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Persisting and Reoccurring liability of newness: Entrepreneurship and Change in Small enterprises

This chapter focuses on the challenges of entrepreneurship and change facing small enterprises. Developing Stinchcombe's liability of newness concept to recognise the persisting and reoccurring liability of newness for small enterprises, Wapshott and Mallett develop insights into the challenges of entrepreneurship and change. They argue that, in recognising the challenges facing start-ups, which are new in the sense that they are 'young', analysis should also account for how small enterprises encounter *novel* challenges, associated with the ways in which external pressures demand new responses from within the organisation. Drawing on Stinchcombe's liability of newness concept, Wapshott and Mallett outline a sociology of entrepreneurship perspective for analysing how small enterprises cope with challenges of entrepreneurship and change.

Introduction

Writing in 1965, Arthur L. Stinchcombe set out to consider 'the relation of the society outside organizations to the internal life of organizations' (1965, p.142). In doing so he produced a wide-ranging essay with significant insights. Stinchcombe's proposed *liability of newness* has been particularly influential. In essence, Stinchcombe considers the role of 'newness' in relation to social conditions that create specific challenges for new organisations and new forms of organising. This is used to explain why a higher proportion of new organisations, and particularly new forms of organisation, fail more frequently than older organisations and more established organisational forms.

Although set out across only a handful of pages (pp.148-150), the influence of Stinchcombe's liability of newness idea has been far-reaching (Abatecola et al. 2012). For example, it has influenced important debates in the fields of Organisational Ecology (Baum 1996; Freeman et al. 1983; Hannan and Freeman 1984) and Entrepreneurship (Abatecola and Uli 2016; Soto-Simeone et al. 2020; Yang et al. 2020). Elsewhere, authors such as Thornhill and Amit (2003) have highlighted the relevance of shortcomings in general management skills to the failure of new enterprises and new forms of organising.

In this chapter we utilise a firm-level perspective to revisit Stinchcombe's liability of newness and analyse the management challenges facing small organisations. In the first half of the chapter, we set out Stinchcombe's liability of newness and the major contributions to the development of the concept. We frame our perspective in terms of a sociology of entrepreneurship that, building on Stinchcombe's insights, is focused on social relations and the social structure and considers them in relation to Wapshott and Mallett's (2021) characterisation of small firms. In the second half of the chapter, we set out how, considered as relevant to forms of novelty, the liability of newness can be experienced by these firms as persisting and also reoccurring. We illustrate these characteristics and the key management challenges through discussion of different pressures and external challenges. Our chapter contributes to the study of entrepreneurship and change by arguing that, in recognising the challenges facing start-ups, which are new in the sense that they are ‘young’, we should not overlook how small organisations can continue to encounter *novel* challenges, associated with how external pressures demand responses from within the organisation.

Stinchcombe’s liability of newness

When we think of new organisations, we can sometimes forget what it really means to launch an entrepreneurial venture, working with an innovative idea and operating within a new product niche, market or even industry. Setting up the firm may involve recruiting strangers who, while experienced in past jobs, have not worked in the entrepreneur’s business or with their innovative new ideas. There are new customers to build relationships with, not to mention broader business contacts, supply chains and regulators. Potentially, there is a lot that could go wrong.

The liability of newness refocuses our attention on the challenges facing new and small organisations. To fully explore Stinchcombe’s concept, it is helpful to set his ideas in the broader context of his original chapter. Stinchcombe was studying ‘the relation of the society outside organizations to the internal life of organizations’ (1965, p.142). The ‘society outside’ can be thought of as the social structure, which refers to stable characteristics including ‘groups, institutions, laws, population characteristics, and sets of social relations that form the environment of the organization’ (ibid). An ‘organization’ and it’s ‘internal life’ are understood in terms of ‘a set of stable social relations deliberately created, with the explicit intention of continuously accomplishing some specific goals or purposes’ (ibid).

To understand the relationships between the external (social structure) and the internal (organisational forms), Stinchcombe sets out several areas for consideration. He identifies that the prevailing social structure will affect the rate of new venture formation, especially those adopting a new organisational form. Further, organisational forms will be shaped by the prevailing social structure of the time they were created (also see Stinchcombe 1968). The effect of this can be that organisations in a particular industry take on similar characteristics. These forms might persist, even as new technologies are introduced, so long as the underlying socio-technical system is not disrupted by their introduction.

