chris: *We wouldn't be sitting here today, solvent, happy, having fun, all those things, if we hadn't got together*

Geoff: *I still think we made the right decision, sitting there on our park bench.....*
Colin: *Yes, it's worked well, we've supported each other financially, emotionally, getting new clients, looking back, I think we've also engineered a relatively unstressful lifestyle even if we haven't set the world on fire...would I do it again, absolutely yes.*

Gill: *Seriously, it's the only way to start a business, not on your own, certainly not three, three people is trouble. But we've always been equal with money, equal with time.....*
Mandy: *....equal with responsibility, equal with emotion but I think that why it works so brilliantly.*

This has implications for people starting businesses together, but it also has implications for venture capitalists and other finance institutions in managing the risks of investing in start-up couples. A focus on investigating the relationship of the couple rather than purely a focus on strategic and financial issues could radically alter investment decisions. As will be recalled, much practitioner literature issued by these very institutions is pessimistic in tone about partnership outcomes, but by touching on issues such as contractual intricacies rarely addresses what would appear to be the central issue of compatible relationships.

9.iv. Implications for Methods and Methodologies

The research undertaken has added to the body of qualitative management research based on the tenets of grounded theory. It has implications therefore both in the encouragement of researchers to engage in this type of research and also in the way that classic grounded theory approach has been adapted to suit both the subject of the research and also my personal preferences. The way grounded theory has been used demonstrates its power as a flexible approach within the realist paradigm which can be adapted to cope with more complex research situations such as this, with its matrix approach to multi-layered research.

The realist approach has also allowed the use of mixed quantitative and qualitative research methods which have been used in a such a way as to generate the most appropriate data in the most appropriate manner. This has implications for perhaps more purist approaches to research which advocate the sole use of one type of method and look askance at approaches which are flexible. In addition, it has permitted a more flexible way of reporting the findings, encouraging on the one hand a more narrative style based on actors' dialogue and on the other on graphs and analysis stemming from the questionnaires.

9.v. Implications for Theory

The implications for organisational theory as a result of this research are several. Firstly, the behavioural focus demonstrates an alternative approach to building models of organisational sustainability or survival as opposed to those based on economic or strategic relationships. Secondly, within a macro context of interest in partnership models, whether for example between suppliers and end users or government and industry, the partnership model grown here has theoretical relevance at least at the conceptual level. Thirdly, the emphasis on the importance of intent in defining the

outcome of the relationship has implications for the emerging body of entrepreneurial theorists working in the area of pre-organisational intent.

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