In his consideration of new organisational forms, Stinchcombe identifies what he terms the 'liability of newness.' Liability of newness considers the challenges facing nascent organisational forms and organisations. Stinchcombe identifies four facets of the liability of newness:

> (a) The roles required for the organisation to operate. Without the existing organisation-specific resolutions that have been worked out in older organisations, new organisations have to find ways of getting by 'with generalized skills produced outside the organization, or have to invest in education (including especially the cost of inefficiency until people learn their roles)' (1965 p.148);
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> (b) Determining how roles and social routines are developed in order to achieve the performance required. Working through the practical task of defining roles and ways of working, including communication, 'have high costs in time, worry, conflict, and temporary inefficiency' (ibid);
>
> (c) New organisations rely on inter-personal relations to a significant degree, meaning that these organisations rely on inter-personal relations among strangers where trust might not yet be firmly established. In practice, this 'means that relations of trust are

much more precarious in new than old organizations' (ibid, p.149), trusting that someone will keep their word and act as they have promised;

(d) Users of the organisation's services, for example customers, are unfamiliar with the organisation, its staff, its characteristics and its processes. For new organisations, and new organisational forms, routines and social ties are not yet established with external stakeholders and this could represent hurdles for users to engage with the organisation.

These four facets of the liability of newness provide us with a valuable way of thinking about the different management challenges and tensions that emerge from the social relations involved in new organisations and new organisational forms. We argue that they provide valuable insights into particular contexts of entrepreneurship and change.

The challenges in mitigating the liability of newness can affect new organisations, to a greater or lesser degree. In a new venture that is also a new organisational form, these problems are likely to be especially significant because organisations might not have industry norms or relevant experiences that can serve as 'template' solutions to such problems. Until the problems facing this type of organisation have become familiar, and routine solutions have been developed, the organisation must 'muddle through' as it finds ways to cope.

An entrepreneur starting a new coffee shop will face decisions about how it is going to operate and what that means for managing the organisation. They will need to address the tasks that need to be completed and how different roles will fit together, while staff will take time to establish their working relationships. The owner and the staff will need to decide how they want to deliver the service to customers and work with other external stakeholders. However, while the challenges that can lead to the liability of newness will cause headaches and require some learning-by-doing, there are templates that exist for how a coffee shop operates. Employees are likely to have experience working in similar organisations and customers are able to evaluate the products and services they are offered. More formally, the fact that a business format can be sold as a franchise arrangement suggests that answers have been found to the challenges of running a coffee shop. Although the challenges might be new to the specific venture and team, success depends on making a conventional structure work.

Contrast the coffee shop example with a new venture founded in an emerging industry where it might be the first of its kind. Here, we are thinking especially about those ventures that are at the cutting edge of innovation, but other examples will also exist (it may be possible to hypothesise a radically new form of coffee shop for example). In such organisations, the liability of newness is experienced not only in terms of the particular challenges associated with a new venture but also in terms of organisational practices. There are no ready templates to implement in solving the problems encountered and the team members' prior experiences in other organisations could be ill-suited to the present challenges. Adopting solutions that have been devised to solve different problems in other forms of organisation can be harmful (Stinchcombe 2001). Of course, there is no guarantee that new organisations will make it through such challenges or that the new organisational forms that are developed will be adopted more widely to replace existing alternatives.

Since Stinchcombe set out these ideas, they have been unpacked, empirically investigated, debated and in some cases extended. Before beginning to explore the importance of the liability of newness to entrepreneurship and change, we provide a brief historical overview of several key themes in this subsequent work.

Studying the liability of newness

The liability of newness has been empirically investigated in different ways and settings; conceptually it has been expanded to address a broader set of phenomena. This has included discussions of a 'liability of smallness' (Aldrich and Auster 1986; Coad 2018) and a 'liability of volatility' (Lundmark et al. 2020). In this section, we provide a very brief historical overview of the liability of newness concept in the fields of Organisational Ecology and Entrepreneurship.

Scholars developing the field of Organisational Ecology placed an emphasis on liability in terms of venture mortality. Mortality might occur in different ways, such as dissolution or being absorbed through merger, and might differ between organisational populations. Freeman et al. (1983) studied populations of labour unions, semiconductor manufacturers and newspaper companies, finding evidence that among these distinct populations of organisations, 'there is indeed a liability of newness - death rates at early ages are much higher than those at later years' (p.706).

However, Aldrich and Yang (2012) argue that, because researchers generally study organisations found in business registers, Stinchcombe's ideas have received limited direct testing. By the time businesses are registered, they will have typically overcome the liability of newness or are at least more established ventures than those Stinchcombe had in mind, an observation confirmed by Soto-Simeone et al. (2020). As a consequence of researchers' reliance on datasets of relatively established firms, Aldrich and Yang call for greater attention to be paid to emerging firms (see also O'Toole and Ciuchta 2020).

Other scholars have raised questions around how long a period of 'newness' lasts, leading some to propose a 'liability of adolescence' (Bruderl and Schussler 1990; Fichman and Levinthal 1991). Rather than focusing on the initial period of organisational founding as representing one of high mortality, the liability of adolescence thesis holds that mortality rates increase once 'initial resource endowments of a firm' are spent (Bruderl and Schussler 1990, p.530). A new organisation, it is argued, benefits from the resources gathered ahead of the organisation's founding. These resources can be financial ones but also include the goodwill and commitment that exist at the start of a new venture (Fichman and Levinthal 1991), the so-called ‘assets of newness’ (Choi and Shepherd 2005).

The initial resources held by a new venture can be understood as providing an initial ‘buffer’ or ‘honeymoon period.’ The resource endowments that support this buffer allow the organisation to function and, depending on how well-resourced the organisation initially is, this may provide opportunities to work through the challenges of overcoming the liability of newness. However, certain of the intangible resources, such as goodwill and commitment, not to mention the effort required to found a new venture, can be expended in meeting the demands of establishing the organisation or, for example, where it faces short-term revenue volatility (Lundmark et al. 2020). The buffering or honeymoon period may therefore buy time but may ultimately only delay the liability of newness.

What we are focused on in this chapter is understanding the nature of the challenges that emerge in connection with the liability of newness and how they are addressed, at whatever point in an organisation’s timeline they occur. What is interesting in the liability of adolescence findings for our focus on entrepreneurship and change is how the opportunity provided by ‘buffering’ of initial resources is utilised to address liability. We want to understand the challenges involved in the liability of newness not in aggregate, at the level of business populations, but in terms of the processes at a firm-level.

New organisations or small organisations?

As studies adopting the liability of newness expanded, Aldrich and Auster (1986) distinguished the liability of smallness as a related but distinct concept. Although most new organisations are small, the challenges associated with newness are presented as distinct from those of smallness. The liability of smallness relates to problems associated with accessing and holding resources. The examples provided by Aldrich and Auster (1986) include those of raising capital, coping with government and regulatory requirements and competing for labour with larger organisations (see also Coad 2018).

Freeman et al. (1983) have argued that the concepts should be understood as co-existing rather than dichotomous. Since new organisations are often small, these ventures will commonly be exposed to the demands of their external environment. Those organisations with higher initial resource endowments can utilise these assets to act as a buffer against challenges and might experience later and less severe levels of risk in terms of mortality (Bruderl and Schussler 1990). Conversely, new organisations without resource munificence could be subject to environmental changes that they have little buffer against. New and small organisations might be forced into continually adapting in the face of environmental turbulence, limiting their capacity to age and establish ways of working that permit efficiencies to be developed through routines (Starbuck 1965). The liability of smallness can therefore be understood as extending, or otherwise compounding, the liability of newness (Aldrich and Auster 1986).

What is important in terms of firm size, especially for our firm-level approach, is to understand the particular characteristics that tend to characterise smaller businesses. This is important for understanding firms' internal dynamics and their relationship with the external social structure. Drawing on Wapshott and Mallett (2021; see also Wapshott and Mallett, 2015), we can summarise these common tendencies or characteristics in the following terms:

> *Takers not makers of the external environment*: business founders can exercise choice over the sector and location of their venture (see Child 1972). However, once in an environment, small players are likely to find themselves with limited capacity to bend that environment to their will (Rainnie 1989).

Owner-manager prerogative: notwithstanding these external constraints on the organisation, internally the owner-manager can typically exert significant influence over operations (Moule 1998; Ram and Edwards 2003).

Close spatial and social proximity: arises where employee numbers are small and staff can be co-located. With colleagues working side-by-side, it might be easier for tasks to be shared and for performance to be observed. Along with close spatial proximity come degrees of social proximity, although such interactions are not necessarily familial or friendly (Ram 1999).

Informal and ad hoc: approaches to internal operations tend to characterise small firms (Ram et al. 2001). This provides the flexibility required for responding to environmental turbulence or owner-manager decisions.

Low task specialisation: arises from the basic fact of tasks requiring completion. Rather than have one person dedicated to specific roles in the enterprise, each person might 'wear different hats' so the bookkeeper is also responsible for health and safety as well as dealing with human resources queries and acting as general office manager.

Resource poverty: can often refer to keenly-felt financial constraints on small enterprises, but it can also be thought of more widely in terms of things like time, technical knowledge or other resources needed to take the venture in the direction desired (Cassell et al. 2002; Welsh and White 1981).

In considering these characteristics in relation to the specific management challenges Stinchcombe identified in his discussion of the liability of newness, we are interested in how small organisations may then become vulnerable to the liability of newness in other ways, beyond the founding of the business.

Newness or novelty?

In placing an emphasis on the firm-level analysis of the liability of newness, our aim is to foreground for examination the management challenges faced internal to the organisation, while acknowledging the wider social structure that shapes these challenges and the responses to them. We interpret each facet of the liability of newness as a management challenge, or as a question posed to business leaders. In this way, the four facets of Stinchcombe's liability of newness outlined above can be expressed as follows:

a) How can we work out the roles required for the organisation to operate?
b) How can we develop the roles and social routines to achieve the performance required?
c) How can we consolidate inter-personal relations among our team members where trust is not yet firmly established?
d) How can we build familiarity with our customers and other external stakeholders?

We therefore frame the liability of newness as a set of problems rooted in social relations and the social structure that need to be addressed in the process of forming and running a new organisation or new organisational form. If we focus on these management challenges, it is apparent that beyond newness per se, which might be confused with the age of the organisation, it is the *novelty* encountered that drives these challenges and that this might therefore recur beyond the creation of a firm. For example, novel tasks, roles or relationships may create challenges as an organisation enters new markets, begins new operations or develops new ways of doing business (see also Shepherd et al. 2000). We argue that it becomes useful to frame these novel challenges as giving rise to a liability through doing new things, not necessarily simply by being a new firm. In these circumstances, the four problems or management challenges posed above are likely to persist beyond start-up.

PERSISTING AND REOCCURRING LIABILITY OF NEWNESS: UNDERSTANDING CRISES

Reframing the liability of newness as concerned primarily with novelty has important implications for our understanding of entrepreneurship and change. In taking this view, we follow Hannan and Freeman (1984) who reason that, where degrees of change are so fundamental as to reorganise work groups, work patterns and working relationships, such 'reorganization sets the "liability of newness" clock back towards zero' (Hannan and Freeman 1984, p.159). The challenges associated with liability of newness can therefore affect not only organisations that are young, in terms of years since founding, but also those organisations responding to pressures for change. It is here that reframing the challenges as related to novelty as well as newness is useful.

The need for change can amount to organisational 'crises' (Child and Kieser 1981, p.48) that fundamentally alter an organisation and the ways in which it operates. Child and Kieser's perspective on crises recognises mortality as just one outcome from such situations:

> The mortality of an organization represents its final insuperable crisis, but many more crises may have preceded this point in its development. To some extent, a crisis successfully overcome may represent a rebirth, in the sense that changes initiated are sufficiently radical for a new identity to emerge.

This conceptualisation of a 'rebirth' captures a clear sense of setting the clock back towards zero, where an existing firm encounters the liability of newness as it faces novel challenges. From this, we can develop the concept further by considering how the liability of newness extends beyond questions of mortality and can embrace consideration of the management challenges arising through novelty. In the second half of this chapter we will argue that, considered in this way, the liability of newness can be *persistent* and *reoccurring*.

A *persistent* liability of newness arises where an organisation, from inception or since the previous crisis, does not successfully establish routines. That is, the management challenges associated with the liability of newness are not overcome. The means of addressing novel tasks or working relationships do not become routine and so frustrate the development of operational efficiencies. For example, the organisation could experience high levels of staff turnover that hinder the development of inter-personal relationships and a clear understanding of who does what.

By contrast, a *reoccurring* liability of newness arises when the organisation faces up to a new crisis and the resulting reorganisation is sufficiently significant that it 'robs an organization's history of survival value' (Hannan and Freeman 1984, p.160). The organisation members find themselves facing novel situations that re-expose them to the liability of newness. The routines that have developed and the trust and organisational efficiency that have been established are no longer fit for purpose. For example, we might see this where a disruptive new technology or change in regulations transforms the way an industry is structured and how business is conducted.

To explore in more detail how the liability of newness can be potentially persistent and reoccurring for small enterprises, we can return to Stinchcombe's focus on 'the relation of the society outside organizations to the internal life of organizations' (1965, p.142) and Wapshott and Mallett's (2021) identification of characteristics common to many small firms. Below, we explore these ideas in relation to the role played by turbulent external environments, managers' ability to respond to challenges posed and other organisation members' responses to situations characterised by the liability of newness.

Turbulent environments

As set out by Wapshott and Mallett (2021), small enterprises can be considered as takers, not makers, of their external environment. They tend not to have the ability to significantly influence the demands placed upon them. Moreover, with limited resources ('resource poverty') small organisations might lack opportunities to fully assess how changes in the environment will impact the organisation or to plan a response. Instead, small organisations will often need to address environmental changes in ad hoc, reactive ways that can suddenly and significantly alter the ways in which the business operates.

Ongoing challenges as a result of turbulent environments are likely to be further compounded by resource poverty. In the first instance, turbulent environments demanding change might hamper the ability of the organisation to establish and build upon processes that allow it to meet requirements through routinised operations. Pressures to continually adapt can hinder the effective management of the tasks the organisation needs to undertake and how roles can be coordinated to achieve these tasks. Secondly, such reorganisation may require additional resources that the organisation lacks, or which have been depleted in the face of ongoing changes (something we expand upon below).

Consider how a small clothing manufacture business would be disrupted by strict social lockdown requirements under Covid-19. Typically, a traditional factory or workshop environment could operate with close spatial and social proximity in terms of how work was monitored and relationships were formed. How can this operate if tasks are to be completed by staff working from home? Shifting the organisation model to one more akin to outworkers can allow the organisation to keep operating but management cannot proceed on the basis of close spatial proximity. Those established ways of working and managing are forced to change as 'business as usual' no longer applies and the organisation has effectively returned towards 'zero' and, as a result, faces significant novelty.

In this way, where organisations experience environmental turbulence as a crisis, they may be subject to the types of management challenges associated with the liability of newness. The liability may be persistent if the crisis is extended in duration, or reoccurring if it arises after a period of relative stability in the organisation. These crises, as experienced in the organisation, need not be isolated events. In Australia, the Covid-19 pandemic followed traumatic bush fires, while in the UK uncertainties around the post-Brexit business environment were compounded by the impacts of Covid-19.

Management skill

Deficiencies in management skill have been associated with rates of business mortality. Thornhill and Amit (2003, p.500) argue that it takes time for managers to learn about the organisation and to be able to mitigate the liability of newness: 'Young firms will be more prone to failure as a function of general management because time is required to develop the necessary firm-specific knowledge, skills, and abilities.' A difficulty arising in the context of small firms is that there might be limited opportunity to develop this firm-specific learning as the organisation is under pressure to respond to the demands placed upon it. This is also the case in both persistent and reoccurring instances of the liability of newness where significant management skills are likely to be required to coordinate tasks and employee activities, to help build trust and new relationships.

We can see this clearly if we return to the example of our hypothetical factory or workshop impacted by the Covid-19 pandemic. The scope for owner-manager prerogative, commonly associated with small firms (Wapshott and Mallett, 2021), reflects their control of the strategic direction of the firm. It often also means that they are responsible for many of the management tasks and decisions that need to be made. The management challenges associated with the transition to working online, with no relevant experience or expertise among the staff, may include but would certainly not be limited to the need to develop new means of working and collaborating, a possible breakdown of trust within the firm and the need to engage with and perhaps to reassure external stakeholders.

Understood in this light, where crisis or crises might degrade the value of routines established and experiences acquired to-date, criticism of management skill in small firms might be unfair. It can take substantial time and resources to reorganise structures, people's roles and how they work together and to develop new relationships inside and external to the firm. The day-to-day experience for many entrepreneurs leading small firms with limited resources is simply a lack of time and support, for instance in the form of templates of organising that can be adopted. Subject to requirements for fast responses to pressure for significant change, which also limit the value of existing knowledge and practices, owner-managers of small firms in highly competitive environments often do well to keep the organisation running at all.

Resource Commitment

Against a backdrop of environmental turbulence and with managers seemingly unable to bring stability to the organisation, organisation members can be tentative in their willingness to commit organisation-specific resources. Not only may there be a lack of trust invested in social relations but also feelings of stress and anxiety around the uncertainty of change and newness. This can discourage personal commitment of resources, for example not wanting to tailor one's skills and development to the needs of a business that may soon cease to exist (Choi and Shepherd 2005; Hannan and Freeman 1984). Yang et al. (2020, p.2) identify that 'early-stage team members are reluctant to provide resources tailored to the business, even though such resources are critical to venture survival.' This can be a particular issue given the low task specificity that is common to work in many small firms (Wapshott and Mallett 2021).

This means that organisations have to address the challenges they face 'with generalized skills produced outside the organization, or have to invest in education (including especially the cost of inefficiency until people learn their roles)' (Stinchcombe 1965, p.148). This might be less of a problem where there are established roles and forms of organising. For example, where the organisation is operating in a traditional industry or from an established organisational model the generic skills and ways of working that are available are more likely to be appropriate. However, it will be a significant challenge if the firm is operating, for example, in an innovative industry at the leading edge. Here, traditional ways of working may not be appropriate to the new product or service or the new organisational form.

Where a persistent liability of newness occurs, those organisation members who are uncertain of the organisation's viability may continue to have little incentive to invest in organisation-specific skills. This is especially the case for those skills that are perceived to have limited value externally. For example, where the organisation is using an innovative process or technology that is not in operation elsewhere, members might hold something back, causing the organisation to continue to rely on generalist skills. However understandable the organisation members' reluctance to commit may be, this might reinforce the problems and result in the liability of newness persisting further. Without organisation members' commitment to establishing routines particular to that organisation, efforts to coordinate activities and to establish trust around agreed processes will be hard to come by.

The problems for organisations facing a persistent liability of newness might differ from those facing a reoccurring liability of newness. Once members have started to commit organisation-specific resources, even where liability of newness reoccurs, these commitments can serve as an incentive to invest further in order to see the organisation's continuation (Fichman and Levinthal, 1991). Having already established a stake in the organisation, members of organisations facing a reoccurrence of liability of newness might be willing to adapt in an effort to retain their jobs in the reorganised venture. Particularly for small enterprises, as characterised by Wapshott and Mallett (2021), the liability of newness does not necessarily go away, but rather it might persist, and, even if it is overcome at some stage, enterprises' exposure to the social structure leaves them potentially vulnerable to its reoccurrence.

Conclusion

This chapter has set out a firm-level approach to considering the management challenges associated with the liability of newness. Managers, and others in the organisation, need to address what roles are required for the organisation to operate, how those roles and the associated social routines will be developed, how trusting inter-personal relations will be established and how familiarity will be built between the organisation and its external stakeholders. Further, we have focused attention on persistent and reoccurring instances of the liability of newness that, from a firm-level perspective, extends the relevance of this approach beyond new ventures to challenges associated with the novelty inherent in entrepreneurship and periods of significant change.

The analysis in this chapter also highlights the importance of a clear understanding of common characteristics of small firms to understanding entrepreneurship and change (Wapshott and Mallett, 2021). Characteristics including how small organisations relate to their environments, tightly constrained resources to buffer against turbulence and informal and ad hoc working practices, can have a bearing on how the liability of newness is experienced and the means to mitigate this liability. This is, of course, not to suggest that all small firms are the same but rather that an 'ideal type' of small firm that highlights key factors they tend to exhibit provides a valuable starting point for considering the types of issue raised in this chapter.

Finally, our analysis of entrepreneurship and change, developed from the classic work of Arthur L. Stinchcombe, emphasises the value of a sociology of entrepreneurship attentive to social relations and social structure. An analysis of social relations helps us to identify the key challenges that emerge in response to novelty, in terms of how people work together, how trust develops and how relationships are built within and external to the organisation. It is important to understand, in turn, how these social relations are shaped by (and at times shape) the social structure. This sociology of entrepreneurship and the relationships between social relations and social structure for entrepreneurial firms suggests an important agenda for future research.

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